

**PT BANK MANDIRI (PERSERO) TBK.
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022 AND 2021

**BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022
PT BANK MANDIRI (PERSERO) Tbk. AND SUBSIDIARIES**

PT Bank Mandiri (Persero) Tbk.
Plaza Mandiri
Jl. Jend. Gatot Subroto Kav. 36-38
Jakarta 12190, Indonesia
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We, the undersigned:

1. Name : Darmawan Junaidi
Office address : Jl. Jend. Gatot Subroto Kav. 36-38
Jakarta 12190
Residential address as stated in ID : Jl. Mini III RT 003/ RW 003
Kelurahan Bambu Apus, Kecamatan Cipayung,
Kotamadya Jakarta Timur
Phone number : 021 – 5245577
Title : President Director
2. Name : Sigit Prastowo
Office address : Jl. Jend. Gatot Subroto Kav. 36-38
Jakarta 12190
Residential address as stated in ID : Jl. Baitis Salmah I No. 16A RT 002/RW 007
Kelurahan Sawah Baru, Kecamatan Ciputat,
Kotamadya Tangerang Selatan
Phone number : 021 – 5245600
Title : Director

in the above positions acted as and on behalf of the Board of Directors of PT Bank Mandiri (Persero) Tbk. declare that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of PT Bank Mandiri (Persero) Tbk. ("Bank") and Subsidiaries;
2. The consolidated financial statements of the Bank and Subsidiaries have been prepared and presented in accordance with Indonesian Financial Accounting Standard;
3. a. All information in the consolidated financial statements of the Bank and Subsidiaries have been disclosed in a complete and truthful manner;
b. The consolidated financial statements of the Bank and Subsidiaries do not contain any incorrect information or material facts, nor do they omit information or material fact;
4. We are responsible for the Bank and Subsidiaries' internal control system.

Thus this statement is made truthfully.

Jakarta, January 31, 2023

President Director

Director


Darmawan Junaidi


Sigit Prastowo





**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF**

PT BANK MANDIRI (PERSERO) Tbk

Opinion

We have audited the consolidated financial statements of PT Bank Mandiri (Persero) Tbk and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements paragraph of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit are outlined as follows.

| No. | Key Audit Matters | How our audit addressed the Key Audit Matters |
|-----|---|---|
| 1. | Allowance for impairment losses on loans and sharia receivables/financing See Note 2.c.h (Summary of Accounting Policies - Allowance for Impairment Losses of Financial Assets) and Note 12 (Loans and Sharia Receivable/Financing) to the consolidated financial statements. | |

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| No. | Key Audit Matters | How our audit addressed the Key Audit Matters |
|-----|---|--|
| | <p>As of 31 December 2022, the allowance for impairment losses on loans and sharia receivables/financing of Rp 64,612,645 million is recognised in the consolidated statement of financial position.</p> <p>We focus on this area because the balance of allowance for impairment losses on loans and sharia receivables/financing represents 96% of the total allowance for impairment losses for all financial assets owned by the Group, which is significant to the consolidated financial statements. To determine allowance for impairment losses, the Group adopts a complex model that uses a number of parameters, relies on internal and external data inputs, involves subjective management judgements and uses estimates with a high degree of uncertainty.</p> <p>Loans Allowance for impairment losses for loans is determined based on SFAS 71 – Financial Instruments (“SFAS 71”).</p> <p>The Group calculates allowance for impairment losses for both non-impaired and impaired loans to customers. For non-impaired loans and for impaired loans which are not considered individually significant, the Group calculates allowance for impairment losses collectively using a risk parameter model that incorporates key parameters, including Probability of Default (“PD”), Loss Given Default (“LGD”), and Exposure At Default (“EAD”), after considering forward-looking information and other external data. For loans that are considered individually significant, the Group calculates the allowance for impairment losses on an individual basis by estimating the expected cash flows to be obtained from the loans.</p> <p>The measurement of allowance for impairment losses involves significant management judgement and assumptions, which include:</p> | <p>Loans We evaluated and tested the design and operating effectiveness of the internal controls, including:</p> <ul style="list-style-type: none"> • On a sample basis, testing the relevant controls over the determination of credit internal rating; • Testing the information technology (IT) general controls over the allowance for impairment losses calculation system as well as IT application controls over the completeness and accuracy of the data flow from the origin system to the allowance for impairment losses system. <p>We performed substantive testing, which primarily consisted of:</p> <ul style="list-style-type: none"> • Examining and testing the methodology and significant modeling assumptions used in the allowance for impairment losses model, including the determination of the PD, LGD, and EAD, which are applied to the requirements of SFAS 71, which involved (i) evaluation of the model and methodology used in the quantitative calculation; and (ii) evaluation of the historical data and macroeconomic forecasts used by comparing them with publicly available information on macroeconomic prospects; |



| No. | Key Audit Matters | How our audit addressed the Key Audit Matters |
|-----|--|---|
| | <ul style="list-style-type: none"> ● Segmentation of the portfolio sharing similar credit risk characteristics, selection of appropriate models and determination of relevant key parameters; ● Determination of whether or not there is a significant increase in credit risk, default, or credit-impaired; ● Economic indicators for forward looking measurement, and the application of economic scenarios and weightings; ● Estimation of future cash flow for loans measured at amortised cost classified into Stage 2 and Stage 3 which are individually assessed for impairment. <p>The Group has established a governance process and internal controls for the measurement of allowance for impairment losses, which include:</p> <ul style="list-style-type: none"> ● Periodic review of the forward-looking information used in the allowance for impairment losses models; and ● Periodic review of the allowance for impairment losses model, including sufficiency of the allowance for impairment losses and whether any post model adjustments are required. <p>Sharia receivables/financing The allowance for impairment losses for <i>murabahah</i> receivables is determined based on SFAS 102 – <i>Murabahah</i> Accounting (“SFAS 102”). Meanwhile, the allowance for impairment losses for non-<i>murabahah</i> receivables, <i>qardh</i> loans, financing, and assets obtained for <i>ijarah</i> – net, is determined based on the applicable SFAS and the Group’s accounting policies in Note 2.c.h (Summary of Accounting Policies - Allowance for Impairment Losses of Financial Assets), to the consolidated financial statements.</p> | <ul style="list-style-type: none"> ● Examining the main inputs to the allowance for impairment losses model, on a sample basis, including historical data and data at the measurement date, to assess their accuracy and completeness; ● Examining, on a sample basis, the accuracy of management’s identification of loans that experience a significant increase in credit and default risk by considering the debtor’s financial and non-financial information, relevant external evidence, and other factors; ● Comparing, on a sample basis, data/information used in the allowance for impairment losses calculation engine, with the data recorded in the Group’s core banking system at the reporting date; ● On a sample basis, performing mathematical re-calculation of the allowance for impairment losses calculation; ● Examining, on a sample basis, loans classified as Stage 2 and Stage 3 (loans where allowance for impairment losses are calculated individually). For these samples, we assessed the adequacy of allowance for impairment losses by testing the assumptions used by management, the amount and timing of estimates of future cash flows prepared by management based on the debtor’s and/or guarantor’s financial information, the latest collateral valuation and other available information used in calculation of allowance for impairment losses on loans granted; ● By involving IT specialists, we tested the accuracy of the number of days past due from the credit due date and assessed the credit collectibility based on the number of days past due. <p>Sharia receivables/financing We evaluated and tested the design and operating effectiveness of internal controls related to the measurement of impairment losses for sharia receivables/financing, which included obtaining an understanding of, and testing, relevant controls relating to the identification of receivables, <i>qardh</i> loans, financing, and assets acquired for <i>ijarah</i> - net that have experienced a significant increase in credit risk or show objective evidence of impairment.</p> <p>We performed substantive tests which primarily consisted of:</p> |

| No. | Key Audit Matters | How our audit addressed the Key Audit Matters |
|-----|---|--|
| | <p>The Group calculates allowance for impairment losses for receivables, <i>qardh</i> loans, financing, and assets obtained for <i>ijarah</i> of performing and non-performing loans. For receivables, <i>qardh</i> loans, financing, and assets obtained for <i>ijarah</i> of non-performing which are not considered significant individually and performing receivables, the Group calculates the allowance for impairment losses collectively using a risk parameter model using the main parameters, namely the PD, LGD, and Days Past Due ("DPD"). For <i>murabahah</i> receivables, the main parameters used are PD and LGD, while for <i>non-murabahah</i> receivables, <i>qardh</i> loans, financing, and assets acquired for <i>ijarah</i>, the main parameter used is DPD. For non-performing receivables, <i>qardh</i> loans, financing and assets obtained for <i>ijarah</i>, which are individually significant, the Group calculates the allowance for impairment losses individually by estimating the expected cash flows from receivables, <i>qardh</i> loans, financing and assets acquired for <i>ijarah</i>.</p> <p>Subjective management considerations in determining the allowance for impairment losses on sharia receivables/financing include:</p> <ul style="list-style-type: none"> • Develop appropriate collective valuation models to calculate allowance for impairment losses. The developed model is inherently complex and involves management's judgement in developing the model; • Identify receivables, <i>qardh</i> loans, financing, and assets acquired for <i>ijarah</i> - net that have experienced a significant increase in credit risk; and • Assumptions used in the allowance for impairment losses model such as projected future expected cash flows given the economic uncertainty that has arisen as a result of COVID-19. | <ul style="list-style-type: none"> • Examining, on a sample basis, the accuracy of the identification of significant increases in credit risk and objective evidence of impairment on receivables, <i>qardh</i> loans, financing and assets acquired for <i>ijarah</i> – net, against debtors identified by the Group as having increased credit risk and have been restructured, debtors in risky industries affected by COVID-19, and compare the results with management's assessment; • Examining, on a sample basis, of the adequacy of individual allowance for impairment losses for sharia credit receivables/financing that had been impaired. For these samples, we assessed the adequacy of allowance for impairment losses by testing the amount and period of estimated future cash flows prepared by management, assessed the reasonableness of assumptions and estimates by comparing the repayment schedule and effective rate of return used in calculating allowance for impairment losses with information stated in the receivables agreement, <i>qardh</i> loans, financing, and assets acquired for <i>ijarah</i>; • Assessing the methodology and significant modeling assumptions used in the allowance for impairment losses model, including the determination of PD and LGD, which are applied as requirements of SFAS No. 102, which involves (i) evaluating the models and methodologies used in quantitative calculations; and (ii) test the completeness and accuracy of the data used as the basis for determining PD and LGD levels, by involving our Information Technology ("IT") specialists; • With the involvement of our IT specialists, we recalculated the collective allowance for impairment losses for sharia receivables/financing; • By involving our IT specialists, we tested the accuracy of number of days past due from the credit due date and assessed the credit collectibility based on the number of days past due; and • Testing completeness and accuracy of the data for receivables, <i>qardh</i> loans, financing, and assets acquired for <i>ijarah</i> of the data used to calculate the allowance for impairment losses. <p>Based on the procedures performed, we found that the allowance for impairment losses on loans and sharia receivables financing were supportable based on the available evidence.</p> |

| No. | Key Audit Matters | How our audit addressed the Key Audit Matters |
|-----|---|--|
| 2 | <p>Operation and controls of financial reporting Information Technology (IT) system</p> <p>The Group is heavily reliant on its IT infrastructure, systems and controls for its daily operations and financial reporting processes. The IT environment of the Group is considered to be complex due to the number and complexity of the key financial reporting systems and interfaces between systems. Therefore, we consider the operation of the Group's information technology controls to be a key audit matter.</p> | <p>We obtained an understanding of the IT systems and controls that support the financial reporting process. We assessed the effectiveness of the design, implementation and operation of the associated key controls, including:</p> <ol style="list-style-type: none"> 1. Change management controls: The processes and controls used to develop, test and authorise changes to the functionality and configurations within systems; 2. Access security controls: The access controls designed to enforce segregation of duties, govern the use of high privileged accounts or the authorisation process to change the data; and 3. IT operation related controls: The controls over operations are used to manage the financial risks appropriately that could arise from any IT operation issues. <p>We tested key IT dependent controls supporting the financial reporting process, such as automated system calculations, transaction processing, generation of reports and data interfaces between systems. Our testing included the inspection of the relevant system configurations and supplemented with the testing of the system outputs on a sample basis.</p> <p>Based on the procedures performed, we were able to rely upon the IT systems that supported the financial reporting process, that we considered relevant for our audit.</p> |
| 3 | <p>Valuation of liabilities to policyholders</p> <p>See Note 2.z (Summary of Accounting Policies – Insurance Contracts) and Note 35 (Other Liabilities) to the consolidated financial statements.</p> <p>As of 31 December 2022, the liability to policyholders (future policy benefits from non-unit-linked products and estimated claim liability) of Rp 5,171,186 million is recognised in the consolidated statement of financial position. The liabilities for future claim</p> | <p>We understood and evaluated the valuation of liabilities to policyholders, in which we involved our actuarial specialists and the performance of substantive testing, which included:</p> <ul style="list-style-type: none"> • Examining and testing the methodology and assumptions used to determine the technical reserves, including the consistency of application in calculations, such as interest rates, assumption of morbidity and mortality, lapse rate and cost allocation; |



| No. | Key Audit Matters | How our audit addressed the Key Audit Matters |
|-----|---|---|
| | <p>settlements and life insurance involves complex and subjective assessment of future events, both internal and external to the business, where a small change in assumptions could have a material impact on the assessment of these liabilities. There is also uncertainty arising from COVID-19 and its impact on various actuarial assumptions.</p> <p>The assumptions used to calculate the policyholder's future liability reserves and the claim liabilities are determined based on the estimates on mortality rates, morbidity, lapse, costs, and inflation rates. These are determined based on the Group's actual experience and its experience study. For some new products, the assumptions used are based on those developed during product pricing. The Group also applies margin assumptions to the risk of deterioration.</p> | <ul style="list-style-type: none"> ● Performing mathematical re-calculation, on a sample basis, of the Gross Premium Reserve ("GPV") for traditional long-term portfolios and Risk Reserves for unit-linked portfolios as of 31 December 2022 based on SFAS; ● Performing mathematical re-calculation, on a sample basis, of reinsurance asset balances recorded as of 31 December 2022 based on SFAS; ● Performing mathematical re-calculation, on a sample basis, of the gross and net adequacy of IBNR reserves and the IBNR methodology used as of 31 December 2022 based on SFAS; ● Performing mathematical re-calculation of the liability adequacy testing ("LAT") for traditional portfolios based on SFAS and assessing the adequacy of technical reserves as of 31 December 2022; and ● Checking the completeness and accuracy of the data used to calculate the technical reserve balance by reconciling the actuarial reports, general ledger and sub-ledgers as of 31 December 2022. <p>Based on the procedures performed, we found that the valuation of liabilities to policyholders was supportable based on the available evidence.</p> |

Other Information

Management is responsible for the other information. The other information comprises the audit opinion included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants.



Responsibilities of Management and Those Charged with Governance for The Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for The Audit of The Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

JAKARTA,
31 January 2023

A handwritten signature in blue ink, appearing to read 'Lucy', is written over a light blue horizontal line.

Lucy Luciana Suhenda, S.E., Ak., CPA
License of Public Accountant No. AP. 0229



Bank Mandiri (Persero) Tbk
00023/2.1025/AU.1/07/0229-2/1/1/2023

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022 AND 2021**

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These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|---|------------------|-------------|-------------|
| ASSETS | | | |
| Cash | 2c,2g,63.B.(vii) | 27,212,759 | 23,948,485 |
| Current accounts with Bank Indonesia | 2c,2g,2h,4 | 107,349,158 | 99,023,492 |
| Current accounts with other banks | 2c,2f,2g,2h,5 | | |
| Related parties | 57 | 110,733 | 256,308 |
| Third parties | | 47,699,252 | 25,185,353 |
| | | 47,809,985 | 25,441,661 |
| Less: allowance for impairment losses | | (20,285) | (24,043) |
| Net | | 47,789,700 | 25,417,618 |
| Placements with Bank Indonesia and other banks | 2c,2f,2i,6 | | |
| Related parties | 57 | 3,080,128 | 2,381,154 |
| Third parties | | 92,243,984 | 45,404,037 |
| | | 95,324,112 | 47,785,191 |
| Less: allowance for impairment losses | | (3,601) | (1,675) |
| Net | | 95,320,511 | 47,783,516 |
| Marketable securities | 2c,2f,2j,7 | | |
| Related parties | 57 | 27,290,577 | 30,552,825 |
| Third parties | | 55,530,149 | 67,282,450 |
| | | 82,820,726 | 97,835,275 |
| Add: | | | |
| unamortised discounts, unrealised gains/(losses) - net from increase/(decrease) in fair value and allowance for impairment losses | | (20,908) | 268,395 |
| Net | | 82,799,818 | 98,103,670 |
| Government bonds - net | | | |
| Related parties | 2c,2f,2k,8,57 | 329,211,764 | 289,054,774 |
| Other receivables - trade transactions | 2c,2f,2l,9 | | |
| Related parties | 57 | 15,157,619 | 13,067,399 |
| Third parties | | 18,635,645 | 16,230,869 |
| | | 33,793,264 | 29,298,268 |
| Less: allowance for impairment losses | | (1,604,705) | (1,480,721) |
| Net | | 32,188,559 | 27,817,547 |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|---|-------------|---------------|---------------|
| ASSETS (continued) | | | |
| Securities purchased under agreements to resell | 2c,2f,2m,10 | | |
| Related parties | 57 | - | 2,850,956 |
| Third parties | | 11,705,989 | 24,466,044 |
| Total | | 11,705,989 | 27,317,000 |
| Derivative receivables | 2c,2f,2n,11 | | |
| Related parties | 57 | 110,208 | 160,416 |
| Third parties | | 2,141,933 | 1,509,422 |
| Total | | 2,252,141 | 1,669,838 |
| Loans and sharia receivables/ financing | 2c,2f,2o,12 | | |
| Related parties | 57 | 199,385,546 | 186,803,646 |
| Third parties | | 973,214,336 | 839,421,181 |
| | | 1,172,599,882 | 1,026,224,827 |
| Less: allowance for impairment losses | | (64,612,645) | (68,588,680) |
| Net | | 1,107,987,237 | 957,636,147 |
| Consumer financing receivables | 2c,2f,2p,13 | | |
| Related parties | 57 | 7,846 | 7,287 |
| Third parties | | 23,749,881 | 19,101,035 |
| | | 23,757,727 | 19,108,322 |
| Less: allowance for impairment losses | | (610,361) | (475,015) |
| Net | | 23,147,366 | 18,633,307 |
| Net investment finance leases | 2c,2q,14 | | |
| Third parties | | 5,872,560 | 4,823,773 |
| Less: allowance for impairment losses | | (139,173) | (129,967) |
| Net | | 5,733,387 | 4,693,806 |
| Acceptance receivables | 2c,2f,2u,15 | | |
| Related parties | 57 | 1,897,509 | 2,688,460 |
| Third parties | | 9,884,072 | 7,584,984 |
| | | 11,781,581 | 10,273,444 |
| Less: allowance for impairment losses | | (61,963) | (196,693) |
| Net | | 11,719,618 | 10,076,751 |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|---|-----------------|-----------------------------|-----------------------------|
| ASSETS (continued) | | | |
| Investments in shares | 2f,2s,16 | | |
| Related parties | 57 | 1,778,847 | 1,784,229 |
| Third parties | | 978,747 | 662,759 |
| | | <u>2,757,594</u> | <u>2,446,988</u> |
| Less: allowance for impairment losses | | (68,640) | (14,595) |
| Net | | <u>2,688,954</u> | <u>2,432,393</u> |
| Prepaid expenses | 17 | 1,895,503 | 1,470,251 |
| Prepaid taxes | 2ad,33a | 1,164,925 | 2,073,725 |
| Fixed assets | 2r.i,2r.ii,18 | 77,969,898 | 67,503,267 |
| Less: accumulated depreciation | | (21,429,332) | (18,358,475) |
| Net | | <u>56,540,566</u> | <u>49,144,792</u> |
| Intangible assets | 2r.iii,19 | 11,712,040 | 10,634,761 |
| Less: accumulated amortisation | | (6,618,431) | (5,523,002) |
| Net | | <u>5,093,609</u> | <u>5,111,759</u> |
| Other assets | 2c,2t,2v,2af,20 | 30,423,172 | 25,538,392 |
| Less: allowance for other impairment losses | | (1,725,528) | (1,690,929) |
| Net | | <u>28,697,644</u> | <u>23,847,463</u> |
| Deferred tax assets - net | 2ad,33e | 12,045,479 | 10,354,794 |
| TOTAL ASSETS | | <u>1,992,544,687</u> | <u>1,725,611,128</u> |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|--|-------------|---------------|---------------|
| LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY | | | |
| LIABILITIES | | | |
| Obligations due immediately | 2w | 4,056,029 | 5,380,474 |
| Deposits from customers | | | |
| Demand deposits and <i>wadiah</i> demand deposits | 2c,2f,2x,21 | | |
| Related parties | 57 | 157,247,418 | 111,706,274 |
| Third parties | | 361,830,544 | 288,085,037 |
| Total | | 519,077,962 | 399,791,311 |
| Saving deposits and <i>wadiah</i> saving deposits | 2c,2f,2x,22 | | |
| Related parties | 57 | 6,850,898 | 5,491,050 |
| Third parties | | 473,631,868 | 416,823,495 |
| Total | | 480,482,766 | 422,314,545 |
| Time deposits | 2c,2f,2x,23 | | |
| Related parties | 57 | 30,665,985 | 33,467,991 |
| Third parties | | 265,349,216 | 259,704,866 |
| Total | | 296,015,201 | 293,172,857 |
| Total deposits from customers | | 1,295,575,929 | 1,115,278,713 |
| Deposits from other banks | | | |
| Demand deposits, <i>wadiah</i> demand deposits and saving deposits | 2c,2f,2y,24 | | |
| Related parties | 57 | 174,243 | 53,022 |
| Third parties | | 5,560,158 | 5,206,994 |
| Total | | 5,734,401 | 5,260,016 |
| Interbank call money | | | |
| Third parties | 2c,2y,25 | 4,436,101 | 5,009,885 |
| Time deposits | 2c,2y,26 | | |
| Related parties | 57 | 467,025 | - |
| Third parties | | 4,209,882 | 2,530,491 |
| Total | | 4,676,907 | 2,530,491 |
| Total deposits from other banks | | 14,847,409 | 12,800,392 |
| Liabilities to unit-link policyholders | 2z,27 | 29,710,227 | 30,657,570 |

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These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|--|----------------|------------|------------|
| LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued) | | | |
| LIABILITIES (continued) | | | |
| Securities sold under agreements to repurchase Third parties | 2c,2m,28 66 | 24,325,475 | 5,427,998 |
| Derivative payables | 2c,2f,2n,11 | | |
| Related parties | 57 | 86,933 | 9,932 |
| Third parties | | 2,039,836 | 1,008,819 |
| Total | | 2,126,769 | 1,018,751 |
| Acceptance payables | 2c,2f,2u,29 | | |
| Related parties | 57 | 1,750,123 | 883,389 |
| Third parties | | 10,031,458 | 9,390,055 |
| Total | | 11,781,581 | 10,273,444 |
| Debt securities issued | 2c,2f,2aa | | |
| Related parties | 30,57,66 | 5,603,550 | 9,748,000 |
| Third parties | | 40,244,057 | 35,462,053 |
| | | 45,847,607 | 45,210,053 |
| Less: unamortised debt issuance cost | | (73,468) | (71,711) |
| Net | | 45,774,139 | 45,138,342 |
| Estimated losses on commitments and contingencies | 2c,31c | 2,073,429 | 2,295,241 |
| Accrued expenses | 2c,2af,32 | 6,493,794 | 6,526,489 |
| Taxes payable | 2ad,33b | 3,590,522 | 2,862,716 |
| Employee benefit liabilities | 2ai,34,52 | 12,607,759 | 11,205,546 |
| Provision | 64b | 323,365 | 413,876 |
| Other liabilities | 2c,35 | 27,336,753 | 25,276,602 |
| Fund borrowings | 2c,2f,2ab,36 | | |
| Related parties | 57,66 | 2,210,704 | 194,097 |
| Third parties | | 60,629,414 | 51,204,843 |
| Net | | 62,840,118 | 51,398,940 |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|---|-----------|----------------------|----------------------|
| LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued) | | | |
| LIABILITIES (continued) | | | |
| Subordinated loans and marketable securities | 2c,2f,2ac | | |
| Related parties | 37,57,66 | 87,000 | 94,750 |
| Third parties | | 546,564 | 542,856 |
| | | 633,564 | 637,606 |
| Less: unamortised issuance cost | | (231) | (463) |
| Net | | 633,333 | 637,143 |
| TOTAL LIABILITIES | | 1,544,096,631 | 1,326,592,237 |
| TEMPORARY SYIRKAH FUNDS | | | |
| | 2f,2ae,38 | | |
| Deposits from customers | | | |
| Related parties | 57 | | |
| Demand deposits - restricted investment and <i>mudharabah</i> demand deposits - unrestricted investment | 38a.1 | 13,702,232 | 4,100,614 |
| Saving deposits - restricted investment - unrestricted investment - <i>mudharabah</i> | 38a.2a | 86,070 | 292,296 |
| <i>Mudharabah</i> time deposits - unrestricted investment | 38a.3 | 17,857,676 | 6,842,677 |
| | | 31,645,978 | 11,235,587 |
| Third parties | | | |
| Demand deposits - restricted investments and <i>mudharabah musytarakah</i> demand deposits | 38a.1 | 9,020,856 | 9,180,705 |
| Saving deposits - restricted investment and - unrestricted investment - <i>mudharabah</i> | 38a.2a | 72,183,636 | 64,246,070 |
| <i>Mudharabah</i> time deposits - unrestricted investment | 38a.3 | 82,418,193 | 91,235,044 |
| | | 163,622,685 | 164,661,819 |
| Total deposits from customers | | 195,268,663 | 175,897,406 |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|--|------------|--------------------|--------------------|
| LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued) | | | |
| TEMPORARY SYIRKAH FUNDS (continued) | | | |
| Deposits from other banks | | | |
| Third parties | | | |
| <i>Mudharabah</i> demand deposits - unrestricted investment | 38b | 31,880 | 37,308 |
| <i>Mudharabah</i> saving deposits - unrestricted investment | 38b | 627,646 | 564,124 |
| <i>Mudharabah</i> time deposits - unrestricted investment | 38b | 274,412 | 408,771 |
| Total deposits from other banks | | 933,938 | 1,010,203 |
| TOTAL TEMPORARY SYIRKAH FUNDS | | 196,202,601 | 176,907,609 |
| EQUITY | | | |
| Attributable equity to the Parent Entity | | | |
| Share capital - Rp250 (full amount) par value per share as of 31 December 2022 and 2021 | | | |
| Authorised Capital - 1 Dwiwarna Series A share and 63,999,999,999 Series B common shares as of 31 December 2022 and 2021 | | | |
| Issued and fully paid-in capital - 1 Dwiwarna Series A share and 46,666,666,665 Series B common shares as of 31 December 2022 and 2021 | 40a | 11,666,667 | 11,666,667 |
| Additional paid-in capital/agio | 40b | 17,643,264 | 17,643,264 |
| Share capital acquired and repossessed (treasury stock) | 1f,2am,40d | - | (150,895) |
| Differences arising from translation of financial statements in foreign currencies | 2e | (60,427) | (88,985) |

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | <u>Notes</u> | <u>2022</u> | <u>2021</u> |
|--|--------------|----------------------|----------------------|
| LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued) | | | |
| EQUITY (continued) | | | |
| Net unrealised (loss)/gain from (decrease)/increase in fair value of financial assets through other comprehensive income - net of deferred tax | 2j,2k | (2,768,553) | 1,692,145 |
| Effective portion of cash flow hedge | 2n,11 | (3,156) | (370) |
| Net differences in fixed assets revaluation | 2r.i,18 | 34,716,693 | 30,140,345 |
| Net actuarial gain from defined benefit program - net of deferred tax | 2ai,34,52 | 1,510,016 | 1,217,456 |
| Other comprehensive income | | 85,052 | 85,052 |
| Difference in transactions with non controlling parties | 1g | (106,001) | (106,001) |
| Retained earnings (accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi-reorganisation on 30 April 2003) | | | |
| Appropriated | | 5,380,268 | 5,380,268 |
| Unappropriated | | 161,614,963 | 137,207,666 |
| Total retained earnings | | 166,995,231 | 142,587,934 |
| | | 229,678,786 | 204,686,612 |
| Non-controlling interests in net assets of consolidated Subsidiaries | 2d,39 | 22,566,669 | 17,424,670 |
| TOTAL EQUITY | | 252,245,455 | 222,111,282 |
| TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY | | 1,992,544,687 | 1,725,611,128 |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|--|--------------|-------------------|-------------------|
| INCOME AND EXPENSE FROM OPERATIONS | | | |
| Interest income and sharia income | 2f,2af,41,57 | | |
| Interest income | | 95,943,875 | 83,033,945 |
| Sharia income | | 16,438,243 | 14,715,141 |
| Total interest income and sharia income | | 112,382,118 | 97,749,086 |
| Interest expense and sharia expense | 2f,2af,42,57 | | |
| Interest expense | | (20,446,595) | (20,441,507) |
| Sharia expense | | (4,032,169) | (4,245,085) |
| Total interest expense and sharia expense | | (24,478,764) | (24,686,592) |
| NET INTEREST AND SHARIA INCOME | | 87,903,354 | 73,062,494 |
| Premium income | 2ag | 14,380,273 | 14,857,941 |
| Claim expense | 2ag | (11,912,575) | (13,070,008) |
| NET PREMIUM INCOME | | 2,467,698 | 1,787,933 |
| NET INTEREST, SHARIA AND PREMIUM INCOME | | 90,371,052 | 74,850,427 |
| Other operating income | | | |
| Fees and commissions | 2ah,43 | 18,802,148 | 15,408,693 |
| Income from fair value through profit or loss classification - net | 2c,2e,2n,44 | 3,494,409 | 3,937,883 |
| Others | 45 | 11,984,146 | 9,681,444 |
| Total other operating income | | 34,280,703 | 29,028,020 |
| Allowance for impairment losses | 2c,46 | (16,096,382) | (20,428,352) |
| Reversal of allowance for estimated losses commitments and contingencies | 2c,31c | 255,268 | 1,162,993 |
| Provision for other allowances and operational risk losses | 2t,47 | (282,073) | (277,942) |
| Unrealised gain from increase in fair value of policyholders investment in unit-link contracts | 2j,2k,2z,48 | - | 2,824 |

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|---|--------------|-------------------|-------------------|
| INCOME AND EXPENSE FROM OPERATIONS (continued) | | | |
| Gain on sale of marketable securities and government bonds | 2j,2k,49 | 899,579 | 3,242,400 |
| Other operating expenses | 2f,2ai, | | |
| Salaries and employee benefits expenses | 50,52,57 | (24,641,746) | (22,677,112) |
| General and administrative expenses | 2r,51 | (22,102,552) | (19,519,699) |
| Others - net | 53 | (6,515,760) | (6,943,356) |
| Total other operating expenses | | (53,260,058) | (49,140,167) |
| INCOME FROM OPERATION | | 56,168,089 | 38,440,203 |
| Non operating income/(expense) - net | 54 | 209,637 | (81,782) |
| INCOME BEFORE TAX EXPENSE AND NON-CONTROLLING INTEREST | | 56,377,726 | 38,358,421 |
| Tax expense | | | |
| Current | 2ad,33c,33d | (11,897,334) | (9,245,615) |
| Deferred | 2ad,33c,33e | 471,976 | 1,438,291 |
| Total tax expense - net | | (11,425,358) | (7,807,324) |
| NET INCOME FOR THE YEAR | | 44,952,368 | 30,551,097 |

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|---|-------|-------------------|--------------------|
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to profit or loss | | | |
| Gain on fixed asset revaluation | 2r.i | 4,574,057 | 221,737 |
| Actuarial gain from defined benefit program | 2ai | 444,272 | 392,518 |
| Income tax related to items that will not be reclassified to profit or loss | | (89,286) | (78,200) |
| | | 4,929,043 | 536,055 |
| Items that will be reclassified to profit or loss | | | |
| Difference arising from translation of financial statements in foreign currencies | 2e | 36,152 | 28,028 |
| Changes in fair value of financial assets classified as fair value through other comprehensive income | 2j,2k | (5,631,137) | (3,499,000) |
| Effective portion of cash flow hedges | 2n | (7,002) | 37,579 |
| Income tax related to items that will be reclassified to profit or loss | | 1,067,118 | 666,162 |
| | | (4,534,869) | (2,767,231) |
| Other comprehensive income for the year - net of income tax | | 394,174 | (2,231,176) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 45,346,542 | 28,319,921 |
| Net income for the year attributable to: | | | |
| Parent Entity | | 41,170,637 | 28,028,155 |
| Non-controlling interest | 2d | 3,781,731 | 2,522,942 |
| | | 44,952,368 | 30,551,097 |
| Total comprehensive income for the year attributable to: | | | |
| Parent Entity | | 41,604,619 | 25,638,536 |
| Non-controlling interest | 2d | 3,741,923 | 2,681,385 |
| | | 45,346,542 | 28,319,921 |
| EARNINGS PER SHARE | | | |
| Basic (full amount of Rupiah) | 2aj | 882.52 | 601.06 |
| Diluted (full amount of Rupiah) | | 882.52 | 601.06 |

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| Notes | Issued and fully paid-in capital | Additional paid-in capital/agio | Share capital acquired and repossessed (treasury stock) | Difference arising from translation of financial statements in foreign currencies | Net unrealised loss from decrease in fair value through other comprehensive income - net of deferred tax | Effective portion of cash flow hedges | Net difference in fixed assets revaluation | Net actuarial gain from defined benefit program - net of deferred tax assets | Other comprehensive income | Difference in transaction with non-controlling parties | Retained earnings | | | Non-controlling interest in net assets of consolidated Subsidiaries | Total equity |
|---|----------------------------------|---------------------------------|---|---|--|---------------------------------------|--|--|----------------------------|--|-------------------|--------------------|--------------------|---|--------------------|
| | | | | | | | | | | | Appropriated | Unappropriated | Total | | |
| Balance as of 1 January 2022 | 11,666,667 | 17,643,264 | (150,895) | (88,985) | 1,692,145 | (370) | 30,140,345 | 1,217,456 | 85,052 | (106,001) | 5,380,268 | 137,207,666 | 142,587,934 | 17,424,670 | 222,111,282 |
| Dividend payment from 2021 net income | 40c | - | - | - | - | - | - | - | - | - | - | (16,816,893) | (16,816,893) | - | (16,816,893) |
| Release of treasury stock | - | - | 150,895 | - | - | - | - | - | - | - | - | - | - | - | 150,895 |
| Changes from addition of ownership from issuance of Subsidiaries' new shares | - | - | - | - | - | - | - | - | - | - | - | 53,553 | 53,553 | 2,164,564 | 2,218,117 |
| Changes in non-controlling interest arising from distribution of dividends and changes in Subsidiary's equity | - | - | - | - | - | - | - | - | - | - | - | - | - | (764,488) | (764,488) |
| Net income for the year | - | - | - | - | - | - | - | - | - | - | - | 41,170,637 | 41,170,637 | 3,781,731 | 44,952,368 |
| Other comprehensive income for the current year | - | - | - | 28,558 | (4,460,698) | (2,786) | 4,576,348 | 292,560 | - | - | - | - | - | (39,808) | 394,174 |
| Balance as of 31 December 2022 | 11,666,667 | 17,643,264 | - | (60,427) | (2,768,553) | (3,156) | 34,716,693 | 1,510,016 | 85,052 | (106,001) | 5,380,268 | 161,614,963 | 166,995,231 | 22,566,669 | 252,245,455 |

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| Notes | Issued and fully paid-in capital | Additional paid-in capital/agio | Share capital acquired and repossessed (treasury stock) | Difference arising from transition of financial statements in foreign currencies | Net unrealised gain from increase in fair value through other comprehensive income - net of deferred tax | Effective portion of cash flow hedges | Net difference in fixed assets revaluation | Net actuarial gain from defined benefit program - net of deferred tax assets | Other comprehensive income | Difference in transaction with non-controlling parties | Retained earnings | | | Merging entities equity | Non-controlling interest in net assets of consolidated Subsidiaries | Total equity |
|--|----------------------------------|---------------------------------|---|--|--|---------------------------------------|--|--|----------------------------|--|-------------------|--------------------|--------------------|-------------------------|---|--------------------|
| | | | | | | | | | | | Appropriated | Unappropriated | Total | | | |
| Balance as of 1 January 2021 | 11,666,667 | 17,316,192 | (150,895) | (116,031) | 4,430,511 | (15,319) | 30,115,479 | 1,040,657 | 85,052 | (106,001) | 5,380,268 | 114,176,507 | 119,556,775 | 5,555,377 | 15,321,204 | 204,699,668 |
| Dividend payment from 2020 net income | - | - | - | - | - | - | - | - | - | - | - | (10,271,552) | (10,271,552) | - | - | (10,271,552) |
| Changes in non-controlling interest arising from distribution of dividend and changes in Subsidiary's equity | 2d | - | - | - | - | - | - | - | - | - | - | - | - | - | (578,266) | (578,266) |
| Net income for the year | - | - | - | - | - | - | - | - | - | - | - | 27,994,004 | 27,994,004 | 34,151 | 2,522,942 | 30,551,097 |
| Reversal of merging entities equity | - | - | - | - | 75,234 | - | (69,682) | (94,207) | - | - | - | 5,635,779 | 5,635,779 | (5,547,124) | - | - |
| Effects on investment adjustments in Subsidiaries | - | 327,072 | - | - | - | - | - | - | - | - | - | (327,072) | (327,072) | - | - | - |
| Subsidiary's fixed assets revaluation as a result of the business combination | - | - | - | - | - | - | - | - | - | - | - | - | - | (59,196) | - | (59,196) |
| Share-based payment | - | - | - | - | - | - | - | - | - | - | - | - | - | 360 | 347 | 707 |
| Other comprehensive income for the current year | - | - | - | 27,046 | (2,813,600) | 14,949 | 94,548 | 271,006 | - | - | - | - | - | 16,432 | 158,443 | (2,231,176) |
| Balance as of 31 December 2021 | 11,666,667 | 17,643,264 | (150,895) | (88,985) | 1,692,145 | (370) | 30,140,345 | 1,217,456 | 85,052 | (106,001) | 5,380,268 | 137,207,666 | 142,587,934 | - | 17,424,670 | 222,111,282 |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|---|-------|---------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from interest income | | 91,108,970 | 78,788,364 |
| Receipts from sharia income | | 16,194,901 | 14,610,148 |
| Receipts from provision, commission and premium income | | 33,182,421 | 30,266,634 |
| Payments of insurance claim expense | | (11,912,575) | (13,070,008) |
| Payments of interest expense | | (20,157,582) | (22,931,990) |
| Payments of sharia expense | | (3,993,852) | (4,183,395) |
| Receipts from the sale of government bonds - fair value through profit or loss | | 279,071,088 | 230,777,422 |
| Acquisition of government bonds - fair value through profit or loss | | (279,537,515) | (229,207,771) |
| Income from financial instrument recognised at fair value through profit or loss - net | | (1,557,115) | 6,310,758 |
| Other operating income - others | | 3,932,497 | 3,956,764 |
| Other operating expenses - others | | (7,030,620) | (4,621,890) |
| Salaries and employee benefits expenses | | (22,892,424) | (19,613,916) |
| General and administrative expenses | | (17,867,331) | (16,261,430) |
| Non-operating income - net | | 206,816 | 32,304 |
| Payment of corporate income tax | | (11,909,631) | (8,301,777) |
| Cash flows from operating activities before changes in operating assets and liabilities | | 46,838,048 | 46,550,217 |
| Decrease/(increase) in operating assets: | | | |
| Placements with Bank Indonesia and other banks | | 702,604 | (3,035,199) |
| Marketable securities - fair value through profit or loss | | 4,340,432 | (3,725,552) |
| Other receivables - trade transactions | | (4,494,996) | 697,596 |
| Loans | | (128,394,061) | (82,428,247) |
| Sharia receivables/financing | | (38,291,913) | (17,626,346) |
| Securities purchased under agreements to resell | | 15,611,011 | 27,777,456 |
| Consumer financing receivables | | (5,370,202) | (955,774) |
| Net investment finance lease | | (1,090,046) | (1,276,488) |
| Prepaid taxes | | 908,800 | 105,033 |
| Prepaid expenses | | (425,252) | 156,184 |
| Other assets | | (3,230,934) | 773,601 |
| Recovery of written-off financial assets | | 8,204,315 | 5,918,093 |
| Increase/(decrease) in operating liabilities and temporary <i>syirkah</i> funds: | | | |
| Conventional banking | | | |
| Demand deposits | | 119,697,949 | 86,516,511 |
| Saving deposits | | 58,231,308 | 49,240,816 |
| Time deposits | | 4,988,760 | (14,624,168) |
| Interbank call money | | (573,784) | 4,354,056 |
| Obligations due immediately | | (1,324,445) | 1,094,141 |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | Notes | 2022 | 2021 |
|---|-------|---------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES (continued) | | | |
| Increase/(decrease) in operating liabilities and temporary <i>syirkah</i> funds: (continued) | | | |
| Liability to unit-link policyholders | | (947,343) | 2,807,034 |
| Other taxes payable | | 740,103 | (140,336) |
| Other liabilities | | 5,310,702 | 1,165,775 |
| Sharia bank - temporary <i>syirkah</i> funds | | | |
| Demand deposit - restricted investment and demand deposit <i>mudharabah musytarakah</i> | | 9,436,341 | 7,948,174 |
| Saving deposit - restricted investment and <i>mudharabah</i> saving deposit - unrestricted investment | | 7,794,862 | 6,093,555 |
| <i>Mudharabah</i> time deposit - unrestricted investment | | 2,063,789 | 12,506,361 |
| Net cash provided by operating activities | | 100,726,048 | 129,892,493 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Decrease/(increase) in marketable securities - other than fair value through profit or loss | | 10,165,845 | (15,903,410) |
| Increase in government bonds - other than fair value through profit or loss | | (44,524,940) | (111,377,999) |
| Proceeds from sale of fixed assets | | 3,943 | - |
| Acquisition of fixed assets | | (4,007,847) | (2,282,614) |
| Acquisition of intangible assets | | (1,091,799) | (1,353,981) |
| Acquisition of right of use assets | | (2,126,819) | (957,220) |
| Increase in investment in subsidiaries | | (1,059,057) | (601,828) |
| Net cash used in investing activities | | (42,640,674) | (132,477,052) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts from debt securities issued | | 3,300,667 | 7,625,355 |
| Payments of debt securities issued | | (4,782,101) | (1,880,583) |
| Receipts from fund borrowings | | 23,013,205 | 19,337,627 |
| Payments of fund borrowings | | (12,180,020) | (22,304,881) |
| Payments of subordinated loans and marketable securities | | (12,900) | (16,109) |
| Increase in marketable securities sold under agreements to repurchase | | 18,642,798 | 4,074,684 |
| Payments of dividends | 40c | (16,816,893) | (10,271,552) |
| Receipts from minority interests for the issuance of new shares of Subsidiary | | 2,164,564 | - |
| Net cash provided by/(used in) financing activities | | 13,329,320 | (3,435,459) |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
 (Expressed in millions of Rupiah, unless otherwise stated)

| | <u>Notes</u> | <u>2022</u> | <u>2021</u> |
|---|--------------|--------------------|--------------------|
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 71,414,694 | (6,020,018) |
| EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | | 9,843,138 | (269,997) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR | | 193,631,712 | 199,921,727 |
| CASH AND CASH EQUIVALENTS AT THE END OF YEAR | | 274,889,544 | 193,631,712 |
| Cash and cash equivalents at the end of year consists of: | | | |
| Cash | 63.B.(vii) | 27,212,759 | 23,948,485 |
| Current accounts with Bank Indonesia | 4 | 107,349,158 | 99,023,492 |
| Current accounts with other banks | 5 | 47,809,985 | 25,441,661 |
| Liquid short-term investments with a period of time maturity of three months or less from the date of acquisition | | 92,517,642 | 45,218,074 |
| Total cash and cash equivalents | | 274,889,544 | 193,631,712 |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022 AND 2021**

(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL INFORMATION

a. Establishment

PT Bank Mandiri (Persero) Tbk. (hereinafter referred to as “Bank Mandiri” or the “Bank”) was established on 2 October 1998 in the Republic of Indonesia based on Notarial Deed No. 10 of Sutjipto, S.H., under Government Regulation No. 75 of 1998 dated 1 October 1998. The deed of establishment was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-16561.HT.01.01.TH.98 dated 2 October 1998 and was published in Supplement No. 6859 of State Gazette of the Republic of Indonesia No. 97 dated 4 December 1998.

Bank Mandiri was established through the merger of PT Bank Bumi Daya (Persero) (“BBD”), PT Bank Dagang Negara (Persero) (“BDN”), PT Bank Ekspor Impor Indonesia (Persero) (“Bank Exim”) and PT Bank Pembangunan Indonesia (Persero) (“Bapindo”) (hereinafter collectively referred to as the “Merged Banks”).

Based on Article 3 of the Bank’s Articles of Association, Bank Mandiri is engaged in banking activities in accordance with prevailing laws and regulations. The Bank commenced its operations on 1 August 1999. The Bank’s Parent Entity is the Government of the Republic of Indonesia through the Ministry of State-Owned Enterprises which is the Ministry within the Indonesian Government in charge of fostering state-owned enterprises.

The Articles of Association of Bank Mandiri has been amended several times, the latest amendment under Deed of Annual General Meeting of Shareholders No. 08, dated on 13 April 2021 stated under Notary Utiek R. Abdurachman, S.H., MLI, M.Kn, in Jakarta. This amendment has been approved by the Ministry of Laws and Human Rights of the Republic of Indonesia, in its Decision Letter No. AHU-AH.01.03-0307305 regarding the Acceptance on Notification of the changes of the Bank’s Articles of Association of PT Bank Mandiri (Persero) Tbk. dated on 12 May 2021 and registered on Company’s Registry No. AHU-0087821.AH.01.11 year 2021, dated on 12 May 2021.

b. Merger

At the end of February 1998, the Government of the Republic of Indonesia (hereinafter referred to as “Government”) announced its plan to restructure the Merged Banks. In connection with the restructuring plan, the Government established Bank Mandiri in October 1998 through the payment of cash and the acquisition of the Government’s shares of the Merged Banks (Notes 40a and 40b). The difference between the transfer price and the book value of the shares at the time of the restructuring was not calculated as it was considered not practicable to do so. All losses incurred during the year of restructuring were taken into account in the Recapitalisation Program.

The restructuring plan was designed for the merger of the Merged Banks into Bank Mandiri on July 1999 and the recapitalisation of Bank Mandiri. The restructuring of the Merged Banks into Bank Mandiri also covered the following:

- Restructuring of loans
- Restructuring of non-loan assets
- Rationalisation of domestic and overseas offices
- Rationalisation of human resources.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. GENERAL INFORMATION (continued)

b. Merger (continued)

Based on the Notarial Deed of Sutjipto, S.H., No. 100 dated 24 July 1999, the Merged Banks were legally merged into Bank Mandiri. The Merger Deed was legalised by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C-13.781.HT.01.04.TH.99 dated 29 July 1999 and approved by the Governor of Bank Indonesia in its Decision Letter No. 1/9/KEP.GBI/1999 dated 29 July 1999. The merger was declared effective by the Chief of the South Jakarta Ministry of Industry and Trade Office in its Decision Letter No. 09031827089 dated 31 July 1999.

Effective from the date of the merger:

- All assets and liabilities of the Merged Banks were transferred to Bank Mandiri as the Surviving Bank;
- All operations and business activities of the Merged Banks were transferred and operated by Bank Mandiri;
- Bank Mandiri received additional paid-in capital amounted to Rp1,000,000 (full amount) or equivalent to 1 (one) share representing the remaining shares owned by the Government in the Merged Banks (Notes 40a and 40b).

On the effective date, the Merged Banks were legally dissolved without liquidation process and Bank Mandiri, as the Surviving Bank, received all the rights and obligations from the Merged Banks.

c. Recapitalisation

In response to the effects of the adverse economic conditions on the banking sector in Indonesia, on 31 December 1998, the Government issued Regulation No. 84 of 1998 regarding Recapitalisation Program for Commercial Banks, which was designed to increase the paid-in capital of commercial banks to enable them to meet the minimum requirement of Capital Adequacy Ratio ("CAR"). The eligibility of commercial banks for inclusion in the Recapitalisation Program is based on requirements and procedures set forth in the Joint Decrees No. 53/KMK.017/1999 and No. 31/12/KEP/GBI dated 8 February 1999 of the Ministry of Finance and the Governor of Bank Indonesia. Based on the Joint Decrees, the Government, among others, shall implement the Recapitalisation Program for Commercial Banks with respect to all State-Owned Banks, Regional Development Banks, and Commercial Banks, with the status of "Bank Take Over", by the Indonesian Bank Restructuring Agency (*Badan Penyehatan Perbankan Nasional* or "BPPN").

On 28 May 1999, the Government issued Regulation No. 52 of 1999 (PP No. 52/1999) regarding additional capital investment by the Government of Republic of Indonesia in Bank Mandiri through issuance of Government Recapitalisation Bonds to be issued then by the Ministry of Finance with a value of up to Rp137,800,000. The implementation of PP No. 52/1999 was set forth in Joint Decrees No. 389/KMK.017/1999 and No. 1/10/KEP/GBI dated 29 July 1999 of the Ministry of Finance and the Governor of Bank Indonesia.

While the Government Recapitalisation Bonds had not yet been issued, at the point in time, Bank Mandiri accounted the bonds as "Due from the Government" amounted to Rp137,800,000 in accordance with the Government's Commitment through the Ministry of Finance's letter No. S-360/MK.017/1999 dated on 29 September 1999 and the approval of the Ministry of State-Owned Enterprises in letter No. S-510/M-PBUMN/1999 dated 29 September 1999.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
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1. GENERAL INFORMATION (continued)

c. Recapitalisation (continued)

Based on Bank Indonesia Letter No. 1/1/GBI/DPIP dated 11 October 1999, concerning the issuance of Government Bonds/Debentures in connection with the Government of Republic of Indonesia's investment in Bank Mandiri, Bank Indonesia agreed to include the above receivable as Bank Mandiri's core capital (Tier 1) for the purposes of calculating its Capital Adequacy Ratio (CAR) as of 31 July 1999 through 30 September 1999, with a condition that not later than 15 October 1999 the Government Bonds/Debentures should have been received by Bank Indonesia.

Based on Government Regulation No. 97 of 1999 dated 24 December 1999 concerning the increase in capital of the Government in Bank Mandiri in relation to the Recapitalisation Program, the Government increased its investment to a maximum of Rp42,200,000, so that the total maximum investment amounted to Rp180,000,000.

In relation to the implementation of the above Government Regulations No. 52 and No. 97 of 1999, in the Temporary Recapitalisation Agreement between the Government and Bank Mandiri and its amendment, the Government issued Government Recapitalisation Bonds in 2 (two) tranches of Rp103,000,000 on 13 October 1999 and Rp75,000,000 on 28 December 1999 so that as of 31 December 1999 the total Government Recapitalisation Bonds issued in accordance with the aforementioned agreements amounted to Rp178,000,000.

Based on the Management Contract dated 8 April 2000 between Bank Mandiri and the Government, the total amount of recapitalisation required by Bank Mandiri was Rp173,931,000, or less than the amount of the Government Recapitalisation Bonds. The excess of Rp1,412,000 was used as additional paid-in capital and the remaining balance of Rp2,657,000 was returned to the Government on 7 July 2000 in the form of Government Recapitalisation Bonds equivalent to 2,657,000 units.

Based on the Letter of the Ministry of Finance of the Republic of Indonesia No. S-174/MK.01/2003 dated 24 April 2003 regarding the return of the excess Government Recapitalisation Bonds, which was previously used as additional paid-in capital, Government Recapitalisation Bonds amounted to Rp1,412,000 were returned to the Government on 25 April 2003 (Note 40b).

The Ministry of Finance of the Republic of Indonesia issued Decrees ("KMK-RI") No. 227/KMK.02/2003 dated 23 May 2003 and KMK-RI No. 420/KMK-02/2003 dated 30 September 2003 confirmed that the final amount of the addition of the Government's participation in Bank Mandiri amounted to Rp173,801,315 (Note 40b).

d. Initial public offering of Bank Mandiri and quasi-reorganisation

Initial public offering of Bank Mandiri

Bank Mandiri submitted its registration for an Initial Public Offering (IPO) to Financial Services Authorities ("FSA"), previously the Capital Market Supervisory Board and Financial Institution ("Bapepam and LK") on 2 June 2003 and became effective based on the Letter of the Chairman of Bapepam and LK No. S-1551/PM/2003 dated 27 June 2003.

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1. GENERAL INFORMATION (continued)

d. Initial public offering of Bank Mandiri and quasi-reorganisation (continued)

Initial public offering of Bank Mandiri (continued)

The Bank's name was changed from PT Bank Mandiri (Persero) to PT Bank Mandiri (Persero) Tbk. based on an amendment to the Articles of Association which has been held with Notarial Deed of Sutjipto, S.H., No. 2 dated 1 June 2003 and approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. C-12783.HT.01.04.TH.2003 dated 6 June 2003 that was published in the State Gazette Republic of Indonesia No. 63 dated August 8, 2003, Supplement State Gazette of Republic of Indonesia No. 6590.

On 14 July 2003, Bank Mandiri sold its 4,000,000,000 Series B common shares through IPO, with a nominal value of Rp500 (full amount) per share with an initial selling price of Rp675 (full amount) per share. The IPO represents a divestment of 20.00% of the ownership of the Government in Bank Mandiri (Note 40a).

On 14 July 2003, 19,800,000,000 of Bank Mandiri's Series B common shares were listed on the Jakarta Stock Exchange and Surabaya Stock Exchange based on Jakarta Stock Exchange's Approval Letter No. S-1187/BEJ.PSJ/07-2003 dated 8 July 2003 and Surabaya Stock Exchange's Approval Letter No. JKT-028/LIST/BES/VII/2003 dated 10 July 2003.

Quasi-reorganisation

In order for Bank Mandiri to eliminate the negative consequences of being burdened by accumulated losses, the Bank undertook quasi-reorganisation as approved in the Extraordinary General Meeting of Shareholders ("RUPS-LB") on 29 May 2003.

The quasi-reorganisation adjustments were booked on 30 April 2003 which the accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio.

Bank Mandiri's Articles of Association were amended due to the changes in additional paid-in capital as a result of quasi-reorganisation, based on Notarial Deed of Sutjipto, S.H., No. 130 dated 29 September 2003 which was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. C-25309.HT.01.04.TH.2003 dated 23 October 2003 and was published in the State Gazette Republic of Indonesia No. 910, Supplement No. 93 dated 23 October 2003.

On 30 October 2003, Bank Mandiri's RUPS-LB approved the quasi-reorganisation as of 30 April 2003, which were notarised by Sutjipto, S.H. in Notarial Deed No. 165 dated 30 October 2003.

e. Divestment of Government share ownership

On 11 March 2004, the Government divested another 10.00% of its ownership in Bank Mandiri which was equivalent to 2,000,000,000 Series B common shares through private placements (Note 40a).

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
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1. GENERAL INFORMATION (continued)

f. Public offering of subordinated bonds and medium term notes, public offering of bonds and medium term notes, limited public offering of shares, changes in share capital of Bank Mandiri and repurchasing of Bank Mandiri shares

Public offering of Bank Mandiri subordinated bonds and medium term notes

On 31 July 2018, Bank Mandiri issued Subordinated Medium Term Notes I Bank Mandiri Year 2018 nominal value of Rp500.000 in Indonesia Stock Exchange.

Public offering of Bank Mandiri bonds and medium term notes

On 19 April 2021, Bank Mandiri issued the third Euro Medium Term Notes (EMTN), namely the 2021 Bank Mandiri Sustainability Bond, with a nominal value of USD 300,000,000 (full amount) on the Singapore Exchange (SGX).

On 13 May 2020, Bank Mandiri issued the second Euro Medium Term Notes (EMTN) with nominal value of USD500,000,000 (full amount) and on 11 April 2019 the Bank issued the first Euro Medium Term Notes (EMTN) with nominal value of USD750,000,000 (full amount) in Singapore Exchange (SGX).

On 12 May 2020, Bank Mandiri issued Continuous Bonds II Bank Mandiri Phase I Year 2020 ("Continuous Bonds II Phase I") with nominal value of Rp1,000,000.

On 21 September 2018, Bank Mandiri issued Bank Mandiri Continuous Bonds I Phase III 2018 ("Continuous Bonds I Phase III") with a nominal value of Rp3,000,000.

On 30 September 2016, Bank Mandiri issued Continuous Bonds I Bank Mandiri Phase I 2016 ("Continuous Bonds I Phase I") with nominal amount of Rp5,000,000 and on 15 June 2017, Bank Mandiri issued Continuous Bonds I Bank Mandiri Phase II 2017 ("Continuous Bonds I Phase II") with nominal amount of Rp6,000,000 (Note 30).

Limited public offering of Bank Mandiri shares

To strengthen the capital structure, the Bank increased its issued and paid up capital through the Limited Public Offering ("LPO") with Pre-emptive Rights ("HMETD"). Bank Mandiri submitted the first and second registration statement of this LPO to the Financial Services Authority ("FSA"), previously the Capital Market Supervisory Board and Financial Institution ("Bapepam and LK") on 26 December 2010 and 18 January 2011 and received the effective notification from Capital Market Supervisory Board and Financial Institution on 27 January 2011 based on the Bapepam and LK letter No. S-807/BL/2011. The Bank also obtained an approval from the shareholders based on the Extraordinary General Meeting of Shareholder dated on 28 January 2011 as notarised by Dr. A. Partomuan Pohan, S.H., LLM No. 15 dated on 25 February 2011 and reported it to the Ministry of Law and Human Rights Republic of Indonesia with the receipt No. AHU-AH.01.10-07446 dated on 10 March 2011. The Bank also registered it to company listing No. AHU-0019617.AH.01.09 year 2011 dated on 10 March 2011.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
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 (Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL INFORMATION (continued)

f. Public offering of subordinated bonds and medium term notes, public offering of bonds and medium term notes, limited public offering of shares, changes in share capital of Bank Mandiri and repurchasing of Bank Mandiri shares (continued)

Limited public offering of Bank Mandiri shares (continued)

Total number of Pre-emptive Rights issued by Bank Mandiri was 2,336,838,591 shares at a price of Rp5,000 (full amount) per share determined on 25 January 2011 and the execution period of Pre-emptive Rights trading started from 14 February 2011 until 21 February 2011.

The Government of the Republic of Indonesia as the controlling shareholder of Bank Mandiri, did not execute its right to acquire the Pre-emptive Rights, and transferred it to other shareholders. As a result of this, Government's ownership in Bank Mandiri was reduced or diluted from 66.68%, prior to the execution of Pre-emptive Rights, to 60.00% after the execution of the Pre-emptive Rights.

Changes in share capital of Bank Mandiri

The details of changes in issued and paid-in-share capital (Note 40a) are as follows:

| | Number of shares |
|---|-------------------------|
| Initial capital injection by the Government in 1998 | 4,000,000 |
| Increase in paid-in capital by the Government in 1999 | 251,000 |
| | 4,251,000 |
| Increase in paid-in capital by the Government in 2003 | 5,749,000 |
| | 10,000,000 |
| Decrease in par value per share from Rp1,000,000 (full amount) to Rp500 (full amount) per share through stock split in 2003 | 20,000,000,000 |
| Shares from conversion of MSOP I in 2004 | 132,854,872 |
| Shares from conversion of MSOP I in 2005 | 122,862,492 |
| Shares from conversion of MSOP I in 2006 | 71,300,339 |
| Shares from conversion of MSOP II in 2006 | 304,199,764 |
| Shares from conversion of MSOP I in 2007 | 40,240,621 |
| Shares from conversion of MSOP II in 2007 | 343,135 |
| Shares from conversion of MSOP III in 2007 | 77,750,519 |
| Shares from conversion of MSOP I in 2008 | 8,107,633 |
| Shares from conversion of MSOP II in 2008 | 399,153 |
| Shares from conversion of MSOP III in 2008 | 147,589,260 |
| Shares from conversion of MSOP II in 2009 | 86,800 |
| Shares from conversion of MSOP III in 2009 | 64,382,217 |
| Shares from conversion of MSOP II in 2010 | 6,684,845 |
| Shares from conversion of MSOP III in 2010 | 19,693,092 |
| Increase of Capital through Limited Public Offering (LPO) with Pre-emptive Rights in 2011 | 2,336,838,591 |
| Decrease of par value of share from Rp500 (full amount) to Rp250 (full amount) per share through stock split in 2017 | 23,333,333,333 |
| Total | 46,666,666,666 |

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
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 (Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL INFORMATION (continued)

f. Public offering of subordinated bonds and medium term notes, public offering of bonds and medium term notes, limited public offering of shares, changes in share capital of Bank Mandiri and repurchasing of Bank Mandiri shares (continued)

Changes in share capital of Bank Mandiri (continued)

Stock split of Bank Mandiri:

Based on the decision of the Extraordinary General Meeting of Shareholders (RUPS-LB) dated 21 August 2017 as in the Notarial Deed of Ashoya Ratam, SH, M.Kn. No. 36 dated 24 August 2017, the shareholders of Bank Mandiri, among others, approved the stock split of the Bank from Rp500 (full amount) per share to Rp250 (full amount) per share so that the capital was placed into 46,666,666,666 shares consisting of 1 (one) Dwiwarna Series A share and 46,666,666,665 Series B shares.

Treasury Stock of Bank Mandiri

Bank Mandiri through letter No. CEO/30/2020 dated 18 March 2020 submit a request of approval of treasury stock to FSA gradually with maximum amount Rp2,000,000, and has been approved by FSA through letter No.S-50/PB.31/2020 dated 19 March 2020. Furthermore, Bank Mandiri has declare this information to Indonesia Stock Exchange ("IDX") on 20 March 2020 regarding execution of treasury stock that had been issued and registered in IDX with maximum amount Rp2,000,000. Treasury stock will be executed gradually for 3 (three) months since 20 March 2020 until 19 June 2020.

Bank Mandiri has executed treasury stock amounted 35,400,000 shares (nominal value Rp250 (full amount) per share) with acquisition price Rp150,895. In December 2022, Bank Mandiri released 35,400,000 treasury shares (see Note 40d).

g. Subsidiaries

Subsidiaries included in the consolidated financial statements as of 31 December 2022 and 2021, are as follows:

| Name of Subsidiaries | Nature of Business | Domicile | Percentage of Ownership | |
|---|--------------------|--------------|-------------------------|--------|
| | | | 2022 | 2021 |
| PT Bank Syariah Indonesia Tbk. (formerly PT Bank Syariah Mandiri) | Sharia Banking | Jakarta | 51.47 | 50.95 |
| Bank Mandiri (Europe) Limited (BMEL) | Commercial Banking | London | 100.00 | 100.00 |
| PT Mandiri Sekuritas | Securities | Jakarta | 99.99 | 99.99 |
| PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos) | Commercial Banking | Jakarta | 51.10 | 51.10 |
| PT Mandiri Tunas Finance (MTF) | Consumer Financing | Jakarta | 51.00 | 51.00 |
| Mandiri International Remittance Sendirian Berhad (MIR) | Remittance Service | Kuala Lumpur | 100.00 | 100.00 |
| PT AXA Mandiri Finansial Services | Life Insurance | Jakarta | 51.00 | 51.00 |
| PT Asuransi Jiwa Inhealth Indonesia | Life Insurance | Jakarta | 80.00 | 80.00 |
| PT Mandiri Utama Finance (MUF) | Consumer Financing | Jakarta | 51.00 | 51.00 |
| PT Mandiri Capital Indonesia | Venture Capital | Jakarta | 99.99 | 99.99 |

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

The Subsidiaries' total assets as of 31 December 2022 and 2021 (before elimination) are as follows:

| Subsidiaries | Year of commercial operation | Total assets (before elimination) | |
|---|------------------------------|-----------------------------------|--------------------|
| | | 2022 | 2021 |
| PT Bank Syariah Indonesia Tbk. (formerly PT Bank Syariah Mandiri) | 1955 | 305,727,438 | 265,289,081 |
| Bank Mandiri (Europe) Limited | 1999 | 3,765,899 | 2,613,274 |
| PT Mandiri Sekuritas | 1992 | 4,141,024 | 3,301,720 |
| PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos) | 1970 | 53,894,750 | 45,541,864 |
| PT Mandiri Tunas Finance | 1989 | 23,742,009 | 18,706,305 |
| Mandiri International Remittance Sendirian Berhad | 2009 | 24,360 | 23,242 |
| PT AXA Mandiri Financial Services | 1991 | 40,164,675 | 41,079,324 |
| PT Asuransi Jiwa Inhealth Indonesia | 2008 | 2,706,131 | 2,519,163 |
| PT Mandiri Utama Finance | 2015 | 7,612,738 | 6,107,514 |
| PT Mandiri Capital Indonesia | 2015 | 5,774,807 | 3,654,217 |
| Total | | 447,553,831 | 388,835,704 |

PT Bank Syariah Indonesia Tbk. (formerly PT Bank Syariah Mandiri)

On 12 October 2020, PT Bank Mandiri (Persero) Tbk. (Mandiri), PT Bank Rakyat Indonesia (Persero) Tbk. (BRI), PT Bank Negara Indonesia (Persero) Tbk. (BNI), PT Bank Syariah Mandiri (BSM), PT Bank BRIsyariah Tbk. (BRIS), and PT Bank BNI Syariah (BNIS) have signed a Conditional Merger Agreement (CMA) for the business merger of BSM, BRIS, and BNIS (Merger Participating Banks).

Based on CMA, after the effective date of the merger, BRIS will become the surviving legal entity and all shareholders of BNIS and BSM will become shareholders of the entity receiving the amalgamation based on the amalgamation ratio.

PT Bank BRIsyariah Tbk. ("Bank") is located in Jakarta, Indonesia, and initially established under the name of PT Bank Jasa Arta (BJA) based on the Deed of Establishment No. 4 dated 3 April 1969 of Liem Toeng Kie, S.H., Notary in Jakarta. The deed has been approved by the Minister of Law of the Republic of Indonesia in its Decision Letter No. J.A.5/70/4 dated 28 May 1970 and has been published in the State Gazette of the Republic of Indonesia No. 43, dated 28 May 1971, Supplement No. 242/1971.

The changes in name and business activity based on sharia principles from BJA to PT Bank Syariah BRI (BSBRI) was based on BJA Shareholders' Decision Statement, as stated in the Deed No. 45 dated 22 April 2008 of Fathiah Helmi, S.H., Notary in Jakarta.

BJA obtained its business license to operate as a commercial bank from the Minister of Finance of the Republic of Indonesia No. D.15.1-4-40 dated 3 July 1969. Since 16 October 2008, BJA has obtained license from Bank Indonesia to change its business activities, from a conventional Bank into a commercial bank based on sharia principles.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Syariah Indonesia Tbk. (formerly PT Bank Syariah Mandiri) (continued)

In 2009, PT Bank Syariah BRI changed its name to PT Bank BRISyariah based on PT Bank Syariah BRI Shareholders' Decision Statement, as stated in Notarial Deed No. 18 dated 14 April 2009 of Notary Fathiah Helmi, S.H., it was subsequently amended by PT Bank Syariah BRI Shareholders' Decision Statement, as stated in Notarial Deed No. 20 dated 17 September 2009 of Notary Fathiah Helmi, S.H., which has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No.AHU-53631.AH.01.02.TH2009 dated 5 November 2009. It was announced in the State Gazette of the Republic of Indonesia No. 96 dated 1 December 2009, Supplement No. 27908 and Decision Letter from the Governor of Bank Indonesia No. 11/63/KEP.GBI/DpG/2009 dated 15 December 2009.

On 27 December 2013, PT Bank BRISyariah obtained a license to operate as foreign exchange bank based on the Decision Letter of the Governor of Bank Indonesia No. 15/139/KEP.GBI/DpG/2013.

Furthermore, based on the Extraordinary General Meeting of Shareholders (EGMS) of the Bank on 15 December 2020, as stated in the deed of Minutes of the EGMS of PT Bank BRISyariah Tbk. No.92 dated 15 December 2020 by Notary Jose Dima Satria SH., Mkn., a notary in Jakarta, the shareholders approved the merger of PT Bank Syariah Mandiri ("BSM") and PT Bank BNI Syariah ("BNIS") with PT Bank BRISyariah Tbk. (where BRIS will become the Surviving Bank). The EGMS also approved the Merger Plan and all amendments or additions on article associations jointly prepared and announced by PT Bank BRISyariah Tbk, PT BSM and PT BNIS and the Deed of Merger between PT Bank BRISyariah Tbk. and PT BSM and PT BNIS, which was made based on the provisions of the applicable laws and regulations, and also approved the appointment of members of the Board of Directors, Board of Commissioners and Sharia Supervisory Board of the Bank as the Surviving Bank. Then the merger agreement has been stated in the Deed of Merger No. 103 On 16 December 2020 made by Notary Jose Dima Satria SH., Mkn., notary in Jakarta. The decision of the Bank's EGMS was restated in the Deed of Statement of Meeting Resolutions on the Amendment of the Articles of Association of PT Bank BRISyariah Tbk. No.104 dated 16 December 2020 made by Notary Jose Dima Satria SH., Mkn., notary in Jakarta.

The Merger's approval was obtained by the FSA through a copy of the Decree of the FSA Board of Commissioners Number 4/KDK.03/2021 dated 27 January 2021 concerning the Granting of a Merger's Approval for PT Bank Syariah Mandiri and PT Bank BNI Syariah into PT Bank BRISyariah Tbk. as well as a Name Change Approval using a Business License PT Bank BRISyariah Tbk. becomes a business license for PT Bank Syariah Indonesia Tbk. as the Surviving Bank.

Agreement between Shareholders of the Merged Bank dated 26 January 2021 by and between PT Bank Mandiri (Persero) Tbk. ("BMRI"), PT Bank Negara Indonesia (Persero) Tbk, and PT Bank Rakyat Indonesia (Persero) Tbk. agreed that BMRI is a party who exercises control over the Merged Bank.

Subsequently, the decision of the Bank's EGMS regarding the merger of BSM and BNIS into PT Bank BRISyariah Tbk. was restated in the Deed of Statement of Meeting Resolutions of PT Bank BRISyariah Tbk. Number 37 dated 14 January 2021. This amendment was accepted and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No.AHU-AH.01.10-0011384 dated 28 January 2021 which was effective 1 February 2021.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Syariah Indonesia Tbk. (formerly PT Bank Syariah Mandiri) (continued)

The transaction for the establishment of PT Bank Syariah Indonesia Tbk. is a business combination of entities under common control where the controlling shareholder (ultimate shareholder) of PT Bank Mandiri (Persero) Tbk., PT Bank Negara Indonesia (Persero) Tbk. and PT Bank Rakyat Indonesia (Persero) Tbk. is the Government of the Republic of Indonesia. Therefore, transactions are treated based on the pooling of interest method in accordance with Statement of Financial Accounting Standards ("SFAS") No. 38 (Revised 2012), "Business Combination of Entities Under Common Control". For the presentation of business combination transactions of entities under common control based on the pooling of interests method, the financial statements as of 31 December 2021 and for the year ended on that date are presented as if the business combination had occurred since the beginning of the period the merging entities were under common control.

The difference between the amount of consideration transferred and the carrying amount of the investment obtained from this transaction is recognized as "Difference in Value from Business Combination Transactions of Entities Under Common Control" and presented as "Additional Paid-in Capital" in the equity section of the statement of financial position. Prior to the date of the merger, the equity of PT BRISyariah Tbk. and PT Bank BNI Syariah is presented as "merging entities equity" in the equity section. Details of the amount of consideration transferred and the carrying amount received are as follows:

| | The consideration transferred | Carrying amount | Additional paid-in capital |
|--------------------------------|-------------------------------|-----------------|----------------------------|
| PT Bank Syariah Indonesia Tbk. | 10,905,424 | 11,232,496 | 327,072 |

Furthermore, the decisions of the Bank's EGMS, among others related to the Amendment to the Bank's Articles of Association, were restated in the Deed of Statement of Meeting Resolutions on the Amendment of the Articles of Association for the Change of Name of PT Bank BRISyariah Tbk. No. 38 dated 14 January 2021 which, among others, changed its name to PT Bank Syariah Indonesia Tbk. and this change was approved by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0006268.AH.01.02 year 2021, and by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03.061498 and Number AHU-AH.01.03.061501 which are all set on 1 February 2021.

Further amendments to the Bank's Articles of Association through the Deed of Statement of Decisions Outside the Meeting of the Board of Commissioners of PT Bank Syariah Indonesia Tbk. No. 54 dated 27 July 2021 regarding the addition of the Bank's issued and paid-up capital and had been received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0434796 dated 5 August 2021 regarding Acceptance of Notification of Amendment to the Articles of Association of PT Bank Syariah Indonesia Tbk.

The latest amendment to the Bank's Articles of Association was made through the Deed of Statement of Resolutions of the Annual General Meeting of Shareholders of PT Bank Syariah Indonesia Tbk. No. 25 dated 8 September 2021 regarding the change of address of the Bank's Head Office and this change has been approved by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0048485.AH.01.02 year 2021 concerning Approval of Amendment to the Articles of Association of Limited Liability Company PT Bank Syariah Indonesia Tbk. and has been received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0445911 dated 8 September 2021 regarding Acceptance of Notification Changes to the company data of PT Bank Syariah Indonesia Tbk. The change of address of the Bank's Head Office was approved by FSA through FSA Letter No. S-62/PB.1/2021 dated 25 August 2021 regarding the Change of Address for the Head Office of PT Bank Syariah Indonesia Tbk. on 25 August 2021.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Syariah Indonesia (formerly PT Bank Syariah Mandiri) (continued)

Furthermore, changes to the Bank's Articles of Association through the Deed of Statement of Resolutions of the Board of Commissioners Meeting of PT Bank Syariah Indonesia Tbk. No. 82 dated 30 December 2021 regarding the Results of MESOP Phase II Year 2021 is the addition of 438,600 shares or an increase in the Bank's issued and paid-up capital of Rp219,300,000 and has been received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU.01.03-0494300 dated 30 December 2021 concerning Acceptance of Notification of Amendments to the Articles of Association of PT Bank Syariah Indonesia Tbk.

Furthermore, changes to the Bank's Articles of Association through the Deed of Statement of Amendment to the Articles of Association of PT Bank Syariah Indonesia Tbk. No. 146 dated 24 June 2022 regarding the addition of the classification of the Bank's shares resulting in a Change in the Composition of Bank Ownership and a Change in control from the Republic of Indonesia which was originally PSPT to PSP and has been accepted and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0269107 dated 22 July 2022 regarding Acceptance of Notification of Amendments to the Articles of Association of PT Bank Syariah Indonesia Tbk.

Furthermore, changes to the Bank's Articles of Association through the Deed of Statement of Resolutions of the Board of Commissioners Meeting of PT Bank Syariah Indonesia Tbk. No. 191 dated 29 December 2022 regarding the issued and paid-up capital of the Company through the Capital Increase mechanism by Providing Pre-emptive Rights I ("PMHMETD I"), namely the company's issued and paid-up capital of 46,129,260,138 (forty six billion one hundred and twenty nine million two hundred sixty thousand one hundred thirty eight) shares with a total nominal value of Rp23,064,630,069,000 (twenty three trillion sixty four billion six hundred thirty million sixty nine thousand rupiah) (full amount) and have been received and recorded by the Minister Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0497431 dated 29 December 2022 regarding Acceptance of Notification of Amendments to the Articles of Association of PT Bank Syariah Indonesia Tbk. With the composition of the Company's shareholders based on the Register of Shareholders as follows:

| Shareholders | Number of Shares | Nominal Amount (Full Amount Rp) | Percentage (%) |
|---|-----------------------|---------------------------------|----------------|
| Dwiwarna Series A Share The Republic of Indonesia | 1 | 500 | - |
| Series B Shares | | | |
| PT Bank Mandiri (Persero) Tbk | 23,740,608,436 | 11,870,304,218,000 | 51.47 |
| PT Bank Negara Indonesia (Persero) Tbk | 10,720,230,418 | 5,360,115,209,000 | 23.24 |
| PT Bank Rakyat Indonesia (Persero) Tbk | 7,092,761,655 | 3,546,380,827,500 | 15.38 |
| Other shareholders with ownership < 5% | 4,575,659,628 | 2,287,829,814,000 | 9.91 |
| Total | 46,129,260,138 | 23,064,630,069,000 | 100.00 |

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Syariah Indonesia Tbk. (formerly PT Bank Syariah Mandiri) (continued)

Furthermore, the latest amendment to the Bank's Articles of Association through the Deed of Statement of Meeting Resolutions on Amendment to the Articles of Association of PT Bank Syariah Indonesia Tbk. No. 140 dated 23 September 2022 of Notary Jose Dima Satria S.H., M.Kn regarding the Statement of Resolutions of the Meeting on the Amendment to the Articles of Association of PT Bank Syariah Indonesia Tbk. and has been received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0295208 dated 26 September 2022 regarding the Acceptance of Notification of Amendments to the Articles of Association of PT Bank Syariah Indonesia Tbk. and No. AHU-AH.01.09-0058731 dated 26 September 2022 regarding the Receipt of Notification of Company Data Changes PT Bank Syariah Indonesia Tbk.

The Head Office of PT Bank Syariah Indonesia Tbk, whose address is The Tower Building, Jalan Gatot Subroto No. 27 Karet Semanggi Village, Setiabudi District, South Jakarta 12930.

Bank Mandiri (Europe) Limited

Bank Mandiri (Europe) Limited ("BMEL") was established in London, United Kingdom on 22 June 1999 under "The Companies Act 1985 of the United Kingdom". It was established from the conversion of Bank Exim London branch to a Subsidiary and operated effectively since 31 July 1999. BMEL, located in London, United Kingdom, is mandated to act as a commercial bank to represent the interests of Bank Mandiri.

PT Mandiri Sekuritas

PT Mandiri Sekuritas ("Mandiri Sekuritas"), formerly known as PT Merincorp Securities Indonesia ("MSI"), incorporated under Act No. 1 dated 2 December 1991 of Sutjipto, S.H. Mandiri Sekuritas is the result of the merger of PT Bumi Daya Sekuritas ("BDS"), PT Exim Sekuritas ("ES") and PT Merincorp Securities Indonesia ("MSI") was accomplished by means of merging BDS and ES into the MSI. MSI obtained a license as a securities broker and underwriter of the securities portfolio of the Chairman of the Capital Market Supervisory Agency ("Bapepam") by decree No. KEP-12/PM/1992 and No. KEP-13/PM/1992 and started operations on 23 January 1992. The merger was based on the Deed No. 116 dated 31 July 2000 of the Notary Ny. Vita Buena, S.H., and approved by the Minister of Law and Legislation of the Republic of Indonesia on 25 August 2000 by Decree No. C-18762.HT.01.01-TH.2000 and business permits obtained previously by MSI can still be used by PT Mandiri Sekuritas. PT Mandiri Sekuritas owns 99.93% of total shares of PT Mandiri Manajemen Investasi, a Subsidiary that was established on 26 October 2004 and is engaged in investment management and advisory. Mandiri Sekuritas also owns 100% of the total shares of Mandiri Securities Pte. Ltd., a company engage a capital market service license for the business type "Dealing in Securities and Advising Corporate Finance and Monetary Authority of Singapore" based on license No. CMS100566-1 dated 10 November 2016.

On 28 December 2012, Bank Mandiri increased its capital in form of cash at Mandiri Sekuritas, amounted to Rp29,512. Bank Mandiri obtained approval from Bank Indonesia through its letter dated 31 October 2012 and the circular resolution of shareholders dated 27 December 2012 on the capital increase. After the implementation of the additional capital investment, the Bank's ownership at Mandiri Sekuritas increased from 95.69% to 99.99% of the total shares issued by Mandiri Sekuritas.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Mandiri Taspen

PT Bank Sinar Harapan Bali ("BSHB") was established as the Micro Banking on 23 February 1970 under the name MAI Bank Pasar Sinar Harapan Bali, then on 3 November 1992 the Bank transformed it into Limited Liability Company based on Deed No. 4 of Ida Bagus Alit Sudiarmika, S.H., Notary in Denpasar and obtained a business license as a commercial bank under the decree of the Minister of Finance of the Republic of Indonesia No. 77/KMK.017/1994 dated 10 March 1994. On 3 May 2008, shareholders of BSHB and Bank Mandiri signed the acquisition deed as stated in the acquisition deed No. 4 dated 3 May 2008 made by I Wayan Sugitha, S.H., Notary in Denpasar. The signing of the Deed of Acquisition is the beginning of Bank Mandiri's ownership of 80.00% BSHB shares, wherein the management of BSHB will be carried out separately from Bank Mandiri as a stand-alone bank with the main focus on developing Micro and Small Businesses.

On 22 October 2009, the Bank increased its capital in BSHB amounted to 1.46% of the total shares issued and fully paid, or at Rp1,460,657,000 (full amount) by purchasing all shares of BSHB owned by the President Director for 2,921,314 shares, as stated in the Deed of Sell and Purchase of Shares No. 52 dated 22 October 2009 of Notary Ni Wayan Widastri, S.H., Notary in Denpasar, Bali.

Bank increased its capital at BSHB in order to comply with Bank Indonesia regulation on Good Corporate Governance which requires the President Director of Bank should come from an independent party. Capital increase of the Bank at BSHB approved by Bank Indonesia as stated in the letter No. 11/103/DPB1/TPB1-1 dated 21 August 2009.

After increasing its capital, the Bank's ownership in BSHB increased from 80.00% to 81.46% of the total shares issued by BSHB with a total investment amounted to Rp81,461 from Rp80,000.

On 28 May 2013, the Bank increase its capital at BSHB amounted to 11.77% of the total shares issued and fully paid at Rp32,377,072,750 (full amount) by purchasing shares of BSHB owned by BSHB minority shareholders with a total of 23,546,962 shares (full amount). Capital increase of the Bank at BSHB has been approved by Bank Indonesia as stated in the letter of Bank Indonesia No. 15/33/DPB1/PB1-1 dated 6 May 2013.

On 22 December 2014, BSHB held an Extraordinary General Meeting of Shareholders approving the issuance of 800,000,000 (full amount) of new shares to be purchased by Bank Mandiri, PT Taspen (Persero) and PT Pos Indonesia (Persero). Changes in the composition of ownership has been effective on 28 May 2015 with the approval from FSA, with the composition of the final ownership is Bank Mandiri (58.25%), PT Taspen (20.2%), PT Pos (20.2%) and individual shareholders (1.35%). FSA also approved Taspen and PT Pos as new shareholders as well as the additional capital injection of the Bank in BSHB amounted to Rp198,000.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Mandiri Taspen (continued)

On 24 July 2015, the FSA has approved the name changes of PT Bank Sinar Harapan Bali to PT Bank Mandiri Taspen Pos and given permission to conduct business under the name of PT Bank Mandiri Taspen. Name and logo changes are approved by FSA on 31 July 2015 and announced to public on 7 August 2015.

On 24 November 2016, the Bank get approval from the FSA related to capital injection plan at PT Bank Mandiri Taspen Pos amounted to Rp257,036 through letter No. S-125/PB.31/2016 regarding Approval for Bank Mandiri capital injection at Bank Mandiri Taspen Pos. This capital increase also increases the Bank's ownership in Bank Mandiri Taspen Pos from 58.25% to 59.44% of the total shares issued by PT Bank Mandiri Taspen. The capital injection effective in 2017 based on approval from FSA Bali through letter No. S-07/KR.081/2017 and registered FSA. There are differences in the recorded book value figures which resulted in a difference in transactions of Rp13,250.

On 9 October 2017, Bank Mandiri Taspen Pos held an Extraordinary General Meeting of Shareholders which approved the changes in the composition of shareholders to Bank Mandiri (59.44%), PT Taspen (40%) and individual shareholders (0.56%). The Extraordinary General Meeting of Shareholders also approved the changes of company's name, formerly PT Bank Mandiri Taspen Pos to PT Bank Mandiri Taspen.

On 6 December 2017, the Bank has received approval from FSA related to the planned additional capital injection at PT Bank Mandiri Taspen Pos amounted to Rp210,000 through letter No. S-131/PB.31/2017 regarding Approval for capital injection to PT Bank Mandiri Taspen. The application has been approved by the Ministry of State-Owned Enterprises as stated in the letter No. S-504/MBU/09/2017 dated 7 September 2017. Approval from FSA Bali was obtained in January 2018.

The addition of capital investment does not change the percentage of ownership, the percentage of ownership of Bank Mandiri in PT Bank Mandiri Taspen remains 59.44% of the total stock issued by PT Bank Mandiri Taspen.

On 30 November 2018, PT Bank Mandiri Taspen held an Extraordinary General Meeting of Shareholders as stated in the Deed of Minutes of the Extraordinary General Meeting of Shareholders No. 112 dated 30 November 2018, as reaffirmed in the Deed of Resolutions Extraordinary General Meeting of Shareholders No. 34 dated 14 December 2018 approved the transfer part of PT Bank Mandiri Taspen's shares portion owned by PT Bank Mandiri (Persero) Tbk. to PT Taspen (Persero), therefore the ownership of PT Bank Mandiri (Persero) in PT Bank Mandiri Taspen, decrease from 59.44% to 51.05%, hence the Bank's total ownership become 51.05%, PT Taspen 48.39% and individual ownership 0.56%. The changes of the percentage shareholders composition was approved by FSA on 11 January 2019.

On 8 December 2018, the Bank has received approval from FSA Jakarta, concerning plan of divestment and additional share capital to PT Bank Mandiri Taspen through Decision Letter No. S-35/PB.3/2018 regarding the Divestment Initiative and the Bank's Additional Share Capital in PT Bank Mandiri Taspen. The Bank has obtained approval from the Ministry of State Owned Enterprises through Decision Letter No. S-772/MBU/11/2018 dated 16 November 2018.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Mandiri Taspen (continued)

Based on the Extraordinary General Meeting of Shareholders stated in the Deed of Minutes of the Extraordinary General Meeting of Shareholders No. 112 dated 30 November 2018, as reaffirmed in the Deed of Extraordinary General Meeting of Shareholders Resolutions No. 42 dated 19 December 2018, also approved the issuance of 140,492,748 shares (full amount) which have been taken over by Bank Mandiri and PT Taspen (Persero), by changes of the shares portion, the shareholders composition owned by Bank Mandiri becomes 51.08%, PT Taspen 48.42% and individual ownership 0.50%.

To expand the business and become National Bank that have branches all over Indonesia based on Deed of General Meeting of Shareholders Decision No. 53 dated 31 October 2016 made by Notary I Gusti Ngurah Putra Wijaya S.H, Notary in Denpasar as affirmed by Meeting Decision Number 7 dated 5 March 2019 regarding Transference of Bank's Head Office Location. The Deed has been submitted to Ministry of Law and Human Right as stated on Notification of the change of the Company's Information dated 11 March 2019 No. AHU-AH.01.03.-138220 and registered on the Company register Number AHU-0039461.AH.01.11 year 2019 dated 11 March 2019. The Change of Bank's Article of Association has also been approved based on the Decree of Ministry of Law and Human Right of Indonesia No.AHU-0012925.AH.01.02 year 2019 regarding Approval of amendments to the Article of Association PT Bank Mandiri Taspen and has received approval from FSA Number. S-5/PB.1/2019 dated 28 January 2019 regarding Separation and Transference of Head Office Location Plan, Bank transfer their Head Office from Denpasar-Bali to Central Jakarta. The head office relocation was then carried out effectively on 11 March 2019.

In 2020, the Bank has injected additional capital amounting to Rp255,384 to PT Bank Mandiri Taspen. Based on Circular Decision of Shareholder PT Bank Mandiri Taspen dated 16 December 2020 as stated on Deed of General Meeting of Shareholders Resolutions No. 41 dated 28 December 2020 has been approved by PT Bank Mandiri Taspen to issue 135,993,787 new shares which will be executed by Bank and PT Taspen (Persero). Therefore the ownership of PT Bank Mandiri (Persero) in PT Bank Mandiri Taspen, increased from 51.077% to 51.098%, PT Taspen (Persero) from 48.416% became 48.437%, and individual ownership from 0.507% became 0.465%. The change in the composition of share ownership has been effective from 13 January 2021 with the approval and receipt of Notification of the changes to the Article of Association of PT Bank Mandiri Taspen from Ministry Law and Human Right regarding the changes in authorized capital, issued capital and paid-up in capital, and from administrative perspective, by reporting to FSA about the Change of the Shareholder Composition.

Prior to 1 January 2011, goodwill arising from the acquisition of PT Bank Mandiri Taspen amounted to Rp19,219 was amortised using the straight-line method over 5 (five) years with the estimation of economic benefits of the goodwill. Effective on 1 January 2011, in accordance with SFAS No. 22 (Revised 2009), "Business Combinations", goodwill is not amortised but is tested for impairment on annually basis. The Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, "Impairment of Assets" (see Note 2s). The balance of goodwill on 31 December 2022 and 2021 amounted to Rp21,043.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Tunas Finance

PT Mandiri Tunas Finance ("MTF"), formerly PT Tunas Financindo Sarana ("TFS") is a company engaged in consumer financing activities. MTF was established based on Notarial Deed of Misahardi Wilamarta, S.H., No. 262 dated 17 May 1989 and approved by the Ministry of Justice through its Decision Letter No. C2-4868.HT.01.01.TH.89 dated 1 June 1989 and published in State Gazette No. 57, Supplement No. 1369 dated 18 July 1989. MTF commenced its commercial activities in 1989. MTF obtained a business license to operate in leasing, factoring and consumer financing from Minister of Finance in its Decision Letter No. 1021/KMK.13/1989 dated 7 September 1989, No. 54/KMK.013/1992 dated 15 January 1992 and No. 19/KMK.017/2001 dated 19 January 2001. Based on Notarial Deed of Dr. A. Partomuan Pohan, S.H., LLM, dated 6 February 2009, the Bank entered into a sales and purchase agreement with MTF's shareholders (PT Tunas Ridean Tbk. and PT Tunas Mobilindo Parama) to acquire 51.00% ownership of MTF through its purchase of 1,275,000,000 shares of MTF (the nominal value of Rp100 (full amount)) per share amounted to Rp290,000.

The acquisition of 51.00% of MTF shares ownership by Bank Mandiri was approved in the Extraordinary General Shareholders Meeting of MTF as stated in the Minutes of Extraordinary General Shareholders' Meeting No. 8 dated 6 February 2009 and listed in Legal Entity Administration System of Ministry of Law and Human Rights as affirmed by the Ministry of Law and Human Rights through its Letter No. AHU-AH.01.10-01575 dated 11 March 2009.

This acquisition had been approved by Bank Indonesia through the Decree of the Governor of Bank Indonesia No. 11/3/DPB1/TPB1-1 dated 8 January 2009.

The amendment of the TFS's name to become MTF was undertaken on 26 June 2009, in accordance with a resolution on Notarial Deed of PT Tunas Financindo Sarana No. 181 dated 26 June 2009, notarised by Notary Dr. Irawan Soerodjo, S.H., Msi. The Articles of Association was approved by the Ministry of Law and Human Rights Republic of Indonesia in its Decision Letter No. AHU-4056.AH.01.02.TH.09 dated 26 August 2009.

Prior to 1 January 2011, goodwill arising from the acquisitions of MTF amounted to Rp156,807 was amortised using the straight-line method over 5 (five) years with the estimation of economic benefits of the goodwill. Effective 1 January 2011, in accordance with SFAS No. 22 (Revised 2009), "Business Combinations", goodwill is not amortised but tested for impairment annually. The Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, "Impairment of Assets" (see Note 2.r.iii). The balance of goodwill on 31 December 2022 and 2021 amounted to Rp96,697.

Mandiri International Remittance Sendirian Berhad

Mandiri International Remittance Sendirian Berhad ("MIR"), a wholly owned Subsidiary of Bank Mandiri and became a Malaysian legal entity since 17 March 2009 based on registration No. 850077-P. MIR is engaged in money remittance service under the provisions of the Bank Negara Malaysia ("BNM"). MIR has obtained an approval from Bank Indonesia ("BI") through letter No. 10/548/DPB1 dated 14 November 2008 and approval from BNM to conduct operational activities through its letter No. KL.EC.150/1/8562 dated 18 November 2009. MIR officially commenced its operations on 29 November 2009 and is currently located in Kuala Lumpur, Malaysia. In 2020, MIR has 14 branches around Malaysia and provide remittance service to 8 (eight) countries which are Indonesia, Phillipines, Thailand, Singapore, India, Nepal, Pakistan and Bangladesh.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT AXA Mandiri Financial Services

PT AXA Mandiri Financial Services (“AXA Mandiri”) is a joint venture company between PT Bank Mandiri (Persero) Tbk. (“Bank Mandiri”) and National Mutual International Pty Ltd (“NMI”) that is engaged in Life Insurance. AXA Mandiri was formerly established under the name of PT Asuransi Jiwa Staco Raharja on 30 September 1991 by Notarial Deed No. 179 of Muhani Salim, S.H. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia through its letter No. C2-6144.HT.01.01.TH.91 dated 28 October 1991. The Company obtained its life insurance license through General Directorate of Finance Institution Decision Letter No. KEP.605/KM.13/1991 and officially commenced its operations on 4 December 1991. The Company’s name was then changed to PT Asuransi Jiwa Mandiri and subsequently changed to PT AXA Mandiri Financial Services. This change was approved by the Ministry of Justice and Human Rights in its Decision Letter No. C-28747.HT.01.04.TH.2003 dated 10 December 2003, and was published in State Gazette No. 64, Supplement No. 7728 dated 10 August 2004 with shareholders composed of NMI 51.00% and Bank Mandiri 49.00%.

The shareholders of Bank Mandiri, at the Annual General Meeting of shareholders held on 17 May 2010 (in article 7), had approved the acquisition of additional shares in AXA Mandiri through the purchase of 2.00% of the total shares issued and fully paid shares in AXA Mandiri directly from NMI.

On 20 August 2010, Bank Mandiri signed a Sell and Purchase Agreement (AJB) to acquire 2,027,844 (two million twenty seven thousand eight hundred forty four) shares (for an amount of Rp48,427) or 2.00% of issued and fully paid-in capital of AXA Mandiri from NMI in front of Notary Dr. A. Partomuan Pohan, S.H., LLM. The addition of shares in AXA Mandiri was approved by Bank Indonesia through its letter No. 12/71/DPB1/TPB1-1 dated 22 July 2010. After this acquisition, the Bank’s percentage of ownership in AXA Mandiri increased to 51.00%.

Prior to 1 January 2011, goodwill arising from the acquisition of AXA Mandiri amounted to Rp40,128 was amortised using the straight-line method over 5 (five) years with the estimation of economic benefits of the goodwill. Effective on 1 January 2011, in accordance with SFAS No. 22 (Revised 2009), “Business Combinations”, goodwill is not amortised but tested for impairment annually. Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, “Impairment of Assets” (see Note 2s). The balance of goodwill on 31 December 2022 and 2021 amounted to Rp37,194.

PT Asuransi Jiwa Inhealth Indonesia

PT Asuransi Jiwa Indonesia Inhealth (“Mandiri Inhealth”) was established on 6 October 2008 based on the Notarial Deed No. 2 of NM Dipo Nusantara Pua Upa, S.H. Inhealth has obtained its license from the Minister of Law and Human Rights of the Republic of Indonesia through its letter No. AHU-90399.AH.01.01 dated 26 November 2008. Inhealth obtained its license to operate in life insurance as stated on the Decision Letter of the Minister of Finance of the Republic of Indonesia No. KEP-38/KM.10/2009 dated 20 March 2009.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Asuransi Jiwa Inhealth Indonesia (continued)

On 23 December 2013, Bank Mandiri with PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) as the buyers and the Social Security Agency of Health (BPJS Kesehatan; formerly PT Askes (Persero)) and the Koperasi Bhakti Askes as the sellers have signed a Conditional Share Purchase Agreement on PT Asuransi Jiwa Inhealth Indonesia ("Inhealth") where the execution of transactions will be conducted in two phases as follows:

1. Phase 1, namely the acquisition of 80% ownership in Inhealth, whereas the ownership of the PT Bank Mandiri (Persero) Tbk. is 60%, PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) are 10%, respectively, and BPJS Kesehatan still has 20%; and
2. Phase 2, namely the acquisition of 20% ownership of BPJS in Inhealth by the PT Bank Mandiri (Persero) Tbk. so that the total ownership of PT Bank Mandiri (Persero) Tbk. becomes 80%. The composition of Mandiri inhealth shareholders after the stage 2 transaction resulted in 80% percentage ownership PT Bank Mandiri (Persero) Tbk, 10% of PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero), respectively, of the total shares issued and fully paid of Mandiri Inhealth.

On 27 February 2014, PT Bank Mandiri (Persero) Tbk. has obtained the approval of the General Meeting of Shareholders related to the acquisition of Mandiri Inhealth. Furthermore, PT Bank Mandiri (Persero) Tbk. also has received the approval of the proposed acquisition from FSA in accordance with Letter No. S-37/PB/31/2014 dated 17 April 2014 regarding the Application for Approval for Equity Investment of PT Bank Mandiri (Persero) Tbk. in PT Asuransi Jiwa Inhealth Indonesia.

On 2 May 2014, PT Bank Mandiri (Persero) Tbk. with PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) as the buyers with BPJS Kesehatan (formerly PT Askes (Persero)) and Koperasi Bhakti Askes as the sellers have signed a Sell and Purchase Agreement of Inhealth's shares as recorded in Notarial deed of Sell And Purchase Agreement No. 01 dated 2 May 2014 by Notary Mala Mukti S.H., LL.M.

With the signing of the Sell and Purchase Agreements, PT Bank Mandiri (Persero) Tbk. has effectively become the majority shareholder in Inhealth with ownership of 60% (Rp600,000), PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) of 10% respectively (Rp100,000) and BPJS Kesehatan of 20% (Rp200,000). Change in share ownership has been approved by the General Meeting of Shareholders of Inhealth by Notary Mala Mukti S.H., LL.M. No. 19 dated 5 May 2014 and has been submitted to the Ministry of Law and Human Rights of the Republic of Indonesia and has been received through letter No. AHU-06507.40.22.2014 dated 5 May 2014 regarding the Receipt of Company's data change Notification of Data Change of PT Asuransi Jiwa Inhealth Indonesia.

Articles of Association of Inhealth has been changed in accordance with the Shareholders Agreement which was signed on 23 December 2013 and has been recorded in the Notarial Deed of Mala Mukti, S.H., LL.M No. 20 dated 5 May 2014. This change has been submitted to the Ministry of Justice and Human Rights of the Republic of Indonesia and accepted through its letter No. AHU-01805.40.21.2014 dated 6 May 2014.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Asuransi Jiwa Inhealth Indonesia (continued)

Signing of the Sell and Purchase Agreements was the first phase of Inhealth's acquisition in accordance with Conditional Share Purchase Agreement which was signed on 23 December 2013.

On 30 March 2015, PT Bank Mandiri (Persero) Tbk. carried out an addition of share investment in Inhealth by buying 200,000 shares owned by BPJS Kesehatan through the signing of the Deed of Sell and Purchase Agreement No. 108, dated 30 March 2015, made before Mala Mukti, S.H., LL.M., Notary in Jakarta, which is 20% (twenty percent) of the total shares issued by Inhealth. Total purchase price amounted to Rp330,000. The addition of these investments had been approved by the FSA as mentioned in its letter No. S-19/PB.31/2015 dated 20 February 2015. The difference in the balance of recorded non-controlling interest in the fair value of consideration paid for the additional shares of to 20% of Inhealth shares amounted to Rp92,751 is recorded as "Difference in transactions with non-controlling interest".

Since the signing date of the Sell and Purchase Agreements, PT Bank Mandiri (Persero) Tbk. has effectively become the majority shareholder of Mandiri Inhealth with ownership of 80%, which PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) each own 10%. It has been approved by the General Meeting of Shareholders in accordance with Notarial Deed of Mala Mukti S.H., LL.M. No. 109 dated 30 March 2015 and submitted to the Ministry of Justice and Human Rights of the Republic of Indonesia and accepted by its letter No. AHU-AH.01.03-0020238 dated 30 March 2015 regarding Acceptance Notification of the Data Change of PT Asuransi Jiwa Inhealth Indonesia.

Bank Mandiri acquired 80% of total shares issued by Mandiri Inhealth amounted to Rp1,320,000. As of 31 December 2022 and 2021 goodwill each amounted to Rp268,181, respectively. The Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, "Impairment of Assets" (Note 2s).

On 21 September 2021, PT Asuransi Jasa Indonesia offered 10% (ten percent) of its shares to PT Bank Mandiri (Persero) Tbk. and PT Kimia Farma Tbk. as stated in its letter Number: 290/DMA/IX/202 dated 21 September 2021 regarding the Offer to Release 10% of PT Asuransi Jiwa Inhealth Indonesia's shares on behalf of PT Asuransi Jasa Indonesia.

On 13 October 2021, PT Kimia Farma Tbk. provided a response stating that PT Kimia Farma Tbk. did not take the offer offered by PT Asuransi Jasa Indonesia for the release of 10% (ten percent) of the shares as stated in Letter Number: 678/KU 000/1000/X/2021 dated 13 October 2021 regarding the offer to Release 10% of PT Asuransi Jiwa Inhealth Indonesia's Shares on behalf of PT Asuransi Jasa Indonesia.

On 24 November 2021, PT Bank Mandiri (Persero) Tbk. provided a response stating that PT Kimia Farma Tbk. did not take the offer offered by PT Asuransi Jasa Indonesia for the disposal of the 10% (ten percent) shares, as stated in letter Number: KES/1836/2021 dated 24 November 2021 regarding Letter of Reply to Release Offer of 10% (ten percent) of PT Asuransi Jiwa Inhealth Indonesia's shares on behalf of PT Asuransi Jasa Indonesia.

On 8 November 2021, PT Bahana Pembinaan Usaha Indonesia (Persero) as the buyer and PT Asuransi Jasa Indonesia as the seller signed a Conditional Share Sell and Purchase Agreement.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Asuransi Jiwa Inhealth Indonesia (continued)

On 10 December 2021, Mandiri Inhealth has submitted an application for approval for a change in ownership which does not result in a change in controlling shareholder to the Financial Services Authority ("FSA") as stated in letter Number: 4919/AJII/V/DIREKSI/1221 dated 13 December 2021 regarding Application Approval of change in ownership of PT Asuransi Jiwa Inhealth Indonesia.

On 2 March 2022, the Financial Services Authority ("FSA") gave approval for the plan to change the ownership of the Company through the transfer of all shares owned by PT Asuransi Jasa Indonesia ("Jasindo") in the amount of Rp100,000 to PT Bahana Pembinaan Usaha Indonesia (Persero) ("BPUI"), as a prospective shareholder of the Company as stated in the letter Number: S-35/NB.11/2022 regarding the Approval for Changes in Ownership of PT Asuransi Jiwa Inhealth Indonesia dated 2 March 2022.

On 8 June 2022, the Minutes of Resolutions of the Extraordinary General Meeting of Shareholders of PT Asuransi Jiwa Inhealth Indonesia concerning Shareholder Changes Implemented Circularly by PT Bank Mandiri (Persero) Tbk, PT Kimia Farma Tbk, and PT Asuransi Jasa Indonesia ("Circular Decisions").

On 16 June 2022, a Share Sell and Purchase Agreement was signed between PT Bahana Pembinaan Usaha Indonesia (Persero) and PT Asuransi Jasa Indonesia before notary Mala Mukti SH., LL.M as stated in the Deed of Sell and Purchase of Shares Number: 59 dated 16 June 2022 ("Sell and Purchase Deed").

On 24 June 2022, for the implementation of the Circular Decision and the Deed of Sell and Purchase of Shares and the fulfillment of the requirements for the application for Approval for a change of ownership by FSA, before Notary Mala Mukti SH., LL.M in Jakarta, a Deed of Statement of Shareholders' Decision was drawn up as stated in Deed Number 73 dated 22 June, which was received and recorded the change in company data by the Ministry of Law and Human Rights in its letter Number: AHU-AH.01.09-0025840 dated 24 June 2022.

On 27 June 2022, Mandiri Inhealth reported the implementation of the change in ownership to the Financial Services Authority ("FSA") as stated in letter Number: 2618/AJII/I/DIREKSI/06622 regarding the Implementation of Changes in Company Ownership dated 27 June 2022.

On 5 July 2022, the Financial Services Authority ("FSA") gave approval and recorded the report on the change in ownership of the 10% shares issued by Mandiri Inhealth, originally PT Asuransi Jasa Indonesia to PT Bahana Pembinaan Usaha Indonesia (Persero) as stated in the letter Number: S-2499/NB.111/2022 regarding the Recording of the Report on the Implementation of Changes in Ownership of PT Asuransi Jiwa Inhealth Indonesia dated 5 July 2022. So that the composition of Mandiri Inhealth shareholders is PT Bank Mandiri (Persero) Tbk. as much as 80% (eighty percent), PT Kimia Farma Tbk. 10% (ten percent), and PT Bahana Pembinaan Usaha Indonesia (Persero) 10% (ten percent).

On 22 July 2022, the Ministry of BUMN has provided an exception for the temporary suspension of the establishment of a subsidiary company or joint venture within BUMN in connection with the establishment of PT FitAja Digital Nusantara through letter No. S-459/MBU/07/2022.

On 29 July 2022, PT Asuransi Jiwa Inhealth Indonesia obtained approval at the Annual General Meeting of Shareholders regarding the plan to invest in capital and establish a subsidiary or joint venture company, PT FitAja Digital Nusantara.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Asuransi Jiwa Inhealth Indonesia (continued)

On 31 July 2022, PT Asuransi Jiwa Inhealth Indonesia together with PT Mandiri Capital Indonesia and PT Metra Digital Investama signed an Agreement to Establish a Joint Company. With the signing of the agreement, PT Asuransi Jiwa Inhealth Indonesia is legally a shareholder in PT FitAja Digital Nusantara. The implementation of PT Asuransi Jiwa Inhealth Indonesia's equity participation in PT FitAja Digital Nusantara was carried out in 2 (two) stages where as of 31 December 2022 it had been effective for stage 1, namely equity participation in the amount of Rp17,380 with an ownership portion of 31.45% (thirty one point forty-five percent).

PT Mandiri Utama Finance

On 16 April 2014, Bank Mandiri and PT Asco Investindo ("ASCO") and PT Tunas Ridean (Persero) Tbk. ("TURI"), signed an agreement of signing a preliminary agreement to set up a finance company to be able to accelerate Bank Mandiri finance portfolio, especially in the segment of vehicle financing.

On 22 October 2014, Bank Mandiri with ASCO and TURI signed a shareholders' agreement on the establishment of a finance company with an authorised capital of Rp100,000 and an ownership composition as follows: the Bank Mandiri (51%); ASCO (37%); and TURI (12%). Subsequently, on 23 December 2014, in accordance with letter No. S-137/PB.31/2014 the Bank obtained a principle license of equity participation in the new company financing from Bank Supervision FSA.

On 21 January 2015, the deed of incorporation of a new subsidiary of Bank Mandiri named PT Mandiri Utama Finance ("MUF") has been signed as outlined in the Notarial Deed Ashoya Ratam, SH, M.Kn. No. 19 dated 21 January 2015 and was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in Decree No. AHU-0003452.AH.01.01. year 2015 dated 26 January 2015. Concurrent with the signing of the deed of incorporation, the Bank also made capital injection amounted to Rp51,000 as stipulated in the Bank's shareholding in MUF. Based on Notarial Deed No. 66 of Ashoya Ratam dated 29 May 2015 on the Circular Letter of Shareholders' Meeting regarding the approval of change in composition of the Board of Commissioners, which such changes registered with the Ministry of Justice and Human Rights of the Republic of Indonesia based on Letter No. AHU-AH.01.03-0936033 dated 29 May 2015.

After the signing of the deed, MUF submitted application of financing company business license to FSA - Non-Bank Financial Institutions ("FSA IKNB"). Upon request, the FSA IKNB has issued a decree of IKNB Board of Commissioners of the FSA No. KEP-81/D.05/2015 regarding the Granting Approval of Financing Company to PT Mandiri Utama Finance on 25 June 2015 through FSA letter No. SR-3516 /NB.111/2015 dated 26 June 2015, regarding the Granting Approval of Financing Company PT Mandiri Utama Finance.

On 24 August 2015, MUF has performed the initial operational activities through cooperation with primary dealers and showroom, as well as vehicle financing disbursement to limited customers to meet the requirements of the FSA IKNB, and commercially operated on January 2016 through its branches which already have operational permit from FSA IKNB.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Utama Finance (continued)

Based on the Letter of Approval from the FSA No. S-86/PB.31/2016 dated 25 August 2016, regarding the Application for Approval of the Increase in the Share Capital of PT Mandiri Utama Finance, the FSA expressed no objection to the Bank's plan of increasing its equity participation in MUF amounted to Rp102,000. The increase of capital in MUF will be done gradually with a nominal value of Rp51,000 for each stage. On 29 August 2016, the execution of the first stage in increasing the share capital of MUF, with a nominal value of Rp51,000, has been completed. The next stage of issuing additional share capital amounted to Rp51,000 has been carried out on 16 December 2016. The increase in capital did not change the percentage of ownership over MUF as follows Bank Mandiri 51%, ASCO 37% and TURI 12%.

Based on the Letter of Approval from the FSA No. S-68/PB.31/2017 dated 26 July 2017, regarding the Application for Approval of the Increase in the Share Capital of the Bank to MUF, FSA expressed no objection to the Bank's plan of increasing its equity participation in MUF amounted to Rp102,000. The increase of capital in MUF will be done for two phases with nominal value Rp51,000 for each phase. On 28 July 2017, the execution of the first phase increasing the share capital of MUF with nominal value of Rp51,000 has been completed and documented on Notarial Deed of Ashoya Ratam S.H., M.Kn, No. 56 dated 29 August 2017 and approved by Ministry of Justice and Human Rights of the Republic of Indonesia based on Letter No. AHU-AH.01.03-0169081 year 2017 dated 6 September 2017. On 30 October 2017, the execution of the second phase increasing the share capital of MUF with nominal value of Rp51,000,000,000 (fifty one billion Rupiah) (full amount) has been completed as stated in the Notarial Deed of Ashoya Ratam S.H., M.Kn. No. 60 dated 24 November 2017 and has been ratified by the Ministry of Law and Human Rights by Decree No. AHU-AH.01.03-0195073 dated 27 November 2017. The addition of capital investment does not change the percentage of ownership, the percentage of ownership of Bank Mandiri in MUF amounted to 51%, ASCO amounted to 37% and TURI amounted to 12%.

Furthermore, MUF request approval to operate for Sharia Unit (UUS) to FSA-IKNB Sharia and approved to operate Sharia Unit (UUS) MUF through Decision Letter Commissioners Board FSA No. KEP-36/NB.223/NB/2018 about "granting permission to Operate Sharia Unit for Financing Company to PT Mandiri Utama Finance" dated 27 April 2018 through FSA letter No. S-626/NB.223/2018 dated 15 May 2018 about "Notification Transcript of Permission to Operate Sharia Unit for Financing Company to PT Mandiri Utama Finance".

PT Mandiri Capital Indonesia

As of 23 June 2015, Bank Mandiri and PT Mandiri Sekuritas have established new subsidiary engaged in venture capital under the name of PT Mandiri Capital Indonesia ("MCI").

Establishment of the Company was marked by the signing of the deed of Bank Mandiri and PT Mandiri Sekuritas in which the Bank invested capital amounted Rp9,900, representing 99% share ownership in MCI and PT Mandiri Sekuritas injected capital amounted to Rp100 which represents a 1% share ownership in MCI, therefore the capital structure of MCI amounted Rp10,000.

Bank Mandiri's equity participation in the framework of establishment of MCI was approved by the FSA per its letter No. S-48/PB.31/2015 regarding Application for Approval of Equity Participation of PT Bank Mandiri (Persero) Tbk. for the establishment of Venture Capital Company on 11 June 2015.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Capital Indonesia (continued)

As of 26 June 2015, the establishment of MCI was approved by the Minister of Law and Human Rights through letter No. AHU-2445684.AH.01.01 year 2015. MCI obtained a license to carry out business activities in the venture capital sector on 10 November 2015 through the decree of the Board of Commissioners of the Financial Services Authority No. KEP-113/D.05/2015 stating that MCI may carry out full operational activities.

Based on the Letter of Approval from the FSA No. S-1/PB.31/2016 dated 7 January 2016, regarding the Application for Approval of the Bank's investment in PT Mandiri Capital Indonesia (MCI), the FSA expressed no objection to Bank Mandiri's plan of additional shares investment in MCI.

As of 5 February 2016, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No. AHU-0002343.AH.01.02 year 2016 as documented in Deed No. 13 dated 3 February 2016 which the Bank's authorised and issued capital became Rp349,900 representing 99.97% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0.03% share ownership in MCI, therefore the capital structure in MCI amounted to Rp350,000.

The additional shares investment in MCI was done through the issuance of 3,400 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such and new shares were executed by Bank Mandiri (100%).

Based on the approval letter from FSA No. S-69/PB.31/2017 dated 26 July 2017 regarding the Application for Approval of the Bank's investment to PT Mandiri Capital Indonesia (MCI), the FSA expressed no objection to Bank Mandiri's plan of additional shares investment in MCI.

As of 13 September 2017, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No. AHU-0018840.AH.01.02 year 2017 as documented in Deed No. 8 dated 7 September 2017 which the Bank's authorised and issued capital became Rp549,900 representing 99.98% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0.02% share ownership in MCI, therefore the capital structure in MCI amounted to Rp550,000.

The additional shares investment in MCI was done through the issuance of 2,000 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such and new shares were executed by Bank Mandiri (100%).

Based on the approval letter from FSA No. S-14/PB.31/2019 dated 31 January 2019 regarding Bank's additional investment in PT Mandiri Capital Indonesia, FSA has recorded Bank Mandiri's plan to conduct the additional investment to MCI in FSA's administration.

As of 7 February 2019, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No. AHU-00063880.AH.01.02 year 2019 as documented in Deed No. 06 dated 7 February 2019 which the Bank's authorised and issued capital became Rp1,096,900 representing 99.99% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0.01% share ownership in MCI, therefore the capital structure in MCI amounted to Rp1,097,000.

The additional shares investment to MCI was done through the issuance of 5,470 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such and new shares were executed by Bank Mandiri (100%).

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Capital Indonesia (continued)

Based on the approval letter from FSA No. S-111/PB.31/2019 dated 30 July 2019 regarding Bank's additional investment to PT Mandiri Capital Indonesia, FSA has recorded Bank Mandiri's plan to conduct the additional investment to MCI in FSA's administration.

As of 30 July 2019, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No.AHU-0044080.AH.01.02 year 2019 as documented in Deed No. 13 dated 30 July 2019 which the Bank's authorised and issued capital became Rp1,456,900 representing 99.99% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0.01% share ownership in MCI, therefore the capital structure in MCI amounted to Rp1,457,000.

The additional shares investment in MCI was done through the issuance of 3,600 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such and new shares were executed by Bank Mandiri (100%).

Based on the approval letter from FSA No. S-283/PB.31/2021 dated 29 December 2021 regarding the Application for Approval of the Bank's investment to PT Mandiri Capital Indonesia (MCI), the FSA expressed no objection to Bank Mandiri's plan of additional shares investment in MCI.

As of 31 December 2021, MCI has obtained the approval of changes in Articles of Association regarding the increase in authorised and issued capital from the Minister of Law and Human Rights based on its letter No.AHU-0077472.AH.01.02 year 2021 as documented in Deed No. 4 dated 30 December 2021, where the authorized capital and issued capital of Bank Mandiri amounted to Rp1,602,900 representing 99.99% share ownership in MCI and PT Mandiri Sekuritas to Rp100 representing 0.01% share ownership in MCI, so that MCI's capital structure is Rp1,603,000.

The additional shares investment in MCI was made through the issuance of 1,460 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such and new shares were subscribed by Bank Mandiri (100%).

Based on the approval letter from FSA No. S-283/PB.31/2021 dated 29 December 2021 regarding Approval of Additional Bank Brothers' Equity Participation in PT Mandiri Capital Indonesia (MCI), FSA stated that it has no objections to Bank Mandiri's plan to make additional equity participation in MCI.

On 25 June 2022, MCI obtained approval for the amendment to the Articles of Association regarding the increase in authorized and issued capital by the Minister of Law and Human Rights with No.AHU-0043484.AH.01.02. in 2022 as stated in Deed No. 25 dated 24 June 2022 where the authorized capital and issued capital of Bank Mandiri amounted to Rp1,709,900 representing 99.99% share ownership in MCI and PT Mandiri Sekuritas to Rp100 representing 0.01% share ownership in MCI, so that MCI's capital structure is Rp1,710,000.

Mandiri Capital Indonesia owns 99.99% of the total shares of PT Mitra Transaksi Indonesia which is a third party processor and acquirer service provider that provides end-to-end processes and networks for payment solutions in Indonesia, a Subsidiary of MCI which was established on 13 January 2016 and engages in business support services related to financial services, specifically financial services in the field of payment by card.

Additional shares investment in MCI was carried out by issuing 1,070 new shares in MCI, each share having a nominal value of Rp100,000,000 (full amount) where all of the new shares were taken up by Bank Mandiri (100%).

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Capital Indonesia (continued)

Based on the approval letter from FSA No. S-136/PB.31/2022 dated 20 September 2022 regarding the Approval of the Additional Bank's Equity Participation in PT Mandiri Capital Indonesia (MCI), FSA stated that it has no objections to Bank Mandiri's plan to make additional equity participation in MCI.

On 5 October 2022, MCI obtained approval for the amendment to the Articles of Association regarding the increase in authorized and issued capital by the Minister of Law and Human Rights with No. AHU-0071744.AH.01.02. Year 2022 as stated in Deed No. 1 dated 3 October 2022 where the authorized capital and issued capital of Bank Mandiri amounted to Rp2,184,900 representing 99.99% share ownership in MCI and PT Mandiri Sekuritas to Rp100 representing 0.01% share ownership in MCI, so that MCI's capital structure is Rp2,185,000.

Additional shares investment in MCI was carried out by issuing 4,750 new shares in MCI, each share having a nominal value of Rp100,000,000 (full amount) where all of the new shares were taken up by Bank Mandiri (100%).

Based on the approval letter from FSA No. SR-129/PB.31/2022 dated 13 December 2022 regarding the Approval of Additional Bank's Equity Participation in PT Mandiri Capital Indonesia (MCI), FSA stated that it had no objections to Bank Mandiri's plan to make additional equity participation in MCI.

On 27 December 2022, MCI obtained approval for the amendment to the Articles of Association regarding the increase in authorized and issued capital by the Minister of Law and Human Rights with No. AHU-0129677.AH.01.02. Year 2022 as stated in Deed No.7 dated 27 December 2022 where the authorized capital and issued capital of Bank Mandiri amounted to Rp3,358,400 representing 99.99% share ownership in MCI and PT Mandiri Sekuritas to Rp100 representing 0.01% ownership shares in MCI, so that MCI's capital structure is Rp3,358,500.

Additional shares investment in MCI was performed by issuing 11,735 new shares in MCI, each shares having a nominal value of Rp100,000,000 (full amount), where all of the new shares were taken by Bank Mandiri (100%).

h. Structure and Management

Bank Mandiri's head office is located on Jalan Jenderal Gatot Subroto Kavling 36-38, South Jakarta, Indonesia. As of 31 December 2022 and 2021, Bank Mandiri's the structure and number of Bank Mandiri's domestic and foreign offices are as follows:

| | 2022 | 2021 |
|--------------------------------|--------------|--------------|
| Domestic regional offices | 12 | 12 |
| Domestic branches: | | |
| Branch Offices ⁷⁾ | 138 | 137 |
| Sub-Branch Offices | 2,225 | 2,465 |
| Total domestic branches | 2,363 | 2,602 |
| Overseas branches | 6 | 6 |

⁷⁾ Several branch offices function as area offices.
 In accordance with POJK No.12/POJK.03/2021 dated 30 July 2021 regarding Commercial Banks, the Cash Office, Payment Point and Mobile Cash are registered as branch office (KCP) starting 31 October 2021.
 In accordance with FSA Letter No.S-30/PB.11/2022 dated 6 March 2022 regarding Apolo Reporting - Office Network in accordance with POJK No. 12/POJK.03/2021 regarding Commercial Banks that Payment Points and Mobile Cash are not registered as Sub-Branch Offices starting 31 March 2022.

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 31 December 2022, Bank Mandiri has 6 overseas branches located in Cayman Islands, Singapore, Hong Kong, 2 branch offices in Dili Timor Leste, Shanghai (People's Republic of China) and 1 remittance office in Hong Kong.

To support Bank Mandiri in achieving its aspiration to be the primary customers' financial partner, Bank Mandiri divided its organisation structure into strategic business units (SBU) to three major groups, which are:

1. Business Units, are responsible as the Bank's main business development or operational segment unit, consists of two main segments, namely Wholesale Banking which consists of Corporate Banking, Commercial Banking, Government Institutional, Treasury & International Banking and Retail banking which consists of Credit Card, Consumer Loan, Micro Personal Loan, Small & Medium Enterprise Banking and Micro Development & Agent Banking.
2. Support Functions, are responsible as supporting units that provide overall support to Bank's operations consisting of Special Asset Management, Risk Management which monitors Wholesale Risk and Retail Risk, Information Technology & Operation that supervises Operation, Compliance and Human Resources, Strategic and Finance, Internal Audit and Corporate Transformation.
3. Business & Distribution are responsible as selling products and services to all segments of Bank's customers, consisting of 12 Regional Offices that are spread out across Indonesia and wealth management.

Bank Mandiri has made changes to the organizational structure which took effect on 22 December 2022 as stated in Directors Decree No. KEP.DIR/044/2022 dated 4 October 2022 concerning Organizational Structure. Changes in the organizational structure of Bank Mandiri by rearranging the organization to meet the needs and development of the Bank.

As of 31 December 2022 and 2021, the members of Bank Mandiri's Boards of Commissioners are as follows:

| | 2022 | 2021 |
|-------------------------------|------------------------|-----------------------------|
| <u>Board of Commissioners</u> | | |
| President Commissioner/ | | |
| Independent Commissioner | : Muhamad Chatib Basri | Muhamad Chatib Basri |
| Deputy Chief Commissioner/ | | |
| Independent Commissioner | : Andrinof A. Chaniago | Andrinof A. Chaniago |
| Independent Commissioner | : Boedi Armanto | Mohamad Nasir ^{*)} |
| Independent Commissioner | : Loeke Larasati A. | Boedi Armanto |
| Independent Commissioner | : Muliadi Rahardja | Loeke Larasati A. |
| Commissioner | : Rionald Silaban | Rionald Silaban |
| Commissioner | : Arif Budimanta | Arif Budimanta |
| Commissioner | : Faried Utomo | Faried Utomo |
| Commissioner | : Nawal Nely | Nawal Nely |
| Commissioner | : Muhammad Yusuf Ateh | Muhammad Yusuf Ateh |

^{*)} Office term of Mr. Mohamad Nasir ends on 10 March 2022 in accordance with the decision of Bank Mandiri's Annual General Meeting of Shareholders.

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 31 December 2022 and 2021, the members of Bank Mandiri's Board of Directors are as follows:

| | 2022 |
|--|----------------------------|
| <u>Board of Directors</u> | |
| President Director | : Darmawan Junaidi |
| Deputy of President Director | : Alexandra Askandar |
| Director of Risk Management | : Ahmad Siddik Badruddin |
| Director of Compliance and Human Resources | : Agus Dwi Handaya |
| Director of Treasury and International Banking | : Panji Irawan |
| Director of Commercial Banking | : Riduan |
| Director of Consumer and Retail Banking | : Aquarius Rudianto |
| Director of Operation | : Toni E. B. Subari |
| Director of Corporate Banking | : Susana Indah K. Indriati |
| Director of Government Institutional | : Rohan Hafas |
| Director of Finance and Strategy | : Sigit Prastowo |
| Director of Information Technology | : Timothy Utama |

| | 2021 |
|--|----------------------------|
| <u>Board of Directors</u> | |
| President Director | : Darmawan Junaidi |
| Deputy of President Director | : Alexandra Askandar |
| Director of Risk Management | : Ahmad Siddik Badruddin |
| Director of Compliance and Human Resources | : Agus Dwi Handaya |
| Director of Treasury and International Banking | : Panji Irawan |
| Director of Commercial Banking | : Riduan |
| Director of Consumer and Retail Banking | : Aquarius Rudianto |
| Director of Operation | : Toni E. B. Subari |
| Director of Corporate Banking | : Susana Indah K. Indriati |
| Director of Government Institutional | : Rohan Hafas |
| Director of Finance and Strategy | : Sigit Prastowo |
| Director of Information Technology | : Timothy Utama |

As of 31 December 2022 and 2021, the members of Bank Mandiri's Audit Committee are as follows:

| | 2022 | 2021 |
|---------------------|------------------------|-----------------------------|
| Chairman and member | : Boedi Armanto | Boedi Armanto |
| Member | : Muhamad Chatib Basri | Muhamad Chatib Basri |
| Member | : Andrinof A. Chaniago | Andrinof A. Chaniago |
| Member | : Loeke Larasati A. | Mohamad Nasir ^{*)} |
| Member | : Muliadi Rahardja | Loeke Larasati A. |
| Member | : Rasyid Darajat | Rasyid Darajat |
| Member | : Rubi Pertama | Rubi Pertama |

^{*)} Office term of Mr. Mohamad Nasir ends on 10 March 2022 in accordance with the decision of Bank Mandiri's Annual General Meeting of Shareholders.

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 31 December 2022 and 2021, Bank Mandiri's Remuneration and Nomination Committee are as follows:

| | 2022 | 2021 |
|--|------------------------------------|----------------------------------|
| Chairman and member | : Muhamad Chatib Basri | Muhamad Chatib Basri |
| Member | : Andrinof A. Chaniago | Andrinof A. Chaniago |
| Member | : Muliadi Rahardja | Mohamad Nasir ^{*)} |
| Member | : Rionald Silaban | Rionald Silaban |
| Member | : Arif Budimanta | Arif Budimanta |
| Secretary (ex-officio) concurrently a member | : SEVP/Group Head Human Capital | SEVP/Group Head Human Capital |

^{*)} Office term of Mr. Mohamad Nasir ends on 10 March 2022 in accordance with the decision of Bank Mandiri's Annual General Meeting of Shareholders.

As of 31 December 2022 and 2021, Bank Mandiri's Risk Oversight Committee are as follows:

| | 2022 | 2021 |
|---------------------|------------------------|----------------------|
| Chairman and member | : Andrinof A. Chaniago | Andrinof A. Chaniago |
| Member | : Boedi Armanto | Boedi Armanto |
| Member | : Loeke Larasati A. | Loeke Larasati A. |
| Member | : Nawal Nely | Nawal Nely |
| Member | : Arif Budimanta | Arif Budimanta |
| Member | : Chrisna Pranoto | Chrisna Pranoto |
| Member | : Caroline Halim | Caroline Halim |

As of 31 December 2022 and 2021, Bank Mandiri's Integrated Governance Committee are as follows:

| | 2022 | 2021 |
|---------------------|---|---|
| Chairman and member | : Muhamad Chatib Basri | Muhamad Chatib Basri |
| Member | : Andrinof A. Chaniago | Andrinof A. Chaniago |
| Member | : Loeke Larasati A. | Loeke Larasati A. |
| Member | : Faried Utomo | Faried Utomo |
| Member | : Muhammad Yusuf Ateh | Muhammad Yusuf Ateh |
| Member | : Chrisna Pranoto | Chrisna Pranoto |
| Member | : Rasyid Darajat | Rasyid Darajat |
| Member | : Independent Commissioner Bank Mantap ^{*)} | Independent Commissioner Bank Mantap ^{*)} |
| Member | : Independent Commissioner MAGI ^{*)} | Independent Commissioner MAGI ^{*)} |
| Member | : Independent Commissioner Mansek ^{*)} | Independent Commissioner Mansek ^{*)} |
| Member | : Independent Commissioner AMFS ^{*)} | Independent Commissioner AMFS ^{*)} |
| Member | : Independent Commissioner MTF ^{*)} | Independent Commissioner MTF ^{*)} |
| Member | : Independent Commissioner MUF ^{*)} | Independent Commissioner MUF ^{*)} |
| Member | : Independent Commissioner MCI ^{*)} | Independent Commissioner MCI ^{*)} |
| Member | : Independent Commissioner Inhealth ^{*)} | Independent Commissioner Inhealth ^{*)} |
| Member | : Independent Commissioner BSI ^{*)} | Independent Commissioner BSI ^{*)} |
| Member | : Sharia Supervisory Board from subsidiary ^{*)} | Sharia Supervisory Board from subsidiary ^{*)} |

^{*)} Confirming the subsidiaries executives

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 31 December 2022 and 2021, the Chairperson of Bank Mandiri's Internal Audit was Danis Subyantoro.

As of 31 December 2022 and 2021, Bank Mandiri's Corporate Secretary was Rudi As Aturridha.

The number of Bank Mandiri employees as of 31 December 2022 was 38,200 people (31 December 2021: 37,840 people, (unaudited).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Bank and its Subsidiaries ("Group") were completed and authorised for issuance by the Board of Directors as of 31 January 2023.

The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards which comprised of the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants and Board of Shariah Accounting Standards of the Indonesian Institute of Accountants and the Capital Market Supervisory Agency and Financial Institution ("Bapepam-LK") regulation No. VIII.G.7 Attachment of the Chairman of Bapepam and LK's decree No. KEP-347/BL/2012 dated 25 June 2012, regarding Financial Statements Presentation and Disclosure for Issuer or Public Companies.

a. Basis of Preparation of the Consolidated Financial Statements

The principal accounting policies adopted in preparing the consolidated financial statement of the Bank and Subsidiaries are set out below:

The consolidated financial statements have been prepared under the historical cost, except for financial assets classified as fair value through other comprehensive income, financial assets and liabilities measured at fair value through profit or loss and all derivative instruments which have been measured at fair value. The consolidated financial statement is prepared under the accrual basis of accounting, except for the consolidated statement of cash flows.

Consolidated statement of cash flows are prepared using the direct method by classifying cash flows in operating, investing and financing activities.

Items within other comprehensive income are classified separately, between accounts which will be reclassified to profit or loss and will not be reclassified to profit or loss.

The financial statement of a Subsidiary engaged in sharia banking have been prepared based on with the Statement of Financial Accounting Standards (SFAS) No. 101 (Revised 2016), "Presentation of Financial Statements for Sharia Banking", SFAS No. 102 (Revised 2019) "Accounting for *Murabahah*", SFAS No. 104 (Revised 2016) "Accounting for *Istishna*", SFAS No. 105 "Accounting for *Mudharabah*", SFAS No. 106 "Accounting for *Musyarakah*", SFAS No. 107 (Revised 2016) "Accounting for *Ijarah*", SFAS No. 110 (Revised 2015) "Accounting for *Sukuk*", SFAS No. 111 "Accounting for *Wa'd*", SFAS No. 112 (2021) "Accounting for *Waka'*" and other prevailing Statement of Financial Accounting Standards, as long as it does not contradict with Sharia principle on Accounting Guidelines for Indonesian Sharia Banking (PAPSI) (Revised 2013).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis of Preparation of the Consolidated Financial Statements (continued)

The preparation of financial statements in accordance with Indonesian Financial Accounting Standards that requires the use of estimates and assumptions. It also requires management to make judgments in the process of applying the accounting policies of the Group. The area that is complex or requires a higher level of consideration or areas where assumptions and estimates could have a significant impact on the consolidated financial statements is disclosed in Note 3.

All figures in the consolidated financial statements, are rounded and presented in million Rupiah ("Rp"), unless otherwise stated.

b. Changes in accounting policies

Unless stated below, the accounting policies for the year ended 31 December 2022 have been applied consistently with the Group consolidated financial statements for the year ended 31 December 2021, which are in accordance with Indonesian Financial Accounting Standards.

On 1 January 2022, there are new and revised or amendment towards several standards that are relevant to the Group operation which is effective for application from that date as follows:

- Amendments to PSAK No. 22 on "Business Combination on Reference to a Conceptual Framework". This amendment clarifies the interaction between PSAK No. 22, PSAK No. 57, ISAK No. 30 and the Conceptual Framework for Financial Reporting.
- Amendments to PSAK No. 57 concerning "Provisions, Contingent Liabilities, and Contingent Assets" regarding "Onerous Contracts - Cost of Fulfilling the Contract". This amendment clarifies the costs of fulfilling a contract in relation to determining whether a contract is onerous.
- 2020 Annual Adjustment - PSAK No. 71 concerning "Financial Instruments" regarding "Reward under "10 percent" test for derecognizing a financial liability". The amendments clarify the costs that are included in the entity when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

The impact of the implementation of the new standards and the adjustments/amendments mentioned above are not material to the Group's consolidated financial statements.

On April 2022, the Financial Accounting Standards Board ("FASB-IAI") published a press release regarding the Attributing benefit to periods of service the press releases published in response to the IFRS Interpretation Committee (IFRIC) Agenda Decision: IAS 19 Employee Benefit regarding Attributing Benefit to Periods of Service in May 2021.

FASB IAI considers that the fact pattern of the pension program based on the current Employment Law in Indonesia has a fact pattern similar to the fact pattern in the IFRIC Agenda Decision. With this similar pattern of facts, the accounting treatment in the IFRIC Agenda Decision is relevant to be implemented in a pension program based on the Employment Law. In connection with the IFRIC Agenda Decision and FASB IAI press release, the bank has changed its accounting policies to conform with the IFRIC Agenda Decision and FASB IAI press release.

However, these changes did not have a material impact on the Group's consolidated financial statements and have been charged to the current year's consolidated statement of profit or loss and other comprehensive income.

The impact of the adoption of the new standards and adjustments or amendments mentioned above is not material to the Group's consolidated financial statements.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies (continued)

Amendments to the Interest Rate Benchmark Reformation allow entities to reflect the effects of transitions from benchmark interest rates, such as interbank offered rates (IBORs) to alternative benchmark bank rates without creating a significant accounting impact.

c. Financial instruments

A. Financial assets

The Group classified its financial assets in the following categories (a) financial assets measured at fair value through profit or loss, (b) financial assets measured at fair value through other comprehensive income, and (c) financial assets measured at amortised cost.

The Group has debt financial instruments and equity financial instruments. The Group further measures all equity investments at fair value. On initial recognition, the Group may make an irrevocable choice to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments.

The Group used 2 (two) methods to classify its financial assets, which based on the Group's business model in managing the financial assets, and the contractual cash flow of the financial assets solely payment of principal and interest (SPPI).

SPPI Test

As a first step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

Principal, for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant element of interest within a arrangement are typically the consideration for the time value of money and credit risk. To perform the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, do not generate to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured as Fair Value through Profit Loss (FVTPL).

Business model assessment

The Group determines its business model at the level that best reflects how it manages Company's of financial assets to achieve its business objective.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

A. Financial assets (continued)

Business model assessment (continued)

The Company's business model is not assessed by each instrument, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular the way those risks are managed;
- How business managers are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value, and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

(a) Financial assets measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless the business model test and the contractual cash flow test show that financial assets entering into classifications are measured at amortised cost or fair value through other comprehensive income.

This classification is intended for held for trading financial instruments or at the time of initial recognition has been determined by the Group to be measured at fair value through profit or loss.

A financial asset is classified as held for trading, if it has been acquired principally for the purpose of selling in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has a recent actual pattern of short-term profit-taking.

Financial assets classified at initial recognition as measured at fair value through profit or loss are held by the Subsidiary to cover its insurance liabilities which measure at fair value of the underlying assets. Financial instruments classified into this category are recognized at fair value on initial recognition, transaction costs are recognized directly in the consolidated statement of profit or loss and other comprehensive income.

Gains and losses arising from changes in fair value, sale of financial instruments and interest income on financial instruments measured at fair value through profit or loss are recognized in the consolidated statement of profit or loss and other comprehensive income recorded as "net income from fair value through profit or loss classification".

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

A. Financial assets (continued)

Business model assessment (continued)

(b) Financial assets measured at fair value through other comprehensive income

Financial assets are managed in a business model which objectives will be fulfilled by obtaining contractual cash flows and selling financial assets and contractual requirements of financial assets which on a certain date received cash flow from solely payment of principal and interest (SPPI) of the amount owed.

At the initial recognition, debt instruments measured at fair value through other comprehensive income are recognized at the fair value plus the transaction costs and subsequently measured at fair value where the gain or loss from changes in fair value, gain or loss from the exchange rate, and impairment, are recognized as other comprehensive income. Dividend from equity is recognized in profit or loss.

Expected credit losses are recognized as additions of other comprehensive income in the statement of financial position (not reducing the number of recorded financial assets in financial statements). Interest income is calculated using the effective interest rate method.

The Group further measures all equity investments at fair value. If group management has chosen to present fair value gains and losses on equity investments in other comprehensive income, there is no reclassification of fair value gains and losses to profit or loss upon derecognition of those investments. Dividends from equity instruments are recognized in profit or loss.

(c) Financial assets measured at amortised cost

Financial assets are measured at amortised cost if the financial asset is managed in a business model to obtain a contractual cash flow and the contractual arrangement of a financial asset at certain date to obtain cash flow solely payments of principal and interest of the amount owed.

At initial recognition, the financial assets measured at amortised cost are recognized at the fair value plus the transaction costs and subsequently measured at amortised cost by using the effective interest rate.

Interest income from financial assets measured at amortised cost is recorded in the consolidated statement of profit or loss and other comprehensive income and is recognized as "interest income". When the decline in value occurs, the impairment loss is recognized as a deduction to the carrying amount of the financial asset and is recognized in the financial statements as "impairment loss".

Recognition

Banks use transactions date record transactions in securities and government bonds.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

B. Financial liabilities

The Group classifies its financial liabilities into the category of (a) financial liabilities at fair value through profit or loss and (b) financial liabilities measured at amortised cost.

(a) Financial liabilities at fair value through profit or loss

This category comprises of two sub-categories: financial liabilities classified as fair value through profit or loss and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

A financial liability is classified as fair value through profit or loss, if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments.

Gains and losses arising from changes in fair value of financial liabilities classified as fair value through profit or loss are included in the consolidated statement of profit or loss and other comprehensive income as income from fair value through profit or loss - net. Interest expense from financial liability classified as trading are recorded as income from fair value through profit or loss - net.

If the Group designated certain debt securities upon initial recognition as at fair value through profit or loss (fair value option), then this designation cannot be changed subsequently.

Changes of fair value related to financial liabilities designated at fair value through profit or loss are recognised in income from fair value through profit or loss - net. Interest expense from financial liabilities designated at fair value through profit or loss are recorded as income from fair value through profit or loss - net.

(b) Financial liabilities at amortised cost

The Group classifies all financial liabilities after initial recognition as measured at amortised cost, except:

1. Financial liabilities measured at fair value through profit or loss.
2. Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach is applied.
3. Financial guarantee contracts.
4. Commitment to providing loans at below market interest rates.
5. Contingent consideration recognized by the acquirer in the business combination.

At initial recognition, financial liabilities at amortised cost measured at fair value are deducted by transaction cost. After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest rate method. Effective interest rate amortisation is recognised as "Interest expense".

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

C. Derecognition

Derecognition of Financial Assets

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have expired or matured the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Group evaluates to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition).

Collateral that is submitted by the Group under the agreement of securities sold under agreements to repurchase and securities lending and borrowing transactions is not derecognised because the Group substantially has all the risks and benefits of the collateral, based on the requirement that the repurchase price has been determined at the beginning, so that the criteria for derecognition are not met.

Financial assets that are transferred to third parties but do not qualify for derecognition are presented in the consolidated statements of financial position as "Other assets - Receivables on securities and government bonds pledged as collateral", which the recipient has the right to sell or transfer back.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when the financial liabilities have expired because the obligations specified in the contract have been released, canceled or expired or if there is a substantial change in the terms of a financial liability, the financial liability contract before the change will be written off and the Group will recognize the new financial liability.

Write-offs

In the case of financial assets' write-off is a continuation of the financial assets' settlement by taking over collaterals, the written-off amount is approximately equal to the difference between the fair value of repossessed assets after taking into account the financial assets' cost of sales and carrying amount.

Financial assets can be written off when the allowance for impairment losses have been 100% established.

Full write-off is done to the financial assets' carrying amount by debiting the allowance for impairment losses.

D. Modification of Financial Assets Cash Flow

An assessment of whether a financial asset has been modified or restructured substantially or not substantially derecognised is carried out by a business unit whose authorized to modify or restructure financial assets.

Modifications or restructuring to financial assets are considered substantial and the Group will cease to recognize the original financial assets when:

- (a) the financial asset (or portion thereof) expires, that is, if the debtor is legally released from primary responsibility for the asset (or any portion thereof), either by legal process or by the creditor entering into a new credit contract (for example, the equity conversion option); or
- (b) there is a currency conversion.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

D. Modification of Financial Assets Cash Flow (continued)

The Group will measure the substantially and not substantially modified financial assets as follows:

(a) Substantial Modification of Financial Assets

1. When the contractual cashflow on a financial asset is restructured or modified (including when a credit is restructured) and the restructuring or modification results in derecognition of the financial asset, therefore the Group will record the financial asset as a new/modified financial asset on the modification/restructuring date.
2. The difference between the gross amount of the initial financial assets and the fair value of the modified or restructuring assets recorded as profit or loss.
3. Transaction income or costs incurred in connection with a modification event recognized as part of gain or loss on the modification.
4. Next, Group assess whether new/modified financial assets are assets originating from impaired financial assets or Purchased or Originated Credit-Impaired (POCI) Financial Asset.
5. Recognition of interest income on assets originating from financial assets is calculated based on an effective interest rate adjusted for credit risk (risk-adjusted effective interest rate) to discount the cash flows of modified financial assets.

(b) Non-Substantial Modification of Financial Assets

1. When the Group renegotiates or modifies contractual cash flows of financial assets (including when loans are restructured) that do not meet the criteria for substantial modification of financial assets above, the restructuring or modification does not result in derecognition of the financial assets.
2. The gross carrying amount of financial assets is computed at the net present value of modified or restructured contractual cash flows, discounted at the original effective interest rate.
3. The Group then recognizes the gain or loss from the modification (i.e the change in the gross carrying amount of the financial asset) in the profit or loss.
4. Transaction income or costs incurred in connection with a modification event are recognized as an adjustment to the carrying amount of the modified financial asset and amortised over the remaining term of the modified financial asset using the initial effective interest rate.
5. The difference between the gross carrying amount of a financial asset before and after modification or restructuring is recognised as a gain or loss of the modified financial asset, which is an adjustment to the initial gross carrying amount and is amortised over the remaining term of the financial asset using the unwinding interest.

E. Reclassification of financial assets

The Group is allowed to reclassify the financial assets owned if the Group changes the business model of managing the financial assets and the Group is not allowed to reclassify the financial liabilities.

Changes in the business model should significantly impact the Group's operational activities such as acquiring, disposal or discontinued a line of business. In addition, the Group needs to prove the change of business model to external parties.

The Group will reclassify all financial assets impacted by changes in the business model. The changes of the Group's business model must occur before the reclassification date.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

E. Reclassification of financial assets (continued)

The following are not considered as change in business model:

- (a) the change of intention relates to certain financial assets (even in situations of significant changes in market conditions).
- (b) temporary loss of certain markets for financial assets.
- (c) the transfer of financial assets between parts of the Group and different business models.

Impact of Reclassification of Financial Assets

The Group applies the reclassifications prospectively from the reclassification date. The groups does not restate gain, losses (including gains and impairment losses), or recognized interest previously.

The impact of reclassification of financial asset on profit or loss or equity and its initial measurement is as follows:

| Reclassification | | Impact on Profit or Loss | Impact on Equity | Initial Carrying Value After Reclassification |
|------------------|----------------|---|---|--|
| From | To | | | |
| FVPL | Amortised Cost | - | - | 1. Fair value at the reclassification date becomes its new gross carrying amount. 2. Effective interest rate is determined at the fair value of the asset at reclassification date. |
| | FVOCI | - | - | 1. Financial assets is measured at fair value. 2. Effective interest rate is determined at the fair value of the asset at reclassification date. |
| Amortised Cost | FVPL | Difference in carrying amount before reclassification and fair value after reclassification | - | Fair value is measured at reclassification date. |
| | FVOCI | - | Difference in carrying amount before reclassification and fair value after reclassification | 1. Fair value is measured at reclassification date. 2. Effective interest rate and expected credit loss is not adjusted. |

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c. Financial instruments (continued)

E. Reclassification of financial assets (continued)

Impact of Reclassification of Financial Assets (continued)

The impact of reclassification of financial asset on profit or loss or equity and its initial measurement is as follows (continued):

| Reclassification | | Impact on Profit or Loss | Impact on Equity | Initial Carrying Value After Reclassification |
|------------------|----------------|--|--|---|
| From | To | | | |
| FVOCI | Amortised Cost | - | Cumulative gain or loss on OCI is adjusted against the fair value of the financial asset | 1. Fair value at the reclassification date becomes its new gross carrying amount by added or deducted the previous cumulative gain or loss. 2. Effective interest rate and expected credit loss is not adjusted. |
| | FVPL | Cumulative gain or loss on OCI is reclassified to profit or loss | | Financial assets is measured at fair value |

F. Classification of financial instruments

The Group classifies the financial instruments into classes in accordance with the results of business model testing and contractual cashflow characteristics. The classification of financial instrument can be seen in the table below:

| Classification | | Class |
|------------------|--|--|
| Financial Assets | Financial assets measured at fair value through profit or loss (FVPL) | Marketable securities |
| | | Government bonds |
| | | Derivative receivables - non hedging related |
| | | Loans |
| | | Investments in shares |
| | Financial assets measured at fair value through other comprehensive income (FVOCI) | Marketable securities |
| | | Government bonds |
| | | Loans |
| | | |

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c. Financial instruments (continued)

F. Classification of financial instruments (continued)

The Group classifies the financial instruments into classes in accordance with the results of business model testing and contractual cashflow characteristics. The classification of financial instrument can be seen in the table below (continued):

| Classification | | Class |
|------------------|--|---|
| Financial Assets | Financial assets measured at amortised cost (Amortised Cost) | Current accounts with Bank Indonesia |
| | | Current accounts with other banks |
| | | Placements with Bank Indonesia and other banks |
| | | Other receivables - trade transaction |
| | | Marketable securities |
| | | Government bonds |
| | | Securities purchased under agreements to resell |
| | | Consumer financing receivables |
| | | Loans |
| | | Acceptance receivables |

The Group classifies the financial liabilities and off-balance sheet accounts into classes that reflect the nature of information and take into account the characteristic of those financial instruments. The classification of financial liabilities can be seen in the table below:

| Classification | | Class |
|-----------------------|---|--|
| Financial Liabilities | Financial liabilities measured at fair value through profit or loss | Derivative payables - non hedging related |
| | Financial liabilities measured at amortised cost | Demand deposits |
| | | Saving deposits |
| | | Time deposits |
| | | Interbank call money |
| | | Securities sold under agreements to repurchase |
| | | Acceptance payables |
| | | Debt securities issued |
| | | Fund borrowings |
| | | Subordinated loans |
| Guarantee deposits | | |

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

F. Classification of financial instruments (continued)

The Group classifies the financial liabilities and off-balance sheet accounts into classes that reflect the nature of information and take into account the characteristic of those financial instruments. The classification of financial liabilities can be seen in the table below (continued):

| Classification | Class |
|----------------------------|---|
| Off-balance sheet accounts | Unused loan facilities (committed) |
| | Irrevocable letter of credit |
| | Bank guarantees issued that meet the definition of a financial guarantee contract |
| | Standby letter of credit |

G. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and an intention to settle on a net basis or realised the asset and settle the liability simultaneously. This means that the right to offset:

- a. must not be contingent on a future event, and
- b. must be legally enforceable in all of the following circumstances:
 - i. the normal course of business;
 - ii. the event of default; and
 - iii. the event of insolvency or bankruptcy.

H. Allowance for impairment losses of financial assets

The implementation of SFAS 71 "Financial Instruments" has changed the method of calculating impairment losses from the incurred loss approach in SFAS 55 "Financial Instruments: Recognition and Measurement" with the expected credit loss approach.

1. Scope of Impairment

- a) Financial Assets in other than those measured at fair value through profit or loss
 - 1) Impairment of financial assets at amortised cost is recognized as a deduction from the asset's carrying amount in the statement of financial position, and recognized in the income statement as "Allowance for Impairment Losses".
 - 2) Impairment of financial assets (excluding equity instruments) measured at fair value through other comprehensive income is recognized as an addition to other comprehensive income in the statement of financial position (not reducing the carrying amount of financial assets in the financial statements) as "Unrealized Gain or Loss ", and recognized in the consolidated income statement as "Allowance for Impairment Losses".

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

The implementation of SFAS 71 "Financial Instruments" has changed the method of calculating impairment losses from the incurred loss approach in SFAS 55 "Financial Instruments: Recognition and Measurement" with the expected credit loss approach (continued).

1. Scope of Impairment (continued)

b) Loan Commitments or Committed Unused Loan Facilities

- 1) Impairment of loan commitments is recognized as provision for the Bank's liability component which is recorded separately from the related loan assets as "Provision for Expected Credit Losses on Loan Commitments", unless the Bank cannot identify it separately.
- 2) In that case, the impairment of loan commitments and loan assets is recognized together as a deduction from the carrying amount of the assets in the statement of financial position.

c) Financial Guarantee Contract

Impairment of financial guarantee contracts is recognized as a provision under the Bank's liability component as "Provision for Expected Credit Losses on Financial Guarantee Contracts".

2. Periodic evaluation on impairment of financial assets

The Group assesses at each reporting date whether there is a significant increase in credit risk or objective evidence that a financial asset or group of financial assets is impaired.

The criteria that the Group uses to determine that there is objective evidence of impairment loss include:

- a) Significant financial difficulty of the issuer or obligor;
- b) A breach of contract, such as a default or delinquency in interest or principal payments;
- c) The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- d) There is a probability that the borrower will enter bankruptcy or other financial reorganisation;
- e) The disappearance of an active market for that financial asset because of financial difficulties; or
- f) Observable data indicates that there is a measurable decrease in the estimation.

The Group uses additional criteria to determine the quality of financial instrument assets in accordance with the Financial Services Authority Regulation (POJK) No. 40/POJK.03/2019 concerning Asset Quality Assessment for Commercial Banks.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

2. Periodic evaluation on impairment of financial assets (continued)

Furthermore, the Group classifies financial assets based on the evaluation results, which reflect the level of credit risk of the financial assets.

a) Stage 1

At the evaluation date of impairment, credit risk on financial instruments does not increase significantly since initial recognition, which can be proven by the occurrence of all of the following, namely:

For Types of Non-Securities Financial Assets:

- 1) There are no arrears of principal and/or interest for more than 30 days;
- 2) The financial instrument has a collectability rating of 1 or 2; and
- 3) Not restructured.

Securities Financial Assets:

- 1) Having investment grade;
- 2) There are no arrears of coupons and/or other similar obligations; and
- 3) Not yet due.

For this reason, the Group will measure the allowance for impairment losses for the financial instrument at the amount of an expected 12 months credit loss.

b) Stage 2

At the evaluation date, credit risk on financial instruments has increased significantly since initial recognition which can be proven.

For Types of Non-Securities Financial Assets, if one of the following occurs:

- 1) There are arrears of principal and/or interest between 31 days to 90 days;
- 2) The financial instrument has a collectability rating of 2; or
- 3) There was a restructuring of financial assets that did not result in the recognition of assets originating from impaired financial assets, which before restructuring the assets were at stage 1 or 2.

For Types of Securities Financial Assets:

- 1) Has a rating of at least 1 (one) level below investment grade;
- 2) There are no arrears of coupons and/or other similar obligations; and
- 3) Not yet due.

At this stage, the Group will measure the allowance for impairment losses for the financial instrument at the amount of the expected credit losses over its lifetime.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

2. Periodic evaluation on impairment of financial assets (continued)

c) Stage 3 (Default)

At the evaluation date, there is objective evidence that the financial asset is impaired which can be proven.

For Types of Non-Securities Financial Assets, if one of the following occurs:

- 1) There are arrears principal and/or interest of more than 90 days;
- 2) The financial instrument has a collectability rating of 3, 4, or 5; or
- 3) There was a restructuring of financial assets that did not result in the recognition of assets originating from impaired financial assets, where prior to restructuring the assets were at stage 3.

For Types of Securities Financial Assets:

- 1) Has an investment rating, has arrears of coupons and/or other similar obligations, and has not yet matured; or
- 2) Other criteria that do not meet the criteria on stages 1 and 2 for types of securities financial assets.

The Group will measure the allowance for losses for financial instruments at this stage at the amount of the expected credit losses over their lifetime.

Specifically for financial assets whose impairment value is evaluated individually, the Group may designate these financial assets in the stage 3 group (from the previous stage 2 group), even though the financial assets in question do not meet the criteria for stage 3 group.

d) Purchased or Originated Credit-Impaired Financial Asset (POCI)

1) The criteria for assets purchased as an impaired financial assets

A purchased financial asset is classified as an impaired financial asset if it meets the following criteria:

- a. Loss of active market of financial assets; or
- b. Purchase of financial assets at a very large discount or significant below par.

2) Criteria for assets originating from impaired financial assets

a. Financial assets that are modified/renegotiated resulting in derecognition of financial assets are classified as assets from impaired financial assets if they meet the following criteria:

1. Waive on interest arrears including Scheduled Interest Arrears and Deferred Interest of 100% (one hundred percent); or
2. Loans are converted into temporary equity participation.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

2. Periodic evaluation on impairment of financial assets (continued)

d) Purchased or Originated Credit-Impaired Financial Asset (POCI) (continued)

2) Criteria for assets originating from impaired financial assets (continued)

- b. At the reporting date, the Group recognizes only the cumulative changes in the lifetime expected credit losses from the initial recognition of the financial asset as an allowance for losses on financial assets purchased or resulting from impairment financial assets.
- c. At each reporting date, the Group recognizes in profit or loss the amount of changes in lifetime expected credit losses as an impairment gain or loss.
- d. If the financial assets prove based on facts or relevant information that the financial assets are improving, the Group will recognize in the income statement as a deduction for "Allowance for Impairment Losses".
- e. If the condition of the financial asset proves to be impaired, the Group will recognize it in the income statement as an addition to "Allowance for Impairment Losses".

The Group uses criteria to determine the category of financial assets that have impaired based on the grouping of the risk levels of financial assets above. Financial assets in stage 3 group and POCI are financial assets that have impaired.

3. Impairment Method

The Group evaluates for impairment using the following methods:

a) Individual Method

1) Individual Criteria

The Group evaluates impairment individually when the Group has reasonable and supportable information to measure the lifetime expected credit losses on an individual instrument and the financial assets have the following criteria:

- a. Financial assets per debtor with a cumulative outstanding amount of more than Rp25,000 (twenty five billion rupiah);
- b. Loans for the Corporate, Institutional, Financial Institutions, Commercial, and SME Banking segments; and
- c. Financial assets fall into the Stage 2 category as a result of a restructuring, Stage 3, or POCI.

The Group may also designate financial assets to be evaluated individually even though the said financial assets do not yet meet criteria for individual evaluation.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method (continued)

a) Individual Method (continued)

- 2) If a financial asset has objective evidence of impairment of a financial asset that is evaluated individually but there is no impairment loss, the financial asset is still classified as a financial asset that will be assessed for impairment individually. However, the Group establishes allowance for impairment losses on these financial assets based on the probability of default resulting from a collective evaluation of credit impairment.

3) Impairment Evaluation

Individual impairment evaluation is based on the concept of an estimated weighted probability of loss of financial assets. This concept uses the weighting of each of the 3 (three) scenarios, which are the optimistic scenario, the normal scenario, and the pessimistic scenario.

1. Optimistic

A scenario with the assumption that there is an increase or expansion in the economy which results in the strengthening of variable values such as increased economic growth or exchange rate appreciation.

2. Normal

The scenario that has the greatest chance of occurring compared to the other 2 (two) scenarios. The variable value in the baseline scenario is the projection result assuming economic movements without any extraordinary events, shocks or economic turmoil.

3. Pessimistic

Scenarios with the assumption that there is a weakening or contraction in the economy that results in weakening of variable values such as a decrease in economic growth or depreciation of the exchange rate.

Each scenario provides a discounted present value of cash flows, where the cash flows are based on all available information with experienced credit judgment and reflect all information that takes into account various factors such as:

1. Financial strength and the debtor's repayment capacity.
2. Type and amount of collateral.
3. Availability of warranty.
4. Customers' future business prospects.
5. Probability of collateral sale.
6. Historical losses.
7. Relevant macroeconomic factors.

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d. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method (continued)

a) Individual Method (continued)

3) Impairment Evaluation (continued)

The difference between the weighted probability and the total outstanding financial assets reflects the amount of the individual impairment loss.

The individual impairment evaluation method is based on 2 (two) concepts, which are the estimated amount of loss on financial assets and the estimated amount that can be recovered. The method used is discounted cash flow or the fair value of collateral method. The Bank uses the fair value of collateral method as future cash flows if it meets one of the following conditions:

1. Loans is collateral dependent, if loans repayment originates only from collateral;
2. It is difficult to reliably determine the amount and timing of the estimated cash flow from loan principal and/or interest; and/or;
3. Foreclosure of collateral is likely to occur and is supported by legal binding aspects of collateral.

b) Collective Method

1) Collective Criteria

The Bank assesses impairment collectively when the financial assets share the same risk characteristics of the financial assets which allows a significant increase in credit risk to be identified in a timely manner. The criteria for financial assets that are evaluated collectively are as follows:

- a. Financial assets per debtor are non-performing financial assets or have days past due > 90 days and have a cumulative value of ≤ Rp25,000 (twenty five billion rupiah) for the Corporate, Institutional, Financial Institutions, Commercial, and SME Banking segments;
- b. Performing financial assets or having days past due ≤ 90 days and were not restructured for the Corporate, Institutional, Financial Institutions, Commercial, and SME Banking segments; and
- c. All loans in the Micro Banking and Consumer segments.

In general, all loan portfolios for which impairment evaluation is not calculated using the individual method will be evaluated using the collective method.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method (continued)

b) Collective Method (continued)

2) Impairment Evaluation

The evaluation of collective impairment is based on the concepts of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) which consider past, current, and future information.

a. Probability of Default

The Bank uses the Basel, Vasicek, Roll Rate Transition Matrix, and other approaches in determining the PD value of each debtor.

The Basel method is performed by determining the relationship between a debtor's PD with the internal characteristics of that debtor. The Basel model that has been obtained is used as the basis for determining the PD value of each debtor.

The Vasicek method is a method of determining PD using the asset correlation formula that has been determined by the Basel Committee.

The Roll Rate Transition Matrix method uses the historical transition bucket PD. PD buckets used in historical calculations are as follows:

1. Bucket 1: Current
2. Bucket 2: 1-30 days past due (DPD)
3. Bucket 3: 31-60 dpd
4. Bucket 4: 61-90 dpd
5. Bucket 5: >90 dpd

PD Forward-Looking Macro Adjustment is a method used to determine the forward looking PD value of both Basel and Roll rate approaches based on the historical relationship between the macro economy and the PD value of the Bank.

b. Loss Given Default

The Bank uses Basel and Historical methods in determining the LGD value of each debtor. LGD describes the nominal percentage of the facility that the Bank will not be able to recover against the default debtor. Regular LGD is calculated at 1-Recovery Rate. The recovery rate is calculated by considering the Time Value of Money from the recovery of the default obligation. The interest rate used to calculate the Time Value of Money from Recovery is the Effective Interest Rate (EIR).

The Basel method is carried out by determining the relationship between a debtor's LGD and the internal characteristics of the debtor concerned. The Basel model that has been obtained is used as the basis for determining the LGD value of each debtor.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method (continued)

b) Collective Method (continued)

2) Impairment Evaluation (continued)

b. Loss Given Default (continued)

Historical method is done by calculating the average value of LGD in the long term observation period in the respective segment.

Forward-Looking Macro Adjustment in LGD is a method used to determine the forward looking LGD value based on the historical relationship between macroeconomics and the Bank's LGD value. If there is no relationship between macroeconomics and the Bank's LGD value, the Bank may not use Forward-Looking in determining the LGD value.

c. Exposure at Default

In determining the EAD value of each debtor, the Bank uses the Basel method, Prepayment Rate, and Expected Lifetime. EAD describes the exposure that will be borne by the Bank if there is a debtor who defaults.

The Basel method in calculating EAD is performed by determining the relationship between a debtor's EAD and the internal characteristics of the respective debtor.

The Prepayment Rate method is a method that studies the behavior of the debtor's payment rate that is bigger than the scheduled facility payment amount.

The Expected Lifetime method is a method that studies the behavior of the debtor's level of settlement (paid off or write off) compared to the facility settlement schedule.

d. Expected Credit Loss

In general, the formula for calculating collective ECL is the multiplication of Probability of Default, Loss Given Default, and Exposure at Default.

In calculating the amount of Collective Impairment, the Bank uses the loan carrying value which the impairment value is assessed collectively.

Calculation of Impairment is done for each stage according to the characteristics of the staging. The calculation method for each stage is as follows:

1. Stage 1: 12-months ECL
2. Stage 2: Lifetime ECL
3. Stage 3: Lifetime ECL

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method (continued)

b) Collective Method (continued)

2) Impairment Evaluation (continued)

d. Expected Credit Loss (continued)

12-Months ECL is the calculation of the expected loss for the next 1 year.

ECL-Lifetime is the calculation of the expected loss which is calculated for the remaining tenor of the facility.

Every year in calculating the ECL uses the discount factor based on formula that the Group has formulated.

The probability weighted in the calculation of Impairment has been determined by the Group which includes the percentage of optimistic, normal, and pessimistic scenarios.

The total weighted of the estimated cash flow is a deduction from the carrying amount of the loans, where the difference will be the allowance for impairment on loans.

4. Interest income before and after impairment

Prior to impairment (Stage 1 & 2), interest income is calculated using the effective interest method, by applying an effective interest rate to the gross carrying amount of financial assets except for financial assets purchased or from impaired financial assets.

Interest income on impaired financial assets (Stage 3 or POCI) calculated by applying an effective interest rate on the net carrying amount of financial assets, namely the outstanding amount after deducting losses due to impairment for:

a) Financial Assets Purchased or Originated Credit-Impaired Financial Assets (POCI)

For these financial assets, the Group applies a risk-adjusted effective interest rate on the amortised cost of the financial assets since initial recognition.

b) Stage 3

For these financial assets, the Group applies an effective interest rate on the amortised cost of financial assets in the reporting period, which is the amount that has been reduced by any impairment losses.

Interest income is subsequently recognized based on of the interest rate used to discount future cash flows in measuring impairment losses or what is known as unwinding interest.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

5. Allowance for possible losses on earning assets of Subsidiary based on sharia

Allowance for impairment losses on *murabahah* receivable is calculated based on collective method according to SFAS 102 "Accounting for Murabahah" and ISA 102 "Impairment Loss for Murabahah Receivables"

(a) Financial assets carried at amortised cost

1. Earning assets consist of current account and placements with Bank Indonesia in the form of Bank Indonesia Sharia Certificate (*Sertifikat Bank Indonesia Syariah* (SBIS)), Bank Indonesia Sharia Deposit Facility (*Fasilitas Bank Indonesia Syariah* (FASBIS)), Reverse Repo Receivables State Sharia Certificates (*Surat Berharga Syariah Negara* (SBSN)) BI, Term Deposit Foreign Currency Sharia BI, current accounts with other sharia banks, placement with other sharia banks, investment in marketable securities, temporary equity participation, *istishna* receivables, *ijarah* receivables, funds of *qardh*, *musyarakah* financing, *mudharabah* financing, *ijarah* assets, and commitments and contingencies with credit risk, such as bank guarantees, irrevocable letter of credit (LC) and standby letter of credit.

Allowance for impairment losses of earning assets and non-earning assets for commercial bank conducting business based on sharia principles is based on Financial Services Authority Regulation ("POJK") No. 19/POJK.03/2018 dated 20 September 2018 on "Asset Quality Assessment for Sharia Commercial Banks and Business Units", and POJK No. 12/POJK.03/2015 dated 21 August 2015 on "Prudential Principle Provisions for Sharia Banks and Sharia Business Units to Stimulate the National Economy".

The guidelines for the establishment of allowance for impairment losses on earning assets based on the aforementioned FSA's Regulation are as follows:

- a) General reserve, shall be no less than 1% of total earning assets classified as current, excluding Bank Indonesia Sharia Certificates and debt securities issued by the Government based on sharia principles, and part of earning assets guaranteed by government and cash collateral in the form of demand deposits, saving deposits, time deposits, guarantee deposits, and/or gold which are pledged and accompanied with the power of attorney to liquidate.
- b) Special reserve shall be at least:
 - 5% of earning assets classified as Special Mention after deducting collateral value;
 - 15% of earning assets classified as Substandard after deducting collateral value;
 - 50% of earning assets classified as Doubtful after deducting collateral value;
 - 100% of earning assets classified as Loss after deducting collateral value.
- c) The requirement to establish allowance for impairment losses shall not be applicable for earning assets under leasing transactions in the form of *ijarah* or *ijarah muntahiyah bittamlik*. The Subsidiary is required to depreciate/amortize the assets of *ijarah muntahiyah bittamlik*.

For marketable securities and placements to the Subsidiary, the quality rating is classified into 3 (three) classifications: current, substandard, and loss. Quality rating of equity investment is determined into 4 (four) categories: current, substandard, doubtful and loss.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

5. Allowance for possible losses on earning assets of Subsidiary based on sharia
(continued)

(a) Financial assets carried at amortised cost (continued)

2. For *murabahah*, the Subsidiary evaluates whether there is an objective evidence that the financial assets or group of financial assets are impaired. The financial assets or group of financial assets are impaired and the impairment loss occurred only if there is an objective evidence regarding the impairment as a result of one or more events that occurred after initial recognition which impacts the estimated future cash flows that can be reliably estimated.

The allowance for impairment on *murabahah* is calculated using collective assessment according to SFAS No. 55, "Financial Instruments: Recognition and Measurement".

(b) Financial assets classified as available for sale

The Group assesses at each date of the consolidated statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. Refer to Note 2c.(H).(2) for the criteria of objective evidence of impairment.

A significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. If any such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in consolidated statement of profit or loss and other comprehensive income is removed from equity and recognised in the consolidated statement of profit or loss and other comprehensive income.

If, in a subsequent period, the fair value of a financial asset classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in consolidated statement of profit or loss and other comprehensive income, the impairment loss is reversed through the consolidated statement of profit or loss and consolidated other comprehensive income.

(c) Financial guarantee contracts and commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor defaulted to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other institutions on behalf of customers to secure loans and other banking facilities.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

5. Allowance for possible losses on earning assets of Subsidiary based on sharia
(continued)

(c) Financial guarantee contracts and commitments (continued)

Financial guarantees are initially recognised in the consolidated financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at inception is likely to equal the premium received because all guarantees are agreed on arm's length terms. Subsequent to initial recognition, the bank's liabilities under such guarantees are measured at the higher amount between the initial amount, less amortisation of fees recognised, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is amortised over the period of guarantees using the straight-line method.

The Bank determines impairment losses on financial guarantee contracts that have credit risk based on the value that is higher between the amortised value (carrying value) and the present value of the liabilities that are expected to occur (when payment under the guarantee has become probable) or impairment losses are calculated based on historical loss data for a collective evaluation of impairment.

I. Investment in sukuk

Before the initial recognition, the Group determines the classification of investment in sukuk based on the Group's investment objective. Investment in sukuk can be measured as follows:

- Acquisition cost

If the investment is held within a business model that aims to collect contractual cash flows and there is a contractual requirement to determine the specific date of principal payments and/or the result. The acquisition cost for sukuk *ijarah* and sukuk *mudharabah* is included in the transaction cost. The difference between acquisition cost and nominal value is amortised using straight-line method during the period of the sukuk instrument.

- Measured at fair value through other comprehensive income

If the investment is held within a business model which its primary purpose is to obtain contractual cash flows and sell off sukuk and the contractual requirements determined by specific date of payment of principal and/or results. The acquisition cost of sukuk *ijarah* and sukuk *mudharabah* is included as transaction costs. The difference between the acquisition cost and nominal value is amortised on straight-line basis over the terms of sukuk. The changes in fair value are recognised in other comprehensive income. At the time of derecognition, the changes in fair value in other comprehensive income are reclassified to profit or loss as a reclassification adjustment.

- Measured at fair value through profit or loss

The acquisition cost of sukuk *ijarah* and sukuk *mudharabah* is measured at fair value through profit or loss excluding transaction costs. For investments in sukuk which are measured at fair value through profit or loss, the difference between the fair value and the carrying amount is recognised in profit or loss.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

J. Sukuk *mudharabah* issued

Sukuk *mudharabah* issued is recognised at nominal. Transaction costs are recognised as deferred expense and presented as “Other asset” and amortised using straight-line following the period of sukuk *mudharabah*.

K. Determination of fair value

Fair value is a market based measurement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction among market participants at the measurement date.

When there is no active market or the price of an identical financial instrument cannot be observed, the Group can measure fair value using valuation techniques according to the type of financial instrument.

The group can measure fair value, with the following hierarchy:

1. Input level 1, the quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
2. Input level 2, the input other than quoted price included in level 1 that can be observed for assets or liabilities, either directly or indirectly.
3. Input level 3, the unobservable input for an asset or liability.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability should be measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of financial instruments traded in active markets, such as marketable securities and government bonds, is determined based on quoted market prices at the statement of financial position date from credible sources such as quoted market prices from Bloomberg, Reuters or broker's quoted price. Investments in mutual fund units are stated at market value, in accordance with the net value of assets of the mutual funds at the consolidated statement of financial position date.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

K. Determination of fair value (continued)

A financial instrument is deemed to be quoted in an active market if quoted prices are available at any time and can be obtained regularly from exchanges, dealers, and brokers. These prices reflect actual and routine market transactions in a fair transaction. If the criteria above are not met, the active market is declared unavailable. Indications of an inactive market are that there is a large gap between the bid and ask prices or a significant increase in the difference between the bid and ask prices, and there are only a few recent transactions.

For marketable securities with no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which substantially has the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the marketable securities.

For government bonds with no quoted market prices, a reasonable estimate of the fair value is determined using the internal model based on the present value of expected future cash flows using the next-repricing method with a deflator factor

L. Interest Rate Benchmark Reform

For the measurement of financial instruments using amortised cost (financial assets of debt instruments classified as amortised cost and fair value through other comprehensive income, as well as financial liabilities measured at amortised cost), changes in the future contractual cash flows of those financial instruments occurs as a result of interest rate reform (change in the contractual benchmark interest rate from the previous LIBOR interest rate to an alternative benchmark interest rate) will change the effective interest rate of the financial instrument. The change in contractual cash flows does not affect the amortised cost of the financial instrument, and has no impact on profit or loss (practical expedient). Such practical expedient can be applied if and only if the following 2 (two) requirements are met:

1. The change in contractual cash flows is necessary as a direct result of the reform of benchmark interest rates; and
2. The alternative reference interest rate is economically equivalent to the previously used benchmark interest rate.

d. Principles of consolidation

The consolidated financial statements include the financial statement of Bank Mandiri and its Subsidiaries in which the majority shares are owned or controlled by Bank Mandiri.

Control is presumed to exist where the Bank is exposed, or has rights, to variable returns from its involvement with the Subsidiaries and has ability to use its power to affect its returns from its involvement with the Subsidiaries.

The Bank controls the Subsidiaries if and only if the Bank acquires these rights:

- a) Power over the Subsidiaries (has existing rights that give it the current ability to direct the relevant activities, that significantly affect the Subsidiaries' returns).
- b) Exposure or rights of variable returns from its involvement with the Subsidiaries.
- c) The ability to use its power over the Subsidiaries to affect the amount of the Bank's returns.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Principles of consolidation (continued)

In the consolidated financial statement of Bank Mandiri, all significant inter-company balances and transactions have been eliminated. The non-controlling interest of Bank in net income of Subsidiaries is presented as a deduction of consolidated net income in order to present the Bank's income. Non-controlling interest in net assets is presented as part of equity in the consolidated statement of financial position, except for non-controlling interest from mutual fund consolidation is presented as part of liabilities in the consolidated statement of financial position.

The consolidated financial statements are prepared using a consistent accounting policy for transactions and events in similar circumstances. The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the Subsidiaries, unless otherwise stated.

If the control on an entity is obtained or ends in the current year, the entity's net income is included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition of the control or until the date the control ceased.

Business combination transaction amongst entities under common control, in the form of transfer of business conducted for the reorganisation of entities under common control, does not represent a change of ownership in terms of economic substance, therefore, there shall be no gain or loss recognised by the group as a whole and by individual entities within the group.

Since the business combination transaction amongst entities under common control does not cause any change in the economic substance of ownership of the transferred business, therefore the transaction is recognised at book value using the pooling interest method.

Changes in the Bank's ownership interest in Subsidiaries that do not result in a loss of control are accounted for as an equity transaction, in this case a transaction with owners in their capacity as owners. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributable to the owners of the parent.

The entity that accepts/releases a business in a combination/separation of business amongst entities under common control, shall recognise the difference between benefits being transferred or received and the recorded amount of every business combination transaction as equity and present it under additional paid-in capital/share premium.

Based on SFAS No. 38 (Revised 2012), the elements of the financial statements of the combining entities, for the period in which the business combination of entities under common control occurred and for the comparative period presented, are presented in such a way as if the combination had occurred since the beginning of the period when the entities were under common control. The business combinations of entities under common control that occurred in 2021 are described in Note 68.

e. Foreign currency transactions and balances

Subsidiaries and overseas branches

Bank Mandiri maintains its accounting records in Indonesian Rupiah. For consolidation purposes, the financial statement of the overseas branches and overseas Subsidiaries of Bank Mandiri denominated in foreign currencies are translated into Rupiah based on the following bases:

- (1) Assets and liabilities, commitments and contingencies - using the Reuters spot rates at the consolidated statement of financial position date.
- (2) Revenues, expenses, income and losses - using the average middle rates during each month when the transaction occurs.
- (3) Shareholders' equity accounts - using historical rates on the date of transaction.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Foreign currency transactions and balances (continued)

Subsidiaries and overseas branches (continued)

- (4) Statement of cash flows - using the Reuters spot rates at the reporting date, except for income and loss statement balances which are translated using the average middle rates and shareholders' equity balances which are translated using historical rates.

The differences arising from the translation adjustment are presented as "Differences arising from the translation of foreign currency financial statements" under the Shareholders' Equity section of the consolidated statement of financial position.

Transactions and balances in foreign currencies

Transactions in foreign currencies are recorded into Rupiah by using rates on the date of the transactions. At consolidated statement of financial position date, all foreign currencies monetary assets and liabilities are translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian Time) on 31 December 2022 and 2021. The resulting gains or losses are credited or charged to the current year's consolidated statement of profit or loss and other comprehensive income.

The exchange rates used against the Rupiah at the dates of the consolidated statement of financial position are as follows (amounts in full Rupiah):

| | 2022 | 2021 |
|-----------------------------------|-------------|-------------|
| Great Britain Pound Sterling 1/Rp | 18,786.09 | 19,250.86 |
| European Euro 1/Rp | 16,581.72 | 16,112.46 |
| United States Dollar 1/Rp | 15,567.50 | 14,252.50 |
| Japanese Yen 100/Rp | 11,781.00 | 12,377.00 |
| Australian Dollar 1/Rp | 10,577.88 | 10,346.61 |
| Hong Kong Dollar 1/Rp | 1,996.55 | 1,828.03 |
| Chinese Yuan 1/Rp | 2,238.91 | 2,235.72 |
| Singapore Dollar 1/Rp | 11,592.88 | 10,554.67 |

Other foreign currencies are not disclosed as above since it is considered not material in the translation of transaction in foreign currencies of the Bank and Subsidiaries.

f. Transactions with related parties

The Bank and Subsidiaries enter into transactions with parties which are defined as related parties in accordance with SFAS No. 7 regarding "Related Party Disclosures" and Regulation of Bapepam and LK No. KEP-347/BL/2012, dated 25 June 2012 regarding "Financial Statements Presentation and Disclosure of Issuers or Public Companies".

A related party is a person or entity that is related to the entity that prepares its financial statements (reporting entity). The related parties are as follows:

- 1) A person who:
 - a) Has control or joint control over the reporting entity;
 - b) Has significant influence over the reporting entity; or
 - c) The key management personnel of the reporting entity or the parent of the reporting entity.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Transactions with related parties (continued)

A related party is a person or entity that is related to the entity that prepares its financial statements (reporting entity). The related parties are as follows (continued):

- 2) An entity is related to a reporting entity if any of the following:
 - a) The entity and the reporting entity are members of the same group;
 - b) An entity is an associate or joint venture of the entity;
 - c) Both entities are joint ventures from the same third party;
 - d) An entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - e) The entity is a post-employment benefit plan for the benefits of employee either from the reporting entity or an entity related to the reporting entity;
 - f) The entity is controlled or jointly controlled by a person identified as referred to in point 1); or
 - g) A person identified as referred to point 1) letter a) has significant influence over the entity or the entity's key management personnel;
 - h) The entity is controlled, jointly controlled or significantly influenced by the Government, namely the Minister of Finance or the local governments which are the shareholders of the entity.
- 3) Parties which are not related parties are as follows:
 - a) Two entities simply because they have the same director or key management personnel or because the key management personnel of one entity have significant influence over the other entity;
 - b) Two joint venturers simply because they share joint control of a joint venture;
 - c) Fund provider, trade unions, public service, and ministry and agencies of government that does not control, jointly control or significantly influence the reporting entity, solely in the execution of normal dealings with the entity;
 - d) Customers, suppliers, franchisors, distributors or general agent with whom an entity enter into transaction with significant volumes of business solely because economic dependence due to circumstances.

All significant transactions with related parties have been disclosed in Note 57.

g. Cash and cash equivalents

Cash (mainly consists of cash in custody and cash in ATMs) and cash equivalents consist of cash, current accounts with Bank Indonesia, current accounts with other banks and other short term liquid investments with original maturities of 3 (three) months or less since the date of acquisition.

h. Current accounts with Bank Indonesia and other banks

Current accounts with Bank Indonesia and other banks are classified as amortised cost. Refer to Note 2c for the accounting policy of amortised cost.

The Minimum Statutory Reserve

Fulfillment of the Minimum Statutory Reserves (GWM) refers to Bank Indonesia Regulation (PBI) No.20/3/PBI/2018 dated 29 March 2018 concerning Statutory Reserves in Rupiah and Foreign Exchange for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units as amended 4 (four) times through PBI No.22/3/PBI/2020 dated 24 March 2020, PBI No.22/10/PBI/2020 dated 28 July 2020, PBI No.23/16/PBI/ 2021 on 17 December 2021, and PBI No.24/4/PBI/2022 dated 25 February 2022.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Current accounts with Bank Indonesia and other banks (continued)

The Minimum Statutory Reserve (continued)

The PBI is further explained by the Regulation of Members of the Board of Governors (PADG) No. 20/10/PADG/2018 dated 31 May 2018 concerning Minimum Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units as amended by 8 (eight) times through PADG No. 20/30/PADG/2018 dated 30 November 2018, PADG No. 21/14/PADG/2019 dated 26 June 2019, PADG No. 21/27/PADG/2019 dated 26 December 2019, PADG No. 22/2/PADG/2020 dated 10 March 2020, and PADG No. 22/10/PADG/2020 dated 29 April 2020, PADG No.22/19/PADG/2020 dated 29 July 2020, PADG No.23/27/PADG/2021 dated 21 December 2021, and PADG No.24/3/PADG/2022 dated 1 March 2022 which states that the GWM in rupiahs of Conventional Commercial Banks (CCB) is set as follows:

- a. Period 1 May 2020 to 28 February 2022 of 3.5% (three point five percent) with a daily fulfillment of 0.5% (zero point five percent) and an average of 3% (three percent).
- b. Period 1 March 2022 to 31 May 2022 is 5% (five percent) with daily fulfillment of 0% (zero percent) and an average of 5% (five percent).
- c. Period 1 June 2022 to 30 June 2022 is 6% (six percent) with daily fulfillment of 0% (zero percent) and an average of 6% (six percent).

Fulfillment of GWM in Rupiah for Subsidiaries that carry out business activities with sharia principles is determined as follows:

- a. Period 1 May 2020 to 28 February 2022 of 3.5% (three point five percent) with a daily fulfillment of 0.5% (zero point five percent) and an average of 3% (three percent).
- b. Period 1 March 2022 to 31 May 2022 is 4% (four percent) with daily fulfillment of 0% (zero percent) and an average of 4% (four percent).
- c. Period 1 June 2022 to 30 June 2022 is 4.5% (four point five percent) with daily fulfillment of 0% (zero percent) and an average of 4.5% (four point five percent).

Then, a follow-on PADG was issued, namely PADG No.24/8/PADG/2022 dated 30 June 2022 concerning Regulations for Implementing Minimum Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units, at the time of this PADG applies, then PADG No.20/10/PADG/2018 and its amendments are revoked and declared invalid. This PADG stipulates that the fulfillment of GWM in Rupiah for Conventional Commercial Banks (BUK) is determined as follows:

- a. On a daily basis of 0% (zero percent); and
- b. On average for:
 - 1) Period 1 July 2022 to 31 August 2022 of 7.5% (seven point five percent); and
 - 2) Period 1 September 2022 onwards of 9% (nine percent).

GWM in Rupiah for Subsidiaries that carry out business activities with sharia principles must be met in the amount of:

- a. On a daily basis of 0% (zero percent); and
- b. On average for:
 - 1) Period 1 July 2022 to 31 August 2022 of 6% (six percent); and
 - 2) Period 1 September 2022 onwards of 7.5% (seven point five percent).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Current accounts with Bank Indonesia and other banks (continued)

The Minimum Statutory Reserve (continued)

Fulfillment of GWM in Rupiah for both BUK and Subsidiaries is calculated by comparing the balance position of Rupiah Giro accounts at Bank Indonesia Real Time Gross Settlement (BI-RTGS) and Bank Indonesia Fast Payment (BI-FAST) to the average Third Party Funds (TPF) in Rupiah for each BUK and Subsidiary for a certain period. Bank Indonesia provides an average remuneration of 1.5% (one point five percent) per year for a certain portion of GWM fulfillment in Rupiah.

In addition, Bank Indonesia is strengthening policies to encourage economic growth through provisions on GWM incentives in Rupiah as outlined in PBI No.24/5/PBI/2022 dated 25 February 2022 concerning Incentives for Banks Providing Provision of Funds for Certain and Inclusive Economic Activities, as further stipulated through PADG No.24/4/PADG/2022 dated 1 March 2022 concerning Regulations for Implementation of Incentives for Banks Providing Provision of Funds for Certain and Inclusive Economic Activities, as well as PADG No. 24/8/PADG/2022 dated 30 June 2022 concerning Regulations for the Implementation of Minimum Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units. Bank Indonesia provides GWM incentives in Rupiah to banks that provide funds for certain and inclusive economic activities including: (a) granting credit to priority sectors and MSMEs; (b) achievement of the Macroprudential Inclusive Financing Ratio (RPIM); and/or (c) other financing determined by Bank Indonesia. The period for granting incentives is valid from 1 March 2022 to 31 December 2024.

Macroprudential Liquidity Buffer

Macroprudential Liquidity Buffer, will be mentioned as MLB is a minimum statutory reserve which should be maintain in Rupiah by conventional bank in terms of Securities under certain requirements and the amount will be determined by Bank Indonesia in certain percentage of Conventional Bank Third Party Fund in Rupiah. For Sharia Conventional Banking Macroprudential Liquidity buffer (PLM Sharia) is minimum statutory reserve which should be maintain by sharia commercial banking in terms of sharia securities under certain requirements and the amount will be determined by Bank Indonesia in certain percentage of sharia commercial bank's Third Party Fund in Rupiah.

The requirement of latest MLB refers to PBI No.20/4/PBI/2018 dated 29 March 2018 concerning *Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah* as amended 4 (four) times to PBI No.21/12/PBJ/2019 dated 25 November 2019, PBI No.22/17/PBI/2020 dated 30 September 2020, PBI No.23/17/PBI/2021 dated 17 December 2021, and PBI No.24/16/PBI/2022 dated 31 October 2022. The PBI is further explained through PADG No.21/22/PADG/2019 dated 28 November 2019, as amended 5 (five) times to PADG No.22/11/PADG/2020 dated 29 April 2020, PADG No.22/30/PADG/ 2020 dated 5 October 2020, PADG No.23/7/PADG/2021 dated 26 April 2021, PADG No.23/31/PADG/2021 dated 31 December 2021, and PADG No.24/14/PADG/2022 dated 31 October 2022, where the amount of MLB is determined at 6% (six percent) of TPF CCB in Rupiah and the amount of MLB for Subsidiaries who carry out business activities with the principle sharia is 4.5% (four point five percent) of Subsidiary TPF in Rupiah.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Current accounts with Bank Indonesia and other banks (continued)

Macroprudential Intermediate Ratio

The Macroprudential Intermediation Ratio (RIM) was formerly known as the Loan to Funding Ratio (LFR). Based on PBI No.20/4/PBI/2018 dated 29 March 2018 concerning *Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah*, the term LFR changes to Macroprudential Intermediation Ratio (RIM) with the obligation to fulfill RIM's current account came into effect on 16 July 2018. The regulation has been amended 4 (four) times to become PBI No.21/12/PBI/2019 dated 25 November 2019, PBI No.22/17/PBI/2020 dated 30 September 2020, PBI No.23/17/PBI/2021 dated 17 December 2021, and PBI No.24/16/PBI/2022 dated 31 October 2022. The PBI is further explained through PADG No.21/22/PADG/2019 dated 28 November 2019, as amended 5 (five) times to PADG No. 22/11/PADG/2020 on 29 April 2020, PADG No.22/30/PADG/2020 on 5 October 2020, PADG No.23/7/PADG/2021 on 26 April 2021, PADG No.23/31/PADG/2021 dated 31 December 2021, and PADG No.24/14/PADG/2022 dated 31 October 2022.

Based on these Regulations, RIM is the ratio of the results of the comparison of:

- a. Loan to third party fund in Rupiah and foreign currencies; and
- b. Corporate securities in Rupiah and foreign currencies which meet certain requirements over:
 - a. TPF bank in terms of current account, saving account, and deposits in rupiah and foreign currencies excluding interbank fund;
 - b. Issued securities by the bank in rupiah and foreign currencies which meet certain requirement for funding; and
 - c. Fund borrowing in Rupiah and foreign currencies which met certain requirements that were received by BUK for funding.

Demand Deposits for RIM fulfillment, hereinafter referred to as RIM Current Account, are the demand deposits balance in the Rupiah Demand Deposit Account at Bank Indonesia which must be maintained by the Bank. In the event that RIM falls within RIM's Target range, RIM's Current Account is set at 0% (zero percent) of TPF in rupiah. Meanwhile, if RIM is outside the range of RIM's Target, RIM's Giro is determined as the result of the multiplication of the Lower Disincentive Parameter or Upper Disincentive Parameter, the difference between RIM and RIM's Target, and TPF in rupiah.

The amounts and parameters used in fulfilling RIM Current Account are determined as follows:

- a. The lower limit of RIM's Target of 84% (eighty four percent);
- b. The upper limit of RIM's Target of 94% (ninety four percent);
- c. Minimum Capital Adequacy Requirement (CAR) Incentive of 14% (fourteen percent);
- d. The Lower Disincentive Parameters are defined as follows:
 1. in the amount of 0 (zero), if the Bank has:
 - a) The gross non-performing loan ratio is greater than or equal to 5% (five percent); or
 - b) CAR is less than or equal to Incentive CAR;
 2. amounting to 0 (zero), if the Bank has:
 - a) The gross non-performing loan ratio is less than 5% (five percent); and
 - b) CAR is greater than Incentive CAR and less than or equal to 19% (nineteen percent); and
 3. amounting to 0.1 (zero point one), if the Bank has:
 - a) The gross non-performing loan ratio is less than 5% (five percent); and
 - b) CAR is greater than 19% (nineteen percent); and
 4. Amounting to 0.15 (zero point one five), if BUK has:
 - a) Non-Performing Loans Ratio on a gross basis is less than 5% (five percent); and
 - b) CAR is greater than 19% (nineteen percent); and
- e. Upper Disincentive Parameters are determined as follows:
 1. Amounting to 0 (zero), if the Bank has CAR greater than or equal to Incentive CAR; or
 2. Amounting to 0 (zero), if the Bank has CAR smaller than or equal to Incentive CAR.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Current accounts with Bank Indonesia and other banks (continued)

Macroprudential Intermediate Ratio (continued)

However, the stipulation of this provision will be gradually performed to Banks with the following criteria:

- a. less than 75% (seventy five percent) valid from 1 May 2021 until 31 August 2021;
- b. less than 80% (eighty percent) valid from 1 September 2021 until 31 December 2021;
- c. less than 84% (eighty four percent) effective as of 1 January 2022; and
- d. by:
 - 1) 75% (seventy five percent) to less than 84% (eighty four percent) valid for the period from 1 May 2021 to 31 August 2021; and
 - 2) 80% (eighty percent) to less than 84% (eighty four percent) is valid for the period from 1 September 2021 to 31 December 2021, then a Lower Disincentive Parameter of 0 (zero) applies.

i. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks represent placements in the form of Bank Indonesia deposit facility, sharia FASBI (*Fasilitas Simpanan Bank Indonesia Syariah* (FASBIS)), interbank call money, sharia interbank call money, time deposits and others.

Placements with Bank Indonesia and other banks are stated at amortised cost using effective interest rate less any allowance for impairment losses.

In accordance with the Regulation of the Financial Services Authority (POJK) No. 40/POJK.03/2019 dated 19 December 2019 concerning the Quality Assessment of Commercial Banks, all forms of Placements with Bank Indonesia are determined to have current quality.

Placements with Bank Indonesia and other banks are classified as amortised cost. Refer to Note 2c for the accounting policy for amortised cost.

j. Marketable securities

Marketable securities consist of securities traded in the money market such as Certificates of Bank Indonesia (*Sertifikat Bank Indonesia* (SBI)), Sharia Certificates of Bank Indonesia (*Sertifikat Bank Indonesia Syariah* (SBIS)), Negotiable Certificates of Deposits, Medium Term Notes, Treasury Bills issued by government of other country and Government of Republic of Indonesia, export bills, securities traded on the capital market such as mutual fund units and securities traded on the stock exchanges such as shares of stocks and bonds including sharia corporate bonds.

Marketable securities are classified as financial assets at fair value through profit or loss, fair value at other comprehensive income, and at amortised cost. Refer to Note 2c for the accounting policy of financial assets at fair value through profit or loss, fair value through other comprehensive income, and at amortised cost.

Investments in mutual funds units are stated at market value, in accordance with the net value of assets of the mutual funds as at the date of the consolidated statement of financial position.

Marketable securities which are traded in organised financial markets, fair value is generally determined by reference to quoted market prices by the stock exchanges at the close of business on the consolidated statement of financial position date. For marketable securities with no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which substantially has the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the marketable securities. Any permanent impairment in the fair value of marketable securities classified as amortised cost and fair value through other comprehensive income is charged to current year's consolidated statement of profit or loss and other comprehensive income.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Marketable securities (continued)

Reclassification of marketable securities from amortised cost to fair value through other comprehensive income classification is recorded at fair value. Unrealised gains or losses are recorded in the equity section and will be amortised up to the maturity date of the marketable securities using the effective interest rate method to consolidated statement of profit or loss and other comprehensive income.

k. Government bonds

Government bonds represent bonds issued by the Government of the Republic of Indonesia. Government bonds consist of government bonds from the recapitalisation program and government bonds purchased from the market.

Government bonds are classified as financial assets at fair value through profit or loss, fair value through other comprehensive income and at amortised cost. Refer to Note 2c for the accounting policy of financial assets at fair value through profit or loss, fair value through other comprehensive income and at amortised cost.

l. Other receivables - trade transactions

Other receivables - trade transactions represent receivables resulting from contracts for trade-related facilities given to customers, which will be reimbursed on maturity.

Other receivables - trade transactions classified as financial assets at amortised cost. Refer to Note 2c for the accounting policy of amortised cost.

m. Securities purchased/sold under resale/repurchase agreements

Securities purchased under agreements to resell are classified as financial assets at amortised cost. Refer to Note 2c for the accounting policy of amortised cost.

Securities purchased under agreements to resell are presented as assets in the consolidated statement of financial position at the agreed resell price less unamortised interest income and allowance for impairment losses. The difference between the purchase price and the agreed resale price is treated as deferred (unamortised) interest income and amortised as income over the period, commencing from the acquisition date to the resale date using the effective interest rate method.

Securities sold under agreements to repurchase are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

The Subsidiaries recognised the reverse repo sharia in accordance with SFAS No. 111 regarding "Accounting *Wa'd*" which applied prospectively. At initial recognition, Subsidiaries classified sharia securities as measured at fair value through other comprehensive income. Gains or losses arising from changes in fair value are recognised in other comprehensive income.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Derivative receivables and derivative payables

All derivative instruments (including foreign currency transactions for funding and trading purposes) are recognised in the consolidated statement of financial position at their fair values. Fair value is determined based on market value using Reuters rate at reporting date or discounted cash flow method.

Derivative receivables are presented at the amount of unrealised gain from derivative contracts. Derivative payables are presented at the amount of unrealised loss from derivative contracts.

Gains or losses from derivative contracts are presented in the consolidated financial statements based on its purpose designated upon acquisition, as (1) fair value hedge, (2) cash flow hedge, (3) net investment in a foreign operation hedge, and (4) trading instruments as follows:

1. Gain or loss on a derivative contract designated and qualified as a fair value hedging instrument and the gain or loss arising from the changes in fair value of hedged assets and liabilities is recognised as gain or loss that can be set off one another during the same accounting period/year. Any difference representing hedge ineffectiveness is directly recognised as gain or loss in current year.
2. The effective portion arising from gain or loss of derivative contracts, designated as a cash flow hedge instruments is reported as other comprehensive income. The hedge ineffective portion is recognised as a gain or loss in the current year.
3. Gain or loss arising from derivative contract that is designated as a net investment hedge in a foreign operation is reported as other comprehensive income, as long as the transactions are effectively recognised as hedge transactions.
4. Gain or loss arising from derivative contract that is not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) is recognised as gain or loss in current year.

Derivative receivables are classified as financial assets at fair value through profit or loss, meanwhile derivative payables are classified as financial liabilities at fair value through profit or loss. Refer to Note 2c for the accounting policy of financial assets and liabilities at fair value through profit or loss.

o. Loans and sharia receivables/financing

Loans represent agreement to provide cash or cash equivalent based on agreements with borrowers, whose borrowers are required to repay their debts with interest after a specified period, and matured trade finance facilities which have not been settled within 15 days.

Syndicated loans, direct financing and joint financing, and channeling loans are stated at their outstanding balances in proportion to the risks borne by the Bank and its Subsidiaries.

Included in loans are financing by PT Bank Syariah Indonesia Tbk. (previously PT Bank Syariah Mandiri ("BSM")), a Subsidiary, in the form of sharia receivables, sharia financing and funds of *qardh*.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Loans and sharia receivables/financing (continued)

Brief explanation for each type of sharia financing is as follows:

Mudharabah financing is a co-operation for certain project between first party (*malik, shahibul mal* or Subsidiary) as owner of fund and second party (*amil, mudharib* or debtors) as fund manager and the profit sharing will be shared in accordance with percentage as stated in the agreement, meanwhile losses will be borne by the Subsidiary except if the second party does negligence, error or violate the agreement. *Mudharabah* financing is stated at the outstanding financing balance less allowance for possible losses.

Musyarakah financing is a co-operation between two or more parties in a certain business wherein each party provides a portion of fund on condition that the profit shall be shared based on the agreement, whereas losses shall be borne in accordance with the portion of the fund of each party. Permanent *musyarakah* financing is *musyarakah* in which the fund portion of each partner is stated explicitly in the contract and remains the same until the contract expires. Declining *musyarakah* (*musyarakah mutanaqisha*) financing is *musyarakah* in which the fund portion of the one of the partners will be transferred in several stages to the other partner, resulting in the declining of fund portion of the one of the partner, and at the end of contract, the other partner will become the sole owner of the business. *Musyarakah* financing is stated at the outstanding financing balance less allowance for possible losses.

Ijarah receivables are the financing on the availability of fund in relation to transfer the right to use and benefit of a good and service based on rental transaction which is not followed by transfer of the goods ownership to the lessee. *Ijarah muntahiyah bittamlik* is an agreement on the availability of fund in relation to transfer the right of use and benefit of a good or service based on rental transaction with an option to transfer the ownership of goods to the lessee. *Ijarah* receivables are recognised at due date at the amount of lease income that is not yet received and presented at its net realisable value, which is the outstanding balance of the receivables.

Murabahah contracts are the financing of goods by confirming purchase price to a buyer and the buyer pays it with a higher price as an agreed profit. *Murabahah* is the transaction of sales of goods by stating the cost and income (margin) that has been agreed by the seller and buyer.

Murabahah financing is classified as financial assets under loans and receivables according to SFAS No. 55 "Financial Instruments: Recognition and Measurements".

Murabahah initially is stated at fair value plus transaction cost/directly attributable administration fee and additional acquisition cost to acquire those financial assets and after initial recognition, it is measured at amortised cost using the effective interest rate method less the allowance for impairment losses.

Murabahah is stated at the balance of the receivable less deferred margin and allowance for possible losses. The Subsidiary calculates the allowance for impairment loss according to the *murabahah* financing quality according to each of financing balance.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Loans and sharia receivables/financing (continued)

Istishna is the financing of goods in the form of manufacturing the ordered goods with the agreed criteria and specification by both of orderer or buyer (*mustashni*) and manufacturer or seller (*shani*). *Istishna* is presented based on the outstanding billings less allowance for possible losses.

Qardh is borrowings at the condition that the borrower should repay the loan at specified period of time. The Subsidiary will obtain a fee (*ujrah*) from this transaction, which is recognised upon receipt. *qardh* included *hawalah* and *rahn* financing agreement. *Hawalah* is transfer of debts from debtors to other party (Subsidiary) which obligates to be borne or paid.

Rahn represents the pledge of goods or assets owned by the customer to the Subsidiary for an equivalent amount of money. Assets or goods pledged are appraised based on market value, less a certain deduction percentage. The Subsidiary will obtain a fee (*ujrah*), which is recognised upon receipt. *Qardh* is stated at its outstanding balance less allowance for possible losses.

Loans and sharia receivables/financing are classified as financial assets in loans and receivables. Refer to Note 2c for the accounting policy of financial assets for loans and receivables.

Loan restructuring

Loan restructuring for debtors who has potential or experiencing difficulties in fulfilling their obligations. Restructuring includes modifying loan terms, conversion of loans into share/stock or other financial instruments and/or a combination of both.

Losses on loan restructuring due to modification of the terms of the loans are recognised as part of allowance for impairment losses only if the present value of total future cash receipts specified by the new terms of the loans including receipts designated as interest and loan principal, are less than the carrying amount of loans before restructuring.

For loan restructuring which involve a conversion of loans into share/stock or other financial instruments, a loss on loan restructuring is recognised as part of allowance for impairment losses if the fair value of the share or financial instruments received, deducted by estimated expenses to sell the share or other financial instruments, is less than the carrying amount of loans.

The Bank formed internal regulation regarding the debtors that are eligible to be removed from the list of restructured loans, i.e. when the loan/debtor has met the following criterias:

- i. Credit quality has been categorised Current (Collectibility 1) according to the review results by three (3) pillars of based on credit quality of Bank Indonesia;
- ii. The interest rate charged on the current loan facility is the commercial interest rates to debtors in accordance with the relevant credit segments above the base lending rate;
- iii. There are no Deferred Delinquency Interest and Deferred Interest which were not yet collected.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Consumer financing receivables

The Subsidiary's consumer financing receivables are recognised initially at fair value, plus transaction costs and deducted by yield enhancing income that is directly attributable, and subsequently measured at amortised cost using the effective interest rate method.

The Subsidiary's consumer financing receivables are classified at amortised cost. Refer to Note 2c for the accounting policy of financial assets classified at amortised cost.

Early termination is treated as a cancellation of an existing contract and the resulting gain or loss is credited or charged to the current year's consolidated statement of profit or loss and other comprehensive income at the transaction date.

Credit restructuring can be done by transfer of financing, continue to finance, repay back, change the due date, change the tenor and/or increase the down payment.

Subsidiary's unearned consumer financing income is the difference between total installments to be received from customers and the total financing which is recognised as income over the term of the contract using effective interest rate.

Consumer financing receivables are stated net of joint financing receivables where joint financing providers bears credit risk in accordance with its portion (without recourse), unearned consumer financing income and allowance for impairment losses.

Joint financing receivables that are jointly financed with other parties, bears credit risk in accordance with their financing portion (without recourse) and presented on a net basis in the consolidated statement of financial position. Consumer financing income and interest expense related to joint financing without recourse are also presented on a net basis in the consolidated statement of profit or loss and other comprehensive income.

For joint financing without recourse, the Subsidiary has the right to set higher interest rates to customers than those as stated in the joint financing agreements with joint financing providers. The difference is recognised as revenue and disclosed as "Consumer financing income".

q. Net investment finance leases

Net investment finance leases are classified at amortised cost. Refer to Note 2c to the accounting policy for at amortised cost.

The lessee has the option to purchase the leased asset at the end of the lease period at a price mutually agreed upon at the commencement of the agreement.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Net investment finance leases (continued)

Early termination is treated as a cancellation of an existing contracts and the resulting gain or loss is recognised in the current year consolidated statement of profit or loss and other comprehensive income.

r. Fixed assets, leased assets and liabilities, and intangible assets

i. Fixed assets and software

On 1 April 2016, the Group changed their accounting policy relating to land from cost model into revaluation model. Land is stated at fair value.

Appraisal of the land is performed by a certified external independent appraiser. Assessment of these assets are conducted regularly to ensure that the fair value of the revaluated asset is not materially different from its carrying value.

If the fair value of the revalued asset change significantly, it is necessary to revalue on an annual basis, whereas if the fair value of the revalued asset does not change significantly, it is necessary to revalue at a minimum every 3 years.

The increase in the carrying value arising from the revaluation of land is recorded as "Difference arising from the revaluation of fixed assets" and is presented as "Other comprehensive income". Any impairment arising from the revaluation is recorded as expense of the current year. If the asset had a balance of "Difference arising from the revaluation of fixed assets" that is presented as "Other Comprehensive Income", then the impairment difference recorded is charged against "Difference arising from the revaluation of fixed assets" and the rest is recognised as expense of the current year.

Group conducted revaluation in 2016, for accounting and tax purposes where the Group obtained approval from the tax authorities. The amount of taxes paid is recognised in other comprehensive income and accumulated in equity offset with the difference arising from the revaluation of fixed assets.

Fixed assets except for land are stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed assets as a replacement if the recognition criteria are fulfilled. All other repair and maintenance costs that do not have future economic benefit are recognised in the consolidated statement of profit or loss and other comprehensive incomes as incurred. Software is recognised as intangible assets.

Depreciation and amortisation is calculated using the straight-line method over the estimated useful lives of fixed assets and intangible assets. The estimated useful lives and percentage of depreciation and amortization per annum are as follows:

| | <u>Years</u> | <u>Percentage</u> |
|---|--------------|-------------------|
| Buildings | 20 | 5% |
| Furniture and fixtures, office equipment, computer and vehicles | 4-5 | 20% - 25% |
| Software | 5 | 20% |

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Fixed assets, leased assets and liabilities, and intangible assets (continued)

i. Fixed assets and software (continued)

Fixed assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial year end.

Construction in progress is stated at cost and presented as part of fixed assets. Accumulated costs are reclassified to the appropriate fixed assets account when the assets are substantially complete and ready for their intended use.

In accordance with SFAS No. 16 (Revised 2011) regarding "Fixed Assets" the cost of land rights in the form of right to cultivate, right to build and use rights are recognised as fixed assets. The acquisition cost is the cost that are directly attributable to obtain land rights, including the cost of legal rights to the land when the land was first acquired.

Land rights in the form of right to cultivate, right to build and use rights are not amortised, unless there is evidence to indicate that the extension or renewal of land rights is likely to or definitely not obtained.

SFAS No. 48 (Revised 2014) regarding "Impairment of Assets" states that the carrying amounts of fixed assets are reviewed at each consolidated statement of financial position date to assess whether they are recorded in excess of their recoverable amounts. If the carrying value exceeds this estimated recoverable amount, assets are written down to their recoverable amount.

ii. Leased assets and liabilities

The Group implement SFAS 73 "Leased" since 1 January 2020.

SFAS 73 implements new requirements or amendments in connection with lease accounting. This standard introduces significant changes to the lessee's accounting by eliminating the difference between operating and financing leases, and requires the recognition of use rights assets and the recognition of lease liabilities at inception for all leases, except for short-term leases and low-value asset leases. In contrast to lessee accounting, the requirements for lessor accounting are largely unchanged. The impact of the adoption of SFAS 73 on the Consolidated Financial Statements is described below.

(a) The effect of the new definition of lease

The main change from the definition of a lease has to do with the concept of control. SFAS 73 determines whether a contract is, or contains a lease on the basis that the lessee has the right to control the use of the asset for a specified period of time in exchange for consideration. This is the difference in determining whether a contract is, or contains a lease based on SFAS 30, with the concept of risk and benefit.

The Group applies the definition of leases and related guidance applied in SFAS 73 to all contracts recorded or amended on 1 January 2020.

The Group uses a single discount rate for lease portfolios with similar characteristics.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Fixed assets, leased assets and liabilities, and intangible assets (continued)

ii. Leased assets and liabilities (continued)

(b) The impact on the lessee's accounting

The Group applies a single recognition and measurement approach to all leases, except for short-term leases and low-value asset leases. The Group recognizes a lease obligation to make lease payments and use rights assets that represent the right to use the underlying asset.

The Group recognizes the use rights assets at the inception date of the lease. Use rights assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease obligations. Lease liabilities are the amount of lease payments accrued until the end of the lease term, discounted using the incremental loan interest rate. The cost of lease assets includes the amount of lease liability recognized, initial direct costs paid, recovery costs and lease payments made on or before the start date of the lease less lease incentives received. Use rights assets are depreciated using the straight-line method over the shorter period between the lease term and the estimated useful life of the asset, as follows:

- Building : 20 years
- Office machines : 5 years
- Computer hardware : 5 years
- Computer software : 5 years
- Office inventory : 5 years
- Inventory of official houses and mess : 5 years
- Motor vehicle : 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the lease payments reflect the exercise of the purchase option, depreciation is calculated using the estimated useful lives of the asset. Use rights assets are tested for impairment in accordance with SFAS 48 "Impairment of Assets Value".

At the inception date of the lease, the Group recognizes lease liabilities at the present value of future lease payments to be made over the lease term. Lease payments include fixed payments (including substantially fixed payments) less lease incentive receivables, variable lease payments that are index or interest rate dependent, and the amount expected to be paid in a residual value guarantee. Lease payments also include the reasonable exercise price for the purchase option if it is determined to be made by the Group and the payment of a penalty to terminate the lease, if the lease term reflects the Group exercising the lease termination option. Variable lease payments that are not dependent on an index or interest rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental loan interest rate of the lessee at the inception date of the lease because the interest rate implicit in the lease cannot be determined. After the inception date of the lease, the amount of the lease liability is increased to reflect the increase in interest and less lease payments made. In addition, the carrying amount of the lease liability is remeasured if there are modifications, changes in the term of the lease, changes in lease payments, or changes in the valuation of the option to purchase the underlying asset.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Fixed assets, leased assets and liabilities, and intangible assets (continued)

ii. Leased assets and liabilities (continued)

Short-term leases with a duration of less than 12 months and leases of low value assets, as well as elements of such leases, partially or wholly do not apply the recognition principles prescribed by SFAS 73 will be treated the same as operating leases in SFAS 30. The Group will recognize the payment lease on a straight-line basis over the lease term in the consolidated statement of profit or loss and other comprehensive income. This expense is shown under general and administrative expenses in the income statement.

The implementation of SFAS 73 listing applies to all leases (except as stated earlier), as follows:

- (a) Present right of use assets as part of property, plant and equipment and leased liabilities are presented as part of other liabilities in the consolidated statement of financial position, measured at the present value of future lease payments;
- (b) Record the depreciation of right of use assets and the interest of lease liability in the consolidated statement of profit or loss and comprehensive income; and
- (c) Separating the total payment into principal (presented in financing activities) and interest (presented in operating activities) in the consolidated statement of cash flows.

iii. Intangible assets

Intangible assets are recognised if, and only if its cost can be measured reliably and it is probable that expected future benefits that are attributable to it will flow to the Bank and Subsidiaries. Intangible assets consist of goodwill and computer software that are purchased by the Bank and Subsidiaries.

Software purchased by the Bank and subsidiaries is recorded at cost less accumulated amortization and accumulated impairment losses. Amortization method, estimated useful life and residual value are reviewed at end of reporting period and adjusted if necessary.

Goodwill is recognised when there is a difference between the acquisition cost and the Bank's portion of the fair value of identified assets and liabilities at the acquisition date. Goodwill is presented as other assets. The Bank conducts an assessment of goodwill impairment regularly.

s. Investments in shares

Investments in shares represent long-term investments in non-publicly-listed companies and temporary investments in debtor companies arising from conversion of loans.

Investments in shares under 20.00% and with no significant control are financial assets classified as fair value through other comprehensive income. Refer to Note 2c for the accounting policy for fair value through other comprehensive income.

Temporary investment is written-off from the consolidated statement of financial position if it has exceeded the 5 year period in accordance with Financial Services Authority Regulation (POJK) No. 40/POJK.03/2019 dated 19 December 2019 concerning Quality Assessment of Commercial Banks.

t. Allowance for possible losses on non-earning assets

Non-earning assets of Bank Mandiri and the Subsidiaries consist of repossessed assets, abandoned properties, inter-office accounts and suspense accounts.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Allowance for possible losses on non-earning assets (continued)

The Bank provides an allowance for impairment of repossessed assets and abandoned property equal to the difference between the asset's carrying amount and its fair value less costs to sell. As for the inter-office account and suspense account, the allowance is equivalent to difference between the carrying value and the recovery value.

u. Acceptances receivables and payables

Acceptance receivables are classified as financial assets under amortised cost. Refer to Note 2c for the accounting policy of financial assets for financial assets at amortised cost.

Acceptance payables are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

v. Other assets

Other assets include accrued income for interest, provision and commissions, receivables, repossessed assets, abandoned properties, inter-office accounts and others.

Receivables consist of government bonds pledged by the Bank, mutual fund receivables from Subsidiaries and receivables from policy holders.

Repossessed assets represent assets acquired by Bank Mandiri and Subsidiaries, both from auction and non auction based on voluntary transfer by the debtor or based on debtor's approval to sell the collateral when the debtor could not fulfill their obligations to Bank Mandiri and Subsidiaries. Repossessed assets represent loan collateral that were taken over as part of loans settlement and presented in "Other Assets".

Abandoned properties represent Bank and Subsidiaries' fixed assets in the form of properties which were not used for Bank and Subsidiaries' business operational activity.

Repossessed assets and abandoned properties are presented at their net realizable values. Net realizable value is the fair value of the repossessed assets less estimated costs to sell the repossessed assets. Differences between the net realizable value and the proceeds from disposal of the repossessed assets are recognised as current year's gain or loss at the year of disposal.

Expenses for maintaining repossessed assets and abandoned properties are recognised in the current year's consolidated statement of profit or loss and other comprehensive income as incurred. Any permanent impairment loss that occurred will be charged to the current year's consolidated statement of profit or loss and other comprehensive income. Refer to Note 2t for changes in accounting policy to determine impairment losses on repossessed assets and abandoned properties.

w. Obligations due immediately

Obligations due immediately are recorded at the time the obligations occurred from customers or other banks. Obligations due immediately are classified as financial liabilities at amortised cost.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Deposits from customers

Deposits from customers are the funds placed by customers (excluding banks) with the Bank and Subsidiaries which operate in banking industry based on a fund deposit agreement. Included in this account are demand deposits, saving deposits, time deposits and other similar deposits.

Demand deposits represent deposits of customers that may be used as instruments of payment, and which may be withdrawn at any time by cheque, Automated Teller Machine card (ATM) or by overbooking through written transfer instruction (bilyet giro) or other orders of payment or transfers.

Saving deposits represent deposits of customers that may only be withdrawn over the counter and via ATMs or funds transfers by SMS Banking, Phone Banking and Internet Banking when certain agreed conditions are met, but which may not be withdrawn by cheque or other equivalent instruments.

Time deposits represent customers deposits that may only be withdrawn after a certain time based on the agreement between the depositor and the Bank. These are stated at amortised cost in the certificates between the Bank and the holders of time deposits.

Included in demand deposits are *wadiah* demand deposits and saving deposits. *Wadiah* demand deposits can be used as payment instruments and can be withdrawn any time using cheque and written transfer instruction (bilyet giro). *Wadiah* demand deposits and saving deposits earn bonus based on Subsidiary's policy. *Wadiah* saving and demand deposits are stated at the Subsidiary's liability amount.

Deposits from customers are classified as financial liabilities at amortised cost. Incremental costs directly attributable to acquisition of deposits from customers are included in the amount of deposits and amortised over the expected life of the deposits. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

y. Deposits from other banks

Deposits from other banks represent liabilities to local and overseas banks, in the form of demand deposits, saving deposits, interbank call money with original maturities of 90 days or less, time deposits and negotiable certificate of deposits. Deposits from other banks are recorded as liability to other banks.

Included in the deposits from other banks are sharia deposits in form of *wadiah* deposits, and Interbank Certificates *Mudharabah* Investment (Sertifikat Investasi *Mudharabah* Antarbank (SIMA)).

Deposits from other banks are classified as financial liabilities at amortised cost. Incremental costs directly attributable to acquisition of deposits from other banks are included in the amount of deposits and amortised over the expected life of the deposits. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

z. Insurance contract

Insurance contracts is a contract under which the insurer accepts significant insurance risk from the policyholders. Significant insurance risk is defined as the possibility of paying significantly more benefit to the policyholder upon the occurrence of insured event compared to the minimum benefit payable in a scenario where the insured event does not occur. Scenarios considered are those with commercial substance.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Insurance contract (continued)

The Subsidiaries issue insurance contracts that accepted significant insurance risk from the policyholders. The Subsidiary defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event of at least 10% more than the benefits payable if the insured event did not occur. When an insurance contract does not have significant insurance risk, it is classified as investment contracts.

The Subsidiaries issues insurance contracts for traditional insurance product and investment-linked insurance product. Both of these products have significant insurance risk.

The Subsidiaries's products are divided into the following main categories:

- Traditional non-participating life insurance, provide protection to cover the risk of death, accident, critical illness, and health of the insured. The basic sum assured will be paid upon the occurrence of the risks covered.
- Unit-link, is the insurance product with single and regular premium payment which is linked to investment products, and provides a combined benefit of protection and investment.

Once a contract has been classified as an insurance contract, no reclassification is subsequently performed unless the terms of the agreement are later amended. All insurance products issued by the Subsidiary has significant insurance risk.

The Subsidiary unbundles the deposit component of unit-link contract as required by SFAS No. 62 when both the following conditions are met:

- The Subsidiary can measure separately the "deposit" component (including any embedded surrender option, i.e. without taking into account the "insurance" component).
- The Subsidiary's accounting policies do not otherwise require to recognise all obligations and rights arising from the "deposit" component.

The Subsidiary does not separate the deposit component because only one of the above conditions is met.

Liability adequacy test

Liability adequacy testing is performed at reporting date for contract individually or group of products determined in accordance with the Subsidiary's method of acquiring, servicing and measuring the profitability of its insurance contracts.

For life insurance, the liabilities to policyholder in particular the liabilities for future claim is tested to determine whether they are sufficient to cover all related future cash out flow including all guaranteed benefit and guaranteed additional benefit, non-guaranteed participation benefit feature (if any), all expenses for policies issuance and maintenance, as well as reflecting the future cash inflow, i.e. future premium receipt. The liabilities are calculated based on discounted cash flow basis for all related cash flows i.e. both of cash outflows and cash inflows as mentioned above using a set of most recent best estimate assumptions set by the Subsidiary's appointed actuary, included discount rate assumptions, mortality/morbidity assumptions, lapsed assumptions, expense assumptions and inflation assumptions as well as margin for adverse deviation assumptions. Subsidiary operates in life insurance use Gross Premium Reserve with best estimate and margin for adverse deviation therefore liability adequacy test is not required.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Insurance contract (continued)

Reinsurance

The Subsidiaries reinsure a portion of its risk with reinsurance companies. The amount of premium paid or portion of premium from prospective reinsurance transactions is recognised over the reinsurance contract in proportion with the protection received.

Reinsurance assets include balances expected to be recovered from reinsurance companies for ceded liability for future policy benefits, ceded estimated claim liabilities and ceded unearned premiums. Recovery amount from reinsurers are estimated in a manner consistent with the liability associated with the reinsured policy.

Subsidiaries presents separately reinsurance asset of future policy benefit liabilities, unearned premium, and estimated claim liabilities.

If a reinsurance asset is impaired, the Subsidiaries deducted the carrying amount accordingly and recognises that impairment loss in the consolidated statement of profit or loss and other comprehensive income. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Subsidiary may not receive all amounts due to it under the terms of the contract, and the impact on the amounts that the Subsidiary will receive from the reinsurer can be reliably measured.

Liability for future policy benefits

The liabilities for future policy benefits represent the present value of estimated future policy benefits to be paid to policyholders or their heirs less present value of estimated future premiums to be received from the policyholders and recognised consistently with the recognition of premium income. The liabilities for future policy benefits are determined and computed based on certain formula by the Subsidiary's actuary.

The Subsidiaries calculate the liability for future policy benefits using Gross Premium Reserve method that reflect the present value of estimated payments throughout the guaranteed benefits including all the embedded options available, the estimated present value of all handling costs incurred and also considering the future premium receipt.

Increase/(decrease) in liabilities for future policy benefits is recognised in the current year's consolidated statement of profit or loss and other comprehensive income.

The liability to unit-link policyholders is recognised at the time the funds received are converted into units, net of related expenses and will increase or decrease in accordance with effective net asset value.

Funds received from customers for non-sharia unit-link products are reported as gross premium income in the consolidated statement of profit or loss and other comprehensive income. Liabilities to unit-link policyholders are recognised in the consolidated statement of financial position computed based on unearned premium reserves using daily method from insurance cost of mortality risk plus reserves for the accumulated invested fund of unit-link policyholders.

Any interest, gain or loss due to increases or decreases in market value of investments are recorded as income or expense, with a corresponding recognition of increase or decrease in liability to unit-link policyholders in the statement of profit or loss and other comprehensive income and liability to unit-link policyholders in the consolidated statement of financial position.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Insurance contract (continued)

Liability for future policy benefits (continued)

Funds received from customers for sharia unit-link products are recognised as liabilities to unit-link policyholders in the consolidated statement of financial position for the amount received net of the portion representing the Subsidiary fees in managing the unit-link product income.

Unexpired Risk Reserve

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the insurance contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums). The liability is based on assumptions as to mortality, persistency, maintenance expense and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

aa. Debt securities issued

Debt securities issued by the Bank and its Subsidiaries, including bonds, subordinated notes, medium term notes and travellers' cheques, are initially measured at fair value plus directly attributable transaction costs. Subsequently, transactions costs are amortised using the effective interest rate up to the maturity of debt securities issued.

Debt securities issued are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

ab. Fund borrowings

Fund borrowings represent funds received from other banks, Bank Indonesia or other parties with the obligation of repayment in accordance with the requirements of the loan agreement.

Fund borrowings are initially measured at fair value minus directly attributable transaction costs. Fund borrowings are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

ac. Subordinated loans and marketable securities

Subordinated loans and marketable securities are initially measured at fair value minus directly attributable transaction costs. Subsequently, transactions costs are amortised using the effective interest rate up to the maturity of subordinated loans and marketable securities.

Subordinated loans and marketable securities are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ad. Income tax

Bank Mandiri and Subsidiaries apply SFAS No. 46 (Revised 2014) regarding "Income Tax" which requires Bank Mandiri and Subsidiaries to account for the current and future recovery (settlement) of the carrying amount of assets (liabilities) that are recognised in the consolidated statement of financial position; and transactions and other events of the current period.

The tax expense comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group's management periodically evaluates the implementation of prevailing tax regulations especially those that are subject to further interpretation on its implementation, including evaluation on tax assessment letters received from tax authorities. Where appropriate the Bank establishes provisions based on the amounts expected to be paid to the tax authorities.

Bank Mandiri and Subsidiaries applies the balance sheet liability method to determine income tax expense. Under the balance sheet liability method, deferred tax assets and liabilities are recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated statement of financial position at each reporting date. This method also requires the recognition of future tax benefits, to the extent that realisation of such benefits is probable.

Deferred tax assets are recognised only to the extent that is probable that future taxable income will be sufficient against which the temporary differences can be utilised.

Deferred tax is calculated using tax rates enacted or substantively applied to the period during which the asset is realised or the liability is settled. The changes to the carrying value of deferred tax assets and liabilities due to the changes of tax rates are charged in the current year, except for transactions which previously have been directly charged or credited to equity.

Amendments to taxation obligations are recorded when an assessment is received or, if appealed against, when the result of the appeal is determined. Management provides provision for future tax liability at the estimated amount that will be payable to the tax office if there is a probable tax exposure, based on management's assessment as of the date of consolidated statement of financial position. Assumptions and estimation used in the calculation of provision may involve element of uncertainty.

The estimated corporate income tax of Bank Mandiri and Subsidiaries is calculated for each company as a separate legal entity. Current tax assets and current tax liabilities for different legal entities cannot be set-off in the consolidated financial statements. Corporate tax payables and other tax payables of Bank Mandiri and Subsidiaries are presented as taxes payable in the consolidated statement of financial position.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ae. Temporary *syirkah* funds

Temporary *syirkah* funds represent investment received by a Subsidiary. The Subsidiary has the right to manage and invest funds in accordance with either the Subsidiary's policy or restriction set by the depositors with the agreed profit sharing.

Relationship between the Subsidiary and the owner of temporary *syirkah* funds are based on partnership *mudharabah muthlaqah*, *mudharabah muqayyadah* or *musyarakah*. The examples of temporary *syirkah* funds are investment funds received from *mudharabah muthlaqah*, *mudharabah muqayyadah* and other similar accounts.

- 1) *Mudharabah muthlaqah* represents *mudharabah* in which the fund owner (*shahibul maal*) entrusts to fund manager (*mudharib*/Subsidiary) in managing its investment.
- 2) *Mudharabah muqayyadah* represents *mudharabah* in which the fund owner sets restrictions against fund manager regarding, among others, the place, the means and/or the object of investment.

Temporary *syirkah* funds cannot be classified as liability because the Subsidiary does not have any liability to return the fund to the owners, except for losses due to the Subsidiary's management negligence or misrepresentation. On the other hand, temporary *syirkah* funds also cannot be classified as equity, because of the existence of maturity period and the depositors do not have the same rights as the shareholders, such as voting rights and the rights of realised gain from current asset and other non-investment accounts.

Temporary *syirkah* funds represent one of the consolidated statement of financial position accounts which is in accordance with sharia principle that provide right to the Subsidiary to manage fund, including to combine the funds with the other funds.

The owner of temporary *syirkah* funds receive parts of profit in accordance with the agreement and receive loss based on the proportion to the total funds. The profit distribution of temporary *syirkah* funds might be based on profit sharing or revenue sharing concept.

af. Interest income and expense and sharia income

(i) Conventional

Interest income and expense for all interest-bearing financial instruments are recognised as "interest income" and "interest expense" in the consolidated statement of profit or loss and other comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of financial assets and liabilities and allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all commissions, provision and other fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

af. Interest income and expense and sharia income (continued)

(i) Conventional (continued)

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised on the non-impaired portion of the impaired financial assets using the rate of interest used to discount the future cash flows for measuring the impairment loss.

(ii) Sharia income

Included in interest income and expense are sharia income and expense with sharia principle. The Subsidiary's income as a fund manager (*mudharib*) consists of income from *murabahah* and *istishna* transactions, income from *ijarah* (leasing), income from profit sharing of *mudharabah* and *musyarakah* financing and other main operating income.

Murabahah income through deferred payment or installment is recognised during the period of the contract based on effective rate of return method (annuity).

According to SFAS No. 102 (Revised 2019), *murabahah* income which includes deferred margin and administrative income are recognised as income using the effective rate of return method, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial assets and includes any fees or incremental costs that are directly attributable to the assets and are an integral part of the effective financing rate.

Income from *istishna* is recognised using the percentage of completion or full completion method.

Income from *ijarah* is recognised proportionally during the contract period.

Profit sharing for passive partner in *musyarakah* is recognised in the period when the right arise in accordance with the agreed sharing ratio.

Profit sharing income from *mudharabah* is recognised in the period when the right arise in accordance with agreed sharing ratio and the recognition based on projection of income is not allowed.

Any payment from non performing debtors recognised is recognised as the repayment cost or loan/financing. Excess payment over the cost or loan/financing recognised as income when cash received. Especially for *ijarah* transactions, any payment from non performing debtors recognised as the settlement.

Third parties' share on the return of temporary *syirkah* funds represent fund owners' share of the profit of Subsidiary derived from managing of such funds under *mudharabah mutlaqah*, *mudharabah muqayyadah* and *mudharabah musyarakah* principles. The profit sharing is determined on the earned income.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

af. Interest income and expense and sharia income (continued)

(iii) Third parties' share on return of temporary *syirkah* funds

Distribution of profit sharing is based on profit sharing principle which is calculated from the Subsidiary's gross profit margin.

Total margin income and profit sharing on financing and other productive assets will be distributed to the fund owner and subsidiary, calculated proportionally according to the allocation of fund owner and subsidiary that were used in the financing and other productive assets.

Further, margin income and profit sharing on financing facilities and other earning assets are distributed to fund owners and depositor as *shahibul maal* and the Subsidiary as *mudharib* based on a predetermined profit sharing with *nisbah* portion. Margin income and profit sharing from financing facilities and other earning assets using the Subsidiary's funds, are entirely shared for the Subsidiary, including income from the Subsidiary's fee-based transactions.

ag. Premium income and claims expenses

Premium income received from short-term insurance contracts is recognised as revenue over the period of risk coverage in proportion to the amounts of insurance protection provided. Premiums from long-term contracts are recognised as revenue when the policy is due.

Premiums received before the due date of the respective policies are reported as policyholders' deposits in the consolidated statement of financial position.

Claims and benefits consist of settled claims, claims that are still in process of completion and estimates of claims incurred but not yet reported (IBNR). Claims and benefits are recognised as expenses when the liabilities to cover claims are incurred. Claim recoveries from reinsurance companies are recognised and recorded as deduction from claims expenses consistent in the same period with the claim expenses recognition.

Total claims in process, including claims incurred but not yet reported, are stated at estimated amounts determined based on the actuarial technical insurance calculations. Changes in estimated claims liabilities as a result of further evaluation and the difference between estimated claims and paid claims are recognised as addition to or deduction from expenses in the period the changes occurred.

ah. Fees and commissions income

Fees and commissions income and transaction costs that are directly attributable to lending, consumer financing activities and investment in lease financing, are recognised as a part/(deduction) of outstanding loan and consumer financing receivables and will be recognised as interest income by amortisation using effective interest rate method.

The directly attributable unamortised fees and commissions balances relating to loans, consumer financing receivables and investment in lease financing which is settled prior to maturity are recognised upon settlement date of such loans, consumer financing and investment in lease financing.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ah. Fees and commissions income (continued)

Other fees and commissions income which are not directly related to lending activities or a specific period are recognised as revenue on the transaction date.

ai. Employee benefits

Pension liability

Bank Mandiri established a defined contribution pension plan covering substantially all of its eligible employees from 1 August 1999 and also defined benefit pension plans, which were derived from each of the Merged Banks' pension plan. This program is funded through payment to pension fund's management as defined in the regular actuarial calculation.

Bank Mandiri and Subsidiaries' pension liability has been calculated by comparing the benefit that will be received by an employee at normal pension age from the Pension Plans with the benefit as stipulated under the Employment Law No. 13/2003 which has been updated using the Employment Regulations No. 11/2020 based on the Collective Labor Agreement which was renewed at the end of 2021 after deducting accumulated employee contributions and the results of its investments. If the pension benefit from the Pension Plans is less than the benefit as required by the Employment Regulations No. 11/2020, the Bank and Subsidiaries will have to pay such shortage.

The pension plan based on the Employment Regulations is a defined benefit plan because the Employment Law requires a certain formula to calculate the minimum pension benefit. A defined contribution plan is a pension plan that defines an amount of pension contribution based on pension Fund Regulation and all contribution including investment return are recorded in its account's member as pension benefit as stated in Pension Fund Law No. 11 year 1992 dated 20 April 1992 regarding Pension Fund.

The pension liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method on a regular basis for periods not exceeding one year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discounting rate zero coupon bond that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The accumulated unrecognised actuarial gains or losses incurred are recognised as "Other Comprehensive Income" and is presented in the equity section. Past service cost is directly charged to profit or loss.

The post-employment benefits expense recognised during the current year consists of service cost in profit or loss, net interest on the net defined benefit liability in profit or loss or re-measurement of the net defined benefit liabilities in other comprehensive income.

Net interest on the net defined benefit liabilities is the interest income component of plan assets, interest expense of defined benefit liabilities and interest on the effect of asset ceiling.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ai. Employee benefits (continued)

Pension liability (continued)

Remeasurements of the net defined benefit liability consists of:

- Actuarial gains and losses;
- Return on plan assets, excluding amount included in net interest on the net defined benefit liability; and
- Any change in effect of the asset ceiling, excluding amount including in net interest on the net defined benefit liability.

Actuarial gains and losses may arise from the adjustments made based on the experience and changes in actuarial assumption.

Other long-term employment benefit obligations

Other long-term employment benefit obligations consist of paid leave and service awards.

The entitlement of these benefits are provided to the employees until reaching the retirement age and the completion of a minimum service period. The costs estimation for these benefits are accrued over the period of employment calculated using similar methodology used for defined benefit pension plans but simplified. These obligations are calculated annually by independent qualified actuaries.

Tantien distribution

Bank Mandiri records tantien on an accrual basis and charges it to the consolidated statement of profit or loss and other comprehensive income during the year.

aj. Earnings per share

Earnings per share is calculated by dividing the consolidated net profit at end of year with the weighted average number of shares issued and fully paid-in during the year.

The weighted-average number of outstanding shares used in computing basic and diluted earnings per share as of 31 December 2022 is 46,651,357,241 shares and as of 31 December 2021 are 46,631,266,666 shares.

ak. Operating segment

An operating segment is a component of an entity:

- (a) That is involved in business activities to generate income and expenses (include income and expenses relating to the transactions with other components from the same entity);
- (b) Whose operating results are reviewed regularly by chief decision maker for decision making on allocation of resources and performance evaluation on works; and
- (c) For which separate financial information is available.

In accordance with SFAS No. 5 regarding "Operating Segment", the Group presents operating segment based on internal reports that are presented to the decision-maker operational activities. The decision maker is the Board of Directors.

Segment Information as of 31 December 2021 onwards presented in accordance with the Board of Directors Decree No. KEP.DIR/014/2020 dated 25 February 2020, the operating segments are divided into the following business segments: Corporate Banking, Commercial Banking, Institutional, Retail Banking (including Wealth), Treasury & International Banking, Head Office, Sharia Subsidiary, Subsidiary - Insurance and Other Subsidiaries.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ak. Operating segment (continued)

A geographical segment represents a component of the Bank and its Subsidiaries that provides services in different economic environment and has a different risk and reward compared to others operating in different economic environment. Geographical segments are divided into Indonesia, Asia (Singapore, Malaysia, Hong Kong, Timor Leste and Shanghai), Western Europe (England) and Cayman Islands.

al. Social and Environmental Responsibility

Based on PER05/MBU/04/2021, the term PKBL (Partnership and Community Development Program) no longer used and changed to TJSL (Social & Environmental Responsibility). Fund allocation for partnership program and community development program are no longer allocated from retained earning approved by General Shareholders Meeting instead, it is accrued and charged directly to the current year consolidated statement of profit or loss and other comprehensive income.

am. Treasury shares

Treasury shares are share capital that is acquired and owned back from previously issued by the Bank. Treasury shares are stated at the amount paid, including directly attributable additional costs (less income tax) and as a deduction from equity until the shares are canceled or reissued. When the shares are subsequently sold back, the amount received, less the related transaction surcharge and the related income tax effect, is presented in equity.

an. Business combination of common control entities

The transaction of business combination between subsidiary, PT Bank Syariah Mandiri, with PT Bank BRIsyariah Tbk's and PT Bank BNI Syariah (BNIS) is a business combination between entities under common control. Business combination transaction between entities under common control, in the form of business transfer including transfer of the related assets and liabilities in relation to the restructuring of entities under the same group, do not constitute a change of ownership in terms of economics substance. Therefore, the transaction is recognised at carrying value based on the pooling of the interest method. The difference between the total consideration received and the carrying amount of investment is recorded under equity and presented as a component of additional paid in capital.

In the stand-alone financial information of the parent entity, the Bank records its investment value in the new entity at cost using the predecessor value, where the investment is recorded at book value.

3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Several estimates and assumptions are required in the preparation of the consolidated financial statements in which management judgment is required in determining the methodology in the valuation of assets and liabilities.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with Statement of Financial Accounting Standard are the best estimates undertaken in accordance with the applicable standards. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

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3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Although these estimates and assumptions are based on management's best knowledge of current events and activities, actual results may differ from those estimates and assumptions.

Key sources of estimation uncertainty

a. Allowances for impairment losses of financial assets

Evaluation of impairment losses on financial assets which recognised at amortised cost and debt securities classified as fair value through other comprehensive income are described in Note 2c.

Allowance for impairment losses related to a specific counterparty as part of the entire allowance for impairment losses are established for receivables that are individually evaluated for impairment based on management's best estimate of the present value of cash flows expected to be received. In calculating the allowance for impairment losses, management considers of the financial condition of the counterparty and the net realizable value of the collateral received. Each impaired asset is evaluated, and its settlement strategy and estimation of cash flows considered recoverable are independently approved by the Credit Risk Management Unit.

Collectively assessed impairment allowances cover credit losses inherent in portfolios with similar economic characteristics when there is objective evidence to suggest the impairments are exist within the portfolio, but the individual impaired items cannot yet be identified. In determining the need to establish allowance for collective impairment, management considers factors such as credit quality, size of portfolio, credit concentrations, and economic factors. In estimating the required allowance, the assumptions made to determine default and loss model and to determine the required input parameters which are based on historical experience and current economic conditions (forecasting). The accuracy of this allowance depends on how precise the estimated future cash flows to determine the individual allowance and the model assumptions and parameters used in determining collective allowance.

b. Determining fair values of financial instruments

In determining the fair value for financial assets and financial liabilities for which there is no observable market price, the Group uses the valuation techniques as described in Note 2c for financial instruments that are traded infrequently and limited quailable price, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks.

c. Pension programs

Pension programs are determined based on actuarial valuation. The actuarial valuation use assumptions such as discount rate, expected rate of return on investments, future salary increases, mortality rate, resignation rate and others (refer to Note 2ai and 52). Any changes in those assumptions will impact the liability balance of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year, which is zero coupon bond that should be used to determine the present value of estimated future cash outflows expected to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds denominated in similar period with payments that will be made and have terms to maturity approximating the terms of the related employee benefit liability. Other key assumptions for pension obligations are determined based in part on current market conditions.

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3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key sources of estimation uncertainty (continued)

d. Insurance liabilities on insurance contracts

Technical reserves of Subsidiaries which recorded in the consolidated statement of financial position as part of "Other liabilities" are calculated based on actuarial calculation using certain actuarial assumptions which are the best estimate assumption and margin for any adverse deviations. Included in the technical reserves are liability for future policy benefits, estimated claim liabilities, unearned premium income, and liability to policyholders.

e. Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, as long as it is likely that taxable income will be available so that the temporary differences can be utilised. Significant estimates by management are required in determining the amount of deferred tax assets that can be recognised, based on utilisation and the level of taxable income and future tax planning strategies. The Bank does not consider some of the benefits of deferred tax assets as management believes that deferred tax assets will not be recoverable in the future.

f. Depreciation and estimated useful life of fixed assets

Cost of acquisition of fixed assets are depreciated using the straight-line method based on their estimated economic useful life. Bank's management estimates the useful lives of the assets between 4 (four) to 20 (twenty) years.

Changes in the level of usage and technological developments could affect the economic useful lives and residual value of assets, and therefore future depreciation charges may be revised.

The carrying value of the Bank's fixed assets is disclosed in Note 18.

g. Impairment of non-financial assets

Bank Mandiri and its subsidiaries assess impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying value of non-financial assets cannot be recovered. Important factors that could cause impairment of non-financial assets are as follows:

- a) Performance is not achieved significantly against expectations of historical or projected operating results in the future;
- b) A significant change in the way the use of the asset or the overall business strategy; and
- c) Industry or economic trends are significantly negative.

The Management of the Bank and its Subsidiaries recognize an impairment loss if the carrying amount of the asset exceeds its recoverable amount. Recoverable amount is the higher value between the fair value minus costs of disposal and the value in use of the asset (or cash-generating unit). Recoverable amount is estimated for individual assets or, if not possible, for the cash-generating unit in which the asset forming part of the unit.

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3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key sources of estimation uncertainty (continued)

h. Revaluations of land

The Group engaged independent valuation specialists to assess fair value of land. Lands were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as location and condition of land.

i. Determine the contract term with options for extension and termination of the contract - the Group as lessee

The Group determines the lease term as the term of the lease that cannot be canceled, together with the period covered based on the option to extend the lease if it is determined to be exercised, or any period covered by the option to terminate the lease, if it is reasonably not to do so.

The Group has several lease contracts that include options for extension and termination of the lease terms. The Group applies its judgment in evaluating whether it is certain to exercise the option to extend or terminate the lease. This is done by considering all relevant facts and circumstances that provide economic incentives to extend or terminate the lease. After the commencement date, the Group reassesses the lease term, if there is a significant event or change in circumstances which is under its control and affects whether the lessee is certain enough to exercise the option to extend or terminate the lease.

Significant accounting judgements

Accounting judgements that are important in applying accounting policies of the Bank and its Subsidiaries include:

a. Going concern

The Management of the Bank and its Subsidiaries has assessed the ability of the Bank and its Subsidiaries to continue its business and believes that the Bank and Subsidiaries have the resources to continue their business in the future. In addition, management is not aware of any material uncertainties that may cause significant doubt on the ability of the Bank and Subsidiaries to maintain its viability. Therefore, the consolidated financial statements have been prepared on the basis of a going concern.

b. Classification of financial assets and liabilities

The Management of the Bank and its Subsidiaries determine the classification of certain assets and liabilities as financial assets and financial liabilities by considering whether the definitions set under SFAS No. 71 have been fulfilled since 1 January 2020. Accordingly, financial assets and financial liabilities are recognised in accordance with the accounting policy of the Bank and its Subsidiaries as disclosed in Note 2.c.E.

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4. CURRENT ACCOUNTS WITH BANK INDONESIA

| | 2022 | 2021 |
|--------------------------------------|--------------------|-------------------|
| Rupiah | 95,778,696 | 90,441,613 |
| United States Dollar (Note 63B.(iv)) | 11,570,462 | 8,581,879 |
| | 107,349,158 | 99,023,492 |

As of 31 December 2022 and 2021, the Rupiah and Foreign Currency Minimum Statutory Reserves (GWM) ratios and the Macroprudential Liquidity Buffer (PLM) ratios that must be met by the Bank are as follows:

| | 2022 | 2021 |
|---|-------------|-------------|
| Rupiah | | |
| Primary Minimum Statutory Reserve ¹⁾ | 7.90% | 3.50% |
| (i) Daily Minimum Statutory Reserve | 0.00% | 0.50% |
| (ii) Average Minimum Statutory Reserve | 7.90% | 3.00% |
| Macroprudential Liquidity Buffer | 6.00% | 6.00% |
| Foreign currencies | | |
| Primary Minimum Statutory Reserve | 4.00% | 4.00% |
| (i) Daily Minimum Statutory Reserve | 2.00% | 2.00% |
| (ii) Average Minimum Statutory Reserve | 2.00% | 2.00% |

¹⁾ The Bank provides funds for certain and inclusive economic activities, so that the Bank gets an incentive in the form of a GWM allowance in Rupiah on 31 December 2022 of 1.10%. The GWM in Rupiah that must be met by the Bank on 31 December 2022, which should have been 9.00% with a daily requirement of 0.00% and an average of 9.00%, has become 7.90% with a daily requirement of 0.00% and an average of 7.90%.

As of 31 December 2022 and 2021, the Bank has fulfilled the ratio as mentioned above. The Minimum Statutory Reserves Ratio for Rupiah and Foreign Currencies accounts and Macroprudential Liquidity Buffer Ratio (Bank Mandiri only), are as follows:

| | 2022 | 2021 |
|--|-------------|-------------|
| Rupiah | | |
| Primary Minimum Statutory Reserve | 8.53% | 3.97% |
| (i) Daily Minimum Statutory Reserve ¹⁾ | 0.00% | 0.50% |
| (ii) Average Minimum Statutory Reserve | 8.53% | 3.47% |
| Macroprudential Liquidity Buffer | 21.14% | 27.57% |
| Foreign currencies | | |
| Primary Minimum Statutory Reserve | 4.10% | 4.10% |
| (i) Daily Minimum Statutory Reserve ^{**)} | 2.00% | 2.00% |
| (ii) Average Minimum Statutory Reserve | 2.10% | 2.10% |

¹⁾ Realization of daily rupiah reserve requirement as of 31 December 2022 and 2021 were 7.56% and 6.88%, respectively.

^{**)} Realization of daily foreign currencies requirement as of 31 December 2022 and 2021 were 4.10% and 4.10%, respectively.

As of 31 December 2022 and 31 December 2021, the Bank is obliged to fulfill the Current Account RIM of 0.87% and 1.17%, respectively, and the Bank has fulfilled these obligations.

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5. CURRENT ACCOUNTS WITH OTHER BANKS

a. By currency, related parties and third parties:

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| Rupiah | | |
| Related parties (Note 57) | 70,843 | 192,850 |
| Third parties | 566,608 | 533,934 |
| Total | 637,451 | 726,784 |
| Foreign currencies | | |
| Related parties (Note 57) | 39,890 | 63,458 |
| Third parties | 47,132,644 | 24,651,419 |
| Total (Note 63B.(iv)) | 47,172,534 | 24,714,877 |
| | 47,809,985 | 25,441,661 |
| Less: allowance for impairment losses | (20,285) | (24,043) |
| Net | 47,789,700 | 25,417,618 |

Included in foreign currencies are mainly Great Britain Pound Sterling, United States Dollar, European Euro, Japanese Yen, Australian Dollar, Hong Kong Dollar, Chinese Yuan and Singapore Dollar.

Movements on current account with other bank classified as amortised cost for the year ended 31 December 2022 and 2021 are as follows:

| | 2022 | | | | |
|--|-------------------|----------------|----------------|----------------------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia¹⁾ | Total |
| Beginning balance | 24,053,134 | - | - | 1,388,527 | 25,441,661 |
| Remeasurement of net carrying amount | 21,553,049 | - | - | (412,894) | 21,140,155 |
| New financial assets originated or purchased | 58,643 | - | - | 44,482 | 103,125 |
| Financial assets derecognised | (212,308) | - | - | (174,908) | (387,216) |
| Total increase/(decrease) during the year | 21,399,384 | - | - | (543,320) | 20,856,064 |
| Others | 1,571,747 | - | - | (59,487) | 1,512,260 |
| Ending balance | 47,024,265 | - | - | 785,720 | 47,809,985 |

¹⁾ Not Implement SFAS 71

| | 2021 | | | | |
|--|-------------------|----------------|----------------|----------------------------|--------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia¹⁾ | Total |
| Beginning balance | 18,163,987 | - | 3,079 | 8,332,006 | 26,499,072 |
| Remeasurement of net carrying amount | 5,592,845 | - | - | (7,105,065) | (1,512,220) |
| New financial assets originated or purchased | 458,160 | - | - | 146,701 | 604,861 |
| Financial assets derecognised | (245,307) | - | - | (3) | (245,310) |
| Total (decrease)/increase during the year | 5,805,698 | - | - | (6,958,367) | (1,152,669) |
| Written-off financial assets | - | - | (3,079) | - | (3,079) |
| Others | 83,449 | - | - | 14,888 | 98,337 |
| Ending balance | 24,053,134 | - | - | 1,388,527 | 25,441,661 |

¹⁾ Not Implement SFAS 71

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b. By Bank Indonesia's collectibility:

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| Rupiah | | |
| Current | 637,451 | 726,784 |
| Foreign currencies (Note 63B.(iv)) | | |
| Current | 47,172,534 | 24,714,877 |
| | 47,809,985 | 25,441,661 |
| Less: allowance for impairment losses | (20,285) | (24,043) |
| Net | 47,789,700 | 25,417,618 |

c. The average interest rate (yield) per annum:

| | 2022 | 2021 |
|--------------------|-------------|-------------|
| Rupiah | 0.96% | 0.01% |
| Foreign currencies | 1.05% | 0.16% |

d. Movements of allowance for impairment losses on current accounts with other banks are as follows:

| | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| Beginning balance | 24,043 | 77,112 |
| Reversal during the year (Note 46) | (5,165) | (51,094) |
| Write-off ^{*)} | - | (3,079) |
| Others ^{*)} | 1,407 | 1,104 |
| Ending balance | 20,285 | 24,043 |

^{*)} Included effect of foreign currency translation.

^{**)} On 29 April 2021, write-off has carried out for debtors from financial institutions (in liquidation) - refer to Note 6.

| | 2022 | | | | |
|--|----------------|----------------|----------------|----------------------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia^{*)} | Total |
| Beginning balance | 6,806 | - | - | 17,237 | 24,043 |
| Net remeasurement of losses allowance | 4,390 | - | - | (9,562) | (5,172) |
| New financial assets originated or purchased | 17 | - | - | - | 17 |
| Financial assets derecognised | (10) | - | - | - | (10) |
| Total (reversal)/allowance during the year | 4,397 | - | - | (9,562) | (5,165) |
| Others | 408 | - | - | 999 | 1,407 |
| Ending balance | 11,611 | - | - | 8,674 | 20,285 |

^{*)} Not implement SFAS 71

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

- d. Movements of allowance for impairment losses on current accounts with other banks are as follows (continued):

| | 2021 | | | | Total |
|--|--------------|----------|----------|----------------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | |
| Beginning balance | 5,640 | - | 3,079 | 68,393 | 77,112 |
| Net remeasurement of losses allowance | 1,078 | - | - | (52,029) | (50,951) |
| New financial assets originated or purchased | 2,985 | - | - | - | 2,985 |
| Financial assets derecognised | (3,128) | - | - | - | (3,128) |
| Total (reversal)/allowance during the year | 935 | - | - | (52,029) | (51,094) |
| Written-off financial assets | - | - | (3,079) | - | (3,079) |
| Others | 231 | - | - | 873 | 1,104 |
| Ending balance | 6,806 | - | - | 17,237 | 24,043 |

¹⁾ Not implement SFAS 71

Management believes that the allowance for impairment losses on current accounts with other banks is adequate.

- e. Information in respect of classification of “non-impaired” and “impaired” are disclosed in Note 63A.

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

- a. By type, currency, maturity and Bank Indonesia’s collectibility:

| | 2022 | | | Total |
|---------------------------------------|-------------------------|------------|------|-----------------------|
| | Maturity | Current | Loss | |
| Rupiah | | | | |
| Bank Indonesia | < 1 month | 26,843,755 | - | 26,843,755 |
| Call money | < 1 month | 2,375,000 | - | 2,375,000 |
| Fixed Term Placement | ≥ 1 month ≤ 3 months | 33,130 | - | 33,130 |
| | > 6 months ≤ 12 months | 76,732 | - | 76,732 |
| Time deposits | < 1 month | 983,980 | - | 983,980 |
| | ≥ 1 month ≤ 3 months | 451,200 | - | 451,200 |
| | > 3 months ≤ 6 months | 13,500 | - | 13,500 |
| | > 6 months ≤ 12 months | 34,500 | - | 34,500 |
| Total | | 30,811,797 | - | 30,811,797 |
| Foreign currencies | | | | |
| Bank Indonesia | < 1 month | 39,230,100 | - | 39,230,100 |
| | ≥ 1 month ≤ 3 months | 10,508,063 | - | 10,508,063 |
| Call money | < 1 month | 10,547,054 | - | 10,547,054 |
| Fixed Term Placement | < 1 month | 1,566,422 | - | 1,566,422 |
| | ≥ 1 month ≤ 3 months | 141,245 | - | 141,245 |
| | > 3 months ≤ 6 months | 310,474 | - | 310,474 |
| | > 6 months ≤ 12 months | 284,087 | - | 284,087 |
| | > 12 months ≤ 36 months | 35,180 | - | 35,180 |
| | > 36 months | 1,282,230 | - | 1,282,230 |
| Time deposits | < 1 month | 264,648 | - | 264,648 |
| | ≥ 1 month ≤ 3 months | 31,462 | - | 31,462 |
| | > 6 months ≤ 12 months | 311,350 | - | 311,350 |
| Total (Note 63B.(iv)) | | 64,512,315 | - | 64,512,315 |
| Less: allowance for impairment losses | | | | 95,324,112 (3,601) |
| Net | | | | 95,320,511 |

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By type, currency, maturity and Bank Indonesia's collectability (continued):

| | | 2021 | | | |
|---------------------------------------|-------------------------|----------|------------|------|-------------------|
| | | Maturity | Current | Loss | Total |
| Rupiah | | | | | |
| Bank Indonesia | < 1 month | | 9,200,000 | - | 9,200,000 |
| Call money | < 1 month | | 1,365,000 | - | 1,365,000 |
| Time deposits | < 1 month | | 682,420 | - | 682,420 |
| | ≥ 1 month ≤ 3 months | | 306,330 | - | 306,330 |
| | > 3 months ≤ 6 months | | 3,500 | - | 3,500 |
| | > 6 months ≤ 12 months | | 34,500 | - | 34,500 |
| Total | | | 11,591,750 | - | 11,591,750 |
| Foreign currencies | | | | | |
| Bank Indonesia | < 1 month | | 18,528,250 | - | 18,528,250 |
| | ≥ 1 month ≤ 3 months | | 11,544,525 | - | 11,544,525 |
| Call money | < 1 month | | 3,278,076 | - | 3,278,076 |
| Fixed Term Placement | < 1 month | | 1,813,514 | - | 1,813,514 |
| | ≥ 1 month ≤ 3 months | | 78,250 | - | 78,250 |
| | > 3 months ≤ 6 months | | 513,376 | - | 513,376 |
| | > 12 months ≤ 36 months | | 547 | - | 547 |
| | > 36 months | | 450 | - | 450 |
| Time deposits | < 1 month | | 327,871 | - | 327,871 |
| | ≥ 1 month ≤ 3 months | | 35,962 | - | 35,962 |
| | ≥ 3 month ≤ 6 months | | 72,620 | - | 72,620 |
| Total (Note 63B.(iv)) | | | 36,193,441 | - | 36,193,441 |
| | | | | | 47,785,191 |
| Less: allowance for impairment losses | | | | | (1,675) |
| Net | | | | | 47,783,516 |

Movements on placement with other banks classified as amortised cost for 31 December 2022 and 2021 are as follows:

| | | 2022 | | | |
|--|--|-------------------|----------|----------|-------------------|
| | | Stage 1 | Stage 2 | Stage 3 | Total |
| Beginning balance | | 47,785,191 | - | - | 47,785,191 |
| Remeasurement of net carrying amount | | 4,634,950 | - | - | 4,634,950 |
| New financial assets originated or purchased | | 227,878,707 | - | - | 227,878,707 |
| Financial assets derecognised | | (184,867,043) | - | - | (184,867,043) |
| Total increase during the year | | 47,646,614 | - | - | 47,646,614 |
| Others | | (107,693) | - | - | (107,693) |
| Ending balance | | 95,324,112 | - | - | 95,324,112 |
| | | 2021 | | | |
| | | Stage 1 | Stage 2 | Stage 3 | Total |
| Beginning balance | | 82,398,042 | - | 44,577 | 82,442,619 |
| Remeasurement of net carrying amount | | (1,951,083) | - | - | (1,951,083) |
| New financial assets originated or purchased | | 313,352,337 | - | - | 313,352,337 |
| Financial assets derecognised | | (346,231,301) | - | - | (346,231,301) |
| Total decrease during the year | | (34,830,047) | - | - | (34,830,047) |
| Written-off financial assets | | - | - | (44,577) | (44,577) |
| Others | | 217,196 | - | - | 217,196 |
| Ending balance | | 47,785,191 | - | - | 47,785,191 |

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

b. By related parties and third parties:

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| Rupiah | | |
| Related parties (Note 57) | 636,030 | 563,630 |
| Third parties | 30,175,767 | 11,028,120 |
| Total | 30,811,797 | 11,591,750 |
| Foreign currencies | | |
| Related parties (Note 57) | 2,444,098 | 1,817,524 |
| Third parties | 62,068,217 | 34,375,917 |
| Total (Notes 63B.(iv)) | 64,512,315 | 36,193,441 |
| | 95,324,112 | 47,785,191 |
| Less: allowance for impairment losses | (3,601) | (1,675) |
| Net | 95,320,511 | 47,783,516 |

c. By counterparty:

| | 2022 | 2021 |
|--------------------------------------|------------------|------------------|
| Rupiah | | |
| Deposit Facility | | |
| Bank Indonesia | 26,843,755 | 9,200,000 |
| Call Money | | |
| PT Bank Pembangunan Daerah | | |
| Jawa Timur Tbk. | 250,000 | 210,000 |
| PT Bank Pembangunan Daerah | | |
| Sumatera Utara | 250,000 | - |
| JP Morgan Chase Bank N.A | 200,000 | - |
| PT Bank Aceh Syariah | 200,000 | 200,000 |
| PT Bank OCBC NISP Tbk. | 200,000 | 5,000 |
| PT Bank Pembangunan Daerah | | |
| Sulawesi Selatan dan Sulawesi Barat | 150,000 | 40,000 |
| PT Bank Pembangunan Daerah | | |
| Kalimantan Tengah | 150,000 | 75,000 |
| PT Bank Pembangunan Daerah | | |
| Nusa Tenggara Timur | 125,000 | - |
| PT Bank Pembangunan Daerah | | |
| Sulawesi Tenggara | 125,000 | 100,000 |
| PT Bank Pembangunan Daerah | | |
| Sumatera Selatan dan Bangka Belitung | 125,000 | 100,000 |
| PT Bank Pembangunan Daerah | | |
| Jawa Barat dan Banten Tbk. | 100,000 | - |
| PT Bank DKI | 100,000 | - |
| PT Bank Pembangunan Daerah | | |
| Istimewa Yogyakarta | 100,000 | 60,000 |
| PT Bank Pembangunan Daerah | | |
| Bali | 100,000 | 100,000 |
| Others | 200,000 | 475,000 |
| | 2,375,000 | 1,365,000 |

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

c. By counterparty (continued):

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Rupiah (continued) | | |
| Fixed Term | | |
| PT Bank UOB | 76,732 | - |
| PT Bank ANZ Indonesia | 33,130 | - |
| | <u>109,862</u> | <u>-</u> |
| Time Deposits | | |
| PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk. – <i>Unit Usaha Syariah</i> | 256,500 | - |
| PT Bank Tabungan Negara (Persero) Tbk. - <i>Unit Usaha Syariah</i> | 247,400 | 19,500 |
| PT Bank Tabungan Negara (Persero) Tbk. | 226,100 | 237,900 |
| PT Bank Rakyat Indonesia (Persero) Tbk. | 162,530 | 112,530 |
| PT Bank DKI | 121,400 | - |
| Citibank | 102,200 | 35,520 |
| PT Bank Nagari | 70,750 | - |
| PT Bank Pembangunan Daerah Sumatera Utara | 70,000 | 20,000 |
| Others | 226,300 | 601,300 |
| | <u>1,483,180</u> | <u>1,026,750</u> |
| Total | <u>30,811,797</u> | <u>11,591,750</u> |
| Foreign Currencies | | |
| <u>USD</u> | | |
| Term Deposits | | |
| Bank Indonesia | 49,738,163 | 30,072,775 |
| Call Money | | |
| Wells Fargo Bank N.A | 5,461,857 | 1,623,360 |
| Bank of New York | 1,963,062 | 1,426,675 |
| HSBC Bank USA N.A | 1,203,368 | 156,778 |
| PT Bank Negara Indonesia (Persero) Tbk. | 934,050 | - |
| PT Bank Rakyat Indonesia (Persero) Tbk. | 467,025 | - |
| BNP Paribas S.A | 393,152 | - |
| Others | 124,540 | 71,263 |
| | <u>10,547,054</u> | <u>3,278,076</u> |
| Fixed Term | | |
| JP Morgan Chase Bank N.A | 883,376 | - |
| Standard Chartered Bank | 682,941 | - |
| PT Bank Negara Indonesia (Persero) Tbk. | 467,025 | 1,068,938 |
| BNP Paribas S.A | 374,801 | - |
| Bank of China | 342,485 | 99,768 |
| Agricultural Bank of China | 233,513 | - |
| Bank of Montreal | 147,891 | - |
| Others | 129,381 | 689,681 |
| | <u>3,261,413</u> | <u>1,858,387</u> |

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

c. By counterparty (continued):

| | 2022 | 2021 |
|---|--------------------------|--------------------------|
| Foreign Currencies (continued) | | |
| USD (continued) | | |
| Time Deposits | | |
| PT Bank Rakyat Indonesia (Persero) Tbk. | 311,350 | 321,012 |
| PT Bank Negara Indonesia (Persero) Tbk. | 264,648 | - |
| PT Bank Danamon Indonesia Tbk. | 31,462 | - |
| PT Bank Aladin Syariah Tbk. | - | 115,441 |
| | <u>607,460</u> | <u>436,453</u> |
| | <u>64,154,090</u> | <u>35,645,691</u> |
| | | |
| CNY | | |
| Fixed Term | | |
| Bank of China | 358,225 | 257,108 |
| Standard Chartered Bank | - | 290,642 |
| | <u>358,225</u> | <u>547,750</u> |
| Total | <u>64,512,315</u> | <u>36,193,441</u> |
| Total counterparty placements | 95,324,112 | 47,785,191 |
| Less: allowance for impairment losses | (3,601) | (1,675) |
| | | |
| Net | <u>95,320,511</u> | <u>47,783,516</u> |

d. Average interest rate (yield) per annum:

| | 2022 | 2021 |
|--------------------|-------------|-------------|
| Rupiah | 0.71% | 1.10% |
| Foreign currencies | 1.03% | 0.07% |

e. Movements of allowance for impairment losses on placements with other banks:

| | 2022 | 2021 |
|--|---------------------|---------------------|
| Beginning balance | 1,675 | 46,772 |
| Allowance/(reversal) during the year (Note 46) | 1,948 | (825) |
| Written-off financial assets ^{*)} | - | (44,577) |
| Others ^{*)} | (22) | 305 |
| | <u>3,601</u> | <u>1,675</u> |
| Ending balance | <u>3,601</u> | <u>1,675</u> |

^{*)} Including effect of foreign currency translation.

^{**)} On 29 April 2021, write-off has carried out for debtors from financial institutions (in liquidation).

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

e. Movements of allowance for impairment losses on placements with other banks (continued):

| | 2022 | | | |
|--|--------------|----------|----------|--------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Beginning balance | 1,675 | - | - | 1,675 |
| Net remeasurement of losses allowance | 971 | - | - | 971 |
| New financial assets originated or purchased | 2,058 | - | - | 2,058 |
| Financial assets derecognised | (1,081) | - | - | (1,081) |
| Total allowance during the year | 1,948 | - | - | 1,948 |
| Others | (22) | - | - | (22) |
| Ending balance | 3,601 | - | - | 3,601 |

| | 2021 | | | |
|--|--------------|----------|----------|--------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Beginning balance | 2,195 | - | 44,577 | 46,772 |
| Net remeasurement of losses allowance | 42 | - | - | 42 |
| New financial assets originated or purchased | 44,745 | - | - | 44,745 |
| Financial assets derecognised | (45,612) | - | - | (45,612) |
| Total reversal during the year | (825) | - | - | (825) |
| Written-off financial assets | - | - | (44,577) | (44,577) |
| Others | 305 | - | - | 305 |
| Ending balance | 1,675 | - | - | 1,675 |

Management believes that the allowance for impairment losses on placements with Bank Indonesia and other banks is adequate.

- f. Information in respect of classification of “non-impaired” and “impaired” is disclosed in Note 63A.
- g. Bank Mandiri has a placement with a financial institution (in liquidation), which has been classified as loss or “impaired or stage 3” which Bank Mandiri’s claims that have been approved by the Trustee based on the creditors meeting on 5 November 2009 amounted to EUR16,395,092 (full amount) for the placement. On 10 March 2010, 24 November 2010, 6 September 2012, 23 January 2014 and 11 September 2020 the Trustee has paid a portion of the claims (interim distribution) to Bank Mandiri, after a net-off with the balance of demand deposit, interbank call money and L/C UPAS payable of the Subsidiary to the financial institution, the balance of Bank Mandiri's placement with the financial institution (under liquidation) as of 31 December 2020 were EUR2,586,472 (full amount). For these placements with financial institutions (under liquidation, Bank Mandiri has provided an allowance for impairment losses of 100% of the outstanding balance. On 29 April 2021, Bank Mandiri has written off (other than write-off of billing right) on placements with financial institutions (under liquidation) so that in the financial statements as of 31 December 2021, it has been recorded as an extracomptable account in the administrative account.
- h. As of 31 December 2022 and 2021, placements with a balance of USD2,270,190 (full amount) and USD70,000 (full amount) were pledged for fund borrowings from other banks (Note 36e).

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7. MARKETABLE SECURITIES

a. By purpose, related parties and third parties:

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| Marketable securities | | |
| Related parties (Note 57): | | |
| Fair value through profit or loss | 363,281 | 5,914,237 |
| Fair value through other comprehensive income | 14,060,476 | 9,427,277 |
| At amortised cost | 4,834,818 | 5,289,107 |
| At cost ¹⁾ | 281,259 | 1,198,895 |
| | <u>19,539,834</u> | <u>21,829,516</u> |
| Third parties: | | |
| Fair value through profit or loss | 10,724,161 | 6,248,727 |
| Fair value through other comprehensive income | 15,277,832 | 11,892,357 |
| At amortised cost | 3,120,999 | 3,241,827 |
| At cost ¹⁾ | 10,967,719 | 27,301,104 |
| | <u>40,090,711</u> | <u>48,684,015</u> |
| Investments in unit-link contracts ^{**)} | | |
| Related parties (Note 57): | | |
| Fair value through profit or loss | 7,750,743 | 8,723,309 |
| Third parties: | | |
| Fair value through profit or loss | 15,439,438 | 18,598,435 |
| | <u>23,190,181</u> | <u>27,321,744</u> |
| Total | <u>82,820,726</u> | <u>97,835,275</u> |
| Add/(Less): | | |
| Unamortised discounts | 18,986 | 1,444 |
| Unrealised gain on increase in fair value of marketable securities | 1,297 | 366,455 |
| Allowance for impairment losses | (41,191) | (99,504) |
| | <u>(20,908)</u> | <u>268,395</u> |
| Net | <u>82,799,818</u> | <u>98,103,670</u> |

¹⁾ Marketable securities owned by Subsidiaries.

^{**)} Investments in unit-link contracts are investments owned by policyholders of unit-link contracts of Subsidiary's which are presented at fair value.

Movements on marketable securities classified as amortised cost for the year ended 31 December 2022 and 2021 are as follows:

| | 2022 | | | | Total |
|---|-------------------------|----------------------|-----------------|----------------------------|--------------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia¹⁾ | |
| At amortised cost | | | | | |
| Beginning balance | 8,409,053 | 123,325 | - | 28,499,999 | 37,032,377 |
| Remeasurement | 20,871 | - | - | 190,000 | 210,871 |
| New purchased financial assets | 4,624,870 | 66,461 | - | 10,741,355 | 15,432,686 |
| Matured or sold of financial assets | (4,591,771) | (131,540) | - | (28,188,710) | (32,912,021) |
| Total (decrease)/increase during the year | 53,970 | (65,079) | - | (17,257,355) | (17,268,464) |
| Others | (546,466) | - | - | 6,334 | (540,132) |
| Ending balance | <u>7,916,557</u> | <u>58,246</u> | <u>-</u> | <u>11,248,978</u> | <u>19,223,781</u> |

¹⁾ Not implement SFAS 71

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7. MARKETABLE SECURITIES (continued)

a. By purpose, related parties and third parties (continued):

Movements on marketable securities classified as amortised cost for the year ended 31 December 2022 and 2021 are as follows (continued):

| | 2021 | | | | |
|---|------------------|----------------|----------|----------------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| At amortised cost | | | | | |
| Beginning balance | 8,450,466 | 125,583 | - | 28,383,391 | 36,959,440 |
| Remeasurement | (348,231) | - | - | 38,000 | (310,231) |
| New purchased financial assets | 2,512,129 | 233,087 | - | 8,704,974 | 11,450,190 |
| Matured or sold of financial assets | (3,033,175) | (235,345) | - | (8,588,439) | (11,856,959) |
| Total (decrease)/increase during the year | (869,277) | (2,258) | - | 154,535 | (717,000) |
| Others | 827,864 | - | - | (37,927) | 789,937 |
| Ending balance | 8,409,053 | 123,325 | - | 28,499,999 | 37,032,377 |

¹⁾ Not implement SFAS 71

Movements on marketable securities classified as fair value through other comprehensive income (all securities classified as fair value through other comprehensive income are stage 1) for the year ended 31 December 2022 and 2021 are as follows :

| | 2022 | |
|--|-------------------|---|
| | Carrying amount | Allowance for impairment losses ¹⁾ |
| Fair value through other comprehensive income | | |
| Beginning balance | 21,666,060 | 14,499 |
| Remeasurement | 618,265 | (2,176) |
| New purchased financial assets | 10,610,334 | 1,145 |
| Matured or sold financial assets | (3,209,925) | (2,423) |
| Decrease from changes in fair value | (375,923) | - |
| Ending balance | 29,308,811 | 11,045 |

¹⁾ Allowance for impairment losses on securities classified as fair value through other comprehensive income stated on other comprehensive income due to the carrying amount disclosed at fair value refer to Note 2c.(H).(1).

| | 2021 | |
|--|-------------------|---|
| | Carrying amount | Allowance for impairment losses ¹⁾ |
| Fair value through other comprehensive income | | |
| Beginning balance | 19,147,497 | 10,683 |
| Remeasurement | (2,175,953) | 2,391 |
| New purchased financial assets | 9,657,853 | 2,198 |
| Matured or sold financial assets | (4,862,291) | (773) |
| Decrease from changes in fair value | (101,046) | - |
| Ending balance | 21,666,060 | 14,499 |

¹⁾ Allowance for impairment losses on securities classified as fair value through other comprehensive income stated on other comprehensive income due to the carrying amount disclosed at fair value refer to Note 2c.(H).(1).

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7. MARKETABLE SECURITIES (continued)

b. By type, currency and Bank Indonesia's collectibility:

| | 2022 | | | | | | |
|--|--|---|----------------------------------|---|-------------|------|-------------------|
| | Cost/ nominal value/ fair value ¹⁾ | Unamortised premiums/ (discounts) | Unrealised gains/ (losses) | Fair value/at cost/amortised cost ²⁾ | | | Total |
| | | | | Current | Substandard | Loss | |
| Rupiah | | | | | | | |
| Fair value through profit or loss | | | | | | | |
| <u>Marketable securities</u> | | | | | | | |
| Investments in mutual fund units | 146,827 | - | - | 146,827 | - | - | 146,827 |
| Certificates of Bank Indonesia | 300,000 | - | 288 | 300,288 | - | - | 300,288 |
| Shares | 319,871 | - | - | 319,871 | - | - | 319,871 |
| Negotiable certificate of deposit | 155,415 | - | 25 | 155,440 | - | - | 155,440 |
| Asset-backed security | 26,148 | - | (2,718) | 23,430 | - | - | 23,430 |
| | 948,261 | - | (2,405) | 945,856 | - | - | 945,856 |
| <u>Investments in unit-link contracts³⁾</u> | | | | | | | |
| Shares | 16,854,079 | - | - | 16,854,079 | - | - | 16,854,079 |
| Investments in mutual fund units | 912,426 | - | - | 912,426 | - | - | 912,426 |
| Bonds | 408,306 | - | - | 408,306 | - | - | 408,306 |
| | 18,174,811 | - | - | 18,174,811 | - | - | 18,174,811 |
| | 19,123,072 | - | (2,405) | 19,120,667 | - | - | 19,120,667 |
| Fair value through other comprehensive income | | | | | | | |
| Investments in mutual fund units | 18,846,533 | - | 197,629 | 19,044,162 | - | - | 19,044,162 |
| Shares | 125,889 | - | - | 125,889 | - | - | 125,889 |
| Bonds | 3,871,393 | - | 38,232 | 3,909,625 | - | - | 3,909,625 |
| | 22,843,815 | - | 235,861 | 23,079,676 | - | - | 23,079,676 |
| At amortised cost | | | | | | | |
| Bonds | 4,030,774 | 24 | - | 4,030,798 | - | - | 4,030,798 |
| Asset-backed security | 102,732 | - | - | 102,732 | - | - | 102,732 |
| Export bills and others | 985,360 | - | - | 985,360 | - | - | 985,360 |
| Medium term notes | 245,000 | - | - | 245,000 | - | - | 245,000 |
| | 5,363,866 | 24 | - | 5,363,890 | - | - | 5,363,890 |
| At cost ⁴⁾ | | | | | | | |
| Export bills and others | 119,194 | - | - | 119,194 | - | - | 119,194 |
| Medium term notes | 160,000 | - | - | 160,000 | - | - | 160,000 |
| Sharia corporate bonds | 2,366,800 | - | - | 2,366,800 | - | - | 2,366,800 |
| Sukuk BI | 8,602,984 | - | - | 8,602,984 | - | - | 8,602,984 |
| | 11,248,978 | - | - | 11,248,978 | - | - | 11,248,978 |
| Total | 58,579,731 | 24 | 233,456 | 58,813,211 | - | - | 58,813,211 |
| Foreign currencies | | | | | | | |
| Fair value through profit or loss | | | | | | | |
| <u>Marketable securities</u> | | | | | | | |
| Bonds | 83,232 | - | - | 83,232 | - | - | 83,232 |
| Treasury bills | 10,055,949 | - | 33,199 | 10,089,148 | - | - | 10,089,148 |
| | 10,139,181 | - | 33,199 | 10,172,380 | - | - | 10,172,380 |
| <u>Investments in unit-link contracts³⁾</u> | | | | | | | |
| Investments in mutual fund units | 5,015,370 | - | - | 5,015,370 | - | - | 5,015,370 |
| | 5,015,370 | - | - | 5,015,370 | - | - | 5,015,370 |
| | 15,154,551 | - | 33,199 | 15,187,750 | - | - | 15,187,750 |
| Fair value through other comprehensive income | | | | | | | |
| Bonds | 5,262,061 | - | (150,277) | 5,111,784 | - | - | 5,111,784 |
| Treasury bills | 1,232,432 | - | (115,081) | 1,117,351 | - | - | 1,117,351 |
| | 6,494,493 | - | (265,358) | 6,229,135 | - | - | 6,229,135 |
| At amortised cost | | | | | | | |
| Export bills and others | 976,838 | - | - | 976,838 | - | - | 976,838 |
| Bonds | 930,143 | 2,660 | - | 932,803 | - | - | 932,803 |
| Treasury bills | 684,970 | 16,302 | - | 701,272 | - | - | 701,272 |
| | 2,591,951 | 18,962 | - | 2,610,913 | - | - | 2,610,913 |
| Total (Note 63B.(iv)) | 24,240,995 | 18,962 | (232,159) | 24,027,798 | - | - | 24,027,798 |
| | 82,820,726 | 18,986 | 1,297 | 82,841,009 | - | - | 82,841,009 |
| Less: allowance for impairment losses | | | | | | | (41,191) |
| Net | | | | | | | 82,799,818 |

¹⁾ Marketable securities classified as amortised cost are stated at nominal value. Unit-link investments are investments owned by policyholders in Subsidiary unit-link contracts which are presented at fair value.

²⁾ Marketable securities classified at amortised cost are presented at amortised cost.

³⁾ Marketable securities owned by Subsidiaries.

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7. MARKETABLE SECURITIES (continued)

b. By type, currency and Bank Indonesia's collectability (continued):

| | 2021 | | | | | | |
|--|--|---|----------------------------------|---|-------------|------|-------------------|
| | Cost/ nominal value/ fair value ¹⁾ | Unamortised premiums/ (discounts) | Unrealised gains/ (losses) | Fair value/at cost/amortised cost ²⁾ | | | |
| | | | | Current | Substandard | Loss | Total |
| Rupiah | | | | | | | |
| Fair value through profit or loss | | | | | | | |
| <u>Marketable securities</u> | | | | | | | |
| Bonds | 5,578,825 | - | 17,136 | 5,595,961 | - | - | 5,595,961 |
| Investments in mutual fund units | 361,683 | - | - | 361,683 | - | - | 361,683 |
| Certificates of Bank Indonesia | 3,100,000 | - | 999 | 3,100,999 | - | - | 3,100,999 |
| Shares | 315,113 | - | - | 315,113 | - | - | 315,113 |
| Negotiable certificate of deposit | 145,561 | - | 1,820 | 147,381 | - | - | 147,381 |
| Export bills, asset-backed security and others ³⁾ | 26,147 | - | (2,800) | 23,347 | - | - | 23,347 |
| | 9,527,329 | - | 17,155 | 9,544,484 | - | - | 9,544,484 |
| <u>Investments in unit-link contracts⁴⁾</u> | | | | | | | |
| Shares | 20,259,934 | - | - | 20,259,934 | - | - | 20,259,934 |
| Investments in mutual fund units | 917,404 | - | - | 917,404 | - | - | 917,404 |
| Bonds | 49,709 | - | - | 49,709 | - | - | 49,709 |
| | 21,227,047 | - | - | 21,227,047 | - | - | 21,227,047 |
| | 30,754,376 | - | 17,155 | 30,771,531 | - | - | 30,771,531 |
| Fair value through other comprehensive income | | | | | | | |
| Investments in mutual fund units | 10,241,316 | - | 85,703 | 10,327,019 | - | - | 10,327,019 |
| Bonds | 4,804,691 | - | 153,984 | 4,958,675 | - | - | 4,958,675 |
| Export bills, asset-backed security and others | 70,578 | - | 1,390 | 71,968 | - | - | 71,968 |
| | 15,116,585 | - | 241,077 | 15,357,662 | - | - | 15,357,662 |
| At amortised cost | | | | | | | |
| Bonds | 5,672,638 | 30 | - | 5,672,668 | - | - | 5,672,668 |
| Export bills, asset-backed security and others | 891,664 | - | - | 891,664 | - | - | 891,664 |
| Medium Term Notes | 245,000 | - | - | 245,000 | - | - | 245,000 |
| Negotiable certificate of deposit | 40,000 | (1,550) | - | 38,450 | - | - | 38,450 |
| | 6,849,302 | (1,520) | - | 6,847,782 | - | - | 6,847,782 |
| At cost ⁵⁾ | | | | | | | |
| Export bills, asset-backed security and others | 157,074 | - | - | 157,074 | - | - | 157,074 |
| Sharia corporate bonds | 1,406,600 | - | - | 1,406,600 | - | - | 1,406,600 |
| Sukuk BI | 26,935,011 | - | - | 26,935,011 | - | - | 26,935,011 |
| | 28,498,685 | - | - | 28,498,685 | - | - | 28,498,685 |
| Total | 81,218,948 | (1,520) | 258,232 | 81,475,660 | - | - | 81,475,660 |
| Foreign currencies | | | | | | | |
| Fair value through profit or loss | | | | | | | |
| <u>Marketable securities</u> | | | | | | | |
| Bonds | 143,568 | - | 316 | 143,884 | - | - | 143,884 |
| Treasury bills | 1,779,972 | - | 2,773 | 1,782,745 | - | - | 1,782,745 |
| Certificates of Bank Indonesia | 712,095 | - | (214) | 711,881 | - | - | 711,881 |
| | 2,635,635 | - | 2,875 | 2,638,510 | - | - | 2,638,510 |
| <u>Investments in unit-link contracts⁴⁾</u> | | | | | | | |
| Investments in mutual fund units | 6,094,697 | - | - | 6,094,697 | - | - | 6,094,697 |
| | 8,730,332 | - | 2,875 | 8,733,207 | - | - | 8,733,207 |
| Fair value through other comprehensive income | | | | | | | |
| Bonds | 5,511,132 | - | 90,484 | 5,601,616 | - | - | 5,601,616 |
| Treasury bills | 691,917 | - | 14,864 | 706,781 | - | - | 706,781 |
| | 6,203,049 | - | 105,348 | 6,308,397 | - | - | 6,308,397 |
| At amortised cost | | | | | | | |
| Export bills | 1,414,472 | - | - | 1,414,332 | 140 | - | 1,414,472 |
| Bonds | 267,160 | 2,964 | - | 270,124 | - | - | 270,124 |
| | 1,681,632 | 2,964 | - | 1,684,456 | 140 | - | 1,684,596 |
| At cost ⁵⁾ | | | | | | | |
| Export bills, asset-backed security and others | 1,314 | - | - | 1,314 | - | - | 1,314 |
| | 1,314 | - | - | 1,314 | - | - | 1,314 |
| Total (Note 63B.(iv)) | 16,616,327 | 2,964 | 108,223 | 16,727,374 | 140 | - | 16,727,514 |
| | 97,835,275 | 1,444 | 366,455 | 98,203,034 | 140 | - | 98,203,174 |
| Less: allowance for impairment losses | | | | | | | (99,504) |
| Net | | | | | | | 98,103,670 |

¹⁾ Marketable securities classified as amortised cost are stated at nominal value. Unit-link investments are investments owned by policyholders in Subsidiary unit-link contracts which are presented at fair value.

²⁾ Marketable securities classified at amortised cost are presented at amortised cost.

³⁾ Marketable securities owned by Subsidiaries.

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7. MARKETABLE SECURITIES (continued)

c. By maturity:

| | 2022 | 2021 |
|--|-------------------|-------------------|
| <u>Marketable securities</u> | | |
| Rupiah | | |
| No maturity date | 592,587 | 871,578 |
| < 1 year | 15,099,577 | 41,371,165 |
| > 1 < 5 years | 17,278,208 | 12,042,954 |
| > 5 < 10 years | 7,434,548 | 5,617,643 |
| > 10 years | - | 88,559 |
| Total | 40,404,920 | 59,991,899 |
| Foreign currencies | | |
| < 1 year | 14,426,574 | 4,773,298 |
| > 1 < 5 years | 3,573,616 | 5,314,432 |
| > 5 < 10 years | 979,656 | 426,714 |
| > 10 years | 245,779 | 7,188 |
| Total | 19,225,625 | 10,521,632 |
| <u>Investments in unit-link contracts ^{*)}</u> | | |
| Rupiah | | |
| No maturity date | 17,766,505 | 21,177,338 |
| < 1 year | 17,916 | 2,023 |
| > 1 < 5 years | 385,368 | 24,678 |
| > 5 < 10 tahun | 5,022 | 23,008 |
| Total | 18,174,811 | 21,227,047 |
| Foreign currencies | | |
| No maturity date | 5,015,370 | 6,094,697 |
| Total | 23,190,181 | 27,321,744 |
| | 82,820,726 | 97,835,275 |
| Add/(less): | | |
| Unamortised discounts | 18,986 | 1,444 |
| Unrealised gain on increase in fair value of marketable securities | 1,297 | 366,455 |
| Allowance for impairment losses | (41,191) | (99,504) |
| | (20,908) | 268,395 |
| Net | 82,799,818 | 98,103,670 |

^{*)} Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts, which are presented at fair value.

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7. MARKETABLE SECURITIES (continued)

d. By issuer:

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| <u>Marketable securities</u> | | |
| Corporate | 32,788,198 | 26,077,853 |
| Government | 11,992,849 | 7,818,873 |
| Central Bank | 8,902,984 | 31,031,787 |
| Banks | 5,946,514 | 5,585,018 |
| | <u>59,630,545</u> | <u>70,513,531</u> |
| <u>Investments in unit-link contracts ^{*)}</u> | | |
| Corporate | 14,510,661 | 18,499,871 |
| Banks | 8,661,604 | 8,821,873 |
| Government | 17,916 | - |
| | <u>23,190,181</u> | <u>27,321,744</u> |
| Total | <u>82,820,726</u> | <u>97,835,275</u> |
| Add/(less): | | |
| Unamortised discounts | 18,986 | 1,444 |
| Unrealised gain on increase in fair value of marketable securities | 1,297 | 366,455 |
| Allowance for impairment losses | (41,191) | (99,504) |
| | <u>(20,908)</u> | <u>268,395</u> |
| Net | <u>82,799,818</u> | <u>98,103,670</u> |

^{*)} Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

e. Details of bonds by rating:

| | Rating ⁾ | | Fair value/at cost/amortised cost | | |
|---|---------------------|-----------|-----------------------------------|---------------|------------------|
| | Rating Agencies | 2022 | 2021 | 2022 | 2021 |
| Rupiah | | | | | |
| Fair value through profit or loss | | | | | |
| <u>Marketable securities</u> | | | | | |
| Bonds | | | | | |
| PT Sarana Multigriya Finansial (Persero) Surat Perbendaharaan Negara ^{**)} | Pefindo | idAAA(sf) | idAAA(sf) | 23,430 | 23,347 |
| PT Pegadaian | Pefindo | idAAA | idA1+ | - | 5,507,355 |
| | | | | <u>23,430</u> | <u>5,619,307</u> |
| <u>Investment in unit-link contracts^{***)}</u> | | | | | |
| Bonds | | | | | |
| PT XL Axiata Tbk. | - | - | - | 60,709 | - |
| PT Sarana Multigriya Finansial (Persero) | - | - | - | 54,628 | 10,081 |
| PT Waskita Karya (Persero) Tbk. | - | - | - | 49,670 | - |
| PT Indosat Tbk. | - | - | - | 40,044 | - |
| PT Kereta Api Indonesia (Persero) | - | - | - | 31,959 | - |
| PT Mayora Indah Tbk. | - | - | - | 24,176 | - |
| PT Bank Sulselbar | - | - | - | 21,834 | 23,008 |
| PT Bank Maybank Indonesia Tbk. | - | - | - | 21,303 | - |
| Surat Perbendaharaan Negara | - | - | - | 17,916 | - |
| PT Astra Sedaya Finance | - | - | - | 15,979 | 6,074 |
| PT Tower Bersama Infrastructure Tbk. | - | - | - | 13,969 | - |
| PT Federal International Finance | - | - | - | 11,755 | - |

⁾ Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Peningkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

^{**)} No rating.

^{***)} Investments in unit-link contracts are investments owned by policyholder of Subsidiary's unit link contracts which are presented at fair value that is not rated.

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7. MARKETABLE SECURITIES (continued)

e. Details of bonds by rating (continued):

| | Rating Agencies | Rating ¹⁾ | | Fair value/at cost/amortised cost | |
|---|-----------------|----------------------|-----------|-----------------------------------|-----------|
| | | 2022 | 2021 | 2022 | 2021 |
| Rupiah (continued) | | | | | |
| Fair value through profit or loss (continued) | | | | | |
| Investment in unit-link contracts²⁾ (continued) | | | | | |
| Bonds (continued) | | | | | |
| PT Adira Dinamika Multi Finance Tbk | - | - | - | 10,685 | - |
| PT Medikaloka Hermina Tbk. | - | - | - | 10,114 | - |
| Others (each below Rp10,000, respectively) | - | - | - | 23,565 | 10,546 |
| | | | | 408,306 | 49,709 |
| | | | | 431,736 | 5,669,016 |
| Fair value through other comprehensive income | | | | | |
| Marketable securities | | | | | |
| Bonds | | | | | |
| PT Perusahaan Listrik Negara (Persero) | Pefindo | idAAA | idAAA | 1,022,102 | 1,157,604 |
| PT Pegadaian | Pefindo | idAAA | idAAA | 403,320 | 281,069 |
| PT Pupuk Indonesia (Persero) | Fitch Ratings | AAA(idn) | AAA(idn) | 383,126 | 401,218 |
| PT Bank Rakyat Indonesia (Persero) Tbk. | Pefindo | idAAA | idAAA | 349,995 | 555,023 |
| PT Utama Karya (Persero) | Pefindo | idAAA(gg) | idAAA(gg) | 339,166 | 345,035 |
| PT Profesional Telekomunikasi Indonesia | Fitch Ratings | AAA(idn) | AAA(idn) | 219,799 | 228,122 |
| PT Bank Panin Tbk. | Pefindo | idAA | idAA | 200,924 | 201,340 |
| PT Bank Tabungan Negara (Persero) Tbk. | Fitch Ratings | AA(idn) | - | 158,587 | - |
| PT Sarana Multi Infrastruktur (Persero) | Pefindo | idAAA | idAAA | 123,761 | 469,091 |
| PT XL Axiata Tbk. | Fitch Ratings | AAA(idn) | AAA(idn) | 122,597 | 21,747 |
| PT Mayora Indah Tbk. | Pefindo | idAA | idAA | 88,113 | 139,131 |
| PT Indosat Tbk. | Pefindo | idAAA | - | 73,138 | - |
| PT Chandra Asri Petrochemical Tbk | Pefindo | idAA- | idAA- | 71,479 | 70,028 |
| PT Telkom Indonesia (Persero) Tbk. | Pefindo | idAAA | idAAA | 63,719 | 256,883 |
| PT Kereta Api Indonesia (Persero) | Pefindo | idAA+ | idAAA | 59,834 | 20,089 |
| PT Bank Negara Indonesia (Persero) Tbk. | Pefindo | idAAA | idAAA | 56,121 | 151,968 |
| PT Adira Dinamika Multi Finance Tbk. | Pefindo | idAAA | idAAA | 51,953 | 85,594 |
| PT Wijaya Karya (Persero) Tbk. | Pefindo | idA | idA | 40,207 | 40,490 |
| PT Tower Bersama Infrastruktur Tbk. | Fitch Ratings | AA+(idn) | - | 40,079 | - |
| PT Maybank Indonesia Finance | Fitch Ratings | AA+ (idn) | AA+ (idn) | 36,597 | 37,888 |
| PT Bank Tabungan Negara (Persero) Tbk. | Pefindo | - | idAA+ | - | 246,596 |
| PT Sarana Multigriya Finansial (Persero) | Pefindo | - | idAAA(sf) | - | 157,255 |
| PT Danareksa (Persero) | Pefindo | - | idAAA(sf) | - | 71,969 |
| PT Bank CIMB Niaga Tbk | Pefindo | - | idAAA | - | 51,425 |
| Lembaga Pembiayaan Ekspor Indonesia | Pefindo | - | idAAA | - | 30,772 |
| PT Astra Sedaya Finance | Pefindo | idAAA | idAAA | - | 10,305 |
| Others (each below Rp10,000, respectively) | Various | Various | - | 5,008 | - |
| | | | | 3,909,625 | 5,030,642 |

¹⁾ Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Peningkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

²⁾ Investments in unit-link contracts are investments owned by policyholder of Subsidiary's unit link contracts which are presented at fair value that is not rated.

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7. MARKETABLE SECURITIES (continued)

e. Details of bonds by rating (continued):

| | Rating Agencies | Rating ⁾ | | Fair value/at cost/amortised cost | |
|--|-----------------|---------------------|-----------|-----------------------------------|-----------|
| | | 2022 | 2021 | 2022 | 2021 |
| Rupiah (continued) | | | | | |
| Amortised cost | | | | | |
| <u>Marketable securities</u> | | | | | |
| Bonds | | | | | |
| PT Pelabuhan Indonesia IV | Pefindo | idAAA | idAAA | 695,000 | 695,000 |
| PT Chandra Asri Petrochemical Tbk. | Pefindo | idAA- | idAA- | 624,170 | 374,170 |
| PT Hutama Karya (Persero) Tbk. | Pefindo | idAAA(gg) | idAAA(gg) | 580,024 | 730,030 |
| PT Pupuk Indonesia (Persero) Fitch Ratings | | AAA(idn) | AAA(idn) | 500,000 | 500,000 |
| PT Perusahaan Listrik Negara (Persero) | Pefindo | idAAA | idAAA | 460,000 | 460,000 |
| PT Perusahaan Pengelola Aset (Persero) | Pefindo | idAA | idAA | 230,000 | 100,000 |
| PT Jakarta Lingkar Baratsatu | Pefindo | idAA- | idA+ | 160,000 | 160,000 |
| PT Dharma Satya Nusantara Tbk. | Pefindo | idA | idA- | 150,000 | 150,000 |
| PT Angkasa Pura II (Persero) | Pefindo | idAA+ | idAA+ | 140,000 | 140,000 |
| PT Sarana Multigriya Finansial (Persero) | Pefindo | idAAA(sf) | idAAA(sf) | 122,732 | 163,591 |
| PT Industri Kereta Api (Persero) | Pefindo | idBBB+ | - | 101,106 | - |
| PT Bank Rakyat Indonesia (Persero) Tbk. | Pefindo | idAAA | - | 90,000 | - |
| PT Semen Indonesia (Persero) Tbk. | Pefindo | idAA+ | idAA+ | 75,000 | 575,000 |
| PT Pembangunan Perumahan (Persero) Tbk. | Pefindo | idA | idA | 63,000 | 533,000 |
| PT Bank Tabungan Negara (Persero) Tbk. Fitch Ratings | | AA(idn) | - | 49,000 | - |
| PT Indah Kiat Pulp & Paper Tbk | Pefindo | idA+ | - | 30,000 | - |
| PT Astra Sedaya Finance | Pefindo | idAAA | idAAA | 25,000 | 30,000 |
| Surat Perbendaharaan Negara ^{**)} | - | - | - | 19,498 | - |
| PT Bank Negara Indonesia (Persero) Tbk. | Pefindo | idAAA | - | 13,000 | - |
| PT Sarana Multi Infrastruktur (Persero) | Pefindo | - | idAAA | - | 449,000 |
| PT Tunas Baru Lampung Tbk. | Moody's | - | Ba3 | - | 426,000 |
| PT Jasa Marga (Persero) Tbk. | Pefindo | - | idAAA(sf) | - | 75,000 |
| PT Adhi Karya (Persero) Tbk. | Pefindo | - | idA- | - | 50,000 |
| PT Adira Dinamika Multi Finance Tbk | Pefindo | - | idAAA | - | 30,000 |
| PT Pegadaian | Pefindo | - | idAAA | - | 30,000 |
| PT Golden Energy and Resources | Fitch Ratings | - | B+ | - | 28,468 |
| PT Kimia Farma Tbk. | Pefindo | - | idAA- | - | 22,000 |
| PT Permodalan Nasional Madani (Persero) | Pefindo | - | idA+ | - | 22,000 |
| Lembaga Pembiayaan Ekspor Indonesia | Pefindo | - | idAAA | - | 20,000 |
| PT Marga Lingkar Jakarta | Pefindo | idAAA(sf) | idAAA(sf) | - | 13,000 |
| PT Kereta Api Indonesia (Persero) | Pefindo | - | idAA+ | - | 10,000 |
| PT Waskita Karya (Persero) | Pefindo | idBBB | idBBB | - | 10,000 |
| PT Maybank Indonesia Finance | Pefindo | - | idAA+ | - | 10,000 |
| Others (each below Rp10,000, respectively) | Various | Various | Various | 6,000 | 5,000 |
| | | | | 4,133,530 | 5,811,259 |
| At cost^{***)} | | | | | |
| <u>Marketable securities</u> | | | | | |
| Sharia Bonds | | | | | |
| PT Bank BJB Syariah | - | - | - | 500,000 | - |
| PT Bank Aladin Syariah Tbk | - | - | - | 434,000 | - |
| PT Bank Jawa Tengah Unit Usaha Syariah | - | - | - | 300,000 | - |
| PT Bank Aceh Syariah | - | - | - | 290,000 | 100,000 |
| PT Indosat Tbk | Pefindo | idAAA(sy) | - | 213,800 | - |

⁾ Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Peningkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

^{**)} No rating.

^{***)} Marketable securities owned by Subsidiaries.

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7. MARKETABLE SECURITIES (continued)

e. Details of bonds by rating (continued):

| | Rating Agencies | Rating ¹⁾ | | Fair value/at cost/amortised cost | |
|--|-----------------|----------------------|------------|-----------------------------------|-------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Rupiah (continued) | | | | | |
| At cost²⁾ (continued) | | | | | |
| <u>Marketable securities (continued)</u> | | | | | |
| Sharia Bonds (continued) | | | | | |
| PT XL Axiata Tbk. | Fitch Ratings | AAA(idn) | - | 195,000 | - |
| PT Medco Power Indonesia | Pefindo | idA(sy) | idA(sy) | 150,000 | 140,600 |
| PT Bank Sumsel Babel Syariah | - | - | - | 100,000 | - |
| PT Wijaya Karya (Persero) Tbk. | Pefindo | idA(sy) | idA(sy) | 99,000 | 99,000 |
| PT Global Mediacom Tbk. | Pefindo | idA+(sy) | idA(sy) | 50,000 | 25,000 |
| PT BPD Kalimantan Selatan | Fitch Ratings | A(idn) | - | 35,000 | - |
| PT Sarana Multi Infrastruktur (Persero) | Pefindo | - | idAAA(sy) | - | 515,000 |
| PT Kimia Farma Tbk. | Pefindo | - | idAA- | - | 240,000 |
| Lembaga Pembiayaan Ekspor Indonesia | Pefindo | - | idAAA(sy) | - | 90,000 |
| PT Perkebunan Nusantara III (Persero) | Pefindo | - | idBBB(sy) | - | 85,000 |
| PT Industri Kereta Api (Persero) | Pefindo | - | idBBB+(sy) | - | 75,000 |
| PT Bank Kaltimara | - | - | - | - | 35,000 |
| Others | Various | - | Various | - | 2,000 |
| | | | | 2,366,800 | 1,406,600 |
| Total | | | | 10,841,691 | 17,917,517 |
| Foreign currencies | | | | | |
| Fair value through profit or loss | | | | | |
| <u>Marketable Securities</u> | | | | | |
| Bonds | | | | | |
| PT Sinbad Karya Perdagangan ³⁾ | - | - | - | 74,575 | - |
| PT Pertamina (Persero) | Moody's | - | Baa2 | - | 143,885 |
| Others (each below Rp10,000, respectively) | - | - | - | 8,657 | - |
| | | | | 83,232 | 143,885 |
| Fair value through other comprehensive income | | | | | |
| <u>Marketable securities</u> | | | | | |
| Bonds | | | | | |
| PT Pertamina (Persero) | Moody's | Baa2 | Baa2 | 3,546,179 | 4,247,177 |
| PT Indonesia Asahan Aluminium (Persero) | Fitch Ratings | BBB- | BBB- | 429,622 | 199,812 |
| PT Bank Rakyat Indonesia (Persero) Tbk. | Fitch Ratings | BBB- | - | 293,180 | - |
| PT Bank Rakyat Indonesia (Persero) Tbk. | Moody's | Baa2 | Baa2 | 241,368 | 521,842 |
| PT Bank Tabungan Negara (Persero) Tbk. | Moody's | Ba3 | Ba3 | 141,747 | 174,451 |
| PT Indonesia Asahan Aluminium (Persero) | S&P | BBB | - | 83,786 | - |
| PT Saka Energi Indonesia | Moody's | B2 | B2 | 74,071 | 69,052 |
| Medco Platinum Road Pte, Ltd | Moody's | B1 | B1 | 66,393 | 63,896 |
| PT Bank Negara Indonesia (Persero) Tbk. | Moody's | Ba3 | Ba3 | 50,970 | 39,301 |
| PT ABM Investama Tbk. | Fitch Ratings | B+ | - | 34,456 | - |
| PT Japfa Comfeed Indonesia Tbk. | Fitch Ratings | BB- | BB- | 34,121 | 22,139 |
| PT Sarana Multi Infrastruktur (Persero) | Moody's | Baa2 | Baa2 | 27,024 | 27,620 |
| PT Indika Energy Tbk. | Moody's | Ba3 | Ba3 | 23,457 | 22,319 |

¹⁾ Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Peningkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

²⁾ No rating.

³⁾ Marketable securities owned by Subsidiaries.

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7. MARKETABLE SECURITIES (continued)

e. Details of bonds by rating (continued):

| | Rating Agencies | Rating ¹⁾ | | Fair value/at cost/amortised cost | |
|--|-----------------|----------------------|---------|-----------------------------------|------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Foreign currencies (continued) | | | | | |
| Fair value through other comprehensive income (continued) | | | | | |
| <u>Marketable securities (continued)</u> | | | | | |
| Bonds (continued) | | | | | |
| PT Delta Dunia Makmur Tbk. | Moody's | Ba3 | Ba3 | 20,200 | 21,246 |
| Korea Development Bank | Moody's | Aa2 | Aa2 | 14,783 | 15,111 |
| PT Tunas Baru Lampung Tbk. | Moody's | - | Ba3 | - | 139,691 |
| LMIRT Capital Pte. Ltd | Fitch Ratings | B- | B- | - | 14,696 |
| Others (each below Rp10,000, respectively) | Various | Various | Various | 30,427 | 23,264 |
| | | | | 5,111,784 | 5,601,617 |
| Amortised cost | | | | | |
| <u>Marketable securities</u> | | | | | |
| Bonds | | | | | |
| PT Indonesia Asahan Aluminium (Persero) | S&P | BBB | BBB | 231,022 | 46,598 |
| PT Indonesia Asahan Aluminium (Persero) | Moody's | Baa3 | - | 157,778 | - |
| PT Pelabuhan Indonesia IV | Moody's | Baa3 | Baa3 | 157,012 | 70,093 |
| PT Perusahaan Gas Negara (Persero) Tbk. | Moody's | Ba2 | - | 80,534 | - |
| PT Perusahaan Listrik Negara (Persero) | Moody's | Baa2 | - | 78,252 | - |
| Medco Oak Tree Pte Ltd | Moody's | B1 | - | 77,993 | - |
| PT Indonesia Infrastruktur Finance | Moody's | Baa3 | - | 41,239 | - |
| PT Bank Negara Indonesia (Persero) Tbk. | Moody's | Ba2 | Ba2 | 34,554 | 31,813 |
| PT Perusahaan Listrik Negara (Persero) | Moody's | Baa3 | - | 29,941 | - |
| PT Pertamina (Persero) | Moody's | Baa2 | Baa2 | 28,810 | 42,843 |
| PT Bank Rakyat Indonesia (Persero) Tbk. | Moody's | Baa2 | - | 15,668 | - |
| PT Tunas Baru Lampung Tbk. | Moody's | - | Ba3 | - | 42,222 |
| PT ABM Investama Tbk. | Fitch Ratings | B+ | B+ | - | 36,554 |
| | | | | 932,803 | 270,123 |
| Total | | | | 6,127,819 | 6,015,625 |

¹⁾ Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Peningkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

f. Average interest rate (yield) per annum:

| | 2022 | 2021 |
|---|--------|-------|
| Rupiah | 5.45% | 7.50% |
| Foreign currencies (equivalent to rupiah) | 10.43% | 6.85% |

g. Movements of allowance for impairment losses on marketable securities:

| | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| Beginning balance | 99,504 | 144,863 |
| Reversal during the year (Note 46) | (26,899) | (45,336) |
| Others ¹⁾ | (31,414) | (23) |
| Balance at end of year | 41,191 | 99,504 |

¹⁾ Included effect of foreign currency translation.

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7. MARKETABLE SECURITIES (continued)

g. Movements of allowance for impairment losses on marketable securities (continued):

| | 2022 | | | | |
|--|---------------|--------------|----------|----------------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| Beginning balance | 53,908 | 27,406 | 115 | 18,075 | 99,504 |
| Net remeasurement of losses allowance | 13,031 | (6,782) | (115) | (598) | 5,536 |
| New financial assets originated or purchased | 4,176 | 16,811 | - | - | 20,987 |
| Financial asset derecognised | (17,452) | (35,970) | - | - | (53,422) |
| Total allowance/(reversal) during the year | (245) | (25,941) | (115) | (598) | (26,899) |
| Others | (31,414) | - | - | - | (31,414) |
| Ending balance | 22,249 | 1,465 | - | 17,477 | 41,191 |

¹⁾ Not implement SFAS 71

| | 2021 | | | | |
|--|---------------|---------------|------------|----------------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| Beginning balance | 58,617 | 61,388 | - | 24,858 | 144,863 |
| Net remeasurement of losses allowance | (4,621) | (22,146) | 115 | (6,783) | (33,435) |
| New financial assets originated or purchased | 10,367 | 38,412 | - | - | 48,779 |
| Financial asset derecognised | (10,432) | (50,248) | - | - | (60,680) |
| Total allowance/(reversal) during the year | (4,686) | (33,982) | 115 | (6,783) | (45,336) |
| Others | (23) | - | - | - | (23) |
| Ending balance | 53,908 | 27,406 | 115 | 18,075 | 99,504 |

¹⁾ Not implement SFAS 71

Management believes that the allowance for impairment losses on marketable securities is adequate.

- h. Information in respect of classification of “non-impaired” and “impaired” is disclosed in Note 63A.
- i. Investment in mutual fund of the Bank measured at fair value through other comprehensive income on 31 December 2022 and 2021:

| | 2022 | 2021 |
|---|-----------|-----------|
| Protected Mutual Fund Syailendra Capital Protected Fund 45 | 1,440,607 | 1,440,125 |
| Protected Mutual Fund Manulife Proteksi Dana Utama III | 1,310,426 | - |
| Protected Mutual Fund Syailendra Capital Protected Fund 52 | 1,019,454 | - |
| Protected Mutual Fund Syailendra Capital Protected Fund 53 | 1,017,901 | - |
| Protected Mutual Fund BNI AM Proteksi Sunflower | 1,009,308 | 1,007,537 |
| Protected Mutual Fund BNI AM Proteksi Orchid | 1,007,620 | - |
| Protected Mutual Fund Trimegah 21 | 1,004,287 | 1,008,274 |
| Protected Mutual Fund Panin 17 | 993,279 | 993,486 |
| Protected Mutual Fund BNP Paribas Selaras VI | 991,874 | 991,995 |
| Protected Mutual Fund Trimegah 24 | 908,311 | - |

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7. MARKETABLE SECURITIES (continued)

- i. Investment in mutual fund of the Bank measured at fair value through other comprehensive income on 31 December 2022 and 2021 (continued):

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Protected Mutual Fund BNI AM Proteksi Rasamala | 760,055 | - |
| Protected Mutual Fund Manulife Proteksi Dana Utama II | 759,345 | 758,190 |
| Protected Mutual Fund Trimegah 26 | 757,075 | - |
| Protected Mutual Fund Danareksa 81 | 756,623 | - |
| Protected Mutual Fund BNI AM Proteksi Magnifera | 756,333 | 752,149 |
| Protected Mutual Fund Syailendra Capital Protected Fund 46 | 754,502 | - |
| Protected Mutual Fund Danareksa 79 | 710,570 | 709,660 |
| Protected Mutual Fund Panin 26 | 603,243 | - |
| Protected Mutual Fund BMI Indo Proteksi Sinergi 1 | 502,067 | 501,316 |
| Protected Mutual Fund BNP Paribas Selaras V | 501,138 | 501,218 |
| Protected Mutual Fund Bahana Centrum Protected Fund 221 | 496,576 | 495,331 |
| Protected Mutual Fund Bahana Centrum Protected Fund 222 | 493,521 | 492,152 |
| Protected Mutual Fund Trimegah XI | 490,047 | 480,802 |
| | 19,044,162 | 10,132,235 |

- j. As of 31 December 2022 and 2021, securities with total nominal amount of USD55,226,340 (full amount) and USD61,000,000 (full amount) were sold under repurchase agreements (Note 28), respectively.

8. GOVERNMENT BONDS

This account consists of bonds issued by Government of the Republic of Indonesia which are obtained by the Group from primary and secondary markets as of 31 December 2022 and 2021, with details as follows:

| | 2022 | 2021 |
|---|--------------------|--------------------|
| Related party (Note 57) | | |
| <u>Government bonds</u> | | |
| Amortised cost | 180,578,053 | 115,507,886 |
| Fair value through other comprehensive income ^{*)} | 92,532,086 | 129,432,300 |
| At cost ^{*)} | 44,213,180 | 33,592,148 |
| Fair value through profit or loss | 6,972,279 | 7,608,317 |
| <u>Investments in unit-link contracts^{**)}</u> | | |
| Fair value through profit or loss | 4,916,166 | 2,914,123 |
| | 329,211,764 | 289,054,774 |

^{*)} Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk".

^{**)} Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

^{***)} Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

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8. GOVERNMENT BONDS (continued)

a. By maturity

The government bonds, by remaining period of maturity, are as follows:

| | 2022 | 2021 |
|--|---------------------------|---------------------------|
| Rupiah | | |
| Fair value through profit or loss | | |
| <u>Government bonds</u> | | |
| Less than 1 year | 2,403,912 | 426,613 |
| 1 - 5 years | 2,704,883 | 3,673,479 |
| 5 - 10 years | 1,672,415 | 2,104,962 |
| Over 10 years | 174,954 | 939,955 |
| | <u>6,956,164</u> | <u>7,145,009</u> |
| <u>Investments in unit-link^{*)}</u> | | |
| Less than 1 year | 142,890 | 40,241 |
| 1 - 5 years | 2,235,398 | 1,430,666 |
| 5 - 10 years | 2,210,076 | 1,218,595 |
| Over 10 years | 327,802 | 224,621 |
| | <u>4,916,166</u> | <u>2,914,123</u> |
| | <u>11,872,330</u> | <u>10,059,132</u> |
| Fair value through other comprehensive income^{**)} | | |
| Less than 1 year | 2,214,055 | 2,162,226 |
| 1 - 5 years | 17,502,539 | 39,875,209 |
| 5 - 10 years | 37,341,218 | 33,511,916 |
| Over 10 years | 5,588,365 | 17,517,105 |
| | <u>62,646,177</u> | <u>93,066,456</u> |
| Amortised cost | | |
| Less than 1 year | 15,890,558 | 6,560,651 |
| 1 - 5 years | 52,132,872 | 31,702,136 |
| 5 - 10 years | 43,313,092 | 33,500,719 |
| Over 10 years | 43,501,330 | 29,420,595 |
| | <u>154,837,852</u> | <u>101,184,101</u> |
| At cost^{*)} | | |
| Less than 1 year | 11,130,042 | 2,604,017 |
| 1 - 5 years | 27,845,450 | 27,477,755 |
| 5 - 10 years | 3,775,555 | 1,772,739 |
| Over 10 years | 966,330 | 965,739 |
| | <u>43,717,377</u> | <u>32,820,250</u> |
| Total | <u>273,073,736</u> | <u>237,129,939</u> |

^{*)} Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk".

^{**)} Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

^{***)} Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

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8. GOVERNMENT BONDS (continued)

a. By maturity (continued)

The government bonds, by remaining period of maturity, are as follows (continued):

| | 2022 | 2021 |
|--|---------------------------|---------------------------|
| <u>Foreign currencies</u> | | |
| Fair value through profit or loss | | |
| Less than 1 year | - | 429,723 |
| 1 - 5 years | 14,914 | 2,962 |
| 5 - 10 years | - | 26,788 |
| Over 10 years | 1,201 | 3,835 |
| | <u>16,115</u> | <u>463,308</u> |
| Fair value through other comprehensive income | | |
| Less than 1 year | 2,437,444 | 4,305,933 |
| 1 - 5 years | 11,089,589 | 12,262,879 |
| 5 - 10 Years | 14,892,272 | 17,973,494 |
| Over 10 years | 1,466,604 | 1,823,538 |
| | <u>29,885,909</u> | <u>36,365,844</u> |
| At amortised cost | | |
| Less than 1 year | 406,571 | 99,818 |
| 1 - 5 years | 4,080,521 | 4,014,876 |
| 5 - 10 years | 20,988,875 | 10,209,091 |
| Over 10 years | 264,234 | - |
| | <u>25,740,201</u> | <u>14,323,785</u> |
| At cost ^{*)} | | |
| Less than 1 year | 35,136 | 453,860 |
| 1 - 5 years | 460,667 | 318,038 |
| | <u>495,803</u> | <u>771,898</u> |
| Total (Note 63B (iv)) | <u>56,138,028</u> | <u>51,924,835</u> |
| | <u>329,211,764</u> | <u>289,054,774</u> |

^{*)} Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk".

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8. GOVERNMENT BONDS (continued)

b. By type

| | 2022 | | | | |
|---|--|-------------------------------------|-------------------|----------------------------|--|
| | <u>Nominal/ cost/ amortised cost</u> | <u>Interest rates per annum</u> | <u>Fair value</u> | <u>Maturity dates</u> | <u>Frequency of interest payment</u> |
| Rupiah | | | | | |
| Fair value through profit or loss | | | | | |
| <u>Government bonds</u> | | | | | |
| Fixed rate bonds | 6,811,770 | 4.00% - 12.00% | 6,838,806 | 10/03/2023 - 15/08/2051 | 1 and 6 months |
| Floating rate bonds | 116,437 | 4.79% | 117,358 | 25/04/2025 | 3 months |
| | <u>6,928,207</u> | | <u>6,956,164</u> | | |
| <u>Investments in unit-link contracts¹⁾</u> | | | | | |
| Fixed rate bonds | 4,916,166 | 4.00% - 11.00% | 4,916,166 | 10/03/2023 - 15/08/2051 | 1 and 6 months |
| Fair value through other comprehensive income²⁾ | | | | | |
| Fixed rate bonds | 60,705,506 | 4.00% - 11.00% | 62,646,177 | 15/05/2023 - 15/02/2044 | 1 and 6 months |
| Foreign Currencies | | | | | |
| Fair value through profit or loss | | | | | |
| <u>Government bonds</u> | | | | | |
| Fixed rate bonds | 15,941 | 4.45% - 5.13% | 16,115 | 11/02/2024 - 08/01/2045 | 6 months |
| Fair value through other comprehensive income | | | | | |
| Fixed rate bonds | 31,323,436 | 1.00% - 8.50% | 29,885,909 | 11/01/2023 - 20/09/2052 | 6 months |

¹⁾ Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

²⁾ Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

| | 2022 | | | |
|-----------------------------|--|-------------------------------------|----------------------------|--|
| | <u>Nominal/ cost/ amortised cost</u> | <u>Interest rates per annum</u> | <u>Maturity dates</u> | <u>Frequency of interest payment</u> |
| Rupiah | | | | |
| Amortised cost | | | | |
| Fixed rate bonds | 154,837,852 | 4.00% - 12.00% | 15/05/2023 - 15/06/2042 | 1 and 6 months |
| At cost¹⁾ | | | | |
| Fixed rate bonds | 43,717,377 | 4.00% - 10.25% | 10/03/2023 - 15/04/2043 | 1 and 6 months |

¹⁾ Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk".

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8. GOVERNMENT BONDS (continued)

b. By type (continued)

| 2022 (continued) | | | | |
|-----------------------------|-------------------------------------|-----------------------------|----------------------------|----------------------------------|
| | Nominal/ cost/ amortised cost | Interest rates per annum | Maturity dates | Frequency of interest payment |
| Foreign currencies | | | | |
| At amortised cost | | | | |
| Fixed rate bonds | 25,740,201 | 1.50% - 8.50% | 17/10/2023 - 17/02/2037 | 6 months |
| At cost¹⁾ | | | | |
| Fixed rate bonds | 495,803 | 2.30% - 4.40% | 01/03/2023 - 06/06/2027 | 6 months |

¹⁾ Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk".

| 2021 | | | | | |
|---|-------------------------------------|-----------------------------|------------|----------------------------|----------------------------------|
| | Nominal/ cost/ amortised cost | Interest rates per annum | Fair value | Maturity dates | Frequency of interest payment |
| Rupiah | | | | | |
| Fair value through profit or loss | | | | | |
| Government bonds | | | | | |
| Fixed rate bonds | 6,713,844 | 2.97% - 12.90% | 7,145,009 | 15/01/2022 - 15/08/2051 | 1 and 6 months |
| Investments in unit-link contracts²⁾ | | | | | |
| Fixed rate bonds | 2,914,123 | 5.45% - 11.00% | 2,914,123 | 15/01/2022 - 05/04/2040 | 6 months |
| Fair value through other comprehensive income³⁾ | | | | | |
| Fixed rate bonds | 87,106,896 | 4.38% - 12.90% | 93,066,456 | 15/01/2022 - 15/02/2044 | 1, 3 and 6 months |
| Foreign currencies | | | | | |
| Fair value through profit or loss | | | | | |
| Government bonds | | | | | |
| Fixed rate bonds | 459,002 | 2.30% - 5.47% | 463,308 | 07/03/2022 - 12/03/2051 | 6 months and 9 months |
| Fair value through other comprehensive income | | | | | |
| Fixed rate bonds | 34,114,056 | 1.00% - 8.50% | 36,365,844 | 08/01/2022 - 12/03/2051 | 6 months and 12 months |

²⁾ Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.
³⁾ Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

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8. GOVERNMENT BONDS (continued)

b. By type (continued)

| | 2021 | | | |
|-----------------------------|-------------------------------------|-----------------------------|----------------------------|----------------------------------|
| | Nominal/ cost/ amortised cost | Interest rates per annum | Maturity dates | Frequency of interest payment |
| Rupiah | | | | |
| At amortised cost | | | | |
| Fixed rate bonds | 101,184,101 | 5.45% - 11.75% | 15/01/2022 - 15/06/2042 | 6 months |
| At cost¹⁾ | | | | |
| Fixed rate bonds | 32,820,250 | 3.97% - 7.59% | 15/01/2022 - 15/04/2043 | 6 months |
| Foreign currencies | | | | |
| Amortised cost | | | | |
| Fixed rate bonds | 14,323,785 | 2.15% - 5.88% | 25/04/2022 - 28/07/2031 | 6 months |
| At cost¹⁾ | | | | |
| Fixed rate bonds | 771,898 | 1.09% - 2.25% | 29/03/2022 - 23/06/2025 | 6 months |

¹⁾ Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk".

c. Other information

As of 31 December 2022, Government Bonds with total nominal amount of USD365,940,000 (full amount) and Rp30,680,600 (2021: USD309,660,000 (full amount) and Rp636,268) were sold under repurchase agreements (Note 28).

As of 31 December 2022, Government Bonds with total nominal amount of RpNil and USDNil (full amount) (2021: Rp755,382 and USD53,000,000 (full amount)) are being pledged as collateral for fund borrowings from other banks (Note 36c).

As of 31 December 2022 and 2021, Bank Indonesia's collectibility for government bonds is current.

9. OTHER RECEIVABLES - TRADE TRANSACTIONS

a. By type, currency, related parties and third parties:

| | 2022 | 2021 |
|--------------------------------------|-------------------|-------------------|
| Rupiah | | |
| Related parties (Note 57) | | |
| Usance L/C payable at sight | 825,810 | 487,720 |
| Supplier Chain Financing Receivables | 8,037,934 | 7,969,847 |
| Others | 4,715,835 | 3,509,226 |
| | <u>13,579,579</u> | <u>11,966,793</u> |
| Third parties | | |
| Usance L/C payable at sight | 1,607,332 | 824,553 |
| Supplier Chain Financing Receivables | 1,136,264 | 2,761,833 |
| Others | 5,048,128 | 3,646,066 |
| | <u>7,791,724</u> | <u>7,232,452</u> |
| Total | <u>21,371,303</u> | <u>19,199,245</u> |

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9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)

a. By type, currency, related parties and third parties (continued):

| | 2022 | 2021 |
|---------------------------------------|--------------------------|--------------------------|
| Foreign currencies | | |
| Related parties (Note 57) | | |
| Usance L/C payable at sight | 1,508,552 | 1,051,103 |
| Supplier Chain Financing Receivables | 44,635 | 47,168 |
| Others | 24,853 | 2,335 |
| | <u>1,578,040</u> | <u>1,100,606</u> |
| Third parties | | |
| Usance L/C payable at sight | 3,189,451 | 1,845,182 |
| Others | 7,654,470 | 7,153,235 |
| | <u>10,843,921</u> | <u>8,998,417</u> |
| Total (Note 63B.(iv)) | <u>12,421,961</u> | <u>10,099,023</u> |
| | <u>33,793,264</u> | <u>29,298,268</u> |
| Less: allowance for impairment losses | <u>(1,604,705)</u> | <u>(1,480,721)</u> |
| Net | <u>32,188,559</u> | <u>27,817,547</u> |

Movements in carrying amount of other receivables - trade transactions classified as amortised cost upon stages for the year ended 31 December 2022 and 2021:

| | 2022 | | | | |
|--|-------------------|----------------|------------------|----------------------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia¹⁾ | Total |
| At amortised cost | | | | | |
| Beginning balance | 26,691,743 | 1,330,830 | 1,194,442 | 81,253 | 29,298,268 |
| Remeasurement of net carrying amount | (451,536) | 1,770 | 91,355 | - | (358,411) |
| New financial assets originated or purchased | 78,200,295 | 3,561,436 | 53,721 | 53,170 | 81,868,622 |
| Financial assets derecognised | (72,827,760) | (4,659,222) | (55,714) | - | (77,542,696) |
| Total increase/(decrease) during the year | 4,920,999 | (1,096,016) | 89,362 | 53,170 | 3,967,515 |
| Others | (19,292) | 590,712 | (43,939) | - | 527,481 |
| Ending balance | 31,593,450 | 825,526 | 1,239,865 | 134,423 | 33,793,264 |

¹⁾ Not implement SFAS 71

| | 2021 | | | | |
|---|-------------------|------------------|------------------|----------------------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia¹⁾ | Total |
| At amortised cost | | | | | |
| Beginning balance | 26,443,786 | 2,372,339 | 1,135,659 | 44,080 | 29,995,864 |
| Transfer to lifetime other receivables - unimpaired (stage 2) | (57,244) | 57,244 | - | - | - |
| Total beginning balance after transfer | 26,386,542 | 2,429,583 | 1,135,659 | 44,080 | 29,995,864 |
| Remeasurement of net carrying amount | 39,079 | 725 | 14,068 | - | 53,872 |
| New financial assets originated or purchased | 68,341,116 | 5,004,680 | 60,165 | 37,173 | 73,443,134 |
| Financial assets derecognised | (68,031,753) | (5,776,719) | (59,390) | - | (73,867,862) |
| Total increase/(decrease) during the year | 348,442 | (771,314) | 14,843 | 37,173 | (370,856) |
| Others | (43,241) | (327,439) | 43,940 | - | (326,740) |
| Ending balance | 26,691,743 | 1,330,830 | 1,194,442 | 81,253 | 29,298,268 |

¹⁾ Not implement SFAS 71

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9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)

b. By Bank Indonesia's collectibility:

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| Current | 32,250,518 | 26,954,783 |
| Special mention | 259,452 | 1,149,043 |
| Substandard | 12,419 | 14,273 |
| Loss | 1,270,875 | 1,180,169 |
| Total | 33,793,264 | 29,298,268 |
| Less: allowance for impairment losses | (1,604,705) | (1,480,721) |
| Net | 32,188,559 | 27,817,547 |

c. By maturity:

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| Rupiah | | |
| Less than 1 month | 4,914,242 | 3,909,708 |
| 1 - 3 months | 8,979,096 | 7,409,600 |
| 3 - 6 months | 6,189,972 | 6,761,894 |
| 6 - 12 months | 1,098,620 | 928,020 |
| Over 12 months | 189,373 | 190,023 |
| Total | 21,371,303 | 19,199,245 |
| Foreign currencies | | |
| Less than 1 month | 2,835,630 | 2,117,907 |
| 1 - 3 months | 4,749,700 | 4,542,421 |
| 3 - 6 months | 3,754,340 | 2,357,708 |
| 6 - 12 months | 789 | 90,841 |
| Over 12 months | 1,081,502 | 990,146 |
| Total (Note 63B.(iv)) | 12,421,961 | 10,099,023 |
| Total | 33,793,264 | 29,298,268 |
| Less: allowance for impairment losses | (1,604,705) | (1,480,721) |
| Net | 32,188,559 | 27,817,547 |

d. Movements of allowance for impairment losses on other receivables - trade transactions:

| | 2022 | 2021 |
|--|------------------|------------------|
| Beginning balance | 1,480,721 | 1,687,776 |
| Allowance/(reversal) during the year (Note 46) | 27,813 | (225,659) |
| Others ⁾ | 96,171 | 18,604 |
| Ending balance | 1,604,705 | 1,480,721 |

⁾ Included the effect of foreign currency translation.

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9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)

d. Movements of allowance for impairment losses on other receivables - trade transactions (continued):

| | 2022 | | | | |
|--|----------------|----------------|------------------|----------------------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia¹⁾ | Total |
| Beginning balance | 56,248 | 185,603 | 1,194,442 | 44,428 | 1,480,721 |
| Net remeasurement of losses allowance | (21,417) | 27,346 | (28,934) | (89) | (23,094) |
| New financial assets originated or purchased | 146,377 | 522,221 | 53,721 | - | 722,319 |
| Financial assets derecognised | (104,869) | (510,854) | (55,689) | - | (671,412) |
| Total allowance/(reversal) during the year | 20,091 | 38,713 | (30,902) | (89) | 27,813 |
| Others | 5,037 | 14,809 | 76,325 | - | 96,171 |
| Ending balance | 81,376 | 239,125 | 1,239,865 | 44,339 | 1,604,705 |

¹⁾ Not implement SFAS 71

| | 2021 | | | | |
|--|----------------|----------------|------------------|----------------------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia¹⁾ | Total |
| Beginning balance | 55,129 | 452,908 | 1,135,659 | 44,080 | 1,687,776 |
| Transfer to: | | | | | |
| Lifetime expected credit losses - unimpaired (stage 2) | (362) | 362 | - | - | - |
| Total beginning balance after transfer | 54,767 | 453,270 | 1,135,659 | 44,080 | 1,687,776 |
| Net remeasurement of losses allowance | (34,510) | 2,466 | 34,755 | (993) | 1,718 |
| New financial assets originated or purchased | 137,947 | 483,302 | 60,140 | - | 681,389 |
| Financial assets derecognised | (102,860) | (746,516) | (59,390) | - | (908,766) |
| Total allowance/(reversal) during the year | 577 | (260,748) | 35,505 | (993) | (225,659) |
| Others | 904 | (6,919) | 23,278 | 1,341 | 18,604 |
| Ending balance | 56,248 | 185,603 | 1,194,442 | 44,428 | 1,480,721 |

¹⁾ Not implement SFAS 71

Management believes that the allowance for impairment losses on other receivables - trade transactions is adequate.

e. Information in respect of classification of “unimpaired” and “impaired” is disclosed in Note 63A.

These consolidated financial statements are originally issued in the Indonesian language.

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10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL

a. Securities purchased under agreements to resell

| Type of securities | 2022 | | Resale amount | Unamortised interest | Carrying amount |
|--------------------|---------------|---------------|-------------------|----------------------|-------------------|
| | Starting date | Maturity date | | | |
| Related parties | | | | | |
| Rupiah | | | | | |
| Bond FR0046 | 30/12/2022 | 02/01/2023 | 523,231 | 72 | 523,159 |
| Bond FR0059 | 22/12/2022 | 02/01/2023 | 344,491 | 54 | 344,437 |
| Bond FR0059 | 23/12/2022 | 02/01/2023 | 196,492 | 32 | 196,460 |
| Bond FR0081 | 29/12/2022 | 02/01/2023 | 385,142 | 57 | 385,085 |
| Bond VR0034 | 26/12/2022 | 02/01/2023 | 956,758 | 146 | 956,612 |
| Bond FR0059 | 29/12/2022 | 03/01/2023 | 492,316 | 153 | 492,163 |
| Bond FR0072 | 29/12/2022 | 03/01/2023 | 309,004 | 94 | 308,910 |
| Bond FR0081 | 30/12/2022 | 03/01/2023 | 962,762 | 288 | 962,474 |
| Bond FR0080 | 28/12/2022 | 04/01/2023 | 187,434 | 90 | 187,344 |
| Bond VR0034 | 30/12/2022 | 06/01/2023 | 957,562 | 731 | 956,831 |
| Bond FR0087 | 07/12/2022 | 09/01/2023 | 185,351 | 240 | 185,111 |
| Bond VR0086 | 29/12/2022 | 12/01/2023 | 648,562 | 1,137 | 647,425 |
| Bond FR0059 | 01/11/2022 | 31/01/2023 | 19,690 | 93 | 19,597 |
| Bond FR0046 | 10/11/2022 | 09/02/2023 | 31,624 | 193 | 31,431 |
| Bond FR0046 | 22/11/2022 | 21/02/2023 | 10,544 | 91 | 10,453 |
| Bond FR0088 | 01/12/2022 | 02/03/2023 | 26,851 | 275 | 26,576 |
| Bond FR0059 | 06/12/2022 | 07/03/2023 | 19,831 | 220 | 19,611 |
| Bond FR0059 | 13/12/2022 | 14/03/2023 | 19,838 | 243 | 19,595 |
| Bond FR0059 | 27/12/2022 | 28/03/2023 | 19,910 | 301 | 19,609 |
| Bond FR0059 | 29/12/2022 | 30/03/2023 | 19,949 | 309 | 19,640 |
| Bond VR0084 | 06/12/2022 | 03/01/2023 | 139,558 | 44 | 139,514 |
| Bond VR0068 | 07/12/2022 | 04/01/2023 | 185,909 | 88 | 185,821 |
| Bond VR0073 | 08/12/2022 | 05/01/2023 | 117,276 | 75 | 117,201 |
| Bond VR0079 | 12/12/2022 | 09/01/2023 | 186,245 | 237 | 186,008 |
| Bond VR0049 | 13/12/2022 | 10/01/2023 | 93,689 | 134 | 93,555 |
| Bond VR0068 | 14/12/2022 | 11/01/2023 | 93,053 | 148 | 92,905 |
| Bond VR0069 | 15/12/2022 | 12/01/2023 | 139,605 | 245 | 139,360 |
| Bond VR0041 | 20/12/2022 | 17/01/2023 | 186,442 | 474 | 185,968 |
| Bond VR0077 | 23/12/2022 | 20/01/2023 | 470,342 | 1,483 | 468,859 |
| Bond VR0034 | 26/12/2022 | 02/01/2023 | 642,721 | 98 | 642,623 |
| Bond VR0038 | 26/12/2022 | 02/01/2023 | 122,423 | 19 | 122,404 |
| Bond VR0053 | 26/12/2022 | 09/01/2023 | 467,804 | 596 | 467,208 |
| Bond VR0044 | 26/12/2022 | 23/01/2023 | 483,408 | 1,764 | 481,644 |
| Bond VR0042 | 27/12/2022 | 03/01/2023 | 190,175 | 58 | 190,117 |
| Bond VR0048 | 27/12/2022 | 10/01/2023 | 144,332 | 207 | 144,125 |
| Bond VR0037 | 27/12/2022 | 24/01/2023 | 233,831 | 893 | 232,938 |
| Bond VR0075 | 28/12/2022 | 11/01/2023 | 281,742 | 449 | 281,293 |
| Bond VR0064 | 28/12/2022 | 25/01/2023 | 334,470 | 1,332 | 333,138 |
| Bond VR0057 | 29/12/2022 | 26/01/2023 | 607,464 | 2,519 | 604,945 |
| Bond VR0065 | 30/12/2022 | 27/01/2023 | 279,264 | 1,204 | 278,060 |
| Share | 06/09/2022 | 03/03/2023 | 714 | 2 | 712 |
| Share | 22/09/2022 | 21/03/2023 | 520 | - | 520 |
| Share | 22/09/2022 | 21/03/2023 | 837 | 1 | 836 |
| Share | 23/09/2022 | 22/03/2023 | 297 | 1 | 296 |
| Share | 23/09/2022 | 22/03/2023 | 3,418 | 2 | 3,416 |
| Total | | | 11,722,881 | 16,892 | 11,705,989 |

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10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (continued)

a. Securities purchased under agreements to resell (continued)

| Type of securities | 2021 | | Resale amount | Unamortised interest | Carrying amount |
|--------------------|---------------|---------------|-------------------|----------------------|-------------------|
| | Starting date | Maturity date | | | |
| Related parties | | | | | |
| Rupiah | | | | | |
| Bond FR0090 | 28/12/2021 | 04/01/2022 | 1,401,288 | 408 | 1,400,880 |
| Bond FR0086 | 29/12/2021 | 05/01/2022 | 967,108 | 374 | 966,734 |
| Bond FR0086 | 27/12/2021 | 03/01/2022 | 483,435 | 93 | 483,342 |
| | | | 2,851,831 | 875 | 2,850,956 |
| Third parties | | | | | |
| Rupiah | | | | | |
| Bond VR0062 | 29/12/2021 | 05/01/2022 | 3,445,729 | 1,338 | 3,444,391 |
| Bond FR0056 | 27/12/2021 | 03/01/2022 | 3,141,464 | 611 | 3,140,853 |
| Bond FR0070 | 30/12/2021 | 06/01/2022 | 2,817,893 | 1,370 | 2,816,523 |
| Bond VR0034 | 28/12/2021 | 04/01/2022 | 2,714,729 | 659 | 2,714,070 |
| Bond FF0077 | 31/12/2021 | 07/01/2022 | 2,020,097 | 1,178 | 2,018,919 |
| Bond VR0042 | 29/12/2021 | 05/01/2022 | 1,771,383 | 689 | 1,770,694 |
| Bond VR0035 | 29/12/2021 | 05/01/2022 | 1,310,091 | 255 | 1,309,836 |
| Bond VR0050 | 31/12/2021 | 07/01/2022 | 1,029,370 | 508 | 1,028,862 |
| Bond VR0047 | 27/12/2021 | 03/01/2022 | 935,426 | - | 935,426 |
| Bond FR0087 | 28/12/2021 | 04/01/2022 | 774,948 | 226 | 774,722 |
| Bond VR0043 | 27/12/2021 | 03/01/2022 | 675,882 | 132 | 675,750 |
| Bond VR0046 | 30/12/2021 | 06/01/2022 | 570,600 | 166 | 570,434 |
| Bond FR0090 | 30/12/2021 | 03/01/2022 | 454,099 | 72 | 454,027 |
| Bond VR0038 | 28/12/2021 | 04/01/2022 | 431,002 | 125 | 430,877 |
| Bond FR0065 | 29/12/2021 | 26/01/2022 | 376,812 | 726 | 376,086 |
| Bond VR0061 | 29/12/2021 | 12/01/2022 | 371,200 | 279 | 370,921 |
| Bond FR0076 | 30/12/2021 | 03/01/2022 | 300,725 | 48 | 300,677 |
| Bond FR0080 | 28/12/2021 | 04/01/2022 | 250,304 | 72 | 250,232 |
| Bond FR0086 | 30/12/2021 | 03/01/2022 | 241,444 | 38 | 241,406 |
| Bond FR0091 | 10/12/2021 | 07/01/2022 | 237,491 | 79 | 237,412 |
| Bond FR0082 | 28/12/2021 | 03/01/2022 | 187,442 | 31 | 187,411 |
| Bond VR0057 | 15/12/2021 | 12/01/2022 | 185,655 | 140 | 185,515 |
| Bond FR0080 | 31/12/2021 | 04/01/2022 | 101,394 | 24 | 101,370 |
| Bond FR0086 | 30/12/2021 | 04/01/2022 | 91,502 | 22 | 91,480 |
| Share | 10/11/2021 | 27/10/2022 | 20,246 | 14 | 20,232 |
| Share | 01/11/2021 | 27/10/2022 | 15,216 | 11 | 15,205 |
| Share | 18/10/2021 | 18/03/2022 | 1,444 | 2 | 1,442 |
| Share | 20/09/2021 | 19/03/2022 | 523 | - | 523 |
| Share | 11/11/2021 | 10/05/2022 | 282 | - | 282 |
| Share | 10/12/2021 | 08/06/2022 | 252 | - | 252 |
| Share | 22/11/2021 | 03/03/2022 | 204 | - | 204 |
| Bond ORI016 | 07/12/2021 | 04/02/2022 | 10 | - | 10 |
| | | | 24,474,859 | 8,815 | 24,466,044 |
| Total | | | 27,326,690 | 9,690 | 27,317,000 |

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10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (continued)

a. Securities purchased under agreements to resell (continued)

Changes in carrying amount of securities purchased under agreements to resell classified as amortised cost upon stage 1 for the year ended 31 December 2022 and 2021:

| | 2022 | | |
|-------------------------------------|------------------------------|--|-------------------|
| | Gross carrying amount | Allowance for impairment losses | Total |
| Amortised cost | | | |
| Beginning balance | 27,317,000 | - | 27,317,000 |
| New purchased financial assets | 35,103,557 | - | 35,103,557 |
| Matured or sold of financial assets | (50,714,568) | - | (50,714,568) |
| Ending balance | 11,705,989 | - | 11,705,989 |
| | | | |
| | 2021 | | |
| | Gross carrying amount | Allowance for impairment losses | Total |
| Amortised cost | | | |
| Beginning balance | 55,094,456 | - | 55,094,456 |
| New purchased financial assets | 95,120,614 | - | 95,120,614 |
| Matured or sold of financial assets | (122,898,070) | - | (122,898,070) |
| Ending balance | 27,317,000 | - | 27,317,000 |

b. By Bank Indonesia's collectibility:

| | 2022 | 2021 |
|---------|-------------|-------------|
| Current | 11,705,989 | 27,317,000 |

As of 31 December 2022 and 2021, there was no impairment therefore the allowance for impairment losses on securities purchased under agreements to resell was not provided.

c. Information in respect of classification of "non-impaired" and "impaired" is disclosed in Note 63A.

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11. DERIVATIVE RECEIVABLES AND PAYABLES

As of 31 December 2022, the summary of derivative transactions is as follows:

| Transactions | 2022 | | |
|-----------------------------------|--|---------------------------|------------------------|
| | Notional amount (absolute Rupiah equivalent) | Fair value | |
| | | Derivative receivables | Derivative payables |
| Related parties (Note 57) | | | |
| <u>Foreign currencies related</u> | | | |
| 1. Forward - sell | | | |
| United States Dollar | 15,548,789 | 70,752 | 36,162 |
| 2. Swap - buy | | | |
| United States Dollar | 8,305,950 | 22,603 | 40,550 |
| 3. Swap - sell | | | |
| United States Dollar | 6,665,074 | 16,853 | 4,278 |
| <u>Interest rate related</u> | | | |
| 1. Swap - interest rate | | | |
| Others | 2,509,848 | - | 5,943 |
| Total related parties | | 110,208 | 86,933 |
| Third parties | | | |
| <u>Foreign currencies related</u> | | | |
| 1. Forward - buy | | | |
| United States Dollar | 11,666,015 | 37,466 | 48,713 |
| Others | 1,805,690 | 13,836 | 262 |
| 2. Forward - sell | | | |
| United States Dollar | 3,596,162 | 14,538 | 3,926 |
| Others | 370,291 | 6,822 | 3,064 |
| 3. Swap - buy | | | |
| United States Dollar | 14,874,295 | 326,768 | 39,431 |
| Others | 2,904,801 | 15,223 | - |
| 4. Swap - sell | | | |
| United States Dollar | 46,564,762 | 223,497 | 217,298 |
| Others | 4,584,102 | 2,700 | 15,429 |
| 5. Option - buy | | | |
| United States Dollar | 677,186 | 63,704 | - |
| Others | 140,000 | 75,909 | - |
| 6. Option - sell | | | |
| United States Dollar | 2,233,936 | - | 22,536 |
| <u>Interest rate related</u> | | | |
| 1. Swap - interest rate | | | |
| United States Dollar | 43,040,207 | 1,000,397 | 777,352 |
| Others | 42,474,817 | 361,073 | 911,825 |
| Total third parties | | 2,141,933 | 2,039,836 |
| Total | | 2,252,141 | 2,126,769 |

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11. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

As of 31 December 2021, the summary of derivative transactions is as follows:

| Transactions | 2021 | |
|-----------------------------------|--|---------------------------|
| | Notional amount (absolute Rupiah equivalent) | Fair value |
| | | Derivative receivables |
| Related parties (Note 57) | | |
| <u>Foreign currencies related</u> | | |
| 1. Forward - buy | | |
| United States Dollar | 72,075 | 709 |
| 2. Forward - sell | | |
| United States Dollar | 8,463,937 | 56,757 |
| 3. Swap - buy | | |
| United States Dollar | 5,719,799 | 8,543 |
| 4. Swap - sell | | |
| United States Dollar | 3,166,511 | 6,968 |
| <u>Interest rate related</u> | | |
| 1. Swap - interest rate | | |
| United States Dollar | 2,532,881 | 96,691 |
| Total related parties | | 160,416 |
| Third parties | | |
| <u>Foreign currencies related</u> | | |
| 1. Forward - buy | | |
| United States Dollar | 7,804,045 | 3,277 |
| Others | 2,604,461 | 20,848 |
| 2. Forward - sell | | |
| United States Dollar | 4,207,627 | 36,604 |
| Others | 2,962,125 | 17,201 |
| 3. Swap - buy | | |
| United States Dollar | 11,306,499 | 148 |
| Others | 2,246,181 | 1,103 |
| 4. Swap - sell | | |
| United States Dollar | 54,359,380 | 608,983 |
| Others | 3,930,571 | 31,172 |
| 5. Option - buy | | |
| United States Dollar | 486,856 | 7,274 |
| Others | 81,676 | 67,356 |
| 6. Option - sell | | |
| Others | 529,735 | 4,942 |
| <u>Interest rate related</u> | | |
| 1. Swap - interest rate | | |
| United States Dollar | 50,190,796 | 419,954 |
| Others | 15,550,547 | 290,560 |
| Total third parties | | 1,509,422 |
| Total | | 1,669,838 |
| | | 1,018,751 |

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11. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

As of 31 December 2022 and 2021, the Subsidiary has cross currency and interest rate swap contract which meet the criteria and effectively applied as cashflow hedge. The losses from fair value changes related to effective portion of cashflow hedge are recognised as other comprehensive income.

As of 31 December 2022 and 2021, the Bank Indonesia collectability for derivative receivables is current.

12. LOANS AND SHARIA RECEIVABLES/FINANCING

A. Details of loans and sharia receivables/financing:

a. By currency, related parties and third parties:

| | 2022 | 2021 |
|---------------------------------------|----------------------|--------------------|
| Rupiah | | |
| Related parties (Note 57) | 148,421,175 | 146,389,466 |
| Third parties ⁾ | 793,534,679 | 697,251,465 |
| Total | 941,955,854 | 843,640,931 |
| Foreign currencies | | |
| Related parties (Note 57) | 50,964,371 | 40,414,180 |
| Third parties ^{**)} | 179,679,657 | 142,169,716 |
| Total (Note 63B.(iv)) | 230,644,028 | 182,583,896 |
| | 1,172,599,882 | 1,026,224,827 |
| Less: allowance for impairment losses | (64,612,645) | (68,588,680) |
| Net | 1,107,987,237 | 957,636,147 |

⁾ Including loans measured at fair value through other comprehensive income, on the "third party" category in Rupiah currency as of 31 December 2022 and 2021 amounted to Rp341,552 and RpNil, respectively.

^{**)} Including loans measured at fair value through other comprehensive income, on the "third party" category in foreign currencies as of 31 December 2022 and 2021 amounted to Rp158,497 and RpNil, respectively.

b.1 By type:

| | 2022 | | |
|---------------------------|---------------------------------|-----------------------------|--------------------|
| | Non-impaired⁾ | Impaired⁾ | Total |
| Rupiah | | | |
| Working capital | 255,256,945 | 17,120,856 | 272,377,801 |
| Consumer | 253,560,379 | 9,689,808 | 263,250,187 |
| Investment ^{**)} | 228,939,176 | 9,038,130 | 237,977,306 |
| Government program | 79,247,055 | 1,146,349 | 80,393,404 |
| Employees | 41,044,265 | 288,260 | 41,332,525 |
| Syndicated | 38,992,609 | 2,272,467 | 41,265,076 |
| Export | 5,356,423 | 3,132 | 5,359,555 |
| Total | 902,396,852 | 39,559,002 | 941,955,854 |

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

A. Details of loans and sharia receivables/financing (continued):

b.1 By type (continued):

| | 2022 (continued) | | |
|---------------------------------------|----------------------------|--------------------------------|----------------------|
| | Non-impaired ^{*)} | Impaired ^{*)} | Total |
| Foreign currencies | | | |
| Investment | 114,567,691 | 293,298 | 114,860,989 |
| Syndicated ^{****)} | 65,741,213 | 388,614 | 66,129,827 |
| Working capital | 37,685,275 | 3,195,190 | 40,880,465 |
| Export | 6,620,939 | - | 6,620,939 |
| Consumer | 2,151,708 | 100 | 2,151,808 |
| Total (Note 63B.(iv)) | 226,766,826 | 3,877,202 | 230,644,028 |
| | 1,129,163,678 | 43,436,204 ¹⁾ | 1,172,599,882 |
| Less: allowance for impairment losses | (42,119,699) | (22,492,946) ²⁾ | (64,612,645) |
| Net | 1,087,043,979 | 20,943,258³⁾ | 1,107,987,237 |

^{*)} Include in category "impaired" portfolio are loans classified as stage 3 in accordance with SFAS 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual of Subsidiary engaged in sharia banking amounted to Rp24,547,676 with allowance for impairment losses amounted to Rp6,936,588 which is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019) (Note 2c.(H). (2)).

^{**)} Including loans that are categorized as stages 1 and 2 in accordance with SFAS 71 and sharia financing from Subsidiaries engaged in sharia banking where allowance for impairment losses is calculated based on Bank Indonesia Regulations and SFAS No. 102 (Revised 2019).

^{***)} Including loans measured at fair value through other comprehensive income, based on the "not impaired" category in rupiah currency with the type of investment credit amounted to Rp341,552.

^{****)} Including loans measured at fair value through other comprehensive income, based on the "not impaired" category in foreign currencies with the type of syndicated loans amounted to Rp158,497.

¹⁾ Loans evaluated by using individual and collective assessment are amounted to Rp17,261,132 and Rp26,175,072, respectively.

²⁾ Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp13,955,955 and Rp8,536,991, respectively.

³⁾ Loans - net evaluated by using individual and collective assessment are amounted to Rp3,305,177 and Rp17,638,081, respectively.

| | 2021 | | |
|---------------------------------------|----------------------------|--------------------------------|--------------------|
| | Non-impaired ^{*)} | Impaired ^{*)} | Total |
| Rupiah | | | |
| Working capital | 235,768,900 | 22,538,392 | 258,307,292 |
| Consumer | 218,736,999 | 11,038,714 | 229,775,713 |
| Investment | 214,271,863 | 11,279,719 | 225,551,582 |
| Government program | 60,831,277 | 1,041,109 | 61,872,386 |
| Syndicated | 32,803,338 | 1,237,250 | 34,040,588 |
| Employees | 27,160,696 | 158,728 | 27,319,424 |
| Export | 6,664,584 | 109,362 | 6,773,946 |
| Total | 796,237,657 | 47,403,274 | 843,640,931 |
| Foreign currencies | | | |
| Investment | 88,863,100 | 649,996 | 89,513,096 |
| Syndicated | 51,173,023 | 395,573 | 51,568,596 |
| Working capital | 30,357,968 | 4,127,013 | 34,484,981 |
| Export | 5,004,147 | - | 5,004,147 |
| Consumer | 2,013,076 | - | 2,013,076 |
| Total (Note 63B.(iv)) | 177,411,314 | 5,172,582 | 182,583,896 |
| | 973,648,971 | 52,575,856 ¹⁾ | 1,026,224,827 |
| Less: allowance for impairment losses | (42,627,976) | (25,960,704) ²⁾ | (68,588,680) |
| Net | 931,020,995 | 26,615,152³⁾ | 957,636,147 |

^{*)} Include in category "impaired" portfolio are loans classified as stage 3 in accordance with SFAS 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual of Subsidiary engaged in sharia banking amounted to Rp28,826,130 with allowance for impairment losses amounted to Rp5,799,257 which is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019) (Note 2c.(H). (2)).

^{**)} Including loans that are categorized as stages 1 and 2 in accordance with SFAS 71 and sharia financing from Subsidiaries engaged in sharia banking where allowance for impairment losses is calculated based on Bank Indonesia Regulations and SFAS No. 102 (Revised 2019).

¹⁾ Loans evaluated by using individual and collective assessment are amounted to Rp22,270,964 and Rp30,304,892, respectively.

²⁾ Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp18,598,375 and Rp7,362,329, respectively.

³⁾ Loans - net evaluated by using individual and collective assessment are amounted to Rp3,672,589 and Rp22,942,563, respectively.

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

A. Details of loans and sharia receivables/financing (continued):

b.2 By type and Bank Indonesia's collectibility:

| 2022 | | | | | | |
|--|----------------------|--------------------|------------------|------------------|-------------------|----------------------|
| | Current | Special mention | Sub- standard | Doubtful | Loss | Total |
| Rupiah | | | | | | |
| Working capital | 250,991,964 | 10,697,514 | 979,736 | 3,063,325 | 6,645,262 | 272,377,801 |
| Consumer | 251,098,043 | 8,102,973 | 1,167,506 | 1,193,778 | 1,687,887 | 263,250,187 |
| Investment ¹⁾ | 226,470,307 | 7,911,481 | 317,884 | 1,077,416 | 2,200,218 | 237,977,306 |
| Government program | 77,896,456 | 1,754,495 | 187,519 | 252,912 | 302,022 | 80,393,404 |
| Syndicated | 40,711,583 | 553,493 | - | - | - | 41,265,076 |
| Employees | 41,178,248 | 142,355 | 241 | 243 | 11,438 | 41,332,525 |
| Export | 5,146,401 | 210,021 | - | 1,297 | 1,836 | 5,359,555 |
| Total | 893,493,002 | 29,372,332 | 2,652,886 | 5,588,971 | 10,848,663 | 941,955,854 |
| Foreign currencies | | | | | | |
| Investment | 108,233,714 | 6,457,629 | - | - | 169,646 | 114,860,989 |
| Syndicated ²⁾ | 62,210,780 | 3,530,433 | 388,533 | - | 81 | 66,129,827 |
| Working capital | 33,289,396 | 4,563,143 | - | 525,451 | 2,502,475 | 40,880,465 |
| Export | 6,593,776 | 27,163 | - | - | - | 6,620,939 |
| Consumer | 2,151,708 | - | - | 100 | - | 2,151,808 |
| Total (Note 63B.(iv)) | 212,479,374 | 14,578,368 | 388,533 | 525,551 | 2,672,202 | 230,644,028 |
| | 1,105,972,376 | 43,950,700 | 3,041,419 | 6,114,522 | 13,520,865 | 1,172,599,882 |
| Less: allowance for impairment losses | (28,002,738) | (17,487,074) | (2,008,421) | (4,613,690) | (12,500,722) | (64,612,645) |
| Neto | 1,077,969,638 | 26,463,626 | 1,032,998 | 1,500,832 | 1,020,143 | 1,107,987,237 |

¹⁾ Including loans measured at fair value through other comprehensive income, on the category of "current" collectibility in the Rupiah currency with the type of investment credit of Rp341,552.

²⁾ Including loans measured at fair value through other comprehensive income, on the "current" collectibility category in foreign currencies with a syndicated loan type of Rp158,497.

| 2021 | | | | | | |
|--|--------------------|--------------------|------------------|------------------|-------------------|--------------------|
| | Current | Special mention | Sub- standard | Doubtful | Loss | Total |
| Rupiah | | | | | | |
| Working capital | 229,540,130 | 14,183,849 | 1,605,081 | 2,838,417 | 10,139,815 | 258,307,292 |
| Consumer | 218,914,141 | 7,109,211 | 998,505 | 1,202,669 | 1,551,187 | 229,775,713 |
| Investment | 212,664,404 | 8,687,259 | 728,477 | 701,239 | 2,770,203 | 225,551,582 |
| Government program | 60,302,910 | 1,090,303 | 128,785 | 147,942 | 202,446 | 61,872,386 |
| Syndicated | 33,678,421 | 362,167 | - | - | - | 34,040,588 |
| Employees | 27,194,596 | 112,714 | 995 | 857 | 10,262 | 27,319,424 |
| Export | 6,619,084 | 48,999 | 8,967 | - | 96,896 | 6,773,946 |
| Total | 788,913,686 | 31,594,502 | 3,470,810 | 4,891,124 | 14,770,809 | 843,640,931 |
| Foreign currencies | | | | | | |
| Investment | 82,553,941 | 6,437,881 | - | - | 521,274 | 89,513,096 |
| Syndicated | 51,173,023 | - | 164,192 | 231,307 | 74 | 51,568,596 |
| Working capital | 24,610,069 | 5,784,450 | - | 521,430 | 3,569,032 | 34,484,981 |
| Export | 4,994,060 | 10,087 | - | - | - | 5,004,147 |
| Consumer | 2,012,773 | 303 | - | - | - | 2,013,076 |
| Total (Note 63B.(iv)) | 165,343,866 | 12,232,721 | 164,192 | 752,737 | 4,090,380 | 182,583,896 |
| | 954,257,552 | 43,827,223 | 3,635,002 | 5,643,861 | 18,861,189 | 1,026,224,827 |
| Less: allowance for impairment losses | (25,707,531) | (19,531,376) | (2,335,108) | (4,031,250) | (16,983,415) | (68,588,680) |
| Net | 928,550,021 | 24,295,847 | 1,299,894 | 1,612,611 | 1,877,774 | 957,636,147 |

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

A. Details of loans and sharia receivables/financing (continued):

c.1 By economic sector:

| | 2022 | | Total |
|---|------------------------|--------------------------------|----------------------|
| | Non-impaired**) | Impaired¹⁾ | |
| Rupiah | | | |
| Trading, restaurant and hotel | 126,879,147 | 6,823,617 | 133,702,764 |
| Agriculture | 117,032,592 | 2,390,910 | 119,423,502 |
| Manufacturing | 93,281,789 | 7,753,501 | 101,035,290 |
| Construction | 75,919,081 | 4,484,847 | 80,403,928 |
| Business services | 76,341,783 | 2,773,712 | 79,115,495 |
| Transportation, warehouse and communication ^{***)} | 56,381,896 | 4,895,288 | 61,277,184 |
| Social services | 26,799,599 | 70,594 | 26,870,193 |
| Electricity, gas and water | 16,941,596 | 73,639 | 17,015,235 |
| Mining | 14,151,918 | 162,629 | 14,314,547 |
| Others | 298,667,451 | 10,130,265 | 308,797,716 |
| Total | 902,396,852 | 39,559,002 | 941,955,854 |
| Foreign currencies | | | |
| Mining ^{****)} | 71,709,752 | 69,010 | 71,778,762 |
| Manufacturing | 58,318,851 | 3,100,504 | 61,419,355 |
| Electricity, gas and water | 24,938,897 | 388,533 | 25,327,430 |
| Social services | 23,333,551 | - | 23,333,551 |
| Transportation, warehouse and communication | 15,302,155 | 303,417 | 15,605,572 |
| Trading, restaurant and hotel | 13,049,493 | 15,639 | 13,065,132 |
| Business services | 8,028,549 | - | 8,028,549 |
| Agriculture | 5,720,538 | - | 5,720,538 |
| Construction | 3,763,207 | - | 3,763,207 |
| Others | 2,601,833 | 99 | 2,601,932 |
| Total (Note 63B.(iv)) | 226,766,826 | 3,877,202 | 230,644,028 |
| | 1,129,163,678 | 43,436,204 ¹⁾ | 1,172,599,882 |
| Less: allowance for impairment losses | (42,119,699) | (22,492,946) ²⁾ | (64,612,645) |
| Net | 1,087,043,979 | 20,943,258³⁾ | 1,107,987,237 |

¹⁾ Included in "impaired" portfolio are loans classified as stage 3 in accordance with SFAS 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual and collective assessment of Subsidiary engaged in sharia banking amounted to Rp24,547,676 with allowance for impairment losses is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2) and Note 2c.(H).(5)).

^{**)} Including loans that are categorized as stages 1 and 2 in accordance with SFAS 71 and sharia financing from Subsidiaries engaged in sharia banking where allowance for impairment losses is calculated based on Bank Indonesia Regulations and SFAS No. 102 (Revised 2019).

^{***)} Including loans measured at fair value through other comprehensive income, based on the "not impaired" category in the rupiah currency with the type of investment credit amounting to Rp341,552.

^{****)} Including loans measured at fair value through other comprehensive income, based on the "not impaired" category in foreign currencies with the type of syndicated loans amounting to Rp158,497.

¹⁾ Loans evaluated by using individual and collective assessment are amounted to Rp17,261,132 and Rp26,175,072, respectively.

²⁾ Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp13,955,955 and Rp8,536,991, respectively.

³⁾ Loans - net evaluated by using individual and collective assessment are amounted to Rp3,305,177 and Rp17,638,081, respectively.

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

A. Details of loans and sharia receivables/financing (continued):

c.1 By economic sector (continued):

| | 2021 | | Total |
|---|------------------------------|--------------------------------|--------------------|
| | Non-impaired ^{**}) | Impaired ¹⁾) | |
| Rupiah | | | |
| Trading, restaurant and hotel | 114,220,846 | 8,262,399 | 122,483,245 |
| Agriculture | 107,609,905 | 3,001,168 | 110,611,073 |
| Manufacturing | 84,573,243 | 10,262,481 | 94,835,724 |
| Business services | 77,963,167 | 4,746,721 | 82,709,888 |
| Construction | 69,342,375 | 5,198,811 | 74,541,186 |
| Transportation, warehouse and communication | 47,859,416 | 4,194,128 | 52,053,544 |
| Social services | 19,837,075 | 81,582 | 19,918,657 |
| Electricity, gas and water | 16,059,711 | 96,692 | 16,156,403 |
| Mining | 9,039,175 | 97,061 | 9,136,236 |
| Others | 249,732,744 | 11,462,231 | 261,194,975 |
| Total | 796,237,657 | 47,403,274 | 843,640,931 |
| Foreign currencies | | | |
| Mining | 54,037,165 | 3,195,882 | 57,233,047 |
| Manufacturing | 45,729,003 | 1,221,041 | 46,950,044 |
| Electricity, gas and water | 23,100,164 | 395,499 | 23,495,663 |
| Social services | 16,684,530 | - | 16,684,530 |
| Transportation, warehouse and communication | 11,489,086 | 210,170 | 11,699,256 |
| Trading, restaurant and hotel | 10,934,209 | 84,663 | 11,018,872 |
| Agriculture | 7,119,915 | 65,327 | 7,185,242 |
| Business services | 5,589,540 | - | 5,589,540 |
| Construction | 411,632 | - | 411,632 |
| Others | 2,316,070 | - | 2,316,070 |
| Total (Note 63B.(iv)) | 177,411,314 | 5,172,582 | 182,583,896 |
| | 973,648,971 | 52,575,856 ¹⁾ | 1,026,224,827 |
| Less: allowance for impairment losses | (42,627,976) | (25,960,704) ²⁾ | (68,588,680) |
| Net | 931,020,995 | 26,615,152³⁾ | 957,636,147 |

¹⁾ Included in "impaired" portfolio are loans classified as stage 3 in accordance with SFAS 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual and collective assessment of Subsidiary engaged in sharia banking amounted to Rp28,826,130 with allowance for impairment losses amounted to Rp5,799,257 which is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2) and Note 2c.(H).(5)).

^{**} Including loans that are categorized as stages 1 and 2 in accordance with SFAS 71 and sharia financing from Subsidiaries engaged in sharia banking where allowance for impairment losses is calculated based on Bank Indonesia Regulations and SFAS No. 102 (Revised 2019).

¹⁾ Loans evaluated by using individual and collective assessment are amounted to Rp22,270,964 and Rp30,304,892, respectively.

²⁾ Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp18,598,375 and Rp7,362,329, respectively.

³⁾ Loans - net evaluated by using individual and collective assessment are amounted to Rp3,672,589 and Rp22,942,563, respectively.

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

A. Details of loans and sharia receivables/financing (continued):

c.2 By economic sector and Bank Indonesia's collectibility:

| | 2022 | | | | | |
|---|----------------------|---------------------|--------------------|--------------------|---------------------|----------------------|
| | Current | Special mention | Sub- standard | Doubtful | Loss | Total |
| Rupiah | | | | | | |
| Trading, restaurant, and hotel | 124,738,067 | 5,136,611 | 593,425 | 699,554 | 2,535,107 | 133,702,764 |
| Agriculture | 117,284,450 | 1,218,362 | 147,565 | 413,580 | 359,545 | 119,423,502 |
| Manufacturing | 87,135,139 | 6,545,837 | 445,949 | 2,613,555 | 4,294,810 | 101,035,290 |
| Construction | 76,736,734 | 2,949,699 | 75,331 | 493,094 | 149,070 | 80,403,928 |
| Business service | 76,172,877 | 2,539,976 | 128,079 | 128,439 | 146,124 | 79,115,495 |
| Transportation, warehousing and communications ¹⁾ | 58,226,250 | 1,428,492 | 53,784 | 20,356 | 1,548,302 | 61,277,184 |
| Social service | 26,329,757 | 478,334 | 11,414 | 9,059 | 41,629 | 26,870,193 |
| Electricity, gas and water | 16,440,654 | 556,975 | 13,316 | 98 | 4,192 | 17,015,235 |
| Mining | 14,103,302 | 172,080 | 5,319 | 7,498 | 26,348 | 14,314,547 |
| Others | 296,325,772 | 8,345,966 | 1,178,704 | 1,203,738 | 1,743,536 | 308,797,716 |
| Total | 893,493,002 | 29,372,332 | 2,652,886 | 5,588,971 | 10,848,663 | 941,955,854 |
| Foreign currencies | | | | | | |
| Mining ²⁾ | 71,643,690 | 66,062 | - | - | 69,010 | 71,778,762 |
| Manufacturing | 49,078,510 | 9,240,341 | - | 525,451 | 2,575,053 | 61,419,355 |
| Electricity, gas and water | 21,408,464 | 3,530,433 | 388,533 | - | - | 25,327,430 |
| Social service | 23,333,551 | - | - | - | - | 23,333,551 |
| Transportation, warehousing and communications | 15,108,933 | 468,500 | - | - | 28,139 | 15,605,572 |
| Trading, restaurant, and hotel | 12,945,523 | 119,609 | - | - | - | 13,065,132 |
| Business service | 8,009,334 | 19,215 | - | - | - | 8,028,549 |
| Agriculture | 5,720,538 | - | - | - | - | 5,720,538 |
| Construction | 2,628,999 | 1,134,208 | - | - | - | 3,763,207 |
| Others | 2,601,832 | - | - | 100 | - | 2,601,932 |
| Total (Note 63B.(iv)) | 212,479,374 | 14,578,368 | 388,533 | 525,551 | 2,672,202 | 230,644,028 |
| Less: allowance for impairment losses | (28,002,738) | (17,487,074) | (2,008,421) | (4,613,690) | (12,500,722) | (64,612,645) |
| Net | 1,077,969,638 | 26,463,626 | 1,032,998 | 1,500,832 | 1,020,143 | 1,107,987,237 |

¹⁾ Including loans measured at fair value through other comprehensive income, on the "current" collectibility category in the Rupiah currency with the transportation, warehousing and communication economic sector amounting to Rp341,552.

²⁾ Including loans measured at fair value through other comprehensive income, on the category of "current" collectibility in foreign currencies with the mining economy sector of Rp158,497.

| | 2021 | | | | | |
|---|--------------------|--------------------|------------------|------------------|-------------------|--------------------|
| | Current | Special mention | Sub- standard | Doubtful | Loss | Total |
| Rupiah | | | | | | |
| Trading, restaurant, and hotel | 113,793,530 | 4,372,934 | 691,923 | 484,869 | 3,139,989 | 122,483,245 |
| Agriculture | 108,515,411 | 1,134,078 | 514,469 | 112,349 | 334,766 | 110,611,073 |
| Manufacturing | 77,818,360 | 7,444,406 | 1,054,010 | 2,262,668 | 6,256,280 | 94,835,724 |
| Business service | 78,387,615 | 3,092,583 | 78,346 | 62,496 | 1,088,848 | 82,709,888 |
| Construction | 70,683,148 | 2,820,754 | 68,951 | 703,923 | 264,410 | 74,541,186 |
| Transportation, warehousing and communications | 45,375,897 | 4,584,695 | 22,825 | 19,072 | 2,051,055 | 52,053,544 |
| Social service | 19,555,718 | 294,486 | 16,984 | 25,223 | 26,246 | 19,918,657 |
| Electricity, gas and water | 15,593,625 | 552,540 | 934 | 571 | 8,733 | 16,156,403 |
| Mining | 9,018,116 | 75,954 | 18,001 | 12,352 | 11,813 | 9,136,236 |
| Others | 250,172,266 | 7,222,072 | 1,004,367 | 1,207,601 | 1,588,669 | 261,194,975 |
| Total | 788,913,686 | 31,594,502 | 3,470,810 | 4,891,124 | 14,770,809 | 843,640,931 |

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12. LOANS AND SHARIA RECEIVABLES/FINANCING(continued)

A. Details of loans and sharia receivables/financing (continued):

c.2 By economic sector and Bank Indonesia's collectibility (continued):

| | 2021 (continued) | | | | | |
|---|--------------------|--------------------|------------------|------------------|------------------|--------------------|
| | Current | Special mention | Sub- standard | Doubtful | Loss | Total |
| Foreign currencies | | | | | | |
| Mining | 53,867,738 | 171,852 | - | - | 3,193,457 | 57,233,047 |
| Manufacturing | 35,555,543 | 10,173,460 | - | 521,430 | 699,611 | 46,950,044 |
| Electricity, gas and water | 23,100,164 | - | 164,192 | 231,307 | - | 23,495,663 |
| Social service | 16,684,530 | - | - | - | - | 16,684,530 |
| Transportation, warehousing and communications | 10,210,683 | 1,438,537 | - | - | 50,036 | 11,699,256 |
| Trading, restaurant, and hotel | 10,824,999 | 111,924 | - | - | 81,949 | 11,018,872 |
| Business service | 7,119,915 | - | - | - | 65,327 | 7,185,242 |
| Agriculture | 5,589,540 | - | - | - | - | 5,589,540 |
| Construction | 74,987 | 336,645 | - | - | - | 411,632 |
| Others | 2,315,767 | 303 | - | - | - | 2,316,070 |
| Total (Note 63B.(iv)) | 165,343,866 | 12,232,721 | 164,192 | 752,737 | 4,090,380 | 182,583,896 |
| | 954,257,552 | 43,827,223 | 3,635,002 | 5,643,861 | 18,861,189 | 1,026,224,827 |
| Less: allowance for impairment losses | (25,707,531) | (19,531,376) | (2,335,108) | (4,031,250) | (16,983,415) | (68,588,680) |
| Net | 928,550,021 | 24,295,847 | 1,299,894 | 1,612,611 | 1,877,774 | 957,636,147 |

d. By period:

| | 2022 | 2021 |
|---------------------------------------|----------------------|--------------------|
| Rupiah | | |
| Less than 1 year | 114,179,441 | 111,164,383 |
| 1 - 2 years | 58,338,259 | 31,876,301 |
| 2 - 5 years | 230,681,444 | 180,936,645 |
| Over 5 years ^{*)} | 538,756,710 | 519,663,602 |
| Total | 941,955,854 | 843,640,931 |
| Foreign currencies | | |
| Less than 1 year | 30,643,581 | 20,029,081 |
| 1 - 2 years | 17,463,622 | 7,095,663 |
| 2 - 5 years | 62,383,307 | 58,962,334 |
| Over 5 years ^{**)} | 120,153,518 | 96,496,818 |
| Total (Note 63B.(iv)) | 230,644,028 | 182,583,896 |
| | 1,172,599,882 | 1,026,224,827 |
| Less: allowance for impairment losses | (64,612,645) | (68,588,680) |
| Net | 1,107,987,237 | 957,636,147 |

^{*)} Including loans measured at fair value through other comprehensive income, on the "more than 5 years" category in Rupiah currency as of 31 December 2022 and 2021, amounted to Rp341,552 and RpNil, respectively.

^{**)} Including loans measured at fair value through other comprehensive income, on the "more than 5 years" category in foreign currencies as of December 31, 2022 and 2021 amounted to Rp158,497 and RpNil, respectively.

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12. LOANS AND SHARIA RECEIVABLES/FINANCING(continued)

A. Details of loans and sharia receivables/financing (continued):

d. By period (continued):

The ratio of non-performing loans of Bank Mandiri and its Subsidiaries on a gross basis (before deducted with the allowance for impairment losses) as of 31 December 2022 dan 2021 were 1.92% and 2.72%, respectively (the ratios for Bank Mandiri only were 1.88% and 2.81% as of 31 December 2022 and 2021, respectively), while the ratio of non-performing loans of Bank Mandiri and its Subsidiaries on a net basis as of 31 December 2022 and 2021 were 0.31% and 0.48%, respectively (the ratios for Bank Mandiri only were 0.26% and 0.41%, as of 31 December 2022 and 2021, respectively). The balance of non-performing loans of Bank Mandiri and its Subsidiaries include consumer financing receivables and net investment finance leases of the Subsidiary.

The calculation of non-performing loans ratio for Bank Mandiri and its Subsidiaries as of 31 December 2022 and 2021 are in accordance with Financial Services Authority Circular Letter No. 43/SEOJK.03/2016 dated 28 September 2016 regarding Transparency and Publication of Conventional Commercial Bank Reports, last modified with Financial Services Authority Circular Letter No. 9/SEOJK.03/2020 dated 30 June 2020 is calculated from the loan amount, excluding loan to other banks amounted to Rp6,769,326 and Rp6,725,372 as of 31 December 2022 and 2021, respectively.

e. Based on SFAS 71:

Movements in carrying amount of loans and sharia receivables/financing classified as amortised cost by stage for the year ended 31 December 2022 and 2021:

| | 2022 | | | | |
|--|--------------------|-------------------|-------------------|----------------------|----------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| Amortised cost | | | | | |
| Beginning balance | 745,168,168 | 87,018,909 | 23,749,727 | 170,288,023 | 1,026,224,827 |
| Transfer to 12 months expected credit losses (stage 1) | 5,750,409 | (4,558,695) | (1,191,714) | - | - |
| Transfer to lifetime expected credit losses - unimpaired (stage 2) | (19,853,035) | 20,345,091 | (492,056) | - | - |
| Transfer to lifetime expected credit losses - impaired (stage 3) | (3,029,083) | (14,408,305) | 17,437,388 | - | - |
| Total beginning balance after transfer | 728,036,459 | 88,397,000 | 39,503,345 | 170,288,023 | 1,026,224,827 |
| Remeasurement of net carrying amount | (66,442,365) | (2,963,867) | (2,151,596) | - | (71,557,828) |
| New financial assets originated or purchased | 530,449,877 | 7,009,079 | 1,121,233 | 142,489,531 | 681,069,720 |
| Financial assets derecognised | (330,337,347) | (6,955,729) | (1,835,273) | (104,197,618) | (443,325,967) |
| Written-off financial assets | (92,489) | (96,318) | (14,322,202) | (2,372,931) | (16,883,940) |
| Losses on modifying cash flows of loans | - | - | (3,426,979) | - | (3,426,979) |
| Total increase/(decrease) during the year | 133,577,676 | (3,006,835) | (20,614,817) | 35,918,982 | 145,875,006 |
| Ending balance | 861,614,135 | 85,390,165 | 18,888,528 | 206,207,005 | 1,172,099,833 |

¹⁾ Not implement SFAS 71

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12. LOANS AND SHARIA RECEIVABLES/FINANCING(continued)

A. Details of loans and sharia receivables/financing (continued):

e. Based on SFAS 71 (continued):

Movements in carrying amount of loans and sharia receivables/financing classified as amortised cost by stage for the year ended 31 December 2022 and 2021 (continued):

| | 2021 | | | | |
|--|--------------------|-------------------|-------------------|----------------------|----------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| Amortised cost | | | | | |
| Beginning balance | 680,539,146 | 80,628,622 | 25,754,822 | 155,145,097 | 942,067,687 |
| Transfer to 12 months expected credit losses (stage 1) | 5,318,333 | (3,885,303) | (1,433,030) | - | - |
| Transfer to lifetime expected credit losses - unimpaired (stage 2) | (23,096,865) | 23,590,304 | (493,439) | - | - |
| Transfer to lifetime expected credit losses - impaired (stage 3) | (3,292,089) | (12,017,225) | 15,309,314 | - | - |
| Total beginning balance after transfer | 659,468,525 | 88,316,398 | 39,137,667 | 155,145,097 | 942,067,687 |
| Remeasurement of net carrying amount | (72,477,226) | (2,576,132) | (683,546) | - | (75,736,904) |
| New financial assets originated or purchased | 469,410,515 | 19,240,230 | 1,807,955 | 171,838,595 | 662,297,295 |
| Financial assets derecognised | (311,139,787) | (17,750,523) | (3,403,240) | (154,212,249) | (486,505,799) |
| Written-off financial assets | (93,859) | (211,064) | (13,109,109) | (2,483,420) | (15,897,452) |
| Total increase/(decrease) during the year | 85,699,643 | (1,297,489) | (15,387,940) | 15,142,926 | 84,157,140 |
| Ending balance | 745,168,168 | 87,018,909 | 23,749,727 | 170,288,023 | 1,026,224,827 |

¹⁾ Not implement SFAS 71

Following are the changes in the carrying amount of loans classified as fair value through other comprehensive income (all loans classified as fair value through other comprehensive income are stage 1) for the period ending 31 December 2022:

| | 2022 | |
|--|----------------|---|
| | Carrying value | Allowance for impairment losses ¹⁾ |
| Fair value through other comprehensive income | | |
| Beginning balance | - | - |
| New financial assets originated or purchased | 1,217,489 | 10,691 |
| Matured or sold financial assets | (717,440) | (1,948) |
| Ending balance | 500,049 | 8,743 |

¹⁾ Allowance for impairment losses on loans classified as fair value through other comprehensive income is recorded in other comprehensive income under equity, because the carrying amount is presented at fair value in accordance with Notes 2c,(H),(1).

As of 31 December 2021, there were no loans classified as fair value through other comprehensive income.

B. Other significant information related to loans and sharia receivables/financing:

- a. Included in loans are sharia receivables/financing granted by Subsidiaries amounted to Rp206,207,005 and Rp170,288,023 as of 31 December 2022 and 2021, respectively which consist of:

| | 2022 | 2021 |
|---|--------------------|--------------------|
| Receivables from <i>murabahah</i> and <i>istishna</i> | 124,873,488 | 101,685,919 |
| <i>Musyarakah</i> financing | 70,590,511 | 57,554,436 |
| Other sharia financing | 10,743,006 | 11,047,668 |
| Total | 206,207,005 | 170,288,023 |
| Less: allowance for impairment losses | (9,186,762) | (7,376,974) |
| Net | 197,020,243 | 162,911,049 |

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

B. Other significant information related to loans and sharia receivables/financing (continued):

b. Average interest rates (yield) and range of profit sharing per annum are as follows:

| | 2022 | 2021 |
|---|-----------------|----------------|
| Average interest rates (yield) per annum: | | |
| Rupiah | 8.37% | 8.45% |
| Foreign currencies | 4.45% | 3.33% |
| Range of profit sharing per annum: | | |
| Receivables from <i>murabahah</i> and <i>istishna</i> | 0.03% - 115.34% | 1.56% - 76.07% |
| <i>Musarakah</i> financing | 2.10% - 8.08% | 2.34% - 10.55% |
| Other sharia financing | 0.80% - 30.17% | 0.84% - 54.06% |

c. Loan collaterals

Loans are generally secured by pledged collateral, bond with powers of attorney in respect of the rights to sell, time deposits or other collateral acceptable by Bank Mandiri and its Subsidiaries. Deposits from customers and deposits from other banks that were pledged as cash collateral for loans and blocked for other purposes as of 31 December 2022 and 2021 amounted to Rp64,356,878 and Rp51,812,961, respectively.

d. Government program loans

Government program loans consists of investment loans, permanent working capital loans, working capital loans and Liquidity Facility of House Financing (FLPP) which can be partially and/or fully funded by the Government.

In order to accelerate National Economic Recovery Program on 2020, The Bank participates in lending in the National Economic Recovery ("PEN") program in accordance with Ministry of Finance Regulation Number 70/PMK.05/2020 which was subsequently updated with PMK No. 104/PMK.05/2020 dated 6 August 2020. The credit disbursement program of PEN, funded from the Government's placement which one of them is in PT Bank Mandiri (Persero)Tbk, in the form of time deposits with 3 months tenor contract amounted to Rp 10,000,000 on 25 June 2020. The Government Fund has been distributed in form of loan amounted to Rp39,043,255 until maturity date of time deposit on 25 September 2020 and the funds was returned to Government.

Based on PT Bank Mandiri (Persero) Tbk.'s evaluation and proposal, and in accordance to PMK No. 104/PMK.05/2020, the Government conducted the Phase II of Placement of Government Funds for banks, one of which was PT Bank Mandiri (Persero) Tbk. in form of time deposit with placement period of 110 days, amounted to Rp15,000,000 on 25 September 2020, and the funds has been distributed in form of loan with accumulative amounted of Rp66,634,884 until maturity date of time deposit on 13 January 2021. The Governments placement Phase II has ended and the fund was returned to Government on 13 January 2021.

Bank Mandiri also plays an active role in lending with MSME credit guarantees from the government in accordance with PMK No.71/PMK.08/2020 dated 23 June 2020. Government guarantees are through guarantee business entities, namely through PT Jaminan Kredit Indonesia and PT Asuransi Kredit Indonesia. As of 30 November 2021, MSME loan disbursement with credit guarantees from the government was distributed to 13,352 MSME debtors with a credit disbursement value of Rp2.84 trillion.

In 2022, the MSME loan guarantee program from the government will continue its distribution in accordance with PMK No.28/PMK.08/2022 dated 30 March 2022. Until 31 December 2022, MSME loan distribution with credit guarantees from the government is distributed to 3,030 MSME debtors with a value of loan disbursement of Rp148.66 billion.

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

B. Other significant information related to loans and sharia receivables/financing (continued):

d. Government program loans (continued)

The Bank also participates in the distribution of Interest Subsidies from the Government for KUR and Non-KUR MSME debtors. As of 31 December 2022, bills for the additional KUR interest subsidy program from the Government in 2021 in the context of implementing the Coordinating Minister for Economic Affairs Policy No. 3 year 2021 have realized a total of Rp1,046.2 billion out of a total bill of Rp1,156.8 billion and have been distributed to the debtor's account of Rp1,029.11 billion. As a continuation of the program, in the context of implementing the Coordinating Minister for the Economy Policy No. 2 year 2022 and amended through the Coordinating Minister for the Economy Policy No. 5 year 2022, the Bank has billed for the additional KUR interest subsidy program from the Government for the 2022 budget year of Rp1,382.45 billion and still waiting for payment from the Government.

In 2021, Bank Mandiri also participated in the PEN interest subsidy distribution program for Non-KUR debtors in relation with implementation PMK150/2021 with a realization of Rp225 billion for January until December 2021. For this realization, Rp195 billion has been distributed to Non-KUR MSME debtors. Meanwhile, subsidies that could not be distributed have been returned to the State in the amount of Rp30 billion. The PEN Interest Subsidy Program for Non-KUR debtors (PMK/150/2021) is only valid until the December 2021 period and will not be continued in 2022.

e. Syndicated loans

Syndicated loans represent loans granted to debtors through joint financing agreements with other banks. The total percentage share of Bank Mandiri as lead arranger in syndicated loans as of 31 December 2022 and 2021, are ranging from 1.31% to 99.00% and 1.31% to 99.66%, respectively, of the total syndicated loans. While the percentage of Bank Mandiri's share if only as a syndicated member as of 31 December 2022 and 2021 are ranging from 1.12% to 74.26% of the total syndicated loans and 8.27% to 62.50% of the total syndicated loans, respectively.

f. Restructured loans

Below are the types and amounts of restructured loans as of 31 December 2022 and 2021:

| | 2022 | 2021 |
|---|--------------------|--------------------|
| Extension of loan maturity dates | 78,995,530 | 81,200,440 |
| Extension of loan maturity dates and reduction of interest rates | 915,936 | 958,523 |
| Extension of loan maturity dates and other restructuring schemes ^{*)} | 45,623,774 | 83,955,023 |
| Total | 125,535,240 | 166,113,986 |

^{*)} Other restructuring schemes mainly involve reduction of interest rates, rescheduling of unpaid interest and extension of repayment periods for unpaid interest.

^{**)} Including the Covid-19 restructuring credit outstanding balance as of 31 December 2022 and 2021, amounting to Rp50,704,100 and Rp87,898,653, respectively.

Below are the amount of restructured loans based on collectability as of 31 December 2022 and 2021:

| | 2022 | 2021 |
|-----------------|--------------------|--------------------|
| Current | 72,521,126 | 105,800,091 |
| Special mention | 34,618,352 | 36,574,501 |
| Substandard | 2,015,712 | 2,712,605 |
| Doubtful | 5,001,561 | 4,606,557 |
| Loss | 11,378,489 | 16,420,232 |
| Total | 125,535,240 | 166,113,986 |

^{*)} Including the Covid-19 restructuring credit outstanding balance as of 31 December 2022 and 2021, amounting to Rp50,704,100 and Rp87,898,653, respectively.

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B. Other significant information related to loans and sharia receivables/financing (continued):

f. Restructured loans (continued)

Total restructured loans under non-performing loans (NPL) category as of 31 December 2022 and 2021 are amounted to Rp18,395,762 and Rp23,739,394, respectively.

The bank has restructured credit for debtors affected by the Covid-19 pandemic in accordance with POJK No. 11/POJK.03/2020 "National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of the 2019 Coronavirus Disease" dated March 13, 2020 as amended twice by POJK No. 48/POJK.03/2020 concerning "National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of the 2019 Coronavirus Disease" dated 1 December 2020 and POJK No. 17/POJK.03/2021 concerning Second Amendment of POJK No.11/POJK/03/2020 concerning National Economic Stimulus as Countercyclical for the Impact of the Spread of Coronavirus Disease on 10 September 2021. As of 31 December 2022 and 2021, the balances for the Covid-19 restructuring credit were Rp50,704,100 and Rp87,898,653, respectively.

g. Loans to related parties

Total loans to related parties and its percentage to the total consolidated assets are disclosed in Note 57.

Loans to related parties include loans to Bank Mandiri key employees. The loans to Bank Mandiri key employees consist of interest-bearing amounted to 8.32% per annum which are intended for the acquisition of vehicles and/or houses, and are repayable within 1 (one) to 28 (twenty eight) years through monthly payroll deductions.

h. Legal Lending Limit (LLL)

Regarding the Legal Lending Limit (LLL) on 31 December 2022 and 2021, the Bank did not violate and exceeded the LLL provisions for related parties and non-related parties. LLL is calculated in accordance with Financial Services Authority Regulation - POJK No. 38/POJK.03/2019 dated 19 December 2019 concerning Legal Lending Limits for Commercial Banks as amended by POJK No. 32/POJK.03/2018 regarding Legal Lending Limits of Loans and Funding for Commercial Banks.

i. Bank Mandiri has several channeling loan agreements with several international financial institutions (Note 62).

j. Movements of allowance for impairment losses on loans and sharia receivables/financing:

| | 2022 | 2021 |
|-------------------------------------|-------------------|-------------------|
| Beginning balance ¹⁾ | 68,588,680 | 65,016,458 |
| Allowance during the year (Note 46) | 15,442,378 | 19,792,827 |
| Write-offs ²⁾ | (16,883,940) | (15,897,453) |
| Others ³⁾ | (2,534,473) | (323,152) |
| Ending balance³⁾ | 64,612,645 | 68,588,680 |

¹⁾ Including effect of foreign currency translation and implication from interest income recognised on the non-impaired portion of the impaired loans (Note 41).

¹⁾ Beginning balance as of 31 December 2022 and 2021 is amounted to Rp46,023,479 and Rp44,106,031, respectively, which were calculated using individual assessment and Rp22,565,201 and Rp20,910,427, respectively, which were calculated using collective assessment.

²⁾ Write-off as of 31 December 2022 and 2021 is amounted to Rp8,467,647 and Rp8,203,396, respectively, which are calculated using individual assessment and Rp8,416,293 and Rp7,694,057, respectively, which are calculated using collective assessment. Including write-off financial institution debtors (under liquidation).

³⁾ Ending balance as of 31 December 2022 and 2021, is amounted to Rp39,161,899 and Rp46,023,479, respectively, which were calculated using individual assessment and Rp25,450,746 and Rp22,565,201, respectively, which were calculated using collective assessment.

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

B. Other significant information related to loans and sharia receivables/financing (continued):

j. Movements of allowance for impairment losses on loans and sharia receivables/financing (continued):

| | 2022 | | | | |
|--|-------------------|-------------------|-------------------|----------------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| Beginning balance | 11,792,422 | 29,325,283 | 20,094,001 | 7,376,974 | 68,588,680 |
| Transfer to: | | | | | |
| - 12 months expected credit losses (stage 1) | 978,647 | (610,172) | (368,475) | - | - |
| - Lifetime expected credit losses - unimpaired (stage 2) | (999,756) | 1,223,022 | (223,266) | - | - |
| - Lifetime expected credit losses - impaired (stage 3) | (126,296) | (6,975,955) | 7,102,251 | - | - |
| Total beginning balance after transfer | 11,645,017 | 22,962,178 | 26,604,511 | 7,376,974 | 68,588,680 |
| Net remeasurement of losses allowance | (2,192,491) | 4,273,379 | 6,771,491 | 363,978 | 9,216,357 |
| New financial assets originated or purchased | 4,809,749 | 1,290,166 | 985,892 | 3,772,810 | 10,858,617 |
| Financial assets derecognised | (1,952,246) | (1,668,022) | (1,012,328) | - | (4,632,596) |
| Total allowance/(reversal) during the year | 665,012 | 3,895,523 | 6,745,055 | 4,136,788 | 15,442,378 |
| Written-off assets | (92,489) | (96,318) | (14,322,202) | (2,372,931) | (16,883,940) |
| Unwinding interest | - | - | (294,592) | - | (294,592) |
| Others ²⁾ | 116,970 | 773,635 | (3,176,417) | 45,931 | (2,239,881) |
| Ending balance | 12,334,510 | 27,535,018 | 15,556,355 | 9,186,762 | 64,612,645 |

¹⁾ Not implement SFAS 71

| | 2021 | | | | |
|--|-------------------|-------------------|-------------------|----------------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| Beginning balance | 11,560,490 | 25,211,487 | 22,213,991 | 6,030,490 | 65,016,458 |
| Transfer to: | | | | | |
| - 12 months expected credit losses (stage 1) | 990,619 | (447,085) | (543,534) | - | - |
| - Lifetime expected credit losses - unimpaired (stage 2) | (1,189,710) | 1,488,691 | (298,981) | - | - |
| - Lifetime expected credit losses - impaired (stage 3) | (224,546) | (4,484,995) | 4,709,541 | - | - |
| Total beginning balance after transfer | 11,136,853 | 21,768,098 | 26,081,017 | 6,030,490 | 65,016,458 |
| Net remeasurement of losses allowance | (1,915,048) | 5,015,022 | 8,542,019 | - | 11,641,993 |
| New financial assets originated or purchased | 4,424,069 | 8,787,782 | 1,707,657 | 3,824,936 | 18,744,444 |
| Financial assets derecognised | (1,711,529) | (6,056,694) | (2,825,387) | - | (10,593,610) |
| Total allowance/(reversal) during the year | 797,492 | 7,746,110 | 7,424,289 | 3,824,936 | 19,792,827 |
| Written-off assets | (93,860) | (211,064) | (13,109,109) | (2,483,420) | (15,897,453) |
| Unwinding interest | - | - | (318,042) | - | (318,042) |
| Others | (48,063) | 22,139 | 15,846 | 4,968 | (5,110) |
| Ending balance | 11,792,422 | 29,325,283 | 20,094,001 | 7,376,974 | 68,588,680 |

¹⁾ Not implement SFAS 71

Management believes that the allowance for impairment losses on loans and sharia receivables/financing is adequate.

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

B. Other significant information related to loans and sharia receivables/financing (continued):

- k. Summary of non-performing loans based on economic sector and the minimum allowance for impairment losses are as follows:

| | Non-performing loans (based on Bank Indonesia Regulation) | |
|--|--|--------------------------|
| | 2022 | 2021 |
| Rupiah | | |
| Manufacturing | 7,354,314 | 9,572,958 |
| Trading, restaurant and hotel | 3,828,086 | 4,316,781 |
| Transportation, warehouse, and communication | 1,622,442 | 2,092,952 |
| Agriculture | 920,690 | 961,584 |
| Construction | 717,495 | 1,037,284 |
| Business service | 402,642 | 1,229,690 |
| Social services | 62,102 | 68,453 |
| Mining | 39,165 | 42,166 |
| Electricity, gas and water | 17,606 | 10,238 |
| Others | 4,125,978 | 3,800,637 |
| | <u>19,090,520</u> | <u>23,132,743</u> |
| Foreign currencies | | |
| Manufacturing | 3,100,504 | 1,221,041 |
| Electricity, gas and water | 388,533 | 395,499 |
| Mining | 69,010 | 3,193,457 |
| Transportation, warehousing and communications | 28,139 | 50,036 |
| Trading, restaurant and hotel | - | 81,949 |
| Business services | - | 65,327 |
| Others | 100 | - |
| | <u>3,586,286</u> | <u>5,007,309</u> |
| Total | <u>22,676,806</u> | <u>28,140,052</u> |

Total minimum allowance for impairment losses based on Bank Indonesia Regulation are as follows:

| | Minimum allowance for impairment losses | |
|--|--|--------------------------|
| | 2022 | 2021 |
| Rupiah | | |
| Manufacturing | 5,668,480 | 7,545,716 |
| Trading, restaurant and hotel | 2,973,898 | 3,486,212 |
| Transportation, warehousing and communication | 1,566,548 | 2,064,015 |
| Agriculture | 588,470 | 468,111 |
| Constructions | 406,917 | 626,714 |
| Business services | 229,555 | 1,131,848 |
| Social services | 47,871 | 41,405 |
| Mining | 30,895 | 20,689 |
| Electricity, gas and water | 6,238 | 9,159 |
| Others | 2,522,209 | 2,343,124 |
| | <u>14,041,081</u> | <u>17,736,993</u> |
| Foreign currencies | | |
| Manufacturing | 2,837,778 | 960,326 |
| Mining | 69,010 | 3,193,457 |
| Electricity, gas and water | 58,280 | 140,282 |
| Transportation, warehousing and communications | 28,139 | 50,036 |
| Trading, restaurant and hotel | - | 81,949 |
| Business service | - | 65,327 |
| Others | 50 | - |
| | <u>2,993,257</u> | <u>4,491,377</u> |
| Total | <u>17,034,338</u> | <u>22,228,370</u> |

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

B. Other significant information related to loans and sharia receivables/financing (continued):

i. Write-off of non-performing loans

For the year ended 31 December 2022 and 2021, Bank Mandiri written-off non-performing loans amounted to Rp14,285,070 and Rp12,899,675 (for Bank Mandiri only), respectively. The criteria for loan write-offs are as follows:

- a. Loan facility has been classified as non-performing;
- b. Loan facility has been provided with 100% (one hundred percent) allowance for impairment loss from the loan principal;
- c. Collection and recovery efforts have been performed, but the result is unsuccessful;
- d. The debtors' business has no prospect or bad performance or they do not have the loan repayment ability; and
- e. The write-offs are performed for all loan obligations, including non-cash loan facilities, and the write-offs shall not be written-off partially.

- m. Written-off loans are recorded in extra-comptable. The Bank continues pursuing for collection of the written-off loans. These loans are not reflected in the consolidated statement of financial position. A summary of movements of extra-comptable loans for the year ended 31 December 2022 and 2021 are as follows (for Bank Mandiri only):

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Beginning balance | 87,324,011 | 78,553,882 |
| Write-offs | 14,285,070 | 12,899,675 |
| Cash recoveries from written-off loans | (6,335,303) | (4,702,642) |
| Others ^{*)} | 2,227,250 | 573,096 |
| Ending balance | 97,501,028 | 87,324,011 |

^{*)} Represents effect of foreign currency translation, and others

- n. Loans channelled by Bank Mandiri through direct financing (executing) to multifinance company and joint financing mechanism as of 31 December 2022 and 2021 amounted to Rp9,146,755 and Rp7,997,634, respectively.

- o. The carrying amount of loans and sharia receivables/financing at amortised cost are as follows:

| | 2022 | 2021 |
|--|----------------------|--------------------|
| Loans (Note 12A) | 1,172,599,882 | 1,026,224,827 |
| Accrued interest receivables | 4,130,866 | 3,136,522 |
| Unearned income (directly attributable) (Note 35) | (885,978) | (873,673) |
| Allowance for impairment losses (Note 12A and 12B.j) | (64,612,645) | (68,588,680) |
| Total | 1,111,232,125 | 959,898,996 |

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

B. Other significant information related to loans and sharia receivables/financing (continued):

p. On the date of homologation, fair value of the outstanding loans as a result of the restructuring amounted to Rp801,335 or 19% of the contractual amount. This value will be recovered gradually in accordance with the accounting concept after the restructuring date until the maturity date. Bank Mandiri still has a claim value for loans extended to PT Garuda Indonesia (Persero) Tbk. ("Garuda") of Rp4,228,567 according to the contractual value of the loan as stated in the settlement agreement which has been homologated by the Commercial Court at the Central Jakarta District Court, thus there is no write-off of the principal & deferred interest by Bank Mandiri against Garuda.

13. CONSUMER FINANCING RECEIVABLES

a. Details of Subsidiary's consumer financing receivables are as follows:

| | <u>2022</u> | <u>2021</u> |
|--|--------------------------|--------------------------|
| Consumer financing receivables - gross | 45,821,974 | 33,749,465 |
| Less: | | |
| Unearned income on consumer financing | (22,064,247) | (14,641,143) |
| Total | 23,757,727 | 19,108,322 |
| Less: allowance for impairment losses | (610,361) | (475,015) |
| Net | <u>23,147,366</u> | <u>18,633,307</u> |

Installments of consumer financing receivables - gross as of 31 December 2022 and 2021 which will be received from customers based on the maturity dates are as follows:

| | <u>2022</u> | <u>2021</u> |
|----------------|--------------------------|--------------------------|
| Year | | |
| 2022 | - | 12,545,006 |
| 2023 | 17,404,993 | 10,576,284 |
| 2024 | 13,705,543 | 7,052,362 |
| 2025 and later | 14,711,438 | 3,575,813 |
| Total | <u>45,821,974</u> | <u>33,749,465</u> |

On 4 November 2016, Subsidiary and the Bank entered into a Consumer Financing Asset Purchase Agreement with a total financing facility of Rp1,630,000 in accordance with the Joint Financing Agreement, in which the Subsidiary bears credit risk in accordance with its financing portion (without recourse). This agreement has been extended to 31 March 2023, with total facility amounted to Rp16,000,000.

The agreement was amended several times with the latest amendment through the Motor Vehicle Joint Financing Agreement between Subsidiary and the Bank dated 28 June 2022, which increases the facility amounted to Rp24,000,000 with the portion of joint financing facility at minimum of 1.00% from the Subsidiary and a maximum of 99.00% from joint financing providers. This agreement is effective until 28 February 2023.

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13. CONSUMER FINANCING RECEIVABLES (continued)

- a. Details of Subsidiary's consumer financing receivables are as follows (continued):

Financing period for contracts disbursed by the Subsidiary on motor vehicles ranges from 12 - 84 months.

Included in consumer financing receivables transactions are related parties transactions as of 31 December 2022 and 2021 amounted to Rp7,846 and Rp7,287, respectively (Note 57).

Changes in carrying amount of consumer financing receivables classified as amortised upon stages for the year ended 31 December 2022 and 2021 are as follows:

| | 2022 | | | |
|--|-------------------|----------------|----------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Amortised cost | | | | |
| Beginning balance | 18,139,856 | 676,126 | 292,340 | 19,108,322 |
| Transfer to 12 months expected credit losses (stage 1) | 38,526 | (39,868) | 1,342 | - |
| Transfer to lifetime loans - unimpaired (stage 2) | 49,570 | (48,280) | (1,290) | - |
| Transfer to lifetime loans - impaired (stage 3) | (28,666) | 56,572 | (27,906) | - |
| Total beginning balance after transfer | 18,199,286 | 644,550 | 264,486 | 19,108,322 |
| Remeasurement of net carrying amount | (7,325,476) | 196,652 | 653,266 | (6,475,558) |
| New financial assets originated or purchased | 13,082,246 | 148,990 | 88,222 | 13,319,458 |
| Financial assets derecognised | (1,239,106) | (119,162) | (115,430) | (1,473,698) |
| Written-off financial assets | (4,282) | (24,550) | (691,965) | (720,797) |
| Total increase/(decrease) during the year | 4,513,382 | 201,930 | (65,907) | 4,649,405 |
| Ending balance | 22,712,668 | 846,480 | 198,579 | 23,757,727 |
| | | | | |
| | 2021 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Amortised cost | | | | |
| Beginning balance | 17,453,289 | 1,440,324 | 184,795 | 19,078,408 |
| Transfer to 12 months expected credit losses (stage 1) | 270,708 | (235,166) | (35,542) | - |
| Transfer to lifetime loans - unimpaired (stage 2) | (1,584,865) | 1,610,204 | (25,339) | - |
| Transfer to lifetime loans - impaired (stage 3) | (442,688) | (454,200) | 896,888 | - |
| Total beginning balance after transfer | 15,696,444 | 2,361,162 | 1,020,802 | 19,078,408 |
| Remeasurement of net carrying amount | (7,335,231) | (371,356) | (72,177) | (7,778,764) |
| New financial assets originated or purchased | 12,605,687 | 143,860 | 65,033 | 12,814,580 |
| Financial assets derecognised | (2,815,335) | (1,371,877) | 75,615 | (4,111,597) |
| Written-off financial assets | (11,709) | (85,663) | (796,933) | (894,305) |
| Total increase/(decrease) during the year | 2,443,412 | (1,685,036) | (728,462) | 29,914 |
| Ending balance | 18,139,856 | 676,126 | 292,340 | 19,108,322 |

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13. CONSUMER FINANCING RECEIVABLES (continued)

b. Details of consumer financing receivables by Bank Indonesia's collectibility are as follows:

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| Current | 22,426,377 | 17,688,127 |
| Special mention | 1,127,591 | 1,177,810 |
| Substandard | 86,362 | 85,366 |
| Doubtful | 105,737 | 134,532 |
| Loss | 11,660 | 22,487 |
| Total | 23,757,727 | 19,108,322 |
| Less: allowance for impairment losses | (610,361) | (475,015) |
| Net | 23,147,366 | 18,633,307 |

c. Average of effective interest rate charged to consumer are as follows:

| | 2022 | 2021 |
|------------|-------------|-------------|
| Car | 13.79% | 14.68% |
| Motorcycle | 24.77% | 26.49% |

d. Movements of allowance for impairment losses on consumer financing receivables are as follows:

| | 2022 | 2021 |
|---|----------------|----------------|
| Beginning balance | 475,015 | 428,509 |
| Allowance during the year (Note 46) | 708,402 | 832,853 |
| Cash recoveries from written-offs consumer financing receivables | 134,639 | 137,384 |
| Write-offs | (720,797) | (894,305) |
| Others | 13,102 | (29,426) |
| Ending balance | 610,361 | 475,015 |

| | 2022 | | | |
|--|----------------|----------------|----------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Beginning balance | 302,254 | 89,607 | 83,154 | 475,015 |
| Transfer to: | | | | |
| 12 months expected credit losses (stage 1) | 1,224 | (1,844) | 620 | - |
| Lifetime expected credit losses - non-impaired (stage 2) | 3,245 | (2,971) | (274) | - |
| Lifetime expected credit losses - impaired (stage 3) | 1,458 | 12,628 | (14,086) | - |
| Total beginning balance after transfer | 308,181 | 97,420 | 69,414 | 475,015 |
| Net remeasurement of losses allowance | (51,200) | 41,100 | 586,107 | 576,007 |
| New financial assets originated or purchased | 172,487 | 14,085 | 21,661 | 208,233 |
| Financial assets derecognised | (17,119) | (23,390) | (35,329) | (75,838) |
| Total allowance/(reversal) during the year | 104,168 | 31,795 | 572,439 | 708,402 |
| Written-off financial assets | (4,282) | (24,550) | (691,965) | (720,797) |
| Cash recoveries from written-offs consumer financing receivables | - | - | 134,639 | 134,639 |
| Others | 6,961 | 3,396 | 2,745 | 13,102 |
| Ending balance | 415,028 | 108,061 | 87,272 | 610,361 |

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13. CONSUMER FINANCING RECEIVABLES (continued)

- d. Movements of allowance for impairment losses on consumer financing receivables are as follows (continued):

| | 2021 | | | |
|--|----------------|---------------|---------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Beginning balance | 279,463 | 70,305 | 78,741 | 428,509 |
| Transfer to: | | | | |
| 12 months expected credit losses (stage 1) | 24,174 | (17,571) | (6,603) | - |
| Lifetime expected credit losses - non-impaired (stage 2) | (25,426) | 35,533 | (10,107) | - |
| Lifetime expected credit losses - impaired (stage 3) | (8,112) | (25,595) | 33,707 | - |
| Total beginning balance after transfer | 270,099 | 62,672 | 95,738 | 428,509 |
| Net remeasurement of losses allowance | (16,279) | 147,233 | 759,126 | 890,080 |
| New financial assets originated or purchased | 117,652 | 30,434 | 20,725 | 168,811 |
| Financial assets derecognised | (59,555) | (50,978) | (115,505) | (226,038) |
| Total allowance/(reversal) during the year | 41,818 | 126,689 | 664,346 | 832,853 |
| Written-off financial assets | (11,709) | (85,663) | (796,933) | (894,305) |
| Cash recoveries from written-offs consumer financing receivables | - | - | 137,384 | 137,384 |
| Others | 2,046 | (14,091) | (17,381) | (29,426) |
| Ending balance | 302,254 | 89,607 | 83,154 | 475,015 |

Management believes that the allowance for impairment losses on consumer financing receivables is adequate.

- e. Information in respect of classification of “non-impaired” and “impaired” is disclosed in Note 63A.
- f. Consumer financing receivables pledged as collateral for debt securities issued as of 31 December 2022 and 2021 are Rp1,334,588 and Rp2,374,488, respectively (Note 30).
- g. Consumer financing receivables pledged as collateral for fund borrowing as of 31 December 2022 and 2021 are Rp12,415,396 and Rp9,153,951, respectively (Note 36f).
- h. As a collateral to the customer financing receivables, the Subsidiaries received Vehicles Ownership Certificate (*Bukti Kepemilikan Kendaraan Bermotor* or “BPKB”) from its customer for every vehicle financed by the Subsidiaries.

14. NET INVESTMENT FINANCE LEASES

- a. Details of Subsidiary’s net investment finance leases are as follows:

| | 2022 | 2021 |
|--|------------------|------------------|
| Rupiah | | |
| Third parties | | |
| Gross lease financing receivables | 6,761,548 | 5,968,822 |
| Finance lease receivables jointly funded other parties without recourse - gross | (102,811) | (455,806) |
| Guaranteed residual value | 2,551,829 | 2,026,548 |
| Deferred lease income | (786,177) | (689,243) |
| Security deposit | (2,551,829) | (2,026,548) |
| Total net investment finance leases | 5,872,560 | 4,823,773 |
| Less: allowance for impairment losses | (139,173) | (129,967) |
| Net | 5,733,387 | 4,693,806 |

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14. NET INVESTMENT FINANCE LEASES (continued)

a. Details of Subsidiary's net investment finance leases are as follows (continued):

Financing period for contracts disbursed by the Subsidiary on motor vehicles ranges between 12 - 60 months.

Details of finance lease receivables - gross, based on the maturity date are as follows:

| | 2022 | 2021 |
|--|-------------------------|-------------------------|
| Year | | |
| 2022 | - | 3,065,818 |
| 2023 | 3,524,821 | 1,903,792 |
| 2024 and later | 3,236,727 | 999,212 |
| | <u>6,761,548</u> | <u>5,968,822</u> |
| Finance lease receivables jointly funded by other parties without recourse - gross | (102,811) | (455,806) |
| Guaranteed residual value, deferred lease income and security deposit | (786,177) | (689,243) |
| Finance leases receivable | <u>5,872,560</u> | <u>4,823,773</u> |

Movements in carrying amount of finance leases receivable classified as amortised cost upon stages are as follows:

| | 2022 | | | |
|--|-------------------------|-----------------------|----------------------|-------------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| At amortised cost | | | | |
| Beginning balance | 4,688,485 | 111,219 | 24,069 | 4,823,773 |
| Transfer to 12 months expected credit losses (stage 1) | (5,800) | 5,001 | 799 | - |
| Transfer to lifetime loans - non-impaired (stage 2) | 32,725 | (36,476) | 3,751 | - |
| Transfer to lifetime loans - impaired (stage 3) | 4,555 | 17,387 | (21,942) | - |
| Total beginning balance after transfer | <u>4,719,965</u> | <u>97,131</u> | <u>6,677</u> | <u>4,823,773</u> |
| Remeasurement of net carrying amount | (1,826,079) | 61,164 | 62,590 | (1,702,325) |
| New financial assets originated or purchased | 2,877,992 | 31,160 | 12,811 | 2,921,963 |
| Financial assets derecognised | (94,859) | (20,534) | (14,199) | (129,592) |
| Written-off financial assets | (69) | (101) | (41,089) | (41,259) |
| Total increase/(decrease) during the year | <u>956,985</u> | <u>71,689</u> | <u>20,113</u> | <u>1,048,787</u> |
| Ending balance | <u>5,676,950</u> | <u>168,820</u> | <u>26,790</u> | <u>5,872,560</u> |
| | | | | |
| | 2021 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| At amortised cost | | | | |
| Beginning balance | 3,372,382 | 178,953 | 30,087 | 3,581,422 |
| Transfer to 12 months expected credit losses (stage 1) | 41,537 | (36,669) | (4,868) | - |
| Transfer to lifetime loans - non-impaired (stage 2) | (225,844) | 226,204 | (360) | - |
| Transfer to lifetime loans - impaired (stage 3) | (23,479) | (24,694) | 48,173 | - |
| Total beginning balance after transfer | <u>3,164,596</u> | <u>343,794</u> | <u>73,032</u> | <u>3,581,422</u> |
| Remeasurement of net carrying amount | (1,433,944) | (8,557) | 5,039 | (1,437,462) |
| New financial assets originated or purchased | 4,017,668 | 2,758 | 133 | 4,020,559 |
| Financial assets derecognised | (1,059,829) | (226,713) | (20,067) | (1,306,609) |
| Written-off financial assets | (6) | (63) | (34,068) | (34,137) |
| Total increase/(decrease) during the year | <u>1,523,889</u> | <u>(232,575)</u> | <u>(48,963)</u> | <u>1,242,351</u> |
| Ending balance | <u>4,688,485</u> | <u>111,219</u> | <u>24,069</u> | <u>4,823,773</u> |

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14. NET INVESTMENT FINANCE LEASES (continued)

b. Details of net investment finance leases by Bank Indonesia's collectibility as of are as follows:

| | 2022 | 2021 |
|---------------------------------------|------------------|------------------|
| Current | 5,676,952 | 4,595,122 |
| Special mention | 168,819 | 204,582 |
| Substandard | 8,157 | 6,225 |
| Doubtful | 18,632 | 17,844 |
| Total | 5,872,560 | 4,823,773 |
| Less: allowance for impairment losses | (139,173) | (129,967) |
| Net | 5,733,387 | 4,693,806 |

c. Average of effective interest rate charged to consumer are as follows:

| | 2022 | 2021 |
|-----------------|-------------|-------------|
| Car | 10.28% | 14.80% |
| Heavy equipment | 11.85% | 12.30% |
| Machine | 12.39% | 11.76% |

d. Movements of allowance for impairment losses on net investment finance leases are as follows:

| | 2022 | 2021 |
|---|----------------|----------------|
| Beginning balance | 129,967 | 58,955 |
| Allowance during the year (Note 46) | 32,438 | 51,248 |
| Recovery from written-off net investment finance leases | 18,027 | 53,901 |
| Write-offs | (41,259) | (34,137) |
| Ending balance | 139,173 | 129,967 |

| | 2022 | | | |
|--|----------------|----------------|----------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Beginning balance | 104,092 | 19,058 | 6,817 | 129,967 |
| Transfer to: | | | | |
| 12 months expected credit losses (stage 1) | (1,151) | 955 | 196 | - |
| Lifetime expected credit losses - non-impaired (stage 2) | 1,661 | (2,987) | 1,326 | - |
| Lifetime expected credit losses - impaired (stage 3) | 314 | 3,716 | (4,030) | - |
| Total beginning balance after transfer | 104,916 | 20,742 | 4,309 | 129,967 |
| Net remeasurement of losses allowance | (19,054) | 17,815 | 32,613 | 31,374 |
| New financial assets originated or purchased | 10,886 | - | - | 10,886 |
| Financial assets derecognised | (1,390) | (4,111) | (4,321) | (9,822) |
| Total allowance/(reversal) during the year | (9,558) | 13,704 | 28,292 | 32,438 |
| Recovery from written-off net investment finance leases | - | - | 18,027 | 18,027 |
| Written-off financial assets | (69) | (101) | (41,089) | (41,259) |
| Ending balance | 95,289 | 34,345 | 9,539 | 139,173 |

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14. NET INVESTMENT FINANCE LEASES (continued)

- d. Movements of allowance for impairment losses on net investment finance leases are as follows (continued):

| | 2021 | | | |
|--|----------------|---------------|--------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Beginning balance | 25,716 | 22,965 | 10,274 | 58,955 |
| Transfer to: | | | | |
| 12 months expected credit losses (stage 1) | 4,428 | (4,060) | (368) | - |
| Lifetime expected credit losses - non-impaired (stage 2) | (5,847) | 7,048 | (1,201) | - |
| Lifetime expected credit losses - impaired (stage 3) | (277) | (2,189) | 2,466 | - |
| Total beginning balance after transfer | 24,020 | 23,764 | 11,171 | 58,955 |
| Net remeasurement of losses allowance | 32,445 | 3,663 | 19,517 | 55,625 |
| New financial assets originated or purchased | 24,742 | 14,201 | 1,541 | 40,484 |
| Financial assets derecognised | (14,616) | (18,780) | (11,465) | (44,861) |
| Total allowance/(reversal) during the year | 42,571 | (916) | 9,593 | 51,248 |
| Recovery from written-off net investment finance leases | 37,507 | (3,727) | 20,121 | 53,901 |
| Written-off financial assets | (6) | (63) | (34,068) | (34,137) |
| Ending balance | 104,092 | 19,058 | 6,817 | 129,967 |

Management believes that the allowance for impairment losses on net investment finance lease is adequate.

- e. Information in respect of classification of “not impaired” and “impaired” is disclosed in Note 63A.
- f. Net investment finance leases pledged as collateral for debt securities issued as of 31 December 2022 and 2021 amounted to Rp1,175,138 and Rp924,823, respectively (Note 30).
- g. Net investment finance lease pledged as collateral for fund borrowings as of 31 December 2022 and 2021 amounted to Rp815,041 and Rp824,459, respectively (Note 36f).

15. ACCEPTANCE RECEIVABLES

- a. By currency, related parties and third parties:

| | 2022 | 2021 |
|------------------------------|-----------|-----------|
| Rupiah | | |
| Receivables from other banks | | |
| Related parties (Note 57) | 352,448 | 312,318 |
| Third parties | 355,892 | 436,221 |
| | 708,340 | 748,539 |
| Receivables from debtors | | |
| Related parties (Note 57) | 797,282 | 1,343,598 |
| Third parties | 2,971,145 | 2,520,581 |
| | 3,768,427 | 3,864,179 |
| Total | 4,476,767 | 4,612,718 |

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15. ACCEPTANCE RECEIVABLES (continued)

a. By currency, related parties and third parties (continued):

| | 2022 | 2021 |
|---------------------------------------|--------------------------|--------------------------|
| Foreign currencies | | |
| Receivables from other banks | | |
| Related parties (Note 57) | - | 1,568 |
| Third parties | 143,125 | 540,263 |
| | <u>143,125</u> | <u>541,831</u> |
| Receivables from debtors | | |
| Related parties (Note 57) | 747,779 | 1,030,976 |
| Third parties | 6,413,910 | 4,087,919 |
| | <u>7,161,689</u> | <u>5,118,895</u> |
| Total (Note 63B.(iv)) | <u>7,304,814</u> | <u>5,660,726</u> |
| | 11,781,581 | 10,273,444 |
| Less: allowance for impairment losses | (61,963) | (196,693) |
| Net | <u>11,719,618</u> | <u>10,076,751</u> |

Movements in carrying amount of acceptance receivable classified as amortised cost upon stages:

| | 2022 | | | | |
|--|--------------------------|----------------------|---------------------|----------------------------|--------------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia¹⁾ | Total |
| At amortised cost | | | | | |
| Beginning balance | 8,930,973 | 1,296,209 | 1,824 | 44,438 | 10,273,444 |
| Remeasurement of net carrying amount | 5,183 | 1,158 | - | 379,264 | 385,605 |
| New financial assets originated or purchased | 34,726,091 | 1,308,262 | 8,924 | - | 36,043,277 |
| Financial assets derecognised | (32,286,918) | (2,628,423) | (8,233) | - | (34,923,574) |
| Others | (107,448) | 110,277 | - | - | 2,829 |
| Total increase/(decrease) during the year | <u>2,336,908</u> | <u>(1,208,726)</u> | <u>691</u> | <u>379,264</u> | <u>1,508,137</u> |
| Ending balance | <u>11,267,881</u> | <u>87,483</u> | <u>2,515</u> | <u>423,702</u> | <u>11,781,581</u> |

¹⁾ Not implement SFAS 71

| | 2021 | | | | |
|--|-------------------------|-------------------------|---------------------|----------------------------|--------------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia¹⁾ | Total |
| At amortised cost | | | | | |
| Beginning balance | 9,500,196 | 518,678 | 1,391 | 212,590 | 10,232,855 |
| Remeasurement of net carrying amount | (319) | 2,954 | - | (168,152) | (165,517) |
| New financial assets originated or purchased | 25,972,362 | 3,027,743 | 4,909 | - | 29,005,014 |
| Financial assets derecognised | (26,531,655) | (2,142,892) | (4,476) | - | (28,679,023) |
| Others | (9,611) | (110,274) | - | - | (119,885) |
| Total increase/(decrease) during the year | <u>(569,223)</u> | <u>777,531</u> | <u>433</u> | <u>(168,152)</u> | <u>40,589</u> |
| Ending balance | <u>8,930,973</u> | <u>1,296,209</u> | <u>1,824</u> | <u>44,438</u> | <u>10,273,444</u> |

¹⁾ Not implement SFAS 71

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15. ACCEPTANCE RECEIVABLES (continued)

b. By maturity:

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| Rupiah | | |
| Less than 1 month | 966,825 | 1,607,182 |
| 1 - 3 months | 1,783,794 | 1,607,065 |
| 3 - 6 months | 1,725,640 | 1,398,471 |
| 6 - 12 months | 508 | - |
| Total | 4,476,767 | 4,612,718 |
| Foreign currencies | | |
| Less than 1 month | 2,262,567 | 2,434,725 |
| 1 - 3 months | 3,048,233 | 2,282,704 |
| 3 - 6 months | 1,742,471 | 744,007 |
| 6 - 12 months | 250,856 | 170,785 |
| Over 12 months | 687 | 28,505 |
| Total (Note 63B.(iv)) | 7,304,814 | 5,660,726 |
| Less: allowance for impairment losses | (61,963) | (196,693) |
| Net | 11,719,618 | 10,076,751 |

c. By Bank Indonesia's collectibility:

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| Current | 11,716,282 | 9,512,519 |
| Special mention | 62,784 | 759,101 |
| Substandard | 2,515 | 1,824 |
| | 11,781,581 | 10,273,444 |
| Less: allowance for impairment losses | (61,963) | (196,693) |
| Net | 11,719,618 | 10,076,751 |

d. Movements of allowance for impairment losses on acceptance receivables:

| | 2022 | 2021 |
|--|---------------|----------------|
| Beginning balance | 196,693 | 123,609 |
| Total allowance/(reversal) during the year (Note 46) | (146,934) | 73,877 |
| Others ⁷⁾ | 12,204 | (793) |
| Ending balance | 61,963 | 196,693 |

⁷⁾ Including effect of foreign currency translation.

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15. ACCEPTANCE RECEIVABLES (continued)

d. Movements of allowance for impairment losses on acceptance receivables (continued):

| | 2022 | | | | |
|--|---------------|---------------|--------------|----------------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| Beginning balance | 15,999 | 177,254 | 1,824 | 1,616 | 196,693 |
| Remeasurement of net carrying amount | (12,551) | (3,163) | (537) | 3,198 | (13,053) |
| New financial assets originated or purchased | 68,780 | 251,291 | 8,923 | - | 328,994 |
| Financial assets derecognised | (44,450) | (410,193) | (8,232) | - | (462,875) |
| Total allowance/(reversal) during the year | 11,779 | (162,065) | 154 | 3,198 | (146,934) |
| Others | 7,542 | 4,125 | 537 | - | 12,204 |
| Ending balance | 35,320 | 19,314 | 2,515 | 4,814 | 61,963 |

¹⁾ Not implement SFAS 71

| | 2021 | | | | |
|--|---------------|----------------|--------------|----------------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| Beginning balance | 28,346 | 91,321 | 1,391 | 2,551 | 123,609 |
| Remeasurement of net carrying amount | (11,950) | 2,514 | 7 | (933) | (10,362) |
| New financial assets originated or purchased | 43,771 | 369,050 | 4,744 | - | 417,565 |
| Financial assets derecognised | (44,106) | (284,908) | (4,312) | - | (333,326) |
| Total allowance/(reversal) during the year | (12,285) | 86,656 | 439 | (933) | 73,877 |
| Others | (62) | (723) | (6) | (2) | (793) |
| Ending balance | 15,999 | 177,254 | 1,824 | 1,616 | 196,693 |

¹⁾ Not implement SFAS 71

Management believes that the allowance for impairment losses on acceptance receivables is adequate.

e. Information in respect to classification of “non-impaired” and “impaired” is disclosed in Note 63A.

16. INVESTMENTS IN SHARES

a. The detail of investments in shares are as follows:

| | 2022 | 2021 |
|---------------------------------------|------------------|------------------|
| Investments in shares | | |
| Related Parties (Note 57) | 1,778,847 | 1,784,229 |
| Third Parties | 978,747 | 662,759 |
| Total | 2,757,594 | 2,446,988 |
| Less: allowance for impairment losses | (68,640) | (14,595) |
| Net | 2,688,954 | 2,432,393 |

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16. INVESTMENTS IN SHARES (continued)

a. The detail of investments in shares are as follows (continued):

The detail of investments in shares as of 31 December 2022 are as follows:

| Investee Companies | Nature of Business | Percentage of Ownership | Carrying Amount |
|---|----------------------------|-------------------------|------------------|
| Fair value method: | | | |
| PT Fintek Karya Nusantara | Fintech Lending | 15.72% | 1,697,394 |
| PT Amarthia Mikro Fintek | Fintech Lending | 9.10% | 191,732 |
| Sleekr | HR and Accounting Platform | 3.74% | 179,942 |
| Privy Id | Digital Service | 4.90% | 137,681 |
| Qoala | Insurance Technology | 2.02% | 98,749 |
| Koinworks | Fintech Lending | 2.36% | 96,122 |
| Investree | Fintech Lending | 2.34% | 62,187 |
| Iseller | Digital Service | 13.35% | 55,272 |
| Ayo Connect | Open Finance API | 2.24% | 51,314 |
| Agriaku | Agricultural Technology | 1.67% | 29,626 |
| Others (each less than Rp20,000) | Various | 0.01% - 100.00% | 70,950 |
| Cost and equity method: | | | |
| PT Mandiri AXA General Insurance (MAGI) | General Insurance | 20.00% | 46,385 |
| PT Djakarta Lloyd (Persero) | Shipping Line | 17.67% | 32,067 |
| Others (each less than Rp20,000) | Various | 0.00015% - 10% | 8,173 |
| | | | 2,757,594 |
| Less: allowance for impairment losses | | | (68,640) |
| Net | | | 2,688,954 |

The detail of investments in shares as of 31 December 2021 are as follows:

| Investee Companies | Nature of Business | Percentage of Ownership | Carrying Amount |
|---|----------------------------|-------------------------|------------------|
| Fair value method: | | | |
| PT Fintek Karya Nusantara | Fintech Lending | 15.88% | 1,697,394 |
| PT Amarthia Mikro Fintek | Fintech Lending | 9.10% | 155,304 |
| Sleekr | HR and Accounting Platform | 4.74% | 110,602 |
| Investree | Fintech Lending | 2.34% | 98,350 |
| Privy Id | Digital Service | 9.85% | 81,754 |
| Iseller | Digital Service | 13.35% | 76,461 |
| PT Cashlez Worldwide Indonesia | Mobile Point of Sale | 8.25% | 31,806 |
| Koinworks | Fintech Lending | 3.05% | 31,367 |
| PT Bukalapak.com | e-Commerce | 0.07% | 22,895 |
| Others (each less than Rp20,000) | Various | 0.01% - 17.50% | 49,045 |
| Cost and equity method: | | | |
| PT Mandiri AXA General Insurance (MAGI) | General Insurance | 20.00% | 51,770 |
| PT Djakarta Lloyd (Persero) | Shipping Line | 17.67% | 32,067 |
| Others (each less than Rp20,000) | Various | 0.00015% - 10% | 8,173 |
| | | | 2,446,988 |
| Less: allowance for impairment losses | | | (14,595) |
| Net | | | 2,432,393 |

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16. INVESTMENTS IN SHARES (continued)

b. Investments in shares by Bank Indonesia's collectibility:

| | 2022 | 2021 |
|---------------------------------------|-------------------------|-------------------------|
| Current | 2,677,099 | 2,361,086 |
| Substandard | - | 83,837 |
| Doubtful | 46,385 | - |
| Loss | 34,110 | 2,065 |
| | <u>2,757,594</u> | <u>2,446,988</u> |
| Less: allowance for impairment losses | (68,640) | (14,595) |
| Net | <u>2,688,954</u> | <u>2,432,393</u> |

c. Movements of allowance for impairment losses on investments in shares:

| | 2022 | 2021 |
|-------------------------------------|----------------------|----------------------|
| Beginning balance | 14,595 | 14,619 |
| Allowance during the year (Note 46) | 53,658 | 461 |
| Others ¹⁾ | 387 | (485) |
| Ending balance | <u>68,640</u> | <u>14,595</u> |

¹⁾ Including effect of foreign currency translation

Management believes that the allowance for impairment losses on investments in shares are adequate.

17. PREPAID EXPENSES

| | 2022 | 2021 |
|-------------------------------|-------------------------|-------------------------|
| Building maintenance fee | 636,656 | 390,477 |
| Prepaid insurance | 359,648 | 133,679 |
| Prepaid rent | 292,592 | 266,692 |
| Employment expenses | 114,437 | 124,240 |
| Loans transaction fee | 87,416 | 24,965 |
| Treasury transaction fee | 38,230 | 49,208 |
| Third-party labor service fee | 18,618 | 10,723 |
| System maintenance fee | 14,935 | 13,152 |
| Professional fee | 3,756 | 75 |
| Promotion fee | 2,441 | 5,349 |
| Others | 326,774 | 451,691 |
| Total | <u>1,895,503</u> | <u>1,470,251</u> |

Prepaid rent mostly consists of rentals on buildings which are used as the Group branch's offices and official residence across Indonesia.

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18. FIXED ASSETS

a. The details of fixed assets were as follows:

| | 2022 | | | | | Ending Balance ^{*)} |
|---|------------------------------------|-----------|-------------|------------|-------------------|---------------------------------|
| | Beginning Balance ^{*)} | Additions | Revaluation | Deductions | Reclassifications | |
| At cost/revaluation value | | | | | | |
| Direct ownership | | | | | | |
| Land | 35,703,009 | 845,040 | 4,565,748 | - | 243,083 | 41,356,880 |
| Building | 8,744,626 | 549,251 | - | (1,423) | 1,866,395 | 11,158,849 |
| Furniture and fixtures, office equipment and computer | 14,041,216 | 473,980 | - | (52,242) | 685,422 | 15,148,376 |
| Vehicles | 230,748 | 15,603 | - | (944) | 5,451 | 250,858 |
| Construction in progress | 3,799,035 | 2,123,973 | - | (928) | (2,800,351) | 3,121,729 |
| | 62,518,634 | 4,007,847 | 4,565,748 | (55,537) | - | 71,036,692 |
| Right of use assets | 4,984,633 | 2,255,067 | - | (306,494) | - | 6,933,206 |
| | 67,503,267 | 6,262,914 | 4,565,748 | (362,031) | - | 77,969,898 |
| Accumulated depreciation | | | | | | |
| Direct ownership | | | | | | |
| Building | 3,554,636 | 563,517 | - | (1,423) | (6) | 4,116,724 |
| Furniture and fixtures, office equipment and computer | 11,855,255 | 985,823 | - | (52,048) | - | 12,789,030 |
| Vehicles | 185,647 | 15,970 | - | (944) | 6 | 200,679 |
| | 15,595,538 | 1,565,310 | - | (54,415) | - | 17,106,433 |
| Right of use assets | 2,762,937 | 1,852,876 | - | (292,914) | - | 4,322,899 |
| | 18,358,475 | 3,418,186 | - | (347,329) | - | 21,429,332 |
| Net book value | | | | | | |
| Direct ownership | | | | | | |
| Land | | | | | | 41,356,880 |
| Building | | | | | | 7,042,125 |
| Furniture and fixtures, office equipment and computer | | | | | | 2,359,346 |
| Vehicles | | | | | | 50,179 |
| Construction in progress | | | | | | 3,121,729 |
| | | | | | | 53,930,259 |
| Right of use assets | | | | | | 2,610,307 |
| | | | | | | 56,540,566 |

^{*)} As of 31 December 2021, fixed assets are revaluated to Rp31,138,472 which consist of Bank amounted to Rp30,706,364 and Subsidiaries amounting to Rp432,108.

^{**)} As of 31 December 2022, fixed assets are revaluated to Rp35,704,220 which consist of Bank amounted to Rp35,272,112 and Subsidiaries amounting to Rp432,108.

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18. FIXED ASSETS (continued)

a. The details of fixed assets were as follows (continued):

| | 2021 | | | | | Ending Balance ^{***)} |
|---|------------------------------------|-------------------------|-------------|------------|-------------------|-----------------------------------|
| | Beginning Balance ^{*)} | Additions ¹⁾ | Revaluation | Deductions | Reclassifications | |
| At cost/revaluation value | | | | | | |
| Direct ownership | | | | | | |
| Land | 35,565,416 | 28,380 | 67,617 | - | 41,596 | 35,703,009 |
| Building | 8,349,186 | 240,343 | - | - | 155,097 | 8,744,626 |
| Furniture and fixtures, office equipment and computer | 13,709,539 | 503,096 | - | (317,567) | 146,148 | 14,041,216 |
| Vehicles | 210,467 | 4,357 | - | (1,801) | 17,725 | 230,748 |
| Construction in progress | 2,828,541 | 1,351,628 | - | (830) | (380,304) | 3,799,035 |
| | 60,663,149 | 2,127,804 | 67,617 | (320,198) | (19,738) | 62,518,634 |
| Right of use assets | 3,659,339 | 1,631,045 | - | (325,489) | 19,738 | 4,984,633 |
| | 64,322,488 | 3,758,849 | 67,617 | (645,687) | - | 67,503,267 |
| Accumulated depreciation | | | | | | |
| Direct ownership | | | | | | |
| Building | 3,113,604 | 446,807 | - | - | (5,775) | 3,554,636 |
| Furniture and fixtures, office equipment and computer | 11,273,759 | 897,843 | - | (316,370) | 23 | 11,855,255 |
| Vehicles | 169,654 | 17,794 | - | (1,801) | - | 185,647 |
| | 14,557,017 | 1,362,444 | - | (318,171) | (5,752) | 15,595,538 |
| Right of use assets | 1,458,628 | 1,401,951 | - | (103,394) | 5,752 | 2,762,937 |
| | 16,015,645 | 2,764,395 | - | (421,565) | - | 18,358,475 |
| Net book value | | | | | | |
| Direct ownership | | | | | | |
| Land | | | | | | 35,703,009 |
| Building | | | | | | 5,189,990 |
| Furniture and fixtures, office equipment and computer | | | | | | 2,185,961 |
| Vehicles | | | | | | 45,101 |
| Construction in progress | | | | | | 3,799,035 |
| | | | | | | 46,923,096 |
| Right of use assets | | | | | | 2,221,696 |
| | | | | | | 49,144,792 |

¹⁾ Including reclassification of abandoned properties.

^{*)} As of 31 December 2020 there was a revaluation of fixed assets of amounted to Rp31,111,098 which from the Bank amounted to Rp30,706,364 and Subsidiaries amounted to Rp404,734.

^{***)} As of 31 December 2021 there was a revaluation of fixed assets of amounted to Rp31,138,472 which from the Bank amounted to Rp30,706,364 and Subsidiaries amounted to Rp432,108.

Construction in progress as of 31 December 2022 and 2021 are as follows:

| | 2022 | 2021 |
|--|------------------|------------------|
| Buildings | 2,336,700 | 3,038,889 |
| Computers and other hardware that have not been installed | 713,396 | 387,875 |
| Office equipment and inventory | 47,165 | 98,566 |
| Land | - | 264,427 |
| Vehicles | 344 | 5,587 |
| Others | 24,124 | 3,691 |
| | 3,121,729 | 3,799,035 |

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18. FIXED ASSETS (continued)

a. The details of fixed assets were as follows (continued):

The estimated percentage of completion of construction in progress as of 31 December 2022 and 2021 for computers and other hardware that have not been installed was ranging between 22.00% - 85.00% and 22.00% - 85.00%, respectively.

Right of use assets as of 31 December 2022 are as follows:

| | Balance 1 January 2022 | Additions | Deductions | Reclassifications | Balance 31 December 2022 |
|--|------------------------------|------------------|------------------|-------------------|--------------------------------|
| At cost | | | | | |
| Building | 4,048,156 | 1,999,439 | (231,667) | - | 5,815,928 |
| Furniture and fixtures, office equipment and computer | 29,083 | 30,371 | - | - | 59,454 |
| Vehicles | 907,394 | 225,257 | (74,827) | - | 1,057,824 |
| | <u>4,984,633</u> | <u>2,255,067</u> | <u>(306,494)</u> | <u>-</u> | <u>6,933,206</u> |
| Accumulated depreciation | | | | | |
| Building | 2,293,803 | 1,553,974 | (229,740) | - | 3,618,037 |
| Furniture and fixtures, office equipment and computer | 12,370 | 22,295 | - | - | 34,665 |
| Vehicles | 456,764 | 276,607 | (63,174) | - | 670,197 |
| | <u>2,762,937</u> | <u>1,852,876</u> | <u>(292,914)</u> | <u>-</u> | <u>4,322,899</u> |
| Net book value | | | | | |
| Building | | | | | 2,197,891 |
| Furniture and fixtures, office equipment and computer | | | | | 24,789 |
| Vehicles | | | | | 387,627 |
| | | | | | <u><u>2,610,307</u></u> |

Right of use assets as of 31 December 2021 are as follows:

| | Balance 1 January 2021 | Additions | Deductions | Reclassifications | Balance 31 December 2021 |
|--|------------------------------|------------------|------------------|-------------------|--------------------------------|
| At cost | | | | | |
| Building | 3,058,761 | 1,232,650 | (262,993) | 19,738 | 4,048,156 |
| Furniture and fixtures, office equipment and computer | 20,947 | 8,136 | - | - | 29,083 |
| Vehicles | 579,631 | 390,259 | (62,496) | - | 907,394 |
| | <u>3,659,339</u> | <u>1,631,045</u> | <u>(325,489)</u> | <u>19,738</u> | <u>4,984,633</u> |
| Accumulated depreciation | | | | | |
| Building | 1,212,916 | 1,155,481 | (80,346) | 5,752 | 2,293,803 |
| Furniture and fixtures, office equipment and computer | 5,526 | 6,844 | - | - | 12,370 |
| Vehicles | 240,186 | 239,626 | (23,048) | - | 456,764 |
| | <u>1,458,628</u> | <u>1,401,951</u> | <u>(103,394)</u> | <u>5,752</u> | <u>2,762,937</u> |
| Net book value | | | | | |
| Building | | | | | 1,754,353 |
| Furniture and fixtures, office equipment and computer | | | | | 16,713 |
| Vehicles | | | | | 450,630 |
| | | | | | <u><u>2,221,696</u></u> |

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18. FIXED ASSETS (continued)

a. The details of fixed assets were as follows (continued):

The table below shows the right of use expenses in consolidated statement of profit or loss:

| | 2022 | | |
|---|--|---|--|
| | Depreciation of right of use assets | Interest expenses of lease liabilities | Expenses relating to short term lease |
| Building | 1,553,974 | 37,049 | 20,596 |
| Furniture and fixture, office equipment and computer | 22,295 | 1,922 | 4,095 |
| Vehicles | 276,607 | 25,054 | 2,154 |
| Total recognized in consolidated statement of profit or loss | 1,852,876 | 64,025 | 26,845 |
| | 2021 | | |
| | Depreciation of right of use assets | Interest expenses of lease liabilities | Expenses relating to short term lease |
| Building | 1,155,481 | 36,111 | 16,015 |
| Furniture and fixture, office equipment and computer | 6,844 | 708 | 15 |
| Vehicles | 239,626 | 26,408 | - |
| Total recognized in consolidated statement of profit or loss | 1,401,951 | 63,227 | 16,030 |

Bank entered into rental agreement for a number of assets include vehicle, office house, offices, ATM spaces, and others. The average lease term is 2 (two) years.

Bank also has a number lease with leases terms 12 months or less and the underlying asset has low value. Bank applied the exception for the short term leases and low value leases.

b. Others

- On 28 December 2018, the Bank has signed the agreement in relation to Build, Operate and Transfer for asset on Jl Proklamasi No. 31 Jakarta for 30 years period with PT Wijaya Karya Bangunan Gedung Tbk. in order to optimize the strategic assets of Bank Mandiri by prioritizing the cooperation through BUMN synergy.

Bank Mandiri had an Agreement on Build, Operate and Transfer (“BOT Agreement”) with PT Duta Anggada Realty Tbk. (“Duta Anggada”) based on the Deed No. 105 regarding BOT Agreement dated 24 May 1991, as amended by the Deed No. 70 Addendum I on BOT Agreement dated 14 June 1991 and No. 65 Addendum II on BOT agreement dated 21 December 2011. The agreement, among others, managed the development of two tower of 27 floors of offices by Duta Anggada, which the land is owned by Bank Mandiri. The term of the management of Tower 1 and Tower 2 by Duta Anggada ended on 15 May 2014 and 15 May 2016, respectively.

On 19 May 2014, the Bank and Duta Anggada has signed the minutes of handover of Menara Mandiri 1 Building and at the same time has signed Deed No.43 dated 19 May 2014 regarding Temporary Utilization Agreement in which Duta Anggada is entitled to operate the Menara Mandiri 1 Building up to 15 May 2016, along with the right and obligation of each party.

On 11 May 2016, the Bank has signed minutes of handover of Menara Mandiri 2 and its management of Menara Mandiri 1 from PT Duta Anggada Realty Tbk. to PT Bank Mandiri (Persero) Tbk. Currently, building management of Menara Mandiri 1 and Menara Mandiri 2 is managed by PT Bumi Daya Plaza in the form of Temporary Utilization Agreement from 2016 until 2021, which has been extended to 2026.

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18. FIXED ASSETS (continued)

b. Others (continued)

2. Revaluation

Revaluation year 2015 - 2016

Based on Minister of Finance of the Republic of Indonesia Regulation (PMK) No. PMK/191/PMK.010/2015 dated 15 October 2015 regarding Revaluation of Fixed Assets for Tax Purposes for Applications Filed in 2015 and 2016, with the first amendment through the Minister of Finance Regulation No. 233/PMK.03/2015 dated 21 December 2015 and the second amendment of the Minister of Finance Regulation No. 29/PMK.03/2016 dated 19 February 2016. The Group has assigned registered independent appraisers to assess (revalue) its fixed asset (land).

The valuations of land are performed by the external independent appraisers, Public Appraiser Firm (KJPP) Amin, Nirwan, Alfiantori and Partners (ANA) and KJPP Muttaqin, Bambang, Purwanto, Rozak, Uswatun and Partners (MBPRU). Appraisals are performed based on the Concept and General Principles of Appraisers (KPUP) article 17 in Indonesian Appraisal Standards year 2015.

In the fair value measurement of the land, the KJPP consider a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The valuation method used by the KJPP are market approach and cost approach.

Based on the Assessment Report of the KJPP MBPRU dated 21 December 2015 (Subsidiaries) and 11 April 2016 (Bank) and KJPP ANA dated 13 April 2016 (Bank), the value of fixed assets and its increase are as follows:

| <u>Fixed assets</u> | <u>Fair value</u> | <u>Book value</u> | <u>Increase in value (before tax)</u> |
|---------------------|-------------------|-------------------|---|
| Land | 28,822,150 | 2,880,116 | 25,942,034 |

To determine the fair value, KJPP ANA and KJPP MBPRU use the assessment methodology from Market Approach SPI 2015-KPUP 17 with direct comparison method.

The results of revaluation of fixed assets of the Bank were approved by the Directorate General of Taxes (DGT) through the Head of Regional Office Large Tax Payer through Decree No. KEP-418/WPJ.19/2016 dated 25 May 2016. The results of revaluation of fixed assets of subsidiary were approved by the DGT on 8 January 2016.

Revaluation Year 2019

In 2019, Bank has performed land revaluation. The valuation of land was performed by external independent appraisers of the Public Appraiser Firm (KJPP) Yanuar Bey and Partners and KJPP Iwan Bachron and Partners. The assessment was performed in accordance with and subject to the provisions of the General Assessment Concepts and principles article 17 in the Indonesian Appraisal Standard (SPI) of year 2018.

In the fair value measurement of the land, the KJPP takes into account the market participants' ability to generate economic benefits to the highest and best use of the assets or by selling assets to other market participants would use the asset on the highest and best use condition. The valuation methods used by KJPP are the market approach, income approach and cost approach.

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18. FIXED ASSETS (continued)

b. Others (continued)

2. Revaluation (continued)

Revaluation Year 2019 (continued)

Based on the Appraisal Report of KJPP Yanuar Bey on 8 July 2019 and KJPP Iwan Bachron on 9 August 2019, the value of fixed assets and its value increase are as follows:

| <u>Fixed assets</u> | <u>Fair value</u> | <u>Book value</u> | <u>Increase in value (before tax)</u> |
|---------------------|-------------------|-------------------|---|
| Land | 33,596,578 | 29,725,630 | 3,870,948 |

To determine the fair value, KJPP Yanuar Bey and KJPP Iwan Bachron use the market approach methodology SPI 2018-KPUP 15.2 using direct comparison method.

Revaluation Year 2022

In 2022, the Bank performed revaluations of land. The valuations of land was performed by external independent appraisers of the Public Appraiser Firm (KJPP) Muttaqin Bambang Purwanto Rozak Uswatun and Partners, and Dasa'at Yudistira and Partners. The valuations are performed in accordance with and subject to the provisions of the General Concepts and Principles of Assessment article 17 in the Indonesian Assessment Standards (SPI) of year 2018.

In assessing the fair value of land, KJPP takes into account the ability of market participants to generate economic benefits with the highest and best use of assets or by selling assets to other market participants who will use assets in the highest conditions and best use. The valuation method used by KJPP is the market approach, income approach and cost approach. Based on the Appraisal Report from KJPP Muttaqin Bambang Purwanto Rozak Uswatun and Partners on 16 December 2022 and KJPP Dasa'at Yudistira and Partners on 19 December 2022, the value of fixed assets and the increase in value are as follows:

| <u>Fixed assets</u> | <u>Fair value</u> | <u>Book value</u> | <u>Increase in value (before tax)</u> |
|---------------------|-------------------|-------------------|---|
| Land | 38,639,890 | 34,074,142 | 4,565,748 |

To determine market value, the Public Appraiser Firm (KJPP) Muttaqin Bambang Purwanto Rozak Uswatun and Partners and KJPP Dasa'at Yudistira and Partners use Market Approach methodology SPI 2018-KPUP 15.2 with direct comparison method.

3. Assessment in the fair value of assets owned by the Bank on 31 December 2022 and 2021 uses revaluation method for lands and sales value of taxable object for buildings. As of 31 December 2022, the revaluation value of land and sales value of taxable object of buildings owned by the Bank was Rp41,371,421 and Rp5,153,212, respectively. As of 31 December 2021, the revaluation value of land and sales value of taxable object of buildings owned by the Bank was Rp35,717,550 and Rp4,914,320, respectively. On 27 October 2020, there is an abandoned property that has been reclassified as fixed assets. The assets are in the form of land and buildings located on Jl. Bandarharjo Semarang. The bank carried out a revaluation of the land which had a book value of Rp266 and a revaluation value of Rp3,594, according to the results of the assessment of KJPP Amin Nirwan Alfiantori and Partners. Asset revaluation causes an increase in the value of fixed assets and the net difference in revaluation of fixed assets in equity of Rp3,328 (the difference between book value and revaluation value).

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18. FIXED ASSETS (continued)

b. Others (continued)

4. The value of land based on cost model as of 31 December 2022 and 2021 amounted to Rp5,667,200 and Rp4,579,078, respectively.

The table below presents non-financial instruments recognised at fair value based on the hierarchy used by the Bank to determine and disclose the fair value of non-financial instruments:

- (i) Level 1: Quoted prices on active markets for identical assets or liabilities;
 (ii) Level 2: Valuation technique in which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
 (iii) Level 3: Valuation techniques in which all inputs which have a significant effect on the recorded fair value that cannot be observed from market data.

| | 2022 | | | Fair Value |
|------|----------------|----------------|----------------|-------------------|
| | Level 1 | Level 2 | Level 3 | |
| Land | - | 41,371,421 | - | 41,371,421 |

| | 2021 | | | Fair Value |
|------|----------------|----------------|----------------|-------------------|
| | Level 1 | Level 2 | Level 3 | |
| Land | - | 35,717,550 | - | 35,717,550 |

The fair value of land for level 2 is calculated using the comparison of market price approach and estimation of income and expenses generated by the asset. The market price of the land that most closely adjusted for differences in the primary attributes such as asset size, location and usage of assets. The most significant input in this assessment approach is the assumption of the price per meter.

5. Land rights acquired through Leasehold Certificate (“HGB”) that can be renewed will expire between 2020 until 2042. Based on past experience, the Group believes that they can extend the HGB.
6. As of 31 December 2022, the Bank has insured its fixed assets (excluding land rights, construction in progress and the leased property) to cover potential losses against fire, theft and natural disaster to PT Estika Jasa Tama, PT Asuransi Dayin Mitra, PT Asuransi Wahana Tata and PT Asuransi Astra Buana, entirely are third parties, PT Krida Upaya Tunggal, PT Mandiri AXA General Insurance, PT Asuransi Tugu Pratama Indonesia, PT Asuransi Kredit Indonesia, PT Asuransi Staco Mandiri and PT Asuransi Jasa Raharja Putera, all of these insurance companies are related parties, with total insured amount approximately Rp20,223,283 (31 December 2021: Rp16,396,152). Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.
7. The fixed assets that have been fully depreciated but still in use by the Bank consist of several things such as office machine, printing office equipment and housing.
8. Management believes that there is no impairment on fixed assets as of 31 December 2022 and 2021.

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19. INTANGIBLE ASSETS

| | 2022 | | | | Ending Balance |
|---------------------------------|----------------------|------------------|-----------------|-------------------|-------------------------|
| | Beginning Balance | Additions | Deductions | Reclassifications | |
| At cost | | | | | |
| Software | 7,155,215 | 172,647 | - | 1,733,033 | 9,060,895 |
| Goodwill | 787,466 | - | - | - | 787,466 |
| Yokke brand assets | 59,334 | - | - | - | 59,334 |
| Construction in progress | 2,632,746 | 919,152 | (14,520) | (1,733,033) | 1,804,345 |
| | <u>10,634,761</u> | <u>1,091,799</u> | <u>(14,520)</u> | <u>-</u> | <u>11,712,040</u> |
| Accumulated amortisation | | | | | |
| Software | 5,511,330 | 1,083,779 | (22) | - | 6,595,087 |
| Yokke brand assets | 11,672 | 11,672 | - | - | 23,344 |
| | <u>5,523,002</u> | <u>1,095,451</u> | <u>(22)</u> | <u>-</u> | <u>6,618,431</u> |
| Net book value | | | | | |
| Software | | | | | 2,465,808 |
| Goodwill | | | | | 787,466 |
| Yokke brand assets | | | | | 35,990 |
| Construction in progress | | | | | 1,804,345 |
| | | | | | <u><u>5,093,609</u></u> |
| | | | | | |
| | 2021 | | | | Ending Balance |
| | Beginning Balance | Additions | Deductions | Reclassifications | |
| At cost | | | | | |
| Software | 6,875,234 | 91,181 | (4,713) | 193,513 | 7,155,215 |
| Goodwill | 787,466 | - | - | - | 787,466 |
| Yokke brand assets | 59,334 | - | - | - | 59,334 |
| Construction in progress | 1,558,746 | 1,268,041 | (528) | (193,513) | 2,632,746 |
| | <u>9,280,780</u> | <u>1,359,222</u> | <u>(5,241)</u> | <u>-</u> | <u>10,634,761</u> |
| Accumulated amortisation | | | | | |
| Software | 4,735,341 | 793,554 | (17,565) | - | 5,511,330 |
| Yokke brand assets | - | 11,672 | - | - | 11,672 |
| | <u>4,735,341</u> | <u>805,226</u> | <u>(17,565)</u> | <u>-</u> | <u>5,523,002</u> |
| Net book value | | | | | |
| Software | | | | | 1,643,885 |
| Goodwill | | | | | 787,466 |
| Yokke brand assets | | | | | 47,662 |
| Construction in progress | | | | | 2,632,746 |
| | | | | | <u><u>5,111,759</u></u> |

Software is amortised over its economic useful life, which is 5 years (refer to Note 2.r.i).

As of 31 December 2022 and 2021, included in intangible assets is the Yokke brand asset from its Subsidiary, PT Mandiri Capital Indonesia (MCI) worth Rp35,990 and Rp47,662 (net - accumulated amortisation) amortised over its economic useful life of 7 years using the straight-line method.

As of 31 December 2022 and 2021, included in the software balance are construction in progress for software amounted to Rp1,804,345 and Rp2,632,746, respectively. The estimated percentage of completion of software as of 31 December 2022 was ranging between 5.00% - 85.00% (31 December 2021: 5.00% - 85.00%).

Goodwill arises from the difference between the cost of acquisition with the fair value of Subsidiaries assets acquired. Goodwill is assessed regularly for impairment. As of 31 December 2022 and 2021, there are no impairment of goodwill.

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20. OTHER ASSETS

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Rupiah | | |
| Accrued income | 7,456,514 | 6,559,667 |
| Receivables from customer transactions | 2,455,853 | 1,276,259 |
| Receivables related to ATM and credit card transactions | 2,053,222 | 775,358 |
| Receivables from government bonds pledged as collateral | 1,773,074 | 3,301,088 |
| <i>Ijarah</i> assets | 1,484,573 | 899,997 |
| Receivables from government | 1,289,926 | 905,376 |
| Reposessed assets | 1,145,931 | 1,171,451 |
| Assets from unit-link | 819,771 | 463,702 |
| Deferred insurance contract acquisition fee | 499,951 | 459,529 |
| Advance payment | 347,593 | 169,732 |
| Receivables from policyholders | 294,896 | 275,582 |
| Loans and trade finance fee receivables | 253,109 | 233,060 |
| Receivables from sales of marketable securities | 225,715 | - |
| Office supplies | 123,927 | 153,258 |
| Guarantee deposits | 102,557 | 61,812 |
| Abandoned properties | 96,837 | 86,221 |
| Reinsurance assets | 89,604 | 66,882 |
| Receivables from management fee | 70,871 | 73,527 |
| Security deposits | 48,086 | 37,233 |
| Reinsurance and coinsurance receivables | 28,555 | 13,746 |
| Spot receivables | 22,901 | 3,890 |
| Receivables related to remittance transactions | 144 | 361 |
| Others | 2,849,259 | 4,070,816 |
| Total | 23,532,869 | 21,058,547 |
| Foreign currencies | | |
| Accrued income (Note 63B.(iv)) | 2,109,350 | 1,202,840 |
| Receivables from government bonds pledged as collateral (Note 63B.(iv)) | 1,984,881 | 1,942,626 |
| Receivables related to remittance transactions | 886,575 | 36,401 |
| Loans and trade finance fee receivables | 72,850 | 51,626 |
| Receivables from customer transactions (Note 63B.(iv)) | 30,849 | 3,930 |
| Insurance policy deposits | 24,653 | 26,669 |
| Receivables from policyholders (Note 63B.(iv)) | 8,404 | 8 |
| Receivables from sales of marketable securities (Note 63B.(iv)) | 5,935 | - |
| Advance payment | 4,890 | 2,662 |
| Receivables related to ATM transactions and credit card (Note 63B.(iv)) | 2,023 | 1,907 |
| Security deposits | 1,178 | 1,063 |
| Spot receivables | 207 | 87 |
| <i>Ijarah</i> assets | - | 1,568 |
| Others | 1,758,508 | 1,208,458 |
| Total | 6,890,303 | 4,479,845 |
| | 30,423,172 | 25,538,392 |
| Less: other allowances | (1,725,528) | (1,690,929) |
| Net | 28,697,644 | 23,847,463 |

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20. OTHER ASSETS (continued)

Accrued income consist of interest accrued from the placement, marketable securities, government bonds, loans and fees and commissions.

Receivables from customer transactions mainly consist of receivables arising from securities transactions of Bank's Subsidiaries. As of 31 December 2022 and 2021, included in receivables from customer transactions is an impaired portfolio amounted to Rp6,416 and Rp4,652, respectively.

Assets from unit-link is related to receivable from securities portfolio transactions of unit-link contracts in Subsidiary's mutual fund.

Receivables related to ATM and credit card transactions consist of receivable arising from ATM transactions within ATM Bersama, Prima and Link network as well as receivables from Visa, Master Card and JCB as a result of credit card transactions.

Receivables from government bonds pledged as collateral represent receivables related repo to maturity transactions with third parties, ROI 23NN with nominal value of USD37,000,000 (full amount), ROI 24 with nominal value of USD40,940,000 (full amount) and ROI 25 with nominal value of USD50,000,000 (full amount) and recorded receivables equivalent to the market value of VR0031, ROI 23NN, ROI 24 and ROI 25 (Note 36e). The receivables will be settled at net basis with settlement of Bank's liabilities to the counterparty amounted to USD24,926,000 (full amount) due on 11 January 2023, USD31,270,000 (full amount) due on 15 January 2024 and USD34,782,000 (full amount) due on 15 January 2025.

Bank Mandiri also had transferred FR0031 with total value amounted to Rp1,000,000, FR0061 with total value of Rp1,462,572 and FR0063 with nominal value of Rp1,773,500 and recorded equivalent to the market value of its receivables. On the maturity date of repo to maturity, Bank Mandiri would transfer its liabilities to the counterparty and receive in cash the amount equivalent to face value and last billing coupon from the counterparty (Note 36e).

Receivables from policyholders represent receivables from the Subsidiary's to its policyholders related to premium of non unit-link products.

As of 31 December 2022, receivables from sales of marketable securities are receivables from sale of marketable securities with maturity date on 3 January 2023.

Others mainly consist of inter-office accounts, various form of receivables from transaction with third parties, including clearing transactions and others.

Movement of allowance for impairment losses of other assets are as follows:

| | 2022 | 2021 |
|-------------------------------------|------------------|------------------|
| Beginning balance | 1,690,929 | 1,645,915 |
| Allowance during the year (Note 47) | 187,130 | 253,214 |
| Others ^{*)} | (152,531) | (208,200) |
| Ending balance | 1,725,528 | 1,690,929 |

^{*)} Including effect of foreign currency translation.

Management believes that the allowance for impairment losses of other assets is adequate.

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21. DEPOSITS FROM CUSTOMERS - DEMAND DEPOSITS AND WADIAH DEMAND DEPOSITS

- a. By currencies, related parties and third parties:

| | 2022 | 2021 |
|------------------------------|--------------------|--------------------|
| Rupiah | | |
| Related parties (Note 57) | 96,693,975 | 85,483,182 |
| Third parties | 234,631,125 | 203,640,556 |
| Total | 331,325,100 | 289,123,738 |
| Foreign currencies | | |
| Related parties (Note 57) | 60,553,443 | 26,223,092 |
| Third parties | 127,199,419 | 84,444,481 |
| Total (Note 63B.(iv)) | 187,752,862 | 110,667,573 |
| | 519,077,962 | 399,791,311 |

Included in demand deposits were *wadiah* demand deposits amounted to Rp21,797,852 and Rp22,411,614 as of 31 December 2022 and 2021, respectively.

- b. Average interest rates (cost of funds) and range of profit sharing per annum:

Average interest rates (cost of funds) per annum:

| | 2022 | 2021 |
|--------------------|-------------|-------------|
| Rupiah | 1.88% | 2.04% |
| Foreign currencies | 0.44% | 0.29% |

Range of profit sharing per annum on *wadiah* demand deposits:

| | 2022 | 2021 |
|--------------------|---------------|---------------|
| Rupiah | 0.01% - 0.03% | 0.00% - 0.38% |
| Foreign currencies | 0.00% - 0.00% | 0.00% - 0.09% |

- c. As of 31 December 2022 and 2021, demand deposits pledged as collateral and blocked for bank guarantees, loans and trade finance facilities (irrevocable letter of credits) and other purposes were amounted to Rp18,764,324 and Rp12,391,163, respectively (Notes 12B.c and 31e).

22. DEPOSITS FROM CUSTOMERS - SAVING DEPOSITS AND WADIAH SAVING DEPOSITS

- a. By currencies, type, related parties and third parties:

| | 2022 | 2021 |
|------------------------------|--------------------|--------------------|
| Rupiah | | |
| Related parties (Note 57) | | |
| Mandiri Saving Deposits | 3,641,055 | 2,863,310 |
| Third parties | | |
| Mandiri Saving Deposits | 425,783,273 | 375,900,215 |
| Hajj Mandiri Saving Deposits | 10,396,440 | 9,905,216 |
| Total | 439,820,768 | 388,668,741 |

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22. DEPOSITS FROM CUSTOMERS - SAVING DEPOSITS AND WADIAH SAVING DEPOSITS
(continued)

a. By currencies, type, related parties and third parties (continued):

| | 2022 | 2021 |
|---------------------------|---------------------------|---------------------------|
| Foreign currencies | | |
| Related parties (Note 57) | | |
| Mandiri Saving Deposits | 3,209,843 | 2,627,740 |
| Third parties | | |
| Mandiri Saving Deposits | 37,452,155 | 31,018,064 |
| Total (Note 63B.(iv)) | <u>40,661,998</u> | <u>33,645,804</u> |
| | <u>480,482,766</u> | <u>422,314,545</u> |

Included in saving deposits were *wadiah* saving deposits amounted to Rp44,214,405 and Rp34,836,276 as of 31 December 2022 and 2021, respectively.

b. Average interest rates (*cost of funds*) per annum:

| | 2022 | 2021 |
|--------------------|-------------|-------------|
| Rupiah | 0.51% | 0.83% |
| Foreign currencies | 0.19% | 0.22% |

c. As of 31 December 2022 and 2021, total saving deposits pledged as collateral and blocked for loans and other purposes were amounted to Rp17,766,721 and Rp12,136,069, respectively (Note 12B.c).

23. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS

a. By currencies, related parties and third parties:

| | 2022 | 2021 |
|---------------------------|---------------------------|---------------------------|
| Rupiah | | |
| Related parties (Note 57) | 27,085,663 | 31,367,945 |
| Third parties | 231,954,064 | 230,690,729 |
| Total | <u>259,039,727</u> | <u>262,058,674</u> |
| Foreign currencies | | |
| Related parties (Note 57) | 3,580,322 | 2,100,046 |
| Third parties | 33,395,152 | 29,014,137 |
| Total (Note 63B.(iv)) | <u>36,975,474</u> | <u>31,114,183</u> |
| | <u>296,015,201</u> | <u>293,172,857</u> |

b. By period:

| | 2022 | 2021 |
|-----------------------|---------------------------|---------------------------|
| Rupiah | | |
| 1 month | 135,375,162 | 131,797,168 |
| 3 months | 90,460,008 | 100,634,489 |
| 6 months | 22,280,790 | 18,999,183 |
| 12 months | 10,663,982 | 10,527,130 |
| Over 12 months | 259,785 | 100,704 |
| Total | <u>259,039,727</u> | <u>262,058,674</u> |
| Foreign currencies | | |
| 1 month | 22,515,474 | 16,068,648 |
| 3 months | 7,522,823 | 4,842,231 |
| 6 months | 4,994,714 | 8,642,070 |
| 12 months | 1,878,389 | 1,154,839 |
| Over 12 months | 64,074 | 406,395 |
| Total (Note 63B.(iv)) | <u>36,975,474</u> | <u>31,114,183</u> |
| | <u>296,015,201</u> | <u>293,172,857</u> |

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23. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS (continued)

c. By remaining period to maturity date:

| | 2022 | 2021 |
|-----------------------|---------------------------|---------------------------|
| Rupiah | | |
| Less than 1 month | 162,151,537 | 156,190,367 |
| 1 - 3 months | 75,752,708 | 78,436,550 |
| 3 - 6 months | 13,015,942 | 18,911,189 |
| 6 - 12 months | 7,218,663 | 7,544,260 |
| Over 12 months | 900,877 | 976,308 |
| Total | <u>259,039,727</u> | <u>262,058,674</u> |
| Foreign currencies | | |
| Less than 1 month | 23,965,592 | 17,332,401 |
| 1 - 3 months | 7,483,892 | 8,251,006 |
| 3 - 6 months | 4,343,560 | 4,842,983 |
| 6 - 12 months | 1,063,974 | 658,687 |
| Over 12 months | 118,456 | 29,106 |
| Total (Note 63B.(iv)) | <u>36,975,474</u> | <u>31,114,183</u> |
| | <u>296,015,201</u> | <u>293,172,857</u> |

d. Average interest rates (cost of funds) per annum:

| | 2022 | 2021 |
|--------------------|-------------|-------------|
| Rupiah | 2.63% | 3.19% |
| Foreign currencies | 1.01% | 0.48% |

e. As of 31 December 2022 and 2021, total time deposits pledged as collateral and blocked for loans and other purposes were amounted to Rp38,508,154 and Rp34,901,344, respectively (Note 12B.c).

24. DEPOSITS FROM OTHER BANKS - DEMAND DEPOSITS, WADIAH DEMAND DEPOSITS AND SAVING DEPOSITS

a. By currencies, related parties and third parties:

| | 2022 | 2021 |
|---|------------------|------------------|
| Demand deposits and <i>wadiah</i> demand deposits | | |
| Related parties (Note 57) | | |
| Rupiah | 1,662 | 3,246 |
| Foreign currencies (Note 63B.(iv)) | 172,497 | 48,692 |
| | <u>174,159</u> | <u>51,938</u> |
| Third parties | | |
| Rupiah | 1,904,754 | 1,257,846 |
| Foreign currencies (Note 63B.(iv)) | 1,946,238 | 2,304,069 |
| | <u>3,850,992</u> | <u>3,561,915</u> |
| Total | <u>4,025,151</u> | <u>3,613,853</u> |

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24. DEPOSITS FROM OTHER BANKS - DEMAND DEPOSITS, WADIAH DEMAND DEPOSITS AND SAVING DEPOSITS (continued)

a. By currencies, related parties and third parties (continued):

| | 2022 | 2021 |
|------------------------------------|------------------|------------------|
| Saving deposits | | |
| Related parties (Note 57) | | |
| Rupiah | 84 | 1,084 |
| | 84 | 1,084 |
| Third parties | | |
| Rupiah | 1,709,152 | 1,645,066 |
| Foreign currencies (Note 63B.(iv)) | 14 | 13 |
| | 1,709,166 | 1,645,079 |
| | 1,709,250 | 1,646,163 |
| | 5,734,401 | 5,260,016 |

Included in deposits from other banks - demand deposits are *wadiah* demand deposits amounted to Rp142,388 and Rp110,858, as of 31 December 2022 and 2021, respectively.

b. Average interest rates (cost of funds) and profit sharing per annum:

| | 2022 | 2021 |
|---|---------------|---------------|
| Average interest rates (cost of funds) per annum: | | |
| Demand deposits and <i>wadiah</i> demand deposits | | |
| Rupiah | 1.88% | 2.04% |
| Foreign currencies | 0.44% | 0.29% |
| Saving deposits | | |
| Rupiah | 0.50% | 0.83% |
| Foreign currencies | 0.19% | 0.22% |
| Range of profit sharing per annum on <i>wadiah</i> demand deposits: | | |
| Rupiah | 0.72% - 0.75% | 0.75% - 0.79% |

c. As of 31 December 2022 and 2021, total demand deposits, *wadiah* demand deposits and saving deposits from other banks pledged as collateral on loans and bank guarantees were amounted to Rp160,387 and Rp88,908, respectively (Notes 12B.c and 31e).

25. DEPOSITS FROM OTHER BANKS - INTER-BANK CALL MONEY

a. By currencies:

| | 2022 | 2021 |
|-------------------------------------|------------------|------------------|
| Third parties: | | |
| Rupiah | 200,000 | 100,000 |
| Foreign currencies (Notes 63B.(iv)) | 4,236,101 | 4,909,885 |
| | 4,436,101 | 5,009,885 |

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25. DEPOSITS FROM OTHER BANKS - INTER-BANK CALL MONEY (continued)

b. By remaining period to maturity date:

| | 2022 | 2021 |
|-----------------------|------------------|------------------|
| Rupiah | | |
| Less than 1 month | 200,000 | 100,000 |
| Total | 200,000 | 100,000 |
| Foreign currencies | | |
| Less than 1 month | 2,649,621 | - |
| Over 1 month | 1,586,480 | 4,909,885 |
| Total (Note 63B.(iv)) | 4,236,101 | 4,909,885 |
| | 4,436,101 | 5,009,885 |

c. Average interest rates (cost of funds) per annum:

| | 2022 | 2021 |
|--------------------|-------------|-------------|
| Rupiah | 3.71% | 3.05% |
| Foreign currencies | 2.75% | 0.70% |

26. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS

a. By currencies:

| | 2022 | 2021 |
|------------------------------------|------------------|------------------|
| Related parties (Note 57) | | |
| Rupiah | - | - |
| Foreign currencies (Note 63B.(iv)) | 467,025 | - |
| | 467,025 | - |
| Third parties | | |
| Rupiah | 2,730,970 | 535,141 |
| Foreign currencies (Note 63B.(iv)) | 1,478,912 | 1,995,350 |
| | 4,209,882 | 2,530,491 |
| Total | 4,676,907 | 2,530,491 |

b. By period:

| | 2022 | 2021 |
|-----------------------|------------------|------------------|
| Rupiah | | |
| 1 month | 2,363,920 | 329,389 |
| 3 months | 338,950 | 157,251 |
| 6 months | 25,350 | 14,450 |
| 12 months | 2,750 | 34,051 |
| Total | 2,730,970 | 535,141 |
| Foreign currencies | | |
| 1 month | - | - |
| 3 months | 467,025 | 641,362 |
| 6 months | 778,375 | 712,625 |
| 12 months | 77,837 | 213,789 |
| More than 12 months | 622,700 | 427,574 |
| Total (Note 63B.(iv)) | 1,945,937 | 1,995,350 |
| | 4,676,907 | 2,530,491 |

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26. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS (continued)

c. Average interest rates (cost of funds) per annum:

| | <u>2022</u> | <u>2021</u> |
|--------------------|-------------|-------------|
| Rupiah | 2.41% | 2.99% |
| Foreign currencies | 1.01% | 0.48% |

d. As of 31 December 2022 and 2021, time deposits from other banks pledged as collateral on loans amounted Rp520,310 and Rp97,200, respectively (Note 12B.c).

27. LIABILITIES TO UNIT-LINK POLICYHOLDERS

This account represents Subsidiary's liabilities to policyholders on the Subsidiary's unit-link contracts placed in unit-link investment with details as follows:

| | <u>2022</u> | <u>2021</u> |
|------------|--------------------------|--------------------------|
| Non-Sharia | 28,934,947 | 29,827,229 |
| Sharia | 775,280 | 830,341 |
| | <u>29,710,227</u> | <u>30,657,570</u> |

Underlying assets of the above policyholders' investment in unit-link contracts are financial assets mainly consist of cash, marketable securities and government bonds. As of 31 December 2022 and 2021, the investment of policyholders were recorded according to the financial assets in the consolidated statement of financial position.

Included in the unit-link policyholders' investments in are policyholders' fund in foreign currency as of 31 December 2022 and 2021, amounted to USD339,134,861 (full amount) and USD430,563,390 (full amount), respectively.

The details of non-sharia unit-link investments based on the type of contracts are as follows:

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|--------------------------|--------------------------|
| Dynamic money | 12,379,566 | 14,772,259 |
| Prime equity | 5,442,516 | 2,457,422 |
| Equity Fund Offshore | 2,378,169 | 2,435,409 |
| Attractive money | 2,157,013 | 2,966,150 |
| Progressive money | 1,681,321 | 1,775,013 |
| Mandiri Golden Offshore | 1,523,995 | 2,234,609 |
| Secure money | 1,013,580 | 1,121,635 |
| Mandiri Equity Money | 663,040 | 375,263 |
| Balance Fund Offshore | 484,864 | 470,511 |
| Excellent equity | 365,597 | 511,159 |
| Money market | 270,346 | 128,838 |
| Fixed money | 231,598 | 193,496 |
| Active money | 100,749 | 118,270 |
| Mandiri Flexible Equity Offshore | 86,267 | 80,757 |
| Protected money | 85,123 | 123,644 |
| Mandiri Multi Asset Balanced Offshore | 32,356 | 32,322 |
| Mandiri Global Offshore | 22,071 | 18,759 |
| Money Market CS | 16,776 | 11,713 |
| | <u>28,934,947</u> | <u>29,827,229</u> |

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27. LIABILITIES TO UNIT-LINK POLICYHOLDERS (continued)

Dynamic money

This is an equity fund with underlying exposures in stocks listed in Indonesia Stock Exchange and money market instruments through Schroder Dana Prestasi Dinamis Mutual Fund.

Prime Equity

Placement of funds based on combination with the investment in stocks listed in Indonesia Stock Exchange and money market instruments through AXA Maestro Saham Mutual Fund.

Equity Fund Offshore

Equity-based mutual funds from foreign markets managed by the Subsidiary.

Attractive money

This is an equity fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments through Mandiri Saham Atraktif Mutual Fund.

Progressive money

This is a balanced fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments through Schroder Dana Campuran Progresif Mutual Fund.

Mandiri Golden Offshore

Equity-based mutual funds with underlying exposures of equity traded in offshore equity market.

Secure money

Secure money Rupiah is a placement of funds with underlying exposures in fixed income securities listed in Indonesia Stock Exchange and money market instruments through Schroder *Dana Obligasi Mantap* Mutual Fund. Placement of funds in USD through investment in fixed income securities traded on the Indonesia Stock Exchange and other foreign exchanges as well as money market instruments through Investa Dana Dollar Mandiri Mutual Fund.

Mandiri Equity Money

Fund placements with LQ45 domestic equity investment instruments through the LQ45 Mandiri Index mutual fund managed by Mandiri Investment Management.

Balance Fund Offshore

Mutual funds whose composition is a mixture of equity and bonds from foreign markets managed by Subsidiary.

Excellent equity

This is an equity fund with underlying exposures in small cap equities (exclude top 20, largest capitalisation shares) listed in Indonesia Stock Exchange and money market instruments through Mandiri Dynamic Equity Mutual Fund.

Money Market

Placement of money market fund with underlying exposures in money market instrument including time deposits and fixed income securities listed in Indonesia Stock Exchange through Mandiri Investa Pasar Uang Mutual Fund.

Fixed money

This is a fixed income fund with underlying exposures in Indonesian Government Bonds and money market instruments through Mandiri Investa Dana Obligasi II Mutual Fund.

Active money

This is a balanced fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments through Mandiri Aktif Mutual Fund.

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27. LIABILITIES TO UNIT-LINK POLICYHOLDERS (continued)

Mandiri Flexible Equity Offshore

Balanced fund with underlying exposures in equity and money market in foreign markets.

Protected money

Placement of funds based on combination (balanced fund) with investments in stocks and bonds listed in the Indonesia Stock Exchange and money market instruments with a maturity of less than 1 year.

Mandiri Multi Asset Balanced Offshore

Balanced fund with underlying exposure in money market, equity, fixed income and foreign market securities.

Mandiri Global Offshore

Equity-based balanced funds with underlying exposures in equity and money market in foreign markets.

Money market CS

This is a fixed income fund with underlying exposures in money market instrument, especially for term deposits based on sharia principles.

The details of sharia unit-link investments based on the type of contracts are as follows:

| | 2022 | 2021 |
|----------------------------|----------------|----------------|
| Attractive money sharia | 457,164 | 542,315 |
| Active money sharia | 171,663 | 175,939 |
| Amanah Fixed Income | 63,714 | 23,671 |
| Amanah equity sharia | 51,474 | 59,972 |
| Advanced commodity sharia | 24,047 | 24,422 |
| Amanah Money Market Sharia | 7,218 | 4,022 |
| Total | 775,280 | 830,341 |

Attractive money sharia

This is an equity fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through Mandiri Saham Syariah Atraktif Mutual Fund.

Active money sharia

This is a balanced fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through Mandiri Berimbang Syariah Aktif Mutual Fund.

Amanah Fixed Income

Sharia mutual fund with underlying exposures of Sukuk and Sharia Government Bonds.

Amanah equity sharia

This is an equity fund with underlying exposures in stocks listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through BNP Paribas Pesona Amanah Mutual Fund.

Advanced commodity sharia

This is an equity fund with underlying exposures engaged in the commodity sector and related to commodities listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through Mandiri Komoditas Syariah Plus Mutual Fund.

Amanah Money Market Sharia

A fixed income mutual fund with underlying exposures of sharia money market and sharia fixed income marketable securities.

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28. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

| 2022 | | | | | | |
|--|-------------------|------------|---------------|-------------------|------------------------------|-------------------|
| Securities | Nominal value | Start date | Maturity date | Buy back value | Unamortised interest expense | Net value |
| Rupiah | | | | | | |
| Third parties | | | | | | |
| FR0082 | 1,000,000 | 15/03/2022 | 14/03/2023 | 974,836 | 7,225 | 967,611 |
| FR0046 | 30,000 | 10/11/2022 | 09/02/2023 | 31,621 | 192 | 31,429 |
| FR0088 | 30,000 | 01/12/2022 | 02/03/2023 | 26,848 | 273 | 26,575 |
| FR0059 | 20,000 | 29/12/2022 | 30/03/2023 | 19,947 | 307 | 19,640 |
| FR0059 | 20,000 | 06/12/2022 | 07/03/2023 | 19,829 | 219 | 19,610 |
| FR0059 | 20,000 | 27/12/2022 | 28/03/2023 | 19,908 | 299 | 19,609 |
| FR0059 | 20,000 | 01/11/2022 | 31/01/2023 | 19,688 | 92 | 19,596 |
| FR0059 | 20,000 | 13/12/2022 | 14/03/2023 | 19,836 | 242 | 19,594 |
| FR0046 | 10,000 | 22/11/2022 | 21/02/2023 | 10,543 | 90 | 10,453 |
| Total Rupiah | 1,170,000 | | | 1,143,056 | 8,939 | 1,134,117 |
| Foreign currencies | | | | | | |
| Third parties | | | | | | |
| FR0056 | 2,137,300 | 25/02/2022 | 18/08/2026 | 2,652,178 | 256,973 | 2,395,205 |
| FR0086 | 2,008,000 | 25/02/2022 | 16/03/2026 | 2,183,521 | 187,830 | 1,995,691 |
| FR0086 | 2,000,000 | 24/02/2022 | 13/03/2026 | 2,126,580 | 183,038 | 1,943,542 |
| FR0081 | 1,676,000 | 13/07/2022 | 13/06/2023 | 1,604,717 | 22,921 | 1,581,796 |
| FR0073 | 1,571,000 | 27/07/2022 | 27/06/2023 | 1,602,837 | 24,860 | 1,577,977 |
| FR0082 | 1,472,000 | 21/07/2022 | 06/07/2023 | 1,338,510 | 21,462 | 1,317,048 |
| FR0087 | 1,524,000 | 21/07/2022 | 06/07/2023 | 1,338,179 | 21,457 | 1,316,722 |
| FR0091 | 1,560,000 | 21/07/2022 | 06/07/2023 | 1,337,687 | 21,449 | 1,316,238 |
| FR0056 | 790,000 | 24/02/2022 | 14/08/2026 | 955,431 | 92,041 | 863,390 |
| FR0091 | 1,524,000 | 09/08/2022 | 25/07/2023 | 804,493 | 15,292 | 789,201 |
| FR0091 | 1,560,000 | 10/08/2022 | 26/07/2023 | 804,484 | 15,367 | 789,117 |
| FR0090 | 824,000 | 24/02/2022 | 12/02/2027 | 881,642 | 95,647 | 785,995 |
| Bond INDON-072831 | 691,197 | 07/07/2022 | 07/07/2025 | 542,193 | 44,070 | 498,123 |
| Bond US71567RAS58 | 498,160 | 14/12/2021 | 13/12/2024 | 435,499 | 23,751 | 411,748 |
| Bond US71567RAM88 | 389,188 | 14/12/2021 | 13/12/2024 | 390,407 | 21,292 | 369,115 |
| Bond INDON-021430 | 451,458 | 07/07/2022 | 07/07/2025 | 385,116 | 31,302 | 353,814 |
| FR0090 | 2,137,300 | 21/07/2022 | 21/06/2023 | 344,177 | 5,157 | 339,020 |
| Bond INDON-101530 | 323,026 | 07/07/2022 | 07/07/2025 | 292,829 | 23,801 | 269,028 |
| Bond US455780CY00 | 319,134 | 14/12/2021 | 13/12/2024 | 275,916 | 15,048 | 260,868 |
| Bond INDON-280731 | 311,350 | 20/12/2021 | 20/12/2024 | 270,010 | 14,169 | 255,841 |
| Bond US455780CQ75 | 233,513 | 14/12/2021 | 13/12/2024 | 212,330 | 11,580 | 200,750 |
| Bond INDOIS-060931 | 264,648 | 07/07/2022 | 07/07/2025 | 213,575 | 17,359 | 196,216 |
| FR0056 | 1,472,000 | 21/07/2022 | 21/06/2023 | 195,542 | 2,931 | 192,611 |
| Bond INDOIS-290327 | 202,378 | 13/12/2021 | 13/12/2024 | 202,818 | 10,807 | 192,011 |
| Bond US455780CV60 | 229,621 | 14/12/2021 | 13/12/2024 | 194,100 | 10,586 | 183,514 |
| Bond ADGB-160430 | 155,675 | 27/01/2022 | 13/12/2024 | 171,903 | 8,403 | 163,500 |
| Bond QATAR-140329 | 155,675 | 15/12/2021 | 13/12/2024 | 167,672 | 8,513 | 159,159 |
| Bond INDON-080126 | 155,675 | 13/12/2021 | 13/12/2024 | 159,455 | 8,496 | 150,959 |
| Bond INDOIS-290326 | 155,675 | 15/12/2021 | 13/12/2024 | 157,520 | 7,998 | 149,522 |
| Bond INDON-151030 | 155,675 | 13/01/2022 | 13/12/2024 | 154,923 | 8,034 | 146,889 |
| Bond INDOIS-062330 | 182,918 | 07/07/2022 | 07/07/2025 | 151,992 | 12,354 | 139,638 |
| Bond INDON-091829 | 155,675 | 07/07/2022 | 07/07/2025 | 138,191 | 11,232 | 126,959 |
| Bond INDOIS-010328 | 124,540 | 03/03/2022 | 13/12/2024 | 120,516 | 5,976 | 114,540 |
| Bond INDOIS-200229 | 108,973 | 13/01/2022 | 13/12/2024 | 111,721 | 5,793 | 105,928 |
| Bond PERTM-270625 | 96,929 | 27/06/2022 | 27/06/2025 | 96,929 | - | 96,929 |
| Bond KSA-020233 | 108,973 | 13/12/2021 | 13/12/2024 | 101,616 | 5,415 | 96,201 |
| FR0077 | 2,000,000 | 21/07/2022 | 21/06/2023 | 95,243 | 1,427 | 93,816 |
| FR0070 | 2,008,000 | 21/07/2022 | 21/06/2023 | 94,857 | 1,422 | 93,435 |
| FR0081 | 1,676,000 | 21/07/2022 | 21/06/2023 | 91,952 | 1,378 | 90,574 |
| FR0086 | 1,571,000 | 21/07/2022 | 21/06/2023 | 88,176 | 1,321 | 86,855 |
| Bond ADGB-111027 | 77,838 | 13/01/2022 | 13/12/2024 | 79,119 | 4,103 | 75,016 |
| Bond QATAR-160425 | 77,838 | 15/12/2021 | 13/12/2024 | 78,776 | 3,999 | 74,777 |
| Bond KSA-291029 | 77,838 | 13/01/2022 | 13/12/2024 | 77,115 | 3,999 | 73,116 |
| Bond US455780CK06 | 77,838 | 14/12/2021 | 13/12/2024 | 73,250 | 3,995 | 69,255 |
| Bond INDON-110128 | 77,838 | 16/02/2022 | 13/12/2024 | 72,336 | 3,472 | 68,864 |
| Bond KSA-020233 | 77,838 | 03/03/2022 | 20/12/2024 | 69,637 | 3,423 | 66,214 |
| Bond INDON-280731 | 77,838 | 15/12/2021 | 13/12/2024 | 69,586 | 3,533 | 66,053 |
| Bond INDOIS-090626 | 77,838 | 20/12/2021 | 20/12/2024 | 67,320 | 3,532 | 63,788 |
| Bond INDON-151030 | 46,703 | 13/12/2021 | 13/12/2024 | 47,220 | 2,516 | 44,704 |
| Bond INDON-170237 | 39,697 | 16/02/2022 | 13/12/2024 | 46,844 | 2,248 | 44,596 |
| Bond INDOIS-010328 | 46,703 | 20/12/2021 | 20/12/2024 | 46,274 | 2,428 | 43,846 |
| Bond US455780CQ75 | 46,703 | 14/12/2021 | 13/12/2024 | 42,466 | 2,316 | 40,150 |
| Bond INDOIS-090631 | 46,703 | 13/12/2021 | 13/12/2024 | 42,263 | 2,252 | 40,011 |
| Bond INDON-280731 | 46,703 | 20/12/2021 | 20/12/2024 | 40,502 | 2,126 | 38,376 |
| Bond INDON-240428 | 31,135 | 13/12/2021 | 13/12/2024 | 31,323 | 1,669 | 29,654 |
| Bond INDON-140230 | 31,135 | 13/12/2021 | 13/12/2024 | 29,306 | 1,562 | 27,744 |
| Bond INDON-180929 | 31,135 | 16/02/2022 | 13/12/2024 | 29,101 | 1,396 | 27,705 |
| Bond KSA-020233 | 31,135 | 03/03/2022 | 13/12/2024 | 27,868 | 1,382 | 26,486 |
| Bond INDOIS-230630 | 26,465 | 13/12/2021 | 13/12/2024 | 24,800 | 1,321 | 23,479 |
| Bond US71567RAM88 | 23,974 | 14/12/2021 | 13/12/2024 | 24,049 | 1,312 | 22,737 |
| Bond INDOIS-200229 | 15,568 | 13/12/2021 | 13/12/2024 | 16,165 | 863 | 15,302 |
| Total foreign currencies (Note 63B.(iv)) | 36,067,119 | | | 24,522,757 | 1,331,399 | 23,191,358 |
| Total | 37,237,119 | | | 25,665,813 | 1,340,338 | 24,325,475 |

These consolidated financial statements are originally issued in the Indonesian language.

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28. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE (continued)

| 2021 | | | | | | |
|---|------------------|------------|---------------|------------------|------------------------------|------------------|
| Securities | Nominal value | Start date | Maturity date | Buy back value | Unamortised interest expense | Net value |
| Foreign currencies | | | | | | |
| Third parties | | | | | | |
| FR0063 | 636,268 | 13/02/2019 | 14/02/2022 | 474,324 | 1,875 | 472,449 |
| Bond US71567RAS58 | 456,080 | 14/12/2021 | 13/12/2024 | 398,712 | 21,745 | 376,967 |
| Bond US71567RAM88 | 356,313 | 14/12/2021 | 13/12/2024 | 357,429 | 19,494 | 337,935 |
| Bond US455780CY00 | 292,176 | 14/12/2021 | 13/12/2024 | 252,609 | 13,776 | 238,833 |
| Bond INDON-280731 | 285,050 | 20/12/2021 | 20/12/2024 | 247,202 | 12,758 | 234,444 |
| Bond KUWIB-200322 | 213,788 | 13/12/2021 | 18/03/2022 | 195,916 | 936 | 194,980 |
| Bond US455780CQ75 | 213,788 | 14/12/2021 | 13/12/2024 | 194,394 | 10,602 | 183,792 |
| Bond INDOIS-290327 | 185,283 | 13/12/2021 | 13/12/2024 | 185,685 | 9,729 | 175,956 |
| Bond US455780CV60 | 210,224 | 14/12/2021 | 13/12/2024 | 177,704 | 9,692 | 168,012 |
| Bond INDON-170138 | 114,020 | 27/07/2021 | 25/05/2022 | 157,628 | 434 | 157,194 |
| Bond KSA-170430 | 142,525 | 15/12/2021 | 13/12/2024 | 157,702 | 7,875 | 149,827 |
| Bond QATAR-140329 | 142,525 | 15/12/2021 | 13/12/2024 | 153,509 | 7,666 | 145,843 |
| Bond INDON-080126 | 142,525 | 13/12/2021 | 13/12/2024 | 145,986 | 7,650 | 138,336 |
| Bond INDOIS-290326 | 142,525 | 15/12/2021 | 13/12/2024 | 144,214 | 7,201 | 137,013 |
| Bond INDOIS-280525 | 114,020 | 26/07/2021 | 26/01/2022 | 124,098 | 184 | 123,914 |
| Bond INDOIS-200229 | 114,020 | 27/07/2021 | 25/05/2022 | 120,755 | 332 | 120,423 |
| Bond INDON-121035 | 71,263 | 27/07/2021 | 25/05/2022 | 105,233 | 290 | 104,943 |
| Bond INDON-110128 | 99,768 | 13/12/2021 | 13/12/2024 | 98,003 | 5,135 | 92,868 |
| Bond INDON-170237 | 71,263 | 27/07/2021 | 25/05/2022 | 91,944 | 253 | 91,691 |
| Bond INDON-120331 | 99,768 | 27/07/2021 | 25/05/2022 | 88,651 | 244 | 88,407 |
| Bond KSA-020233 | 99,768 | 13/12/2021 | 13/12/2024 | 93,031 | 4,874 | 88,157 |
| Bond INDOIS-230630 | 85,515 | 27/07/2021 | 25/05/2022 | 79,869 | 220 | 79,649 |
| Bond INDON-151030 | 71,263 | 27/07/2021 | 25/05/2022 | 72,861 | 201 | 72,660 |
| Bond QATAR-160430 | 71,263 | 20/12/2021 | 20/12/2024 | 76,590 | 3,953 | 72,637 |
| Bond QATAR-160425 | 71,263 | 15/12/2021 | 13/12/2024 | 72,122 | 3,601 | 68,521 |
| Bond ADGB-111022 | 71,263 | 13/12/2021 | 10/10/2022 | 66,545 | 997 | 65,548 |
| Bond US455780CK06 | 71,263 | 14/12/2021 | 13/12/2024 | 67,062 | 3,657 | 63,405 |
| Bond INDOIS-211122 | 71,263 | 13/12/2021 | 18/11/2022 | 63,282 | 1,068 | 62,214 |
| Bond INDON-150124 | 57,010 | 13/12/2021 | 26/01/2022 | 62,086 | 22 | 62,064 |
| Bond INDON-150125 | 57,010 | 26/07/2021 | 26/01/2022 | 61,049 | 90 | 60,959 |
| Bond INDON-280731 | 71,263 | 15/12/2021 | 13/12/2024 | 63,708 | 3,181 | 60,527 |
| Bond INDOIS-090626 | 71,263 | 15/12/2021 | 13/12/2024 | 63,645 | 3,179 | 60,466 |
| Bond INDON-171023 | 57,010 | 13/12/2021 | 26/01/2022 | 60,170 | 21 | 60,149 |
| Bond INDOIS-090626 | 71,263 | 20/12/2021 | 20/12/2024 | 61,634 | 3,181 | 58,453 |
| Bond INDOIS-200824 | 42,758 | 26/07/2021 | 26/01/2022 | 45,797 | 68 | 45,729 |
| Bond INDOIS-280525 | 42,758 | 27/07/2021 | 25/05/2022 | 43,377 | 120 | 43,257 |
| Bond ROI-100924 | 57,010 | 06/03/2019 | 07/03/2022 | 41,408 | - | 41,408 |
| Bond INDON-080127 | 42,758 | 15/12/2021 | 13/12/2024 | 43,379 | 2,166 | 41,213 |
| Bond INDON-151030 | 42,758 | 13/12/2021 | 13/12/2024 | 43,231 | 2,265 | 40,966 |
| Bond INDOIS-010328 | 42,758 | 20/12/2021 | 20/12/2024 | 42,365 | 2,186 | 40,179 |
| Bond US455780CQ75 | 42,758 | 14/12/2021 | 13/12/2024 | 38,879 | 2,121 | 36,758 |
| Bond INDOIS-090631 | 42,758 | 13/12/2021 | 13/12/2024 | 38,693 | 2,028 | 36,665 |
| Bond INDON-280731 | 42,758 | 20/12/2021 | 20/12/2024 | 37,080 | 1,913 | 35,167 |
| Bond INDOIS-290327 | 28,505 | 26/07/2021 | 26/01/2022 | 31,353 | 46 | 31,307 |
| Bond ROI-290326 | 42,758 | 06/03/2019 | 07/03/2022 | 31,088 | - | 31,088 |
| Bond INDOIS-100924 | 28,505 | 26/07/2021 | 26/01/2022 | 30,887 | 45 | 30,842 |
| Bond INDON-171023 | 28,505 | 13/12/2021 | 26/01/2022 | 30,085 | 11 | 30,074 |
| Bond KUWIB-200327 | 28,505 | 13/12/2021 | 13/12/2024 | 29,895 | 1,567 | 28,328 |
| Bond INDOIS-010328 | 28,505 | 15/12/2021 | 13/12/2024 | 29,137 | 1,455 | 27,682 |
| Bond INDON-240428 | 28,505 | 13/12/2021 | 13/12/2024 | 28,677 | 1,503 | 27,174 |
| Bond INDON-140230 | 28,505 | 27/07/2021 | 25/05/2022 | 27,184 | 75 | 27,109 |
| Bond INDON-171023 | 28,505 | 13/12/2021 | 16/10/2023 | 27,317 | 897 | 26,420 |
| Bond INDON-140230 | 28,505 | 13/12/2021 | 13/12/2024 | 26,830 | 1,406 | 25,424 |
| Bond INDOIS-230630 | 24,229 | 13/12/2021 | 13/12/2024 | 22,706 | 1,190 | 21,516 |
| Bond US71567RAM88 | 21,949 | 14/12/2021 | 13/12/2024 | 22,018 | 1,201 | 20,817 |
| Bond INDOIS-090631 | 16,675 | 13/12/2021 | 26/01/2022 | 16,303 | 6 | 16,297 |
| Bond INDON-150125 | 14,253 | 27/07/2021 | 25/05/2022 | 14,229 | 39 | 14,190 |
| Bond INDOIS-200229 | 14,253 | 13/12/2021 | 13/12/2024 | 14,800 | 776 | 14,024 |
| Bond ADGB-300924 | 14,253 | 13/12/2021 | 27/09/2024 | 13,875 | 679 | 13,196 |
| Bond PERTM-030522 | 14,253 | 06/03/2019 | 07/03/2022 | 11,932 | - | 11,932 |
| Total foreign currencies (Note 63B.(iv)) | 5,919,114 | | | 5,617,877 | 189,879 | 5,427,998 |
| Total | 5,919,114 | | | 5,617,877 | 189,879 | 5,427,998 |

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29. ACCEPTANCE PAYABLES

a. By currencies, related parties and third parties:

| | 2022 | 2021 |
|---------------------------|--------------------------|--------------------------|
| Rupiah | | |
| Payables to other banks | | |
| Related parties (Note 57) | 1,512,348 | 576,316 |
| Third parties | 2,202,157 | 3,209,975 |
| Payables to debtors | | |
| Related parties (Note 57) | 206,010 | 260,656 |
| Third parties | 556,252 | 565,771 |
| Total | <u>4,476,767</u> | <u>4,612,718</u> |
| Foreign currencies | | |
| Payables to other banks | | |
| Related parties (Note 57) | 13,103 | - |
| Third parties | 7,148,586 | 5,118,895 |
| Payables to debtors | | |
| Related parties (Note 57) | 18,662 | 46,417 |
| Third parties | 124,463 | 495,414 |
| Total (Note 63B.(iv)) | <u>7,304,814</u> | <u>5,660,726</u> |
| | <u>11,781,581</u> | <u>10,273,444</u> |

b. By maturity:

| | 2022 | 2021 |
|-----------------------|--------------------------|--------------------------|
| Rupiah | | |
| Less than 1 month | 966,825 | 1,607,182 |
| 1 - 3 months | 1,783,794 | 1,607,065 |
| 3 - 6 months | 1,725,640 | 1,398,471 |
| 6 - 12 months | 508 | - |
| Total | <u>4,476,767</u> | <u>4,612,718</u> |
| Foreign currencies | | |
| Less than 1 month | 2,262,567 | 2,434,725 |
| 1 - 3 months | 3,048,233 | 2,282,704 |
| 3 - 6 months | 1,742,471 | 744,007 |
| 6 - 12 months | 250,856 | 170,785 |
| More than 12 month | 687 | 28,505 |
| Total (Note 63B.(iv)) | <u>7,304,814</u> | <u>5,660,726</u> |
| | <u>11,781,581</u> | <u>10,273,444</u> |

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30. DEBT SECURITIES ISSUED

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Rupiah | | |
| Related parties (Note 57) | | |
| Bonds | 4,748,550 | 9,367,000 |
| Subordinated notes sharia <i>mudharabah</i> | 855,000 | 381,000 |
| | 5,603,550 | 9,748,000 |
| Third parties | | |
| Bonds | 13,550,355 | 12,440,850 |
| Subordinated notes sharia <i>mudharabah</i> | 2,595,000 | 994,000 |
| Mandiri travelers' cheques | 64,402 | 64,503 |
| | 16,209,757 | 13,499,353 |
| | 21,813,307 | 23,247,353 |
| Foreign currencies (Note 63B.(iv)) | | |
| Third parties | | |
| Bonds | 24,034,300 | 21,962,700 |
| | 45,847,607 | 45,210,053 |
| Less: unamortised debt issuance cost | (73,468) | (71,711) |
| Net | 45,774,139 | 45,138,342 |

Bonds

Bank Mandiri

Rupiah

On 12 May 2020, Bank Mandiri issued Continuous Bond II Bank Mandiri Phase I Year 2020 ("Continuous Bond II Phase I") with total nominal value Rp1,000,000, which consist of 2 (two) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--------------------------------------|----------------------|
| Series A | 350,000 | 7.75% | 12 May 2025 |
| Series B | 650,000 | 8.30% | 12 May 2027 |

Continuous Bond II Phase I is offered at 100% (one hundred percent) of the principal amount of bonds. The bond interest is paid on quarterly basis with the first interest payment was made on 12 August 2020, while the last interest payment and maturity date of the bonds will be on 12 May 2025 for Series A and 12 May 2027 for Series B which is also the redemption date of the principal of each series of bonds. The payments of the bonds principal will be fully paid on the maturity date. The trustee of the bond issuance of Continuous Bond II Phase I is PT Bank Permata Tbk.

As of 31 December 2022 and 2021 based on Pefindo's rating, the Continuous Bonds II Phase I was rated idAAA (triple A).

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Bank Mandiri (continued)

Rupiah (continued)

On 21 September 2018, Bank Mandiri issued Continuous Bond I Bank Mandiri Phase III Year 2018 ("Continuous Bond I Phase III") with total nominal value Rp3,000,000 as below:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------------------------|----------------------|--|----------------------|
| Continuous Bond I Phase III | 3,000,000 | 8.50% | 21 September 2023 |

Continuous Bond I Phase III is offered at 100% (one hundred percent) of the principal amount of bonds. The bond interest is paid on quarterly basis with the first interest payment was made on 21 December 2018, while the last interest payment and maturity date of the bonds on 21 September 2023 which is also the redemption date of the principal amount of bonds. The payment of the bonds principal will be fully paid on the maturity date. The trustee of the Continuous Bond I Phase III issuance is PT Bank Permata Tbk.

On 15 June 2017, Bank Mandiri issued Continuous Bond I Bank Mandiri Phase II Year 2017 ("Continuous Bond I Phase II") with total nominal value of Rp6,000,000, which consist of 4 (four) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--|----------------------|
| Series A | 1,000,000 | 8.00% | 15 June 2022 |
| Series B | 3,000,000 | 8.50% | 15 June 2024 |
| Series C | 1,000,000 | 8.65% | 15 June 2027 |
| Series D | 1,000,000 | 7.80% | 15 June 2020 |

Continuous Bond I Phase II Series A, Series B and Series C are offered at 100% (one hundred percent) of the principal amount of the bonds. The interest of the bond is paid on quarterly basis, with the first payment made on 15 September 2017 while the last interest payment date of the interest and maturity date of the bonds on 15 June 2022 for Series A, 15 June 2024 for Series B, and 15 June 2027 for Series C which is also the redemption date of the principal of each series of bonds. Series D bonds are offered without interest at a bid price of 79.3146% (seventy nine point three one four six percent) of the principal amount of bonds, while for series A the maturity date is 15 June 2022. The payments of the bonds principal will be fully paid on the maturity date. The trustee of the Continuous Bonds I Phase II issuance is PT Bank Tabungan Negara (Persero) Tbk.

On 30 September 2016, Bank Mandiri issued Continuous Bonds I Bank Mandiri Phase I Year 2016 ("Continuous Bonds I Phase I") with total nominal value of Rp5,000,000 which consist of 3 (three) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--|----------------------|
| Series A | 1,100,000 | 7.95% | 30 September 2021 |
| Series B | 1,500,000 | 8.50% | 30 September 2023 |
| Series C | 2,400,000 | 8.65% | 30 September 2026 |

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Bank Mandiri (continued)

Rupiah (continued)

The interest of Continuous Bonds I Phase I is paid on quarterly basis, with the first interest payment made on 30 December 2016 while the last interest payment and maturity date of the bonds is 30 September 2023 for Series B and 30 September 2026 for Series C which is also the redemption date the principal of each series of bonds, while for the Series A mature on 30 September 2021. The trustee for Continuous Bonds I Phase I is PT Bank Tabungan Negara (Persero) Tbk.

During the validity periods of the Bonds and prior to the repayment of the bonds, Bank Mandiri has to comply to: (i) maintain the overall Bank's soundness level as regulated by FSA; (ii) maintain the Bank's soundness level at a minimum in the composite level 3 (three) which is categorised as "Fair", according to internal assessment based upon on Bank Indonesia's regulation; (iii) obtain and comply with permits and approvals (from the Government and other parties) and ensure the Bank complies to Indonesia's laws and regulations.

Bank Mandiri, without a written approval from the Trustee will not: (i) reducing the Bank's issued and paid up capital except such a reduction is conducted based on regulations from the Government of Indonesia or Bank Indonesia; (ii) change its nature of business; (iii) conducting merger, consolidation, or acquisitions which led to the dissolution of Bank Mandiri.

The bonds are not guaranteed by any form of special guarantee, except for the general guarantee as referred and in accordance with the Article 1131 and Article 1132 of the Indonesian Civil Law, all the assets of the Bank, either moving objects and objects that are not moving, present or future, shall be regarded as securities for the Bank's agreements including those bonds.

As of 31 December 2022 and 2021 the Pefindo's rating of Continuous Bonds I Phase III, II and Phase I is idAAA (triple A).

Foreign Currency

On 19 April 2021, Bank Mandiri issued the third Euro Medium Term Notes (EMTN), namely Bank Mandiri Sustainability Bond 2021, with total nominal value of USD300,000,000 (full amount) on the Singapore Exchange (SGX) as follows:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|------------------------|----------------------|--|----------------------|
| Euro Medium Term Notes | USD300,000,000 | 2.00% | 19 April 2026 |

Bank Mandiri Sustainability Bond 2021 are offered at a value of 98.913% (ninety eight point nine one three percent) of the principal amount of the bonds. Bond interest is paid every semester, with the first interest payment being made on 19 October 2021, while the last interest payment is at the same time the bond maturity on 19 April 2026 which is also the principal repayment date of the bonds. The trustee of the issuance of EMTN is Bank of New York Mellon. The proceeds from the issuance of the Sustainability Bond will be used to finance or refinance projects or activities that are environmentally and socially sound, in accordance with the criteria set out in Bank Mandiri's Sustainability Bond Framework.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Bank Mandiri (continued)

Foreign Currency (continued)

As of 31 December 2022, EMTN's ratings are Baa2 (Moody's) and BBB- (Fitch).

On 13 May 2020 Bank Mandiri issued the second Euro Medium Term Notes (EMTN) with total nominal value of USD500,000,000 (full amount) on the Singapore Exchange (SGX) as follow:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|------------------------|----------------------|--|----------------------|
| Euro Medium Term Notes | USD500,000,000 | 4.75% | 13 May 2025 |

Euro Medium Term Notes (EMTN) is offered at 99.255% (ninety nine point two five five percent) of the principal amount of bonds. The interest is paid on semi-annual basis with the first interest payment was made on 13 November 2020, while the last interest payment and due date of the bonds principal on 13 May 2025 which is also the due date of the principal amount of bonds. The trustee of the EMTN bond issuance is Bank of New York Mellon.

As of 31 December 2022, EMTN is rated Baa2 (Moody's) and BBB- (Fitch)

On 11 April 2019 Bank Mandiri issued the first Euro Medium Term Notes (EMTN) with total nominal value of USD750,000,000 (full amount) on the Singapore Exchange (SGX) as follow:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|------------------------|----------------------|--|----------------------|
| Euro Medium Term Notes | USD750,000,000 | 3.75% | 11 April 2024 |

Euro Medium Term Notes is offered at 98.998% (ninety eight point nine nine eight percent) of the principal amount of bonds. The interest is paid on semi-annual basis with the first interest payment was made on 11 October 2019, while the last interest payment and maturity date of the bonds principal on 11 April 2024 which is also the redemption date of the principal amount of bonds. The trustee of the EMTN bond issuance is Bank of New York Mellon.

As of 31 December 2022 and 2021, EMTN is rated Baa2 (Moody's) and BBB- (Fitch).

Subsidiaries

Rupiah

On 29 April 2021, the Subsidiary (Bank Mandiri Taspen) issued and registered the Continuous Bonds I Phase II Year 2021 to the Indonesia Stock Exchange with a nominal value of Rp2,000,000 consisting of 2 (two) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--|----------------------|
| Series A | 800,000 | 6.50% | 29 April 2024 |
| Series B | 1,200,000 | 7.25% | 29 April 2026 |

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Subsidiaries (continued)

Rupiah (continued)

Bond interest is paid quarterly, with the first interest payment for each series will be made on 29 July 2021 while the last interest payment as well as the maturity of the bonds will be on 29 April 2024 for Series A and 29 April 2026 for Series B.

The trustee of the issuance of the Continuous Bonds I Phase II Year 2021 is PT Bank Permata Tbk. As of 31 December 2022 and 31 December 2021, the rating for the Continuous Bonds I Phase II of PT Bank Mandiri Taspen in 2021 according to PT Fitch Ratings Indonesia is AA (idn) (double A).

On 26 November 2019, The Subsidiary (Bank Mandiri Taspen) issued and registered the Continuous Bond I Phase I Year 2019 to Indonesia Stock Exchange with total nominal value of Rp1,000,000 in which comprised of 2 (two) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--------------------------------------|----------------------|
| Series A | 700,000 | 7.90% | 26 November 2022 |
| Series B | 300,000 | 8.20% | 26 November 2024 |

Bonds interest were paid on quarterly basis, with the first interest payment was made on 26 February 2020, while the last interest payment and maturity of the bonds on 26 November 2022 for Series A and 26 November 2024 for Series B which also the date for principal repayment of each bond.

Trustee for Continuous Bond I Phase I PT Bank Mandiri Taspen on 2019 is PT Bank Permata Tbk. As of 31 December 2022 and 2021, Continuous Bond I Phase I PT Bank Mandiri Taspen 2019 is rated AA (idn) (double A) by PT Fitch Ratings Indonesia.

On 11 July 2017, the Subsidiary (Bank Mandiri Taspen) issued and registered the Bond I PT Bank Mandiri Taspen year 2017 to Indonesia Stock Exchange with total nominal value of Rp2,000,000 in which comprised of 2 (two) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--------------------------------------|----------------------|
| Series A | 1,500,000 | 8.50% | 11 July 2020 |
| Series B | 500,000 | 8.75% | 11 July 2022 |

Bonds interest were paid on quarterly basis, with the first interest payment was made on 11 October 2017, while the last interest payment and maturity of the bonds on 11 July 2020 for Series A and 11 July 2022 for Series B that also the date for principal repayment for each bond. In July 2020, Series A of the Bonds I has matured.

Trustee for Bond I PT Bank Mandiri Taspen on 2017 is PT Bank Tabungan Negara (Persero) Tbk. On 31 December 2022 and 2021, rating of Bond I PT Bank Mandiri Taspen on 2017 according to PT Fitch Ratings Indonesia is AA (idn) (double A).

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Subsidiaries (continued)

Rupiah (continued)

During the validity period of the Bonds and prior to the repayment of the bonds, Bank Mandiri has to comply to: (i) maintain the overall Bank's soundness level as regulated by FSA; (ii) maintain the Bank's soundness level at a minimum in the composite level 3 (three) which is categorised as "Fair", according to internal assessment based upon on Bank Indonesia's regulation; (iii) obtain and comply with permits and approvals (from the Government and other parties) and ensure the Bank complies to Indonesia's rules and regulations.

Bank Mandiri, without a written approval from the Trustee will not: (i) reducing the Bank's issued and fully paid up capital except such a reduction is conducted based on regulations from the Government of Indonesia or Bank Indonesia; (ii) change its nature of business; (iii) conducting merger, consolidation, or acquisitions which led to the dissolution of Bank Mandiri.

On 26 July 2019, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuous Bonds IV Mandiri Tunas Finance Phase II Year 2019 ("Continuous Bonds IV Phase II") to the Indonesia Stock Exchange with total nominal value of Rp2,000,000 which consist of 2 (two) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--|----------------------|
| Series A | 1,342,000 | 8.90% | 26 July 2022 |
| Series B | 658,000 | 9.50% | 26 July 2024 |

The trustee for Continuous Bonds IV Phase II is PT Bank Mega Tbk.

On 8 January 2019, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuous Bonds IV Mandiri Tunas Finance Phase I Year 2019 ("Continuous Bonds IV Phase I") to the Indonesia Stock Exchange with total nominal value of Rp1,000,000 which consist of 2 (two) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--|----------------------|
| Series A | 800,000 | 9.40% | 8 January 2022 |
| Series B | 200,000 | 9.75% | 8 January 2024 |

The trustee for Continuous Bonds IV Phase I is PT Bank Rakyat Indonesia (Persero) Tbk.

The trustee agreement stipulates several restrictions that must be met by the Subsidiary, including providing fiduciary guarantees in the form of consumer financing receivables and a total debt to equity ratio not exceeding 10:1. Moreover, as long as the principal of the bonds has not been repaid, the Subsidiary is not permitted, among other things, to enter into a business merger unless it is carried out in the same line of business and sell or transfer more than 50% of the Subsidiary's assets except for the daily business activities of the Subsidiary.

As of 31 December 2022 and 2021 based on Pefindo's rating, the Continuous Bonds IV Phase II and I was rated idAA+ (double A plus). On 8 January 2022, Series A of the Continuous Bonds IV Phase I has matured.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Subsidiaries (continued)

Rupiah (continued)

On 6 June 2017, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuous Bonds III Mandiri Tunas Finance Phase II 2017 ("Continuous Bonds III Phase II") to the Indonesia Stock Exchange with total nominal value of Rp850,000 which consist of 2 (two) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--|----------------------|
| Series A | 610,000 | 8.50% | 6 June 2020 |
| Series B | 240,000 | 8.85% | 6 June 2022 |

The trustee of the issuance of the Continuous Bonds III Phase II is PT Bank Mega Tbk. On 6 June 2020, Series A of the Continuous Bonds III Phase II has matured.

On 13 August 2020, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuous Bonds V Mandiri Tunas Finance Phase I Year 2020 ("Continuous Bonds V Phase I") to the Indonesia Stock Exchange with total nominal value of Rp858.000 which comprises of 2 (two) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--|----------------------|
| Series A | 472,000 | 8.00% | 13 August 2023 |
| Series B | 386,000 | 8.60% | 13 August 2025 |

The trustee for Continuous Bonds V Phase I issuance is PT Bank Rakyat Indonesia (Persero) Tbk.

The trustee agreement stipulates several restrictions that must be met by the Subsidiary, including providing fiduciary guarantees in the form of consumer financing receivables and a total debt to equity ratio not exceeding 10:1. Moreover, as long as the principal of the bonds has not been repaid, the Subsidiary is not permitted, among other things, to enter into a business merger unless it is carried out in the same line of business and sell or transfer more than 50% of the Subsidiary's assets except for the daily business activities of the Subsidiaries.

The Continuous Bonds V Phase I according to Pefindo as of 31 December 2022 and 31 December 2021 is idAA+ (double A plus).

On 20 May 2021, the Subsidiary (PT Mandiri Tunas Finance) issued and registered the Mandiri Tunas Finance the Continuous Bonds V Phase II Year 2021 ("Continuous Bonds V Phase II") to the Indonesia Stock Exchange with a nominal value of Rp1,400,850 consisting of 2 (two) series.

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--|----------------------|
| Series A | 915,150 | 7.00% | 20 May 2024 |
| Series B | 485,700 | 7.65% | 20 May 2026 |

The trustee of the issuance of the Continuous Bonds V Phase II is PT Bank Rakyat Indonesia (Persero) Tbk.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Subsidiaries (continued)

Rupiah (continued)

In the trustee agreement, the Subsidiaries stipulate several restrictions that must be met, including providing fiduciary guarantees in the form of consumer financing receivables and the ratio of total loan to equity does not exceed a ratio of 10:1. In addition, as long as the principal of the bonds has not been repaid, the Subsidiaries are not allowed to, among others, conduct business combinations unless carried out in the same line of business and sell or transfer more than 50% of the Subsidiary's assets except for the daily business activities of the Subsidiaries.

On 23 February 2022, the Subsidiary (PT Mandiri Tunas Finance) issued Sustainable Bonds V Phase III Year 2022 ("Continuous Bonds V Phase III") with a nominal value of Rp1,228,055 which consists of 2 (two) series:

| <u>Bonds</u> | <u>Nominal value</u> | <u>Fixed interest rate per annum</u> | <u>Maturity date</u> |
|--------------|----------------------|--|----------------------|
| Series A | 851,440 | 5.90% | 23 February 2025 |
| Series B | 376,615 | 6.75% | 23 February 2027 |

The Continuous Bonds V Phase III according to Pefindo as of 31 December 2022 and 31 December 2021 is idAA+ (double A plus).

As of 31 December 2022, all securities issued by PT Mandiri Tunas Finance are secured by consumer financing receivables amounted to Rp1,334,588 (31 December 2021: Rp2,374,488) (Note 13f) and net investment in finance leases amounted to Rp1,175,138 (31 December 2021: Rp924,823) (Note 14f).

Subordinated notes sharia *mudharabah*

On 22 December 2016, the Subsidiary, Bank Syariah Indonesia (formerly issued by PT Bank Syariah Mandiri) has issued subordinated sukuk *mudharabah* BSM Year 2016 ("sukuk *mudharabah*") with total nominal value of Rp375,000. Sukuk *mudharabah* are long term securities debt tenor 7 years with the following terms and conditions as follow:

- Profit sharing is calculated by multiplying the revenue-sharing portion of the *mudharabah* sukuk holders and revenue which can be shared and based on the available last-quarter unaudited financial statements and approved by BSM's Directors no later than 10 (ten) working days prior to the payment date of profit sharing.
- The profit sharing was generated from the revenue of BSM's portfolio in Rupiah (blended) amounted to 7 (seven) times of sukuk *mudharabah* Funds denominated in rupiah which held by the issuer, which generated from one (1) quarter as stated in BSM's unaudited financial statements.
- The *Nisbah* of the sukuk *mudharabah* holders' is 27.07% per annum of the profit sharing which is paid on quarterly basis.

Sukuk *mudharabah* is not guaranteed by special collateral nor guaranteed by third parties. Including not guaranteed by the Republic of Indonesia and is not included in the Bank guarantee program implemented by Bank Indonesia or other guarantee institution in accordance to the prevailing law and regulation article 17 paragraph (1) letter f of FSA's Regulation (POJK) No. 21/POJK.03/2014 dated 18 November 2014 concerning the Minimum Capital Requirement for Sharia Banks. Sukuk *mudharabah* are subordinated Subsidiary's liability.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Subsidiaries (continued)

Rupiah (continued)

Subordinated notes sharia *mudharabah* (continued)

During the validity period of sukuk *mudharabah* and before the redemption of all of principal and profit sharing, BSM is obliged to: (i) maintain the CAR (Capital Adequacy Ratio) at minimum 12% (twelve percent); (ii) ensure sukuk *mudharabah* holders at maximum 50 (fifty) investors; (iii) submit to the trustee as follows: the financial statements (audited) at maximum the 4th month after the date of financial statements, quarterly financial statements (unaudited) the 1st month after the date of financial statements at the latest, the financial statements used to calculate the profit sharing and BSM's soundness rating report and self-assessment of Good Corporate Governance implementation to the FSA.

BSM without written approval from the monitoring agent will not do the following: (i) reduce the issued and paid-in capital; (ii) undergo a change in its main business; (iii) undergo a merger, consolidation, reorganization, except such changes are in accordance with regulations from the Government of Indonesia or Bank Indonesia; (iv) conduct a merger, consolidation, acquisition with another entity that will result in the dissolution of BSM.

Acting as the trustee of the *mudharabah* sukuk is PT Bank Mandiri (Persero) Tbk. As of 31 December 2022 and 2021, the rating for the *mudharabah* sukuk according to Pefindo is idAA-(sy) (double A minus sharia).

On 17 November 2016, the Subsidiary, PT Bank Syariah Indonesia (formerly issued by PT Bank Rakyat Indonesia Syariah), issued Subordinated Sukuk *Mudharabah* I Year 2016 amounting to Rp1,000,000 and it was issued at 100.00% of its nominal value using the revenue sharing method on the Indonesia Stock Exchange. The ratio of sukuk holders is 80.2%, which is calculated from gross cash revenue, which is indicated at 11.85%. Profit sharing is paid every 3 (three) months and will mature on 16 November 2023. This Subordinated Sukuk *Mudharabah* I is rated A+(idn) by Fitch at the time of issuance.

The proceeds from the issuance of the Subordinated Sukuk *Mudharabah* I will be fully utilized to strengthen the capital structure in order to support business development activities in the form of financing distribution. This Subordinated *Mudharabah* Sukuk I is not guaranteed by special collateral, including not guaranteed by the Republic of Indonesia or other third parties and is not included in the bank guarantee program implemented by the Deposit Insurance Corporation or other guarantee institutions.

Acting as the trustee for the Subordinated *Mudharabah* Sukuk I is PT Bank Negara Indonesia (Persero) Tbk.

PT Bank Mandiri (Persero) Tbk. and the Subsidiaries have paid the interest of debt securities issued in accordance to scheduled interest payment during the years ended 31 December 2022 and 2021.

During the years ended 31 December 2022 and 2021, PT Bank Mandiri (Persero) Tbk. and the Subsidiaries have fulfilled the requirements as set out in the agreement of debt securities issued.

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31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

a. Transactions of commitments are as follows:

| | 2022 | 2021 |
|--|--------------------|--------------------|
| Rupiah | | |
| Bank guarantee issued (Note 55) | 67,983,979 | 61,992,172 |
| Unused loan facilities ^{*)} | 58,225,671 | 58,310,230 |
| Outstanding irrevocable letter of credit (Note 55) | 7,373,846 | 4,835,217 |
| Standby letter of credit (Note 55) | 2,940,072 | 2,211,569 |
| Total | 136,523,568 | 127,349,188 |
| Foreign currencies | | |
| Bank guarantee issued (Note 55) | 43,022,528 | 40,399,367 |
| Unused loan facilities ^{*)} | 25,679,721 | 34,973,923 |
| Outstanding irrevocable letter of credit (Note 55) | 20,943,435 | 14,469,772 |
| Standby letter of credit (Note 55) | 8,890,240 | 15,486,342 |
| Total | 98,535,924 | 105,329,404 |
| | 235,059,492 | 232,678,592 |

^{*)} Including unused committed and uncommitted credit card facilities

Movements in carrying amount of commitments and contingencies classified as amortised cost upon stage for the year ended 31 December 2022 and 2021 are as follows:

| | 2022 | | | | |
|---|--------------------|-------------------|----------------|----------------------------|--------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia¹⁾ | Total |
| Beginning balance | 223,551,457 | 7,107,360 | 295,167 | 1,724,608 | 232,678,592 |
| Transfer to: | | | | | |
| - 12 months expected credit losses | 252,401 | (175,246) | (77,155) | - | - |
| - Lifetime expected credit losses - unimpaired | (3,192,940) | 3,196,982 | (4,042) | - | - |
| - Lifetime expected credit losses - impaired | (44,584) | (49,111) | 93,695 | - | - |
| Total beginning balance after transfer | 220,566,334 | 10,079,985 | 307,665 | 1,724,608 | 232,678,592 |
| Remeasurement of net carrying amount | (2,647,919) | (181,363) | 3,743 | - | (2,825,539) |
| New commitments and contingencies originated or purchased | 191,821,257 | 5,180,223 | 98,752 | 1,881,382 | 198,981,614 |
| Commitments and contingencies derecognised | (187,127,307) | (5,828,209) | (104,688) | (714,971) | (193,775,175) |
| Total increase/(decrease) during the year | 2,046,031 | (829,349) | (2,193) | 1,166,411 | 2,380,900 |
| Ending balance²⁾ | 222,612,365 | 9,250,636 | 305,472 | 2,891,019 | 235,059,492 |

¹⁾ Not implement SFAS 71

²⁾ Including the unused credit facilities for credit cards amounted to Rp36,533,367

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31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

- a. Movements in carrying amount of commitments and contingencies classified as amortised cost upon stage for the year ended 31 December 2022 and 2021 (continued):

| | 2021 | | | | Total |
|---|--------------------|------------------|----------------|----------------------|--------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | |
| Beginning balance | 192,036,999 | 8,775,912 | 283,985 | 2,056,855 | 203,153,751 |
| Transfer to: | | | | | |
| - 12 months expected credit losses | 89,786 | (57,802) | (31,984) | - | - |
| - Lifetime expected credit losses - unimpaired | (9,572,086) | 9,573,648 | (1,562) | - | - |
| - Lifetime expected credit losses - impaired | (19,316) | (107,601) | 126,917 | - | - |
| Total beginning balance after transfer | 182,535,383 | 18,184,157 | 377,356 | 2,056,855 | 203,153,751 |
| Remeasurement of net carrying amount | (2,384,836) | (6,889,250) | 6,257 | - | (9,267,829) |
| New commitments and contingencies originated or purchased | 176,042,065 | 8,232,294 | 53,165 | 849,220 | 185,176,744 |
| Commitments and contingencies derecognised | (132,641,155) | (12,419,841) | (141,611) | (1,181,467) | (146,384,074) |
| Total increase/(decrease) during the year | 41,016,074 | (11,076,797) | (82,189) | (332,247) | 29,524,841 |
| Ending balance²⁾ | 223,551,457 | 7,107,360 | 295,167 | 1,724,608 | 232,678,592 |

¹⁾ Not implement SFAS 71

²⁾ Including the unused credit facilities for credit cards amounted to Rp32,830,431

- b. By Bank Indonesia's collectibility:

| | 2022 | 2021 |
|--|--------------------|--------------------|
| Current | 228,260,580 | 225,231,799 |
| Special mention | 6,554,760 | 7,176,479 |
| Substandard | 4,209 | 50,522 |
| Doubtful | 48,627 | 5,242 |
| Loss | 191,316 | 214,550 |
| Total | 235,059,492 | 232,678,592 |
| Less: allowance for impairment losses | (2,073,429) | (2,295,241) |
| Commitments and contingencies - net | 232,986,063 | 230,383,351 |

- c. Movements of allowance for impairment losses on commitments and contingencies:

| | 2022 | 2021 |
|--------------------------|------------------|------------------|
| Beginning balance | 2,295,241 | 3,475,979 |
| Reversal during the year | (255,268) | (1,162,993) |
| Others ^{*)} | 33,456 | (17,745) |
| Ending balance | 2,073,429 | 2,295,241 |

^{*)} Including the effect of foreign currencies translation.

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31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

c. Movements of allowance for impairment losses on commitments and contingencies (continued):

| | 2022 | | | | |
|--|----------------|------------------|----------------|----------------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| Beginning balance | 776,560 | 1,309,629 | 191,858 | 17,194 | 2,295,241 |
| Transfer to: | | | | | |
| - 12 months expected credit losses | 15,255 | (12,705) | (2,550) | - | - |
| - Lifetime expected credit losses - unimpaired | (207,427) | 207,607 | (180) | - | - |
| - Lifetime expected credit losses - impaired | (1,173) | (2,701) | 3,874 | - | - |
| Total beginning balance after transfer | 583,215 | 1,501,830 | 193,002 | 17,194 | 2,295,241 |
| Remeasurement of net carrying amount | (215,556) | 118,946 | 31,747 | 11,284 | (53,579) |
| New financial assets originated or purchased | 230,392 | 914,173 | 63,862 | - | 1,208,427 |
| Financial assets derecognised | (138,886) | (1,211,438) | (59,792) | - | (1,410,116) |
| Total allowance/(reversal) during the year | (124,050) | (178,319) | 35,817 | 11,284 | (255,268) |
| Others | 29,862 | 3,198 | - | 396 | 33,456 |
| Ending balance | 489,027 | 1,326,709 | 228,819 | 28,874 | 2,073,429 |

¹⁾ Not implement SFAS 71

| | 2021 | | | | |
|--|----------------|------------------|----------------|----------------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Sharia ¹⁾ | Total |
| Beginning balance | 733,783 | 2,543,225 | 178,647 | 20,324 | 3,475,979 |
| Transfer to: | | | | | |
| - 12 months expected credit losses | 7,185 | (2,440) | (4,745) | - | - |
| - Lifetime expected credit losses - unimpaired | (53,048) | 53,388 | (340) | - | - |
| - Lifetime expected credit losses - impaired | (2,158) | (48,984) | 51,142 | - | - |
| Total beginning balance after transfer | 685,762 | 2,545,189 | 224,704 | 20,324 | 3,475,979 |
| Remeasurement of net carrying amount | (170,566) | 644,281 | (3,720) | (3,173) | 466,822 |
| New financial assets originated or purchased | 431,441 | 2,837,645 | 28,144 | - | 3,297,230 |
| Financial assets derecognised | (160,787) | (4,708,988) | (57,270) | - | (4,927,045) |
| Total allowance/(reversal) during the year | 100,088 | (1,227,062) | (32,846) | (3,173) | (1,162,993) |
| Others | (9,290) | (8,498) | - | 43 | (17,745) |
| Ending balance | 776,560 | 1,309,629 | 191,858 | 17,194 | 2,295,241 |

¹⁾ Not implement SFAS 71

Management believes that the allowance for impairment losses on commitments and contingencies is adequate.

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31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

- d. Information in respect of classification of “unimpaired” and “impaired” is disclosed in Note 63A.
- e. Deposits from customers and deposits from other banks pledged as collateral for bank guarantee and irrevocable letter of credit as of 31 December 2022 and 2021 were amounted to Rp11,363,018 and Rp7,801,723, respectively (Notes 21c and 24c).

32. ACCRUED EXPENSES

| | 2022 | 2021 |
|---|------------------|------------------|
| Fixed asset, software, operational, and ATM procurement | 2,352,674 | 2,235,519 |
| Interest expense | 1,565,557 | 1,305,165 |
| Promotions | 1,077,634 | 1,000,913 |
| Third party labor service and outsourcing expenses | 643,082 | 1,116,851 |
| Professional service costs | 214,190 | 290,830 |
| Regulator fee | 68,196 | 31,770 |
| Training, uniform, recreation | 61,656 | 52,863 |
| Business development | 11,561 | 125,000 |
| Others | 499,244 | 367,578 |
| Total | 6,493,794 | 6,526,489 |

Included in the fixed asset, software, operational, and ATM procurement are payables to vendors related to operational and maintenance activities for buildings, equipments, software, ATM machines and Group Information Technology System.

Others consists of accrued expenses related to fees to be paid to FSA and Group’s operational activities, such as data communication costs and costs of electricity, water and gas.

33. TAXATION

a. Prepaid taxes

| | 2022 | 2021 |
|--------------|------------------|------------------|
| Bank Mandiri | 979,174 | 1,888,518 |
| Subsidiaries | 185,751 | 185,207 |
| Total | 1,164,925 | 2,073,725 |

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33. TAXATION (continued)

b. Taxes payable

| | 2022 | 2021 |
|-------------------------------------|------------------|------------------|
| Current income taxes payable | | |
| Bank Mandiri | 796,520 | 1,028,122 |
| Subsidiaries | 459,524 | 579,535 |
| Total | 1,256,044 | 1,607,657 |
| | 2022 | 2021 |
| Bank Mandiri | | |
| Income Tax | | |
| Article 25 | 673,746 | 334,430 |
| Article 21 | 149,892 | 137,418 |
| Article 4 (2) | 250,899 | 200,845 |
| Others | 166,783 | 191,047 |
| | 1,241,320 | 863,740 |
| Subsidiaries | 1,093,158 | 391,319 |
| | 2,334,478 | 1,255,059 |
| Total | 3,590,522 | 2,862,716 |

c. Tax expense/(benefit)

| | 2022 | 2021 |
|-------------------------|-------------------|------------------|
| Tax expense - current: | | |
| Bank Mandiri | 9,329,662 | 7,436,303 |
| Subsidiaries | 2,567,672 | 1,809,312 |
| | 11,897,334 | 9,245,615 |
| Tax benefit - deferred: | | |
| Bank Mandiri | (243,655) | (1,125,311) |
| Subsidiaries | (228,321) | (312,980) |
| | (471,976) | (1,438,291) |
| Total | 11,425,358 | 7,807,324 |

As explained in Note 2ad, income tax for Bank Mandiri and its Subsidiaries are calculated for each company as a separate legal entity.

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33. TAXATION (continued)

d. Tax expense - current

The reconciliation between income before tax as shown in consolidated statement of profit or loss and other comprehensive income and income tax calculation and current tax expense for Bank Mandiri and the estimated current tax expense for Subsidiaries are as follows:

| | 2022 | 2021 |
|---|-------------------|------------------|
| Consolidated income before tax | | |
| expense and non-controlling interests | 56,377,726 | 38,358,421 |
| Less: | | |
| Income before tax expense of Subsidiaries - after elimination | (13,077,504) | (9,255,281) |
| Impact of changes in recording investment from equity method to cost method | 3,478,211 | 2,618,003 |
| Income before tax expense and non-controlling interest - Bank Mandiri only | 46,778,433 | 31,721,143 |
| Add/(deduct) permanent differences: | | |
| Non-deductible expenses/(non-taxable income) | 25,992 | 1,968,288 |
| Others | (940) | 39,516 |
| Add/(deduct) temporary differences: | | |
| Allowance for impairment losses on loans and write-offs | 1,208,815 | 4,298,300 |
| Allowance for impairment losses on financial assets other than loans | (3,400) | (221,630) |
| Provision for post-employment benefit expense, provisions for bonuses, leave and holiday (THR) entitlements | 1,138,748 | 2,675,184 |
| Allowance for estimated losses arising from legal cases | (13,743) | (7,553) |
| Provision for estimated losses on commitments contingencies | (233,446) | (1,307,266) |
| Provision for foreclosed collateral losses | 219,824 | (694) |
| Depreciation of fixed assets | (17,648) | (55,448) |
| Unrealised losses/gains on decrease/increase in fair value of marketable securities and government bonds - fair value through profit or loss | 851 | 29,295 |
| Allowance for possible losses of abandoned Properties | - | (698) |
| Estimated taxable income | 49,103,486 | 39,138,437 |
| Estimated tax expense - current | | |
| Bank Mandiri | 9,329,662 | 7,436,303 |
| Subsidiaries | 2,567,672 | 1,809,312 |
| Total | 11,897,334 | 9,245,615 |

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33. TAXATION (continued)

d. Tax expense - current (continued)

Tax on Bank Mandiri and Subsidiaries (Group)'s profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits on the consolidated entities are follows:

| | 2022 | 2021 |
|---|-------------------|------------------|
| Consolidated income before tax expense and non-controlling interest | 56,377,726 | 38,358,421 |
| Tax calculated at applicable tax rates | 11,764,953 | 8,063,178 |
| Income tax effect of: | | |
| Bank Mandiri | | |
| Income not subject to tax and final tax | (350,892) | (163,444) |
| Expenses not deductible for tax purposes | 355,652 | 537,419 |
| Estimated taxable income | 4,760 | 373,975 |
| Subsidiaries | (344,355) | (629,829) |
| Total tax effect | (339,595) | (255,854) |
| Income tax expense | 11,425,358 | 7,807,324 |

According to the taxation laws of Indonesia, Bank Mandiri and Subsidiaries submit the Annual Corporate Income Tax Returns to the tax office on the basis of self assessment. The Directorate General of Tax may assess or amend taxes within 5 (five) years from the tax due date.

Starting from 2009, Bank Mandiri has recognised written-off loans as deduction of gross profit by fulfilling the three requirements stipulated in UU No. 36 Year 2008 dated 23 September 2008 related Income Tax and Regulation of the Minister of Finance No. 105/PMK.03/2009 dated 10 June 2009 related uncollectible receivables that could be deducted from gross income, which was amended by Regulation of the Minister of Finance No. 57/PMK.03/2010 dated 9 March 2010 and Regulation of the Minister of Finance No. 207/PMK.010/2015 dated 20 November 2015.

Law Number 2 of 2020 dated 18 May 2020 concerning State Financial Policies and Financial System Stability for Handling the 2019 Corona Virus Disease (Covid-19) Pandemic and/or in the Context of Dealing with Threats that Endanger the National Economy and/or Financial System Stability, Government Regulation Number 29 of 2020 dated 10 June 2020 concerning Income Tax Facility in the Context of Handling Corona Virus Disease (Covid-19) and Government Regulation Number 30 of 2020 dated 18 June 2020 concerning Reducing Income Tax Rates for Domestic Corporate Taxpayers in the Form of Public Companies ("Government Regulation Number 30 of 2020") stipulates regarding adjustments to Income Tax rates for domestic corporate taxpayers and permanent establishments. This regulation regulates the reduction of income tax rates for domestic corporate taxpayers and permanent establishments from the original 25% (twenty five percent) to 22% (twenty two percent) which applies in the 2020 Fiscal Year and 2021 Fiscal Year and amounts to 20 % (twenty percent) which will take effect in the 2022 Tax Year.

Law of the Republic of Indonesia Number 7 of 2021 dated 29 October 2021 concerning Harmonization of Tax Regulations ("Law Number 7 of 2021") stipulates that the income tax rate for domestic corporate taxpayers and permanent establishments is 22% (twenty two percent) with effect from the 2022 tax year onwards. Thus, the previous tax rate setting of 20% (twenty percent) becomes invalid after this Law is enacted.

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33. TAXATION (continued)

d. Tax expense - current (continued)

Based on Law of the Republic of Indonesia Number 7 of 1983 concerning Income Tax as amended several times, most recently by Law Number 7 of 2021 and Government Regulation of the Republic of Indonesia Number 55 of 2022 dated December 20, 2022 concerning Adjustment of Regulations in the Income Tax Sector (which replaces Government Regulation Number 30 of 2020), domestic taxpayers in the form of publicly listed companies with the total number of paid-up shares traded on the stock exchange in Indonesia at least 40% (forty percent) and fulfilling certain requirements, may obtain a rate of 3% (three percent) lower than the highest existing income tax rate.

Based on the Regulation of the Minister of Finance of the Republic of Indonesia Number 123/PMK.03/2020 dated 1 September 2020 concerning Forms and Procedures for Submitting Reports and Lists of Taxpayers in the Context of Fulfilling Requirements for Reducing Income Tax Rates for Domestic Taxpayers in the Form of Public Companies, Taxpayers must submit monthly reports on share ownership of issuers or public companies and recapitulations that have been reported from the Securities Administration Bureau and reports of shareholdings that have special relations as part of the Annual Income Tax Return for each Fiscal Year.

Based on Statement Letter No.DE//2023-0184 dated January 4, 2023 concerning Monthly Report on Share Ownership of Issuers or Public Companies and Reported Recapitulation (POJK Attachment Form No.10/POJK 04/2020) from PT Datindo Entrycom (Administrative Bureau Securities or BAE), which was submitted to Bank Mandiri, where the BAE stated that Bank Mandiri had complied with the provisions of Article 3 of Government Regulation of the Republic of Indonesia No. 30 of 2020 dated 18 June 2020 concerning Reducing Income Tax Rates for Domestic Corporate Taxpayers in the Form of Public Companies.

The Bank believes that the Bank will fulfill the requirements to obtain the income tax rate reduction facility for the year ending December 31, 2022 in accordance with the tax provisions mentioned above, so that Bank Mandiri's corporate income tax for the year ending December 31, 2022 is calculated using the tax rate 19%.

e. Deferred tax assets - net

Deferred tax arises from temporary differences between book value based on commercial and tax are as follows:

| | 2022 | | | Ending balance |
|---|-------------------|---|----------------------|------------------|
| | Beginning balance | Credited/ (charged) to profit or loss | Charged to equity | |
| Bank Mandiri | | | | |
| Deferred tax assets: | | | | |
| Allowance for impairment losses | 6,070,489 | 292,784 | - | 6,363,273 |
| Provisions for post-employment benefit expense, provision for bonuses, leave and holiday (THR) entitlements | 1,530,956 | 216,363 | (54,549) | 1,692,770 |
| Loans write-off until 2008 | 256,458 | (256,458) | - | - |
| Allowance for impairment losses on financial assets other than loans | 697,563 | (646) | - | 696,917 |
| Unrealised gain from increased fair value of marketable securities and government bonds - measured at fair value through other comprehensive income | - | - | 931,086 | 931,086 |
| Allowance for estimated losses arising from legal cases | 23,538 | (2,611) | - | 20,927 |
| Estimated losses on commitments and contingencies | 80,630 | (44,355) | - | 36,275 |
| Allowance for possible losses on abandoned properties | 16,338 | - | - | 16,338 |
| Allowance for possible losses on repossessed asset | 9,757 | 43,639 | - | 53,396 |
| Accumulated losses arising from differences in net realizable value of repossessed assets | 1,871 | (1,871) | - | - |
| Deferred tax assets | 8,687,600 | 246,845 | 876,537 | 9,810,982 |

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33. TAXATION (continued)

e. Deferred tax assets - net (continued)

Deferred tax arises from temporary differences between book value based on commercial and tax are as follows (continued):

| | 2022 (continued) | | | |
|---|-------------------|---|----------------------|-------------------|
| | Beginning balance | Credited/ (charged) to profit or loss | Charged to equity | Ending balance |
| Deferred tax liabilities: | | | | |
| Unrealised gain/(loss) from increase/(decrease) in fair value of marketable securities and government bonds - fair value through other comprehensive income | (7,989) | 162 | - | (7,827) |
| Unrealised gain from increase in fair value of marketable securities and government bonds - fair value through profit or loss | (109,713) | - | 109,713 | - |
| Net book value of fixed assets | (122,642) | (3,352) | - | (125,994) |
| Deferred tax assets - Bank Mandiri only | 8,447,256 | 243,655 | 986,250 | 9,677,161 |
| Deferred tax assets - Subsidiaries | 1,907,538 | 228,321 | 232,459 | 2,368,318 |
| Total consolidated deferred tax assets - net | 10,354,794 | 471,976 | 1,218,709 | 12,045,479 |
| | | | | |
| | 2021 | | | |
| | Beginning balance | Credited/ (charged) to profit or loss | Charged to equity | Ending balance |
| Bank Mandiri | | | | |
| Deferred tax assets: | | | | |
| Allowance for impairment losses | 4,899,113 | 1,171,376 | - | 6,070,489 |
| Provisions for post-employment benefit expense, provision for bonuses, leave and holiday (THR) entitlements | 1,074,312 | 508,285 | (51,641) | 1,530,956 |
| Loans write-off until 2008 | 534,854 | (278,396) | - | 256,458 |
| Allowance for impairment losses on financial assets other than loans | 718,466 | (20,903) | - | 697,563 |
| Estimated losses on commitments and contingencies | 329,011 | (248,381) | - | 80,630 |
| Allowance for estimated losses arising from legal cases | 24,973 | (1,435) | - | 23,538 |
| Allowance for possible losses on abandoned properties | 16,471 | (133) | - | 16,338 |
| Allowance for possible losses on repossessed asset | 9,890 | (133) | - | 9,757 |
| Accumulated losses arising from differences in net realizable value of repossessed assets | 1,871 | - | - | 1,871 |
| Deferred tax assets | 7,608,961 | 1,130,280 | (51,641) | 8,687,600 |
| Deferred tax liabilities: | | | | |
| Unrealised gain/(loss) from increase/(decrease) in fair value of marketable securities and government bonds - fair value through profit or loss | (13,555) | 5,566 | - | (7,989) |
| Unrealised gain from increase in fair value of marketable securities and government bonds - fair value through other comprehensive income | (785,632) | - | 675,919 | (109,713) |
| Net book value of fixed assets | (112,107) | (10,535) | - | (122,642) |
| Deferred tax assets - Bank Mandiri only | 6,697,667 | 1,125,311 | 624,278 | 8,447,256 |
| Deferred tax assets - Subsidiaries | 1,398,202 | 312,980 | 196,356 | 1,907,538 |
| Total consolidated deferred tax assets - net | 8,095,869 | 1,438,291 | 820,634 | 10,354,794 |

Deferred tax assets are calculated using applicable tax rate or substantially enacted tax rate at consolidated statement of financial position dates.

Management believes that it is possible that future taxable income will be available to be utilised against the temporary difference, which results in deferred tax assets.

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33. TAXATION (continued)

f. Tax assessment letter

Fiscal year 2015

According to the tax audit result by Tax office, on 26 November 2019, Bank received Underpayment Tax Assessment Letter (SKPKB) of Corporate Income Tax for fiscal year 2015 amounted to Rp918,160 (including penalties) which accepted by Bank only amounted to Rp201,197 and recorded as current tax expense - prior year in the current year consolidated statement of profit or loss. On 5 December 2019, the Bank has paid all of the underpayment and will submit an objection letter on the SKPKB of Corporate Tax Expense amounted to Rp716,962 to the Tax Office on 20 February 2020.

On 26 November 2019, Bank also obtained Underpayment Tax Assessment Letter (SKPKB) for income tax article 21, 23, and 4(2) amounted to Rp28,255 (including penalties) and Value Added Tax (VAT) and *Surat Tagihan Pajak* (STP) amounted to Rp247,544 (including penalties) for the 2015 fiscal year. On 5 December 2019, the Bank has paid the entire SKPKB. Bank will not file an objection to SKPKB PPh Article 21, PPh Article 23 and PPh Article 4 paragraph (2) amounting to Rp28,255 and has submitted an objection letter to the SKPKB VAT amounted to Rp247,544 to the Tax Office on 20 February 2020.

The total payment for the SKPKB that was not approved above amounting to Rp964,507 where the Bank has filed an objection, is recorded as prepaid tax on 31 December 2021 and 2020.

On 26 January 2021, the Bank has received the decision on the objection to Corporate Income Tax for the 2015 fiscal year, which reduces the amount of tax in the objection letter from Rp716,962 to Rp544,853. The Bank also received the decision on the VAT objection for the 2015 fiscal year, which reduced the amount of tax in the objection letter from Rp247,544 to Rp221,199. The Bank does not agree with the objection decision and has submitted an appeal to the Tax Court on 16 April 2021. As of the date of these consolidated financial statements, the appeal process at the Tax Court is still ongoing.

Fiscal year 2016

Based on the result of the tax audit by the Tax Office on 17 November 2020. The Bank has received an Underpayment Tax Assessment (SKPKB) on Corporate Income tax for the 2016 fiscal year amounted to Rp1,293,817 (including fines), which was accepted by the Bank for only Rp175,592 and recorded as current tax expense - prior year in the 2020 consolidated statement of profit or loss. On 27 November 2020, Bank has paid all SKPKB Corporate Income Tax and will submit an objection letter to the SKPKB for disagreed amounted to Rp1,118,225 to the Tax Office.

On 17 November 2020, Bank also received SKPKB on Income Tax Article 21 amounted to Rp31,492 and Value Added Tax (VAT) also the tax collection letter (STP) amounted to Rp128,766 (including penalties) for the 2016 fiscal year. On 27 November 2020, Bank has paid all the SKPKB, and will not submit an objection to SKPKB Article 21 amounted to Rp31,492 and SKPKB VAT amounted to Rp128,766. All underpayments are charged to the 2020 consolidated statement of profit or loss.

The total payment for the SKPKB that was not approved above amounted to Rp1,118,225 where the Bank filed an objection, which was recorded as prepaid tax on 31 December 2021. The Bank has submitted an objection letter to the SKPKB for Corporate Income Tax which was not approved amounted to Rp1,118,225 to Tax Office on 10 February 2021.

On 7 February 2022, the Bank received the decision on objection to Corporate Income Tax for fiscal year 2016, which reduced the amount of tax in the objection letter from Rp1,118,225 to Rp213,760. On 21 March 2022, the Bank received a tax refund for the objection to Corporate Income Tax in the amount of Rp909,489 and recorded it as a deduction from prepaid tax payments. The Bank does not agree with the results of the objection decision and has submitted an appeal to the Tax Court on 28 April 2022. As of the date of these consolidated financial statements, the appeal process at the Tax Court is still ongoing.

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34. EMPLOYEE BENEFIT LIABILITIES

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Provision for post-employment benefit (Note 52) | 3,251,241 | 3,299,809 |
| Provisions for bonuses, incentive, leave and holiday (THR) entitlements | 9,356,518 | 7,905,737 |
| Total | 12,607,759 | 11,205,546 |

Provision for post-employment benefit such as pension fund and other long term remuneration are in accordance with the Bank and Subsidiaries' policy which are calculated using actuarial calculation.

35. OTHER LIABILITIES

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Rupiah | | |
| Liability to policyholders | 6,003,177 | 5,833,773 |
| Liability related to ATM and credit card transactions | 2,800,422 | 1,599,961 |
| Liability to third parties | 2,390,734 | 1,660,560 |
| Payable to customers | 1,878,809 | 676,538 |
| Pension fund and pension plan liabilities | 1,014,286 | 725,290 |
| Deferred income (directly attributable) | 885,978 | 873,673 |
| Lease liabilities | 841,129 | 988,819 |
| Guarantee deposits | 677,241 | 483,611 |
| Insurance transaction liabilities | 626,020 | 592,129 |
| Deferred income (not directly attributable) | 590,345 | 742,778 |
| Liability to dealer | 460,916 | 398,693 |
| Liabilities related to unit-link | 324,717 | 743,812 |
| Zakat liabilities | 145,153 | 104,202 |
| Payables from purchase of marketable securities | 121,394 | - |
| Spot liabilities | 23,279 | 5,506 |
| Liabilities related to treasury transactions | 12,065 | 43,055 |
| Liabilities related to trade finance transactions | 3,019 | 1,236 |
| Provision for losses that arise from legal cases | 2,928 | 9,167 |
| Others | 2,671,696 | 5,948,888 |
| Total | 21,473,308 | 21,431,691 |
| Foreign currencies | | |
| Customers transfer transactions | 2,581,170 | 2,275,219 |
| Liabilities related to treasury transactions | 1,003,189 | 244 |
| Liabilities related to trade finance transactions | 690,186 | 435,015 |
| Deferred income (not directly attributable) | 480,301 | 277,385 |
| Guarantee deposits | 288,296 | 209,577 |
| Liability to third parties | 160,335 | 253,236 |
| Lease liabilities | 26,905 | 57,461 |
| Insurance transaction liabilities | 15,183 | 8 |
| Liabilities related to unit-link | 8,528 | - |
| Spot liabilities | 122 | 694 |
| Others | 609,230 | 336,072 |
| Total (Note 63B.(iv)) | 5,863,445 | 3,844,911 |
| | 27,336,753 | 25,276,602 |

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35. OTHER LIABILITIES (continued)

Liabilities to policyholders consist of liabilities of the Subsidiaries (PT AXA Mandiri Financial Services and PT Asuransi Jiwa Inhealth Indonesia) as follows:

| | 2022 | 2021 |
|--|------------------|------------------|
| Future policy benefits from non unit-link products | 4,627,860 | 4,467,638 |
| Unearned premiums | 508,597 | 467,523 |
| Estimated claim liabilities | 543,326 | 596,666 |
| Claim payables | 323,394 | 301,946 |
| Total | 6,003,177 | 5,833,773 |

Liability for future policy benefits is the amount of funds that must be provided by the insurer to pay benefits and claims in the future to the party as stated in the policy. Changes in liability for future policy benefits are recognized in profit or loss for the year. Liability for future policy benefits has been calculated using the Gross Premium Reserve method and the daily method. The assumptions used to calculate future liability reserves for policyholders with Gross Premium Reserves are based on the best estimate assumptions for 2022 which include assumptions on mortality, morbidity, lapse, costs, and inflation rates.

Unearned premiums are the portion of premiums that have not been recognized as income because the coverage period is still running at the end of the year. Reserves for unearned premiums are calculated using the daily amortization method with consideration for the policy coverage period as calculated by the actuary.

Estimated claim liability is estimated liability for insurance claims that have occurred, namely claims that have not been submitted by the provider, as well as claims that have been received but the replacement value has not been determined.

Claims payable is an account of insurance claims that have been received and approved.

Customer transaction payables mostly consist of payables arising from securities trading transactions of Subsidiaries.

Liability related to ATM and credit card transactions consist of liabilities from ATM transactions within ATM Bersama network, ATM Link and ATM Prima and liabilities to Visa and Master Card and JCB for credit card transactions.

Liabilities related to unit-link represents unit-link liabilities to third parties and liabilities to unit-link fund holders of Subsidiary (PT AXA Mandiri Financial Services).

Customers transfer transactions represent transfer funds in various currencies that need to be settled from or to customers accounts.

The guarantee deposit is a guarantee of cash deposited by customers from export, import transaction and issuance of bank guarantees.

Directly attributed deferred income consists of income from provisions/commissions of loans which directly attributable to unamortised loan granted.

Payable from purchase of marketable securities represent payable arising from securities's purchase transaction which have been paid on 3 January 2023 for 31 December 2022.

Non directly attributed deferred income consists of provisions/commissions that are not directly attributable to the unamortised loan granted.

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35. OTHER LIABILITIES (continued)

The disclosure of lease liabilities as of 31 December 2022 are as follows:

| Underlying assets | Beginning balance on 1 January 2022 | Additions of lease liabilities | Interest expense on lease liabilities | Payments of lease liabilities | Balance on 31 December 2022 |
|---|---|-----------------------------------|--|----------------------------------|-----------------------------------|
| Vehicles | 434,809 | 226,273 | 25,054 | (299,212) | 386,924 |
| Building - Official residence | 9,400 | 8,549 | 215 | (10,493) | 7,671 |
| Building - Office building | 584,469 | 61,025 | 36,834 | (235,218) | 447,110 |
| Furniture and fixture, office equipment and computer | 17,601 | 12,775 | 1,922 | (5,969) | 26,329 |
| Total | 1,046,279 | 308,622 | 64,025 | (550,892) | 868,034 |

The disclosure of lease liabilities as of 31 December 2021 are as follows:

| Underlying assets | Beginning balance on 1 January 2021 | Additions of lease liabilities | Interest expense on lease liabilities | Payments of lease liabilities | Balance on 31 December 2021 |
|---|---|-----------------------------------|--|----------------------------------|-----------------------------------|
| Vehicles | 314,075 | 362,178 | 26,408 | (267,852) | 434,809 |
| Building - Official residence | 8,800 | 10,037 | 288 | (9,725) | 9,400 |
| Building - Office building | 357,312 | 442,903 | 35,823 | (251,569) | 584,469 |
| Furniture and fixture, office equipment and computer | 16,310 | 6,458 | 708 | (5,875) | 17,601 |
| Total | 696,497 | 821,576 | 63,227 | (535,021) | 1,046,279 |

Other liabilities related to leases by period:

| | 2022 | 2021 |
|--------------|----------------|------------------|
| Short term | 83,729 | 198,299 |
| Long term | 784,305 | 847,980 |
| Total | 868,034 | 1,046,279 |

Analysis of the maturities of other liabilities related to leases as follows:

| | 2022 | 2021 |
|--------------|----------------|------------------|
| 1 year | 83,729 | 201,710 |
| 2 years | 301,806 | 282,801 |
| 3 years | 258,503 | 253,390 |
| 4 years | 32,738 | 27,353 |
| 5 years | 191,258 | 281,025 |
| Total | 868,034 | 1,046,279 |

Others mainly consist of interoffice accounts and liabilities related to trade transactions, deposit and transaction remains to be settled.

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36. FUND BORROWINGS

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Rupiah | | |
| Related Party | | |
| (f) Others (Note 57) | 2,210,704 | 194,097 |
| Third parties | | |
| (a) Ministry of Public Work and Housing (Kemenpupera) | 1,138,633 | 868,286 |
| (f) Others | 18,270,535 | 10,947,034 |
| Total | 19,409,168 | 11,815,320 |
| | 21,619,872 | 12,009,417 |
| Foreign currencies | | |
| Third parties | | |
| (b) Direct off-shore loans | 11,248,782 | 15,760,804 |
| (d) Trade financing facilities | 25,801,170 | 19,092,933 |
| (c) Bilateral loans | - | 570,100 |
| (e) Repo to Maturity | 2,969,542 | 3,787,639 |
| (f) Others | 1,200,752 | 178,047 |
| Total (Note 63B.(iv)) | 41,220,246 | 39,389,523 |
| | 62,840,118 | 51,398,940 |

(a) Ministry of Public Work and Housing (Kemenpupera)

This account represents Liquidity Facility of Housing Financing (*Fasilitas Likuiditas Pembiayaan Perumahan*) ("FLPP") with financing sharing of 70.00% funds from *Kementerian Pekerjaan Umum dan Perumahan Rakyat* and 30.00% funds from Bank Mandiri in accordance with mutual agreement with *Kementerian Perumahan Rakyat* No. 07/SKB/M/2012 and PT Bank Mandiri (Persero) Tbk. No. DIR.MOU/003/2012 on 15 February 2012 about amendment of mutual agreement between *Kementerian Perumahan Rakyat* No. 13/SKB/DP/2011 and PT Bank Mandiri (Persero) Tbk. No. DIR.MOU/015/2011 about distribution of Liquidity Facility of Housing Financing (FLPP) for the provision of housing through Home Ownership Financing. The Mutual Agreement was followed up by Operational Mutual Agreement between *Badan Layanan Umum Pusat Pembiayaan Perumahan Kementerian Perumahan Rakyat* Republic of Indonesia year 2012, that has been renewed in 2017 with Operational Mutual Agreement No.HK.02.03-Sg.DL/67/2017 and No. DIR.PKS/119/2017 on 21 December 2017 about funding FLPP Funds for home ownership for Low-Income Communities (MBR) and there is a change in composition of the financing to become 90% funds from Kemenpupera and 10% funds from PT Bank Mandiri (Persero) Tbk.

In 2017 there was a change of funding sharing composition to become 75% from PPDPP Kemenpupera and 25% from PT Bank Mandiri (Persero) Tbk. based on Operational Mutual Agreement No. 51/PKS/Sg/2018 and DIR.PKS/45/2018 about distribution of Liquidity Facility of House Financing (FLPP) funds through home credit for Low-income Community on 14 August 2018, updated with the Operational Cooperation Agreement No. 118/PKS/Sg/2018 and No. DIR.PKS/60/2018 date 21 December 2018 concerning the Distribution of FLPP Funds for home ownership for Low-Income Communities (MBR).

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36. FUND BORROWINGS (continued)

(a) Ministry of Public Work and Housing (Kemenpupera) (continued)

In 2019 the Operational Cooperation Agreement between PPDPP Kemenpupera and PT Bank Mandiri (Persero) Tbk. through operational agreement No. 59/PKS/Sg/2019 and DIR.PKS/55/2019 about FLPP through Loan/House Financing/Sharia House Financing for Low-Income Communities has been renewed on 19 December 2019.

In 2020 dated 1 April 2020 there was a change in the FLPP distribution quota based on the Addendum to the Operational Cooperation Agreement with No. 02/ADD.PKS.Sg/2020 & Dir.PKS/07/2020 about Distribution of Liquidity Facility Funds for Financing Welfare Houses/Sharia Prosperous Houses for Low-Income Communities. Subsequently, a joint agreement was renewed between the Ministry of Public Affairs and Public Housing No. 29/MoU/Dp/2020 with PT Bank Mandiri (Persero) Tbk. No. DIR.MOU/19/2020 dated 17 December 2020 concerning Distribution of Subsidized Housing Loans for Low-Income Communities. This joint agreement was followed up by a Cooperation Agreement between the Housing Finance Fund Management Center of the Ministry of Public Work and Housing of the Republic of Indonesia No. 39/PK.Pg.2020 with PT Bank Mandiri (Persero) Tbk. No. DIR.PKS/48/2020 dated 18 December 2020 concerning Distribution of Housing Financing Liquidity Facility Funds Through Credit/Financing for Welfare Home Ownership for Low-Income Communities.

In 2021 there was a transfer of FLPP Fund management which was previously managed by the Housing Financing Fund Management Center (PPDPP) to be transferred to the Public Housing Savings Management Agency (BPTapera) in accordance with the Tripartite Agreement between PPDPP, BPTapera and PT Bank Mandiri (Persero) Tbk. No. 06/PRJ/Pg/2021, No. 10/PKS/BP TPR/I/12/2021 and DIR.PKS/40/2021 dated 24 December 2021 followed up with a Cooperation Agreement between BPTapera and PT Bank Mandiri (Persero) Tbk. No. 4/PKS/BP TPR/I/1/2022 and No. DIR.PKS/02/2022 dated 6 January 2022 concerning Distribution of FLPP Funds through Prosperous Home Ownership Credit for Low-Income Communities.

Outstanding balance as of 31 December 2022 and 2021 were Rp1,138,633 and Rp868,286, respectively. These facilities are subject to a certain rate by the Government. The period of loan and repayment schedule are maximum of 240 months (20 years). Refunds (principal and interest instalment) to Kemenpupera are carried out no later than 10th of each month.

(b) Direct off-shore loans

The details of direct off-shore loans are as follows:

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Foreign currencies | | |
| Third Parties | | |
| China Development Bank, China | | |
| - Tranche A | 4,353,644 | 5,311,731 |
| - Tranche B | 1,813,804 | 2,214,605 |
| United Overseas Bank Limited, Singapore | 3,113,500 | 2,850,500 |
| MUFG Bank, Ltd., Singapura | 1,556,750 | 2,850,500 |
| Taipei Fubon, Singapore | 388,987 | 355,713 |
| Agence Française de Développement, France | 22,097 | 40,377 |
| Sumitomo Mitsui Banking Corporation, Singapore | - | 1,425,094 |
| DZ Bank AG, Singapore | - | 712,284 |
| | 11,248,782 | 12,910,304 |

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

China Development Bank, China

| 2022 | | | | | | |
|----------------------------|-------------------------------|-------------------|----------------|-----------------------------------|--------------------------------|-------------------|
| Type | Arranger | Maturity date | Tenor (months) | Interest rate per annum | Nominal amount | |
| | | | | | Foreign currency (full amount) | Rupiah equivalent |
| Tranche A (USD Currency) | China Development Bank, China | 15 September 2025 | 120 | LIBOR (6 months) + certain margin | 280,000,000 | 4,358,900 |
| Less: | | | | | | |
| Unamortised issuance costs | | | | | (337,624) | (5,256) |
| | | | | | 279,662,376 | 4,353,644 |
| <hr/> | | | | | | |
| Tranche B (USD Currency) | China Development Bank, China | 15 September 2025 | 120 | LIBOR (6 months) + certain margin | 116,523,149 | 1,813,974 |
| Less: | | | | | | |
| Unamortised issuance costs | | | | | (10,933) | (170) |
| | | | | | 116,512,216 | 1,813,804 |
| <hr/> | | | | | | |
| 2021 | | | | | | |
| Type | Arranger | Maturity date | Tenor (months) | Interest rate per annum | Nominal amount | |
| | | | | | Foreign currency (full amount) | Rupiah equivalent |
| Tranche A (USD Currency) | China Development Bank, China | 15 September 2025 | 120 | LIBOR (6 months) + certain margin | 373,333,333 | 5,320,934 |
| Less: | | | | | | |
| Unamortised issuance costs | | | | | (645,690) | (9,203) |
| | | | | | 372,687,643 | 5,311,731 |
| <hr/> | | | | | | |
| Tranche B (USD Currency) | China Development Bank, China | 15 September 2025 | 120 | LIBOR (6 months) + certain margin | 155,403,149 | 2,214,883 |
| Less: | | | | | | |
| Unamortised issuance costs | | | | | (19,511) | (278) |
| | | | | | 155,383,638 | 2,214,605 |

On 16 September 2015, Bank Mandiri signed a long-term loan facility without collateral agreement with China Development Bank (CDB).

The loan consists of 2 (two) facilities, which Tranche A Facility is a direct loan from CDB denominated in USD with a total facility of USD700,000,000 (full amount) which will mature in 10 (ten) years since the agreement date with an interest rate of LIBOR 6 (six) months plus a certain margin and Tranche B is a direct loans denominated in CNY with a total facility of CNY1,908,420,000 (full amount) maturing in 10 (ten) years since the agreement date with SHIBOR interest rate of 6 (six) months plus a certain margin.

On 16 March 2021, Tranche B was converted into a loan in USD with a total amount of USD194,288,681 (full amount) with an interest rate of 6 (six) months LIBOR plus a certain margin. There is no change in the maturity of the facility for this conversion.

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

United Overseas Bank Limited, Singapore

| 2022 | | | | | |
|------------------------|---|-----------------|----------------------------------|--------------------------------|-------------------|
| Type | Arranger | Maturity date | Interest rate per annum | Nominal amount | |
| | | | | Foreign currency (full amount) | Rupiah equivalent |
| Direct off-shore loans | United Overseas Bank Limited, Singapore | 17 January 2023 | SOFR (3 months) + certain margin | 100,000,000 | 1,556,750 |
| Direct off-shore loans | United Overseas Bank Limited, Singapore | 17 January 2023 | SOFR (3 months) + certain margin | 100,000,000 | 1,556,750 |
| | | | | 200,000,000 | 3,113,500 |

| 2021 | | | | | |
|------------------------|---|---------------|----------------------------------|--------------------------------|-------------------|
| Type | Arranger | Maturity date | Interest rate per annum | Nominal amount | |
| | | | | Foreign currency (full amount) | Rupiah equivalent |
| Direct off-shore loans | United Overseas Bank Limited, Singapore | 29 April 2022 | SOFR (3 months) + certain margin | 100,000,000 | 1,425,250 |
| Direct off-shore loans | United Overseas Bank Limited, Singapore | 2 July 2022 | SOFR (3 months) + certain margin | 100,000,000 | 1,425,250 |
| | | | | 200,000,000 | 2,850,500 |

Bank Mandiri obtained loan facility without collateral from United Overseas Bank Limited, Singapore amounted to USD100,000,000 (full amount), respectively, with the interest rate of SOFR 3 (three) months plus certain margin. The loan facilities have a tenor less than 1 (one year) and will be due on 17 January 2023.

MUFG Bank, Ltd., Singapore

| 2022 | | | | | |
|------------------------|---------------------------|------------------|-----------------------------------|--------------------------------|-------------------|
| Type | Arranger | Maturity date | Interest rate per annum | Nominal amount | |
| | | | | Foreign currency (full amount) | Rupiah equivalent |
| Direct off-shore loans | MUFG Bank LTD., Singapore | 17 December 2024 | LIBOR (3 months) + certain margin | 100,000,000 | 1,556,750 |
| | | | | 100,000,000 | 1,556,750 |

| 2021 | | | | | |
|------------------------|---------------------------|------------------|----------------------------------|--------------------------------|-------------------|
| Type | Arranger | Maturity date | Interest rate per annum | Nominal amount | |
| | | | | Foreign currency (full amount) | Rupiah equivalent |
| Direct off-shore loans | MUFG Bank LTD., Singapore | 6 December 2022 | SOFR (3 months) + certain margin | 100,000,000 | 1,425,250 |
| Direct off-shore loans | MUFG Bank LTD., Singapore | 17 December 2024 | SOFR (3 months) + certain margin | 100,000,000 | 1,425,250 |
| | | | | 100,000,000 | 2,850,500 |

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

MUFG Bank, Ltd., Singapore (continued)

Bank Mandiri obtained loan facility without collateral from MUFG Bank, Ltd., Singapore amounted to USD100,000,000 (full amount), respectively, with the interest rate of SOFR 3 (three) months plus certain margin. The loan facilities have a tenor less than 1 (one year) and will be due on 6 December 2022 and 17 December 2024.

Taipei Fubon Commercial Bank Co. Ltd - Singapore Branch

| 2022 | | | | | | |
|----------------------------------|--------------------------------------|---------------|----------------|-----------------------------------|--------------------------------|-------------------|
| Type | Arranger | Maturity date | Tenor (months) | Interest rate per annum | Nominal amount | |
| | | | | | Foreign currency (full amount) | Rupiah equivalent |
| Direct off-shore loans | Taipei Fubon Commercial Bank Co. Ltd | 14 July 2023 | 36 | LIBOR (3 months) + certain margin | 25,000,000 | 389,188 |
| Less: Unamortised issuance costs | | | | | (12,902) | (201) |
| | | | | | 24,987,098 | 388,987 |
| 2021 | | | | | | |
| Type | Arranger | Maturity date | Tenor (months) | Interest rate per annum | Nominal amount | |
| | | | | | Foreign currency (full amount) | Rupiah equivalent |
| Direct off-shore loans | Taipei Fubon Commercial Bank Co. Ltd | 14 July 2023 | 36 | LIBOR (3 months) + certain margin | 25,000,000 | 356,313 |
| Less: Unamortised issuance costs | | | | | (42,068) | (600) |
| | | | | | 24,957,932 | 355,713 |

On 14 July 2020, Bank Mandiri obtained a loan facility from Taipei Fubon Commercial Bank Co. Ltd - Singapore Branch amounting to USD25,000,000 (full amount) with interest at LIBOR 3 (three) months plus a certain margin. This loan facility has a tenor of 3 (three) years and will mature on 14 July 2023.

Bank Mandiri has made a drawdown of USD25,000,000 (full amount) on 30 July 2020.

Agence Française de Développement, France

| 2022 | | | | | | |
|----------------------------------|---|-------------------|----------------|-----------------------------------|--------------------------------|-------------------|
| Type | Arranger | Maturity date | Tenor (months) | Interest rate per annum | Nominal amount | |
| | | | | | Foreign currency (full amount) | Rupiah equivalent |
| Direct off-shore loans | Agence Française de Développement, France | 30 September 2023 | 114 | LIBOR (6 months) + certain margin | 1,428,571 | 22,239 |
| Less: Unamortised issuance costs | | | | | (9,124) | (142) |
| | | | | | 1,419,447 | 22,097 |

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

Agence Française de Développement, France (continued)

| 2021 | | | | | | |
|----------------------------|---|-------------------|----------------|-----------------------------------|--------------------------------|-------------------|
| Type | Arranger | Maturity date | Tenor (months) | Interest rate per annum | Nominal amount | |
| | | | | | Foreign currency (full amount) | Rupiah equivalent |
| Direct off-shore loans | Agence Française de Développement, France | 30 September 2023 | 114 | LIBOR (6 months) + certain margin | 2,857,143 | 40,722 |
| Less: | | | | | | |
| Unamortised issuance costs | | | | | (24,196) | (345) |
| | | | | | 2,832,947 | 40,377 |

On 8 November 2013, Bank Mandiri signed a new second loan facility agreement or second line of credit with Agence Française de Développement (AFD) amounted to USD100,000,000 (full amount) to assist the financing for projects related to climate change and energy efficiency. This long term facility has a tenor of 5 to 10 years (including grace period) with an interest rate at 6-months LIBOR plus a certain margin. As part of the loan agreement, Bank Mandiri and AFD will finance a training program aimed at building the capacity of the Bank Independent especially on the topics of climate change and energy efficiency.

On 25 March 2014, the Bank drawdown the loan amounted to USD10,000,000 (full amount), which will mature on 30 September 2023. The drawdown of the above facilities are intended to fulfill the fund requirement to finance the environmental friendly projects in Bank Mandiri.

Sumitomo Mitsui Banking Corporation, Singapore

| 2021 | | | | | | |
|----------------------------|--|---------------|----------------|-----------------------------------|--------------------------------|-------------------|
| Type | Arranger | Maturity date | Tenor (months) | Interest rate per annum | Nominal amount | |
| | | | | | Foreign currency (full amount) | Rupiah equivalent |
| Direct off-shore loans | Sumitomo Mitsui Banking Corporation, Singapore | 11 March 2022 | 36 | LIBOR (3 months) + certain margin | 100,000,000 | 1,425,250 |
| Less: | | | | | | |
| Unamortised issuance costs | | | | | (10,914) | (156) |
| | | | | | 99,989,086 | 1,425,094 |

On 5 March 2019, Bank Mandiri obtained loan facility from Sumitomo Mitsui Banking Corporation, Singapore (SMBC) amounted to USD150,000,000 (full amount) with the interest rate of LIBOR 3 (three) months plus certain margin.

This loan facility have a tenor of 3 (three) years maturing on 11 March 2022. Bank Mandiri made withdrawal from these loan facilities amounted to USD150,000,000 (full amount) on 12 March 2019.

On 10 June 2019, SMBC as a facility agent have sent a form of transfer certificate which stated SMBC have transferred loan of Bank Mandiri to DZ Bank AG, Singapore branch. This transferred loan is effective per 12 June 2019. This facility has been settled on 11 March 2022.

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

DZ Bank AG, Singapore

| 2021 | | | | | | |
|----------------------------|-----------------------|---------------|----------------|-----------------------------------|--------------------------------|-------------------|
| Type | Arranger | Maturity date | Tenor (months) | Interest rate per annum | Nominal amount | |
| | | | | | Foreign currency (full amount) | Rupiah equivalent |
| Direct off-shore loans | DZ Bank AG, Singapore | 11 March 2022 | 33 | LIBOR (3 months) + certain margin | 50,000,000 | 712,625 |
| Less: | | | | | | |
| Unamortised issuance costs | | | | | (23,929) | (341) |
| | | | | | 49,976,071 | 712,284 |

Effective per 12 June 2019, Bank Mandiri has outstanding of loan facility from DZ Bank AG, Singapore Branch amounted to USD50,000,000 which transferred from some portion of its facility from Sumitomo Mitsui Banking Corporation, Singapore (SMBC). This facility has been settled on 11 March 2022.

(c) Bilateral loans

The details of bilateral loans are as follows:

| | 2022 | 2021 |
|-----------------------------------|------|----------------|
| Foreign currencies | | |
| Citibank, N.A. - Indonesia Branch | - | 570,100 |
| | - | 570,100 |

Citibank N.A. Indonesia Branch

| 2021 | | | | | | |
|----------------|---------------------------------|----------------|----------------|-----------------------------------|-------------------|-------------------|
| Type | Arranger | Maturity date | Tenor (months) | Interest rate per annum | Nominal amount | |
| | | | | | USD (full amount) | Rupiah equivalent |
| Bilateral loan | Citibank, N.A. Indonesia Branch | 3 January 2022 | 36 | LIBOR (3 months) + certain margin | 40,000,000 | 570,100 |

On 2 January 2019, Bank Mandiri obtained loan facility from Citibank, N.A. Indonesia Branch amounted to USD40,000,000 (full amount) with interest rate of LIBOR 3 (three) months plus a certain margin.

This loan facility has a tenor of 3 (three) years and will mature on 3 January 2022. Bank Mandiri had withdrawn on the loan facility amounted to USD40,000,000 (full amount) on 3 January 2019. This facility has been settled on 3 January 2022.

This loan was secured by (Note 8c):

| | Nominal amount | |
|----------------------|----------------|------------|
| | 2022 | 2021 |
| ROI 28 ^{*)} | - | 28,000,000 |
| ROI 27 ^{*)} | - | 25,000,000 |

^{*)} In USD (full amount)

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36. FUND BORROWINGS (continued)

(d) Trade financing facilities (Bankers' acceptance)

Trade financing facilities represent short-term borrowings with tenors ranging between 30 days to 365 days and with interest rate of LIBOR or SOFR plus a certain margin. The balance as of 31 December 2022 and 2021 are as follows:

| | 2022 | 2021 |
|--|-------------------|-------------------|
| CoBank US, United States | 4,514,575 | 3,278,074 |
| United Overseas Bank Limited, Singapore | 4,221,906 | 5,220,393 |
| The Hongkong and Shanghai Banking Corporation | 2,604,754 | - |
| DBS Bank, Singapore | 2,335,125 | - |
| MUFG Bank, Ltd., Singapore | 2,310,217 | - |
| Sumitomo Mitsui Banking Corporation, Singapore | 1,951,698 | 2,726,906 |
| Citibank N.A, Hong Kong | 1,587,885 | 783,888 |
| Wells Fargo Bank, Singapore | 1,562,821 | 2,889,588 |
| Bank of America, N.A, Hongkong | 1,684,310 | 755,383 |
| CTBC Bank Co. Ltd, Singapore | 1,089,725 | 194,975 |
| The Bank of New York Mellon, Singapore | 957,401 | 2,123,480 |
| Bank of Montreal | 622,700 | - |
| CIMB Bank, Hongkong | 358,053 | - |
| Bank of America, N.A, Singapore | - | 1,120,246 |
| Total | 25,801,170 | 19,029,933 |

(e) Repo to Maturity

Foreign Currency

On 14 April 2020, Bank Mandiri entered into borrowing transaction of USD74,999,965 (full amount) through the cross currency repo to maturity scheme with JP Morgan Chase Bank, N.A. - Jakarta Branch. Furthermore, on 21 July 2020, a novation was carried out for the borrowing from JP Morgan Chase Bank, N.A - Jakarta Branch to JP Morgan Securities Asia Pte Ltd (JPMSA). Bank Mandiri transferred Rupiah-denominated government bonds FR0061 and recognized a cash value claim from FR0061 to JPMSA. This borrowing facility has a tenor of 2 (two) years which will mature according to the maturity date of FR0061, which is 13 May 2022. On the maturity date, JPMSA submits the cash value (IDR) to Bank Mandiri according to the face value of the underlying plus the last coupon of the underlying, and Bank Mandiri will send a cash value (USD) to JPMSA equal to the loan amount plus the last interest payment on the borrowing. The borrowing has been repaid at the maturity date.

On 11 May 2020, Bank Mandiri entered into borrowing transaction of USD99,774,646 through the cross currency repo to maturity scheme with Standard Chartered Bank - Jakarta Branch (SCB). In this repo to maturity transactions, Bank Mandiri transferred government bonds FR063 to SCB. Upon the transfer of government bonds FR063, Bank Mandiri recognised receivables at the amount of cash value of FR063 to SCB. This borrowing facility has a tenor of 3 (three) years which will mature at the same date of to maturity of FR063 at 12 May 2023. On the maturity date, SCB submit cash value (IDR) to Bank Mandiri at the amount of underlying face value plus the last underlying coupon, and Bank Mandiri will send the cash value (USD) to SCB at the borrowing amount plus the last borrowing interest payment.

On 30 May 2018, Bank Mandiri entered into borrowing transaction amounted to USD24,926,000, USD31,270,000 and USD34,782,000 through repo to maturity scheme with Nomura Singapore Limited (NSL). In this repo to maturity transactions, Bank Mandiri transferred government bonds ROI 23NN, ROI 24 and ROI 25 to NSL. Upon the transfer of government bonds ROI 23NN, ROI 24 and ROI 25, Bank Mandiri recognised receivables at the amount of cash value of ROI 23NN, ROI 24, and ROI 25 to NSL. This borrowing facilities have 5 (five), 6 (six) and 7 (seven) years tenor and will be mature in at the same date of the maturity date of ROI23 NN, ROI 24 and ROI 25 on 10 January 2023, 12 January 2024, and 14 January 2025. On the maturity date, the settlement of the transaction will be at net basis between borrowing and receivables of Bank Mandiri and NSL.

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36. FUND BORROWINGS (continued)

(e) Repo to Maturity (continued)

Foreign Currency (continued)

As of 31 December 2022 and 2021, Repo to maturity of foreign currencies amounted to Rp2,969,542 and Rp3,787,639, respectively.

This loan facilities from NSL have guaranteed by placement amounted to USD2,270,190 (full amount), (2021: USD70,000 (full amount)) (Notes 6h).

(f) Others

| | 2022 | 2021 |
|---|--------------------------|--------------------------|
| Rupiah | | |
| Related parties | | |
| PT Bank Negara Indonesia (Persero) Tbk. | 1,239,578 | 194,097 |
| PT Bank Tabungan Negara (Persero) Tbk. | 971,126 | - |
| | <u>2,210,704</u> | <u>194,097</u> |
| Third parties | | |
| PT Bank Central Asia Tbk. | 5,732,180 | 2,292,755 |
| PT Bank Pan Indonesia Tbk. | 3,048,510 | 2,107,089 |
| PT Bank Danamon Indonesia Tbk. | 2,241,928 | 1,761,612 |
| PT Bank DKI | 858,862 | 372,935 |
| PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk. | 750,000 | 33,325 |
| PT Bank Permata Tbk. | 683,222 | 295,691 |
| PT Bank Central Asia Tbk. - Onshore Syndication | 609,710 | 1,436,201 |
| PT Bank Oke Indonesia Tbk. | 599,577 | - |
| PT Bank China Construction Bank Indonesia Tbk. | 585,408 | - |
| PT Bank UOB Indonesia | 569,683 | - |
| PT Bank Maybank Indonesia Tbk. | 568,732 | 420,472 |
| PT Bank CIMB Niaga Tbk. | 391,260 | 116,596 |
| PT Bank Mega Tbk. | 378,577 | 540,471 |
| PT Bank Jtrust Tbk. | 258,375 | 29,901 |
| PT Bank QNB Indonesia Tbk. | 241,323 | 507,380 |
| PT Bank BCA Syariah | 234,745 | 245,201 |
| PT Bank KEB Hana Indonesia | 207,400 | 360,800 |
| PT Bank BPD Daerah Istimewa Yogyakarta | 99,730 | 13,847 |
| PT Bank Panin Dubai Syariah | 96,844 | - |
| PT Maybank Syariah | 90,542 | - |
| PT Bank Danamon Indonesia Tbk. - <i>Unit Usaha Syariah</i> | 23,927 | 36,389 |
| PT Bank CTBC Indonesia | - | 200,000 |
| PT Bank Victoria International Tbk. | - | 150,000 |
| PT Bank Resona Perdania | - | 26,369 |
| | <u>18,270,535</u> | <u>10,947,034</u> |
| Total | <u>20,481,239</u> | <u>11,141,131</u> |
| Foreign currencies | | |
| PT Bank Maybank Indonesia Tbk. | 778,375 | - |
| MUFG Bank, Ltd. | 373,611 | - |
| The Development Bank of Singapore Limited | 48,766 | 119,146 |
| PT Bank Mizuho Indonesia | - | 58,902 |
| Total | <u>1,200,752</u> | <u>178,047</u> |
| | <u>21,681,991</u> | <u>11,319,179</u> |

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Negara Indonesia (Persero) Tbk.

On 9 October 2018, the Subsidiary (PT Mandiri Utama Finance) obtained a working capital loan facility from PT Bank Negara Indonesia (Persero) Tbk. ("BNI") with a maximum loan limit of Rp250,000, with an interest rate of 8.75% - 9.50%. The facility is a revolving working capital loan. The period of withdrawal of loan facilities is up to 9 October 2019 and has been extended in 4 October 2019, therefore the maturity date will be 25 May 2025.

On 18 April 2022, the Subsidiary obtained an additional limit for a non-revolving working capital loan facility from BNI with a maximum credit limit of Rp1,250,000 with an interest rate of 6.50% - 6.80% which has an undrawn period until 18 April 2023 and the tenor of the facility maximum up to 4 years.

As of 31 December 2022 and 2021, outstanding borrowings from BNI amounted to Rp1,239,578 and Rp194,097, respectively.

PT Bank Tabungan Negara (Persero) Tbk.

On 16 June 2021, the Subsidiary (PT Bank Mandiri Taspen) obtained a credit facility from PT Bank Tabungan Negara (Persero) Tbk. ("BTN"), in the form of a Term Loan (committed) – non-revolving facility with a maximum amount of Rp500,000,000. This facility is used to finance the Bank's working capital. This facility has a term of up to 12 months with an interest rate of 5.03% per annum. On 19 May 2022, the term of this facility has been extended to 29 June 2025.

On 19 April 2022, the Subsidiary (PT Mandiri Utama Finance) obtained a Money Market Line Multi Currency Rupiah and US Dollar loan facility from BTN with an equivalent maximum credit limit of Rp200,000 which is the interest rate follows the prevailing market interest rate. This facility has a grace period for withdrawal until 31 October 2022 with a maximum withdrawal tenor of 3 months.

As of 31 December 2022 and 2021, there were no bank assets used as collateral for fund borrowings.

As of 31 December 2022 and 2021, the Subsidiary has complied with the terms and conditions set out in the loan agreement.

As of 31 December 2022 and 2021, fund borrowings from BTN amounted to Rp971,126 and RpNil, respectively.

PT Bank Central Asia Tbk.

On 8 March 2016 and the latest on 26 February 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Central Asia Tbk. ("BCA") signed loan agreement that BCA provides several non-revolving term loan facilities with total limit up to Rp2,500,000 and subject to various fixed interest rates ranging from 8.75% - 10.25%. This facility will mature ranging from February 2020 to March 2024.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Central Asia Tbk. (continued)

On 18 December 2019, the Subsidiary (PT Mandiri Tunas Finance) and BCA signed a syndicated loan agreement with a limit of Rp1,000,000 and Rp1,500,000 as a non-revolving facilities and bear 7.16% and 6.90% of interest rate, respectively. First and second drawdown made on 21 July 2020 and 14 October 2020. This facility will mature on 21 July 2023 and 14 October 2023.

In January 2020, the Subsidiary (PT Bank Mandiri Taspen) obtained a credit facility from BCA, in the form of a Term Loan 1 (committed) facility – non-revolving with a maximum amounted to Rp500,000,000. This facility is used to finance the Bank's working capital.

On 15 December 2021, the term of the Term Loan 1 (committed) – non-revolving facility was extended again to 20 January 2025. In March 2021, the Bank obtained a credit facility from BCA, in the form of a Term Loan 3 (committed) – non-revolving facility with maximum amounted to Rp250,000,000. This facility is used to finance the Subsidiary's working capital. This facility has a term of 12 months until 31 March 2022 with an interest rate of 3 months JIBOR + 125bps. On 15 December 2021, the term of the Term Loan 3 (committed) – non-revolving facility has been extended to 31 March 2025.

In December 2021, the Subsidiary (PT Bank Mandiri Taspen) obtained a credit facility from BCA, in the form of a Term Loan 4 (committed) – non-revolving facility with a maximum amount amounted to Rp250,000,000. This facility has a term of 36 months from the date of the first drawdown with an interest rate of 5.25% per annum. As of 31 December 2022 and 2021, the Subsidiary has complied with the terms and conditions set out in the loan agreement.

As of 31 December 2022 and 2021, outstanding borrowings from BCA amounted to Rp5,732,180 and Rp2,292,755, respectively.

As of 31 December 2022 and 2021, fund borrowings from BCA - Onshore Syndication amounted to Rp609,710 and Rp1,436.201, respectively.

PT Bank Pan Indonesia Tbk.

On 12 November 2012 and the latest amendment on 10 July 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Pan Indonesia Tbk. ("Panin") signed a loan agreement which Panin provide several non-revolving term loan facilities with a total limit of Rp4,200,000 and subject to a fixed interest rate. These facilities have various maturity dates ranging from January 2020 until September 2025. This facility bears an interest rate of 6.67% - 9.00% upon drawdown. This facility has matured on 21 August 2022.

On 26 May 2017, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Pan Indonesia Tbk. (Panin) signed a loan agreement which Panin provides non-revolving working capital facilities with total limit of Rp400,000 and revolving money market line facility with a limit of Rp100,000. These facilities subject to interest rate of 9.00% - 9.75% for the drawdown on the working capital facility and market interest rates of the drawdown for the money market line facility. The working capital credit facility has matured on 31 December 2021 and the money market line facility matures on 26 May 2018. The money market line facility which has matured on 26 May 2018 has been extended to the term of the facility on 25 June 2018, so that the credit facility has matured on 26 May 2019. This facility has been repaid at maturity.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Pan Indonesia Tbk. (continued)

On 21 March 2018, the Subsidiary (PT Mandiri Utama Finance) obtained an extra non-revolving working capital loan facility amounted to Rp1,000,000, this facility is subject to interest rate of 8.50%.

On 15 April 2019, the Subsidiary (PT Mandiri Utama Finance) obtained additional of non-revolving working capital loan facility amounted to Rp500,000 and subject to interest rate at the time of withdrawal at 9.00% - 9.75%, and also additional money market line facility, so the total amount become Rp200,000 and revolving current account facility amounted to Rp50,000. Money market line facility and current account facility subject to interest rate ranging of 9.00% - 10.00% at the time of withdrawal. Both facility have matured on 15 April 2020 and have been temporarily extended, so that the two facilities have matured on 26 August 2020. Facility that matured on 26 August 2020, have been extended until 26 May 2021 and have been extended again until 26 August 2021.

On 4 December 2020, the subsidiary (PT Mandiri Utama Finance) obtained an extra non-revolving working capital loan facility amounted to Rp500,000, this facility is subject to interest rate of 8.25% at the time withdrawal, the facility is due on December 2024.

On 25 August 2021, the Subsidiary (PT Mandiri Utama Finance) received an additional non-revolving Working Capital Credit facility of Rp500,000, as well as additional Money Market Line Facility which become Rp250,000. The Working Capital Credit facility bears an interest rate of 7.25% at the time of withdrawal with undrawn portion until February 2022. Meanwhile, the Money Market Line credit facility bears a benchmark interest rate, with the withdrawal allowance due in 26 May 2022.

On 23 May 2022, the Subsidiary (PT Mandiri Utama Finance) received an additional non-revolving Working Capital Credit facility of Rp500,000. The Working Capital Credit facility bears an interest rate of 6.50% at the time of withdrawal with undrawn portion until 23 February 2023. As for the Money Market Line Credit facility which matures on 26 May 2022, the Company has extended the facility until 26 May 2023 with a plafond of 100,000 and is subject to a reference interest rate.

As of 31 December 2022 and 2021, outstanding borrowings from Panin was amounted to Rp3,048,510 and Rp2,107,089, respectively.

PT Bank Danamon Indonesia Tbk.

On 26 September 2019, the Subsidiary (PT Mandiri Tunas Finance) received an additional revolving working capital loan facility from PT Bank Danamon Indonesia Tbk. ("Danamon") so that the total working capital loan facility is Rp150,000 with an interest rate of 4.85% at the time of drawdown and matures on 22 January 2021, additional non-revolving term loan facilities of Rp500,000 and Rp300,000 with an interest rate of 7.60% on drawdown and will mature on 2 April 2023 and 23 June 2023.

On 20 November 2020, the Subsidiary (PT Mandiri Tunas Finance) received an additional non-revolving term loan facility from PT Bank Danamon Indonesia Tbk. (Danamon) amounted to Rp500,000 with an interest rate of 6.80% on withdrawal and will mature on 23 December 2023.

On 30 December 2019, the Subsidiary (PT Mandiri Utama Finance) and Bank Danamon signed a loan agreement that Danamon provides non-revolving term loan facility and revolving working capital facility with each maximum limit up to Rp350,000 and Rp100,000 and bear 9.00% of interest rate of term loan facility and 8.00% of interest rate of working capital facility.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Danamon Indonesia Tbk. (continued)

The term for withdrawing the Term Loan facility is 12 months after the facility is signed and the facility is non-revolving. As for the Working Capital facility, the drawdown period is 12 months after the facility is signed and the facility is revolving. The term for withdrawing the working capital loan facility has been extended several times and the last extension was made on 30 August 2022 and the term of this facility was extended to 31 December 2022. Meanwhile, the Term Loan I facility will mature on 12 October 2024.

On 5 November 2020, the Subsidiary (PT Mandiri Utama Finance) obtained a Sharia Term Loan II facility from Danamon with a maximum credit limit of Rp50,000 each with an interest rate of 8.75%. This facility will mature on 16 November 2024.

As of 31 December 2022 and 2021, outstanding borrowings from Danamon Indonesia was amounted to Rp2,241,928 and Rp1,761,612, respectively.

PT Bank DKI

On 17 September 2013 and the latest updated on 3 May 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank DKI ("Bank DKI") signed a loan agreement and Bank DKI provides several non-revolving term loan with total facility amounted to Rp700,000 and subject to a various fixed rate of interest and ranging between 8.50% - 9.15%. These facilities have various maturity dates which ranging between January 2020 until August 2022.

On 8 June 2018, the Subsidiary (PT Mandiri Utama Finance) and Bank DKI signed a revolving loan agreement of money market line amounted to of Rp100,000 which bears to market interest rate at the time of withdrawal, and non-revolving executing working capital amounted to Rp300,000 and bears interest rate of 8.75%. The money market line facility has matured on 8 June 2019 and paid on maturity, while executing working capital loan has matured on 8 December 2021.

On 15 June 2022, the Subsidiary obtained a credit facility from Bank DKI, in the form of a Term Loan (committed) – non-revolving facility with a maximum amounted to Rp500,000,000. This facility is used to finance the Subsidiary's working capital. This facility has a term of 24 months with an interest rate of 3 months JIBOR + margin of 0.95% per annum.

As of 31 December 2022 and 2021, outstanding borrowings from Bank DKI was amounted to Rp858,862 and Rp372,935, respectively.

PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.

On 22 April 2014 and the latest updated on 14 February 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk. ("BJB") signed a loan agreement which BJB provides several non-revolving term loan facilities with total limit amounted to Rp1,000,000 and subject to a various fixed rate of interest and ranging between 8.75% - 9.50%. This facility has a various maturity in March 2022.

On 23 September 2020, the Subsidiary (PT Bank Mandiri Taspen) obtained a credit facility from BJB, in the form of a Term Loan (committed) – non-revolving facility with a maximum amounted to Rp500,000 with an interest rate of 5.05% - 5.25%. This facility is used to finance the Bank's working capital.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk. (continued)

On 10 February 2022, the term of the Term Loan (committed) – non-revolving facility was extended again until 23 March 2025 and received an additional limit of Rp250,000.

As of 31 December 2022 and 2021, outstanding borrowings from BJB was amounted to Rp750,000 and Rp33,325, respectively.

PT Bank Permata Tbk.

On 13 December 2018, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Permata Tbk. ("Bank Permata") signed a loan agreement that Bank Permata provides non-revolving working capital facility with maximum limit up to Rp300,000 and bears 9.00% of interest rate on withdrawal and extend money market line credit facility. Those facility matured on 15 November 2019.

The Money Market Line Credit facility that matures on 15 November 2019 has been extended so that the maturity date of the facility becomes 15 November 2020 and has been extended again until 15 November 2021.

On 25 November 2020, the Subsidiary (PT Mandiri Utama Finance) and Bank Permata signed an additional credit agreement whereby Bank Permata provides a non-revolving Working Capital Credit facility with a maximum credit limit of Rp250,000 and interest rate of 8.75 %. The facility will mature on 14 February 2022.

On 16 June 2022, Subsidiary (PT Mandiri Tunas Finance) and Bank Permata provided a working capital credit facility with a maximum credit limit of Rp400,000 which is non-revolving with an interest rate of 6.15%. This facility matures on 16 June 2022.

As of 31 December 2022 and 2021, outstanding borrowings from Bank Permata was amounted to Rp683,222 and Rp295,691, respectively.

PT Bank Oke Indonesia

On 23 March 2022, Subsidiary (PT Mandiri Utama Finance) and PT Bank Oke Indonesia ("OK Bank") signed a non-revolving working capital loan facility agreement with a maximum credit limit of Rp200,000 which bears an interest rate of 7% p.a. The term for withdrawing the credit facility is up to 23 September 2022 with a maximum loan tenor of 48 months from the drawdown date.

On 15 June 2022, Subsidiary (PT Mandiri Utama Finance) and PT Bank Oke Indonesia ("OK Bank") signed a non-revolving working capital loan facility agreement with a maximum credit limit of Rp500,000 which bears an interest rate of 6.15% p.a. The term for withdrawing the credit facility is up to 16 June 2022.

As of 31 December 2022 and 2021, the loan from PT Bank Oke Indonesia was amounted to Rp599,577 and RpNil, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank China Construction Bank Indonesia Tbk.

On 22 February 2022, Subsidiary (PT Mandiri Utama Finance) and PT Bank China Construction Bank Indonesia, Tbk. ("CCBI") signed a non-revolving working capital loan facility agreement with a maximum credit limit of Rp250,000 which bears an interest rate of 6.5% p.a. The term for withdrawing the credit facility is up to 22 August 2022 with a maximum loan tenor of 48 months from the drawdown date.

As of 31 December 2022 and 2021, the loan from CCBI was amounted to Rp585,408 and RpNil, respectively.

PT Bank UOB Indonesia

On 23 November 2021, a subsidiary (PT Mandiri Tunas Finance) and PT Bank UOB Indonesia ("Bank UOB") signed a credit agreement whereby Bank UOB provides a term loan facility sublimit credit revolving with a limit value of Rp600,000 which is uncommitted with an interest rate fixed at 6.14% at the time of withdrawal. This facility has matured on 21 November 2022.

As of 31 December 2022 and 2021, outstanding borrowings from Bank UOB was amounted to Rp569,683 and RpNil, respectively.

PT Bank Maybank Indonesia Tbk.

On 10 May 2019, the Subsidiary (PT Mandiri Utama Finance) obtained Money Market Line loan facility and Term Loan I facility from PT Bank Maybank Indonesia Tbk. ("Maybank") with total maximum limit up to Rp100,000 and bears interest rate on drawdown date, and Money Market Line facility amounted to Rp600,000 and bears 9.50% of fixed interest rate. The Money Market Line facility matures on 10 May 2020, and 54 months after signing the credit for the Term Loan I facility. On 28 September 2022, the Subsidiary has repaid the Term Loan I facility from Maybank.

On 6 September 2021, the Subsidiary obtained an extension of the revolving Money Market Loan facility until 10 May 2022, this facility was not extended.

The company also obtained an additional Term Loan II facility in the amount of Rp200,000 with an interest rate of 7.75% and a withdrawal period of up to 6 March 2022 and a tenor of 48 months.

On 2 June 2022, the Subsidiary obtained a credit facility from Bank Maybank, in the form of a Term Loan (committed) – non-revolving facility with a maximum amount of Rp250,000,000. This facility is used to finance the Bank's working capital. This facility has a term of 24 months with an interest rate of 3 months JIBOR + 100bps. This facility is hybrid in nature which can be used as a conventional or sharia working capital loan.

On 27 July 2022, the Subsidiary again obtained an additional Term Loan III Facility in the amount of Rp350,000 with an interest rate of 7.00% and a drawdown period until 27 January 2023 and a tenor of 48 months. The Term Loan III facility ceiling is hybrid in nature which can be used as a conventional or sharia working capital loan.

As of 31 December 2022 and 2021, outstanding borrowings from Maybank was amounted to Rp568,732 and Rp420,472, respectively.

As of 31 December 2022 and 2021, outstanding borrowings from Maybank Syariah was amounted to Rp90,542 and RpNil, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank CIMB Niaga Tbk.

On 19 February 2020, the Subsidiary (PT Mandiri Utama Finance) and PT Bank CIMB Niaga Tbk. ("Bank CIMB Niaga") signed a loan agreement that Bank CIMB Niaga provides non-revolving term loan facility with total limit up to Rp300,000 with 8.25% of interest rate at drawdown. This facility will mature in February 2023.

As of 31 December 2022 and 2021, loans from Bank CIMB Niaga was amounted to Rp391,260 and Rp116,596, respectively.

PT Bank Mega Tbk.

On 25 February 2021, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Mega Tbk. ("Mega") signed a credit agreement whereby Mega provided a non-revolving working capital credit facility with a maximum credit of Rp1,000,000 and bears an interest rate of 8.75%. The facility will mature on 25 February 2025.

As of 31 December 2022 and 2021, loans from PT Bank Mega was amounted to Rp378,577 and Rp540,471, respectively.

PT Bank Jtrust Tbk.

On 1 December 2021, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Jtrust Indonesia Tbk. ("Jtrust") signed a non-revolving working capital loan agreement with a maximum credit limit of Rp100,000 with an interest rate of 7.75% with a maximum loan tenor of 48 months from the date of withdrawal and the credit facility withdrawal period was until 1 December 2022.

As of 31 December 2022 and 2021, the loans from PT Bank Jtrust was amounted to Rp258,375 and Rp29,901, respectively.

PT Bank QNB Indonesia Tbk.

On 4 October 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank QNB Indonesia Tbk. ("QNB") signed a loan agreement which Bank QNB provides fixed loan facility amounted to Rp500.000 which is non-revolving and bears a fixed market interest rate of 7.8% at the withdrawal date. This facility will mature on 12 March 2023.

As of 31 December 2022 and 2021, outstanding borrowings from QNB was amounted to equivalent Rp241,323 and Rp507,380, respectively.

PT Bank BCA Syariah

On 18 November 2020, the Subsidiary (PT Mandiri Utama Finance) obtained an additional working capital credit loan facility so the total credit limit amounted Rp200,000 with an interest rate of 9.00% that received from PT Bank BCA Syariah. The facility will mature in May 2024.

As of 31 December 2022 and 2021, outstanding borrowings from PT Bank BCA Syariah was amounted to Rp234,745 and Rp245,201, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank KEB Hana Indonesia

On 19 March 2015 and the latest updated on 3 September 2018, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank KEB Indonesia Hana ("Bank Hana") signed a loan agreement where Bank Hana provides several non-revolving term loan facilities with a total facility up to Rp400,000 and bears 9.50% of fixed interest rate. These facilities have matured on 19 February 2022.

On 21 August 2019, the Subsidiary (PT Mandiri Utama Finance) and Bank Hana signed a loan agreement that Bank Hana provides an additional non-revolving working capital facility with maximum credit limit up to Rp100,000 and bears 9.50% of interest rate. This facility will mature in January 2023.

As of 31 December 2022 and 2021, outstanding borrowings from Bank Hana was amounted to Rp207,400 and Rp360,800, respectively.

PT Bank BPD Daerah Istimewa Yogyakarta

On 18 May 2017, Subsidiary (PT Mandiri Utama Finance) and PT Bank BPD DIY ("Bank BPD DIY") signed a credit agreement whereby Bank BPD DIY provides a Working Capital Credit facility with a maximum credit of Rp. 50,000, which is non-revolving and subject to interest rate of 9.00% upon withdrawal. The term for withdrawing the facility is 42 months from the effective date the contract was signed.

On 30 April 2019, the Subsidiary (PT Mandiri Utama Finance) and Bank BPD DIY signed a loan agreement that Bank BPD DIY provides additional non-revolving working capital loan facility with maximum limit up to Rp100,000 and bears 9.50% of interest rate at drawdown. The term for withdrawing the facility is 42 months from the effective date the contract was signed. On 28 April 2022, every Working Capital Credit Facility has been paid.

Then on 15 December 2022, the Subsidiary (PT Mandiri Utama Finance) and Bank BPD DIY signed a credit agreement whereby Bank BPD DIY provides an additional Working Capital Credit facility with a maximum credit of Rp. 100,000, which is non-revolving and bears an interest rate of 6.80% upon withdrawal. The withdrawal period for the facility is 36 months from the effective date the contract was signed.

As of 31 December 2022 and 2021, outstanding borrowings from Bank BPD DIY was amounted to Rp99,730 and Rp13,847, respectively.

PT Bank Panin Dubai Syariah

On 27 October 2022, Subsidiary (PT Mandiri Utama Finance) obtained a non-revolving working capital loan facility from PT Panin Dubai Syariah Bank ("PDSB") with a maximum credit limit of Rp450,000, which bears an interest rate according to the bank's treasury recommendations. The term for drawdown the credit facility is up to 27 October 2023 with a maximum loan tenor of 4 years from the drawdown date. This facility will mature on 27 October 2027.

As of 31 December 2022 and 2021, loans from PDSB was amounted to Rp96,844 and RpNil, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Danamon Indonesia Tbk. - Unit Usaha Syariah

On 5 November 2020, the Subsidiary (PT Mandiri Utama Finance) obtained a Sharia term loan facility from PT Bank Danamon Indonesia Tbk. - *Unit Usaha Syariah* ("Danamon Syariah") with a maximum credit limit of Rp50,000 each with an interest rate of 8.75%. The facility will mature in November 2024.

As of 31 December 2022 and 2021, the loans from Danamon Syariah was amounted to Rp23,927 and Rp36.389, respectively.

PT Bank CTBC Indonesia

On 7 December 2020, the Subsidiary (PT Mandiri Tunas Finance) obtained a revolving Money Market Line loan facility from PT Bank CTBC Indonesia (formerly Chinatrust) in the amount of Rp200,000 with an interest rate of 4.75% at the time of drawdown. This facility has matured on 15 January 2022.

As of 31 December 2022 and 2021, loans from PT Bank CTBC Indonesia was amounted to RpNil and Rp200,000, respectively.

PT Bank Victoria International Tbk.

On 20 June 2019, the Subsidiary (PT Mandiri Sekuritas) and PT Bank Victoria International Tbk. ("Bank Victoria") signed a credit agreement. Victoria provides an uncommitted credit facility of Rp100,000. This agreement has been extended until 26 June 2021 and the credit facility becomes Rp200,000. The interest rate on the applicable facility is adjusted to the interest rate at the time the credit facility is drawdown. This loan facility has matured.

On 23 June 2021, the Subsidiary (PT Mandiri Utama Finance) obtained a Money Market Line loan facility from Bank Victoria with a maximum credit limit of Rp150,000 with an interest rate following the prevailing market interest rate. The facility has matured on 23 June 2022.

As of 31 December 2022 and 2021, the loans from Bank Victoria was amounted to RpNil and Rp150,000, respectively.

PT Bank Resona Perdania

On 3 September 2019, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Resona Perdania (Bank Resona) signed a loan agreement that Bank Resona provides working capital facility with total facility amounted to Rp100,000 and bears 8.83% of interest rate. This facility will mature on 26 August 2023.

As of 31 December 2022 and 2021, outstanding borrowings from Bank Resona was amounted to RpNil and Rp26,369, respectively.

Foreign currencies

PT Bank Maybank Indonesia Tbk.

On 29 August 2022, a Subsidiary (Bank Syariah Indonesia) has a mudharabah iB financing line facility of USD100,000,000 (full amount) from PT Bank Maybank Indonesia Tbk. The Bank has withdrawn USD50,000,000 (full amount) on 30 August 2022. Mudharabah financing will be due on 30 August 2023.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Foreign currencies (continued)

PT Bank Maybank Indonesia Tbk. (continued)

As of 31 December 2022 and 2021, outstanding borrowings from PT Maybank Indonesia was amounted to equivalent Rp778,375 (original currency USD50.000.000 (full amount)) and RpNil, respectively.

MUFG Bank, Ltd.

On 13 April 2022, Subsidiary (PT Mandiri Tunas Finance) and MUFG Bank, Ltd. (“MUFG”) signed a loan agreement whereby MUFG provides an uncommitted long-term loan/money market line facility with a total limit of Rp409,459 which is revolving and bears a fixed interest rate of 6% upon drawdown. This facility matures on 11 April 2025.

As of 31 December 2022 and 2021, loans from MUFG was amounted to Rp373,611 and RpNil, respectively.

PT Bank Mizuho Indonesia

On 29 June 2018, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Mizuho Indonesia (“Mizuho”) signed a loan agreement that Mizuho provides non-revolving term loan facility with total limit up to Rp697,750 which withdrawn on 7 February 2019 and subject to interest rate of 8.60%. Those facility will mature on 7 February 2022.

As of 31 December 2022 and 2021, outstanding borrowings from Mizuho was amounted to RpNil and Rp58,902, respectively.

The Development Bank of Singapore Limited

On 6 March 2019, the Subsidiary (PT Mandiri Sekuritas) and DBS Bank Ltd. (“DBS”) signed a working capital loan facility agreement amounted to USD5,000,000 (full amount) and bears fixed interest rate of 3.24% and 3.14% at withdrawals. This facility has withdrawn on December 2019 and have no maturity date which the facility will mature when the Subsidiary or DBS decided to terminate the agreement.

On 20 March 2020, the Subsidiary (PT Mandiri Sekuritas) and DBS signed an additional working capital credit facility amounted to USD7,500,000 (full amount) with fixed interest rate of 3.24% at the credit drawdown period.

As of 31 December 2022 and 2021, outstanding borrowings from DBS amounted to Rp48,766 and Rp119,146, respectively.

Fund borrowings from PT Mandiri Tunas Finance and PT Mandiri Utama Finance are secured by consumer financing receivables amounting to Rp12,415,396 as of 31 December 2022 (2021: Rp9,153,951) (Note 13g) and net investment in finance leases amounted to Rp815,041 as of 31 December 2022 (31 December 2021: Rp824,459) (Note 14g).

The loan facilities from several banks and syndicated banks require Subsidiaries to provide written notices in terms of dividend distribution, changes in capital and shareholders, changes in the composition of the board of directors and commissioners, changes in the main business, investments and obtaining new loans from other banks.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Foreign currencies (continued)

The Development Bank of Singapore Limited (continued)

In the loan agreement, the Subsidiaries are also required to meet financial requirements such as the ratio of total interest payable to equity not exceeding a ratio of 10:1 and other reporting obligations.

Bank Mandiri and its Subsidiaries have made interest payments on fund borrowings according to the interest payment schedule for the years ended 31 December 2022 and 2021.

During the period ended 31 December 2022 and 2021, Bank Mandiri and its Subsidiaries have complied with the terms and conditions set forth in the fund borrowings agreement.

37. SUBORDINATED LOANS AND MARKETABLE SECURITIES

By type and currency:

| | 2022 | 2021 |
|---|----------------|----------------|
| Rupiah | | |
| Medium Term Notes Subordinated I Bank Mandiri | | |
| Related parties (Note 57) | 87,000 | 94,750 |
| Third parties | 413,000 | 405,250 |
| Total | 500,000 | 500,000 |
| Foreign currencies | | |
| Two-Step Loans (TSL) | | |
| Third parties | | |
| Asian Development Bank (ADB) | | |
| (Note 63B.(iv)) | 133,564 | 137,606 |
| Total | 633,564 | 637,606 |
| Less: unamortised issuance cost | (231) | (463) |
| Net | 633,333 | 637,143 |

Medium Term Notes Subordination I Bank Mandiri

In order to strengthen the capital structure and long-term funding structure, as well as to support the credit expansion, on 31 July 2018, Bank Mandiri issued Subordinated Medium Term Notes I Bank Mandiri 2018 ("Subordinated MTN I") amounted to Rp500,000. On 31 December 2022, the unamortised issuance cost of Subordinated MTN I amounted to Rp231.

Subordinated MTN I has 5 (five) years in terms and will mature on 31 July 2023, in which issued scriptless with a fixed rate of 8.50% per annum. The Trustee of the issuance of Subordinated MTN I is PT Bank Permata Tbk.

Interest of Subordinated MTN I is paid on quarterly basis, starting from 31 October 2018 whilst the last interest payment, in which also the maturity date and the repayment of the principal of Subordinated MTN I, is on 31 July 2023, which is also the principal repayment date Subordinated MTN I. The principal of MTN I will be fully repaid on the maturity date.

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37. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

Medium Term Notes Subordination I Bank Mandiri (continued)

Subordinated MTN I can be treated as supplementary capital components (Tier 2) according to the approval from FSA through letter No. S-109/PB.31/2018 dated 20 September 2018.

Prior to full repayment of the amount outstanding of the MTN, Bank Mandiri is obliged to: (i) maintain at all times soundness of financial condition in accordance to FSA regulation; (ii) maintain a minimum level of soundness composite rating of 3 (three) which is categorised as "fair", according to internal assessment based on FSA regulation and/or Bank Indonesia; (iii) obtain and comply with all requirements and exercise all necessary things to keep the authority, license and approval (from government or other authorities) comply with requirement in accordance to Republic of Indonesia's law.

Bank Mandiri without written permission from the Trustee shall not: (i) reduce registered capital, issued capital and paid-up capital, except required by the government, authorised by the Authorities or Bank Indonesia; (ii) change the core business; (iii) perform merger, dissolution and/or taken over by other entity which lead to dissolution of Bank Mandiri.

Subordinated MTN I is not guaranteed by a special collateral, except guarantee which refer to Article 1131 and 1132 of Indonesian Civil Law (*UU Hukum Perdata*) which covers all the Bank's either moving objects and objects that are not moving, present or future.

There was no breach of the Trustee restrictions agreement on Subordinated MTN I during the year ended on 31 December 2022 and 2021.

As of 31 December 2022 and 2021, rating of MTN Subordinated I based on Pefindo was idAA (double A).

Two-step loans - Asian Development Bank

This account represents a credit facility from Asian Development Bank (ADB) to the Government of the Republic of Indonesia, through the Ministry of Finance of the Republic of Indonesia, which are relented to participating banks to finance several projects in Indonesia. The detail of this facility is as follows:

| <u>Credit Facility</u> | <u>Purpose</u> | <u>Repayment Period</u> |
|--------------------------|--------------------------------------|--|
| ADB Loan 1327 - INO (SF) | Funding Micro Credit Projects (PKM). | 15 January 2005 - 15 July 2029 with 1 st installment on 15 January 2005. |

The details of credit facilities from ADB are as follows:

| | <u>2022</u> | <u>2021</u> |
|--------------------------|-------------|-------------|
| ADB Loan 1327 - INO (SF) | 133,564 | 137,606 |

The Minister of Finance through its letter No. S-596/MK.6/2004 dated 12 July 2004, has approved the transfer of management of Micro Credit Project (PKM) of ADB loans No. 1327 - INO (SF) from Bank Indonesia to Bank Mandiri. With that approval, an amendment was made on the channelling loan agreement No. SLA-805/DP3/1995 dated 27 April 1995, which was revised by amendment No. AMA-287/SLA-805/DP3/2003 dated 22 April 2003, between the Republic of Indonesia and Bank Indonesia to the Republic of Indonesia and PT Bank Mandiri (Persero) Tbk., with amendment No. AMA-298/SLA-805/DP3/2004 dated 16 July 2004.

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37. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

Two-step loans - Asian Development Bank (continued)

The ADB loan for Micro Credit Projects was granted in SDR (Special Drawing Rights) currency in amount of SDR15,872,600.44 (full amount) which required Bank Mandiri to repay in SDR currency to the Government in 50 (fifty) prorate semi-annual installments every 15 January and 15 July with the first installment paid on 15 January 2005 and will end on 15 July 2029. The ADB loans are subject to a service charge of 1.50% per annum which is charged on every 15 January and 15 July every year starting from its drawdown.

38. TEMPORARY SYIRKAH FUNDS

Temporary *syirkah* funds consists of:

a. Deposits from Customers

1) Demand Deposits

a. Based on type:

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| Rupiah | | |
| Related parties (Note 57) | | |
| Demand deposits - restricted investment | 1 | 1 |
| Demand deposits – unrestricted investment <i>mudharabah</i> | 12,456,380 | 4,100,326 |
| | <u>12,456,381</u> | <u>4,100,327</u> |
| Third parties | | |
| Demand deposits - restricted and unrestricted investment <i>mudharabah</i> | 8,117,963 | 8,840,949 |
| Demand deposits <i>mudharabah musytarakah</i> | 626 | 1,030 |
| | <u>8,118,589</u> | <u>8,841,979</u> |
| Total | <u>20,574,970</u> | <u>12,942,306</u> |
| Foreign currency | | |
| Related parties (Note 57) | | |
| Demand deposits - restricted and unrestricted investment <i>mudharabah</i> | 1,245,851 | 287 |
| | <u>1,245,851</u> | <u>287</u> |
| Third parties | | |
| Demand deposits - restricted and unrestricted investment <i>mudharabah</i> | 902,267 | 338,726 |
| | <u>902,267</u> | <u>338,726</u> |
| Total | <u>2,148,118</u> | <u>339,013</u> |
| Total | <u>22,723,088</u> | <u>13,281,319</u> |

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38. TEMPORARY SYIRKAH FUNDS (continued)

Temporary *syirkah* funds consists of (continued):

a. Deposits from Customers (continued)

1) Demand Deposits (continued)

The demand deposits - restricted investment represent deposit from third parties which will receive returns from Subsidiary's restricted investment based on the agreed share (*nisbah*) of the Subsidiary's revenue.

b. Range of profit sharing ratios for demand deposits - unrestricted *mudharabah* investment per year:

| | 2022 | 2021 |
|------------------|---------------|---------------|
| Rupiah | 1.95% - 3.40% | 1.85% - 4.64% |
| Foreign currency | 0.05% - 0.19% | 0.00% - 0.29% |

2) Saving Deposits

a. Based on type:

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Related parties (Note 57) | | |
| Saving deposits - restricted investment | 731 | 95,220 |
| <i>Mudharabah</i> saving deposits - unrestricted investment | | |
| BSI saving deposits | 84,035 | 73,382 |
| <i>Investa Cendekia</i> saving deposits | 425 | 330 |
| <i>Mudharabah Institusi</i> saving deposits | 390 | 122,497 |
| <i>Mabrur</i> saving deposits | 292 | 675 |
| <i>Berencana</i> BSI saving deposits | 197 | 192 |
| | 86,070 | 292,296 |
| Third parties | | |
| Saving deposits - restricted investment | 2,061,141 | 871,011 |
| <i>Mudharabah</i> saving deposits - unrestricted investment | | |
| BSI saving deposits | 57,783,564 | 51,269,198 |
| <i>Mabrur</i> saving deposits | 9,374,466 | 8,921,714 |
| <i>Mudharabah Institusi</i> saving deposits | 1,148,770 | 1,484,714 |
| Retirement saving deposits | 1,064,785 | 974,694 |
| <i>Investa Cendekia</i> saving deposits | 568,028 | 574,926 |
| <i>Berencana</i> BSI saving deposits | 182,713 | 149,636 |
| <i>Qurban</i> saving deposits | 169 | 177 |
| | 72,183,636 | 64,246,070 |
| Total | 72,269,706 | 64,538,366 |

The saving deposits - restricted investment represent deposit from third parties which will receive returns from Subsidiary's revenue, for the usage of channeled funds with criteria determined by the fund owner's according to the previously agreed share (*nisbah*).

The *Mudharabah* saving deposits - unrestricted investment represent third parties' deposits which will receive return from Subsidiary's investment based on the agreed share (*nisbah*) of the Subsidiary's revenue.

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38. TEMPORARY SYIRKAH FUNDS (continued)

Temporary *syirkah* funds consists of (continued):

a. Deposits from Customers (continued)

2) Saving Deposits (continued)

b. Ranging of the annual profit sharing ratio (*nisbah*) for *Mudharabah* saving deposits - unrestricted investment:

| | 2022 | 2021 |
|------------------|---------------|---------------|
| Rupiah | 0.68% - 0.91% | 1.03% - 1.11% |
| Foreign Currency | 0.23% - 0.24% | 0.00% - 0.39% |

3) *Mudharabah* Time Deposit - unrestricted investment

| | 2022 | 2021 |
|---------------------------|--------------------|-------------------|
| Rupiah | | |
| Related parties (Note 57) | 17,735,345 | 6,820,968 |
| Third parties | 80,087,363 | 87,436,234 |
| Total | 97,822,708 | 94,257,202 |
| Foreign currency | | |
| Related parties (Note 57) | 122,331 | 21,709 |
| Third parties | 2,330,830 | 3,798,810 |
| Total | 2,453,161 | 3,820,519 |
| Total | 100,275,869 | 98,077,721 |

b. Deposits from Other Banks

| | 2022 | 2021 |
|---|----------------|------------------|
| Rupiah | | |
| Third parties | | |
| <i>Mudharabah</i> demand deposits - unrestricted investment | 31,880 | 37,308 |
| <i>Mudharabah</i> saving deposits - unrestricted investment | 627,646 | 564,124 |
| <i>Mudharabah</i> time deposits - unrestricted investment | 274,412 | 408,771 |
| | 933,938 | 1,010,203 |
| Total | 933,938 | 1,010,203 |

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38. TEMPORARY SYIRKAH FUNDS (continued)

Temporary *syirkah* funds consists of (continued):

- c. Other significant information related to the time deposits for deposits from customers and deposits from other banks:

- 1) By contract period:

| | 2022 | 2021 |
|------------------|--------------------|-------------------|
| Rupiah | | |
| 1 month | 64,518,121 | 53,388,394 |
| 3 months | 19,666,582 | 22,305,615 |
| 6 months | 4,250,650 | 6,811,178 |
| 12 months | 9,661,767 | 12,160,786 |
| Total | 98,097,120 | 94,665,973 |
| Foreign currency | | |
| 1 month | 1,904,064 | 3,245,092 |
| 3 months | 256,852 | 246,225 |
| 6 months | 97,899 | 119,010 |
| 12 months | 194,346 | 210,192 |
| Total | 2,453,161 | 3,820,519 |
| Total | 100,550,281 | 98,486,492 |

- 2) By remaining period until maturity date:

| | 2022 | 2021 |
|-------------------|--------------------|-------------------|
| Rupiah | | |
| Less than 1 month | 72,572,418 | 58,336,322 |
| 1 - 3 months | 15,147,698 | 23,251,086 |
| 3 - 6 months | 4,837,970 | 6,088,543 |
| 6 - 12 months | 5,539,034 | 6,990,022 |
| Total | 98,097,120 | 94,665,973 |
| Foreign currency | | |
| Less than 1 month | 1,960,597 | 3,307,495 |
| 1 - 3 months | 300,290 | 286,078 |
| 3 - 6 months | 81,059 | 100,872 |
| 6 - 12 months | 111,215 | 126,074 |
| Total | 2,453,161 | 3,820,519 |
| Total | 100,550,281 | 98,486,492 |

Mudharabah time deposits represent third parties' deposits which received a profit sharing return from the Subsidiary's income over utilisation of its fund based on an agreed profit sharing ratio (*nisbah*) arranged in *mudharabah muthlaqah* agreement.

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38. TEMPORARY SYIRKAH FUNDS (continued)

Temporary *syirkah* funds consists of (continued):

- c. Other significant information related to the time deposits for deposits from customers and deposits from other banks (continued):

- 3) Ranging of the annual profit sharing ratio (*nisbah*) for *Mudharabah* Time Deposits:

| | 2022 | 2021 |
|------------------|---------------|---------------|
| Rupiah | 2.51% - 3.23% | 3.05% - 4.63% |
| Foreign currency | 0.22% - 0.27% | 0.25% - 0.74% |

- 4) *Mudharabah* time deposits with *mudharabah muthlaqah* agreement that is pledged as collateral for receivables and financing amounted to Rp944,097 and Rp919,584 as of 31 December 2022 and 2021, respectively.

39. NON-CONTROLLING INTERESTS IN NET ASSETS OF CONSOLIDATED SUBSIDIARIES

This account represents non-controlling interests in net assets of consolidated Subsidiaries are as follows:

| | 2022 | 2021 |
|-------------------------------------|-------------------|-------------------|
| PT Bank Syariah Indonesia Tbk. | 16,256,603 | 12,269,334 |
| PT Bank Mandiri Taspen | 2,442,097 | 1,923,469 |
| PT AXA Mandiri Financial Services | 1,585,781 | 1,482,868 |
| PT Mandiri Tunas Finance | 1,495,576 | 1,173,150 |
| PT Mandiri Utama Finance | 460,299 | 304,713 |
| PT Asuransi Jiwa InHealth Indonesia | 325,364 | 270,433 |
| PT Mandiri Sekuritas | 596 | 378 |
| PT Mandiri Capital Indonesia | 353 | 325 |
| Total | 22,566,669 | 17,424,670 |

40. SHARE CAPITAL

a. Authorised, issued and fully paid capital

The Bank's authorised, issued and fully paid capital as of 31 December 2022 and 2021, respectively, are as follows:

| | 2022 | | | |
|---------------------------------|-----------------------|---------------------------------------|---------------------------|-------------------------|
| | Number of shares | Nominal value per Share (full amount) | Share value (full amount) | Percentage of ownership |
| Authorised Capital | | | | |
| Dwiwarna Series A Share | 1 | 250 | 250 | 0.00% |
| Series B Common Shares | 63,999,999,999 | 250 | 15,999,999,999,750 | 100.00% |
| Total Authorised Capital | 64,000,000,000 | | 16,000,000,000,000 | 100.00% |

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40. SHARE CAPITAL (continued)

a. Authorised, issued and fully paid capital (continued)

The Bank's authorised, issued and fully paid capital as of 31 December 2022 and 2021, respectively, are as follows (continued):

| 2022 (continued) | | | | |
|---|-----------------------|---------------------------------------|---------------------------|-------------------------|
| | Number of shares | Nominal value per Share (full amount) | Share value (full amount) | Percentage of ownership |
| Issued and fully paid capital | | | | |
| Dwiwarna Series A Share Republic of Indonesia | 1 | 250 | 250 | 0.00% |
| Series B Common Shares Republic of Indonesia | 24,266,666,666 | 250 | 6,066,666,666,500 | 52.00% |
| Indonesia Investment Authority | 3,733,333,333 | 250 | 933,333,333,250 | 8.00% |
| Board of Commissioners: | | | | |
| Rionald Silaban | 553,200 | 250 | 138,300,000 | 0.00% |
| Arief Budimanta | 396,300 | 250 | 99,075,000 | 0.00% |
| Faried Utomo | 396,300 | 250 | 99,075,000 | 0.00% |
| Nawal Nely | 396,300 | 250 | 99,075,000 | 0.00% |
| Muhammad Yusuf Aleh | 174,900 | 250 | 43,725,000 | 0.00% |
| Board of Directors: | | | | |
| Darmawan Junaidi | 2,206,100 | 250 | 551,525,000 | 0.01% |
| Alexandra Askandar | 2,700,000 | 250 | 675,000,000 | 0.01% |
| Ahmad Siddik Badruddin | 3,401,600 | 250 | 850,400,000 | 0.01% |
| Agus Dwi Handaya | 2,060,700 | 250 | 515,175,000 | 0.01% |
| Panji Irawan | 2,025,700 | 250 | 506,425,000 | 0.01% |
| Riduan | 1,982,000 | 250 | 495,500,000 | 0.00% |
| Aquarius Rudianto | 1,112,300 | 250 | 278,075,000 | 0.00% |
| Toni Eko Boy Subari | 602,400 | 250 | 150,600,000 | 0.00% |
| Susana Indah K. Indriati | 912,300 | 250 | 228,075,000 | 0.00% |
| Rohan Hafas | 543,900 | 250 | 135,975,000 | 0.00% |
| Sigit Prastowo | 1,393,400 | 250 | 348,350,000 | 0.00% |
| Timothy Utama | 622,100 | 250 | 155,525,000 | 0.00% |
| Public (less than 5%) | 18,645,187,166 | 250 | 4,661,296,791,500 | 39.95% |
| | 46,666,666,666 | | 11,666,666,666,500 | 100.00% |
| 2021 | | | | |
| | Number of shares | Nominal value per Share (full amount) | Share value (full amount) | Percentage of ownership |
| Authorised Capital | | | | |
| Dwiwarna Series A Share | 1 | 250 | 250 | 0.00% |
| Series B Common Shares | 63,999,999,999 | 250 | 15,999,999,999,750 | 100.00% |
| Total Authorised Capital | 64,000,000,000 | | 16,000,000,000,000 | 100.00% |
| Issued and Fully Paid Capital | | | | |
| Dwiwarna Series A Share Republic of Indonesia | 1 | 250 | 250 | 0.00% |
| Series B Common Shares Republic of Indonesia | 24,266,666,666 | 250 | 6,066,666,666,500 | 52.00% |
| Indonesia Investment Authority | 3,733,333,333 | 250 | 933,333,333,250 | 8.00% |
| Board of Commissioners: | | | | |
| Rionald Silaban | 333,800 | 250 | 83,450,000 | 0.00% |
| Arief Budimanta | 176,900 | 250 | 44,225,000 | 0.00% |
| Faried Utomo | 176,900 | 250 | 44,225,000 | 0.00% |
| Nawal Nely | 176,900 | 250 | 44,225,000 | 0.00% |
| Board of Directors: | | | | |
| Darmawan Junaidi | 1,564,300 | 250 | 391,075,000 | 0.00% |
| Alexandra Askandar | 2,121,700 | 250 | 530,425,000 | 0.01% |
| Ahmad Siddik Badruddin | 2,900,800 | 250 | 725,200,000 | 0.01% |
| Agus Dwi Handaya | 1,635,200 | 250 | 408,800,000 | 0.00% |
| Panji Irawan | 1,565,200 | 250 | 391,300,000 | 0.00% |
| Riduan | 1,401,500 | 250 | 350,375,000 | 0.00% |
| Aquarius Rudianto | 651,800 | 250 | 162,950,000 | 0.00% |
| Toni Eko Boy Subari | 141,900 | 250 | 35,475,000 | 0.00% |
| Susana Indah K. Indriati | 291,800 | 250 | 72,950,000 | 0.00% |
| Rohan Hafas | 83,400 | 250 | 20,850,000 | 0.00% |
| Sigit Prastowo | 83,400 | 250 | 20,850,000 | 0.00% |
| Public (less than 5%) | 18,617,961,166 | 250 | 4,654,490,291,500 | 39.90% |
| | 46,631,266,666 | | 11,657,816,666,500 | 99.92% |
| Treasury shares (Note 1f) | 35,400,000 | 250 | 8,850,000,000 | 0.08% |
| | 46,666,666,666 | | 11,666,666,666,500 | 100.00% |

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40. SHARE CAPITAL (continued)

a. Authorised, issued and fully paid capital (continued)

As of 31 December 2018, there was a change of ownership of the stock owned by the Board of Commissioners of Bank Mandiri, where the ownership of shares in the prior year was nil. The share ownership was related to the implementation of FSA regulation No. 45/POJK.03/2015, about the Application of Corporate Governance in Granting of Remuneration for Commercial Banks, where member of Directors and Non Independent Board of Commissioners are entitled to variable remuneration in form of the Bank's shares for financial performance of 2017.

Shares owned by the Board of Commissioners and Board of Directors For the year ended 31 December 2022 and 2021 respectively, amounted to 21,479,500 shares and 13,305,500 shares, or 0.05% and 0.03% of the total number of authorised shares.

The determination of issued and fully paid capital amounted to Rp4,000,000 by the Government of the Republic of Indonesia at the date of establishment of Bank Mandiri was carried out as follows:

1. Cash payment through Bank Indonesia amounted to Rp1,600,004.
2. Placements in shares recorded as investments in shares of the Merged Banks amounted to Rp599,999 each or totaling Rp2,399,996, through the transfer of shares of the Government of the Republic of Indonesia in each of the Merged Banks to Bank Mandiri, as resolved during the respective Extraordinary General Shareholders' Meetings of the Merged Banks. Based on the *inbreng* agreement approved by Notarial Deed No. 9 of Notary Sutjipto, S.H., dated 2 October 1998, Bank Mandiri and the Government of the Republic of Indonesia agreed to transfer those shares as payment for new shares to be issued by Bank Mandiri.

Based on the amendments to the Articles of Association of Bank Mandiri which stated in the Notarial Deed No. 98 of Notary Sutjipto, S.H. dated 24 July 1999, the shareholders resolved to increase the paid-in capital (share capital) of Bank Mandiri from Rp4,000,000 to Rp4,251,000 to be entirely paid by the Government of the Republic of Indonesia. The increase of Rp251,000 was a conversion from additional paid-in capital to share capital as a result of an excess from recapitalisation bonds issued under the First Recapitalisation Program as per Government Regulation No. 52 year 1999.

Based on the Extraordinary General Meeting of Shareholders (RUPS - LB) decision dated 29 May 2003, which was documented in Notarial Deed No. 142 of Notary Sutjipto, S.H., dated 29 May 2003, the shareholders approved these following matters:

- (i) Execution of Initial Public Offering.
- (ii) Changes in capital structure of Bank Mandiri.
- (iii) Changes in articles of association of Bank Mandiri.

In relation to the shareholders decision to change the capital structure, Bank Mandiri increased its issued and fully paid capital to Rp10,000,000 and split the share price (stock split) from Rp1,000,000 (full amount) per share to Rp500 (full amount) per share. Accordingly, the number of authorised shares increased from 16,000,000 shares to 32,000,000,000 shares, and the number of issued and fully paid shares increased from 10,000,000 shares with a nominal value of Rp1,000,000 (full amount) to 20,000,000,000 shares with a nominal value of Rp500 (full amount) which consists of 1 Dwiwarna Series A share and 19,999,999,999 Series B common shares which owned by the Republic of Indonesia.

In relation to the change in capital structure of Bank Mandiri, the Extraordinary General Meeting of Shareholders (RUPS - LB) also approved the allocation on part of recapitalisation fund amounted to Rp168,801,315 as share premium.

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40. SHARE CAPITAL (continued)

a. Authorised, issued and fully paid capital (continued)

The changes of capital structure that mentioned above became effective started from 23 May 2003, with the conditional requirement that the Bank should conduct a quasi-reorganisation before the end of 2003 as required in the Extraordinary General Meeting of Shareholders.

The Dwiwarna Series A share represents a share owned by the Republic of Indonesia, which is not transferrable. It provides the Republic of Indonesia with the privileges where General Meeting of Shareholders can make decision only if the Dwiwarna Series A shareholder attend and approve certain agendas.

The agenda of General Meeting of Shareholders where the shareholder of Dwiwarna Series A are mandatory to attend and approve are:

1. Increases in capital.
2. Appointment and termination of the Boards of Directors and Commissioners.
3. Amendment of the Articles of Association.
4. Mergers, acquisitions and takeovers.
5. Dissolution and liquidation.

The changes in the capital structure were based on the Minutes of Meeting regarding the Amendment of the Articles of Association (*Pernyataan Keputusan Rapat Perubahan Anggaran Dasar*) of PT Bank Mandiri (Persero) as notarised by Sutjipto, S.H. No. 2 dated 1 June 2003. The amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia through Decision Letter No. C-12783.HT.01.04.TH.2003 dated 6 June 2003 and announced in Appendix No. 6590 of State Gazette of the Republic of Indonesia No. 63 dated 8 August 2003.

The increase in issued and fully paid capital of Bank Mandiri from Rp4,251,000 to Rp10,000,000 was made through the following:

1. Partial return of fully paid capital of Rp251,000 to the Government as a part of the return of excess recapitalisation fund of Rp1,412,000 which was retained by Bank Mandiri, and an increase in paid-in capital amounted to Rp1,000,000 from the capitalisation of reserves, based on Government Regulation No. 26 year 2003 dated 29 May 2003, regarding the Conversion of the Investment of the Republic of Indonesia into the Paid-in Capital of PT Bank Mandiri (Persero), and Decree of the Ministry of State-Owned Enterprises (BUMN), as the Bank's shareholders', No. KEP-154/M-MBU/2002 dated 29 October 2002.
2. Increase in fully paid capital of Rp5,000,000 from the additional paid-in capital based on the Decree of the Ministry of Finance of the Republic of Indonesia ("KMK RI") No. 227/202.02/2003 dated 23 May 2003 regarding "The Final Amount and Implementation of the Government's Rights Arising from the Additional Share of the Government of the Republic of Indonesia in PT Bank Mandiri (Persero) in Relation to the Commercial Banking Recapitalisation Program".

Management stock option plan

Based on the Extraordinary General Meeting of Shareholders (RUPS - LB) held on 29 May 2003, which was notarised by Notary Sutjipto, S.H., in Notarial Deed No. 142 dated 29 May 2003, the Bank's shareholders also agreed on employee and directors stock ownership plan through an Employee Stock Allocation ("ESA") Program and a Management Stock Option Plan ("MSOP"). The ESA program consists of a Share Plan Bonus and a Share Purchase at Discount program. MSOP is designated for Directors and Senior Management at certain levels and based on certain criteria. All costs and discounts related to the ESA program are recognised by the Bank through allocation of reserves. The management and execution of the ESA and MSOP programs are performed by the Board of Directors, while the supervision is performed by the Board of Commissioners.

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40. SHARE CAPITAL (continued)

a. Authorised, issued and fully paid capital (continued)

Management stock option plan (continued)

On 14 July 2003, the Government of the Republic of Indonesia divested 4,000,000,000 shares representing 20.00% of its ownership in Bank Mandiri through an Initial Public Offering (IPO).

As a follow up action on the Government of Republic of Indonesia Regulation No. 27/2003 dated 2 June 2003, which approved the divestment of the Government ownership in Bank Mandiri of up to 30.00%, and based on a decision of *Tim Kebijakan Privatisasi Badan Usaha Milik Negara* No. Kep-05/TKP/01/2004 dated 19 January 2004, the Government of the Republic of Indonesia divested an additional 10.00% of ownership interest in Bank Mandiri or 2,000,000,000 shares of Series B common shares on 11 March 2004 through private placement.

On 14 July 2003, the date of the IPO, through MSOP Stage 1, the Bank issued 378,583,785 share options for the management with an exercise price of Rp742.50 (full amount) per share and a nominal value of Rp500 (full amount) per share. The share options are recorded in the Shareholders' Equity account - Share Options at fair value amounted to Rp69.71 (full amount) per share options. MSOP Stage 1 has been exercised in total 375,365,957 shares, thereby increasing the total issued and fully paid capital by Rp187,683, share premium by Rp117,193.

The Annual General Meeting of Shareholders on 16 May 2005 approved MSOP Stage 2 amounted to 312,000,000 share options. The exercise price for each share is Rp1,190.50 (full amount) to be exercised in the first year and Rp2,493 (full amount) to be exercised in the second year and the following year. The nominal value per share is Rp500 (full amount). The Bank recorded MSOP Stage 2 in the shareholders' equity account - Share Options with fair value amounted to Rp642.28 (full amount) per share options. MSOP Stage 2 has been exercised in total of 311,713,697 shares thereby increasing the total issued and fully paid capital by Rp155,857 and share premium by Rp425,233.

The Annual General Meeting of Shareholders on 22 May 2006 approved MSOP Stage 3 amounted to 309,416,215 share options.

The exercise price for each share in the MSOP Stage 3 is Rp1,495.08 (full amount) with nominal value of Rp500 (full amount) per share. The Bank recorded MSOP Stage 3 as part of the shareholders' equity account at fair value amounted to Rp593.89 (full amount) per share option. The total option that has been exercised in MSOP Stage 3 was 309,415,088 shares thereby increasing the total issued and fully paid capital by Rp154,707 and share premium by Rp491,651.

On 27 December 2010, Bank Mandiri submitted a first registration to Financial Services Authority (FSA) (formerly Capital Market Supervisory Board and Financial Institution (Bapepam and LK)) in relation to the Limited Public Offering (LPO) to the Bank's shareholders in respect to the issuance of Pre-emptive Rights ("HMETD") of 2,336,838,591 series B shares. The Limited Public Offering has been approved by the Board of Commissioners through its letter dated 29 April 2010. The Bank has submitted the notification letter regarding the Limited Public Offering to Bank Indonesia through its letter dated 17 September 2010. The Limited Public Offering has been enacted through the Indonesian Government Regulation No. 75 of 2010 dated 20 November 2010.

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40. SHARE CAPITAL (continued)

a. Authorised, issued and fully paid capital (continued)

Management stock option plan (continued)

LPO has been approved by Bapepam-LK through its letter No. S-807/BL/2011 dated 27 January 2011, and the LPO has become effective after obtaining approval in the Extraordinary General Meeting of Shareholders held on 28 January 2011.

The Pre-emptive Rights of 2,336,838,591 shares were traded during the period of 14-21 February 2011 with an exercise price of Rp5,000 (full amount) per share which resulted in an additional of issued and paid-up capital amounted to Rp1,168,420.

Based on the Extraordinary General Meeting of Shareholders (RUPS - LB) held on 21 August 2017, shareholders of Bank Mandiri approved to split Bank Mandiri's stock from Rp500 (full amount) per share to Rp250 (full amount) per share which made Bank Mandiri's equity amounted to 46,666,666,666 shares consist of 1 Dwiwarna series A share and 46,666,666,665 series B common shares. There are no changes for Bank Mandiri's authorised, issued and fully paid capital which caused by the stock split. The stock split effective started from 13 September 2017.

b. Additional paid-in capital/share premium

The additional paid-in capital/shares premium as of 31 December 2022 and 2021 amounted to Rp17,643,264 from the Limited Public Offering (LPO), the Recapitalization Program (Note 1c) and the sale of Bank Mandiri's shareholdings in UGM and BDP as well as the merger Bank Syariah Mandiri (BSM), Bank Rakyat Indonesia Syariah (BRIS) and Bank Negara Indonesia Syariah (BNIS) became Bank Syariah Indonesia (BSI). The shares premium amounted to Rp17,535,764 including premium from the LPO (Note 40a) amounting to Rp10,515,774 before deducting the costs related to the LPO amounting to Rp274,078. The additional premium for shares in 2013 amounting to Rp113,817 in the consolidated financial statements (Rp273,932 in the financial statements of the Parent Entity) came from the transfer of ownership of Bank Mandiri's shares in UGM and BDP to entities under common control, i.e. the difference between the selling price and the carrying amount of the investment in the consolidated financial statements. The additional shares premium of Rp327,072 from the merger of BSM, BRIS and BNIS into BSI.

The difference between selling price and book value of shares recorded as share premium in Parent Entity and consolidated financial statements are amounted to Rp273,932 and Rp113,817, respectively.

Based on the results of a due diligence review conducted on behalf of the Government dated 31 December 1999 and Management Contract (IMPA) dated 8 April 2000, it was decided that there was an excess on recapitalisation amounted to Rp4,069,000. The Bank has refunded Rp2,657,000 of Government Recapitalisation Bonds to the Government on 7 July 2000 pursuant to the Management Contract. The remaining balance of Rp1,412,000 was refunded to the Government on 25 April 2003 based on approval from the shareholders during its meeting on 29 October 2002 and the Ministry of State-Owned Enterprises Decision Letter No. KEP-154/M-MBU/2002 dated 29 October 2002.

The refund for above excess of recapitalisation amounted to Rp1,412,000 includes a portion of issued and fully paid capital of Rp251,000.

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40. SHARE CAPITAL (continued)

b. Additional paid-in capital/share premium (continued)

On 23 May 2003, the Minister of Finance of the Republic of Indonesia issued Decree (KMK-RI) No. 227/KMK.02/2003 dated 23 May 2003, which was amended by KMK-RI No. 420/KMK.02/2003 dated 30 September 2003, which provides further guidance on Government Regulations No. 52 year 1999 and No. 97 year 1999 regarding the final additional Government participation in Bank Mandiri's capital.

The following are the matters decided under the KMK-RI:

- a. The final Bank Mandiri recapitalisation amount is Rp173,801,315;
- b. The recapitalisation fund of Rp5,000,000 is converted into 5,000,000 new shares issued by Bank Mandiri with a nominal value of Rp1,000,000 (full amount) per share;
- c. The remaining recapitalisation fund amount of Rp168,801,315 is recorded as share premium within the capital structure of Bank Mandiri.

Through quasi-reorganisation, the Bank's accumulated losses as of 30 April 2003 amounted to Rp162,874,901 were eliminated against additional paid-in capital/share premium.

c. Distribution of net income

Based on the Annual General Meeting of Shareholders held on 10 March 2022 and 15 March 2021, the shareholders approved the distribution of the 2021 and 2020 net income as follows:

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| Dividends | 16,816,893 | 10,271,552 |
| Retained earnings Unappropriated | 11,211,262 | 6,847,701 |
| | 28,028,155 | 17,119,253 |
| Dividend per share (full amount) | 360.64 | 220.27 |

Dividends from 2021 net income amounted to Rp16,816,893 were paid on 6 April 2022 and dividends from 2020 net income amounted to Rp10,271,552 were paid on 12 April 2021. Payment of dividends were recorded in the consolidated statement of changes in equity at the year the payment was made.

d. Treasury stock

The Bank buyback its shares which was triggered by a slowdown and economic pressure both regionally and nationally, among others, was caused by the COVID-19 outbreak. Furthermore, the condition of stock trading on the Indonesia Stock Exchange from the beginning of 2020 to 9 March 2020 experienced significant pressure as indicated by a decrease in the Composite Stock Price Index (IHSG) of 18.46%. Furthermore, in order to provide an economic stimulus and reduce the impact of a significantly fluctuating market, Financial Service Authority (FSA) issued SEOJK No. 3/SEOJK.04/2020, to ease Issuers or Public Companies to carry out corporate action to buy back shares without violating applicable laws and regulations. This is one of the considerations for the Bank to carry out the buy back process.

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40. SHARE CAPITAL (continued)

d. Treasury stock (continued)

For the share buyback, the Bank also refers to FSA Regulation No. 2/POJK.04/2013 regarding the Buyback Shares Issued by Issuers or Public Companies in Market Conditions that Fluctuate Significantly ("POJK No. 2/POJK.04/2013"). FSA Circular Letter No. 3/SEOJK.04/2020 regarding Other Conditions as Market Conditions with Significant Fluctuation in the Implementation of Share Buybacks Issued by Issuers or Public Companies ("SEOJK No. 3/SEOJK.04/2020").

The buyback of the shares were carried out in stages for a period of 3 (three) months starting from 20 March 2020 to 19 June 2020, where the buyback transactions were carried out through the Indonesia Stock Exchange. Until the period of share buyback, the Bank has bought back 35,400,000 (full amount) shares with a total acquisition value of Rp150,895 which are recorded as treasury shares, which are a deduction of equity.

In accordance with the Bank's Disclosure of Information on 17 June 2022, as of 31 December 2022 the Bank no longer owns treasury shares. Based on the decision of the Company's Annual General Meeting of Shareholders on 10 March 2022, among others, it has been approved the transfer of shares resulting from the buyback in 2020 which are kept as treasury shares of the Company in the amount of 35,400,000 (thirty five million four hundred thousand) shares, on 15 June 2022 the Company has completed the entire process of transferring the shares resulting from the buyback to the Company's employees through the ESOP program in the amount of 35,400,000 (thirty five million four hundred thousand) shares to 3,036 employees.

e. Transfer of part of the Series B shares owned by the Republic of Indonesia to the Indonesia Investment Authority

Based on Government Regulation of the Republic of Indonesia No. 111 of 2021 concerning the Addition of the State Equity Participation of the Republic of Indonesia into the Capital of the Investment Management Institution, it has been stipulated that the addition of the state's equity participation to the Investment Management Institution (in this case the Indonesia Investment Authority). The additional shares participation comes from the transfer of part of the Series B shares owned by the Republic of Indonesia to the Company.

Furthermore, according to the Notary Deed No. 32 dated 23 December 2021 regarding the Agreement on the Transfer of Rights to the Shares of the Republic of Indonesia in PT Bank Mandiri (Persero) Tbk. to and with the purpose of addition of the State Equity Participation of the Republic of Indonesia into the Capital of the Investment Management Institution, made by Fathiah Helmi SH, the transfer of part of the Series B shares belonging to the Republic of Indonesia in the Company to the Indonesia Investment Authority has been effective after the signing of the Deed on 23 December 2021.

The transfer of part of the Series B shares owned by the Republic of Indonesia in the Company to the Indonesia Investment Authority in the amount of 3,733,333,333 shares or 8%, so that the Series B shares owned by the Republic of Indonesia in the Company became 24,266,666,666 shares or 52%.

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41. INTEREST INCOME AND SHARIA INCOME

Interest income and sharia income are as follow:

| | 2022 | 2021 |
|--|--------------------|-------------------|
| <u>Interest income</u> | | |
| Loans | 69,381,204 | 62,112,327 |
| Government bonds | 16,356,052 | 11,758,623 |
| Consumer financing income | 4,962,803 | 3,918,965 |
| Marketable securities | 3,184,751 | 3,823,529 |
| Placements with Bank Indonesia and other banks | 1,445,773 | 960,413 |
| Others receivables - trade transactions | 552,983 | 357,844 |
| Margin | 32,373 | 37,559 |
| Others | 27,936 | 64,685 |
| | 95,943,875 | 83,033,945 |
| <u>Sharia income</u> | | |
| Net <i>Murabahah</i> and <i>Istishna</i> | 11,446,687 | 10,184,237 |
| <i>Musyarakah</i> profit sharing | 4,727,321 | 4,237,160 |
| <i>Mudharabah</i> profit sharing | 142,040 | 218,525 |
| Net <i>Ijarah</i> | 122,195 | 75,219 |
| | 16,438,243 | 14,715,141 |
| | 112,382,118 | 97,749,086 |

Included in interest income from loans is interest income recognised on the non-impaired portion of the impaired loans for the year ended 31 December 2022 and 2021 amounted to Rp294,592 and Rp240,177 and fees and commissions income directly attributable to lending activities amortised using effective interest rate method for the year ended 31 December 2022 and 2021 amounted to Rp2,921,410 and Rp1,884,645, respectively.

As of 31 December 2022 and 2021 included in interest income and sharia income was income from transaction with related parties on government bonds and treasury bills amounted to Rp16,356,052 and Rp11,758,623, respectively (Note 57).

42. INTEREST EXPENSE AND SHARIA EXPENSE

Interest expense and sharia expense are incurred on the following:

| | 2022 | 2021 |
|--|-------------------|-------------------|
| <u>Interest expense</u> | | |
| Time deposits | 7,133,032 | 8,216,845 |
| Demand deposits | 5,517,701 | 4,917,786 |
| Debt securities issued | 3,300,992 | 2,452,537 |
| Fund borrowings | 2,494,105 | 2,031,983 |
| Saving deposits | 1,983,441 | 2,806,246 |
| Subordinated loans and marketable securities | 1,788 | 2,127 |
| Others | 15,536 | 13,983 |
| | 20,446,595 | 20,441,507 |

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42. INTEREST EXPENSE AND SHARIA EXPENSE (continued)

| | 2022 | 2021 |
|---|-------------------|-------------------|
| <u>Sharia expense</u> | | |
| <i>Mudharabah</i> time deposits | 2,874,965 | 3,457,121 |
| <i>Mudharabah</i> saving deposits | 564,411 | 620,876 |
| <i>Musytarakah - mudharabah musytarakah</i> | 387,406 | 115,088 |
| Certificate of interbank <i>mudharabah</i> investment | 132,936 | 1,098 |
| Restricted investments | 59,848 | 50,902 |
| Fund borrowing received and subordinated sharia notes | 12,603 | - |
| | 4,032,169 | 4,245,085 |
| | 24,478,764 | 24,686,592 |

Included in interest expense and sharia expense are interest expense from related parties transactions related to interest expense of fund borrowing for the year ended 31 December 2022 and 2021 amounted to Rp31,672 and Rp25,636, respectively (Note 57).

43. FEES AND COMMISSIONS

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Loans | 3,954,380 | 3,180,237 |
| E-channel transactions | 3,821,188 | 3,475,974 |
| Deposit transactions | 2,830,370 | 2,537,826 |
| Credit cards | 2,625,907 | 1,975,128 |
| Marketable securities | 2,305,867 | 1,809,377 |
| Trade transactions | 1,464,015 | 1,347,620 |
| Remittances, clearings and collections | 1,104,758 | 468,650 |
| Custodian and trustee | 248,109 | 206,908 |
| Bancassurance | 171,623 | 220,934 |
| Restructuring compensation income (<i>Ta'wid</i>) | 31,530 | 36,891 |
| Others | 244,401 | 149,148 |
| | 18,802,148 | 15,408,693 |

44. INCOME FROM FAIR VALUE THROUGH PROFIT OR LOSS CLASSIFICATION - NET

| | 2022 | 2021 |
|--|------------------|------------------|
| Gain from derivatives transactions - net | 2,734,125 | 2,918,235 |
| Interest income | 811,673 | 575,964 |
| Unrealised gain/(loss) from decrease in fair value - net | 86,069 | (73,610) |
| Gain from sales - net | (137,458) | 517,294 |
| Total | 3,494,409 | 3,937,883 |

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45. OTHER OPERATING INCOME - OTHERS

| | 2022 | 2021 |
|--|-------------------|------------------|
| Recoveries from written-off loans and sharia receivables/financing principal | 7,830,026 | 5,526,413 |
| Other administration and commission income | 1,949,891 | 2,236,765 |
| Penalty income | 696,574 | 494,207 |
| Dividend income from mutual fund and investment | 654,297 | 316,715 |
| Benefits from investments | 221,830 | 103,374 |
| Recovery from written-off interest from loans | 221,623 | 198,265 |
| Stamp duty income | 60,243 | 28,901 |
| Safety deposit box | 39,901 | 39,791 |
| EDC rent income | 34,003 | 38,060 |
| Others | 275,758 | 698,953 |
| Total | 11,984,146 | 9,681,444 |

46. ALLOWANCE FOR IMPAIRMENT LOSSES

| | 2022 | 2021 |
|---|---------------------|---------------------|
| (Allowance)/reversal for provision of impairment losses on: | | |
| Current accounts with other banks (Note 5d) | 5,165 | 51,094 |
| Placements with other banks (Note 6e) | (1,948) | 825 |
| Marketable securities (Note 7g) | 26,899 | 45,336 |
| Other receivables - trade transactions (Note 9d) | (27,813) | 225,659 |
| Loans (Note 12A.e, 12B.j) | (15,451,121) | (19,792,827) |
| Consumer financing receivables (Note 13d) | (708,402) | (832,853) |
| Net investment finance leases (Note 14d) | (32,438) | (51,248) |
| Acceptance receivables (Note 15d) | 146,934 | (73,877) |
| Investments in shares (Note 16c) | (53,658) | (461) |
| Total | (16,096,382) | (20,428,352) |

47. ALLOWANCE FOR OTHER PROVISIONS AND OPERATIONAL RISK LOSSES

| | 2022 | 2021 |
|--|------------------|------------------|
| (Allowance)/reversal provision or expenses for: | | |
| Losses from operational risk - external fraud | (44,671) | (19,121) |
| Losses from operational risk - management execution, delivering and processing | (41,610) | (3,484) |
| Losses from operational risk - internal fraud | (15,411) | (8,006) |
| Losses from operational risk - business activity disruption and system failure | (3,172) | (353) |
| Losses from operational risk - clients, products & business practices | (821) | (35) |
| Fines/penalty | (502) | (284) |
| Losses from operational risk - damage to physical assets | (109) | - |
| Estimated losses arising from fraud cases | - | (898) |
| Estimated losses arising from legal cases | 11,353 | 7,453 |
| Other assets (Note 20) | (187,130) | (253,214) |
| Total | (282,073) | (277,942) |

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48. UNREALISED GAINS FROM INCREASE IN FAIR VALUE OF POLICYHOLDERS INVESTMENT IN UNIT-LINK CONTRACTS

| | 2022 | 2021 |
|--|-------------|--------------|
| Changes in fair value of policyholders' investment | 1,236,623 | 741,345 |
| Decrease in unit-link contracts liability | (1,236,623) | (741,345) |
| Others | - | 2,824 |
| Total | - | 2,824 |

49. GAIN ON SALE OF MARKETABLE SECURITIES AND GOVERNMENT BONDS

| | 2022 | 2021 |
|-----------------------|----------------|------------------|
| Government bonds | 643,693 | 2,236,539 |
| Marketable securities | 255,886 | 1,005,861 |
| Total | 899,579 | 3,242,400 |

50. SALARIES AND EMPLOYEE BENEFITS EXPENSES

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Salaries, wages, pension and tax allowances | 14,954,642 | 13,806,946 |
| Bonuses and others | 4,019,157 | 4,802,905 |
| Religious holidays allowance, leave and other related expenses | 2,097,592 | 2,041,614 |
| Employee benefits in kind | 2,001,636 | 1,700,042 |
| Provision for tantiem | 611,600 | 356,710 |
| Training and education | 540,062 | 340,484 |
| Allowance/(reversal) of provision for post-employment benefits | 417,057 | (371,589) |
| Total | 24,641,746 | 22,677,112 |

Total gross salaries and allowances, bonus and tantiem, long-term employment benefits of the Boards of Commissioners, Directors, Audit Committee and Risk Monitoring Committee, Sharia Supervisory Board and Senior Executive Vice President and Senior Vice President are amounted to Rp1,837,516 and Rp1,376,923 (Note 57) for the year ended 31 December 2022 and 2021, respectively, as follows:

| | 2022 | | | |
|--|------------------------|-------------------|-------------------------------|------------------|
| | Salaries and allowance | Bonus and tantiem | Long-term employment benefits | Total |
| The Board of Commissioners | 81,674 | 179,241 | 5,959 | 266,874 |
| Directors | 236,859 | 465,350 | 24,670 | 726,879 |
| Audit Committee and Risk Monitoring Committee | 7,523 | 432 | 22 | 7,977 |
| Sharia Supervisory Board | 2,906 | 3,170 | - | 6,076 |
| Senior Executive Vice Presidents and Senior Vice President | 466,432 | 340,129 | 23,149 | 829,710 |
| Total | 795,394 | 988,322 | 53,800 | 1,837,516 |

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50. SALARIES AND EMPLOYEE BENEFITS EXPENSES(continued)

| | 2021 | | | Total |
|--|------------------------|-------------------|-------------------------------|------------------|
| | Salaries and allowance | Bonus and tantiem | Long-term employment benefits | |
| The Board of Commissioners | 73,446 | 110,808 | 5,170 | 189,424 |
| Directors | 214,788 | 313,384 | 22,726 | 550,898 |
| Audit Committee and Risk Monitoring Committee | 6,819 | - | 39 | 6,858 |
| Sharia Supervisory Board | 2,472 | 442 | 1 | 2,915 |
| Senior Executive Vice Presidents and Senior Vice President | 425,379 | 174,918 | 26,531 | 626,828 |
| Total | 722,904 | 599,552 | 54,467 | 1,376,923 |

51. GENERAL AND ADMINISTRATIVE EXPENSES

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Professional fees | 5,144,072 | 4,497,831 |
| Goods/services provided by third parties | 2,967,607 | 2,764,897 |
| Promotion | 2,077,000 | 1,437,972 |
| Depreciation of right of use assets (Note 18a) | 1,852,876 | 1,401,951 |
| Repairs and maintenance | 1,776,904 | 1,863,203 |
| Depreciation of fixed assets (Note 18a) | 1,565,310 | 1,362,444 |
| Communication | 1,454,794 | 1,303,521 |
| Amortisation of intangible assets (Note 19) | 1,095,451 | 805,226 |
| Rent | 897,454 | 931,795 |
| Office supplies | 883,617 | 869,798 |
| Transportations | 602,830 | 412,802 |
| Electricity, water and gas | 527,378 | 605,459 |
| Tax other than income tax | 234,587 | 186,193 |
| Traveling | 172,226 | 68,436 |
| Zakat | 141,405 | 101,684 |
| Insurance | 100,714 | 162,141 |
| Interest on lease liability (Note 18a) | 64,025 | 63,227 |
| Government program | 54,108 | 94,057 |
| Social and Environmental Responsibility | 52,902 | 51,904 |
| Security | 52,054 | 53,566 |
| Recruitment | 15,571 | 9,960 |
| Others | 369,667 | 471,632 |
| Neto | 22,102,552 | 19,519,699 |

For the year ended 31 December 2022 and 2021, promotions expenses include the reward/prize expenses of third party funds amounted to Rp55,423 and Rp62,527, respectively.

Social and Environmental Responsibility (TJSL) is an ongoing commitment to contribute to economic development and the company's concern for the community. Based on the Minister of BUMN Regulation Number PER-05/MBU/04/2021 concerning the Social and Environmental Responsibility Program for State-Owned Enterprises and the Minister of BUMN Regulation No. PER-06/MBU/09/2022 concerning Amendments to the Minister of State-Owned Enterprises Regulation No. PER-05/MBU/04/2021 Regarding the Social and Environmental Responsibility Program for State-Owned Enterprises, the TJSL Program is performed by applying the principles of integration, direction, measurable impact and accountability. In practice, the distribution of TJSL is performed using the company's expense budget (on balance sheet) and the balance of funds originating from the provision for a portion of the profit allocated until the end of 2015 (off balance sheet). Realization of the on balance sheet as of 31 December 2022 and 2021 was Rp52,902 and Rp51,904, respectively, while from the off balance sheet as of 31 December 2022 and 2021 were Rp84,728 and Rp79,960, respectively.

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52. PENSION PLAN AND SEVERANCE PAY

Under the Bank's policy, other than salaries, employees are entitled to allowances and benefits, such as religious holiday allowance, medical reimbursements, bereavement money and benefits, leave allowance, functional allowance for certain levels, pension plan for permanent employees, incentives based on employee's and the Bank's performance and post-employment benefits in accordance with prevailing Employment Law and Bank Mandiri Collective Labor Agreement.

Pension plan

Bank Mandiri has 5 (five) Pension Funds in the form of Employer Pension Funds (DPPK) consisting of 1 (one) Pension Fund that organizes a Defined Contribution Pension Program (PPIP) and 4 (four) Pension Funds that organizes a Defined Benefit Pension Program (PPMP) as follows:

a. Bank Mandiri Pension Fund (Defined Contribution Pension Program)

Dana Pensiun Pemberi Kerja Program Pensiun Iuran Pasti (DPPK-PPIP) or Bank Mandiri Pension Fund (Dana Pensiun Bank Mandiri (DPBM)) which was established on 1 August 1999 based on Board of Directors's resolution No. 004/KEP.DIR/1999 dated 26 April 1999 regarding Pension Plan of Bank Mandiri's pension fund. Regulation established by Bank Mandiri pension fund were approved by the Minister of Finance of the Republic of Indonesia through its Decision Letter No. KEP/300/KM.017/1999 dated 14 July 1999 and was published in the Additional of the State Gazette of the Republic of Indonesia No. 62 dated 3 August 1999.

The regulations for Pension Funds from Bank Mandiri Pension Funds have been last adjusted based on the Decree of the Board of Directors of PT Bank Mandiri (Persero) Tbk. No. KEP.DIR/4/2022 dated 9 February 2022. The adjustment was made in the framework of implementing Periodic Pension Benefit Payments by the Bank Mandiri Pension Fund and has received approval from the Financial Services Authority based on the Decree of the Board of Commissioners of the Financial Services Authority No. KEP-246/NB.11/2022 dated 25 April 2022 and announced in the Additional of the State Gazette of the Republic of Indonesia No. 45 dated 7 June 2022.

The pension contribution is recorded for each members, which jointly borne by the employer and the members:

1. The member is obliged to contribute 5% (five per hundred) of basic pension income.
2. The employer is obliged to contribute 10% (ten per hundred) of basic pension income.

The Bank Mandiri's pension funds invest their financial resources including deposits on call at Bank Mandiri. Balance on deposit on call as of 31 December 2022 and 2021 amounted to Rp9,200 and Rp10,200, respectively. The interest rate of the deposits are the same with interest rate for third party time deposits.

For the year ended 31 December 2022 and 2021, Bank has paid pension contribution of Rp538,691 and Rp507,805, respectively.

b. Bank Mandiri Pension Fund (Defined Benefit Pension Program)

Four employer's pension funds provide defined benefits program (DPPK-PPMP), which from the merger of 4 (four) legacy banks, namely:

1. Dana Pensiun Bank Mandiri One (Bank Bumi Daya),
2. Dana Pensiun Bank Mandiri Two (Bank Dagang Negara),
3. Dana Pensiun Bank Mandiri Three (Bank Exim) and
4. Dana Pensiun Bank Mandiri Four (Bank Pembangunan Indonesia),

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension plan (continued)

b. Bank Mandiri Pension Fund (Defined Benefit Pension Program) (continued)

The members of the pension funds are employees from legacy bank with working period of three years or more at the merger date which were active employees, ex employees (resigned but did not transfer his/her right to other pension fund) and retired members.

The regulations for Pension Funds from Bank Mandiri Pension Fund One (DPBM One), Bank Mandiri Pension Fund Two (DPBM Two), Bank Mandiri Pension Fund Three (DPBM Three) and Bank Mandiri Pension Fund Four (DPBM Four) have been changed several times, in order to comply with the applicable laws and regulations, as follows:

1. Bank Mandiri Pension Fund One

For the purpose of the merger of PT Bank Bumi Daya (Persero) into PT Bank Mandiri (Persero), a Decree of the Board of Directors of PT Bank Mandiri (Persero) No. 021A/KEP.DIR/1999 dated 31 July 1999 was stipulated, which was approved by the Minister based on Decree No. KEP-394/KM.17/1999 dated 15 November 1999, under the name Bank Mandiri Pension Fund One.

The regulations for Pension Funds from Bank Mandiri Pension Fund One have been last adjusted based on the Decree of the Board of Directors of PT Bank Mandiri (Persero) Tbk. No. KEP.DPB1/001/2022 dated 29 March 2022. Adjustments were made in order to provide increased Pension Benefits to Bank Mandiri Pension Fund One, Bank Mandiri Pension Fund Two and Bank Mandiri Pension Fund Four and provide other benefits in the form of additional benefits to each Pension Fund.

This change in Pension Fund Regulations from Bank Mandiri Pension Fund One has been approved by the Financial Services Authority based on Decision of the Board of Commissioners of the Financial Services Authority No. KEP-22/NB.1/2022 dated 8 April 2022.

2. Bank Mandiri Pension Fund Two

For the purpose of the merger of PT Bank Dagang Negara (Persero) into PT Bank Mandiri (Persero), a Decree of the Board of Directors of PT Bank Mandiri (Persero) No. 021B/KEP.DIR/1999 dated 31 July 1999 was stipulated, which was approved by the Minister based on Decree No. KEP-395/KM.17/1999 dated 15 November 1999, under the name Bank Mandiri Pension Fund Two.

The regulations for Pension Funds from the Bank Mandiri Pension Fund Two have been last adjusted based on the Decree of the Board of Directors of PT Bank Mandiri (Persero) Tbk. No. KEP.DPB2/001/2022 dated 29 March 2022. Adjustments were made in order to provide increased Pension Benefits to Bank Mandiri Pension Fund One, Bank Mandiri Pension Fund Two and Bank Mandiri Pension Fund Four and provide Other Benefits in the form of Additional Benefits to each Pension Fund.

These changes to the Pension Fund Regulations from the Bank Mandiri Pension Fund Two have been approved by the Financial Services Authority based on the Decree of the Board of Commissioners of the Financial Services Authority No. KEP-23/NB.1/2022 dated 8 April 2022.

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension plan (continued)

b. Bank Mandiri Pension Fund (Defined Benefit Pension Program) (continued)

3. Bank Mandiri Pension Fund Three

For the purpose of the merger of PT Bank Ekspor Impor Indonesia (Persero) into PT Bank Mandiri (Persero), a Decree of the Board of Directors of PT Bank Mandiri (Persero) No. 021C/KEP.DIR/1999 dated 31 July 1999 was stipulated, which was approved by the Minister based on the Decree No. KEP-396/KM.17/1999 dated 15 November 1999, under the name Bank Mandiri Pension Fund Three.

The regulations for Pension Funds from the Bank Mandiri Pension Fund Three have been last adjusted based on the Decree of the Board of Directors of PT Bank Mandiri (Persero) Tbk. No. KEP.DPB3/001/2022 dated 29 March 2022. Adjustments were made in order to provide increased Pension Benefits to Bank Mandiri Pension Fund One, Bank Mandiri Pension Fund Two and Bank Mandiri Pension Fund Four and provide Other Benefits in the form of Additional Benefits to each Pension Fund.

This change to the Pension Fund Regulations from the Bank Mandiri Pension Fund Three has been approved by the Financial Services Authority based on the Decision of the Board of Commissioners of the Financial Services Authority No. KEP-24/NB.1/2022 dated 8 April 2022.

4. Bank Mandiri Pension Fund Four

For the purpose of the merger of PT Bank Pembangunan Indonesia (Persero) into PT Bank Mandiri (Persero), a Decree of the Board of Directors of PT Bank Mandiri (Persero) No. 021D/KEP.DIR/1999 dated 31 July 1999 was stipulated, which was approved by the Minister based on Decree No. KEP-397/KM.17/1999 dated 15 November 1999, under the name Bank Mandiri Pension Fund Four.

The regulations for Pension Funds from the Bank Mandiri Pension Fund Four have been last adjusted based on the Decree of the Board of Directors of PT Bank Mandiri (Persero) Tbk. No. KEP.DPB4/001/2022 dated 29 March 2022. Adjustments were made in order to provide increased Pension Benefits to Bank Mandiri Pension Fund One, Bank Mandiri Pension Fund Two and Bank Mandiri Pension Fund Four and provide other benefits in the form of additional benefits to each Pension Fund.

This amendment to the Pension Fund Regulations from the Bank Mandiri Pension Fund Four has been approved by the Financial Services Authority based on the Decree of the Board of Commissioners of the Financial Services Authority No. KEP-25/NB.1/2022 dated 8 April 2022.

The actuarial calculation on pension benefits liability for Bank only as of 31 December 2022 and 2021 were based on estimated actuarial calculation for the year ended 31 December 2022 as stated in report of Enny Diah Awal Actuary Consultant Firm dated 3 January 2023 with method of "Projected Unit Credit".

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension plan (continued)

The assumptions used for the year ended 31 December 2022 and 2021 are as follows:

| | DPBMS | DPBMD | DPBMT | DPBME |
|--|---|---|---|---|
| Discount rate | 7.30% (2021: 6.80% per annum) | 7.30% (2021: 6.80% per annum) | 7.30% (2021: 6.80% per annum) | 7.30% (2021: 6.80% per annum) |
| Expected rate of return on pension plan assets | 9.50% per annum | 9.50% per annum | 9.50% per annum | 9.50% per annum |
| Working period used | As of 31 July 1999 | As of 31 July 1999 | As of 31 July 1999 | As of 31 July 1999 |
| Pensionable salary (PhDP) used | Basic Salary x Index registered on 31 July 1999, which adjusted on 31 December 2002 | Basic Salary + Other Benefits registered on 31 July 1999, which adjusted on 31 December 2002 | (Basic Salary + Family Allowance) x Expensive allowance for branches registered on 31 July 1999, which adjusted on 31 December 2002 | Basic Salary registered on 31 July 1999, which adjusted on 31 December 2002 |
| Expected rates of PhDP increase | Nil | Nil | Nil | Nil |
| Mortality rate table | 80% UN 2010 Male | 80% UN 2010 Male | 80% UN 2010 Male | 80% UN 2010 Male |
| Turnover rate | Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00% | Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00% | Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00% | Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00% |
| Disability rate | 10.00% of mortality rate | 10.00% of mortality rate | 10.00% of mortality rate | 10.00% of mortality rate |
| Actuarial method | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit |
| Normal retirement age | 48 years old to 56 years depending on the grades | 56 years old for all grades | 56 years old for all grades | 56 years old for all Grades |
| Expected rate of pension benefit increase | Nil | Nil | Nil | 2.00% per year |
| Tax rates - average | 3.00% of benefit | 3.00% of benefit | 3.00% of benefit | 3.00% of benefit |

The present value of the pension benefit obligations and net fair value of plan assets as of 31 December 2022 are as follows :

| | DPBMS | DPBMD | DPBMT | DPBME |
|---|--------------|--------------|--------------|--------------|
| Present value of the pension benefit obligation | (1,321,307) | (1,453,642) | (600,389) | (466,605) |
| Fair value of plan assets | 1,420,106 | 1,465,542 | 626,880 | 608,820 |
| Funded Status | 98,799 | 11,900 | 26,491 | 142,215 |
| Asset ceiling ¹⁾ | (98,799) | (11,900) | (26,491) | (142,215) |
| Pension Plan Program Assets recognised in consolidated statement of financial position ²⁾ | - | - | - | - |

¹⁾ There are no unrecognised accumulated actuarial loss-net nor unrecognised past service cost and there are no present value of available future refunds or reductions of future contributions.

²⁾ There are no plan assets recognised in the consolidated statement of financial position because the requirements under SFAS No. 24 regarding "Employee Benefits" are not fulfilled.

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension plan (continued)

The present value of the pension benefit obligations and net fair value of plan assets as of 31 December 2022 and 2021 are as follows:

| | DPBMS | DPBMD | DPBMT | DPBME |
|--|-------------|-------------|-----------|-----------|
| Present value of the pension benefit obligation | (1,391,911) | (1,555,396) | (648,544) | (483,878) |
| Fair value of plan assets | 1,530,656 | 1,592,830 | 653,055 | 654,604 |
| Funded Status | 138,745 | 37,434 | 4,511 | 170,726 |
| Asset ceiling ¹⁾ | (138,745) | (37,434) | (4,511) | (170,726) |
| Pension Plan Program | | | | |
| Assets recognised in consolidated statement of financial position ²⁾ | - | - | - | - |

¹⁾ There are no unrecognised accumulated actuarial loss-net nor unrecognised past service cost and there are no present value of available future refunds or reductions of future contributions.

²⁾ There are no plan assets recognised in the consolidated statement of financial position because the requirements under SFAS No. 24 regarding "Employee Benefits" are not fulfilled.

The composition of plan assets from Pension Fund for the year ended 31 December 2022 and 2021 are as follows:

| | 2022 | | | |
|-------------------|-------------|-------------|-------------|-------------|
| | DPBMS | DPBMD | DPBMT | DPBME |
| Time deposit | 8% | 6% | 2% | 10% |
| Bonds | 35% | 41% | 13% | 22% |
| Direct placement | 8% | 20% | 31% | 3% |
| Land and building | 26% | 4% | 33% | 6% |
| Shares | 2% | 2% | 0% | 0% |
| Treasury bills | 21% | 26% | 21% | 59% |
| Others | 0% | 1% | 0% | 0% |
| Total | 100% | 100% | 100% | 100% |
| | 2021 | | | |
| | DPBMS | DPBMD | DPBMT | DPBME |
| Time deposit | 8% | 10% | 2% | 26% |
| Bonds | 36% | 41% | 19% | 26% |
| Direct placement | 8% | 19% | 30% | 3% |
| Land and building | 24% | 4% | 28% | 5% |
| Shares | 2% | 2% | 1% | 1% |
| Treasury bills | 21% | 23% | 17% | 38% |
| Others | 1% | 1% | 3% | 1% |
| Total | 100% | 100% | 100% | 100% |

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension plan (continued)

Labor Law and Bank Mandiri Collective Labor Agreement

Bank Mandiri has implemented an accounting policy for employment benefits SFAS No. 24 to recognise provision for employee service entitlements. Bank Mandiri recognizes provisions for employee long service benefits based on the Employment Law and and Bank Mandiri Collective Labor Agreements for the years ended 31 December 2022 and 2021 respectively in the amounted of Rp3,184,090 and Rp3,237,028 (including compensation benefits of Rp8,240 for resigned employees which have not yet been paid and excluded from actuarial calculation) based on the estimated post employment benefit in the independent actuarial reports (Note 34).

Provision for employee service entitlements as of 31 December 2022 and 2021 are estimated using the employees service entitlements calculation for the year ended 31 December 2022 and 2021 as included in the independent actuarial report of Enny Diah Awal Actuary Consultant Firm dated 3 January 2023 and 3 January 2022, respectively. The assumptions used by the actuary are as follows:

- a. Discount rate is 7.30% per annum (2021: 7.40% per annum).
- b. Salary increase rate: 8.00%. (2021: 6.00% - 8.00% per annum).
- c. Mortality rate table used is Indonesia Mortality 2019.
- d. Turnover rate: Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%.
- e. Actuarial method is projected unit credit method.
- f. Normal retirement age between 36 to 56 years according to the grades.
- g. Disability rate is 10.00% of death probability at each age.

The amounts recognised in the statement of financial position are determined based on independent actuarial report as follows (Bank Mandiri only):

| | 2022 | 2021 |
|--|-------------|-------------|
| Provision for post employment benefits presented in statement of financial position | 1,879,403 | 1,920,311 |

The movement in present value of obligation over the year is as follows (Bank Mandiri only):

| | 2022 | 2021 |
|--|------------------|------------------|
| Beginning balance of present value of obligation | 1,920,311 | 2,811,930 |
| Current service cost | 200,823 | 276,943 |
| Severance payment | 33,660 | 22,191 |
| Interest fee | 139,120 | 207,040 |
| Past service cost | 1,603 | (961,059) |
| Benefit paid | (130,766) | (175,433) |
| Actuarial gain/(loss) | (285,348) | (261,301) |
| Ending balance of present value of obligation | 1,879,403 | 1,920,311 |

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension plan (continued)

Labor Law and Bank Mandiri Collective Labor Agreement (continued)

The amounts recognised in the statement of profit or loss and other comprehensive income based on independent actuarial report are as follows (Bank Mandiri only):

Profit or loss

| | 2022 | 2021 |
|---------------------------------|----------------|------------------|
| Current service cost | 234,483 | 299,134 |
| Interest cost | 139,120 | 207,040 |
| Past service cost | 1,603 | (961,059) |
| Cost of pension benefits | 375,206 | (454,885) |

Other Comprehensive Income

| | 2022 | 2021 |
|---|------------------|------------------|
| Financial assumptions (change in assumptions) | 41,455 | 48,288 |
| Experience adjustment (demographics and finances) | (326,803) | (309,589) |
| Actuarial gains recognized in other comprehensive income | (285,348) | (261,301) |

Reconciliations of provision for post employment benefits are as follows:

| | 2022 | 2021 |
|---|-------------------------------|-------------------------------|
| <u>Bank Mandiri</u> | | |
| Beginning balance of provision for post employment benefits | 1,920,311 | 2,811,930 |
| Expenses during the year | 375,206 | (454,885) |
| Payments of benefits | (130,766) | (175,433) |
| Recognition of actuarial (gains)/losses in other comprehensive income | (285,348) | (261,301) |
| Provision for post employment benefits (Bank Mandiri only) | 1,879,403 | 1,920,311 |
| Subsidiaries | | |
| Provision for post employment benefits | 1,296,447 | 1,308,477 |
| Total provision for post employment benefits (Note 34) | 3,175,850¹⁾ | 3,228,788¹⁾ |

¹⁾ As of 31 December 2022 and 2021, the amount does not include unpaid severance for resigned employees which have not yet been paid amounted to Rp8,240, which was excluded from actuarial calculation.

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension plan (continued)

Labor Law and Bank Mandiri Collective Labor Agreement (continued)

The present value of funded benefit obligations, fair value of plan assets and the surplus on the program for the last five years, which are (Bank Mandiri only):

| | 31 December | | | | |
|--|-------------|-----------|-----------|-----------|-----------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| Present value of defined benefit obligations | 1,879,403 | 1,920,311 | 2,811,930 | 2,984,609 | 2,988,260 |
| Fair value of plan assets | - | - | - | - | - |
| Deficit in the plan | 1,879,403 | 1,920,311 | 2,811,930 | 2,984,609 | 2,988,260 |
| Experience adjustments on plan liabilities | 114,748 | 309,589 | 228,319 | 330,750 | 389,056 |
| Experience adjustments on asset program | - | - | - | - | - |

Pension Appreciation

Bank Mandiri provides pension appreciation programs to employees who enter normal retirement age (age 56). This program is eligible for employees who have entered their ten years of service period. The present value for provision of pension appreciation program as of 31 December 2022 and 31 December 2021 based on an actuarial calculation amounted to Rp67,151 and Rp62,781, respectively (Notes 34).

The assumptions used for the period ending 31 December 2022 and 2021 are as follows:

- a. Discount rate: 7.30% (2021: 7.40%).
- b. Gold price: Rp1,012,000 (2021: Rp932,000) (full amount).
- c. Increment rate of gold price: 8.00%.
- d. Mortality rate table used is Indonesia Mortality 2019.
- h. Disability rate is 10% of death probability at each age.
- i. Turnover rate: Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%.
- g. Normal retirement age is until age of 56 years.
- h. Actuarial method used is projected unit credit method.

The movement in present value of obligation over the year is as follows (Bank Mandiri only):

| | 2022 | 2021 |
|--|---------------|---------------|
| Beginning balance of present value of obligation | 62,781 | 67,691 |
| Expenses during the year | 11,261 | 11,078 |
| Benefit paid | (5,140) | (5,492) |
| Actuarial gain through other comprehensive income | (1,751) | (10,496) |
| Ending balance of present value of obligation (Note 34) | 67,151 | 62,781 |

The amounts recognised in the statement of profit or loss and other comprehensive income based on independent actuarial report are as follows (Bank Mandiri only):

Profit or Loss

| | 2022 | 2021 |
|-------------------------------------|---------------|---------------|
| Current service cost | 6,745 | 6,207 |
| Interest cost | 4,516 | 4,871 |
| Cost of pension appreciation | 11,261 | 11,078 |

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Other Comprehensive Income

| | 2022 | 2021 |
|---|----------------|-----------------|
| Financial assumptions (change in assumptions) | (866) | 401 |
| Experience adjustment | (885) | (10,897) |
| Actuarial gains recognised in other comprehensive Income | (1,751) | (10,496) |

Reconciliation of PVDBO (Bank Mandiri only):

| | 2022 | | | | | |
|---|------------------|------------------|----------------|----------------|------------------------------|---------------------------------|
| | DPBMS | DPBMD | DPBMT | DPBME | UUTK and PKB BMRI | Pension Appreciation |
| Beginning balances of PVDBO | 1,391,911 | 1,555,396 | 648,544 | 483,878 | 1,920,311 | 62,781 |
| Current service cost | - | - | - | - | 200,823 | 6,745 |
| Interest cost of PVDBO | 88,495 | 100,012 | 41,755 | - | 139,120 | 4,516 |
| Past service cost | - | - | - | 30,770 | 1,603 | - |
| Severance pay | - | - | - | - | 33,660 | - |
| Benefit payments from plan assets | (181,026) | (169,254) | (68,983) | (62,751) | (130,766) | (5,140) |
| Actuarial (gain)/losses from PVDBO: | | | | | | |
| (Gain)/losses on change of assumption in economic | (35,997) | (44,465) | (20,065) | (12,007) | 41,455 | (866) |
| (Gain)/losses on experience adjustment | 57,924 | 11,954 | (862) | 26,715 | (326,803) | (885) |
| Ending balances of PVDBO | 1,321,307 | 1,453,643 | 600,389 | 466,605 | 1,879,403 | 67,151 |

| | 2021 | | | | | |
|---|------------------|------------------|----------------|----------------|------------------------------|---------------------------------|
| | DPBMS | DPBMD | DPBMT | DPBME | UUTK and PKB BMRI | Pension Appreciation |
| Beginning balances of PVDBO | 1,383,842 | 1,623,228 | 695,561 | 500,659 | 2,811,930 | 67,691 |
| Current service cost | - | - | - | - | 276,943 | 6,207 |
| Interest cost of PVDBO | 89,128 | 105,947 | 45,566 | 32,504 | 207,040 | 4,871 |
| Past service cost | - | - | - | - | (961,059) | - |
| Severance pay | - | - | - | - | 22,191 | - |
| Benefit payments from plan assets | (184,248) | (175,528) | (70,365) | (59,186) | (175,433) | (5,492) |
| Actuarial (gain)/losses from PVDBO: | | | | | | |
| (Gain)/losses on change of assumption in economic | 8,835 | 10,574 | 4,429 | 3,734 | 48,288 | 402 |
| (Gain)/losses on experience adjustment | 94,354 | (8,825) | (26,647) | 6,167 | (309,589) | (10,898) |
| Ending balances of PVDBO | 1,391,911 | 1,555,396 | 648,544 | 483,878 | 1,920,311 | 62,781 |

Reconciliation of plan assets (Bank Mandiri only):

| | 2022 | | | |
|---|------------------|------------------|----------------|----------------|
| | DPBMS | DPBMD | DPBMT | DPBME |
| Beginning fair value of plan assets | 1,530,656 | 1,592,830 | 653,055 | 654,604 |
| Benefit payments from plan assets | (181,026) | (169,254) | (68,983) | (62,751) |
| Interest income in plan assets | 97,929 | 102,558 | 42,062 | 42,379 |
| Result of plan assets (exclude interest income) | (27,453) | (60,592) | 746 | (25,412) |
| Ending fair value plan assets | 1,420,106 | 1,465,542 | 626,880 | 608,820 |

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Reconciliation of plan assets (Bank Mandiri only) (continued):

| | 2021 | | | |
|---|------------------|------------------|----------------|----------------|
| | DPBMS | DPBMD | DPBMT | DPBME |
| Beginning fair value of plan assets | 1,550,395 | 1,656,802 | 690,411 | 649,195 |
| Benefit payments from plan assets | (184,249) | (175,529) | (70,365) | (59,186) |
| Interest income in plan assets | 100,621 | 108,263 | 45,211 | 42,752 |
| Return of plan assets (exclude interest income) | 63,889 | 3,294 | (12,202) | 21,843 |
| Ending fair value plan assets | 1,530,656 | 1,592,830 | 653,055 | 654,604 |

Movements in other comprehensive income:

Movements in other comprehensive income for the Bank Mandiri only for the year ended 31 December 2022 and 2021 as follows:

| | 2022 | | | | | |
|--|----------|----------|----------|----------|----------------------|-------------------------|
| | DPBMS | DPBMD | DPBMT | DPBME | UUTK and PKB BMRI | Pension Appreciation |
| Accumulated of actuarial gains on beginning year | - | - | - | - | 1,535,782 | 2,841 |
| Actuarial gain of the current year | - | - | - | - | 285,348 | 1,751 |
| Accumulated actuarial gains on ending year | - | - | - | - | 1,821,130 | 4,592 |
| | 2021 | | | | | |
| | DPBMS | DPBMD | DPBMT | DPBME | UUK and PKB BMRI | Pension Appreciation |
| Accumulated of actuarial gains/(losses) on beginning year | - | - | - | - | 1,274,482 | (7,655) |
| Actuarial gain of the current year | - | - | - | - | 261,300 | 10,496 |
| Accumulated actuarial gains on ending year | - | - | - | - | 1,535,782 | 2,841 |

Employee benefits liabilities maturing on 31 December 2022 and 2021 related to UUK No. 13/2003 are as follows:

| | 2022 | 2021 |
|-------------------|------------------|------------------|
| Year 1 | 158,350 | 243,463 |
| Year 2 | 189,223 | 277,729 |
| Year 3 | 246,688 | 308,369 |
| Year 4 | 331,017 | 365,128 |
| Year 5 | 380,023 | 450,149 |
| Year 6 and others | 8,074,873 | 6,883,709 |
| Total | 9,380,174 | 8,528,547 |

The average duration of the defined benefit obligation is 10.42 years and 10.81 years, and the defined contribution obligation is 15.57 years and 16.24 years as of 31 December 2022 and 2021, respectively.

Actuary's calculation of employee pension benefits for Bank only as of 31 December 2022 and 2021 were based on estimated actuarial calculation for the year ended 31 December 2022 and 2021, that listed in the report from the Enny Diah Awal Actuary Consultant Firm dated 3 January 2023 and 3 January 2022 using the Projected Unit Credit method.

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Provision for employee service entitlements of Subsidiaries as of 31 December 2022 and 2021 were calculated by an independent actuary as included in the independent actuarial report as follows:

| Subsidiaries | Independent Actuary | 2022 | 2021 |
|-------------------------------------|---|------------------|------------------|
| PT Bank Syariah Indonesia Tbk. | Steven & Mouritz Actuarial Consultant Office (2021 : Steven & Mouritz Actuarial Consultant Office) | 9 January 2023 | 10 January 2022 |
| PT Mandiri Sekuritas | Steven & Mouritz Actuarial Consultant Office (2021 : Steven & Mouritz Actuarial Consultant Office) | 30 December 2022 | 31 December 2021 |
| PT Bank Mandiri Taspen | Nandi and Utama Actuarial Consultant Office (2021 : Nandi and Utama Actuarial Consultant Office) | 6 January 2023 | 5 January 2022 |
| PT Mandiri Tunas Finance | Steven & Mouritz Actuarial Consultant Office (2021 : Steven & Mouritz Actuarial Consultant Office) | 2 January 2023 | 3 January 2022 |
| PT AXA Mandiri Financial Services | Steven & Mouritz Actuarial Consultant Office (2021 : Steven & Mouritz Actuarial Consultant Office) | 11 January 2023 | 10 January 2022 |
| PT Asuransi Jiwa InHealth Indonesia | Nurichwan Actuarial Consulting Office (2021 : Nurichwan Actuarial Consulting Office) | 2 January 2023 | 31 December 2021 |
| PT Mandiri Utama Finance Indonesia | Bambang Sudrajad Actuarial Consultant Office (2021 : Bambang Sudrajad Actuarial Consultant Office) | 31 December 2022 | 31 December 2021 |

The sensitivity of the defined benefit obligation to changes in actuarial assumptions are as follows (Bank Mandiri only) (unaudited):

| | 2022 | 2021 |
|------------------------------|-------------|-------------|
| Changes of assumptions: | | |
| 1% increase in discount rate | (1,714,955) | (1,712,675) |
| 1% decrease in discount rate | 2,112,449 | 2,246,548 |

53. OTHER OPERATING EXPENSES - OTHERS - NET

| | 2022 | 2021 |
|--|------------------|------------------|
| Insurance premiums on third party funds | | |
| guarantee program | 2,677,069 | 2,388,224 |
| Fees and commissions expenses | 1,191,845 | 1,134,128 |
| Regulator fee | 714,978 | 584,941 |
| Fees related to credit card and ATM transaction | 503,211 | 422,729 |
| Insurance marketing personnel compensation | 238,206 | 234,046 |
| Bancassurance fee | 150,310 | 150,614 |
| Impairment loss on <i>ijarah</i> asset | 111,239 | 45,226 |
| Group insurance commisions | 59,969 | 49,575 |
| Membership fee | 53,149 | 35,973 |
| Fees from RTGS, remittance and clearing transactions | 47,122 | 45,088 |
| Early payment - treasury transaction | 38,123 | - |
| <i>Murabahah</i> margin deduction expense | 22,056 | 15,431 |
| Others | 708,483 | 1,837,381 |
| | 6,515,760 | 6,943,356 |

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54. NON-OPERATING (EXPENSE)/INCOME - NET

| | 2022 | 2021 |
|-------------------------------------|----------------|-----------------|
| Gain/(loss) on sale of fixed assets | 2,821 | (114,086) |
| Others - net | 206,816 | 32,304 |
| Net | 209,637 | (81,782) |

55. COMMITMENTS AND CONTINGENCIES

The following accounts represent accounts which are recorded as off-balance sheet:

| | 2022 | 2021 |
|---|----------------------|----------------------|
| COMMITMENTS | | |
| Commitment payables: | | |
| Unused loan facilities ^{*)} | | |
| Related parties (Note 57) | (75,635,375) | (84,010,917) |
| Third parties | (121,899,606) | (109,300,267) |
| | (197,534,981) | (193,311,184) |
| Outstanding irrevocable letter of credit (Note 31): | | |
| Related parties (Note 57) | (13,991,579) | (9,307,478) |
| Third parties | (14,325,702) | (9,997,511) |
| | (28,317,281) | (19,304,989) |
| Commitment payables - net | (225,852,262) | (212,616,173) |
| CONTINGENCIES | | |
| Contingent receivables: | | |
| Guarantees received from other banks | 28,052,019 | 27,557,087 |
| Interest receivable on non-performing assets | 12,467,774 | 13,278,668 |
| Others | 34,355 | 32,729 |
| | 40,554,148 | 40,868,484 |
| Contingent payables: | | |
| Guarantees issued in the form of: | | |
| Bank guarantees (Note 31): | | |
| Related parties (Note 57) | (36,092,991) | (23,633,414) |
| Third parties | (74,913,516) | (78,758,125) |
| | (111,006,507) | (102,391,539) |
| Standby letter of credit (Note 31) | | |
| Related parties (Note 57) | (5,810,458) | (12,239,512) |
| Third parties | (6,019,854) | (5,458,399) |
| | (11,830,312) | (17,697,911) |
| Others | (2,154,323) | (1,561,169) |
| Total | (124,991,142) | (121,650,619) |
| Contingent payables - net | (84,436,994) | (80,782,135) |
| | (310,289,256) | (293,398,308) |

^{*)} Include unused committed and uncommitted loans facilities

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56. FOREIGN CURRENCY TRANSACTIONS

The fair value of forward and cross currency swap transactions are presented as derivative receivables/payables in the consolidated statement of financial position (Note 11).

Details of the outstanding buy and sell foreign currency spot transactions (Bank Mandiri only) as of 31 December 2022 and 2021 are as follows:

| Original Currency | 2022 | | | |
|----------------------|------------------------------------|----------------------|------------------------------------|----------------------|
| | Spot - Buy | | Spot - Sell | |
| | Original currency (full amount) | Rupiah equivalent | Original currency (full amount) | Rupiah equivalent |
| United States Dollar | 214,415,000 | 3,337,906 | 219,939,000 | 3,423,900 |
| Others ^{*)} | | 266,667 | | 249,199 |
| | | 3,604,573 | | 3,673,099 |
| Original Currency | 2021 | | | |
| | Spot - Buy | | Spot - Sell | |
| | Original currency (full amount) | Rupiah equivalent | Original currency (full amount) | Rupiah equivalent |
| United States Dollar | 71,440,000 | 1,018,198 | 113,175,000 | 1,613,027 |
| Others ^{*)} | | 186,190 | | 1,042,428 |
| | | 1,204,388 | | 2,655,455 |

^{*)} Consist of various currencies

57. RELATED PARTY TRANSACTIONS

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties:

- **Related party relationship as the controlling shareholder:**

The Government of the Republic of Indonesia through the Ministry.

- **Related parties relationship by ownership and/or management:**

| No. | Related parties | Nature of relationship |
|-----|--|--|
| 1. | PT Kustodian Sentral Efek Indonesia | Associate Company |
| 2. | PT Mandiri AXA General Insurance | Associate Company |
| 3. | Dana Pensiun Bank Mandiri | Bank Mandiri as a founder |
| 4. | Dana Pensiun Bank Mandiri 1 | Bank Mandiri as a founder |
| 5. | Dana Pensiun Bank Mandiri 2 | Bank Mandiri as a founder |
| 6. | Dana Pensiun Bank Mandiri 3 | Bank Mandiri as a founder |
| 7. | Dana Pensiun Bank Mandiri 4 | Bank Mandiri as a founder |
| 8. | PT Bumi Daya Plaza | Controlled by Dana Pensiun Bank Mandiri (since 19 December 2013) |
| 9. | PT Pengelola Investama Mandiri | Controlled by Dana Pensiun Bank Mandiri (since 19 December 2013) |
| 10. | PT Usaha Gedung Mandiri | Controlled by Dana Pensiun Bank Mandiri (since 19 December 2013) |
| 11. | PT Estika Daya Mandiri | Controlled by Dana Pensiun Bank Mandiri 1 |
| 12. | PT Asuransi Staco Mandiri (formerly PT Asuransi Staco Jasapratama) | Controlled by Dana Pensiun Bank Mandiri 2 |
| 13. | PT Mulia Sasmita Bhakti | Controlled by Dana Pensiun Bank Mandiri 3 |
| 14. | PT Krida Upaya Tunggal | Controlled by Dana Pensiun Bank Mandiri 4 |
| 15. | PT Wahana Optima Permai | Controlled by Dana Pensiun Bank Mandiri 4 |
| 16. | Koperasi Kesehatan Pegawai dan Pensiunan Bank Mandiri (Mandiri Healthcare) | Significantly influenced by Bank Mandiri |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship by ownership and/or management (continued):**

Nature of related party transaction consists of investment in shares, debt securities issued, fund borrowings and subordinated loans, loans, customer deposits, and bank guarantees.

• **Related parties relationship with government related entities:**

| No. | Related parties | Nature of relationship |
|-----|---|--------------------------------------|
| 1. | EPC Energy Singapore Pte. Ltd | Subsidiary of State Owned Enterprise |
| 2. | Indometal London Ltd | Subsidiary of State Owned Enterprise |
| 3. | KSO Utama – Wika – Adipatria (Irigasi Kapuas) | Subsidiary of State Owned Enterprise |
| 4. | Maurel et Prom | Subsidiary of State Owned Enterprise |
| 5. | MIND ID TRADING Pte Ltd | Subsidiary of State Owned Enterprise |
| 6. | PHE ONWJ LLC | Subsidiary of State Owned Enterprise |
| 7. | PHE OSES | Subsidiary of State Owned Enterprise |
| 8. | PT Abipraya Nusantara Energi | Subsidiary of State Owned Enterprise |
| 9. | PT Adhi Commuter Properti | Subsidiary of State Owned Enterprise |
| 10. | PT Adhi Persada Beton | Subsidiary of State Owned Enterprise |
| 11. | PT Adhi Persada Gedung | Subsidiary of State Owned Enterprise |
| 12. | PT Adhi Persada Properti | Subsidiary of State Owned Enterprise |
| 13. | PT Administrasi Medika | Subsidiary of State Owned Enterprise |
| 14. | PT Aero Globe Indonesia | Subsidiary of State Owned Enterprise |
| 15. | PT Aero Systems Indonesia | Subsidiary of State Owned Enterprise |
| 16. | PT Aero Wisata | Subsidiary of State Owned Enterprise |
| 17. | PT Aerofood Indonesia | Subsidiary of State Owned Enterprise |
| 18. | PT Aerojasa Cargo | Subsidiary of State Owned Enterprise |
| 19. | PT AeroTRANS Service Indonesia | Subsidiary of State Owned Enterprise |
| 20. | PT Agro Sinergi Nusantara | Subsidiary of State Owned Enterprise |
| 21. | PT Akses Pelabuhan Indonesia | Subsidiary of State Owned Enterprise |
| 22. | PT Alam Lestari Nusantara | Subsidiary of State Owned Enterprise |
| 23. | PT Alor Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 24. | PT Alur Pelayaran Barat Surabaya | Subsidiary of State Owned Enterprise |
| 25. | PT Ararkula Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 26. | PT Aru Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 27. | PT Angkasa Pura Aviassi | Subsidiary of State Owned Enterprise |
| 28. | PT Angkasa Pura Hotel | Subsidiary of State Owned Enterprise |
| 29. | PT Angkasa Pura I | Subsidiary of State Owned Enterprise |
| 30. | PT Angkasa Pura II | Subsidiary of State Owned Enterprise |
| 31. | PT Angkasa Pura Kargo | Subsidiary of State Owned Enterprise |
| 32. | PT Angkasa Pura Logistic | Subsidiary of State Owned Enterprise |
| 33. | PT Angkasa Pura Properti | Subsidiary of State Owned Enterprise |
| 34. | PT Angkasa Pura Propertindo | Subsidiary of State Owned Enterprise |
| 35. | PT Angkasa Pura Retail | Subsidiary of State Owned Enterprise |
| 36. | PT Angkasa Pura Sarana Digital | Subsidiary of State Owned Enterprise |
| 37. | PT Angkasa Pura Solusi | Subsidiary of State Owned Enterprise |
| 38. | PT Angkasa Pura Solusi Integra | Subsidiary of State Owned Enterprise |
| 39. | PT Angkasa Pura Support | Subsidiary of State Owned Enterprise |
| 40. | PT Antam Resourcindo | Subsidiary of State Owned Enterprise |
| 41. | PT Artha Daya Coalindo | Subsidiary of State Owned Enterprise |
| 42. | PT Askrindo Mitra Utama | Subsidiary of State Owned Enterprise |
| 43. | PT Asuransi BRI Life | Subsidiary of State Owned Enterprise |
| 44. | PT Asuransi Jasa Indonesia | Subsidiary of State Owned Enterprise |
| 45. | PT Asuransi Jasindo Syariah | Subsidiary of State Owned Enterprise |
| 46. | PT Asuransi Jiwa IFG | Subsidiary of State Owned Enterprise |
| 47. | PT Asuransi Jiwa Taspen | Subsidiary of State Owned Enterprise |
| 48. | PT Asuransi Kredit Indonesia | Subsidiary of State Owned Enterprise |
| 49. | PT Asuransi Tugu Pratama Indonesia Tbk | Subsidiary of State Owned Enterprise |
| 50. | PT Badak Arun Solusi | Subsidiary of State Owned Enterprise |
| 51. | PT Bahana Artha Ventura | Subsidiary of State Owned Enterprise |
| 52. | PT Bahana Securities | Subsidiary of State Owned Enterprise |
| 53. | PT Bahana TCW Investment Management | Subsidiary of State Owned Enterprise |
| 54. | PT Bakti Timah Medika | Subsidiary of State Owned Enterprise |
| 55. | PT Balai Lelang Artha Gasia (Beku Operasi) | Subsidiary of State Owned Enterprise |
| 56. | PT Banggai Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

| No. | Related parties | Nature of relationship |
|------|--|--------------------------------------|
| 57. | PT Bangkit Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 58. | PT Bangun Persada Jambi Energi | Subsidiary of State Owned Enterprise |
| 59. | PT Bank Raya Indonesia (formerly PT BRI Agroniaga Tbk) | Subsidiary of State Owned Enterprise |
| 60. | PT Banyan Koalindo Lestari | Subsidiary of State Owned Enterprise |
| 61. | PT Batubara Bukit Kendi | Subsidiary of State Owned Enterprise |
| 62. | PT Baturaja Multi Usaha | Subsidiary of State Owned Enterprise |
| 63. | PT Barung Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 64. | PT Belitung Intipermai | Subsidiary of State Owned Enterprise |
| 65. | PT Benggala Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 66. | PT Bepondi Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 67. | PT Berdikari Logistik Indonesia | Subsidiary of State Owned Enterprise |
| 68. | PT Berdikari United Livestock | Subsidiary of State Owned Enterprise |
| 69. | PT Berkah Multi Cargo | Subsidiary of State Owned Enterprise |
| 70. | PT Berlian Jasa Terminal Indonesia | Subsidiary of State Owned Enterprise |
| 71. | PT BGR Logistik Indonesia | Subsidiary of State Owned Enterprise |
| 72. | PT Bhirawa Steel | Subsidiary of State Owned Enterprise |
| 73. | PT Bima Sepaja Abadi | Subsidiary of State Owned Enterprise |
| 74. | PT BNI Asset Management | Subsidiary of State Owned Enterprise |
| 75. | PT BNI Life Insurance | Subsidiary of State Owned Enterprise |
| 76. | PT BNI Sekuritas | Subsidiary of State Owned Enterprise |
| 77. | PT Borneo Alumina Indonesia | Subsidiary of State Owned Enterprise |
| 78. | PT Borneo Edo International | Subsidiary of State Owned Enterprise |
| 79. | PT Brantas Adya Surya Energi | Subsidiary of State Owned Enterprise |
| 80. | PT Brantas Cakrawala Energi | Subsidiary of State Owned Enterprise |
| 81. | PT Brantas Energi | Subsidiary of State Owned Enterprise |
| 82. | PT Brantas Energi Mandiri | Subsidiary of State Owned Enterprise |
| 83. | PT Brantas Hidro Energi | Subsidiary of State Owned Enterprise |
| 84. | PT Brantas Mahalona Energi | Subsidiary of State Owned Enterprise |
| 85. | PT Brantas Nipajaya Energi | Subsidiary of State Owned Enterprise |
| 86. | PT Brantas Prospek Energi | Subsidiary of State Owned Enterprise |
| 87. | PT Brantas Prospek Engineering | Subsidiary of State Owned Enterprise |
| 88. | PT Brass Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 89. | PT BRI Multifinance Indonesia | Subsidiary of State Owned Enterprise |
| 90. | PT Bromo Steel Indonesia | Subsidiary of State Owned Enterprise |
| 91. | PT Bukit Asam Medika | Subsidiary of State Owned Enterprise |
| 92. | PT Bukit Asam Prima | Subsidiary of State Owned Enterprise |
| 93. | PT Bukit Asam Tbk | Subsidiary of State Owned Enterprise |
| 94. | PT Bukit Energi Investama | Subsidiary of State Owned Enterprise |
| 95. | PT Bukit Energi Service Terpadu | Subsidiary of State Owned Enterprise |
| 96. | PT Bukit Multi Investama | Subsidiary of State Owned Enterprise |
| 97. | PT Bukit Multi Properti | Subsidiary of State Owned Enterprise |
| 98. | PT Bukit Prima Bahari | Subsidiary of State Owned Enterprise |
| 99. | PT Bumi Sawindo Permai | Subsidiary of State Owned Enterprise |
| 100. | PT Cibaliung Sumber Daya | Subsidiary of State Owned Enterprise |
| 101. | PT Cibitung Tanjung Priok Port Tollways | Subsidiary of State Owned Enterprise |
| 102. | PT Cinere Serpong Jaya | Subsidiary of State Owned Enterprise |
| 103. | PT Citilink Indonesia | Subsidiary of State Owned Enterprise |
| 104. | PT Citra Lautan Teduh | Subsidiary of State Owned Enterprise |
| 105. | PT Citra Tobindo Sukses Perkasa | Subsidiary of State Owned Enterprise |
| 106. | PT Cogindo Daya Bersama | Subsidiary of State Owned Enterprise |
| 107. | PT Damanusa Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 108. | PT Damar Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 109. | PT Danareksa Capital | Subsidiary of State Owned Enterprise |
| 110. | PT Danareksa Finance | Subsidiary of State Owned Enterprise |
| 111. | PT Dasaplast Nusantara | Subsidiary of State Owned Enterprise |
| 112. | PT Dayamitra Telekomunikasi | Subsidiary of State Owned Enterprise |
| 113. | PT Dharma Lautan Nusantara | Subsidiary of State Owned Enterprise |
| 114. | PT Dok dan Perkapalan Air Kantung | Subsidiary of State Owned Enterprise |
| 115. | PT Dok dan Perkapalan Waiame | Subsidiary of State Owned Enterprise |
| 116. | PT Dwimitra Enggang Khatulistiwa | Subsidiary of State Owned Enterprise |
| 117. | PT Electronic Data Interchange Indonesia | Subsidiary of State Owned Enterprise |
| 118. | PT Elnusa Fabrikasi Konstruksi | Subsidiary of State Owned Enterprise |
| 119. | PT Elnusa Geosains Indonesia | Subsidiary of State Owned Enterprise |
| 120. | PT Elnusa Oilfield Services | Subsidiary of State Owned Enterprise |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

| No. | Related parties | Nature of relationship |
|------|--|--------------------------------------|
| 121. | PT Elnusa Petrofin | Subsidiary of State Owned Enterprise |
| 122. | PT Elnusa Tbk | Subsidiary of State Owned Enterprise |
| 123. | PT Elnusa Trans Samudera | Subsidiary of State Owned Enterprise |
| 124. | PT Eltran Indonesia | Subsidiary of State Owned Enterprise |
| 125. | PT Emas Antam Indonesia | Subsidiary of State Owned Enterprise |
| 126. | PT Energi Agro Nusantara | Subsidiary of State Owned Enterprise |
| 127. | PT Energi Biomasa Indonesia | Subsidiary of State Owned Enterprise |
| 128. | PT Energi Pelabuhan Indonesia | Subsidiary of State Owned Enterprise |
| 129. | PT Energy Management Indonesia | Subsidiary of State Owned Enterprise |
| 130. | PT Equiport Inti Indonesia | Subsidiary of State Owned Enterprise |
| 131. | PT Farmalab Indoutama | Subsidiary of State Owned Enterprise |
| 132. | PT Feni Haltim | Subsidiary of State Owned Enterprise |
| 133. | PT Finnet Indonesia | Subsidiary of State Owned Enterprise |
| 134. | PT Gadang Hidro Energi | Subsidiary of State Owned Enterprise |
| 135. | PT Gag Nikel | Subsidiary of State Owned Enterprise |
| 136. | PT Gagas Energi Indonesia | Subsidiary of State Owned Enterprise |
| 137. | PT Gapura Angkasa | Subsidiary of State Owned Enterprise |
| 138. | PT Garuda Maintenance Facility Aero Asia Tbk | Subsidiary of State Owned Enterprise |
| 139. | PT Gema Hutani Lestari | Subsidiary of State Owned Enterprise |
| 140. | PT GIEB Indonesia | Subsidiary of State Owned Enterprise |
| 141. | PT GIH Indonesia | Subsidiary of State Owned Enterprise |
| 142. | PT Gitanusa Sarana Niaga | Subsidiary of State Owned Enterprise |
| 143. | PT Graha Investama Bersama | Subsidiary of State Owned Enterprise |
| 144. | PT Graha Sarana Duta | Subsidiary of State Owned Enterprise |
| 145. | PT Graha Yasa Selaras | Subsidiary of State Owned Enterprise |
| 146. | PT Grahaniaga Tata Utama | Subsidiary of State Owned Enterprise |
| 147. | PT Griyaton Indonesia | Subsidiary of State Owned Enterprise |
| 148. | PT Gunung Gajah Abadi | Subsidiary of State Owned Enterprise |
| 149. | PT Gunung Kendaik | Subsidiary of State Owned Enterprise |
| 150. | PT HaKaAston | Subsidiary of State Owned Enterprise |
| 151. | PT Haleyora Power | Subsidiary of State Owned Enterprise |
| 152. | PT Haleyora Powerindo | Subsidiary of State Owned Enterprise |
| 153. | PT Hasta Kreasi Mandiri | Subsidiary of State Owned Enterprise |
| 154. | PT HK Infrastruktur | Subsidiary of State Owned Enterprise |
| 155. | PT HK Realtindo | Subsidiary of State Owned Enterprise |
| 156. | PT Hotel Indonesia Group | Subsidiary of State Owned Enterprise |
| 157. | PT Hotel Indonesia Natour | Subsidiary of State Owned Enterprise |
| 158. | PT Hotel Indonesia Properti | Subsidiary of State Owned Enterprise |
| 159. | PT Hutama Marga Waskita | Subsidiary of State Owned Enterprise |
| 160. | PT Igarar | Subsidiary of State Owned Enterprise |
| 161. | PT Indo Ridlatama Power | Subsidiary of State Owned Enterprise |
| 162. | PT Indofarma Global Medika | Subsidiary of State Owned Enterprise |
| 163. | PT Indofarma Tbk | Subsidiary of State Owned Enterprise |
| 164. | PT Indonesia Chemical Alumina | Subsidiary of State Owned Enterprise |
| 165. | PT Indonesia Coal Resources | Subsidiary of State Owned Enterprise |
| 166. | PT Indonesia Comnets Plus | Subsidiary of State Owned Enterprise |
| 167. | PT Indonesia Kendaraan Terminal Tbk | Subsidiary of State Owned Enterprise |
| 168. | PT Indonesia Papua Metal dan Mineral | Subsidiary of State Owned Enterprise |
| 169. | PT Indonesia Power | Subsidiary of State Owned Enterprise |
| 170. | PT Indonesian Air & Marine Supply | Subsidiary of State Owned Enterprise |
| 171. | PT Indopelita Aircraft Service | Subsidiary of State Owned Enterprise |
| 172. | PT Industri Karet Nusantara | Subsidiary of State Owned Enterprise |
| 173. | PT Industri Kemasan Semen Gresik | Subsidiary of State Owned Enterprise |
| 174. | PT Industri Nabati Lestari | Subsidiary of State Owned Enterprise |
| 175. | PT Infomedia Nusantara | Subsidiary of State Owned Enterprise |
| 176. | PT Infomedia Solusi Humanika | Subsidiary of State Owned Enterprise |
| 177. | PT Infrastruktur Telekomunikasi Indonesia | Subsidiary of State Owned Enterprise |
| 178. | PT Inhutani I | Subsidiary of State Owned Enterprise |
| 179. | PT Inhutani V | Subsidiary of State Owned Enterprise |
| 180. | PT INKA Multi Solusi | Subsidiary of State Owned Enterprise |
| 181. | PT Integrasi Logistik Cipta Solusi | Subsidiary of State Owned Enterprise |
| 182. | PT International Mineral Capital | Subsidiary of State Owned Enterprise |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

| No. | Related parties | Nature of relationship |
|------|---|--------------------------------------|
| 183. | PT Inti Bagus Perkasa | Subsidiary of State Owned Enterprise |
| 184. | PT IPC Terminal Petikemas | Subsidiary of State Owned Enterprise |
| 185. | PT ITCI Kayan Hutani | Subsidiary of State Owned Enterprise |
| 186. | PT ITDC Nusantara Properti | Subsidiary of State Owned Enterprise |
| 187. | PT ITDC Nusantara Utilitas | Subsidiary of State Owned Enterprise |
| 188. | PT ITDC Nusantara Xplorin | Subsidiary of State Owned Enterprise |
| 189. | PT Jalantol Lingkarluar Jakarta | Subsidiary of State Owned Enterprise |
| 190. | PT Jalin Pembayaran Nusantara | Subsidiary of State Owned Enterprise |
| 191. | PT Jambi Prima Coal | Subsidiary of State Owned Enterprise |
| 192. | PT Jaminan Kredit Indonesia | Subsidiary of State Owned Enterprise |
| 193. | PT Jasa Armada Indonesia Tbk | Subsidiary of State Owned Enterprise |
| 194. | PT Jasa Peralatan Pelabuhan Indonesia | Subsidiary of State Owned Enterprise |
| 195. | PT Jasa Prima Logistik | Subsidiary of State Owned Enterprise |
| 196. | PT Jasa Raharja | Subsidiary of State Owned Enterprise |
| 197. | PT Jasamarga Bali Tol | Subsidiary of State Owned Enterprise |
| 198. | PT Jasamarga Balikpapan Samarinda | Subsidiary of State Owned Enterprise |
| 199. | PT Jasamarga Gempol Pasuruan | Subsidiary of State Owned Enterprise |
| 200. | PT Jasamarga Japek Selatan | Subsidiary of State Owned Enterprise |
| 201. | PT Jasamarga Jogja Bawen | Subsidiary of State Owned Enterprise |
| 202. | PT Jasamarga Kualanamu Tol | Subsidiary of State Owned Enterprise |
| 203. | PT Jasamarga Kunciran Cengkareng | Subsidiary of State Owned Enterprise |
| 204. | PT Jasamarga Manado Bitung | Subsidiary of State Owned Enterprise |
| 205. | PT Jasamarga Probolinggo Banyuwangi | Subsidiary of State Owned Enterprise |
| 206. | PT Jasamarga Related Business | Subsidiary of State Owned Enterprise |
| 207. | PT Jasamarga Surabaya Mojokerto | Subsidiary of State Owned Enterprise |
| 208. | PT Jasamarga Tollroad Maintenance | Subsidiary of State Owned Enterprise |
| 209. | PT Jasamarga Tollroad Operator | Subsidiary of State Owned Enterprise |
| 210. | PT Jasamarga Transjawa Tol | Subsidiary of State Owned Enterprise |
| 211. | PT Jasaraharja Putera | Subsidiary of State Owned Enterprise |
| 212. | PT Jawa Satu Power | Subsidiary of State Owned Enterprise |
| 213. | PT KA Logistik | Subsidiary of State Owned Enterprise |
| 214. | PT KA Pariwisata | Subsidiary of State Owned Enterprise |
| 215. | PT KA Properti Manajemen | Subsidiary of State Owned Enterprise |
| 216. | PT Kalimantan Agro Nusantara | Subsidiary of State Owned Enterprise |
| 217. | PT Kalimantan Jawa Gas | Subsidiary of State Owned Enterprise |
| 218. | PT Kalimantan Medika Nusantara | Subsidiary of State Owned Enterprise |
| 219. | PT Kaltim Daya Mandiri | Subsidiary of State Owned Enterprise |
| 220. | PT Kaltim Industrial Estate | Subsidiary of State Owned Enterprise |
| 221. | PT Kaltim Jasa Sekuriti | Subsidiary of State Owned Enterprise |
| 222. | PT Kaltim Kariangau Terminal | Subsidiary of State Owned Enterprise |
| 223. | PT Kawasan Industri Gresik | Subsidiary of State Owned Enterprise |
| 224. | PT Kawasan Industri Kujang Cikampek | Subsidiary of State Owned Enterprise |
| 225. | PT KBN Graha Medika | Subsidiary of State Owned Enterprise |
| 226. | PT Kereta Commuter Indonesia | Subsidiary of State Owned Enterprise |
| 227. | PT Kertas Padalarang | Subsidiary of State Owned Enterprise |
| 228. | PT Kharisma Pemasaran Bersama Nusantara | Subsidiary of State Owned Enterprise |
| 229. | PT Kilang Pertamina Balikpapan | Subsidiary of State Owned Enterprise |
| 230. | PT Kilang Pertamina International | Subsidiary of State Owned Enterprise |
| 231. | PT Kimia Farma Apotek | Subsidiary of State Owned Enterprise |
| 232. | PT Kimia Farma Diagnostik | Subsidiary of State Owned Enterprise |
| 233. | PT Kimia Farma Sungwun Pharmacopia | Subsidiary of State Owned Enterprise |
| 234. | PT Kimia Farma Tbk | Subsidiary of State Owned Enterprise |
| 235. | PT Kimia Farma Trading dan Distribution | Subsidiary of State Owned Enterprise |
| 236. | PT Kliring Perdagangan Berjangka Indonesia | Subsidiary of State Owned Enterprise |
| 237. | PT Kodja Terramarin | Subsidiary of State Owned Enterprise |
| 238. | PT Komipo Pembangkitan Jawa Bali | Subsidiary of State Owned Enterprise |
| 239. | PT Krakatau Baja Konstruksi (formerly Krakatau Wijatama) | Subsidiary of State Owned Enterprise |
| 240. | PT Krakatau Bandar Samudra | Subsidiary of State Owned Enterprise |
| 241. | PT Krakatau Daya Listrik | Subsidiary of State Owned Enterprise |
| 242. | PT Krakatau Engineering | Subsidiary of State Owned Enterprise |
| 243. | PT Krakatau Global Trading (formerly Krakatau National Resources) | Subsidiary of State Owned Enterprise |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

| No. | Related parties | Nature of relationship |
|------|--|--------------------------------------|
| 244. | PT Krakatau Information Technology | Subsidiary of State Owned Enterprise |
| 245. | PT Krakatau Jasa Industri (formerly Purna Sentana Baja) | Subsidiary of State Owned Enterprise |
| 246. | PT Krakatau Jasa Logistik | Subsidiary of State Owned Enterprise |
| 247. | PT Krakatau Medika | Subsidiary of State Owned Enterprise |
| 248. | PT Krakatau Niaga Indonesia | Subsidiary of State Owned Enterprise |
| 249. | PT Krakatau Pipe Industries (formerly KHI Pipe Industries) | Subsidiary of State Owned Enterprise |
| 250. | PT Krakatau Sarana Infrastruktur | Subsidiary of State Owned Enterprise |
| 251. | PT Krakatau Tirta Industri | Subsidiary of State Owned Enterprise |
| 252. | PT Lamong Energi Indonesia | Subsidiary of State Owned Enterprise |
| 253. | PT Lamong Nusantara Gas | Subsidiary of State Owned Enterprise |
| 254. | PT Laras Astra Kartika | Subsidiary of State Owned Enterprise |
| 255. | PT LEN Railway Systems | Subsidiary of State Owned Enterprise |
| 256. | PT LEN Telekomunikasi Indonesia | Subsidiary of State Owned Enterprise |
| 257. | PT Limbong Hidro Energi | Subsidiary of State Owned Enterprise |
| 258. | PT Liran Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 259. | PT Mandau Cipta Tenaga Nusantara | Subsidiary of State Owned Enterprise |
| 260. | PT Marga Sarana Jabar | Subsidiary of State Owned Enterprise |
| 261. | PT Marga Trans Nusantara | Subsidiary of State Owned Enterprise |
| 262. | PT Mega Citra Utama | Subsidiary of State Owned Enterprise |
| 263. | PT Melon Indonesia | Subsidiary of State Owned Enterprise |
| 264. | PT Menara Maritim Indonesia | Subsidiary of State Owned Enterprise |
| 265. | PT Meratus Jaya Iron & Steel | Subsidiary of State Owned Enterprise |
| 266. | PT Merese Mandalika Nusantara | Subsidiary of State Owned Enterprise |
| 267. | PT Merpati Training Centre | Subsidiary of State Owned Enterprise |
| 268. | PT Metra Digital Investama | Subsidiary of State Owned Enterprise |
| 269. | PT Metra Digital Media | Subsidiary of State Owned Enterprise |
| 270. | PT Metranet | Subsidiary of State Owned Enterprise |
| 271. | PT Metraplasa | Subsidiary of State Owned Enterprise |
| 272. | PT MGPA Nusantara Jaya | Subsidiary of State Owned Enterprise |
| 273. | PT Miangas Bahtera Laju Abadi | Subsidiary of State Owned Enterprise |
| 274. | PT Minahasa Brantas Energi | Subsidiary of State Owned Enterprise |
| 275. | PT Mirtasari Hotel Development | Subsidiary of State Owned Enterprise |
| 276. | PT Mitra Cipta Polasarana | Subsidiary of State Owned Enterprise |
| 277. | PT Mitra Dagang Madani | Subsidiary of State Owned Enterprise |
| 278. | PT Mitra Kerinci | Subsidiary of State Owned Enterprise |
| 279. | PT Mitra Proteksi Madani | Subsidiary of State Owned Enterprise |
| 280. | PT Mitra Rajawali Banjaran | Subsidiary of State Owned Enterprise |
| 281. | PT Mitra Tekno Madani | Subsidiary of State Owned Enterprise |
| 282. | PT Mitra Tour & Travel | Subsidiary of State Owned Enterprise |
| 283. | PT Mitrasraya Adhijasa | Subsidiary of State Owned Enterprise |
| 284. | PT Mitratani Dua Tujuh | Subsidiary of State Owned Enterprise |
| 285. | PT Multi Terminal Indonesia | Subsidiary of State Owned Enterprise |
| 286. | PT Multimedia Nusantara | Subsidiary of State Owned Enterprise |
| 287. | PT Nasional Hijau Lestari | Subsidiary of State Owned Enterprise |
| 288. | PT Nikel Halmahera Timur (NHT) | Subsidiary of State Owned Enterprise |
| 289. | PT Nindya Beton | Subsidiary of State Owned Enterprise |
| 290. | PT Nindya Karya | Subsidiary of State Owned Enterprise |
| 291. | PT Nusa Karya Arindo | Subsidiary of State Owned Enterprise |
| 292. | PT Nusa Pratama Property | Subsidiary of State Owned Enterprise |
| 293. | PT Nusantara Batulicin | Subsidiary of State Owned Enterprise |
| 294. | PT Nusantara Medika Utama | Subsidiary of State Owned Enterprise |
| 295. | PT Nusantara Regas | Subsidiary of State Owned Enterprise |
| 296. | PT Nusantara Sebelas Medika | Subsidiary of State Owned Enterprise |
| 297. | PT Nusantara Sukses Investasi | Subsidiary of State Owned Enterprise |
| 298. | PT Nusantara Terminal Services | Subsidiary of State Owned Enterprise |
| 299. | PT Nusantara Turbin dan Propulsi | Subsidiary of State Owned Enterprise |
| 300. | PT Nutech Integrasi | Subsidiary of State Owned Enterprise |
| 301. | PT Optima Nusa Tujuh | Subsidiary of State Owned Enterprise |
| 302. | PT Paguntaka Cahaya Nusantara | Subsidiary of State Owned Enterprise |
| 303. | PT PAL Marine Service | Subsidiary of State Owned Enterprise |
| 304. | PT Palawi Risorsis | Subsidiary of State Owned Enterprise |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

| No. | Related parties | Nature of relationship |
|------|--|--------------------------------------|
| 305. | PT PANN Pembiayaan Maritim | Subsidiary of State Owned Enterprise |
| 306. | PT Patra Drilling Contractor | Subsidiary of State Owned Enterprise |
| 307. | PT Patra Jasa | Subsidiary of State Owned Enterprise |
| 308. | PT Patra Logistik | Subsidiary of State Owned Enterprise |
| 309. | PT Patra Nusa Data | Subsidiary of State Owned Enterprise |
| 310. | PT Patra Trading | Subsidiary of State Owned Enterprise |
| 311. | PT Pefindo Biro Kredit | Subsidiary of State Owned Enterprise |
| 312. | PT Pegadaian | Subsidiary of State Owned Enterprise |
| 313. | PT Pegadaian Galeri Dua Empat | Subsidiary of State Owned Enterprise |
| 314. | PT Pekanbaru Permai Propertindo | Subsidiary of State Owned Enterprise |
| 315. | PT Pelabuhan Bukit Prima | Subsidiary of State Owned Enterprise |
| 316. | PT Pelabuhan Tanjung Priok | Subsidiary of State Owned Enterprise |
| 317. | PT Pelayanan Energi Batam | Subsidiary of State Owned Enterprise |
| 318. | PT Pelayanan Listrik Nasional Batam | Subsidiary of State Owned Enterprise |
| 319. | PT Pelayanan Bahtera Adhiguna | Subsidiary of State Owned Enterprise |
| 320. | PT Pelindo Daya Sejahtera | Subsidiary of State Owned Enterprise |
| 321. | PT Pelindo Energi Logistik | Subsidiary of State Owned Enterprise |
| 322. | PT Pelindo Husada Citra | Subsidiary of State Owned Enterprise |
| 323. | PT Pelindo Jasa Maritim | Subsidiary of State Owned Enterprise |
| 324. | PT Pelindo Marine Service | Subsidiary of State Owned Enterprise |
| 325. | PT Pelindo Multi Terminal | Subsidiary of State Owned Enterprise |
| 326. | PT Pelindo Properti Indonesia | Subsidiary of State Owned Enterprise |
| 327. | PT Pelindo Terminal Petikemas | Subsidiary of State Owned Enterprise |
| 328. | PT Pelita Air Service | Subsidiary of State Owned Enterprise |
| 329. | PT Pelita Indonesia Djaya Corporation | Subsidiary of State Owned Enterprise |
| 330. | PT Pemasang Batang Toll Road | Subsidiary of State Owned Enterprise |
| 331. | PT Pembangkitan Jawa Bali | Subsidiary of State Owned Enterprise |
| 332. | PT Pendawa Lestari Perkasa | Subsidiary of State Owned Enterprise |
| 333. | PT Pendidikan Maritim dan Logistik Indonesia | Subsidiary of State Owned Enterprise |
| 334. | PT Pengembang Pelabuhan Indonesia | Subsidiary of State Owned Enterprise |
| 335. | PT Pengerukan Indonesia | Subsidiary of State Owned Enterprise |
| 336. | PT Perjaya Bravo Energi | Subsidiary of State Owned Enterprise |
| 337. | PT Perkebunan Mitra Ogan | Subsidiary of State Owned Enterprise |
| 338. | PT Perkebunan Nusantara I | Subsidiary of State Owned Enterprise |
| 339. | PT Perkebunan Nusantara II | Subsidiary of State Owned Enterprise |
| 340. | PT Perkebunan Nusantara IV | Subsidiary of State Owned Enterprise |
| 341. | PT Perkebunan Nusantara IX | Subsidiary of State Owned Enterprise |
| 342. | PT Perkebunan Nusantara V | Subsidiary of State Owned Enterprise |
| 343. | PT Perkebunan Nusantara VI | Subsidiary of State Owned Enterprise |
| 344. | PT Perkebunan Nusantara VII | Subsidiary of State Owned Enterprise |
| 345. | PT Perkebunan Nusantara VIII | Subsidiary of State Owned Enterprise |
| 346. | PT Perkebunan Nusantara X | Subsidiary of State Owned Enterprise |
| 347. | PT Perkebunan Nusantara XI | Subsidiary of State Owned Enterprise |
| 348. | PT Perkebunan Nusantara XII | Subsidiary of State Owned Enterprise |
| 349. | PT Perkebunan Nusantara XIII | Subsidiary of State Owned Enterprise |
| 350. | PT Perkebunan Nusantara XIV | Subsidiary of State Owned Enterprise |
| 351. | PT Permata Graha Nusantara | Subsidiary of State Owned Enterprise |
| 352. | PT Permodalan Nasional Madani | Subsidiary of State Owned Enterprise |
| 353. | PT Pertagas Niaga | Subsidiary of State Owned Enterprise |
| 354. | PT Perta Arun Gas | Subsidiary of State Owned Enterprise |
| 355. | PT Pertamina Bina Medika | Subsidiary of State Owned Enterprise |
| 356. | PT Pertamina Drilling Services Indonesia | Subsidiary of State Owned Enterprise |
| 357. | PT Pertamina EP | Subsidiary of State Owned Enterprise |
| 358. | PT Pertamina EP Cepu Alas Dara dan Kemuning | Subsidiary of State Owned Enterprise |
| 359. | PT Pertamina Gas | Subsidiary of State Owned Enterprise |
| 360. | PT Pertamina Geothermal Energy | Subsidiary of State Owned Enterprise |
| 361. | PT Pertamina Hulu Energi | Subsidiary of State Owned Enterprise |
| 362. | PT Pertamina Hulu Indonesia | Subsidiary of State Owned Enterprise |
| 363. | PT Pertamina Hulu Mahakam | Subsidiary of State Owned Enterprise |
| 364. | PT Pertamina Hulu Rokan | Subsidiary of State Owned Enterprise |
| 365. | PT Pertamina Hulu Sanga Sanga | Subsidiary of State Owned Enterprise |
| 366. | PT Pertamina Internasional Eksplorasi dan Produksi | Subsidiary of State Owned Enterprise |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

| No. | Related parties | Nature of relationship |
|------|--------------------------------------|--------------------------------------|
| 367. | PT Pertamina International Shipping | Subsidiary of State Owned Enterprise |
| 368. | PT Pertamina International Timor SA | Subsidiary of State Owned Enterprise |
| 369. | PT Pertamina Lubricants | Subsidiary of State Owned Enterprise |
| 370. | PT Pertamina Malaysia EP | Subsidiary of State Owned Enterprise |
| 371. | PT Pertamina Marine Engineering | Subsidiary of State Owned Enterprise |
| 372. | PT Pertamina Marine Solution | Subsidiary of State Owned Enterprise |
| 373. | PT Pertamina Patra Niaga | Subsidiary of State Owned Enterprise |
| 374. | PT Pertamina Pedeve Indonesia | Subsidiary of State Owned Enterprise |
| 375. | PT Pertamina Port and Logistic | Subsidiary of State Owned Enterprise |
| 376. | PT Pertamina Power Indonesia | Subsidiary of State Owned Enterprise |
| 377. | PT Pertamina Retail | Subsidiary of State Owned Enterprise |
| 378. | PT Pertamina Training dan Consulting | Subsidiary of State Owned Enterprise |
| 379. | PT Pertamina Trans Kontinental | Subsidiary of State Owned Enterprise |
| 380. | PT Pertani Properti | Subsidiary of State Owned Enterprise |
| 381. | PT Peruri Digital Security | Subsidiary of State Owned Enterprise |
| 382. | PT Peruri Properti | Subsidiary of State Owned Enterprise |
| 383. | PT Perusahaan Gas Negara Tbk | Subsidiary of State Owned Enterprise |
| 384. | PT Pesonna Indonesia Jaya | Subsidiary of State Owned Enterprise |
| 385. | PT Pesonna Optima Jasa | Subsidiary of State Owned Enterprise |
| 386. | PT Peteka Karya Tirta | Subsidiary of State Owned Enterprise |
| 387. | PT Petrokimia Gresik | Subsidiary of State Owned Enterprise |
| 388. | PT Petrokimia Kayaku | Subsidiary of State Owned Enterprise |
| 389. | PT Petronesia Benimel | Subsidiary of State Owned Enterprise |
| 390. | PT Petrosida Gresik | Subsidiary of State Owned Enterprise |
| 391. | PT PG Rajawali I | Subsidiary of State Owned Enterprise |
| 392. | PT PG Rajawali II | Subsidiary of State Owned Enterprise |
| 393. | PT PGAS Solution | Subsidiary of State Owned Enterprise |
| 394. | PT PGAS Telekomunikasi Nusantara | Subsidiary of State Owned Enterprise |
| 395. | PT PGN LNG Indonesia | Subsidiary of State Owned Enterprise |
| 396. | PT Phapros Tbk | Subsidiary of State Owned Enterprise |
| 397. | PT PHE Abar | Subsidiary of State Owned Enterprise |
| 398. | PT PHE Metana Kalimantan B | Subsidiary of State Owned Enterprise |
| 399. | PT PHE Metana Sumatera 5 | Subsidiary of State Owned Enterprise |
| 400. | PT PHE West Madura Offshore | Subsidiary of State Owned Enterprise |
| 401. | PT PIM Prima Medika | Subsidiary of State Owned Enterprise |
| 402. | PT Pindad Enjiniring Indonesia | Subsidiary of State Owned Enterprise |
| 403. | PT Pindad Medika Utama | Subsidiary of State Owned Enterprise |
| 404. | PT PINS Indonesia | Subsidiary of State Owned Enterprise |
| 405. | PT PJB Investasi | Subsidiary of State Owned Enterprise |
| 406. | PT PJB Service | Subsidiary of State Owned Enterprise |
| 407. | PT PLN Batubara | Subsidiary of State Owned Enterprise |
| 408. | PT PLN Tarakan | Subsidiary of State Owned Enterprise |
| 409. | PT PLNBB Niaga | Subsidiary of State Owned Enterprise |
| 410. | PT PNM Investment Management | Subsidiary of State Owned Enterprise |
| 411. | PT Pos Logistik Indonesia | Subsidiary of State Owned Enterprise |
| 412. | PT Pos Properti Indonesia | Subsidiary of State Owned Enterprise |
| 413. | PT PP Energi | Subsidiary of State Owned Enterprise |
| 414. | PT PP Infrastruktur | Subsidiary of State Owned Enterprise |
| 415. | PT PP Presisi Tbk | Subsidiary of State Owned Enterprise |
| 416. | PT PP Properti Jababeka Residen | Subsidiary of State Owned Enterprise |
| 417. | PT PP Properti Tbk | Subsidiary of State Owned Enterprise |
| 418. | PT PP Semarang Demak | Subsidiary of State Owned Enterprise |
| 419. | PT PP Tirta Riau | Subsidiary of State Owned Enterprise |
| 420. | PT PP Urban Tbk | Subsidiary of State Owned Enterprise |
| 421. | PT PPA Finance | Subsidiary of State Owned Enterprise |
| 422. | PT PPA Kapital | Subsidiary of State Owned Enterprise |
| 423. | PT Pratama Mitra Sejati | Subsidiary of State Owned Enterprise |
| 424. | PT Prima Armada Raya | Subsidiary of State Owned Enterprise |
| 425. | PT Prima Husada Cipta Medan | Subsidiary of State Owned Enterprise |
| 426. | PT Prima Indonesia Logistik | Subsidiary of State Owned Enterprise |
| 427. | PT Prima Layanan Nasional Enjinering | Subsidiary of State Owned Enterprise |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

| No. | Related parties | Nature of relationship |
|------|---|--------------------------------------|
| 428. | PT Prima Layanan Niaga Suku Cadang | Subsidiary of State Owned Enterprise |
| 429. | PT Prima Medica Nusantara | Subsidiary of State Owned Enterprise |
| 430. | PT Prima Multi Terminal | Subsidiary of State Owned Enterprise |
| 431. | PT Prima Pengembangan Kawasan | Subsidiary of State Owned Enterprise |
| 432. | PT Prima Power Nusantara | Subsidiary of State Owned Enterprise |
| 433. | PT Prima Terminal Peti Kemas | Subsidiary of State Owned Enterprise |
| 434. | PT Propernas Griya Utama | Subsidiary of State Owned Enterprise |
| 435. | PT Pupuk Indonesia Energi | Subsidiary of State Owned Enterprise |
| 436. | PT Pupuk Indonesia Logistik | Subsidiary of State Owned Enterprise |
| 437. | PT Pupuk Indonesia Niaga (formerly PT Mega Eltra) | Subsidiary of State Owned Enterprise |
| 438. | PT Pupuk Indonesia Pangan | Subsidiary of State Owned Enterprise |
| 439. | PT Pupuk Iskandar Muda | Subsidiary of State Owned Enterprise |
| 440. | PT Pupuk Kalimantan Timur | Subsidiary of State Owned Enterprise |
| 441. | PT Pupuk Kujang Cikampek | Subsidiary of State Owned Enterprise |
| 442. | PT Pupuk Sriwidjaja Palembang | Subsidiary of State Owned Enterprise |
| 443. | PT Purantara Mitra Angkasa Dua | Subsidiary of State Owned Enterprise |
| 444. | PT Puspindo | Subsidiary of State Owned Enterprise |
| 445. | PT Pusri Agro Lestari | Subsidiary of State Owned Enterprise |
| 446. | PT Putra Indo Tenaga | Subsidiary of State Owned Enterprise |
| 447. | PT Railink | Subsidiary of State Owned Enterprise |
| 448. | PT Rajawali Citramass | Subsidiary of State Owned Enterprise |
| 449. | PT Rajawali Nusindo | Subsidiary of State Owned Enterprise |
| 450. | PT Rajawali Tanjungsari Enjiniring | Subsidiary of State Owned Enterprise |
| 451. | PT Rantepao Hidro Energi | Subsidiary of State Owned Enterprise |
| 452. | PT Ratah Timber | Subsidiary of State Owned Enterprise |
| 453. | PT Reasuransi Nasional Indonesia | Subsidiary of State Owned Enterprise |
| 454. | PT Reasuransi Syariah Indonesia | Subsidiary of State Owned Enterprise |
| 455. | PT Recon Sarana Utama | Subsidiary of State Owned Enterprise |
| 456. | PT Rekadaya Elekrika | Subsidiary of State Owned Enterprise |
| 457. | PT Rekaindo Global Jasa | Subsidiary of State Owned Enterprise |
| 458. | PT Rekayasa Cakrawala Resources | Subsidiary of State Owned Enterprise |
| 459. | PT Rekayasa Engineering | Subsidiary of State Owned Enterprise |
| 460. | PT Rekayasa Industri | Subsidiary of State Owned Enterprise |
| 461. | PT Rekind Daya Mamuju | Subsidiary of State Owned Enterprise |
| 462. | PT Reksasentosa Dinamika | Subsidiary of State Owned Enterprise |
| 463. | PT Reska Multi Usaha | Subsidiary of State Owned Enterprise |
| 464. | PT Riset Perkebunan Nusantara | Subsidiary of State Owned Enterprise |
| 465. | PT Rolas Nusantara Mandiri | Subsidiary of State Owned Enterprise |
| 466. | PT Rolas Nusantara Medika | Subsidiary of State Owned Enterprise |
| 467. | PT Rolas Nusantara Tambang | Subsidiary of State Owned Enterprise |
| 468. | PT Rumah Sakit Pelabuhan | Subsidiary of State Owned Enterprise |
| 469. | PT Rumah Sakit Pelni | Subsidiary of State Owned Enterprise |
| 470. | PT Sabre Travel Network Indonesia | Subsidiary of State Owned Enterprise |
| 471. | PT Sahung Brantas Energi | Subsidiary of State Owned Enterprise |
| 472. | PT Saka Energi Bangkanai Barat | Subsidiary of State Owned Enterprise |
| 473. | PT Saka Energi Indonesia | Subsidiary of State Owned Enterprise |
| 474. | PT Sarana Aceh Ventura | Subsidiary of State Owned Enterprise |
| 475. | PT Sarana Agro Nusantara | Subsidiary of State Owned Enterprise |
| 476. | PT Sarana Bandar Logistik | Subsidiary of State Owned Enterprise |
| 477. | PT Sarana Bandar Nasional | Subsidiary of State Owned Enterprise |
| 478. | PT Sarana Bengkulu Ventura | Subsidiary of State Owned Enterprise |
| 479. | PT Sarana Jabar Ventura | Subsidiary of State Owned Enterprise |
| 480. | PT Sarana Jakarta Ventura | Subsidiary of State Owned Enterprise |
| 481. | PT Sarana Jambi Ventura | Subsidiary of State Owned Enterprise |
| 482. | PT Sarana Jateng Ventura | Subsidiary of State Owned Enterprise |
| 483. | PT Sarana Jatim Ventura | Subsidiary of State Owned Enterprise |
| 484. | PT Sarana Kalbar Ventura | Subsidiary of State Owned Enterprise |
| 485. | PT Sarana Kalsel Ventura | Subsidiary of State Owned Enterprise |
| 486. | PT Sarana Kaltim Ventura | Subsidiary of State Owned Enterprise |
| 487. | PT Sarana Multigriya Finansial | Subsidiary of State Owned Enterprise |
| 488. | PT Sarana Papua Ventura | Subsidiary of State Owned Enterprise |
| 489. | PT Sarana Riau Ventura | Subsidiary of State Owned Enterprise |
| 490. | PT Sarana Sulsel Ventura | Subsidiary of State Owned Enterprise |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

| No. | Related parties | Nature of relationship |
|------|--|--------------------------------------|
| 491. | PT Sarana Sulut Ventura | Subsidiary of State Owned Enterprise |
| 492. | PT Sarana Surakarta Ventura | Subsidiary of State Owned Enterprise |
| 493. | PT Sari Valuta Asing | Subsidiary of State Owned Enterprise |
| 494. | PT Sarinah | Subsidiary of State Owned Enterprise |
| 495. | PT Satria Bahana Sarana | Subsidiary of State Owned Enterprise |
| 496. | PT Semen Gresik | Subsidiary of State Owned Enterprise |
| 497. | PT Semen Indogreen Sentosa | Subsidiary of State Owned Enterprise |
| 498. | PT Semen Indonesia Aceh | Subsidiary of State Owned Enterprise |
| 499. | PT Semen Indonesia Beton | Subsidiary of State Owned Enterprise |
| 500. | PT Semen Indonesia Distributor | Subsidiary of State Owned Enterprise |
| 501. | PT Semen Indonesia International | Subsidiary of State Owned Enterprise |
| 502. | PT Semen Indonesia Logistik | Subsidiary of State Owned Enterprise |
| 503. | PT Semen Kupang Indonesia | Subsidiary of State Owned Enterprise |
| 504. | PT Semen Padang | Subsidiary of State Owned Enterprise |
| 505. | PT Semen Tonasa | Subsidiary of State Owned Enterprise |
| 506. | PT Senggigi Pratama Internasional | Subsidiary of State Owned Enterprise |
| 507. | PT Sepatim Batamtama | Subsidiary of State Owned Enterprise |
| 508. | PT Sepoetih Daya Prima | Subsidiary of State Owned Enterprise |
| 509. | PT SIER | Subsidiary of State Owned Enterprise |
| 510. | PT SIER Puspa Utama | Subsidiary of State Owned Enterprise |
| 511. | PT Sigma Cipta Caraka | Subsidiary of State Owned Enterprise |
| 512. | PT Sigma Cipta Utama | Subsidiary of State Owned Enterprise |
| 513. | PT Sigma Utama | Subsidiary of State Owned Enterprise |
| 514. | PT Sinergi Gula Nusantara | Subsidiary of State Owned Enterprise |
| 515. | PT Sinergi Informatika Semen Indonesia | Subsidiary of State Owned Enterprise |
| 516. | PT Sinergi Mitra Investama | Subsidiary of State Owned Enterprise |
| 517. | PT Sinergi Perkebunan Nusantara | Subsidiary of State Owned Enterprise |
| 518. | PT Sinkona Indonesia Lestari | Subsidiary of State Owned Enterprise |
| 519. | PT Sintas Kurama Perdana | Subsidiary of State Owned Enterprise |
| 520. | PT Solusi Bangun Andalas | Subsidiary of State Owned Enterprise |
| 521. | PT Solusi Bangun Beton | Subsidiary of State Owned Enterprise |
| 522. | PT Solusi Bangun Indonesia Tbk | Subsidiary of State Owned Enterprise |
| 523. | PT Solusi Energy Nusantara | Subsidiary of State Owned Enterprise |
| 524. | PT Sri Pamela Medika Nusantara | Subsidiary of State Owned Enterprise |
| 525. | PT Sucofindo | Subsidiary of State Owned Enterprise |
| 526. | PT Sucofindo Advisory Utama | Subsidiary of State Owned Enterprise |
| 527. | PT Sucofindo Episi | Subsidiary of State Owned Enterprise |
| 528. | PT Sumberdaya Arindo | Subsidiary of State Owned Enterprise |
| 529. | PT Surveyor Carbon Consulting Indonesia | Subsidiary of State Owned Enterprise |
| 530. | PT Surveyor Indonesia | Subsidiary of State Owned Enterprise |
| 531. | PT Surya Energi Indotama | Subsidiary of State Owned Enterprise |
| 532. | PT Tanjung Alam Jaya | Subsidiary of State Owned Enterprise |
| 533. | PT Telekomunikasi Indonesia International | Subsidiary of State Owned Enterprise |
| 534. | PT Telekomunikasi Selular | Subsidiary of State Owned Enterprise |
| 535. | PT Telemedia Dinamika Sarana | Subsidiary of State Owned Enterprise |
| 536. | PT Telkom Akses | Subsidiary of State Owned Enterprise |
| 537. | PT Telkom Data Ekosistem (TDE) (formerly PT Sigma Tata Sadaya) | Subsidiary of State Owned Enterprise |
| 538. | PT Telkom Landmark Tower | Subsidiary of State Owned Enterprise |
| 539. | PT Telkom Satelit Indonesia | Subsidiary of State Owned Enterprise |
| 540. | PT Telkomsel Ekosistem Digital | Subsidiary of State Owned Enterprise |
| 541. | PT Terminal Petikemas Surabaya | Subsidiary of State Owned Enterprise |
| 542. | PT Terminal Teluk Lamong | Subsidiary of State Owned Enterprise |
| 543. | PT Tiar Daya Hidro | Subsidiary of State Owned Enterprise |
| 544. | PT Timah Agro Manunggal | Subsidiary of State Owned Enterprise |
| 545. | PT Timah Industri | Subsidiary of State Owned Enterprise |
| 546. | PT Timah Investasi Mineral | Subsidiary of State Owned Enterprise |
| 547. | PT Timah Karya Persada Properti | Subsidiary of State Owned Enterprise |
| 548. | PT Timah Tbk | Subsidiary of State Owned Enterprise |
| 549. | PT Tirta Tangsel Mandiri | Subsidiary of State Owned Enterprise |
| 550. | PT Tracon Industri | Subsidiary of State Owned Enterprise |
| 551. | PT Trans Jabar Tol | Subsidiary of State Owned Enterprise |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

| No. | Related parties | Nature of relationship |
|------|---|--------------------------------------|
| 552. | PT Tugu Pratama Interindo | Subsidiary of State Owned Enterprise |
| 553. | PT TWC BP dan RB | Subsidiary of State Owned Enterprise |
| 554. | PT United Tractors Semen Gresik | Subsidiary of State Owned Enterprise |
| 555. | PT Varia Usaha Bahari | Subsidiary of State Owned Enterprise |
| 556. | PT Varia Usaha Beton | Subsidiary of State Owned Enterprise |
| 557. | PT Varia Usaha Dharma Segara | Subsidiary of State Owned Enterprise |
| 558. | PT Varia Usaha Lintas Segara | Subsidiary of State Owned Enterprise |
| 559. | PT Waskita Beton Precast Tbk | Subsidiary of State Owned Enterprise |
| 560. | PT Waskita Bumi Wira | Subsidiary of State Owned Enterprise |
| 561. | PT Waskita Fim Perkasa Realti | Subsidiary of State Owned Enterprise |
| 562. | PT Waskita Karya Infrastruktur | Subsidiary of State Owned Enterprise |
| 563. | PT Waskita Karya Realty | Subsidiary of State Owned Enterprise |
| 564. | PT Waskita Sangir Energi | Subsidiary of State Owned Enterprise |
| 565. | PT Waskita Sriwijaya Tol | Subsidiary of State Owned Enterprise |
| 566. | PT Waskita Toll Road | Subsidiary of State Owned Enterprise |
| 567. | PT Waskita Wado Energy | Subsidiary of State Owned Enterprise |
| 568. | PT Wege Solusi Proklamasi | Subsidiary of State Owned Enterprise |
| 569. | PT Widar Mandripa Nusantara | Subsidiary of State Owned Enterprise |
| 570. | PT Wijaya Karya Aspal | Subsidiary of State Owned Enterprise |
| 571. | PT Wijaya Karya Bangunan Gedung Tbk | Subsidiary of State Owned Enterprise |
| 572. | PT Wijaya Karya Beton Tbk | Subsidiary of State Owned Enterprise |
| 573. | PT Wijaya Karya Bitumen | Subsidiary of State Owned Enterprise |
| 574. | PT Wijaya Karya Industri dan Konstruksi | Subsidiary of State Owned Enterprise |
| 575. | PT Wijaya Karya Pracetak Gedung | Subsidiary of State Owned Enterprise |
| 576. | PT Wijaya Karya Realty | Subsidiary of State Owned Enterprise |
| 577. | PT Wijaya Karya Rekayasa Konstruksi | Subsidiary of State Owned Enterprise |
| 578. | PT Wijaya Karya Serang Panimbang | Subsidiary of State Owned Enterprise |
| 579. | PT WIKA Industri Manufaktur | Subsidiary of State Owned Enterprise |
| 580. | PT WIKA Komponen Beton | Subsidiary of State Owned Enterprise |
| 581. | PT WIKA Krakatau Beton | Subsidiary of State Owned Enterprise |
| 582. | PT Wisma Seratus Sejahtera | Subsidiary of State Owned Enterprise |
| 583. | PT Yasa Industri Nusantara | Subsidiary of State Owned Enterprise |
| 584. | Saka Indonesia Pangkah BV | Subsidiary of State Owned Enterprise |
| 585. | Timah International Investment Pte Ltd | Subsidiary of State Owned Enterprise |
| 586. | PT Fintek Karya Nusantara | Associate Company |
| 587. | Perum BULOG | State Owned Enterprise |
| 588. | Perum Damri | State Owned Enterprise |
| 589. | Perum Jasa Tirta I | State Owned Enterprise |
| 590. | Perum Jasa Tirta II | State Owned Enterprise |
| 591. | Perum Lembaga Kantor Berita Nasional Antara | State Owned Enterprise |
| 592. | Perum LPPNPI | State Owned Enterprise |
| 593. | Perum Pengangkutan Penumpang Djakarta | State Owned Enterprise |
| 594. | Perum Percetakan Negara Republik Indonesia | State Owned Enterprise |
| 595. | Perum Percetakan Uang Republik Indonesia | State Owned Enterprise |
| 596. | Perum Perhutani | State Owned Enterprise |
| 597. | Perum Perumnas | State Owned Enterprise |
| 598. | PT Adhi Karya (Persero) Tbk | State Owned Enterprise |
| 599. | PT Amarta Karya (Persero) | State Owned Enterprise |
| 600. | PT Aneka Tambang Tbk | State Owned Enterprise |
| 601. | PT ASABRI (Persero) | State Owned Enterprise |
| 602. | PT ASDP Indonesia Ferry (Persero) | State Owned Enterprise |
| 603. | PT Asuransi Jiwasraya (Persero) | State Owned Enterprise |
| 604. | PT Aviassi Pariwisata Indonesia (Persero) | State Owned Enterprise |
| 605. | PT Bahana Pembinaan Usaha Indonesia (Persero) | State Owned Enterprise |
| 606. | PT Balai Pustaka | State Owned Enterprise |
| 607. | PT Bank Negara Indonesia (Persero) Tbk | State Owned Enterprise |
| 608. | PT Bank Rakyat Indonesia (Persero) Tbk | State Owned Enterprise |
| 609. | PT Bank Tabungan Negara (Persero) Tbk | State Owned Enterprise |
| 610. | PT Barata Indonesia (Persero) | State Owned Enterprise |
| 611. | PT Berdikari | State Owned Enterprise |
| 612. | PT Bina Karya (Persero) | State Owned Enterprise |
| 613. | PT BioFarma (Persero) | State Owned Enterprise |
| 614. | PT Biro Klasifikasi Indonesia (Persero) | State Owned Enterprise |
| 615. | PT Boma Bisma Indra (Persero) | State Owned Enterprise |
| 616. | PT Brantas Abipraya (Persero) | State Owned Enterprise |
| 617. | PT Dahana | State Owned Enterprise |
| 618. | PT Danareksa (Persero) | State Owned Enterprise |
| 619. | PT Dirgantara Indonesia | State Owned Enterprise |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

| No. | Related parties | Nature of relationship |
|------|--|-----------------------------|
| 620. | PT Djakarta Lloyd (Persero) | State Owned Enterprise |
| 621. | PT Dok dan Perkapalan Kodja Bahari (Persero) | State Owned Enterprise |
| 622. | PT Dok dan Perkapalan Surabaya (Persero) | State Owned Enterprise |
| 623. | PT Garam | State Owned Enterprise |
| 624. | PT Garuda Indonesia (Persero) Tbk | State Owned Enterprise |
| 625. | PT Utama Karya (Persero) | State Owned Enterprise |
| 626. | PT Iglas (Persero) | State Owned Enterprise |
| 627. | PT Indah Karya (Persero) | State Owned Enterprise |
| 628. | PT Indonesia Asahan Aluminium (Persero) | State Owned Enterprise |
| 629. | PT Indra Karya (Persero) | State Owned Enterprise |
| 630. | PT Industri Kapal Indonesia (Persero) | State Owned Enterprise |
| 631. | PT Industri Kereta Api (Persero) | State Owned Enterprise |
| 632. | PT Industri Nuklir Indonesia (Persero) | State Owned Enterprise |
| 633. | PT Industri Sandang Nusantara (Persero) | State Owned Enterprise |
| 634. | PT Industri Telekomunikasi Indonesia (Persero) | State Owned Enterprise |
| 635. | PT Istaka Karya (Persero) | State Owned Enterprise |
| 636. | PT Jasa Marga (Persero) Tbk | State Owned Enterprise |
| 637. | PT Kawasan Berikat Nusantara | State Owned Enterprise |
| 638. | PT Kawasan Industri Makassar | State Owned Enterprise |
| 639. | PT Kawasan Industri Medan | State Owned Enterprise |
| 640. | PT Kawasan Industri Wijayakusuma | State Owned Enterprise |
| 641. | PT Kereta Api Indonesia (Persero) | State Owned Enterprise |
| 642. | PT Kertas Kraft Aceh (Persero) | State Owned Enterprise |
| 643. | PT Kertas Leces (Persero) (in bankruptcy) | State Owned Enterprise |
| 644. | PT Kliring Berjangka Indonesia | State Owned Enterprise |
| 645. | PT Krakatau Steel (Persero) Tbk | State Owned Enterprise |
| 646. | PT LEN Industri (Persero) | State Owned Enterprise |
| 647. | PT Merpati Nusantara Airlines (Persero) | State Owned Enterprise |
| 648. | PT PAL Indonesia | State Owned Enterprise |
| 649. | PT PANN (Persero) | State Owned Enterprise |
| 650. | PT PDI Pulau Batam (Persero) | State Owned Enterprise |
| 651. | PT Pelabuhan Indonesia (Persero) | State Owned Enterprise |
| 652. | PT Pelayaran Nasional Indonesia (Persero) | State Owned Enterprise |
| 653. | PT Pembangunan Perumahan (Persero) Tbk | State Owned Enterprise |
| 654. | PT Pengembangan Pariwisata Indonesia (Persero) | State Owned Enterprise |
| 655. | PT Perikanan Indonesia | State Owned Enterprise |
| 656. | PT Perkebunan Nusantara III (Persero) | State Owned Enterprise |
| 657. | PT Pertamina (Persero) | State Owned Enterprise |
| 658. | PT Perusahaan Listrik Negara (Persero) | State Owned Enterprise |
| 659. | PT Perusahaan Pengelola Aset | State Owned Enterprise |
| 660. | PT Perusahaan Perdagangan Indonesia | State Owned Enterprise |
| 661. | PT Pindad | State Owned Enterprise |
| 662. | PT Pos Indonesia (Persero) | State Owned Enterprise |
| 663. | PT Primmisima (Persero) | State Owned Enterprise |
| 664. | PT Pupuk Indonesia (Persero) | State Owned Enterprise |
| 665. | PT Rajawali Nusantara Indonesia (Persero) | State Owned Enterprise |
| 666. | PT Reasuransi Indonesia Utama (Persero) | State Owned Enterprise |
| 667. | PT Sang Hyang Seri | State Owned Enterprise |
| 668. | PT Sarana Multi Infrastruktur | State Owned Enterprise |
| 669. | PT Semen Baturaja (Persero) Tbk | State Owned Enterprise |
| 670. | PT Semen Indonesia (Persero) Tbk | State Owned Enterprise |
| 671. | PT Semen Kupang (Persero) | State Owned Enterprise |
| 672. | PT Taspen (Persero) | State Owned Enterprise |
| 673. | PT Telkom Indonesia (Persero) Tbk | State Owned Enterprise |
| 674. | PT Varuna Tirta Prakasya (Persero) | State Owned Enterprise |
| 675. | PT Virama Karya (Persero) | State Owned Enterprise |
| 676. | PT Waskita Karya (Persero) Tbk | State Owned Enterprise |
| 677. | PT Wijaya Karya (Persero) Tbk | State Owned Enterprise |
| 678. | PT Yodya Karya (Persero) | State Owned Enterprise |
| 679. | BPJS Kesehatan | Social Security Institution |
| 680. | BPJS Ketenagakerjaan | Social Security Institution |
| 681. | Perusahaan Penerbit SBSN Indonesia | Social Security Institution |
| 682. | Lembaga Pembiayaan Ekspor Indonesia | Financial Institution |
| 683. | PT Penjaminan Infrastruktur Indonesia | Financial Institution |
| 684. | PT Indonesia Infrastruktur Finance | Financial Institution |

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

- **Related parties relationship with Government related entities** (continued):

Nature of transactions with government related entities are current accounts with other bank, placements with other banks, marketable securities, government bonds, other receivables - trade transaction, securities purchased under agreements to resell, derivative receivables, loans, consumer financing receivables, acceptance receivables, share investment, derivative payables, deposit from customers, deposits from other bank, acceptance payables, debt securities issued, fund borrowings, subordinated loans and subordinated debt, unused loan facility, bank guarantees, irrevocable letter of credit and standby letter of credit.

In the ordinary course of its business, the Group also purchases or pays for services, such as telecommunication expense, utility expense and other expenses to government related entities.

- **Transactions with management and key personnel of Bank Mandiri**

Total gross salaries and allowances, bonus and tantiem, long-term employment benefits of the Boards of Commissioners, Directors, Audit Committee and Risk Monitoring, Sharia Supervisory Board and Senior Executive Vice President and Senior Vice President (Note 50) for the year ended 31 December 2022 and 2021 amounted to Rp1,837,516 and Rp1,376,923 or 3.45% and 2.80% of total consolidated other operating expenses, respectively.

Details of transactions with related parties as of 31 December 2022 and 2021, are as follows:

| | 2022 | 2021 |
|---|-----------------------------|-----------------------------|
| <u>Assets</u> | | |
| Current accounts with other banks (Note 5a) | 110,733 | 256,308 |
| Placements with Bank Indonesia and other banks (Note 6b) | 3,080,128 | 2,381,154 |
| Marketable securities (Note 7a) | 27,290,577 | 30,552,825 |
| Government bonds (Note 8) | 329,211,764 | 289,054,774 |
| Other receivables - trade transactions (Note 9a) | 15,157,619 | 13,067,399 |
| Securities purchased under agreements to resell (Note 10a) | - | 2,850,956 |
| Derivative receivables (Note 11) | 110,208 | 160,416 |
| Loans (Note 12A.a) | 199,385,546 | 186,803,646 |
| Consumer financing receivables (Note 13a) | 7,846 | 7,287 |
| Acceptance receivables (Note 15a) | 1,897,509 | 2,688,460 |
| Investments in shares (Note 16a) | 1,778,847 | 1,784,229 |
| Total assets with related parties | <u>578,030,777</u> | <u>529,607,454</u> |
| Total consolidated assets | <u>1,992,544,687</u> | <u>1,725,611,128</u> |
| | | |
| Percentage of total assets with related parties to total consolidated assets | <u>29.01%</u> | <u>30.69%</u> |

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57. RELATED PARTY TRANSACTIONS (continued)

Details of transactions with related parties as of 31 December 2022 and 2021, are as follows (continued):

| | 2022 | 2021 |
|---|----------------------|----------------------|
| <u>Liabilities</u> | | |
| Deposits from customers | | |
| Demand deposits and <i>wadiah</i> demand deposits (Note 21a) | 157,247,418 | 111,706,274 |
| Saving deposits and <i>wadiah</i> saving deposit (Note 22a) | 6,850,898 | 5,491,050 |
| Time deposits (Note 23a) | 30,665,985 | 33,467,991 |
| Deposits from other banks | | |
| Demand deposits, <i>wadiah</i> demand deposit and saving deposits (Note 24a) | 174,243 | 53,022 |
| Time deposits (Note 26a) | 467,025 | - |
| Derivative payables (Note 11) | 86,933 | 9,932 |
| Acceptance payables (Note 29a) | 1,750,123 | 883,389 |
| Debt securities issued (Note 30) | 5,603,550 | 9,748,000 |
| Fund borrowings (Note 36) | 2,210,704 | 194,097 |
| Subordinated loans and marketable securities (Note 37) | 87,000 | 94,750 |
| Total liabilities with related parties | 205,143,879 | 161,648,505 |
| Total consolidated liabilities | 1,544,096,631 | 1,326,592,237 |
| Percentage of total liabilities with related parties to total consolidated liabilities | 13.29% | 12.19% |
| Temporary <i>syirkah</i> funds (Note 38) | 31,645,978 | 11,235,587 |
| Percentage to total temporary <i>syirkah</i> funds | 16.13% | 6.35% |
| | 2022 | 2021 |
| <u>Statement of profit or loss and other comprehensive income</u> | | |
| Interest income from government bonds and treasury bills (Note 41) | 16,356,052 | 11,758,623 |
| Percentage to interest income and sharia Income | 14.55% | 12.03% |
| Interest expense from fund borrowings (Note 42) | 31,672 | 25,636 |
| Percentage to interest expense and sharia expense | 0.13% | 0.10% |
| | 2022 | 2021 |
| Commitments and contingencies (Note 55) | | |
| Unused loan facilities | 75,635,375 | 84,010,917 |
| Outstanding irrevocable letter of credit | 13,991,579 | 9,307,478 |
| Guarantees issued in the form of bank guarantee | 36,092,991 | 23,633,414 |
| Guarantees issued in the form of Standby letter of credit | 5,810,458 | 12,239,512 |
| Total commitments and contingencies for related parties | 131,530,403 | 129,191,321 |
| Total consolidated commitments and contingencies - net | 310,289,256 | 293,398,308 |
| Percentages of total commitments and contingencies with related parties to commitments and contingencies - net | 42.39% | 44.03% |

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58. SEGMENT INFORMATION

The Group has presented its operating segments in a manner consistent with the internal reporting provided for operational decision making (refer to Note 2ak).

The following describes the operations in each reportable segments as of 31 December 2022 and 2021:

- Corporate Banking : including loans, customer deposits and other transactions which belong to corporate customers, including state-owned and private enterprises.
- Commercial Banking : including loans to medium scale and automotive sector, customer deposits and other transactions belong to commercial customer.
- Government Institution : including loans, customer deposits and other transactions which belong to government entities and pension plan of state-owned enterprises.
- Retail Banking (consists of consumer/individual segment and micro & business and wealth segment) : including loans granted to business entities or individuals with micro-scale to small, products or other services such as deposits, payment transactions and other transactions which belong to micro and small customers also consumer finance loans, including mortgage loans, credit cards and other products and services such as deposits, payment transactions and other transactions which belong to individual customers.
- Treasury & International Banking : treasury segment associated with treasury activities of the Bank include foreign exchange, money market, fixed income, international banking business, capital markets and the Overseas Branches.
- Head Office : mainly managing the assets and liabilities of the Group other than those managed by other operating segments including accepting the cost allocation for the provision of the centralizing services to other segments as well as income/costs that are not allocated to other segments reporting.
- Subsidiaries - Sharia : including all transactions conducted by a Subsidiaries engaged in sharia banking.
- Subsidiaries - Insurance : including all transactions conducted by Subsidiaries engaged in life insurance, health insurance and general insurance.
- Subsidiaries - other than sharia and insurance : including all transactions of Subsidiaries engaged in consumer finance, remittance services, securities and banking.

These consolidated financial statements are originally issued in the Indonesian language.

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58. SEGMENT INFORMATION (continued)

| Description | 2022 ¹⁾ | | | | | | | | | | |
|---|--------------------|--------------------|--------------------------|--------------------|----------------------------------|---------------------|---------------------|--------------------------|--|--|---------------------|
| | Corporate Banking | Commercial Banking | Government Institutional | Retail Banking | Treasury & International Banking | Head Office | Subsidiary - sharia | Subsidiaries - insurance | Subsidiaries - other than insurance and sharia | Adjustment and Elimination ²⁾ | Total |
| Consolidated statements of profit or loss and other comprehensive income | | | | | | | | | | | |
| Interest and sharia income ³⁾ | 29,999,243 | 16,292,295 | 4,453,246 | 58,823,019 | 20,898,828 | 298,082 | 19,687,046 | 363,593 | 10,208,820 | (48,642,054) | 112,382,118 |
| Interest and sharia expense ³⁾ | (16,304,561) | (8,854,226) | (2,650,349) | (23,458,737) | (17,446,151) | (212,674) | (4,032,169) | - | (3,429,472) | 51,909,575 | (24,478,764) |
| Net interest and sharia income | 13,694,682 | 7,438,069 | 1,802,897 | 35,364,282 | 3,452,677 | 85,408 | 15,654,877 | 363,593 | 6,779,348 | 3,267,521 | 87,903,354 |
| Net premium income | - | - | - | - | - | - | - | 2,886,272 | - | (418,574) | 2,467,698 |
| Net interest and sharia and premium income | 13,694,682 | 7,438,069 | 1,802,897 | 35,364,282 | 3,452,677 | 85,408 | 15,654,877 | 3,249,865 | 6,779,348 | 2,848,947 | 90,371,052 |
| Other operating income: | | | | | | | | | | | |
| Other fees and commission | 2,404,288 | 764,847 | 360,542 | 6,901,623 | 520,797 | 3,145,773 | 2,507,051 | - | 2,842,500 | (645,273) | 18,802,148 |
| Other | 388,254 | 144,152 | 48,701 | 4,801,775 | 3,299,449 | 3,398,103 | 1,360,143 | 1,037,323 | 2,218,724 | (1,218,069) | 15,478,555 |
| Total | 2,792,542 | 908,999 | 409,243 | 11,703,398 | 3,820,246 | 6,543,876 | 3,867,194 | 1,037,323 | 5,061,224 | (1,863,342) | 34,280,703 |
| Reversal of/(allowance for) impairment losses on financial assets and others | (1,078,508) | (1,984,881) | (15,925) | (7,436,292) | 3,909 | (22,840) | (4,119,048) | - | (1,469,602) | - | (16,123,187) |
| Unrealised gains/(losses) from increase/(decrease) in fair value of policy holders' investment in unit-link contracts | - | - | - | - | - | - | - | - | - | - | - |
| Gain on sale of marketable securities and government bonds | - | - | - | - | - | 696,462 | 114,642 | 27,242 | 61,233 | - | 899,579 |
| Other operating expenses: | | | | | | | | | | | |
| Salaries and employee benefit expenses | (176,725) | (303,368) | (96,897) | (2,345,298) | (137,792) | (12,987,631) | (4,948,878) | (506,384) | (3,557,347) | 418,574 | (24,641,746) |
| General and administrative expenses | (89,590) | (89,296) | (168,560) | (1,445,613) | (110,430) | (12,127,172) | (4,437,736) | (913,666) | (2,720,489) | - | (22,102,552) |
| Other | (435,343) | (218,615) | (151,904) | (1,517,449) | (389,435) | (1,989,311) | (724,848) | (1,300,987) | (448,541) | 660,673 | (6,515,760) |
| Total | (701,658) | (611,279) | (417,361) | (5,308,360) | (637,657) | (27,104,114) | (10,111,462) | (2,721,037) | (6,726,377) | 1,079,247 | (53,260,058) |
| Non-operating income/(expense) - net | - | - | - | - | - | 113,094 | 98,449 | - | (1,906) | - | 209,637 |
| Tax expense | - | - | - | - | - | (9,086,007) | (1,254,621) | (278,369) | (806,361) | - | (11,425,358) |
| Net income | 14,707,058 | 5,750,908 | 1,778,854 | 34,323,028 | 6,639,175 | (28,774,121) | 4,250,031 | 1,315,024 | 2,897,559 | 2,064,852 | 44,952,368 |
| Net income attributable to: | | | | | | | | | | | |
| Non controlling interest | - | - | - | - | - | - | - | - | - | - | 3,781,731 |
| Parent Entity | - | - | - | - | - | - | - | - | - | - | 41,170,637 |
| Consolidated statement of financial position | | | | | | | | | | | |
| Loans - gross | 364,163,362 | 196,304,490 | 44,119,013 | 322,250,318 | 5,801,787 | 81 | 206,207,005 | - | 37,392,602 | (3,638,776) | 1,172,599,882 |
| Total assets | 382,797,323 | 179,089,341 | 44,971,040 | 313,385,081 | 318,811,657 | 331,277,620 | 305,727,438 | 42,870,806 | 98,955,587 | (25,341,206) | 1,992,544,687 |
| Demand deposits and wadiah demand deposits | (260,843,103) | (82,519,567) | (43,765,257) | (101,871,549) | (5,045,475) | (3,946,286) | (21,797,853) | - | (1,164,001) | 1,875,129 | (519,077,962) |
| Saving deposits and wadiah saving deposits | (12,153,395) | (15,592,192) | (850,155) | (157,981,554) | (198,973) | (241,590,679) | (44,214,405) | - | (7,901,413) | - | (480,482,766) |
| Time deposits | (40,636,468) | (36,819,680) | (20,359,234) | (42,673,131) | (4,760,793) | (121,556,835) | - | - | (31,871,718) | 2,662,658 | (296,015,201) |
| Total deposit from customers | (313,632,966) | (134,931,439) | (64,974,646) | (302,526,234) | (10,005,241) | (367,093,800) | (66,012,258) | - | (40,937,132) | 4,537,787 | (1,295,575,929) |
| Total liabilities | (321,701,933) | (138,032,614) | (66,083,263) | (668,925,401) | (38,306,214) | (126,040,049) | (75,813,992) | (38,197,072) | (81,660,894) | 10,664,801 | (1,544,096,631) |

¹⁾ In accordance with operating segments of Bank Mandiri (Note 2ak).

²⁾ Include component of internal transfer pricing among operating segments.

³⁾ Include elimination of internal transfer pricing or reclassification among operating segments and elimination for Subsidiaries.

These consolidated financial statements are originally issued in the Indonesian language.

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58. SEGMENT INFORMATION (continued)

| Description | 2021 ¹⁾ | | | | | | | | | | |
|---|--------------------|--------------------|--------------------------|----------------|----------------------------------|---------------|---------------------|--------------------------|--|--|-----------------|
| | Corporate Banking | Commercial Banking | Government Institutional | Retail Banking | Treasury & International Banking | Head Office | Subsidiary - sharia | Subsidiaries - insurance | Subsidiaries - other than insurance and sharia | Adjustment and Elimination ²⁾ | Total |
| Consolidated statements of profit or loss and other comprehensive income | | | | | | | | | | | |
| Interest and sharia income ³⁾ | 27,564,975 | 15,158,590 | 4,726,092 | 62,793,037 | 13,343,519 | (185,415) | 17,808,431 | 352,200 | 8,468,020 | (52,280,365) | 97,749,086 |
| Interest and sharia expense ³⁾ | (14,066,189) | (7,125,948) | (2,606,234) | (24,489,098) | (3,189,355) | (181,557) | (4,245,083) | - | (3,281,615) | 34,498,489 | (24,686,592) |
| Net interest and sharia income | 13,498,786 | 8,032,642 | 2,119,858 | 38,303,939 | 10,154,164 | (366,972) | 13,563,348 | 352,200 | 5,186,405 | (17,781,876) | 73,062,494 |
| Net premium income | - | - | - | - | - | - | - | 2,079,654 | - | (291,721) | 1,787,933 |
| Net interest and sharia and premium income | 13,498,786 | 8,032,642 | 2,119,858 | 38,303,939 | 10,154,164 | (366,972) | 13,563,348 | 2,431,854 | 5,186,405 | (18,073,597) | 74,850,427 |
| Other operating income: | | | | | | | | | | | |
| Other fees and commission | 1,856,655 | 704,869 | 429,182 | 6,148,435 | 389,498 | 2,736,205 | 2,097,016 | - | 1,723,325 | (676,492) | 15,408,693 |
| Other | 354,754 | 120,629 | 20,453 | 3,831,275 | 6,012,411 | (655,411) | 1,151,140 | 1,330,688 | 2,070,249 | (616,861) | 13,619,327 |
| Total | 2,211,409 | 825,498 | 449,635 | 9,979,710 | 6,401,909 | 2,080,794 | 3,248,156 | 1,330,688 | 3,793,574 | (1,293,353) | 29,028,020 |
| Reversal of/(allowance for) impairment losses on financial assets and others | (4,357,508) | (4,535,901) | (6,848) | (6,197,113) | 114,346 | 1,034,804 | (3,788,303) | - | (1,806,778) | - | (19,543,301) |
| Unrealised gains/(losses) from increase/(decrease) in fair value of policy holders' investment in unit-link contracts | - | - | - | - | - | - | - | 2,824 | - | - | 2,824 |
| Gain on sale of marketable securities and government bonds | - | - | - | - | - | 3,167,800 | - | 19,132 | 55,468 | - | 3,242,400 |
| Other operating expenses: | | | | | | | | | | | |
| Salaries and employee benefit expenses | (167,028) | (285,879) | (7,810) | (2,312,321) | (130,296) | (12,284,788) | (4,491,775) | (505,472) | (2,783,464) | 291,721 | (22,677,112) |
| General and administrative expenses | (76,190) | (76,423) | (147,555) | (1,564,294) | (115,234) | (11,324,251) | (3,646,123) | (811,508) | (1,758,121) | - | (19,519,699) |
| Other | (372,184) | (174,723) | (168,907) | (1,414,565) | (351,113) | (2,519,647) | (882,726) | (1,130,436) | (612,605) | 683,550 | (6,943,356) |
| Total | (615,402) | (537,025) | (324,272) | (5,291,180) | (596,643) | (26,128,686) | (9,020,624) | (2,447,416) | (5,154,190) | 975,271 | (49,140,167) |
| Non-operating income/(expense) - net | - | - | - | - | - | 85,275 | (43,145) | - | (123,912) | - | (81,782) |
| Tax expense | - | - | - | - | - | (6,310,992) | (932,318) | (166,719) | (397,295) | - | (7,807,324) |
| Net income | 10,737,285 | 3,785,214 | 2,238,373 | 36,795,356 | 16,073,776 | (26,437,977) | 3,027,114 | 1,170,363 | 1,553,275 | (18,391,679) | 30,551,099 |
| Net income attributable to: | | | | | | | | | | | |
| Non controlling interest | - | - | - | - | - | - | - | - | - | - | 2,522,942 |
| Parent Entity | - | - | - | - | - | - | - | - | - | - | 28,028,155 |
| Consolidated statement of financial position | | | | | | | | | | | |
| Loans - gross | 333,835,899 | 173,756,396 | 29,720,884 | 284,190,952 | 6,609,657 | 7 | 170,288,023 | - | 31,715,874 | (3,892,934) | 1,026,224,827 |
| Total assets | 345,368,707 | 150,636,981 | 30,646,740 | 275,629,698 | 298,353,997 | 274,919,446 | 265,289,081 | 43,598,487 | 79,948,139 | (18,780,148) | 1,725,611,128 |
| Demand deposits and wadiah demand deposits | (173,563,471) | (65,553,114) | (44,265,271) | (89,643,757) | (4,641,769) | (769,021) | (22,411,614) | - | (377,051) | 1,433,757 | (399,791,311) |
| Saving deposits and wadiah saving deposits | (9,012,168) | (10,378,976) | (913,213) | (360,351,355) | (220,714) | - | (34,836,276) | - | (6,601,843) | - | (422,314,545) |
| Time deposits | (37,197,993) | (32,054,078) | (27,920,977) | (164,857,962) | (4,486,281) | (467,153) | - | - | (27,375,071) | 1,186,658 | (293,172,857) |
| Total deposit from customers | (219,773,632) | (107,986,168) | (73,099,461) | (614,853,074) | (9,348,764) | (1,236,174) | (57,247,890) | - | (34,353,965) | 2,620,415 | (1,115,278,713) |
| Total liabilities | (226,341,072) | (110,409,147) | (73,925,871) | (616,479,180) | (22,316,618) | (116,339,135) | (63,261,476) | (39,203,806) | (66,892,728) | 8,576,796 | (1,326,592,237) |

¹⁾ In accordance with operating segments of Bank Mandiri (Note 2ak).

²⁾ Include component of internal transfer pricing among operating segments.

³⁾ Include elimination of internal transfer pricing or reclassification among operating segments and elimination for Subsidiaries.

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58. SEGMENT INFORMATION (continued)

Geographical segment

The Group's main operations is managed in Indonesia, Asia (Singapore, Hong Kong, Timor Leste, Shanghai, Malaysia), West Europe (England) and Cayman Islands. Information concerning the geographical segments of the Group is set out in the table below:

Information on geographical segment for the year ended 31 December 2022:

| | Indonesia | Asia | West Europe | Cayman Islands | Consolidated |
|---|-------------------|------------------|--------------|----------------|-------------------|
| Consolidated statements of profit or loss and other comprehensive income | | | | | |
| Interest and sharia income | 109,132,266 | 2,261,743 | 92,028 | 896,081 | 112,382,118 |
| Interest and sharia expense | (23,581,286) | (674,160) | (37,706) | (185,612) | (24,478,764) |
| Net interest and sharia income | 85,550,980 | 1,587,583 | 54,322 | 710,469 | 87,903,354 |
| Net premium income | 2,467,698 | - | - | - | 2,467,698 |
| Net interest and sharia and premium income | 88,018,678 | 1,587,583 | 54,322 | 710,469 | 90,371,052 |
| Other operating income: | | | | | |
| Others fees and commissions | 18,405,858 | 383,725 | - | 12,565 | 18,802,148 |
| Others | 15,303,005 | 129,916 | 9,956 | 35,678 | 15,478,555 |
| Total | 33,708,863 | 513,641 | 9,956 | 48,243 | 34,280,703 |
| (Allowance for)/reversal of impairment losses on financial assets and others | (15,847,746) | (260,140) | (1,716) | (13,585) | (16,123,187) |
| Unrealised gains/(losses) from increase/(decrease) in fair value of marketable securities, government bonds, and policyholders' investment in unit-link contracts | - | - | - | - | - |
| Gain on sale of marketable securities and government bonds | 832,153 | 64,180 | - | 3,246 | 899,579 |
| Other operating expenses: | | | | | |
| Salaries and employee benefit expenses | (24,397,802) | (203,764) | (28,298) | (11,882) | (24,641,746) |
| General, administrative expenses and others | (28,412,582) | (159,507) | (22,833) | (23,390) | (28,618,312) |
| Total | (52,810,384) | (363,271) | (51,131) | (35,272) | (53,260,058) |
| Non operating income/ (expense) - net | 530,320 | (162,519) | - | (158,164) | 209,637 |
| Tax expense | (11,182,908) | (240,817) | (1,633) | - | (11,425,358) |
| Net income | 43,248,976 | 1,138,657 | 9,798 | 554,937 | 44,952,368 |
| Net income attributable to: | | | | | |
| Non-controlling interest | - | - | - | - | 3,781,731 |
| Parent Entity | - | - | - | - | 41,170,637 |
| Consolidated statement of financial position | | | | | |
| Loans - gross | 1,101,016,066 | 50,305,418 | 481,634 | 20,796,764 | 1,172,599,882 |
| Total assets | 1,883,672,684 | 74,896,834 | 3,765,899 | 30,209,270 | 1,992,544,687 |
| Demand deposits and <i>wadiah</i> demand deposits | (511,480,446) | (7,324,681) | (272,835) | - | (519,077,962) |
| Saving deposits and <i>wadiah</i> saving deposits | (477,616,764) | (2,866,002) | - | - | (480,482,766) |
| Time deposits | (293,304,321) | (2,710,880) | - | - | (296,015,201) |
| Total deposit from customers | (1,282,401,531) | (12,901,563) | (272,835) | - | (1,295,575,929) |
| Total liabilities | (1,482,146,120) | (50,463,373) | (2,993,330) | (8,493,808) | (1,544,096,631) |

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58. SEGMENT INFORMATION (continued)

Geographical segment (continued)

Information on geographical segment for the year ended 31 December 2021:

| | Indonesia | Asia | West Europe | Cayman Islands | Consolidated |
|---|---------------------|------------------|-----------------|-----------------|---------------------|
| Consolidated statements of profit or loss and other comprehensive income | | | | | |
| Interest and sharia income | 96,003,722 | 1,334,294 | 63,674 | 347,396 | 97,749,086 |
| Interest and sharia expense | (24,376,643) | (254,431) | (12,169) | (43,349) | (24,686,592) |
| Net interest and sharia income | 71,627,079 | 1,079,863 | 51,505 | 304,047 | 73,062,494 |
| Net premium income | 1,787,933 | - | - | - | 1,787,933 |
| Net interest and sharia and premium income | 73,415,012 | 1,079,863 | 51,505 | 304,047 | 74,850,427 |
| Other operating income: | | | | | |
| Others fees and commissions | 15,013,086 | 306,658 | - | 88,949 | 15,408,693 |
| Others | 13,525,155 | 74,095 | 5,772 | 14,305 | 13,619,327 |
| Total | 28,538,241 | 380,753 | 5,772 | 103,254 | 29,028,020 |
| (Allowance for)/reversal of impairment losses on financial assets and others | (19,377,138) | (164,948) | (1,758) | 543 | (19,543,301) |
| Unrealised gains/(losses) from increase/(decrease) in fair value of marketable securities, government bonds, and policyholders' investment in unit-link contracts | 2,824 | - | - | - | 2,824 |
| Gain on sale of marketable securities and government bonds | 3,038,319 | 124,616 | - | 79,465 | 3,242,400 |
| Other operating expenses: | | | | | |
| Salaries and employee benefit expenses | (22,469,860) | (169,969) | (26,572) | (10,711) | (22,677,112) |
| General, administrative expenses and others | (26,291,010) | (128,906) | (20,872) | (22,267) | (26,463,055) |
| Total | (48,760,870) | (298,875) | (47,444) | (32,978) | (49,140,167) |
| Non operating income/ (expense) - net | (45,805) | (13,466) | - | (22,511) | (81,782) |
| Tax expense | (7,617,031) | (188,978) | (1,315) | - | (7,807,324) |
| Net income | 29,193,549 | 918,965 | 6,760 | 431,820 | 30,551,094 |
| Net income attributable to: | | | | | |
| Non-controlling interest | - | - | - | - | 2,522,942 |
| Parent Entity | - | - | - | - | 28,028,155 |
| Consolidated statement of financial position | | | | | |
| Loans | 971,712,526 | 37,339,840 | 364,793 | 16,807,668 | 1,026,224,827 |
| Total assets | 1,639,987,831 | 59,681,920 | 2,613,274 | 23,328,103 | 1,725,611,128 |
| Demand deposits and <i>wadiah</i> demand deposits | (393,446,628) | (6,118,604) | (226,079) | - | (399,791,311) |
| Saving deposits and <i>wadiah</i> saving deposits | (419,563,405) | (2,751,140) | - | - | (422,314,545) |
| Time deposits | (291,915,172) | (1,257,685) | - | - | (293,172,857) |
| Total deposit from customers | (1,104,925,205) | (10,127,429) | (226,079) | - | (1,115,278,713) |
| Total liabilities | (1,241,791,774) | (59,613,445) | (1,862,916) | (23,324,102) | (1,326,592,237) |

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59. CAPITAL ADEQUACY RATIO

Capital risk management

Bank Mandiri's capital policy is prudently complied with the regulatory capital requirement, diversifying its capital resources to anticipate long-term strategic plans and efficiently allocate capital to business segments that have the potential to provide an optimal risk-return profile, including placement and investment in Subsidiaries in order to meet stakeholder's expectations including investors and regulators.

Bank Mandiri ensures it has sufficient capital to meet credit risk, market risk and operational risk, both in supporting business growth in normal conditions and anticipating stress conditions.

The Capital Adequacy Ratio (CAR) calculated in accordance with FSA's Regulation No. 34/POJK.03/2016 dated 22 September 2016 on Amendments to the FSA's Regulation No. 11/POJK.03/2016 regarding the Minimum Capital Requirement for Commercial Banks.

For the calculation of Risk Weighted Assets, Bank uses Basel II Standardised Approach¹ for Credit Risk and has included External Rating component. In addition, the Bank has gradually carried out a simulation using Internal Ratings-Based Approach. For Market Risk, the Bank uses Basel II Standardised Measurement Method² and internally uses Value at Risk. For Operational Risk, the Bank refers to Basel II Basic Indicator Approach³.

The calculation result of Risk Weighted Assets (Credit, Operational and Market) and Capital Adequacy Ratio (CAR) as of 31 December 2022 and 2021 (Bank Mandiri only) are as follows:

| | 2022 | 2021 |
|---|--------------------|--------------------|
| Capital: | | |
| Core capital | 181,072,852 | 165,492,705 |
| Supplementary capital | 10,771,601 | 9,764,189 |
| Total capital for credit risk, operational risk and market risk | 191,844,453 | 175,256,894 |
| Risk-Weighted Assets for credit | 846,394,763 | 757,497,030 |
| Risk-Weighted Assets for operational | 133,826,964 | 130,682,428 |
| Risk-Weighted Assets for market | 5,829,558 | 5,849,789 |
| Total Risk-Weighted Assets for credit, operational and market risk | 986,051,285 | 894,029,247 |

1 Referring to SEOJK No. 42/SEOJK.03/2016 regarding Guidelines for Calculation of Risk-Weighted Assets ("RWA") for Credit Risk by Using a Standard Approach, SEOJK No. 48/SEOJK.03/2017 regarding Guidelines for Calculation of Net Receivables for Derivative Transactions in Calculation of Risk Weighted Assets for Credit Risk Using the Standard Approach and SEOJK Approach No. 11/SEOJK.03/2018 regarding Amendments to SEOJK No. 42/SEOJK.03/2016 regarding Guidelines for Calculation of RWA for Credit Risk by Using a Standard Approach.

2 Referring to SEOJK No. 38/SEOJK.03/2016 regarding Guidelines for Using Standard Methods in Calculating Minimum Capital Requirements for Commercial Banks to Calculate Market Risk.

3 Referring to SEOJK No. 24/SEOJK.03/2016 regarding Risk-Weighted Assets Calculation for Operational Risk by Using a Basic Indicator Approach.

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59. CAPITAL ADEQUACY RATIO (continued)

Capital risk management (continued)

| | 2022 | 2021 |
|---|--------|--------|
| CAR for core capital ⁴ | 18.36% | 18.51% |
| CAR for credit risk, operational risk and market risk | 19.46% | 19.60% |
| Minimum CAR core capital | 6.00% | 6.00% |
| Minimum CAR based on risk profile ⁵ | 9.86% | 9.75% |

The Bank's capital adequacy ratio on a consolidated basis as of 31 December 2022 and 2021 including credit, operational and market risk are 19.65% and 19.56%, respectively.

60. NON-PERFORMING EARNING ASSETS RATIO, ALLOWANCE FOR IMPAIRMENT LOSSES ON EARNING ASSETS FULFILLMENT RATIO, MICRO AND SMALL BUSINESS LOANS RATIO AND LEGAL LENDING LIMIT

Non-performing earning assets to total earning assets ratio (including Administrative Accounts) as of 31 December 2022 and 2021 (Bank Mandiri only) are 1.09% and 1.60%, respectively. For Non-Performing Loan (NPL) ratio refer to Note 12.A.d.

The ratio of total allowance for impairment losses on earning assets provided by Bank Mandiri as of 31 December 2022 and 2021 compared to the minimum allowance for impairment losses on earning assets under the guidelines prescribed by Bank Indonesia as of 31 December 2022 and 2021 are 194.70% and 191.14%, respectively.

The ratio of non-performing earning assets to total earning assets (including Administrative Accounts) and the ratio of total allowance for impairment losses on earning assets is calculated in accordance with SEOJK No. 9/SEOJK.03/2020 dated 30 June 2020 concerning Transparency and Publication of Conventional Commercial Bank Reports.

The ratio of small-scale and micro business loans to total loans provided by Bank Mandiri for the year ended as of 31 December 2022 and 2021 are 9.52% and 8.82%, respectively.

⁴ Based on POJK No. 11 of 2016 dated 2 February 2016 regarding Minimum Capital Adequacy Requirements for Commercial Banks article 11 paragraph (2) states that Banks are required to provide core capital of at least 6% (six percent) of RWA both individually and in consolidation with subsidiary companies.

⁵ The minimum CAR for the main risks of Tier 1 and additional risks of Tier 2 (capital add-on) is based on the Internal Capital Adequacy Assessment Process (ICAAP) method.

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61. CUSTODIAN SERVICES AND TRUST OPERATIONS

Custodian services

Bank Mandiri started providing Custodian Services since 1995. The operating license for Custodian Services was renewed by Capital Market and Financial Institutions Supervisory Board based on Decree No. KEP.01/PM/Kstd/1999 dated 4 October 1999. Bank Mandiri's Custodian, which is the part of International Banking and Financial Institution Group, provides a full range of Custodian Services as follows:

- a. Settlement and handling services for script and scripless trading transactions;
- b. Safekeeping and administration of marketable securities and other valuable assets;
- c. Corporate action services which starting from administrating the safekeeping of customer's ownership right on marketable securities until that right become effective in the customer's account;
- d. Proxy services for its customers' in General Meeting of Shareholders and General Meeting of Bondholders;
- e. Reporting and information submission related to the customers' marketable securities and/or other valuable assets which are kept and administered by Bank Mandiri's custodian.

In order to fulfill the investors' needs in investing on various marketable securities instruments, Bank Mandiri's Custodian facilitate it through provisions of various services as follow:

- a. General custodian which provide services for investors who are investing in capital market or money market in Indonesia.
- b. Local custodian for American Depository Receipts (ADR) and Global Depository Receipts (GDR) which is needed by the investors to convert the companies' shares which are listed in local and overseas stock exchange (dual/multi listing).
- c. Sub-Registry which provide services for investors that conduct transaction and investment in Government Bonds (either in form of Bonds or Treasury Bills) and Bank Indonesia Certificates (Sertifikat Bank Indonesia (SBI)).
- d. Custodian for mutual funds and discretionary fund issued and managed by investment manager;
- e. Custodian of Euroclear for customer who is conducting investment and settlement of securities transactions registered at the Euroclear Operations Centre, Brussels, Bank Mandiri's Custodian is a direct member of Euroclear.
- f. Securities lending and borrowing as services for customers who want to maximise their investment return by lending their securities to securities companies through intermediary and guarantee of PT Kliring Penjaminan Efek Indonesia (PT KPEI).
- g. Custodian for Exchange Traded Fund (ETF) which issued and managed by an investment manager where the unit of participation will be traded on stock exchange.
- h. Custodian for Asset Backed Securities (*Efek Beragun Aset (EBA)*) in the form of collective investment contract (*Kontrak Investasi Kolektif (KIK)*) which was issued by the investment manager and custodian bank in relation to asset securitisation transactions owned by banks or other financial institutions.

As of 31 December 2022 and 2021, Bank Mandiri's Custodian has 14,662 and 11,147 customers (unaudited), respectively, which consist of pension funds, insurance companies, banks, institution, securities companies, mutual funds, other institution/legal entity and individual customer. Total portfolio by currencies as of 31 December 2022 are amounted to Rp815,382,074 million, USD2,626 million (full amount), and EUR1.94 million (full amount), and as of 31 December 2021 are amounted to Rp700,155,646 million, USD2,365 million (full amount), and EUR1.94 million (full amount) (unaudited). Assets kept in custodian services activities are not included in the consolidated financial statement of Bank Mandiri and its Subsidiaries.

Bank Mandiri has insured the customer's portfolio kept in custodians against potential losses arising from safekeeping and transfer of securities in accordance with the Financial Services Authority's regulation.

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61. CUSTODIAN SERVICES AND TRUST OPERATIONS (continued)

Trustee Agent Operations

Bank Mandiri has been providing Trustee Agent Operations Services since 1983. The operating license for trust services was renewed and re-registered in Decree of Capital Market and Financial Institutions Supervisory Board based on Decree No. 17/STTD-WA/PM/1999 dated 27 October 1999. The type of services are as follows:

- a. Trustee agent for bonds and MTN issuance
- b. Escrow agent
- c. Paying agent
- d. Initial Public Offering/IPO (receiving bank)
- e. Security agent

As of 31 December 2022, Bank Mandiri as the Trustee manage 83 customers with the total value of bonds and MTN issued based on currency amounted Rp77,771,685 and for the year ended 31 December 2021 managed 89 customers with the total value of bonds and MTN issued amounted Rp81,495,779.

Both Bank Mandiri's trustee operations and custodian services have received quality certification ISO 9001:2015.

Trust Services

Bank's trust service is the custodian services of customer's assets portfolio (settlor) based on a written agreement between the Bank Mandiri as the trustee and customer's for the benefits of beneficiary.

Bank Mandiri has obtained the license principle and confirmation letter for the trust services based on Bank Indonesia's Letter No. 15/30/DPB1/PB1-1 dated 26 April 2013 and No. 15/32/DPB1/PB1-1 dated 28 August 2013.

Functions of Bank Mandiri Trust Service are:

- a. Paying agent is the activity of receiving and transferring money and/or funds, as well as recording cash in and cash out for and on behalf of the customer (settlor).
- b. Investment agent is the activity of placing, converting and administering the placement of funds for and on behalf of the customer (settlor).

Bank Mandiri's Trust Service include manage customers from various segments, including oil and gas company, corporate and commercial, as well as non-profit organization customers for the distribution of gas sales proceeds, company sales/acquisitions, and pooling of funds for foreign aid and others.

62. CHANNELING LOANS

Channeling loans based on sources of funds and economic sectors are as follows:

| | 2022 | 2021 |
|---------------|----------------|----------------|
| Government: | | |
| Agriculture | 173,403 | 186,103 |
| Manufacturing | 14,543 | 14,543 |
| | 187,946 | 200,646 |

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62. CHANNELING LOANS (continued)

Bank Mandiri has been appointed to administer the loans received by the Government of the Republic of Indonesia through several existing schemes as follows:

1. Channeling loans from the Ministry of Finance in various currencies from several bilateral and multilateral financial institutions to finance Government projects through State Owned Enterprises, Region Owned Enterprises and Regional Government, such as: Asian Development Bank, Banque Français & Credit National, Barclays, BNP Paribas, BNP Paribas & CAI Belgium, Calyon & BNP Paribas, CDC NES, Export Finance and Insurance Corporation (EFIC) Australia, IDA, International Bank for Reconstruction and Development, Japan Bank for International Cooperation, Kreditanstalt Fur Wiederaufbau, Nederlands Urban Sector Loan & De Nederlandse Inveseringsbank voor Ontwikkelingslanden NV, Swiss Government, RDI - KI, Spain, UB Denmark, US Export Import Bank and Overseas Economic Cooperation Fund. However, based on the Regulation of the Minister of Finance No. 40/PMK.05/2015 dated 6 March 2015, stated starting from 1 October 2015 the administration of overseas loans are managed by the Ministry of Finance, except loans in the form of BI Project Aid.
2. Channeling loans from former of PIR Plantations to farmers for community plantation development which includes the Nucleus Estate Smallholder (NES) ADB project, Special PIR and Local PIR. Bank Mandiri as the administrator for the repayment of receivables to PIR Plantation Farmers, whereas the Ministry of Finance is managing the repayment of receivables to farmers and the Ministry of Agriculture is managing the technical execution of the PIR Plantation Project. The distribution of PIRBUN loans has stopped.
3. Channeling loans of Industrial Plantation Forest Reforestation (DR HTI) from the Ministry of Environment and Forestry (KLHK). Since 1999, the Ministry of Environment and Forestry has stopped distributing the Reforestation Loans for Industrial Plantation Forests, therefore the DRHTI loans which are currently managed by PT Bank Mandiri (Persero) Tbk. are existing DRHTI Loans which were inherited from ex legacy Bank.

Channeling loans are not presented in the consolidated statement of financial position since the credit risk are not borne by the Bank and its Subsidiaries. In accordance to the agreement mentioned above, Bank Mandiri is responsible to bill the debtors and made payments to the Government not only the principal, but also the interest and other charges including manage loan documentation. As compensation, Bank Mandiri receives banking fee which varies from 0.50% - 2%.

63. RISK MANAGEMENT

Bank Mandiri implements independent risk management and according to FSA's, Bank Indonesia's regulation and international banking best practices. Bank Mandiri adopts the Enterprise Risk Management (ERM) concept as comprehensive and integrated risk management strategy which is customised with the Bank's business and operational needs. ERM implementation provides value added benefits to the Bank's and its stakeholders.

ERM is a risk management process embedded in business strategies and operations that are integrated in the Bank's daily business decision making processes. With ERM, the Bank establishes a systematic and comprehensive risk management framework (credit risk, market risk and operational risk) by connecting the capital management and business processes with the risks in holistic approach. In addition, ERM also applies integrated risk management for the Subsidiaries, to maximise the effectiveness of supervision and value creation to the Bank based on FSA's Regulation No. 17/POJK.03/2014 regarding implementation of integrated risk management for financial conglomerates which are appropriate for the whole financial industries.

The Bank's risk management framework is based on POJK No. 18/POJK.03/2016 regarding Risk Management Implementation for Commercial Banks. The Bank's risk management framework is included in Risk Management Policy (KMNR), which consists of various policies to support risk management function as a business enabler for business growth within the corridor of prudential principle by adopting the ideal risk management processes (identification - measurement - monitoring - risk control) at all organisation levels.

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63. RISK MANAGEMENT (continued)

As part of the ERM process, Bank Mandiri applies a Risk Appetite Statement (RAS). RAS represents, type and level of risk that the Bank is able to take/face within its risk capacity in order to achieve business objectives. The application of RAS is also synchronised with monitoring of Bank Mandiri's Recovery Plan indicators (refer to POJK No. 14/POJK.03/2017 regarding Bank Systemic Recovery Plans). The Bank Mandiri Risk Appetite Statement is as follows:

| Dimensions | Statement |
|--------------------------|---|
| Rentability | Maintain a stable and sustainable profit in accordance with the level of risk taken |
| Capital | Maintain capital in accordance with regulatory and internal requirements |
| Liquidity and Funding | <ul style="list-style-type: none"> ▪ Maintain a strong liquidity position under a variety of stressful conditions ▪ Maintain stable and well-diversified funding |
| Credit Risk | <ul style="list-style-type: none"> ▪ Maintain portfolio quality and credit concentration according to the Bank's appetite ▪ Maintain credit costs at optimum levels |
| Market Risk | Maintain market risk exposure arising from both trading book and banking book activities within the level of appetite set by management. |
| Operational Risk | Intolerance to external fraud, internal fraud and issues related to IT systems and data confidentiality |
| Legal & Compliance Risks | Intolerance for violation of regulatory compliance (which results in sanctions/fines) |
| Legal Risk | Maintain potential losses due to lawsuits at a low level |
| Reputation Risk | Maintain the Bank's reputation through reliable products and services |

All risks that faced by the Bank are measured and monitored on regular basis through internal measurement method, quarterly risk profile report and semiannually Bank's soundness report in order to describe all the embedded risks in the Bank's business activities, including consolidated Subsidiaries risks.

Active supervision by the Board of Directors and the Board of Commissioners on risk management activities, directly and indirectly, is implemented through the establishment of committees at the level of the Board of Commissioners which are Risk Monitoring Committee, Integrated Governance Committee, Remuneration and Nomination Committee and Audit Committee. The Executive Committee under the supervision of the Board of Directors consists of Asset & Liability Committee (ALCO), Risk Management & Credit Policy Committee (RMPC), Integrated Risk Management Committee (IRC), Capital & Subsidiaries Committee (CSC), Business Committee (BC), Information Technology & Digital Banking Committee (ITDC), Human Capital Policy Committee (HCPC), Policy & Procedure Committee (PPC) Credit Committee/*Rapat Komite Kredit* (RKK) and Transformation Committee (TC).

From 10 Executive Committees supervised under Board of Directors, 4 committees directly involved with risk management, i.e RMPC, IRC, ALCO and PPC. All functions and key responsibilities are as follows:

1. Risk Management & Credit Policy Committee (RMPC)

Discuss and recommends loan regulation as well as monitoring risk profile and all risks related to the Bank.

2. Integrated Risk Committee (IRC)

Provide recommendation to the Board of Directors in order to develop integrated risk management regulations and revised or refined the standards for integrated risk management based on the results of evaluation process. Bank Mandiri as Parent Entity has formed IRC committee as an application of POJK No. 17/POJK.03/2014 about Integrated Risk Management for Financial Group. Member of IRC includes Boards of Directors of Parent Entity and Subsidiaries.

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63. RISK MANAGEMENT (continued)

From 10 Executive Committees supervised under Board of Directors, 4 committees directly involved with risk management, i.e RMPC, IRC, ALCO and PPC. All functions and key responsibilities are as follows: (continued):

3. Asset & Liabilities Committee (ALCO)

Manages Bank's strategic management of asset and liabilities, interest rate, liquidity and other areas related to the asset and liability management of the Bank. Furthermore, ALCO has the function and responsibility to monitor risk indicator and financial Bank which state in the Recovery Plan and also recommend Recovery Plan activation in which this indicator has crossed the line.

4. Policy & Procedure Committee (PPC)

Manages synchronization of regulation and operational procedures to be in line with the Bank's regulation.

Committees formed under Board of Commissioners including Risk Monitoring Committee, Integrated Governance Committee and Audit Committee, which have tasks and responsibilities to review and evaluate the policy and implementation of Bank's risk management, as well as providing inputs and recommendations to the Board of Commissioners for their monitoring of roles.

At operational level, the Directorate of Risk Management together with related business units are responsible to manage 10 risks faced by the Bank and Subsidiaries, also discuss and propose a guidance for risk management. The organization structure of Directorate of Risk Management consists of Risk Taking Unit and Independent Risk Management Unit. Risk Taking Unit who run the four eye principles which are Wholesale Risk and Retail Risk. Independent Risk Management Unit who responsible directly to Risk Management Director, which are Credit Portfolio Risk Group, Market Risk Group, Operational Risk Group, and Policy & Procedure Group.

A. Credit risk

The Bank's credit risk management is mainly focused to improve the balance between healthy loan expansion and prudent loan management to prevent quality impairment (downgrading) to Non Performing Loan (NPL) category and to optimise capital utilisation by identifying business unit, segment, product, region which contributes to value added for the Bank.

The process of managing Bank Mandiri's credit for the wholesale segment begins with setting targets the market through the Portfolio Guidelines which establish Industry Classification (attractive, neutral, selective) and the appropriate industry limits, and also select and filter target customers through Industry Acceptance Criteria and Name Clearance, to produce quality debtor pipelines. The next process is to conduct a credit risk assessment using a series of credit risk tools (credit risk rating, spreadsheets, CPA, NAK, etc.) which are then decided by the Authorized Person to Approve Credit (through Credit Committee Meetings) with the four-eyes principle which involve the Business Unit and the Credit Risk Management Unit independently.

The four-eye principle mechanism is performed by the Credit Committee according to the limit of authority, where the credit termination process is performed through the Credit Committee Meeting mechanism. The authority holder of credit decision as a member of the Credit Committee has high competence, ability and integrity so that the credit distribution process is performed objectively, comprehensively and carefully. To monitor the performance of the authority holder in making credit decisions, the Bank has developed a monitoring database system for the authority holder. With this system, the Bank can monitor the amount and quality of loans that have been decided by the Authority Holders, so the performance of the Authority Holders of Credit Decisions can be known at any time.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

After the credit disbursement process, credit risk and the potential for debtor's failure must always be monitored and detected early (Early Warning Signals), among others by using ALERT (watchlist) tools and if a debtor becomes problematic then an account strategy needs to be done including its collection, recovery and restructuring activities.

For the retail segment, because the nature is a mass market, then the credit process is performed more automatically by using a credit risk scorecard, with reference to each Risk Acceptance Criteria for each products, as well as processing through an automated work-flow (loan factory).

The monitoring process is performed in a portfolio manner through the Portfolio Quality Review, which can be continued with the collection and recovery process for the problematic portion of the portfolio.

To anticipate the deterioration of macroeconomics conditions, a what-if analysis is conducted on wholesale and retail portfolios through stress testing using certain several macroeconomics scenarios.

In distributing the credit, Bank Mandiri always prioritize the principle of prudence by placing the credit analysis function which is carried out by independent business units and credit risk units, Bank Mandiri always focus on prudent principal using credit policy which managing end to end credit risks, Operationally, the policy is formalised in Credit Standards Procedures (SPK) and products manual.

To manage concentration risk on debtor level, Bank Mandiri consistently monitor Legal Lending Limit (LLL). In general, loan processing and credit risk management in Bank Mandiri has been performed end to end and integrated with Business Unit, Credit Operation Unit and Credit Risk Management Unit.

The Bank periodically reviews and updates its policies and procedures for credit in general, credit procedure by business segment and tools risk management. These policies and procedures are intended to provide a comprehensive credit risk management guideline for identification, measurement and mitigation of credit risks in the end to end loan acceptance process, start from determine market target, credit analysis, approval, documentation, credit withdrawal, monitoring and settlement process for non-performing/restructuring loans.

To improve the Bank's social role and care for the environmental risk and as an implementation of Good Corporate Governance (GCG), Bank Mandiri has set up a Guideline for Technical Analysis of Environmental and Social in granting of credit which is used as a reference in analysing environmental risk in a credit analysis. This Guideline is in line with Bank Indonesia's Regulation regarding the Quality of Asset Assessment on Commercial Bank regulating that the assessment prospect link with debtor in taking care the environment. Moreover, in order to environment preservation, Bank has already established sustainable financial action plan which stated in FSA's regulation regarding sustainable financial implementation for financial services institution, Issuers, and Public Companies.

In principle, credit risk management is implemented at transactional and portfolio levels. At the transactional level, the Bank has implemented the four-eye principle, which each loan approval involves Business Unit and Credit Risk Management Unit which work independently to achieve objective credit decision. The four-eye principles are executed by Credit Committee according to the authority limit and the loan approval process conducted through Credit Committee Meeting mechanism. Executive Business Officer and Executive Credit Officer as the Credit Committee member, must be highly competent as well as has strong capability and high integrity so that the loan granting process can be performed objectively, comprehensively and prudently. To monitor the performance of the credit authorization holders in approving the loans, the Bank has developed a monitoring database system for the credit authorization holder. By using this system, the Bank can monitor the amount and quality of the loans approved by the credit authorization holders, so that the performance of the Executive Business Officer and Executive Credit Officer can be monitored from time to time.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

To mitigate credit risk per debtor, Credit Committee sets loan structure for every debtor including appropriate covenants, which align with debtor's needs and conditions, to ensure loan granting is effective and meet the interest of the Bank and debtor. Guidelines for determining the structure of collateral regarding to credit risk mitigation policy has been regulated in detail according to the SPK (Credit Standard Procedures) for each segments.

Collateral type that can be accepted by the Bank includes moving objects (including cash, receivables, inventories, machine, and marketable securities), objects that are not moving (including land, building, and machine), and personal/corporate guarantee. To guarantee the credit facility, the Bank prioritize collateral in the form of fixed assets such as land or land and building. Bank uses value of collateral based on appraisal value by internal appraiser (Credit Operation Unit) and external appraiser who are business partner of the Bank or non business partner but approved by authorised person in business unit or credit recovery unit.

The criteria of collateral adequacy coverage (unaudited) for each segment are divided as follows:

| Segment | Collateral | Minimum Coverage Amount ^{*)} |
|-----------|---------------------------------------|---------------------------------------|
| Wholesale | Funded project | 100% - 150% of credit limit |
| | Inventory | |
| | Receivable | |
| | Fixed Asset | |
| | Land or land and building | |
| | Other collateral accepted by the Bank | |
| Retail | Fixed asset | 100% - 200% of credit limit |
| | Inventory | |
| | Receivable | |
| | Land or land and building | |
| | Other collateral accepted by the Bank | |

*) Collateral coverage amount is determined by type and limit of credit facility, type and value of collateral and evaluation of debtor.

Collateral can be replaced as long as the new collateral fulfills marketability aspect and collateral value adequacy criteria. If debtors failed to pay off their loan, the collateral will be liquidated as a second way out to ensure credit recovery.

Bank Mandiri has a Rating System known as BMRS (Bank Mandiri Rating System). The BMRS that has been developed by the Bank consists of a Rating System for the Corporate and Commercial Banking segment, a Rating System for the Wholesale SME segment, and a Rating System for Financial Institutions (Banks). By using the Rating System for Financial Institutions (Banks), Banks can identify and measure the tolerable risks of Counterparty Banks in providing Credit Line facilities.

In addition, Bank Mandiri also has a different Credit Scoring for each segment, consisting of: SME Scoring, Micro Scoring and Consumer Scoring. Bank Mandiri has also started to initiate alternative credit scoring using external data for New-to-Bank (NTB) customers and funding data for Existing to Bank (ETB) customers.

To improve the measurement of transactional risk for the Overseas Offices, currently BMRS has been implemented in Overseas Office. To support the development of Rating and Scoring model, the Bank has a guideline for the development of Credit Rating and Credit Scoring model, which is a complete guidance for the Bank in developing credit rating and credit scoring model. In addition, to monitor the performance of credit rating and credit scoring model, the Bank conducts a review on the scoring and rating results.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

The models that have been developed by the Bank, both the credit and non-credit risk model, are validated internally by Model Validator, which is an independent and separate unit from the model development unit. This is performed to ensure the quality and model validity. Other than validity, another thing that is applied in risk model management is the implementation of model governance management (Risk Model Management) through Inventory Model, risk level assessment model by using model risk index, Model Control through validation process which is first-time validation or on-going validation.

Currently, the Bank also manages a model that is in line with the Advanced Internal Rating Based Approach (A-IRB Approach) concept, the Basel II Risk Parameter component consisting of the Probability of Default (PD), Loss Given Default (LGD), and Exposure At Default (EAD) for the Wholesale, Retail, and Consumer segments. These models are used in the framework of calculating the Expected Credit Loss required in calculating the allowance for impairment losses based on IFRS 9 (PSAK 71).

Aside from Credit Rating and Scoring, another tools used by the Bank is the loan monitoring system, which uses to identify debtors who potentially experience difficulty in repaying their loan. The Bank conducts early warning analysis called ALERT Tools (early warning analysis) for all Corporate and Commercial debtors with collectibility 1 and 2 on quarterly basis. Based on the analysis, the Bank determines account strategy and action plan to prevent NPL.

In assessing and monitoring credit quality, Bank Mandiri always refers to Bank Indonesia regulation by prioritizing prudential principles by reviewing business prospects, as well as assessing the debtors performance and repayment ability. Credit monitoring on large corporate and middle corporate segments are performed at debtor level through Loan Monitoring System (ALERT System) that has been integrated into the IPS system. Loan monitoring system includes two functions, namely as an early detection tool through analysis of Watch List (Early Warning Analysis) and collectibility review based on 3 pillars. Loan Monitoring System is a standardised, structured and comprehensive method of debtor's performance monitoring, therefore action plan can be done immediately to prevent the deterioration of debtor credit quality.

Monitoring process is performed at the minimum on quarterly basis to identify any debtor who is potentially experiencing difficulties to meet their obligations. Meanwhile, the monitoring process on retail segments (SME, micro and consumer segment) is performed at portfolio level through portfolio analysis from various aspects as outlined in Portfolio Quality Report (PQR).

At portfolio level, risk management uses the active portfolio management approach which proactively maintain the portfolio diversification at optimum level with risk exposure at risk appetite determined by the Bank. In practice, the Bank uses Loan Portfolio Guideline (LPG) tools which consist of industry classification, industry acceptance criteria and industry limit.

Industry Classification (IC) classifies industrial sectors into 4 categories based on the prospects and the corresponding risks. The Bank uses IC in determining the industry market target in order to grow in prospective sectors and avoid sectors that have high risk. Industry Acceptance Criteria (IAC) is a basic criteria (quantitative and qualitative) which become a key success factors in certain industrial sector, The Bank uses IAC in determining targeted customers. Meanwhile, Industry Limit (IL) is used to determines maximum exposure limit for a particular industrial sector to avoid concentration risk.

Through LPG, the Bank proactively prioritizes industrial sectors that provide added value economically and selects the best companies or individuals in each of these industrial sectors (winner players) to become targeted customers. With this proactive approach, the Bank is expected to be able to maintain a healthy credit portfolio from profitable companies engaged in prospective industries. This proactive approach also avoids the risk of concentration in a certain industry or certain debtors, because the Bank is actively limiting exposure through limit policies (industry limits on a portfolio basis and limits per debtor).

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

LPG is determined on an annual basis and reviewed semi-annually, or if there are changes in macroeconomic conditions or internal credit portfolios that affect sectoral performance (including significant changes in commodity prices, economic conditions, and credit quality). This is intended so that LPG is always relevant to current conditions and has a predictive value at an acceptable level.

To support targeted customers and quality pipelines, the Bank has also implemented an integrated Pipeline Management System as a tool for reviewing and monitoring pipeline processing progress.

As part of its active portfolio management, the Bank always monitors the development of credit risk portfolio by calculating the credit risk profile which reflects the inherent risk and the effectiveness of the risk control system. Therefore, the Bank can take preventive action and risk mitigation in both individual and portfolio level.

To monitor quality and test the elasticity of portfolio quality (NPL and yield) to changes in economic variables which can affect the Bank's capital adequacy, the Bank regularly and at ad hoc basis conducts a stress test on the credit portfolio by large debtors group, business segment, industry and products based on various scenarios.

With this stress test, Bank will be able to understand the possibility of negative impact to the business performance of Bank Mandiri, as well as earlier anticipate and take actions to manage the portfolio and identify the most optimal solution for short-term and long-term strategies therefore quality of the Bank's portfolio and capital adequacy can be well maintained.

Bank Mandiri as a systemic bank has prepared a Recovery Plan as stipulated in POJK No.14/POJK.03/2017 concerning Action Plan (Recovery Plan) for Systemic Banks. Recovery Plan is a plan to address financial problems that may occur in a Systemic Bank, including recovery options that will be taken by a Systemic Bank in response to financial stress to prevent, recover or improve financial conditions and maintain business continuity (viability). Bank Mandiri's 2022-2023 Recovery Plan update was submitted to the Financial Services Authority in November 2022.

In addition, Bank Mandiri has also prepared a Resolution Plan in accordance with Deposit Insurance Corporation Regulation Number 1 of 2021 concerning Commercial Bank Resolution Plans, namely a resolution strategy that will be considered by the Deposit Insurance Corporation (LPS) in dealing with a Bank designated as a failed Bank if a series of steps improvement of the financial condition that has been stipulated in the Recovery Plan cannot restore or improve the Bank's financial condition.

In order to continuously develop the quality of human resources in risk management, the Bank has risk management academy which issued several risk management modules, both tailored to improve knowledge and skills as well as to generally increase employee risk awareness.

Credit Risk Management in Pandemic COVID-19 Condition

In order to support the Government's efforts to maintain economic stability, the Bank has create a credit restructuring policy for debtors affected by COVID-19 that is aligned with the dynamics of policies and regulations issued by the regulator.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

The policy has regulated the criteria for debtors and business sectors affected by COVID-19 which can be restructured with reference to POJK No.17/POJK.03/2021 (concerning the second amendment to POJK No. 11/POJK.03/2020), POJK No. 19 of 2022 concerning Special Treatment for Financial Services Institutions in Certain Regions and Sectors in Indonesia Affected by Disasters, followed by FSA Board of Commissioners Decision No. 34/KDK.03/2022 dated 25 November 2022 and other Bank internal regulations.

In addition, decision making is performed on the basis of the four eyes principle involving the Business Unit/Credit Recovery Unit and the Risk Unit to maintain the principle of prudence. The Bank has prepared a restructuring scheme with the following mechanisms:

- a. Granting of grace period for postponement of interest and/or principal payments.
- b. Can be given a tenor extension or a change in installments.

The restructuring pattern imposed on Debtors refers to POJK No.40/POJK.03/2019 concerning Asset Quality Assessment of Commercial Banks Chapter VI Credit Restructuring and is adjusted to the conditions of each Debtor.

In practice, the Bank prepares Risk Acceptance Criteria (RAC) for debtors to be restructured by COVID-19 in order to avoid moral hazard and minimize credit risk, guided by the following regulations:

- a) Regulation of the Ministry of Finance of the Republic of Indonesia No.28/PMK.08/2022 (PMK 28/2022) concerning Amendments to Minister of Finance Regulation Number 71/PMK.08/2020 concerning Procedures for Government Guarantees Through Appointed Guarantee Business Entities in the Context of Implementing a Recovery Program National Economy (valid until 30 November 2022);
- b) Regulation of the Ministry of Finance of the Republic of Indonesia No. 104/PMK.05/2020 (PMK 104/2020) concerning Placement of Funds for the Implementation of the National Economic Recovery Program (PEN), including the mechanism for Placement of State Money in Commercial Banks (still valid, but placement of state money has been returned to the state as of the maturity date of 13 January 2021);
- c) Financial Services Authority Regulation No. 17/POJK.03/2021 (POJK 17/2021) regarding the Second Amendment to Financial Services Authority Regulation Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy Impact of the Spread of Coronavirus Disease 2019 (valid until 31 March 2023);
- d) Regulation of the Minister of Finance of the Republic of Indonesia No. 150/PMK.05/2021 concerning Procedures for Providing Interest Subsidy/Margin Subsidy in order to Support the Implementation of the National Economic Recovery Program (valid until 31 December 2021 but collection is still ongoing until April 2022);
- e) Regulation of the Coordinating Minister for the Economy No. 5 year 2022 concerning Amendments to the Regulation of the Coordinating Minister for the Economy Number 2 of 2022 concerning Special Treatment for Recipients of People's Business Credit Affected by the 2019 Coronavirus Disease Pandemic (valid until 31 December 2022).

In its development, anticipating the end of the implementation of the relaxation/restructuring program as part of the national economic stimulus, as well as in a broader context, the Financial Services Authority (FSA) through POJK 19 year 2022 stipulates that the relaxation/restructuring program can be carried out for debtors in regional and sector coverage. certain areas/sectors that can be determined as areas/sectors affected by disaster conditions. Disaster conditions in this case can be caused by natural or non-natural conditions, including the spread of viruses. The POJK stated that credit quality for restructuring debtors was determined Current since the restructuring was carried out while the determination and announcement of regions/sectors with the impact of disaster conditions would be carried out by FSA.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

Credit Risk Management in Pandemic COVID-19 Condition (continued)

Referring to regulations, in its implementation, Bank Mandiri always follows Good Corporate Governance (GCG) principle.

With the implementation of this policy, it is hoped that Bank debtors who are affected by COVID-19 can be helped and the quality of the Bank's portfolio can be maintained properly.

In connection with the ongoing condition of the COVID-19 Pandemic, the Bank made a number of adjustments to the credit monitoring process and mechanism, both for debtors as an entity and as a portfolio. A number of adjustments were made so that the monitoring results can always provide early warning signals and determine risk mitigation to be effective in maintaining credit quality during the pandemic period.

Adjustments to the credit monitoring mechanism are performed through:

1. Watchlist analysis of all debtors, especially debtor entities that are in the business sector affected by COVID-19 with reference to POJK 17/2021 (as the second amendment of POJK No. 11/2020) and the Bank's internal regulations. The output watchlist for debtors that have the potential to experience a decline in performance is accompanied by an action plan that is monitored for its implementation on an ongoing basis.
2. Control of credit disbursement towards debtors who are experiencing credit restructuring (especially those through the POJK National Economic Stimulus POJK 17/2021 (as the second amendment of POJK 11/2020)) so that the restructuring objectives can be achieved effectively.
3. Stress testing scenarios involving aspects of the COVID-19 pandemic as a support for judgmental decision making.
4. Implementation of post facto review of restructuring debtors affected by Covid-19 to avoid moral hazard and minimize the risk of inappropriate restructuring.

The Bank always conducts reviews on the implementation of the credit distribution and monitoring mechanism in the midst of the COVID-19 Pandemic so that adjustments can be made at the first opportunity when conditions change in the COVID-19 Pandemic by referring to government regulations and the applicable regulator.

Regarding the debtor restructuring scheme, the Bank performed a credit restructuring process with reference to POJK No. 17/2021 (as the second amendment to POJK No. 11/2020) and internal policies related to providing economic stimulus for debtors affected by the spread of Covid-19. The implementation of restructuring through economic stimulus includes among others: criteria for affected debtors, business sectors affected by Covid-19, restructuring mechanisms and schemes, authority to decide, determination of credit quality, monitoring, reporting to Regulators and accounting journals.

Adjustments to the provisions of the credit restructuring process affected by COVID-19 are expected to be able to help Bank debtors and the quality of the Bank's credit portfolio always well maintained.

Regarding the fluctuations in the COVID-19 pandemic which are starting to reach the Endemic phase, this may indirectly have implications for the risk measurement model used by the Bank. As part of the implementation of Model Risk Management, to ensure the accuracy of model predictions, the Model Validator and Model Developer in accordance with their functions carry out model monitoring, namely reviewing model performance. The monitoring model is periodically carried out by the Model Developer and independent monitoring carried out by the Model Validator includes data during the Covid-19 period. For credit risk models, monitoring is carried out including Rating/Scoring Models, Basel Models and Macro PD.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(i) Maximum exposure to credit risk without considering collateral held and other credit supports

Maximum credit risk exposures on financial assets are presented net after allowance for impairment losses without considering collateral and other credit supports as of 31 December 2022 and 2021 are as follows:

| | 2022 | 2021 |
|---|-------------|-------------|
| Current Account with Bank Indonesia | 107,349,158 | 99,023,492 |
| Current Account with Other Banks | 47,789,700 | 25,417,618 |
| Placement with Bank Indonesia and other banks | 95,320,511 | 47,783,516 |
| Marketable securities ^{**}) | | |
| Government | | |
| Fair value through profit or loss | 10,089,149 | 7,005,959 |
| Fair value through other comprehensive income | 1,117,351 | 737,553 |
| Amortised cost | 720,769 | 20,000 |
| At cost | - | 90,000 |
| Non-government | | |
| Fair value through profit or loss | 1,028,671 | 5,177,035 |
| Fair value through other comprehensive income | 28,189,646 | 20,924,493 |
| Amortised cost | 7,232,607 | 8,433,014 |
| At cost | 11,231,444 | 28,393,872 |
| Government bonds ^{***}) | | |
| Fair value through profit or loss | 6,972,279 | 7,608,317 |
| Fair value through other comprehensive income | 92,532,086 | 129,432,300 |
| Amortised cost | 180,578,053 | 115,507,886 |
| At cost | 44,213,180 | 33,592,148 |
| Other receivables - trade transactions | 32,188,559 | 27,817,547 |
| Securities purchased under agreements to resell | 11,705,989 | 27,317,000 |
| Derivatives receivables | 2,252,141 | 1,669,838 |
| Loans and sharia receivables/financing [†]) | | |
| Corporate | 392,944,033 | 347,660,589 |
| Commercial | 172,687,792 | 143,919,496 |
| Retail | 345,335,169 | 303,145,012 |
| Sharia | 197,020,243 | 162,911,050 |
| Consumer financing receivables | 23,147,366 | 18,633,307 |
| Net investment finance leases | 5,733,387 | 4,693,806 |
| Acceptance receivables | 11,719,618 | 10,076,751 |

[†]) Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**}) Excluding marketable securities which are the investment from the Subsidiaries' policyholder's unit-link which has no credit risk exposure.

^{***}) Excluding government bonds which are the investment from the Subsidiaries' policyholder's unit-link which has no credit risk exposure.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Maximum credit risk exposures on financial assets are presented net after allowance for impairment losses without considering collateral and other credit supports as of 31 December 2022 and 2021 are as follows (continued):

| | 2022 | 2021 |
|--|----------------------|----------------------|
| Other assets | | |
| Accrued income | 9,565,864 | 7,762,507 |
| Receivables from customer transactions | 2,475,579 | 1,269,362 |
| Receivables from transactions related to ATM and credit card | 2,055,245 | 777,265 |
| Receivables from policyholders | 303,300 | 275,590 |
| Sale of accrued marketable securities | 231,650 | - |
| Receivables from government bonds pledged as collateral | 3,757,955 | 5,243,714 |
| | 1,847,488,494 | 1,592,320,037 |

Credit risk exposures relating to administrative accounts net after allowance for impairment losses as of 31 December 2022 and 2021 are as follows:

| | 2022 | 2021 |
|--|--------------------|--------------------|
| Bank guarantees issued | 109,339,109 | 100,511,291 |
| Unused loan facilities ^{*)} | 83,626,620 | 93,017,492 |
| Outstanding irrevocable letter of credit | 28,214,783 | 19,194,560 |
| Standby letter of credit | 11,805,551 | 17,660,008 |
| | 232,986,063 | 230,383,351 |

^{*)} Include unused committed and uncommitted credit card facilities

The above table represents the maximum financial assets exposure on credit risk for Bank Mandiri and Subsidiaries as of 31 December 2022 and 2021, without taking into account any collateral held or other credit support. For financial assets in the consolidated statement of financial position, the exposures set out above are based on carrying amounts as reported in the consolidated financial statements.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure

a) Geographical sectors

The following table breaks down Bank Mandiri's and Subsidiaries' credit exposure at their gross amounts (without taking into account any allowance for impairment losses, collateral held or other credit support), as categorised by geographical region as of 31 December 2022 and 2021. In the following table, Bank Mandiri and Subsidiaries have allocated exposures based on the geographical area where the transactions are recorded.

| | 2022 | | | | | Total |
|--|----------------------|--------------------|-------------------|-------------------|--------------------------|----------------------|
| | Jawa and Bali | Sumatera | Kalimantan | Sulawesi | Others ^(****) | |
| Current accounts with Bank Indonesia | 107,349,158 | - | - | - | - | 107,349,158 |
| Current accounts with other banks | 43,225,797 | 10 | 566 | - | 4,583,612 | 47,809,985 |
| Placement with Bank Indonesia and other banks | 81,180,835 | 700,000 | 225,000 | 275,000 | 12,943,277 | 95,324,112 |
| Marketable securities ^(*) | | | | | | |
| Government | | | | | | |
| Fair value through profit or loss | 6,507,855 | - | - | - | 3,581,294 | 10,089,149 |
| Fair value through OCI | - | - | - | - | 1,117,351 | 1,117,351 |
| Amortised cost | 19,498 | - | - | - | 701,271 | 720,769 |
| At cost | - | - | - | - | - | - |
| Non Government | | | | | | |
| Fair value through profit or loss | 1,029,087 | - | - | - | - | 1,029,087 |
| Fair value through OCI | 27,224,107 | - | - | - | 967,353 | 28,191,460 |
| Amortised cost | 6,247,291 | - | - | - | 1,006,743 | 7,254,034 |
| At cost | 11,248,978 | - | - | - | - | 11,248,978 |
| Government Bonds ^(**) | | | | | | |
| Fair value through profit or loss | 6,972,279 | - | - | - | - | 6,972,279 |
| Fair value through OCI | 92,532,086 | - | - | - | - | 92,532,086 |
| Amortised cost | 180,578,053 | - | - | - | - | 180,578,053 |
| At cost | 44,213,180 | - | - | - | - | 44,213,180 |
| Other receivables-trade transactions | 33,655,400 | - | - | - | 137,864 | 33,793,264 |
| Securities purchased under agreements to resell | 11,705,989 | - | - | - | - | 11,705,989 |
| Derivatives receivables | 2,127,025 | - | - | - | 125,116 | 2,252,141 |
| Loans ^(*) | | | | | | |
| Corporate | 289,304,101 | 33,347,378 | 4,928,154 | 17,905,950 | 68,109,846 | 413,595,429 |
| Commercial | 132,126,167 | 33,740,244 | 18,965,216 | 5,472,005 | 3,334,118 | 193,637,750 |
| Retail | 232,434,832 | 62,917,394 | 26,331,082 | 29,096,756 | 8,379,634 | 359,159,698 |
| Sharia | 125,804,353 | 48,745,224 | 14,830,907 | 10,418,466 | 6,408,055 | 206,207,005 |
| Consumer financing receivables | 15,345,010 | 3,739,164 | 2,446,988 | 2,083,416 | 143,149 | 23,757,727 |
| Net investment finance leases | 5,520,201 | 154,308 | 136,227 | 38,777 | 23,047 | 5,872,560 |
| Acceptance receivables | 10,343,592 | - | - | - | 1,437,989 | 11,781,581 |
| Other assets | | | | | | |
| Accrued Income | 8,030,768 | 383,472 | 140,808 | 257,790 | 753,026 | 9,565,864 |
| Receivables from customer transactions | 2,486,702 | - | - | - | - | 2,486,702 |
| Receivables from transactions related to ATM and credit card | 2,055,245 | - | - | - | - | 2,055,245 |
| Receivables to policyholders | 303,300 | - | - | - | - | 303,300 |
| Receivables from sales of marketable securities | 225,715 | - | - | - | 5,935 | 231,650 |
| Bonds pledged as collateral | 3,757,955 | - | - | - | - | 3,757,955 |
| | 1,483,554,559 | 183,727,194 | 68,004,948 | 65,548,160 | 113,758,680 | 1,914,593,541 |

^(*) Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.
^(**) Excluding securities which are the investment of the Subsidiaries's unit-link policyholders with no credit risk.
^(***) Excluding government bonds from investments from Subsidiaries's unit-link policyholders with no credit risk.
^(****) Others include portfolios in the Papua region and overseas branches.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

a) Geographical sectors (continued)

| | 2021 | | | | | Total |
|--|----------------------|--------------------|-------------------|-------------------|--------------------------|----------------------|
| | Jawa and Bali | Sumatera | Kalimantan | Sulawesi | Others ^(****) | |
| Current accounts with Bank Indonesia | 99,023,492 | - | - | - | - | 99,023,492 |
| Current accounts with other banks | 20,250,780 | 10 | 566 | - | 5,190,305 | 25,441,661 |
| Placement with Bank Indonesia and other banks | 41,197,191 | 475,000 | 75,000 | 140,000 | 5,898,000 | 47,785,191 |
| Marketable securities ^(*) | | | | | | |
| Government | | | | | | |
| Fair value through profit or loss | 5,507,356 | - | - | - | 1,498,603 | 7,005,959 |
| Fair value through OCI | 30,772 | - | - | - | 706,781 | 737,553 |
| Amortised cost | 20,000 | - | - | - | - | 20,000 |
| At cost | 90,000 | - | - | - | - | 90,000 |
| Non Government | | | | | | |
| Fair value through profit or loss | 4,465,154 | - | - | - | 711,881 | 5,177,035 |
| Fair value through OCI | 19,761,165 | - | - | - | 1,167,341 | 20,928,506 |
| Amortised cost | 8,026,414 | - | - | - | 485,964 | 8,512,378 |
| At cost | 28,409,999 | - | - | - | - | 28,409,999 |
| Government Bonds ^(**) | | | | | | |
| Fair value through profit or loss | 7,608,317 | - | - | - | - | 7,608,317 |
| Fair value through OCI | 129,432,300 | - | - | - | - | 129,432,300 |
| Amortised cost | 115,507,886 | - | - | - | - | 115,507,886 |
| At cost | 33,592,148 | - | - | - | - | 33,592,148 |
| Other receivables-trade transactions | 28,258,687 | - | - | - | 1,039,581 | 29,298,268 |
| Securities purchased under agreements to resell | 27,317,000 | - | - | - | - | 27,317,000 |
| Derivatives receivables | 1,637,695 | - | - | - | 32,143 | 1,669,838 |
| Loans ^(*) | | | | | | |
| Corporate | 265,627,242 | 33,490,048 | 6,324,174 | 12,416,251 | 52,009,771 | 369,867,486 |
| Commercial | 119,131,310 | 31,348,839 | 14,937,059 | 2,832,610 | 2,277,858 | 170,527,676 |
| Retail | 205,995,358 | 55,322,290 | 22,506,178 | 25,006,263 | 6,711,552 | 315,541,641 |
| Sharia | 104,931,127 | 40,410,850 | 11,222,771 | 8,771,555 | 4,951,721 | 170,288,024 |
| Consumer financing receivables | 12,527,591 | 2,948,525 | 1,799,312 | 1,737,524 | 95,370 | 19,108,322 |
| Net investment finance leases | 4,622,267 | 97,725 | 69,746 | 20,964 | 13,071 | 4,823,773 |
| Acceptance receivables | 10,097,823 | - | - | - | 175,621 | 10,273,444 |
| Other assets | | | | | | |
| Accrued Income | 6,788,935 | 396,884 | 120,569 | 147,164 | 308,955 | 7,762,507 |
| Receivables from customer transactions | 1,280,189 | - | - | - | - | 1,280,189 |
| Receivables from transactions related to ATM and credit card | 777,265 | - | - | - | - | 777,265 |
| Receivables to policyholders | 275,590 | - | - | - | - | 275,590 |
| Receivables from sales of marketable securities | - | - | - | - | - | - |
| Bonds pledged as collateral | 5,243,714 | - | - | - | - | 5,243,714 |
| | 1,307,434,767 | 164,490,171 | 57,055,375 | 51,072,331 | 83,274,518 | 1,663,327,162 |

^(*) Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.
^(**) Excluding securities which are the investment of the Subsidiaries's unit-link policyholders with no credit risk.
^(***) Excluding government bonds from investments from Subsidiaries's unit-link policyholders with no credit risk.
^(****) Others include portfolios in Papua and overseas branches.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

a) Geographical sectors (continued)

Credit risk exposure relating to administrative accounts are as follows:

| | 2022 | | | | | |
|---|--------------------------|------------------|-------------------|-----------------|----------------------------|--------------------|
| | Jawa and Bali | Sumatera | Kalimantan | Sulawesi | Others^{*)} | Total |
| Administrative accounts | | | | | | |
| Bank guarantees issued | 108,918,922 | 451,747 | 43,760 | 35,217 | 1,556,861 | 111,006,507 |
| Unused loan facilities ^{*)} | 51,820,764 | 7,465,032 | 305,565 | 561,768 | 23,752,263 | 83,905,392 |
| Outstanding irrevocable letter of credit | 25,316,143 | - | - | - | 3,001,138 | 28,317,281 |
| Standby letter of credit | 11,036,469 | 75,594 | - | - | 718,249 | 11,830,312 |
| | 197,092,298 | 7,992,373 | 349,325 | 596,985 | 29,028,511 | 235,059,492 |
| | | | | | | |
| | 2021 | | | | | |
| | Jawa and Bali | Sumatera | Kalimantan | Sulawesi | Others^{*)} | Total |
| Administrative accounts | | | | | | |
| Bank guarantees issued | 100,661,833 | 328,496 | 24,501 | 40,995 | 1,335,714 | 102,391,539 |
| Unused loan facilities ^{*)} | 50,549,427 | 7,974,219 | 802,732 | 562,458 | 33,395,317 | 93,284,153 |
| Outstanding irrevocable letter of credit | 18,358,591 | - | - | - | 946,398 | 19,304,989 |
| Standby letter of credit | 16,822,193 | 6,952 | - | - | 868,766 | 17,697,911 |
| | 186,392,044 | 8,309,667 | 827,233 | 603,453 | 36,546,195 | 232,678,592 |

^{*)} Include unused committed and uncommitted credit card facilities
^{**)} Others include portfolios in Papua and overseas branches.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

b) Industry sectors

The following table describe Bank's credit exposure at gross amounts (without taking into account any allowance for impairment losses, collateral held or other credit support), as categorised by industry sectors as of 31 December 2022 and 2021.

| | 2022 | | | | | | Total |
|--|--------------------|--------------------------------|--------------------|--------------------|--------------------|--------------------------|----------------------|
| | Government | Financial institution/ Bank | Manufacturing | Agriculture | Business services | Others ^(****) | |
| Current accounts with Bank Indonesia | - | 107,349,158 | - | - | - | - | 107,349,158 |
| Current accounts with other banks | - | 47,809,985 | - | - | - | - | 47,809,985 |
| Placement with Bank Indonesia and other banks | - | 95,324,112 | - | - | - | - | 95,324,112 |
| Marketable securities ⁽ⁱ⁾ | | | | | | | |
| Government | | | | | | | |
| Fair value through profit or loss | 10,089,149 | - | - | - | - | - | 10,089,149 |
| Fair value through other comprehensive income | 1,117,351 | - | - | - | - | - | 1,117,351 |
| Amortised cost | 720,769 | - | - | - | - | - | 720,769 |
| At cost | - | - | - | - | - | - | - |
| Non Government | | | | | | | |
| Fair value through profit or loss | - | 815,982 | 49,622 | 15 | 56,103 | 107,365 | 1,029,087 |
| Fair value through other comprehensive income | - | 21,334,966 | 193,713 | 383,126 | 535,857 | 5,743,798 | 28,191,460 |
| Amortised cost | - | 2,235,973 | 830,276 | 895,000 | 1,822,036 | 1,470,749 | 7,254,034 |
| At cost | - | 10,091,178 | 75,000 | 85,000 | 213,800 | 784,000 | 11,248,978 |
| Government Bonds ⁽ⁱⁱ⁾ | | | | | | | |
| Fair value through profit or loss | 6,972,279 | - | - | - | - | - | 6,972,279 |
| Fair value through other comprehensive income | 92,532,086 | - | - | - | - | - | 92,532,086 |
| Amortised cost | 180,578,053 | - | - | - | - | - | 180,578,053 |
| At cost | 44,213,180 | - | - | - | - | - | 44,213,180 |
| Other receivables-trade transactions | - | 1,468,118 | - | - | - | 32,325,146 | 33,793,264 |
| Securities purchased under resale agreements | - | 11,700,209 | - | - | 5,780 | - | 11,705,989 |
| Derivatives receivables | - | 24,534 | - | - | - | 2,227,607 | 2,252,141 |
| Loans ⁽ⁱ⁾ | | | | | | | |
| Corporate | 36,803,888 | 4,123,179 | 215,975,575 | 27,974,352 | 90,085,767 | 38,632,668 | 413,595,429 |
| Commercial | - | 1,447,934 | 67,193,073 | 45,854,201 | 54,012,838 | 25,129,704 | 193,637,750 |
| Retail | - | 63,591 | 19,425,839 | 37,036,601 | 92,308,475 | 210,325,192 | 359,159,698 |
| Sharia | 15,932,932 | 5,089,744 | 10,762,989 | 14,278,885 | 19,037,076 | 141,105,379 | 206,207,005 |
| Consumer financing receivables | 60,292 | 103,275 | 183,382 | 68,042 | 201,907 | 23,140,829 | 23,757,727 |
| Net investment finance leases | 11,533 | 4,439 | 156,104 | 99,729 | 134,199 | 5,466,556 | 5,872,560 |
| Acceptance receivables | - | 1,933,290 | 2,944,507 | 95,976 | - | 6,807,808 | 11,781,581 |
| Other assets | | | | | | | |
| Accrued income | 1,140,261 | 192,703 | 411,544 | 151,247 | 269,463 | 7,400,646 | 9,565,864 |
| Receivables from customer transactions | - | 318,081 | - | - | - | 2,168,621 | 2,486,702 |
| Receivables from transactions related to ATM and credit card | - | - | - | - | - | 2,055,245 | 2,055,245 |
| Receivables to policyholders | - | 303,300 | - | - | - | - | 303,300 |
| Sale of accrued marketable securities | - | 231,650 | - | - | - | - | 231,650 |
| Receivables from Government bonds pledged as collateral | - | 3,757,955 | - | - | - | - | 3,757,955 |
| | 390,171,773 | 315,723,356 | 318,201,624 | 126,922,174 | 258,683,301 | 504,891,313 | 1,914,593,541 |

⁽ⁱ⁾ Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

⁽ⁱⁱ⁾ Excluding marketable securities from investment from the Subsidiaries's unit-link policyholder's with no credit risk.

⁽ⁱⁱⁱ⁾ Excluding government bonds from investments from Subsidiaries's unit-link policyholders with no credit risk.

^(****) Others including trading, restaurant and hotel, mining, transportation, warehousing and communication, construction, gas and water, and social services.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

b) Industry sectors (continued)

| | 2021 | | | | | | Total |
|--|--------------------|--------------------------------|--------------------|--------------------|--------------------|--------------------------|----------------------|
| | Government | Financial institution/ Bank | Manufacturing | Agriculture | Business services | Others ^(****) | |
| Current accounts with Bank Indonesia | - | 99,023,492 | - | - | - | - | 99,023,492 |
| Current accounts with other banks | - | 25,441,661 | - | - | - | - | 25,441,661 |
| Placement with Bank Indonesia and other banks | - | 47,785,191 | - | - | - | - | 47,785,191 |
| Marketable securities ^(*) | | | | | | | |
| Government | | | | | | | |
| Fair value through profit or loss | 7,005,959 | - | - | - | - | - | 7,005,959 |
| Fair value through other comprehensive income | 737,553 | - | - | - | - | - | 737,553 |
| Amortised cost | 20,000 | - | - | - | - | - | 20,000 |
| At cost | 90,000 | - | - | - | - | - | 90,000 |
| Non Government | | | | | | | |
| Fair value through profit or loss | - | 4,866,276 | 75,784 | 14 | 56,396 | 178,565 | 5,177,035 |
| Fair value through other comprehensive income | - | 10,696,668 | 811,771 | 139,691 | 1,808,452 | 7,471,924 | 20,928,506 |
| Amortised cost | - | 2,702,146 | 1,667,768 | 713,222 | 2,289,759 | 1,139,483 | 8,512,378 |
| At cost | - | 27,710,399 | 350,000 | 85,000 | 25,000 | 239,600 | 28,409,999 |
| Government Bonds ^(**) | | | | | | | |
| Fair value through profit or loss | 7,608,317 | - | - | - | - | - | 7,608,317 |
| Fair value through other comprehensive income | 129,432,300 | - | - | - | - | - | 129,432,300 |
| Amortised cost | 115,507,886 | - | - | - | - | - | 115,507,886 |
| At cost | 33,592,148 | - | - | - | - | - | 33,592,148 |
| Other receivables-trade transactions | - | 3,114,809 | 3,850,861 | 6,636,323 | - | 15,696,275 | 29,298,268 |
| Securities purchased under resale agreements | - | 10,394,443 | - | - | 38,150 | 16,884,407 | 27,317,000 |
| Derivatives receivables | - | 1,137,068 | - | - | - | 532,770 | 1,669,838 |
| Loans ^(*) | | | | | | | |
| Corporate | 23,735,316 | 5,115,566 | 78,385,459 | 33,617,787 | 45,257,661 | 183,755,697 | 369,867,486 |
| Commercial | - | 1,396,041 | 45,057,978 | 40,923,994 | 23,203,256 | 59,946,407 | 170,527,676 |
| Retail | 3,485 | 85,429 | 8,557,322 | 31,049,609 | 25,334,701 | 250,511,095 | 315,541,641 |
| Sharia | 9,090,302 | 4,854,734 | 9,647,640 | 10,610,265 | 16,344,273 | 119,740,810 | 170,288,024 |
| Consumer financing receivables | 86,649 | 63,202 | 222,549 | 50,066 | 402,905 | 18,282,951 | 19,108,322 |
| Net investment finance leases | 30,758 | 6,525 | 216,620 | 136,686 | 659,461 | 3,773,723 | 4,823,773 |
| Acceptance receivables | - | 1,424,075 | 3,232,677 | 54,476 | - | 5,562,216 | 10,273,444 |
| Other assets | | | | | | | |
| Accrued income | 2,439,475 | 1,778,567 | 229,930 | 188,155 | 239,052 | 2,887,328 | 7,762,507 |
| Receivables from customer transactions | - | 184,324 | - | - | - | 1,095,865 | 1,280,189 |
| Receivables from transactions related to ATM and credit card | - | - | - | - | - | 777,265 | 777,265 |
| Receivables to policyholders | - | 275,590 | - | - | - | - | 275,590 |
| Receivables from Government bonds pledged as collateral | - | 5,243,714 | - | - | - | - | 5,243,714 |
| | 329,380,148 | 253,299,920 | 152,306,359 | 124,205,288 | 115,659,066 | 688,476,381 | 1,663,327,162 |

^(*) Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^(**) Excluding marketable securities from investment from the Subsidiaries's unit-link policyholder's with no credit risk.

^(***) Excluding government bonds from investments from Subsidiaries's unit-link policyholders with no credit risk.

^(****) Others including trading, restaurant and hotel, mining, transportation, warehousing and communication, construction, gas and water, and social services.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

b) Industry sectors (continued)

Credit risk exposure relating to administrative accounts items are as follows:

| | 2022 | | | | | | Total |
|--|-------------------|--|----------------------|--------------------|--------------------------|----------------------------|--------------------|
| | Government | Financial institution/ Bank | Manufacturing | Agriculture | Business services | Others^{*)} | |
| Administrative accounts | | | | | | | |
| Bank guarantees issued | 5,651 | 28,553,435 | 37,980,468 | 432,204 | 128,209 | 43,906,540 | 111,006,507 |
| Unused loan facilities ^{*)} | 19,019,863 | 6,342,239 | 5,598,095 | 2,019,315 | 38,300 | 50,887,580 | 83,905,392 |
| Outstanding irrevocable letter of credit | - | 444,973 | 7,666,483 | 614,352 | 562,288 | 19,029,185 | 28,317,281 |
| Standby letter of credit | - | 195,251 | 2,902,534 | - | 1,716,834 | 7,015,693 | 11,830,312 |
| | 19,025,514 | 35,535,898 | 54,147,580 | 3,065,871 | 2,445,631 | 120,838,998 | 235,059,492 |
| | | | | | | | |
| | 2021 | | | | | | |
| | Government | Financial institution/ Bank | Manufacturing | Agriculture | Business services | Others^{*)} | Total |
| Administrative accounts | | | | | | | |
| Bank guarantees issued | 5,098 | 27,638,333 | 24,888,976 | 346,517 | 461,239 | 49,051,376 | 102,391,539 |
| Unused loan facilities ^{*)} | 29,817,569 | 5,894,583 | 4,839,098 | 5,019,348 | 95,017 | 47,618,538 | 93,284,153 |
| Outstanding irrevocable letter of credit | 254,203 | 737,341 | 3,367,056 | 500,811 | 1,093,862 | 13,351,716 | 19,304,989 |
| Standby letter of credit | - | 27,196 | 6,708,024 | 170,000 | 1,187,125 | 9,605,566 | 17,697,911 |
| | 30,076,870 | 34,297,453 | 39,803,154 | 6,036,676 | 2,837,243 | 119,627,196 | 232,678,592 |

^{*)} Include unused committed and uncommitted credit card facilities

^{**)} Others including trading, restaurant and hotel, mining, transportation, warehousing, construction, gas and water, and social services

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63. RISK MANAGEMENT (continued)

A. Credit Risk (continued)

(i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

c) Credit quality of financial assets

As of 31 December 2022 and 2021, exposure to credit risk on financial assets are as follows:

| | 2022 | | | | | |
|--|-------------------------------------|------------------------------|-------------------|----------------------|-------------------------|----------------------|
| | Neither past due nor impaired | Past due but not impaired | Impaired | Total | Impairment provision | Net |
| Current account with Bank Indonesia | 107,349,158 | - | - | 107,349,158 | - | 107,349,158 |
| Current account with other bank | 47,809,985 | - | - | 47,809,985 | (20,285) | 47,789,700 |
| Placement with Bank Indonesia and others bank | 95,324,112 | - | - | 95,324,112 | (3,601) | 95,320,511 |
| Marketable securities ^{*)} | | | | | | |
| Government | | | | | | |
| Fair value through profit or loss | 10,089,149 | - | - | 10,089,149 | - | 10,089,149 |
| Fair value through other comprehensive income | 1,117,351 | - | - | 1,117,351 | - | 1,117,351 |
| Amortised cost | 720,769 | - | - | 720,769 | - | 720,769 |
| At cost | - | - | - | - | - | - |
| Non-government | | | | | | |
| Fair value through profit or loss | 1,029,087 | - | - | 1,029,087 | (416) | 1,028,671 |
| Fair value through other comprehensive income | 28,191,460 | - | - | 28,191,460 | (1,814) | 28,189,646 |
| Amortised cost | 7,254,034 | - | - | 7,254,034 | (21,427) | 7,232,607 |
| At cost | 11,248,978 | - | - | 11,248,978 | (17,534) | 11,231,444 |
| Government Bonds ^{**)} | | | | | | |
| Fair value through profit or loss | 6,972,279 | - | - | 6,972,279 | - | 6,972,279 |
| Fair value through other comprehensive income | 92,532,086 | - | - | 92,532,086 | - | 92,532,086 |
| Amortised cost | 180,578,053 | - | - | 180,578,053 | - | 180,578,053 |
| At cost | 44,213,180 | - | - | 44,213,180 | - | 44,213,180 |
| Other receivables | | | | | | |
| trade transactions | 26,623,921 | 5,886,049 | 1,283,294 | 33,793,264 | (1,604,705) | 32,188,559 |
| Securities purchased under resale agreements | 11,705,989 | - | - | 11,705,989 | - | 11,705,989 |
| Derivatives receivables | 2,252,141 | - | - | 2,252,141 | - | 2,252,141 |
| Loans ^{*)} | | | | | | |
| Corporate | 409,062,600 | - | 4,532,829 | 413,595,429 | (20,651,396) | 392,944,033 |
| Commercial | 181,279,431 | 2,698,316 | 9,660,003 | 193,637,750 | (20,949,958) | 172,687,792 |
| Retail | 344,821,806 | 9,642,196 | 4,695,696 | 359,159,698 | (13,824,529) | 345,335,169 |
| Sharia | 180,532,461 | 1,126,868 | 24,547,676 | 206,207,005 | (9,186,762) | 197,020,243 |
| Consumer financing receivables | 22,426,377 | 1,127,591 | 203,759 | 23,757,727 | (610,361) | 23,147,366 |
| Net Investment finance leases | 5,676,952 | 168,819 | 26,789 | 5,872,560 | (139,173) | 5,733,387 |
| Acceptance receivables | 11,779,066 | - | 2,515 | 11,781,581 | (61,963) | 11,719,618 |
| Other assets | | | | | | |
| Accrued income | 9,565,864 | - | - | 9,565,864 | - | 9,565,864 |
| Receivables from customer transactions | 2,480,286 | - | 6,416 | 2,486,702 | (11,123) | 2,475,579 |
| Receivables from transactions related to ATM and credit card | 2,055,245 | - | - | 2,055,245 | - | 2,055,245 |
| Receivable to policyholders | 303,300 | - | - | 303,300 | - | 303,300 |
| Sale of accrued marketable securities | 231,650 | - | - | 231,650 | - | 231,650 |
| Receivables from Government bonds pledged as collateral | 3,757,955 | - | - | 3,757,955 | - | 3,757,955 |
| | 1,848,984,725 | 20,649,839 | 44,958,977 | 1,914,593,541 | (67,105,047) | 1,847,488,494 |

^{*)} Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**)} Excluding marketable securities from investment from the Subsidiaries's unit-link policyholder's with no credit risk.

^{***)} Excluding government bonds from investments from Subsidiaries's unit-link policyholders with no credit risk.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

| | 2021 | | | | | Net |
|--|-------------------------------|---------------------------|-------------------|----------------------|----------------------|----------------------|
| | Neither past due nor impaired | Past due but not impaired | Impaired | Total | Impairment provision | |
| Current account with Bank Indonesia | 99,023,492 | - | - | 99,023,492 | - | 99,023,492 |
| Current account with other bank | 25,441,661 | - | - | 25,441,661 | (24,043) | 25,417,618 |
| Placement with Bank Indonesia and others bank | 47,785,191 | - | - | 47,785,191 | (1,675) | 47,783,516 |
| Marketable securities ^{*)} | | | | | | |
| Government | | | | | | |
| Fair value through profit or loss | 7,005,959 | - | - | 7,005,959 | - | 7,005,959 |
| Fair value through other comprehensive income | 737,553 | - | - | 737,553 | - | 737,553 |
| Amortised cost | 20,000 | - | - | 20,000 | - | 20,000 |
| At cost | 90,000 | - | - | 90,000 | - | 90,000 |
| Non-government | | | | | | |
| Fair value through profit or loss | 5,177,035 | - | - | 5,177,035 | - | 5,177,035 |
| Fair value through other comprehensive income | 20,928,506 | - | - | 20,928,506 | (4,013) | 20,924,493 |
| Amortised cost | 8,512,238 | - | 140 | 8,512,378 | (79,364) | 8,433,014 |
| At cost | 28,409,999 | - | - | 28,409,999 | (16,127) | 28,393,872 |
| Government Bonds ^{**)} | | | | | | |
| Fair value through profit or loss | 7,608,317 | - | - | 7,608,317 | - | 7,608,317 |
| Fair value through other comprehensive income | 129,432,300 | - | - | 129,432,300 | - | 129,432,300 |
| Amortised cost | 115,507,886 | - | - | 115,507,886 | - | 115,507,886 |
| At cost | 33,592,148 | - | - | 33,592,148 | - | 33,592,148 |
| Other receivables | | | | | | |
| trade transactions | 23,804,291 | 4,299,535 | 1,194,442 | 29,298,268 | (1,480,721) | 27,817,547 |
| Securities purchased under resale agreements | 27,317,000 | - | - | 27,317,000 | - | 27,317,000 |
| Derivatives receivables | 1,669,838 | - | - | 1,669,838 | - | 1,669,838 |
| Loans ^{*)} | | | | | | |
| Corporate | 364,712,906 | 775,628 | 4,378,952 | 369,867,486 | (22,206,897) | 347,660,589 |
| Commercial | 149,860,058 | 5,423,188 | 15,244,430 | 170,527,676 | (26,608,180) | 143,919,496 |
| Retail | 304,864,211 | 6,551,086 | 4,126,344 | 315,541,641 | (12,396,629) | 303,145,012 |
| Sharia | 140,393,006 | 1,068,888 | 28,826,130 | 170,288,024 | (7,376,974) | 162,911,050 |
| Consumer financing receivables | 17,688,127 | 1,177,810 | 242,385 | 19,108,322 | (475,015) | 18,633,307 |
| Net Investment finance leases | 4,595,122 | 204,582 | 24,069 | 4,823,773 | (129,967) | 4,693,806 |
| Acceptance receivables | 10,271,620 | - | 1,824 | 10,273,444 | (196,693) | 10,076,751 |
| Other assets | | | | | | |
| Accrued income | 7,762,507 | - | - | 7,762,507 | - | 7,762,507 |
| Receivables from customer transactions | 1,275,537 | - | 4,652 | 1,280,189 | (10,827) | 1,269,362 |
| Receivables from transactions related to ATM and credit card | 777,265 | - | - | 777,265 | - | 777,265 |
| Receivable to policyholders | 275,590 | - | - | 275,590 | - | 275,590 |
| Receivables from Government bonds pledged as collateral | 5,243,714 | - | - | 5,243,714 | - | 5,243,714 |
| | 1,589,783,077 | 19,500,717 | 54,043,368 | 1,663,327,162 | (71,007,125) | 1,592,320,037 |

^{*)} Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**)} Excluding marketable securities from investment from the Subsidiaries's unit-link policyholder's with no credit risk.

^{***)} Excluding government bonds from investments from Subsidiaries's unit-link policyholders with no credit risk.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

As of 31 December 2022 and 2021, exposure to credit risk on administrative accounts are as follows:

| | 2022 | | | | | |
|--|--------------------------------------|----------------------------------|-----------------|--------------------|-----------------------------|--------------------|
| | Neither past due nor impaired | Past due but not impaired | Impaired | Total | Impairment provision | Total |
| Administrative accounts | | | | | | |
| Bank guarantees issued | 110,774,344 | - | 232,163 | 111,006,507 | (1,667,398) | 109,339,109 |
| Unused loan facilities ^{*)} | 83,274,830 | 560,464 | 70,098 | 83,905,392 | (278,772) | 83,626,620 |
| Outstanding irrevocable letter of credit | 28,314,070 | - | 3,211 | 28,317,281 | (102,498) | 28,214,783 |
| Standby letter of credit | 11,830,312 | - | - | 11,830,312 | (24,761) | 11,805,551 |
| | 234,193,556 | 560,464 | 305,472 | 235,059,492 | (2,073,429) | 232,986,063 |

| | 2021 | | | | | |
|--|--------------------------------------|----------------------------------|-----------------|--------------------|-----------------------------|--------------------|
| | Neither past due nor impaired | Past due but not impaired | Impaired | Total | Impairment provision | Total |
| Administrative accounts | | | | | | |
| Bank guarantees issued | 102,144,674 | - | 246,865 | 102,391,539 | (1,880,248) | 100,511,291 |
| Unused loan facilities ^{*)} | 92,537,677 | 700,724 | 45,752 | 93,284,153 | (266,661) | 93,017,492 |
| Outstanding irrevocable letter of credit | 19,302,439 | - | 2,550 | 19,304,989 | (110,429) | 19,194,560 |
| Standby letter of credit | 17,697,911 | - | - | 17,697,911 | (37,903) | 17,660,008 |
| | 231,682,701 | 700,724 | 295,167 | 232,678,592 | (2,295,241) | 230,383,351 |

^{*)} Include unused committed and uncommitted credit card facilities

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

As of 31 December 2022 and 2021, details of the quality of financial assets that are neither past due or nor impaired based on internal ratings are as follows:

| | 2022 | | Total |
|--|------------------------------------|--------------------------------|----------------------|
| | Not under Monitoring ¹⁾ | Under monitoring ²⁾ | |
| Assets | | | |
| Current accounts with Bank Indonesia | 107,349,158 | - | 107,349,158 |
| Current accounts with other banks | 47,809,985 | - | 47,809,985 |
| Placement with Bank Indonesia and other banks | 95,324,112 | - | 95,324,112 |
| Marketable securities ^{*)} | | | |
| Government | | | |
| Fair value through profit or loss | 10,089,149 | - | 10,089,149 |
| Fair value through other comprehensive income | 1,117,351 | - | 1,117,351 |
| Amortised cost | 720,769 | - | 720,769 |
| At cost | - | - | - |
| Non Government | | | |
| Fair value through profit or loss | 1,029,087 | - | 1,029,087 |
| Fair value through other comprehensive income | 28,191,460 | - | 28,191,460 |
| Amortised cost | 7,054,487 | 199,547 | 7,254,034 |
| At cost | 11,248,978 | - | 11,248,978 |
| Government Bonds ^{**)} | | | |
| Fair value through profit or loss | 6,972,279 | - | 6,972,279 |
| Fair value through other comprehensive income | 92,532,086 | - | 92,532,086 |
| Amortised cost | 180,578,053 | - | 180,578,053 |
| At cost | 44,213,180 | - | 44,213,180 |
| Other receivables-trade transactions | 14,479,250 | 12,144,671 | 26,623,921 |
| Securities purchased under agreements to resell | 11,705,989 | - | 11,705,989 |
| Derivatives receivables | 2,252,141 | - | 2,252,141 |
| Loans ^{*)} | | | |
| Corporate | 315,533,620 | 93,528,980 | 409,062,600 |
| Commercial | 133,369,046 | 47,910,385 | 181,279,431 |
| Retail | 338,531,189 | 6,290,617 | 344,821,806 |
| Sharia | 180,532,461 | - | 180,532,461 |
| Consumer financing receivables | 22,426,377 | - | 22,426,377 |
| Net Investment finance leases | 5,676,952 | - | 5,676,952 |
| Acceptance receivables | 5,757,981 | 6,021,085 | 11,779,066 |
| Other assets | | | |
| Accrued income | 9,565,864 | - | 9,565,864 |
| Receivables from customer transactions | 2,480,286 | - | 2,480,286 |
| Receivables from transactions related to ATM and credit card | 2,055,245 | - | 2,055,245 |
| Receivables to policyholders | 303,300 | - | 303,300 |
| Sale of accrued marketable securities | 231,650 | - | 231,650 |
| Receivables from Government bonds pledged as collateral | 3,757,955 | - | 3,757,955 |
| | 1,682,889,440 | 166,095,285 | 1,848,984,725 |

^{*)} Segments for risk management are classified into Corporate, Commercial, Retail, and Sharia.

^{**)} Excluding marketable securities from investments from the Subsidiary's unit-link policyholders with no credit risk.

^{***)} Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

¹⁾ Not under monitoring, there is no doubt on the return of financial assets.

²⁾ Under monitoring

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

As of 31 December 2022 and 2021, details of the quality of financial assets that are neither past due or nor impaired based on internal ratings are as follows (continued):

| | 2021 | | Total |
|--|------------------------------------|--------------------------------|----------------------|
| | Not under Monitoring ¹⁾ | Under monitoring ²⁾ | |
| Assets | | | |
| Current accounts with Bank Indonesia | 99,023,492 | - | 99,023,492 |
| Current accounts with other banks | 25,441,661 | - | 25,441,661 |
| Placement with Bank Indonesia and other banks | 47,785,191 | - | 47,785,191 |
| Marketable securities ^{*)} | | | |
| Government | | | |
| Fair value through profit or loss | 7,005,959 | - | 7,005,959 |
| Fair value through other comprehensive income | 737,553 | - | 737,553 |
| Amortised cost | 20,000 | - | 20,000 |
| At cost | 90,000 | - | 90,000 |
| Non Government | | | |
| Fair value through profit or loss | 5,177,035 | - | 5,177,035 |
| Fair value through other comprehensive income | 20,928,506 | - | 20,928,506 |
| Amortised cost | 8,209,928 | 302,310 | 8,512,238 |
| At cost | 28,409,999 | - | 28,409,999 |
| Government Bonds ^{**)} | | | |
| Fair value through profit or loss | 7,608,317 | - | 7,608,317 |
| Fair value through other comprehensive income | 129,432,300 | - | 129,432,300 |
| Amortised cost | 115,507,886 | - | 115,507,886 |
| At cost | 33,592,148 | - | 33,592,148 |
| Other receivables-trade transactions | 11,763,464 | 12,040,827 | 23,804,291 |
| Securities purchased under agreements to resell | 27,317,000 | - | 27,317,000 |
| Derivatives receivables | 1,669,838 | - | 1,669,838 |
| Loans ³⁾ | | | |
| Corporate | 216,273,240 | 148,439,666 | 364,712,906 |
| Commercial | 127,283,867 | 22,576,191 | 149,860,058 |
| Retail | 301,271,125 | 3,593,086 | 304,864,211 |
| Sharia | 140,393,006 | - | 140,393,006 |
| Consumer financing receivables | 17,688,127 | - | 17,688,127 |
| Net Investment finance leases | 4,595,122 | - | 4,595,122 |
| Acceptance receivables | 6,461,263 | 3,810,357 | 10,271,620 |
| Other assets | | | |
| Accrued income | 7,762,507 | - | 7,762,507 |
| Receivables from customer transactions | 1,275,537 | - | 1,275,537 |
| Receivables from transactions related to ATM and credit card | 777,265 | - | 777,265 |
| Receivables to policyholders | 275,590 | - | 275,590 |
| Receivables from Government bonds pledged as collateral | 5,243,714 | - | 5,243,714 |
| | 1,399,020,640 | 190,762,437 | 1,589,783,077 |

¹⁾ Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

²⁾ Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

³⁾ Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

¹⁾ Not under monitoring, there is no doubt on the return of financial assets.

²⁾ Under monitoring

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

c) Credit quality of financial assets (continued)

As of 31 December 2022 and 2021, details of the credit quality of administrative accounts that are neither past due nor impaired based on internal ratings are as follows:

| | 2022 | | |
|--|------------------------------------|--------------------------------|--------------------|
| | Not under monitoring ¹⁾ | Under monitoring ²⁾ | Total |
| Administrative accounts | | | |
| Bank guarantees issued | 72,551,766 | 38,222,578 | 110,774,344 |
| Unused loan facilities ^{*)} | 78,953,595 | 4,321,235 | 83,274,830 |
| Outstanding irrevocable letter of credit | 20,422,315 | 7,891,755 | 28,314,070 |
| Standby letter of credit | 11,517,444 | 312,868 | 11,830,312 |
| | 183,445,120 | 50,748,436 | 234,193,556 |

*) Include unused committed and uncommitted credit card facilities.

1) Not under monitoring, there is no doubt on the recovery of the financial assets.

2) Under monitoring.

| | 2021 | | |
|--|------------------------------------|--------------------------------|--------------------|
| | Not under monitoring ¹⁾ | Under monitoring ²⁾ | Total |
| Administrative accounts | | | |
| Bank guarantees issued | 68,390,767 | 33,753,907 | 102,144,674 |
| Unused loan facilities ^{*)} | 86,124,553 | 6,413,124 | 92,537,677 |
| Outstanding irrevocable letter of credit | 12,951,878 | 6,350,561 | 19,302,439 |
| Standby letter of credit | 17,169,581 | 528,330 | 17,697,911 |
| | 184,636,779 | 47,045,922 | 231,682,701 |

*) Include unused committed and uncommitted credit card facilities.

1) Not under monitoring, there is no doubt on the recovery of the financial assets.

2) Under monitoring.

Bank Mandiri:

There are certain considerations in relation to the debtor's ability in repaying the loan at maturity date. However, up to 31 December 2022 and 2021, there was no late payment in terms of principal installment as well as interest at maturity date. This amount includes credit exposure on marketable securities (export bills), other receivables - trade transactions and acceptance receivables with Bank Indonesia's collectibility at two (special mention) but with no overdue as of 31 December 2022 and 2021.

Subsidiaries:

Financial assets which have experienced past due in the past but no overdue as of 31 December 2022 and 2021.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk without considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

Aging analysis of financial assets that were past due, but not impaired as of 31 December 2022 and 2021 are as follows:

| | 2022 | | | |
|--|-------------------|------------------|------------------|-------------------|
| | 1 - 30 days | 31 - 60 days | 61 - 90 days | Total |
| Assets | | | | |
| Other receivables - trade transactions | 5,886,049 | - | - | 5,886,049 |
| Loans | | | | |
| Corporate | - | - | - | - |
| Commercial | 859,990 | 465,725 | 1,372,601 | 2,698,316 |
| Retail | 5,148,313 | 2,718,989 | 1,774,894 | 9,642,196 |
| Sharia | 577,240 | 306,724 | 242,904 | 1,126,868 |
| Consumer financing receivables | 764,575 | 212,442 | 150,574 | 1,127,591 |
| Net investment finance leases | 71,894 | 22,893 | 74,032 | 168,819 |
| | 13,308,061 | 3,726,773 | 3,615,005 | 20,649,839 |
| | | | | |
| | 2021 | | | |
| | 1 - 30 days | 31 - 60 days | 61 - 90 days | Total |
| Assets | | | | |
| Other receivables - trade transactions | 4,299,535 | - | - | 4,299,535 |
| Loans | | | | |
| Corporate | 775,628 | - | - | 775,628 |
| Commercial | 1,862,675 | 1,329,884 | 2,230,629 | 5,423,188 |
| Retail | 3,296,280 | 1,909,180 | 1,345,626 | 6,551,086 |
| Sharia | 1,064,224 | 2,303 | 2,361 | 1,068,888 |
| Consumer financing receivables | 777,084 | 237,677 | 163,049 | 1,177,810 |
| Net investment finance leases | 93,364 | 95,671 | 15,547 | 204,582 |
| | 12,168,790 | 3,574,715 | 3,757,212 | 19,500,717 |

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(ii) Loans

The gross amount of impaired loans, along with the provision for impairment, by class of asset as of 31 December 2022 and 2021, are summarised in the tables below:

| | 2022 ⁾ | | | | Total |
|--|-------------------|----------------|------------------|-------------------|-------------------|
| | Corporate | Commercial | Retail | Sharia | |
| Impaired (assessed individually)^{*)} | | | | | |
| Gross amount | 4,532,748 | 9,521,626 | 277,106 | 2,929,652 | 17,261,132 |
| Allowance for impairment losses | (3,678,272) | (8,579,571) | (252,410) | (1,445,702) | (13,955,955) |
| Carrying amount | 854,476 | 942,055 | 24,696 | 1,483,950 | 3,305,177 |
| Impaired (assessed collectively)^{*)} | | | | | |
| Gross amount | 81 | 138,377 | 4,418,590 | 21,618,024 | 26,175,072 |
| Allowance for impairment losses | (65) | (129,350) | (2,916,690) | (5,490,886) | (8,536,991) |
| Carrying amount | 16 | 9,027 | 1,501,900 | 16,127,138 | 17,638,081 |
| Total gross amount | 4,532,829 | 9,660,003 | 4,695,696 | 24,547,676 | 43,436,204 |
| Allowance for impairment losses | (3,678,337) | (8,708,921) | (3,169,100) | (6,936,588) | (22,492,946) |
| Total carrying amount | 854,492 | 951,082 | 1,526,596 | 17,611,088 | 20,943,258 |

⁾ Segment of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{*)} Represents restructured and non performing debtors which categorized as stage 3 in accordance with SFAS 71 "Financial Instruments" and loans with collectability of non-performing loans and loans that are calculated individually provided by a subsidiary engaged in Sharia Banking amounting to Rp24,547,676 with allowance for losses impairment amounting to Rp6,936,588.

| | 2021 ⁾ | | | | Total |
|---|-------------------|------------------|------------------|-------------------|-------------------|
| | Corporate | Commercial | Retail | Sharia | |
| Impaired (assessed individually) | | | | | |
| Gross amount | 4,378,878 | 14,854,763 | 337,136 | 2,700,187 | 22,270,964 |
| Allowance for impairment losses | (4,109,214) | (13,092,721) | (221,481) | (1,174,959) | (18,598,375) |
| Carrying amount | 269,664 | 1,762,042 | 115,655 | 1,525,228 | 3,672,589 |
| Impaired (assessed collectively) | | | | | |
| Gross amount | 74 | 389,667 | 3,789,208 | 26,125,943 | 30,304,892 |
| Allowance for impairment losses | (60) | (355,320) | (2,382,651) | (4,624,298) | (7,362,329) |
| Carrying amount | 14 | 34,347 | 1,406,557 | 21,501,645 | 22,942,563 |
| Total gross amount | 4,378,952 | 15,244,430 | 4,126,344 | 28,826,130 | 52,575,856 |
| Allowance for impairment losses | (4,109,274) | (13,448,041) | (2,604,132) | (5,799,257) | (25,960,704) |
| Total carrying amount | 269,678 | 1,796,389 | 1,522,212 | 23,026,873 | 26,615,152 |

⁾ Segment of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{*)} Represents restructured and non performing debtors which categorized as stage 3 in accordance with SFAS 71 "Financial Instruments" and loans with collectability of non-performing loans and loans that are calculated individually provided by a subsidiary engaged in Sharia Banking amounting to Rp28,826,130 with allowance for losses impairment amounting to Rp5,799,257.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(iii) Current accounts with other banks

| | 2022 | | |
|---------------------------------------|----------------------------|----------|-------------------|
| | Non-impaired ¹⁾ | Impaired | Total |
| Rupiah | 637,451 | - | 637,451 |
| Foreign currencies | 47,172,534 | - | 47,172,534 |
| Total | 47,809,985 | - | 47,809,985 |
| Less: allowance for impairment losses | (20,285) | - | (20,285) |
| Net | 47,789,700 | - | 47,789,700 |
| | 2021 | | |
| | Non-impaired ¹⁾ | Impaired | Total |
| Rupiah | 726,784 | - | 726,784 |
| Foreign currencies | 24,714,877 | - | 24,714,877 |
| Total | 25,441,661 | - | 25,441,661 |
| Less: allowance for impairment losses | (24,043) | - | (24,043) |
| Net | 25,417,618 | - | 25,417,618 |

¹⁾ Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

(iv) Placement with Bank Indonesia and other banks

| | 2022 | | |
|---------------------------------------|----------------------------|----------|-------------------|
| | Non-impaired ¹⁾ | Impaired | Total |
| Rupiah | | | |
| Bank Indonesia | 26,843,755 | - | 26,843,755 |
| Call money | 2,375,000 | - | 2,375,000 |
| Time deposits | 1,483,180 | - | 1,483,180 |
| Fixed Term Placement | 109,862 | - | 109,862 |
| | 30,811,797 | - | 30,811,797 |
| Foreign currencies | | | |
| Bank Indonesia | 49,738,163 | - | 49,738,163 |
| Call money | 10,547,054 | - | 10,547,054 |
| Fixed Term Placement | 3,619,638 | - | 3,619,638 |
| Time deposits | 607,460 | - | 607,460 |
| | 64,512,315 | - | 64,512,315 |
| Total | 95,324,112 | - | 95,324,112 |
| Less: allowance for impairment losses | (3,601) | - | (3,601) |
| Net | 95,320,511 | - | 95,320,511 |

¹⁾ Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(iv) Placement with Bank Indonesia and other banks (continued)

| | 2021 | | |
|---------------------------------------|----------------------------|-----------------|--------------------------|
| | Non-impaired ¹⁾ | Impaired | Total |
| Rupiah | | | |
| Bank Indonesia | 9,200,000 | - | 9,200,000 |
| Call money | 1,365,000 | - | 1,365,000 |
| Time deposits | 1,026,750 | - | 1,026,750 |
| | <u>11,591,750</u> | <u>-</u> | <u>11,591,750</u> |
| Foreign currencies | | | |
| Bank Indonesia | 30,072,775 | - | 30,072,775 |
| Call money | 3,278,076 | - | 3,278,076 |
| Fixed Term Placement | 2,406,137 | - | 2,406,137 |
| Time deposits | 436,453 | - | 436,453 |
| | <u>36,193,441</u> | <u>-</u> | <u>36,193,441</u> |
| Total | 47,785,191 | - | 47,785,191 |
| Less: allowance for impairment losses | (1,675) | - | (1,675) |
| Net | <u>47,783,516</u> | <u>-</u> | <u>47,783,516</u> |

¹⁾ Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

(v) Marketable securities

| | 2022 | | |
|-----------------------------------|----------------------------|------------------------|-------------------|
| | Non-impaired ¹⁾ | Impaired ²⁾ | Total |
| Government | | | |
| Rupiah | | | |
| Bonds | 19,498 | - | 19,498 |
| | <u>19,498</u> | <u>-</u> | <u>19,498</u> |
| Foreign currencies | | | |
| Treasury bills | 11,907,771 | - | 11,907,771 |
| | <u>11,927,269</u> | <u>-</u> | <u>11,927,269</u> |
| Non-government | | | |
| Rupiah | | | |
| Certificates of Bank Indonesia | 8,903,272 | - | 8,903,272 |
| Investments in mutual fund | 19,190,989 | - | 19,190,989 |
| Bonds | 8,047,087 | - | 8,047,087 |
| Medium term notes | 405,000 | - | 405,000 |
| Sharia corporation bonds | 2,366,800 | - | 2,366,800 |
| Negotiable certificate of deposit | 155,440 | - | 155,440 |
| Shares | 445,760 | - | 445,760 |
| Export bills | 1,104,554 | - | 1,104,554 |
| | <u>40,618,902</u> | <u>-</u> | <u>40,618,902</u> |
| Total | 40,618,902 | - | 40,618,902 |

¹⁾ Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.
²⁾ Excluding marketable securities which are the investment from the Subsidiary's unit-link policyholders with no credit risk exposure.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(v) Marketable securities (continued)

| | 2022 | | |
|---|----------------------------------|------------------------------|-------------------|
| | Non-impaired¹⁾ | Impaired²⁾ | Total |
| Non-government (continued) | | | |
| Foreign currencies | | | |
| Bonds | 6,127,819 | - | 6,127,819 |
| Export bills | 976,838 | - | 976,838 |
| Total | 7,104,657 | - | 7,104,657 |
| Total | 47,723,559 | - | 47,723,559 |
| | 59,650,828 | - | 59,650,828 |
| Less: allowance for impairment losses | (41,191) | - | (41,191) |
| Net | 59,609,637 | - | 59,609,637 |
| | | | |
| | 2021 | | |
| | Non-impaired¹⁾ | Impaired²⁾ | Total |
| Government | | | |
| Rupiah | | | |
| Sharia corporate bonds | 90,000 | - | 90,000 |
| Bonds | 5,558,127 | - | 5,558,127 |
| | 5,648,127 | - | 5,648,127 |
| Foreign currencies | | | |
| Treasury bills | 2,205,385 | - | 2,205,385 |
| Total | 7,853,512 | - | 7,853,512 |
| Non-government | | | |
| Rupiah | | | |
| Investments in mutual fund | 10,688,702 | - | 10,688,702 |
| Certificates of Bank Indonesia and Sharia | 30,036,010 | - | 30,036,010 |
| Bonds | 10,903,081 | - | 10,903,081 |
| Medium term notes | 245,000 | - | 245,000 |
| Sharia corporation bonds | 1,316,600 | - | 1,316,600 |
| Negotiable certificate of deposit | 185,831 | - | 185,831 |
| Shares | 315,113 | - | 315,113 |
| Export bills | 910,147 | - | 910,147 |
| Total | 54,600,484 | - | 54,600,484 |
| Foreign currencies | | | |
| Certificates of Bank Indonesia | 711,881 | - | 711,881 |
| Bonds | 6,015,625 | - | 6,015,625 |
| Treasury bills | 284,141 | - | 284,141 |
| Export bills | 1,415,647 | 140 | 1,415,787 |
| Total | 8,427,294 | 140 | 8,427,434 |
| Total | 63,027,778 | 140 | 63,027,918 |
| | 70,881,290 | 140 | 70,881,430 |
| Less: allowance for impairment losses | (99,389) | (115) | (99,504) |
| Net | 70,781,901 | 25 | 70,781,926 |

¹⁾ Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.
²⁾ Excluding marketable securities which are the investment from the Subsidiary's unit-link policyholders with no credit risk exposure.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(vi) Other receivables - trade transactions

| | 2022 | | |
|---------------------------------------|----------------------------|------------------|-------------------|
| | Non-impaired ¹⁾ | Impaired | Total |
| Rupiah | | | |
| Usance L/C payable at sight | 2,420,723 | 12,419 | 2,433,142 |
| Supplier Chain Financing Receivables | 9,174,198 | - | 9,174,198 |
| Others | 9,574,590 | 189,373 | 9,763,963 |
| Total | 21,169,511 | 201,792 | 21,371,303 |
| Foreign currencies | | | |
| Usance L/C payable at sight | 4,698,003 | - | 4,698,003 |
| Supplier Chain Financing Receivables | 44,635 | - | 44,635 |
| Others | 6,597,821 | 1,081,502 | 7,679,323 |
| Total | 11,340,459 | 1,081,502 | 12,421,961 |
| | 32,509,970 | 1,283,294 | 33,793,264 |
| Less: allowance for impairment losses | (321,411) | (1,283,294) | (1,604,705) |
| Net | 32,188,559 | - | 32,188,559 |
| | 2021 | | |
| | Non-impaired ¹⁾ | Impaired | Total |
| Rupiah | | | |
| Usance L/C payable at sight | 1,298,000 | 14,273 | 1,312,273 |
| Supplier Chain Financing Receivables | 10,731,680 | - | 10,731,680 |
| Others | 6,965,268 | 190,024 | 7,155,292 |
| Total | 18,994,948 | 204,297 | 19,199,245 |
| Foreign currencies | | | |
| Usance L/C payable at sight | 2,896,285 | - | 2,896,285 |
| Supplier Chain Financing Receivables | 47,168 | - | 47,168 |
| Others | 6,165,425 | 990,145 | 7,155,570 |
| Total | 9,108,878 | 990,145 | 10,099,023 |
| | 28,103,826 | 1,194,442 | 29,298,268 |
| Less: allowance for impairment losses | (286,279) | (1,194,442) | (1,480,721) |
| Net | 27,817,547 | - | 27,817,547 |

¹⁾ Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

(vii) Acceptance receivables

| | 2022 | | |
|---------------------------------------|-------------------|----------|-------------------|
| | Non-impaired | Impaired | Total |
| Rupiah | 4,474,252 | 2,515 | 4,476,767 |
| Foreign currencies | 7,304,814 | - | 7,304,814 |
| | 11,779,066 | 2,515 | 11,781,581 |
| Less: allowance for impairment losses | (59,448) | (2,515) | (61,963) |
| Net | 11,719,618 | - | 11,719,618 |
| | 2021 | | |
| | Non-impaired | Impaired | Total |
| Rupiah | 4,610,894 | 1,824 | 4,612,718 |
| Foreign currencies | 5,660,726 | - | 5,660,726 |
| | 10,271,620 | 1,824 | 10,273,444 |
| Less: allowance for impairment losses | (194,869) | (1,824) | (196,693) |
| Net | 10,076,751 | - | 10,076,751 |

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(viii) Consumer financing receivables

| | 2022 | | |
|---------------------------------------|---------------------|-----------------|-------------------|
| | Non-impaired | Impaired | Total |
| Rupiah | 23,553,968 | 203,759 | 23,757,727 |
| Less: allowance for impairment losses | (527,860) | (82,501) | (610,361) |
| Net | 23,026,108 | 121,258 | 23,147,366 |

| | 2021 | | |
|---------------------------------------|---------------------|-----------------|-------------------|
| | Non-impaired | Impaired | Total |
| Rupiah | 18,865,937 | 242,385 | 19,108,322 |
| Less: allowance for impairment losses | (406,064) | (68,951) | (475,015) |
| Net | 18,459,873 | 173,434 | 18,633,307 |

(ix) Securities purchased under agreements to resell

| | 2022 | | |
|--------|---------------------|-----------------|--------------|
| | Non-impaired | Impaired | Total |
| Rupiah | 11,705,989 | - | 11,705,989 |

| | 2021 | | |
|--------|---------------------|-----------------|--------------|
| | Non-impaired | Impaired | Total |
| Rupiah | 27,317,000 | - | 27,317,000 |

(x) Net investment finance leases

| | 2022 | | |
|---------------------------------------|---------------------|-----------------|------------------|
| | Non-impaired | Impaired | Total |
| Rupiah | 5,845,771 | 26,789 | 5,872,560 |
| Less: allowance for impairment losses | (129,430) | (9,743) | (139,173) |
| Net | 5,716,341 | 17,046 | 5,733,387 |

| | 2021 | | |
|---------------------------------------|---------------------|-----------------|------------------|
| | Non-impaired | Impaired | Total |
| Rupiah | 4,799,704 | 24,069 | 4,823,773 |
| Less: allowance for impairment losses | (123,150) | (6,817) | (129,967) |
| Net | 4,676,554 | 17,252 | 4,693,806 |

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(xi) Estimated losses on commitments and contingencies

| | 2022 | | |
|--|----------------------------|----------------|--------------------|
| | Non-impaired ^{*)} | Impaired | Total |
| Rupiah | | | |
| Bank guarantees issued | 67,756,531 | 227,448 | 67,983,979 |
| Unused loan facilities ^{**)} | 58,155,573 | 70,098 | 58,225,671 |
| Outstanding irrevocable letter of credit | 7,370,635 | 3,211 | 7,373,846 |
| Standby letter of credit | 2,940,072 | - | 2,940,072 |
| Total | 136,222,811 | 300,757 | 136,523,568 |
| Foreign currencies | | | |
| Bank guarantees issued | 43,017,813 | 4,715 | 43,022,528 |
| Unused loan facilities ^{**)} | 25,679,721 | - | 25,679,721 |
| Outstanding irrevocable letter of credit | 20,943,435 | - | 20,943,435 |
| Standby letter of credit | 8,890,240 | - | 8,890,240 |
| Total | 98,531,209 | 4,715 | 98,535,924 |
| | 234,754,020 | 305,472 | 235,059,492 |
| Less: allowance for impairment losses | (1,844,610) | (228,819) | (2,073,429) |
| Net | 232,909,410 | 76,653 | 232,986,063 |

^{*)} Including financial assets of Subsidiary engaged in sharia banking.

^{**)} Including balance amounted to Rp6,554,760 which is classified as "special mention" and the calculation of provision for impairment losses is collectively assessed based on Bank Indonesia Regulation amounted to Rp544,821.

^{***)} Include unused committed and uncommitted credit card facilities.

| | 2021 | | |
|--|----------------------------|----------------|--------------------|
| | Non-impaired ^{*)} | Impaired | Total |
| Rupiah | | | |
| Bank guarantees issued | 61,753,751 | 238,421 | 61,992,172 |
| Unused loan facilities ^{**)} | 58,276,134 | 34,096 | 58,310,230 |
| Outstanding irrevocable letter of credit | 4,832,667 | 2,550 | 4,835,217 |
| Standby letter of credit | 2,211,569 | - | 2,211,569 |
| Total | 127,074,121 | 275,067 | 127,349,188 |
| Foreign currencies | | | |
| Bank guarantees issued | 40,390,923 | 8,444 | 40,399,367 |
| Unused loan facilities ^{**)} | 34,962,267 | 11,656 | 34,973,923 |
| Outstanding irrevocable letter of credit | 14,469,772 | - | 14,469,772 |
| Standby letter of credit | 15,486,342 | - | 15,486,342 |
| Total | 105,309,304 | 20,100 | 105,329,404 |
| | 232,383,425 | 295,167 | 232,678,592 |
| Less: allowance for impairment losses | (2,103,383) | (191,858) | (2,295,241) |
| Net | 230,280,042 | 103,309 | 230,383,351 |

^{*)} Including financial assets of Subsidiary engaged in sharia banking.

^{**)} Including balance amounted to Rp7,176,479 which is classified as "special mention" and the calculation of provision for impairment losses is collectively assessed based on Bank Indonesia Regulation amounted to Rp765,883.

^{***)} Include unused committed and uncommitted credit card facilities.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk

(i) Liquidity risk management

Liquidity risk represents the Bank's inability to fulfill all financial liabilities when they become due from its financing cash flows and/or high quality liquid assets that can be pledged, without negatively impacting the Bank's activities and financial condition.

The Bank's liquidity risk is measured through several indicators, which are primary statutory reserve ratio in Bank Indonesia (GWM ratio) and cash, Macroprudential Liquidity Reserve (PLM), liquidity reserve, Macroprudential Intermediation Ratio (RIM), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and dependency on large customer deposits.

GWM is a minimum deposits required to be maintained by the Bank in the form of current accounts with Bank Indonesia or marketable securities in which the amount is determined by Bank Indonesia based on certain percentage from total deposits from customers, PLM is an ownership percentage in Rupiah marketable securities which can be used in open market operations i.e, SBI, SDBI and SBN.

As of 31 December 2022 (Bank Mandiri only), the Bank maintained Rupiah primary statutory reserve of 8.53% from total outstanding deposit from customers denominated in Rupiah in accordance with the regulated limit, while for RIM ratio is 0.87% and PLM ratio of 21.14% from the outstanding deposit from customer denominated in Rupiah. Meanwhile for the foreign currency, the Bank maintained average foreign exchange statutory deposits at 4.10% from the outstanding deposits from customer denominated in foreign currency in accordance with the regulated limit.

Liquidity reserve is the Bank's liquidity on top of GWM to anticipate unscheduled liquidity needs. In managing the liquidity reserve, Bank has liquidity reserve limit in the form of safety level limit, which represents the Bank's liquidity reserve projection for one following month. As of 31 December 2022, the liquidity reserve balance is above the safety level.

RIM is a ratio of loans and qualified marketable securities owned by the Bank to the customer deposits, qualified debt securities issued by the Bank and qualified borrowing received by the Bank. As of 31 December 2022, the Bank's RIM is 75.98%.

LCR is a ratio between High Quality Liquid Assets (HQLA) with the estimation of total net cash outflow for the next 30 (thirty) days under a crisis scenario, LCR is used to improve the short-term liquidity of the Bank under a crisis conditions. As of 31 December 2022, the Bank's LCR is 191.02%.

NSFR is a ratio of the available stable funding to required stable funding. As of 31 December 2022, the Bank's NSFR is 119.93%.

The Bank uses liquidity gap methodology to project its liquidity conditions for the future. Liquidity gap is basically a maturity mismatch between components of assets and liabilities (including off-balance sheet), which are classified into time bucket based on their contractual maturity or behavioral maturity. As of 31 December 2022, the Bank's liquidity forecast up to next 12 months is at a surplus position. Even in the surplus position for the next 12 months, the Bank always prepares for alternative funding to anticipate tight liquidity in the market or the liquidity is not as expected.

To determine the impact of changes in market factors and internal factors under extreme conditions (crisis) to the liquidity, the Bank conducts stress testing of liquidity risk on a regular basis. The results of stress-testing performed was presented to the Management. The stress-testing result showed that the Bank will be able to survive under liquidity crisis conditions.

Although the stress testing result showed liquidity risk is well managed, Bank has Liquidity Contingency Plan (LCP) in crisis condition which covers funding strategy and pricing strategy including money market borrowing, repo, bilateral borrowing, FX swap and wholesale funding. In LCP, determination of liquidity situations and funding strategies have considered internal and external conditions.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

To anticipate liquidity risks due to volatility of global economic condition, Bank Mandiri monitors external indicators, including 1-week JIBOR, BI 7-days RR, 10-years SUN Yield, Rupiah Banking Liquidity Outstanding, Composite Stock Price Index (IHSG), Rate Interbank Call Money, 10-years USYield, USD/IDR Exchange Rate, Indonesia's 5-years Credit Default Swap (CDS), and the current market informations.

The maturity profile as of 31 December 2022 and 2021 are based on the remaining period from these dates. Historically, there were a large portion of deposits to be renewed upon maturity. In addition, if there is a need for liquidity, Government Bonds (at fair value through profit or loss and fair value through other comprehensive income) can be exercised by utilizing as collateral in interbank market.

The maturity profile of financial assets and liabilities presented using discounted cash flows method are as follows:

| | | 2022 | | | | | | |
|--|----------------------|----------------------------|----------------------|---------------------------|----------------------------|-----------------------------|-------------------------|--------------------|
| Description | Total | No Maturity Contract | ≤ 1 month | > 1 month - ≤ 3 months | > 3 months - ≤ 6 months | > 6 months - ≤ 12 months | > 1 year - ≤ 3 years | > 3 years |
| Assets | | | | | | | | |
| Current accounts with Bank Indonesia | 107,349,158 | - | 107,349,158 | - | - | - | - | - |
| Current accounts with other banks - gross | 47,809,985 | - | 47,809,985 | - | - | - | - | - |
| Placement with Bank Indonesia and other banks - gross | 95,324,112 | - | 81,810,959 | 11,165,100 | 323,974 | 706,669 | 35,180 | 1,282,230 |
| Marketable securities - gross | 82,841,009 | 23,374,462 | 12,759,977 | 5,481,946 | 9,021,588 | 2,324,150 | 8,556,992 | 21,321,894 |
| Government bonds | 329,211,764 | - | - | 854,583 | 17,422,721 | 16,383,303 | 64,931,125 | 229,620,032 |
| Other receivables-trade transactions - gross | 33,793,264 | - | 7,749,872 | 13,728,796 | 9,944,312 | 1,099,409 | - | 1,270,875 |
| Securities purchased under resale agreements - gross | 11,705,989 | - | 11,533,697 | 168,938 | 3,354 | - | - | - |
| Derivative receivables - gross | 2,252,141 | - | 293,403 | 253,438 | 204,392 | 206,227 | 634,496 | 660,185 |
| Loans - gross | 1,172,599,882 | - | 41,831,368 | 32,818,682 | 182,421,845 | 54,482,041 | 129,299,057 | 731,746,889 |
| Consumer financing receivables - gross | 23,757,727 | - | 690,737 | 1,268,075 | 1,841,129 | 3,576,810 | 7,952,509 | 8,428,467 |
| Net Investment finance leases - gross | 5,872,560 | - | 288,622 | 556,040 | 800,244 | 1,412,962 | 2,664,162 | 150,530 |
| Acceptance receivables - gross | 11,781,581 | - | 3,229,392 | 4,832,027 | 3,468,111 | 251,364 | 687 | - |
| Other asset - gross ¹⁾ | 18,400,716 | 303,300 | 10,370,417 | 311,590 | 672,047 | 717,761 | 1,442,316 | 4,583,285 |
| | 1,942,699,888 | 23,677,762 | 325,717,587 | 71,439,215 | 226,123,717 | 81,160,696 | 215,516,524 | 999,064,387 |
| Allowance for impairment losses | | | | | | | | |
| | (67,105,047) | | | | | | | |
| Total | 1,875,594,841 | | | | | | | |
| Liabilities | | | | | | | | |
| Deposits from customers | | | | | | | | |
| Demand deposits | 519,077,962 | - | 519,077,962 | - | - | - | - | - |
| Savings deposits | 480,482,766 | - | 480,482,766 | - | - | - | - | - |
| Time deposits | 296,015,201 | - | 186,117,129 | 83,236,600 | 17,359,502 | 8,282,637 | 1,019,333 | - |
| Deposits from other banks | | | | | | | | |
| Demand and saving deposits | 5,734,401 | - | 5,734,401 | - | - | - | - | - |
| Interbank call money | 4,436,101 | - | 2,849,621 | 492,560 | 626,895 | 467,025 | - | - |
| Time deposits | 4,676,907 | - | 2,802,981 | 467,452 | 783,225 | 311,900 | 311,349 | - |
| Securities sold under agreements to repurchase | 24,325,475 | - | - | 1,134,117 | 11,419,307 | 4,328,826 | 4,278,588 | 3,164,637 |
| Derivatives liabilities | 2,126,769 | - | 192,749 | 331,139 | 154,570 | 295,520 | 676,279 | 476,512 |
| Acceptance liabilities | 11,781,581 | - | 3,229,392 | 4,832,027 | 3,468,111 | 251,364 | 687 | - |
| Debt securities issued | 45,774,139 | - | 1,939,402 | - | - | 6,313,745 | 26,852,710 | 10,668,282 |
| Accrued expenses | 6,493,794 | - | 5,480,043 | - | - | 1,013,751 | - | - |
| Other liabilities ²⁾ | 9,538,761 | 323,394 | 7,381,795 | 965,537 | - | - | 868,035 | - |
| Fund borrowings | 62,840,118 | - | 6,028,817 | 253,082 | 7,313,682 | 11,049,753 | 24,368,616 | 13,826,168 |
| Subordinates loans and marketable securities | 633,333 | - | 9,539 | - | - | 509,308 | 38,157 | 76,329 |
| | 1,473,937,308 | 323,394 | 1,221,326,597 | 91,712,514 | 41,125,292 | 32,823,829 | 58,413,754 | 28,211,928 |
| Maturity gap | 468,762,580 | 23,354,368 | (895,609,010) | (20,273,299) | 184,998,425 | 48,336,867 | 157,102,770 | 970,852,459 |
| Net positions, net of allowance for impairment losses | 401,657,533 | | | | | | | |

¹⁾ Other assets consists of accrued income, receivables from government bonds pledged as collateral, receivables from customer transactions, receivables from marketable securities sold, receivables from transaction related to ATM and credit card, and receivables from policyholder.
²⁾ Other liabilities consists of customers transfer transaction, liabilities related to ATM and credit card transactions, guarantee deposits, lease liabilities, payables for marketables securities purchased other liabilities related to UPAS transactions and claim payables.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

The maturity profile of financial assets and liabilities presented using discounted cash flows method are as follows (continued):

| 2021 | | | | | | | | |
|--|----------------------|----------------------------|----------------------|---------------------------|----------------------------|-----------------------------|-------------------------|--------------------|
| Description | Total | No Maturity Contract | ≤ 1 month | > 1 month - ≤ 3 months | > 3 months - ≤ 6 months | > 6 months - ≤ 12 months | > 1 year - ≤ 3 years | > 3 years |
| Assets | | | | | | | | |
| Current accounts with Bank Indonesia | 99,023,492 | - | 99,023,492 | - | - | - | - | - |
| Current accounts with other banks - gross | 25,441,661 | - | 25,441,661 | - | - | - | - | - |
| Placement with Bank Indonesia and other banks - gross | 47,785,191 | - | 35,195,130 | 11,965,068 | 589,496 | 34,500 | 547 | 450 |
| Marketable securities - gross | 98,203,174 | 28,143,612 | 26,229,680 | 10,158,046 | 5,765,813 | 4,053,941 | 9,180,127 | 14,671,955 |
| Government bonds | 289,054,774 | - | 3,231,403 | 3,618,710 | 7,599,574 | 2,633,394 | 64,034,259 | 207,937,434 |
| Other receivables-trade transactions - gross | 29,298,268 | - | 6,027,615 | 11,952,021 | 9,119,602 | 1,018,861 | - | 1,180,169 |
| Securities purchased under resale agreements - gross | 27,317,000 | - | 27,278,850 | 2,179 | 534 | 35,437 | - | - |
| Derivative receivables - gross | 1,669,838 | - | 285,756 | 491,696 | 102,620 | 63,853 | 611,850 | 114,063 |
| Loans - gross | 1,026,224,827 | - | 56,201,129 | 46,264,036 | 44,813,537 | 61,799,419 | 192,826,536 | 624,320,170 |
| Consumer financing receivables- gross | 19,108,322 | - | 502,008 | 1,044,767 | 1,432,104 | 2,802,860 | 6,454,827 | 6,871,756 |
| Net Investment finance leases - gross | 4,823,773 | - | 235,624 | 453,068 | 650,804 | 1,129,446 | 2,264,520 | 90,311 |
| Acceptance receivables - gross | 10,273,444 | - | 4,041,907 | 3,889,769 | 2,142,478 | 170,785 | 28,505 | - |
| Other asset - gross ^{*)} | 15,339,265 | 275,590 | 6,815,173 | 258,749 | 374,056 | 610,935 | 1,110,009 | 5,894,753 |
| | 1,693,563,029 | 28,419,202 | 290,509,428 | 90,098,109 | 72,590,618 | 74,353,431 | 276,511,180 | 861,081,061 |
| Allowance for impairment losses | (71,007,125) | - | - | - | - | - | - | - |
| Total | 1,622,555,904 | 28,419,202 | 290,509,428 | 90,098,109 | 72,590,618 | 74,353,431 | 276,511,180 | 861,081,061 |
| Liabilities | | | | | | | | |
| Deposits from customers | | | | | | | | |
| Demand deposits | 399,791,311 | - | 399,791,311 | - | - | - | - | - |
| Savings deposits | 422,314,545 | - | 422,314,545 | - | - | - | - | - |
| Time deposits | 293,172,857 | - | 173,522,768 | 86,687,556 | 23,754,172 | 8,202,947 | 1,005,414 | - |
| Deposits from other banks | | | | | | | | |
| Demand and saving deposits | 5,260,016 | - | 5,260,016 | - | - | - | - | - |
| Interbank call money | 5,009,885 | - | 100,000 | 2,024,959 | 323,649 | 2,561,277 | - | - |
| Time deposits | 2,530,491 | - | 669,538 | 1,181,889 | 147,375 | 389,163 | 142,526 | - |
| Securities sold under agreements to repurchase | 5,427,998 | - | 461,335 | 751,857 | 799,523 | 127,762 | 2,846,641 | 440,880 |
| Derivatives liabilities | 1,018,751 | - | 82,801 | 224,762 | 17,873 | 110,140 | 463,699 | 119,476 |
| Acceptance liabilities | 10,273,444 | - | 4,041,907 | 3,889,769 | 2,142,478 | 170,785 | 28,505 | - |
| Debt securities issued | 45,138,342 | - | 864,503 | - | 1,239,913 | 2,493,510 | 22,818,912 | 17,721,504 |
| Accrued expenses | 6,526,489 | - | 5,709,742 | - | - | 816,747 | - | - |
| Other liabilities ^{**)} | 4,716,639 | 301,946 | 2,675,225 | 693,188 | - | - | 1,046,280 | - |
| Fund borrowings | 51,398,940 | - | 1,898,989 | 6,366,922 | 11,808,128 | 14,735,444 | 7,306,701 | 9,282,756 |
| Subordinates loans and marketable securities | 637,143 | - | - | - | 8,600 | 8,600 | 533,935 | 86,008 |
| | 1,253,216,851 | 301,946 | 1,017,392,680 | 101,820,902 | 40,241,711 | 29,616,375 | 36,192,613 | 27,650,624 |
| Maturity gap | 440,346,178 | 28,117,256 | (726,883,252) | (11,722,793) | 32,348,907 | 44,737,056 | 240,318,567 | 833,430,437 |
| Net positions, net of allowance for impairment losses | 369,339,053 | 28,117,256 | (726,883,252) | (11,722,793) | 32,348,907 | 44,737,056 | 240,318,567 | 833,430,437 |

^{*)} Other assets consists of accrued income, receivables from government bonds pledged as collateral, receivables from customer transactions, receivables from marketable securities sold, receivables from transaction related to ATM and credit card, and receivables from policyholder.

^{**)} Other liabilities consists of customers transfer transaction, liabilities related to ATM and credit card transactions, guarantee deposits, lease liabilities, payables for marketables securities purchased other liabilities related to UPAS transactions and claim payables.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

The following maturity table provides information regarding contractual maturities of financial liabilities based on undiscounted cash flows as of 31 December 2022 and 2021 as follows:

| 2022 | | | | | | | | |
|---|----------------------|----------------------------|----------------------|---------------------------|----------------------------|-----------------------------|-------------------------|-------------------|
| Description | Total | No Maturity Contract | ≤ 1 month | > 1 month - ≤ 3 months | > 3 months - ≤ 6 months | > 6 months - ≤ 12 months | > 1 year - ≤ 3 years | > 3 years |
| Liabilities | | | | | | | | |
| Deposit from customers | | | | | | | | |
| Demand deposits | 519,777,663 | - | 519,777,663 | - | - | - | - | - |
| Saving deposits | 480,648,134 | - | 480,019,332 | 350,911 | 117,920 | 63,061 | 64,928 | 31,982 |
| Time deposits | 296,436,255 | - | 186,335,025 | 82,038,829 | 18,513,528 | 8,512,927 | 1,035,946 | - |
| Deposits from other banks | | | | | | | | |
| Demand and saving deposits | 5,738,669 | - | 5,738,669 | - | - | - | - | - |
| Interbank call money | 4,523,557 | - | - | 502,377 | 635,426 | 469,434 | - | - |
| Time deposits | 4,781,196 | - | 2,848,035 | 485,142 | 790,673 | 329,932 | 327,414 | - |
| Securities sold under agreements to repurchase | 25,665,813 | - | - | 1,143,056 | 12,145,349 | 4,535,200 | 4,502,277 | 3,339,931 |
| Derivative payables | 1,826,945 | - | 466,677 | 201,024 | 139,064 | 246,698 | 517,386 | 256,096 |
| Acceptance payables | 11,781,581 | - | 3,229,393 | 4,832,027 | 3,468,110 | 251,364 | 687 | - |
| Debt securities issued | 49,247,840 | - | 64,402 | 89,198 | 403,580 | 5,652,838 | 28,417,942 | 14,619,880 |
| Accrued expenses | 6,493,794 | - | 5,480,043 | - | - | 1,013,751 | - | - |
| Other liabilities | 9,538,761 | 323,394 | 7,381,795 | 965,537 | - | - | 868,035 | - |
| Fund borrowings | 63,790,899 | - | 6,293,873 | 195,769 | 7,393,685 | 9,552,554 | 25,703,218 | 14,651,800 |
| Subordinated loans and marketable securities | 661,653 | - | 13,079 | 7,080 | 10,620 | 516,388 | 38,157 | 76,329 |
| Total | 1,480,912,760 | 323,394 | 1,220,564,306 | 90,810,950 | 43,617,955 | 31,144,147 | 61,475,990 | 32,976,018 |

| 2021 | | | | | | | | |
|---|----------------------|----------------------------|----------------------|---------------------------|----------------------------|-----------------------------|-------------------------|-------------------|
| Description | Total | No Maturity Contract | ≤ 1 month | > 1 month - ≤ 3 months | > 3 months - ≤ 6 months | > 6 months - ≤ 12 months | > 1 year - ≤ 3 years | > 3 years |
| Liabilities | | | | | | | | |
| Deposit from customers | | | | | | | | |
| Demand deposits | 400,228,270 | - | 400,228,270 | - | - | - | - | - |
| Saving deposits | 422,474,651 | - | 422,413,788 | 13,203 | 13,065 | 19,511 | 9,611 | 5,473 |
| Time deposits | 294,167,273 | - | 177,774,936 | 85,972,760 | 21,210,971 | 7,964,141 | 1,244,465 | - |
| Deposits from other banks | | | | | | | | |
| Demand and saving deposits | 5,262,887 | - | 5,262,887 | - | - | - | - | - |
| Interbank call money | 5,049,576 | - | 106,424 | 2,036,145 | 335,602 | 2,571,405 | - | - |
| Time deposits | 2,549,561 | - | 677,579 | 1,183,149 | 149,554 | 394,559 | 144,720 | - |
| Securities sold under agreements to repurchase | 5,617,877 | - | 461,828 | 670,240 | 886,159 | 129,827 | 3,004,952 | 464,871 |
| Derivative payables | 987,437 | - | 81,493 | 325,520 | 66,562 | 263,909 | 249,953 | - |
| Acceptance payables | 10,273,444 | - | 4,041,907 | 3,889,769 | 2,142,478 | 170,785 | 28,505 | - |
| Debt securities issued | 50,121,353 | - | 939,703 | 313,531 | 1,638,606 | 3,345,519 | 23,793,621 | 20,090,373 |
| Accrued expenses | 6,526,489 | - | 5,709,742 | - | - | 816,747 | - | - |
| Other liabilities | 6,593,132 | 301,946 | 4,551,718 | 693,188 | - | - | 1,046,280 | - |
| Fund borrowings | 55,201,399 | - | 2,450,889 | 10,462,056 | 10,333,041 | 6,937,665 | 11,119,645 | 13,898,103 |
| Subordinated loans and marketable securities | 723,734 | - | 3,710 | 7,421 | 19,731 | 30,862 | 566,370 | 95,640 |
| Total | 1,265,777,083 | 301,946 | 1,024,704,874 | 105,566,982 | 36,795,769 | 22,644,930 | 41,208,122 | 34,554,460 |

The following maturity table provides information regarding contractual maturities of administrative accounts based on undiscounted cash flows as of 31 December 2022 and 2021 as follows:

| 2022 | | | | | | | | |
|---|--------------------|----------------------------|--------------------|---------------------------|----------------------------|-----------------------------|-------------------------|----------------|
| Description | Total | No Maturity Contract | ≤ 1 month | > 1 month - ≤ 3 months | > 3 months - ≤ 6 months | > 6 months - ≤ 12 months | > 1 year - ≤ 3 years | > 3 years |
| Administrative accounts | | | | | | | | |
| Bank guarantees issued | 111,006,507 | - | 111,006,507 | - | - | - | - | - |
| Unused loan facilities ¹⁾ | 83,905,392 | - | 83,905,392 | - | - | - | - | - |
| Outstanding irrevocable letter of credit | 28,317,281 | - | 7,420,829 | 13,204,528 | 3,876,944 | 2,108,466 | 1,050,190 | 656,324 |
| Standby letter of credit | 11,830,312 | - | 11,830,312 | - | - | - | - | - |
| Total | 235,059,492 | - | 214,163,040 | 13,204,528 | 3,876,944 | 2,108,466 | 1,050,190 | 656,324 |

¹⁾ Include unused committed and uncommitted credit card facilities

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

The following maturity table provides information regarding contractual maturities of administrative accounts based on undiscounted cash flows as of 31 December 2022 and 2021 as follows (continued):

| Description | Total | No Maturity Contract | 2021 | | | | | |
|---|--------------------|----------------------------|--------------------|---------------------------|----------------------------|-----------------------------|-------------------------|-----------|
| | | | ≤ 1 month | > 1 month - ≤ 3 months | > 3 months - ≤ 6 months | > 6 months - ≤ 12 months | > 1 year - ≤ 3 years | > 3 years |
| Administrative accounts | | | | | | | | |
| Bank guarantees issued | 102,391,539 | - | 102,391,539 | - | - | - | - | - |
| Unused loan facilities ^{*)} | 93,284,153 | - | 93,284,153 | - | - | - | - | - |
| Outstanding irrevocable letter of credit | 19,304,989 | - | 5,041,154 | 9,129,762 | 1,409,630 | 2,176,407 | 1,548,036 | - |
| Standby letter of credit | 17,697,911 | - | 17,697,911 | - | - | - | - | - |
| | 232,678,592 | - | 218,414,757 | 9,129,762 | 1,409,630 | 2,176,407 | 1,548,036 | - |

*) Include unused committed and uncommitted credit card facilities

(ii) Interest rate risk management on banking book portfolio

Market risk is the risk of balance sheet position and administrative accounts, including derivative transactions, resulted from changes in market conditions, including changes in option price risk.

Managing market risk on banking book is performed by optimising the structure of the Bank's statement of financial position to obtain maximum yield of return at acceptable risk level to the Bank. The monitoring of market risk on banking book is performed by setting a limit which is refer to the regulator requirements and the internal policies, which are monitored on a weekly and monthly basis by the Market Risk Management Unit.

The sources of banking book's interest rate risk are repricing risk (repricing mismatch between asset and liability components), basis risk (usage of different interest rate reference), yield curve risk (changes in shape and slope of the yield curve) and the option risk (loan repayment or redeem of deposit before maturity). The Bank uses the repricing gap and performs sensitivity analysis to obtain the projected Net Interest Income (NII).

a. Sensitivity of net interest income

The table below shows the sensitivity of net income for the next 1 year to interest rate movement of interest bearing assets and liabilities of Bank Mandiri as of 31 December 2022 and 2021 (Bank Mandiri only) as follows:

| | | |
|--|---------------------------------|---------------------------------|
| | Increased by 400 bps | Decreased by 400 bps |
| 31 December 2022 | | |
| Increase/(decrease) net interest income (Rp billion) | (2,844.96) | (2,508.39) |
| | Increased by 400 bps | Decreased by 400 bps |
| 31 December 2021 | | |
| Increase/(decrease) net interest income (Rp billion) | (280.82) | (4,716.96) |

The above projections assumed that all other variables are held constant at reporting date.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(ii) Interest rate risk management on banking book portfolio (continued)

b. Sensitivity of interest income from available for sale marketable securities

The table below shows the sensitivity of Bank Mandiri's interest income from available for sale marketable securities to movement of interest rates as of 31 December 2022 and 2021 (Bank Mandiri only) as follows:

| | Increased by 400 bps | Decreased by 400 bps |
|--|-------------------------|-------------------------|
| 31 December 2022 | | |
| Increase/(decrease) interest income (Rp billion) | 197.38 | (195.37) |
| | Increased by 400 bps | Decreased by 400 bps |
| 31 December 2021 | | |
| Increase/(decrease) interest income (Rp billion) | 168.69 | (165.15) |

The above projections assumed that all other variables are held constant at reporting date.

The sensitivities of interest income from available for sale marketable securities do not incorporate hedging and actions that Bank Mandiri would take to mitigate the impact of this interest rate risk. In practice, Bank Mandiri proactively seeks to mitigate the effect of prospective interest movements.

c. Bank Mandiri's exposure to interest rate risk (repricing gap)

The tables below summarise Bank Mandiri's financial asset and liabilities at carrying amounts categorised by earlier of contractual repricing date or maturity dates:

| | 2022 ¹⁾ | | | | | | | | Non interest bearing | Total |
|---|-------------------------------|---|--|---------------------------------------|--|--|--|--------------------|----------------------|----------------------|
| | Interest bearing | | | | | | | | | |
| | Less than or equal to 1 month | Over 1 month but not more than 3 months | Over 3 months but not more than 1 year | Over 1 year but not more than 2 years | Over 2 years but not more than 3 years | Over 3 years but not more than 4 years | Over 4 years but not more than 5 years | Over 5 years | | |
| Current accounts with Bank Indonesia | - | - | - | - | - | - | - | - | 107,349,158 | 107,349,158 |
| Current accounts with other banks | 46,942,493 | - | - | - | - | - | - | - | 867,492 | 47,809,985 |
| Placements with Bank Indonesia and other banks | 59,871,447 | 18,189,718 | 813,977 | - | - | - | - | - | 16,448,970 | 95,324,112 |
| Marketable securities | 27,304,503 | 4,753,460 | 11,373,818 | 2,232,774 | 5,178,828 | 4,164,373 | 7,949,157 | 7,984,497 | 11,899,599 | 82,841,009 |
| Government bonds | - | 1,758,432 | 32,327,315 | 26,903,013 | 20,823,660 | 28,892,146 | 13,370,029 | 156,176,410 | 48,960,759 | 329,211,764 |
| Other receivables - trade transactions | 7,730,659 | 13,705,811 | 10,994,926 | - | - | - | - | 1,227,446 | 134,422 | 33,793,264 |
| Securities purchased under resale agreements | 11,553,946 | 148,690 | 3,353 | - | - | - | - | - | - | 11,705,989 |
| Derivative receivables | 112 | 109,292 | 91,418 | 368,201 | 425,929 | 181,088 | 34,449 | 382,663 | 658,989 | 2,252,141 |
| Loans ²⁾ | 159,404,187 | 440,731,032 | 179,148,448 | 51,263,505 | 33,819,636 | 20,251,016 | 16,303,925 | 65,471,128 | 206,207,005 | 1,172,599,882 |
| Consumer financing receivables | 911,436 | 1,734,186 | 6,932,199 | 7,142,114 | 4,268,099 | 2,052,898 | 696,598 | 20,197 | - | 23,757,727 |
| Net investment finance leases | 293,167 | 565,276 | 2,227,257 | 2,013,057 | 697,891 | 70,431 | 5,481 | - | - | 5,872,560 |
| Acceptance receivables | - | - | - | - | - | - | - | - | 11,781,581 | 11,781,581 |
| Other assets | 10,370,417 | 311,590 | 672,047 | 717,761 | 1,442,316 | 4,583,285 | - | - | 303,300 | 18,400,716 |
| | 324,382,367 | 482,007,487 | 244,584,758 | 90,640,425 | 66,656,359 | 60,195,237 | 38,359,639 | 231,262,341 | 404,611,275 | 1,942,699,888 |
| Deposits from customers | | | | | | | | | | |
| Demand deposits and <i>wadiah</i> demand deposits | 291,820,938 | 5,787,582 | 26,044,120 | 34,725,494 | 34,725,494 | 34,725,494 | 34,725,494 | 34,725,494 | 21,797,852 | 519,077,962 |
| Saving deposits and <i>wadiah</i> saving deposits | 117,250,557 | 9,319,616 | 40,540,150 | 53,847,818 | 53,841,562 | 53,825,574 | 53,816,266 | 53,826,818 | 44,214,405 | 480,482,766 |
| Time deposits | 188,200,251 | 79,765,659 | 19,333,948 | 8,715,253 | 90 | - | - | - | - | 296,015,201 |
| Deposits from other banks | | | | | | | | | | |
| Demand and saving deposits | 1,804,288 | 106,660 | 479,968 | 639,958 | 639,958 | 639,958 | 639,958 | 639,958 | 143,695 | 5,734,401 |
| Interbank call money | 470,171 | 492,560 | 3,273,370 | - | 200,000 | - | - | - | - | 4,436,101 |
| Time deposits | 2,805,712 | 763,255 | 796,589 | 311,351 | - | - | - | - | - | 4,676,907 |
| Securities sold under agreements to repurchase | 19,620 | 1,115,477 | 9,584,004 | 3,942,252 | 1,680,640 | 7,197,522 | 785,960 | - | - | 24,325,475 |
| Derivative payables | 21,009 | 273,015 | 386,856 | 533,048 | 258,488 | 63,631 | 27,676 | 315,472 | 247,574 | 2,126,769 |
| Acceptance payables | - | - | - | - | - | - | - | - | 11,781,581 | 11,781,581 |
| Debt securities issued | - | - | 5,173,294 | 17,299,323 | 9,228,989 | 8,619,250 | 2,003,283 | - | 3,450,000 | 45,774,139 |
| Accrued expenses | - | - | - | - | - | - | - | - | 6,493,794 | 6,493,794 |
| Other liabilities | 7,381,795 | 965,537 | - | - | 868,035 | - | - | - | 323,394 | 9,538,761 |
| Fund borrowings | 7,570,990 | 8,949,929 | 29,103,550 | 7,336,634 | 4,778,940 | 2,872,123 | 314,577 | 1,135,000 | 778,375 | 62,840,118 |
| Subordinated loans and marketable securities | - | - | - | - | - | - | - | 633,333 | - | 633,333 |
| | 617,345,331 | 107,539,290 | 134,715,849 | 127,351,131 | 106,222,196 | 107,943,552 | 92,313,214 | 91,276,075 | 89,230,670 | 1,473,937,308 |
| Total interest repricing gap | (292,962,964) | 374,468,197 | 109,868,909 | (36,710,706) | (39,565,837) | (47,748,315) | (53,953,575) | 139,986,266 | 315,380,605 | 468,762,580 |

¹⁾ There was a change in the calculation following SEOJK regarding Interest Rate Risk in Banking Book (IRBBB) No. 12/SEOJK/03/2018 dated 21 August 2018.
²⁾ Represent receivables/and financing from subsidiary engaged in sharia business which earn margin and profit sharing.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(ii) Interest rate risk management on banking book portfolio (continued)

c. Bank Mandiri's exposure to interest rate risk (repricing gap) (continued)

| | 2021 ¹⁾ | | | | | | | | Non interest bearing | Total |
|--|-------------------------------|---|--|---------------------------------------|--|--|--|--------------------|----------------------|--------------------|
| | Interest bearing | | | | | | | | | |
| | Less than or equal to 1 month | Over 1 month but not more than 3 months | Over 3 months but not more than 1 year | Over 1 year but not more than 2 years | Over 2 years but not more than 3 years | Over 3 years but not more than 4 years | Over 4 years but not more than 5 years | Over 5 years | | |
| Current accounts with Bank Indonesia | - | - | - | - | - | - | - | - | 99,023,492 | 99,023,492 |
| Current accounts with other banks | 23,717,872 | - | - | - | - | - | - | - | 1,723,789 | 25,441,661 |
| Placements with Bank Indonesia and other banks | 25,134,683 | 13,287,868 | 4,500 | - | - | - | - | - | 9,358,140 | 47,785,191 |
| Marketable securities | 3,973,736 | 5,257,262 | 6,752,657 | 6,966,387 | 1,771,940 | 4,372,054 | 3,751,096 | 5,972,929 | 59,385,113 | 98,203,174 |
| Government bonds | 1,178,340 | 2,553,430 | 9,986,320 | 21,824,029 | 20,202,698 | 19,516,094 | 29,162,000 | 147,109,400 | 37,522,463 | 289,054,774 |
| Other receivables - trade transactions | 6,027,614 | 11,934,778 | 10,118,533 | - | - | - | - | 1,136,090 | 81,253 | 29,298,268 |
| Securities purchased under resale agreements | 27,278,849 | 2,179 | 534 | 35,438 | - | - | - | - | - | 27,317,000 |
| Derivative receivables | 22,945 | 97,382 | 45,238 | 276,508 | 251,068 | 16,035 | 24,198 | 41,810 | 894,654 | 1,669,838 |
| Loans | 146,728,122 | 389,624,278 | 158,170,703 | 47,670,813 | 25,604,561 | 11,379,202 | 6,121,986 | 70,637,153 | 170,288,009 | 1,026,224,827 |
| Consumer financing receivables | 686,223 | 1,420,696 | 5,521,156 | 5,502,277 | 3,827,059 | 1,689,535 | 460,381 | 996 | - | 19,108,322 |
| Net investment | - | - | - | - | - | - | - | - | - | - |
| finance leases | 237,780 | 457,455 | 1,782,714 | 1,537,986 | 739,630 | 64,935 | 3,273 | - | - | 4,823,773 |
| Acceptance receivables | - | - | - | - | - | - | - | - | 10,273,444 | 10,273,444 |
| Other assets | 6,942,535 | 258,750 | 374,056 | 610,935 | 982,648 | 5,894,751 | - | - | 275,590 | 15,339,265 |
| | 241,928,699 | 424,894,078 | 192,756,410 | 84,424,373 | 53,379,604 | 42,932,606 | 39,522,934 | 224,898,378 | 388,825,947 | 1,693,563,029 |
| Deposits from customers | | | | | | | | | | |
| Demand deposits and wadiah demand deposits | 172,542,709 | 5,770,056 | 25,965,252 | 34,620,336 | 34,620,336 | 34,620,336 | 34,620,336 | 34,620,336 | 22,411,614 | 399,791,311 |
| Saving deposits and wadiah saving deposits | 95,433,819 | 8,238,090 | 37,044,570 | 49,355,478 | 49,352,783 | 49,351,398 | 49,350,271 | 49,351,860 | 34,836,276 | 422,314,545 |
| Time deposits | 182,032,603 | 80,647,557 | 29,511,439 | 981,255 | 3 | - | - | - | - | 293,172,857 |
| Deposits from other banks | | | | | | | | | | |
| Demand and saving deposits | 1,596,237 | 99,939 | 449,727 | 599,635 | 599,635 | 599,635 | 599,635 | 599,635 | 115,938 | 5,260,016 |
| Interbank call money | 100,000 | 457,184 | 4,452,701 | - | - | - | - | - | - | 5,009,885 |
| Time deposits | 673,118 | 1,178,156 | 536,692 | - | 142,525 | - | - | - | - | 2,530,491 |
| Securities sold under agreements to repurchase | 461,293 | 667,838 | 1,700,986 | 26,418 | 2,571,463 | - | - | - | - | 5,427,998 |
| Derivative payables | - | 20,672 | 81,067 | 286,777 | 169,975 | 55,827 | 6,765 | 33,735 | 363,933 | 1,018,751 |
| Acceptance payables | - | - | - | - | - | - | - | - | 10,273,444 | 10,273,444 |
| Debt securities issued | 800,000 | - | 3,036,588 | 5,641,268 | 16,195,466 | 8,124,545 | 8,314,965 | 1,650,510 | 1,375,000 | 45,138,342 |
| Other liabilities | - | - | - | - | - | - | - | - | 6,526,489 | 6,526,489 |
| Fund borrowings | 4,551,718 | 693,188 | - | - | 1,046,280 | - | - | - | 301,946 | 6,593,132 |
| Accrued expenses | 3,142,950 | 10,258,285 | 28,493,117 | 5,088,818 | 3,093,149 | 454,981 | - | 867,640 | - | 51,398,940 |
| Subordinated loans and marketable securities | - | - | - | - | - | - | - | 637,143 | - | 637,143 |
| | 461,334,447 | 108,030,965 | 131,272,139 | 96,599,985 | 107,791,615 | 93,206,722 | 92,891,972 | 87,760,859 | 76,204,640 | 1,255,093,344 |
| Total interest repricing gap | (219,405,748) | 316,863,113 | 61,484,271 | (12,175,612) | (54,412,011) | (50,274,116) | (53,369,038) | 137,137,519 | 312,621,307 | 438,469,685 |

¹⁾ There was a change in the calculation following SEOJK regarding Interest Rate Risk in Banking Book (IRRBB) No. 12/SEOJK.03/2018 dated 21 August 2018.
²⁾ Represent receivables/and financing from subsidiary engaged in sharia business which earn margin and profit sharing.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(ii) Interest rate risk management on banking book portfolio (continued)

To assess the impact of changes in interest rates and exchange rates at extreme conditions (crisis) to earnings and capital, the Bank conducts stress testing on the market risk of banking book regularly.

(iii) Pricing management

The Bank implements pricing policy for loans or deposit products. The pricing policy is one of the Bank's strategy to maximise Net Interest Margin (NIM) and to support the Bank to dominate the market share by considering the competition condition.

The Bank consistently manages to apply the strategy as market leader in terms of fund pricing. However, considering the liquidity conditions and funding needs, the Bank may implement an aggressive strategy (greater than major competitors) or defensive (equal to or smaller than major competitors).

In determine interest rates, the Bank implements risk-based pricing by providing a range of interest rate of loan to customers based on credit risk level. In order to minimize interest rate risk, the loan interest rate is adjusted with interest rate from cost of funds. Other than cost of funds, loan interest rates are determined with consideration to overhead costs, credit risk premiums and profit margins as well as taking into account the Bank's competitiveness with its major competitors. Interest rates for loan can be either a floating or a fixed rate for certain tenors.

(iv) Foreign exchange risk management

Exchange rate risk represents potential loss arising from unfavourable exchange rate movements in the market when the Bank has an open position. The Bank applies a proper foreign exchange risk management to avoid loss arising from exchange rate changes or volatility. Exchange rate risk arises from foreign exchange currency transactions with customer or counterparty which leads to an open position in foreign currency or structural positions in foreign currencies due to capital investment. The Bank manages exchange rate risk by monitoring and managing the Net Open Position (NOP) in accordance with internal limits and the regulation of Bank Indonesia.

The calculation of the net open position as of 31 December 2022 and 2021 is based on Bank Indonesia's Regulation No. 12/10/PBI/2010 dated 1 July 2010 which amended by Bank Indonesia's Regulation No. 17/5/PBI/2015 dated on 29 May 2015 regarding removal implementation NOP 30 minutes. In accordance with Bank Indonesia Regulation, the overall Net Open Position ratio is the total absolute amount from the net difference between assets and liabilities for each foreign currency on statement of financial position which presented in Rupiah added with the net difference between receivables and payables of commitments and contingencies for each foreign currency recorded in administrative which presented in Rupiah. The net open position for the statement of financial position is the net difference between total assets and liabilities for each foreign currency which presented in Rupiah. As of 20 March 2020, in accordance with BI Letter No. 22/53/DPPK/Srt/B, Domestic Non-Deliverable Forward (DNDF) transactions are included in the NOP calculation.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

a. Net open position

Net open position of Bank Mandiri by currencies (expressed in Rupiah) as of 31 December 2022 as follows:

| Currency | Assets | Liabilities | Net open position |
|---|-------------|-------------|-----------------------|
| OVERALL (STATEMENT OF FINANCIAL POSITION AND ADMINISTRATIVE ACCOUNTS)^{****} | | | |
| United States Dollar | 524,409,895 | 508,580,003 | 15,829,892 |
| European Euro | 10,844,334 | 9,992,720 | 851,614 |
| Singapore Dollar | 2,640,684 | 2,543,488 | 97,196 |
| Japanese Yen | 2,402,384 | 4,127,125 | 1,724,741 |
| Australian Dollar | 769,369 | 769,738 | 369 |
| Great Britain Pound Sterling | 393,129 | 320,493 | 72,636 |
| Hong Kong Dollar | 428,447 | 472,419 | 43,972 |
| Others | 6,252,849 | 6,220,348 | 150,817 ¹⁾ |
| Total | | | <u>18,771,237</u> |
| STATEMENT OF FINANCIAL POSITION | | | |
| United State Dollar | 413,985,655 | 359,986,571 | 53,999,084 |
| European Euro | 7,724,690 | 3,663,825 | 4,060,865 |
| Singapore Dollar | 2,150,185 | 2,413,548 | (263,363) |
| Japanese Yen | 1,892,054 | 1,675,413 | 216,641 |
| Australian Dollar | 558,428 | 257,983 | 300,445 |
| Great Britain Pound Sterling | 364,771 | 195,646 | 169,125 |
| Hong Kong Dollar | 426,890 | 376,015 | 50,875 |
| Others | 5,961,568 | 5,082,317 | 879,251 ¹⁾ |
| Total | | | <u>59,412,923</u> |
| Total Tier I and Tier II Capital | | | |
| less investments in Subsidiaries (Note 59) | | | <u>191,844,453</u> |
| NOP ratio (statement of financial position) | | | 30.97% |
| NOP ratio (overall) | | | 9.78% |

Net Open Position ratio as of 31 December 2022 if calculated using November 2022 capital as follows:

| | |
|---|-------------|
| November 2022 Capital | 188,535,596 |
| NOP ratio (Statement of financial position) | 31.51% |
| NOP ratio (overall) ^{****} | 9.96% |

¹⁾ Represents total absolute amount of difference between assets and liabilities from other foreign currencies.

²⁾ Represents total amount of difference between assets and liabilities from other foreign currencies.

^{****} The calculation of Bank's net open position is based on Bank Indonesia's regulation No. 12/10/PBI/2010 dated 1 July 2010 and Bank Indonesia's regulation No. 17/5/PBI/2015 dated 29 May 2015 regarding the Fourth amendment of Bank Indonesia's regulation No. 5/13/PBI/2003 regarding net open position for Commercial Banks. Under the regulation, starting on 1 July 2010, the Bank is only required to keep the net open position of a maximum of 20% of total capital.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

a. Net open position (continued)

Net open position of Bank Mandiri by currencies (expressed in Rupiah) as of 31 December 2021 as follows:

| Currency | Assets | Liabilities | Net open position |
|--|-------------|-------------|-----------------------|
| OVERALL (STATEMENT OF FINANCIAL POSITION AND ADMINISTRATIVE ACCOUNTS)^{*)} | | | |
| United States Dollar | 390,139,052 | 384,002,544 | 6,136,508 |
| European Euro | 10,959,904 | 11,180,573 | 220,669 |
| Singapore Dollar | 2,934,634 | 2,878,508 | 56,126 |
| Japanese Yen | 1,454,087 | 738,274 | 715,813 |
| Australian Dollar | 231,714 | 251,803 | 20,089 |
| Great Britain Pound Sterling | 189,993 | 391,148 | 201,155 |
| Hong Kong Dollar | 121,667 | 126,092 | 4,425 |
| Others | 4,326,645 | 4,228,432 | 129,347 ¹⁾ |
| Total | | | 7,484,132 |
| STATEMENT OF FINANCIAL POSITION | | | |
| United State Dollar | 299,288,176 | 248,643,136 | 50,645,040 |
| European Euro | 6,808,529 | 4,720,717 | 2,087,812 |
| Singapore Dollar | 2,124,120 | 2,373,758 | (249,638) |
| Japanese Yen | 226,541 | 240,740 | (14,199) |
| Australian Dollar | 676,269 | 656,971 | 19,298 |
| Great Britain Pound Sterling | 141,866 | 129,358 | 12,508 |
| Hong Kong Dollar | 120,242 | 92,000 | 28,242 |
| Others | 4,316,662 | 4,025,465 | 291,197 ²⁾ |
| Total | | | 52,820,260 |
| Total Tier I and Tier II Capital | | | |
| less investments in Subsidiaries (Note 59) | | | 175,256,894 |
| NOP ratio (statement of financial position) | | | 30.14% |
| NOP ratio (overall) | | | 4.27% |
| Net Open Position ratio as of 31 December 2021 if calculated using November 2021 capital as follows: | | | |
| November 2021 Capital | | | 172,609,282 |
| NOP ratio (Statement of financial position) | | | 30.60% |
| NOP ratio (overall) ³⁾ | | | 4.34% |

¹⁾ Represents total absolute amount of difference between assets and liabilities from other foreign currencies.

²⁾ Represents total amount of difference between assets and liabilities from other foreign currencies.

³⁾ The calculation of Bank's net open position is based on Bank Indonesia's regulation No. 12/10/PBI/2010 dated 1 July 2010 and Bank Indonesia's regulation No. 17/5/PBI/2015 dated 29 May 2015 regarding the Fourth amendment of Bank Indonesia's regulation No. 5/13/PBI/2003 regarding net open position for Commercial Banks. Under the regulation, starting on 1 July 2010, the Bank is only required to keep the net open position of a maximum of 20% of total capital.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

b. Bank Mandiri exposure to foreign currency exchange rate risk

The table below summaries the Group's exposure of foreign currency exchange rate risk as of 31 December 2022 and 2021, Included in the table are the Group's financial instruments at carrying amount, categorised by currencies.

| | 2022 | | | | | | | | Total |
|--|----------------------|--------------------|------------------|--------------------|-------------------|------------------|------------------------------|------------------|---------------------|
| | United States Dollar | European Euro | Singapore Dollar | Japanese Yen | Australian Dollar | Hong Kong Dollar | Great Britain Pound-sterling | Others | |
| Assets | | | | | | | | | |
| Cash | 1,091,335 | 364,359 | 617,527 | 45,618 | 349,762 | 31,520 | 38,631 | 145,744 | 2,684,496 |
| Current accounts with Bank Indonesia | 11,570,462 | - | - | - | - | - | - | - | 11,570,462 |
| Current accounts with other banks | 40,486,950 | 1,510,937 | 667,211 | 1,763,801 | 206,781 | 186,132 | 328,183 | 2,022,539 | 47,172,534 |
| Placement with Bank Indonesia and other banks | 64,154,089 | - | - | - | - | - | - | 358,226 | 64,512,315 |
| Marketable securities | 23,702,693 | - | 299,119 | 3,245 | - | - | - | 22,741 | 24,027,798 |
| Government bonds | 54,132,814 | 2,005,214 | - | - | - | - | - | - | 56,138,028 |
| Other receivables - trade transactions | 11,999,880 | 380,702 | - | - | - | - | 1,424 | 39,955 | 12,421,961 |
| Derivative receivables | 1,776,578 | 24,419 | - | 5,623 | 449 | - | 324 | 3,065 | 1,810,458 |
| Loans | 224,375,901 | 3,039,050 | 510,967 | - | 1,765 | - | - | 2,716,345 | 230,644,028 |
| Acceptance receivables | 6,542,642 | 272,256 | 7,765 | 65,816 | 2,148 | - | - | 414,187 | 7,304,814 |
| Other assets | 4,070,930 | 48,914 | 443 | 173 | 21 | - | 41 | 20,920 | 4,141,442 |
| Total asset | 443,904,274 | 7,645,851 | 2,103,032 | 1,884,276 | 560,926 | 217,652 | 368,603 | 5,743,722 | 462,428,336 |
| Liabilities | | | | | | | | | |
| Deposits from customers | | | | | | | | | |
| Demand deposits and <i>wadiah</i> demand deposits | 183,659,852 | 1,567,152 | 378,961 | 981,868 | 58,596 | 7,570 | 58,323 | 1,040,540 | 187,752,862 |
| Saving deposits and <i>wadiah</i> saving deposits | 37,509,967 | 1,445,995 | 797,745 | 476,033 | 170,238 | 11,768 | 111,877 | 138,375 | 40,661,998 |
| Time deposits | 35,652,385 | 58,378 | 983,388 | 106,988 | 21,515 | 48,015 | 8,545 | 96,260 | 36,975,474 |
| Deposits from other banks | | | | | | | | | |
| Demand deposits, <i>wadiah</i> demand deposits and saving deposits | 2,116,637 | 628 | 965 | 480 | - | - | - | 39 | 2,118,749 |
| Interbank call money | 2,646,475 | - | - | - | - | - | - | 1,589,626 | 4,236,101 |
| Time deposits | 1,945,937 | - | - | - | - | - | - | - | 1,945,937 |
| Securities sold under agreements to repurchase | 23,191,358 | - | - | - | - | - | - | - | 23,191,358 |
| Derivative payable | 1,190,246 | 13,171 | - | 2,574 | 1,256 | - | 12 | 198 | 1,207,457 |
| Acceptance payables | 6,542,642 | 272,256 | 7,765 | 65,816 | 2,148 | - | - | 414,187 | 7,304,814 |
| Debt securities issued | 24,034,300 | - | - | - | - | - | - | - | 24,034,300 |
| Accrued expenses | 838,514 | - | 16,459 | 158 | 140 | 7,819 | 54 | 35,114 | 898,258 |
| Other liabilities | 3,504,061 | 248,116 | 83,789 | 40,542 | 4,622 | 191,658 | 15,601 | 1,775,056 | 5,863,445 |
| Fund borrowings | 41,220,246 | - | - | - | - | - | - | - | 41,220,246 |
| Subordinated loans and marketable securities | 133,564 | - | - | - | - | - | - | - | 133,564 |
| Total liabilities | 364,186,184 | 3,605,696 | 2,269,072 | 1,674,459 | 258,515 | 266,830 | 194,412 | 5,089,395 | 377,544,563 |
| Net statement of financial position | 79,718,090 | 4,040,155 | (166,040) | 209,817 | 302,411 | (49,178) | 174,191 | 654,327 | 84,883,773 |
| Administrative accounts - net | (41,741,447) | (3,209,250) | 360,559 | (1,941,382) | (300,815) | (94,847) | (96,489) | (846,750) | (47,870,421) |

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B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

b. Bank Mandiri exposure to foreign currency exchange rate risk (continued)

| | 2021 | | | | | | | | |
|--|----------------------|--------------------|------------------|----------------|-------------------|------------------|------------------------------|------------------|---------------------|
| | United States Dollar | European Euro | Singapore Dollar | Japanese Yen | Australian Dollar | Hong Kong Dollar | Great Britain Pound-sterling | Others | Total |
| Assets | | | | | | | | | |
| Cash | 1,041,090 | 92,785 | 260,590 | 57,726 | 28,405 | 16,675 | 23,250 | 172,914 | 1,693,435 |
| Current accounts with Bank Indonesia | 8,581,879 | - | - | - | - | - | - | - | 8,581,879 |
| Current accounts with other banks | 19,500,348 | 2,061,244 | 813,029 | 571,900 | 193,010 | 83,663 | 137,155 | 1,354,528 | 24,714,877 |
| Placement with Bank Indonesia and other banks | 35,645,690 | - | - | - | - | - | - | 547,751 | 36,193,441 |
| Marketable securities | 15,922,022 | 3,923 | 686,543 | 1,631 | - | - | - | 113,395 | 16,727,514 |
| Government bonds | 49,744,313 | 2,180,522 | - | - | - | - | - | - | 51,924,835 |
| Other receivables - trade transactions | 10,000,952 | 59,155 | - | 27,584 | - | - | 1,200 | 10,132 | 10,099,023 |
| Derivative receivables | 1,139,965 | 32,986 | - | 80 | - | - | 65 | 6 | 1,173,102 |
| Loans | 178,488,287 | 1,660,553 | 362,628 | 1,420 | 902 | - | - | 2,070,106 | 182,583,896 |
| Acceptance receivables | 4,780,501 | 629,055 | 231 | 17,438 | 2,008 | - | - | 231,493 | 5,660,726 |
| Other assets | 3,105,386 | 31,491 | 241 | 450 | 5 | - | 13 | 13,725 | 3,151,311 |
| Total asset | 327,950,433 | 6,751,714 | 2,123,262 | 678,229 | 224,330 | 100,338 | 161,683 | 4,522,050 | 342,512,039 |
| Liabilities | | | | | | | | | |
| Deposits from customers | | | | | | | | | |
| Demand deposits and <i>wadiah</i> demand deposits | 107,432,123 | 1,296,218 | 304,185 | 403,886 | 48,892 | 7,926 | 30,426 | 1,143,917 | 110,667,573 |
| Saving deposits and <i>wadiah</i> saving deposits | 30,859,350 | 1,777,846 | 566,206 | 207,317 | 112,827 | 8,762 | 88,587 | 24,909 | 33,645,804 |
| Time deposits | 29,146,153 | 731,312 | 1,097,651 | 6,752 | 69,163 | - | 3,648 | 59,504 | 31,114,183 |
| Deposits from other banks | | | | | | | | | |
| Demand deposits, <i>wadiah</i> demand deposits and saving deposits | 2,351,451 | 524 | 212 | 505 | - | - | - | 82 | 2,352,774 |
| Interbank call money | 3,210,738 | - | - | - | - | - | - | 1,699,147 | 4,909,885 |
| Time deposits | 1,995,350 | - | - | - | - | - | - | - | 1,995,350 |
| Securities sold under agreements to repurchase | 5,427,998 | - | - | - | - | - | - | - | 5,427,998 |
| Derivative payable | 821,376 | 9,833 | - | - | - | - | 4,410 | 485 | 836,104 |
| Acceptance payables | 4,780,502 | 629,055 | 231 | 17,438 | 2,008 | - | - | 231,492 | 5,660,726 |
| Debt securities issued | 21,962,700 | - | - | - | - | - | - | - | 21,962,700 |
| Accrued expenses | 614,326 | - | 288 | 166 | 143 | - | 60 | 23,645 | 638,628 |
| Other liabilities | 2,460,106 | 200,313 | 290,286 | 17,375 | 6,895 | 16,111 | 5,002 | 848,823 | 3,844,911 |
| Fund borrowings | 39,388,326 | - | - | - | - | - | 1,197 | - | 39,389,523 |
| Subordinated loans and marketable securities | 137,606 | - | - | - | - | - | - | - | 137,606 |
| Total liabilities | 250,588,105 | 4,645,101 | 2,259,059 | 653,439 | 239,928 | 32,799 | 133,330 | 4,032,004 | 262,583,765 |
| Net statement of financial position | 77,362,328 | 2,106,613 | (135,797) | 24,790 | (15,598) | 67,539 | 28,353 | 482,046 | 79,920,274 |
| Administrative accounts - net | (46,222,222) | (2,308,481) | 305,764 | 696,515 | (5,890) | (32,667) | (213,662) | (192,984) | (47,973,627) |

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows:

| | 2022 | |
|--|--------------------------------------|--|
| | Rupiah Equivalent (in million) | Foreign Currencies (in thousand) |
| Assets | | |
| Cash | | |
| United States Dollar | 1,091,335 | 70,103 |
| Singapore Dollar | 617,527 | 53,268 |
| Australian Dollar | 349,762 | 33,128 |
| European Euro | 364,359 | 21,974 |
| Chinese Yuan | 6,050 | 2,702 |
| Japanese Yen | 45,618 | 387,217 |
| Great Britain Pound Sterling | 38,631 | 2,056 |
| Hong Kong Dollar | 31,520 | 15,787 |
| Others | 139,694 | 8,973 |
| | 2,684,496 | 595,208 |
| Current accounts with Bank Indonesia | | |
| United States Dollar | 11,570,462 | 743,245 |
| Current accounts with other banks | | |
| United States Dollar | 40,486,950 | 2,600,736 |
| Chinese Yuan | 1,476,989 | 659,691 |
| European Euro | 1,510,937 | 91,121 |
| Japanese Yen | 1,763,801 | 14,971,573 |
| Great Britain Pound Sterling | 328,183 | 17,469 |
| Singapore Dollar | 667,211 | 57,554 |
| Australian Dollar | 206,781 | 19,585 |
| Hong Kong Dollar | 186,132 | 93,227 |
| Others | 545,550 | 35,044 |
| | 47,172,534 | 18,546,000 |
| Placement with Bank Indonesia and other banks | | |
| United States Dollar | 64,154,089 | 4,121,027 |
| Chinese Yuan | 358,226 | 160,000 |
| | 64,512,315 | 4,281,027 |
| Marketable securities | | |
| United States Dollar | 23,702,693 | 1,522,575 |
| Singapore Dollar | 299,119 | 25,802 |
| Chinese Yuan | 22,741 | 10,157 |
| Japanese Yen | 3,245 | 27,544 |
| | 24,027,798 | 1,586,078 |
| Government bonds | | |
| United States Dollar | 54,132,814 | 3,477,297 |
| European Euro | 2,005,214 | 120,929 |
| | 56,138,028 | 3,598,226 |

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

| | 2022 | |
|---|--------------------------------------|--|
| | Rupiah Equivalent (in million) | Foreign Currencies (in thousand) |
| Assets (continued) | | |
| Other receivables - trade transactions | | |
| United States Dollar | 11,999,880 | 770,829 |
| European Euro | 380,702 | 22,959 |
| Chinese Yuan | 39,955 | 17,846 |
| Great Britain Pound Sterling | 1,424 | 76 |
| | 12,421,961 | 811,710 |
| Derivative receivables | | |
| United States Dollar | 1,776,578 | 114,121 |
| European Euro | 24,419 | 1,473 |
| Australian Dollar | 449 | 43 |
| Japanese Yen | 5,623 | 47,729 |
| Chinese Yuan | 1 | - |
| Great Britain Pound Sterling | 324 | 17 |
| Others | 3,064 | 197 |
| | 1,810,458 | 163,580 |
| Loan and sharia loan/financing | | |
| United States Dollar | 224,375,901 | 14,413,098 |
| European Euro | 3,039,050 | 183,277 |
| Chinese Yuan | 2,716,345 | 1,213,244 |
| Australian Dollar | 1,765 | 167 |
| Singapore Dollar | 510,967 | 44,076 |
| | 230,644,028 | 15,853,862 |
| Acceptance receivables | | |
| United States Dollar | 6,542,642 | 420,276 |
| European Euro | 272,256 | 16,419 |
| Singapore Dollar | 7,765 | 670 |
| Australian Dollar | 2,148 | 203 |
| Japanese Yen | 65,816 | 558,662 |
| Chinese Yuan | 85,453 | 38,167 |
| Others | 328,734 | 21,117 |
| | 7,304,814 | 1,055,514 |
| Other assets | | |
| United States Dollar | 4,070,930 | 261,503 |
| European Euro | 48,914 | 2,950 |
| Great Britain Pound Sterling | 41 | 2 |
| Australian Dollar | 21 | 2 |
| Chinese Yuan | 20,920 | 9,344 |
| Singapore Dollar | 443 | 38 |
| Japanese Yen | 173 | 1,468 |
| | 4,141,442 | 275,307 |
| Total asset | 462,428,336 | 47,509,757 |

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

| | 2022 | |
|--|--------------------------------------|--|
| | Rupiah Equivalent (in million) | Foreign Currencies (in thousand) |
| Liabilities | | |
| Deposits from customers | | |
| Demand deposits and <i>wadiah</i> demand deposits | | |
| United States Dollar | 183,659,852 | 11,797,646 |
| European Euro | 1,567,152 | 94,511 |
| Singapore Dollar | 378,961 | 32,689 |
| Japanese Yen | 981,868 | 8,334,335 |
| Great Britain Pound Sterling | 58,323 | 3,105 |
| Chinese Yuan | 923,787 | 412,606 |
| Australian Dollar | 58,596 | 5,550 |
| Hong Kong Dollar | 7,570 | 3,792 |
| Others | 116,753 | 7,500 |
| | 187,752,862 | 20,691,734 |
| Saving deposits and <i>wadiah</i> saving deposits | | |
| United States Dollar | 37,509,967 | 2,409,505 |
| European Euro | 1,445,995 | 87,204 |
| Singapore Dollar | 797,745 | 68,813 |
| Great Britain Pound Sterling | 111,877 | 5,955 |
| Australian Dollar | 170,238 | 16,124 |
| Japanese Yen | 476,033 | 4,040,684 |
| Chinese Yuan | 134,651 | 60,141 |
| Hong Kong Dollar | 11,768 | 5,894 |
| Others | 3,724 | 239 |
| | 40,661,998 | 6,694,559 |
| Time deposits | | |
| United States Dollar | 35,652,385 | 2,290,181 |
| European Euro | 58,378 | 3,521 |
| Singapore Dollar | 983,388 | 84,827 |
| Chinese Yuan | 96,260 | 42,994 |
| Hong Kong Dollar | 48,015 | 24,049 |
| Australian Dollar | 21,515 | 2,038 |
| Japanese Yen | 106,988 | 908,140 |
| Great Britain Pound Sterling | 8,545 | 455 |
| | 36,975,474 | 3,356,205 |
| Deposits from other banks | | |
| Demand deposits, <i>wadiah</i> demand deposits and saving deposits | | |
| United States Dollar | 2,116,637 | 135,965 |
| Singapore Dollar | 965 | 83 |
| European Euro | 628 | 38 |
| Japanese Yen | 480 | 4,074 |
| Chinese Yuan | 39 | 17 |
| | 2,118,749 | 140,177 |
| Interbank call money | | |
| United States Dollar | 2,646,475 | 170,000 |
| Chinese Yuan | 1,589,626 | 710,000 |
| | 4,236,101 | 880,000 |
| Time deposits | | |
| United States Dollar | 1,945,937 | 125,000 |

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

| | 2022 | |
|---|--------------------------------------|--|
| | Rupiah Equivalent (in million) | Foreign Currencies (in thousand) |
| Liabilities (continued) | | |
| Securities sold under agreements to repurchase | | |
| United States Dollar | 23,191,358 | 1,489,729 |
| Derivative payables | | |
| United States Dollar | 1,190,246 | 76,457 |
| European Euro | 13,171 | 794 |
| Great Britain Pound Sterling | 12 | 1 |
| Japanese Yen | 2,574 | 21,849 |
| Australian Dollar | 1,256 | 119 |
| Others | 198 | 13 |
| | 1,207,457 | 99,233 |
| Acceptance payables | | |
| United States Dollar | 6,542,642 | 420,276 |
| European Euro | 272,256 | 16,419 |
| Singapore Dollar | 7,765 | 670 |
| Australian Dollar | 2,148 | 203 |
| Japanese Yen | 65,816 | 558,662 |
| Chinese Yuan | 85,453 | 38,167 |
| Others | 328,734 | 21,117 |
| | 7,304,814 | 1,055,514 |
| Debt securities issued | | |
| United States Dollar | 24,034,300 | 1,543,877 |
| Accrued expenses | | |
| United States Dollar | 838,514 | 53,863 |
| Singapore Dollar | 16,459 | 1,420 |
| Japanese Yen | 158 | 1,341 |
| Australian Dollar | 140 | 13 |
| Hong Kong Dollar | 7,819 | 3,916 |
| Chinese Yuan | 35,105 | 15,680 |
| Great Britain Pound Sterling | 54 | 3 |
| Others | 9 | 1 |
| | 898,258 | 76,237 |
| Other liabilities | | |
| United States Dollar | 3,504,061 | 225,088 |
| Japanese Yen | 40,542 | 344,129 |
| European Euro | 248,116 | 14,964 |
| Singapore Dollar | 83,789 | 7,228 |
| Australian Dollar | 4,622 | 438 |
| Hong Kong Dollar | 191,658 | 95,994 |
| Great Britain Pound Sterling | 15,601 | 830 |
| Chinese Yuan | 1,695,062 | 757,091 |
| Others | 79,994 | 5,138 |
| | 5,863,445 | 1,450,900 |

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63. RISK MANAGEMENT (continued)

C. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

| | 2022 | |
|--|---|---|
| | Rupiah Equivalent (in million) | Foreign Currencies (in thousand) |
| Liabilities (continued) | | |
| Fund borrowings | | |
| United States Dollar | 41,220,246 | 2,647,840 |
| Subordinated loans and marketable securities | | |
| United States Dollar | 133,564 | 8,580 |
| Total Liabilities | 377,544,563 | 39,951,986 |
| | | |
| | 2021 | |
| | Rupiah Equivalent (in million) | Foreign Currencies (in thousand) |
| Assets | | |
| Cash | | |
| United States Dollar | 1,041,090 | 73,046 |
| Singapore Dollar | 260,590 | 24,690 |
| Australian Dollar | 28,405 | 2,745 |
| European Euro | 92,785 | 5,759 |
| Chinese Yuan | 10,624 | 4,752 |
| Japanese Yen | 57,726 | 466,397 |
| Great Britain Pound Sterling | 23,250 | 1,208 |
| Hong Kong Dollar | 16,675 | 9,122 |
| Others | 162,290 | 11,387 |
| | 1,693,435 | 599,106 |
| Current accounts with Bank Indonesia | | |
| United States Dollar | 8,581,879 | 602,131 |
| Current accounts with other banks | | |
| United States Dollar | 19,500,348 | 1,368,205 |
| Chinese Yuan | 805,469 | 360,273 |
| European Euro | 2,061,244 | 127,929 |
| Japanese Yen | 571,900 | 4,620,667 |
| Great Britain Pound Sterling | 137,155 | 7,125 |
| Singapore Dollar | 813,029 | 77,030 |
| Australian Dollar | 193,010 | 18,654 |
| Hong Kong Dollar | 83,663 | 45,767 |
| Others | 549,059 | 38,524 |
| | 24,714,877 | 6,664,174 |
| Placement with Bank Indonesia and other banks | | |
| United States Dollar | 35,645,690 | 2,501,013 |
| Chinese Yuan | 547,751 | 245,000 |
| | 36,193,441 | 2,746,013 |

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

| | 2021 | |
|---|--------------------------------------|--|
| | Rupiah Equivalent (in million) | Foreign Currencies (in thousand) |
| Assets (continued) | | |
| Marketable securities | | |
| United States Dollar | 15,922,022 | 1,117,139 |
| Singapore Dollar | 686,543 | 77,030 |
| European Euro | 3,923 | 243 |
| Chinese Yuan | 113,395 | 50,720 |
| Japanese Yen | 1,631 | 13,178 |
| | 16,727,514 | 1,258,310 |
| Government bonds | | |
| United States Dollar | 49,744,313 | 3,490,217 |
| European Euro | 2,180,522 | 135,331 |
| | 51,924,835 | 3,625,548 |
| Other receivables - trade transactions | | |
| United States Dollar | 10,000,952 | 701,698 |
| European Euro | 59,155 | 3,671 |
| Chinese Yuan | 10,132 | 4,532 |
| Japanese Yen | 27,584 | 222,865 |
| Great Britain Pound Sterling | 1,200 | 62 |
| | 10,099,023 | 932,828 |
| Derivative receivables | | |
| United States Dollar | 1,139,965 | 79,984 |
| European Euro | 32,986 | 2,047 |
| Japanese Yen | 80 | 646 |
| Great Britain Pound Sterling | 65 | 3 |
| Chinese Yuan | 6 | 3 |
| | 1,173,102 | 82,683 |
| Loan and sharia receivables/financing | | |
| United States Dollar | 178,488,287 | 12,523,297 |
| European Euro | 1,660,553 | 103,060 |
| Chinese Yuan | 2,067,221 | 924,633 |
| Japanese Yen | 1,420 | 11,473 |
| Singapore Dollar | 362,628 | 34,357 |
| Australian Dollar | 902 | 87 |
| Others | 2,885 | 202 |
| | 182,583,896 | 13,597,109 |
| Acceptance receivables | | |
| United States Dollar | 4,780,501 | 335,415 |
| European Euro | 629,055 | 39,042 |
| Japanese Yen | 17,438 | 140,890 |
| Singapore Dollar | 231 | 22 |
| Australian Dollar | 2,008 | 194 |
| Chinese Yuan | 74,866 | 33,486 |
| Others | 156,627 | 10,989 |
| | 5,660,726 | 560,038 |

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

| | 2021 | |
|---|--------------------------------------|--|
| | Rupiah Equivalent (in million) | Foreign Currencies (in thousand) |
| Assets (continued) | | |
| Other assets | | |
| United States Dollar | 3,105,386 | 217,885 |
| European Euro | 31,491 | 1,954 |
| Australian Dollar | 5 | - |
| Chinese Yuan | 13,694 | 9,706 |
| Singapore Dollar | 241 | 23 |
| Japanese Yen | 450 | 3,636 |
| Great Britain Pound Sterling | 13 | 1 |
| Others | 31 | 2 |
| | 3,151,311 | 233,207 |
| Total asset | 342,504,039 | 30,901,147 |
| Liabilities | | |
| Deposits from customers | | |
| Demand deposits and <i>wadiah</i> demand deposits | | |
| United States Dollar | 107,432,123 | 7,537,774 |
| European Euro | 1,296,218 | 80,448 |
| Singapore Dollar | 304,185 | 28,820 |
| Japanese Yen | 403,886 | 3,263,198 |
| Great Britain Pound Sterling | 30,426 | 1,581 |
| Chinese Yuan | 1,068,763 | 478,040 |
| Australian Dollar | 48,892 | 4,725 |
| Hong Kong Dollar | 7,926 | 4,336 |
| Others | 75,154 | 5,273 |
| | 110,667,573 | 11,404,195 |
| Saving deposits and <i>wadiah</i> saving deposits | | |
| United States Dollar | 30,859,350 | 2,165,189 |
| European Euro | 1,777,846 | 110,340 |
| Singapore Dollar | 566,206 | 53,645 |
| Great Britain Pound Sterling | 88,587 | 4,602 |
| Australian Dollar | 112,827 | 10,905 |
| Japanese Yen | 207,317 | 1,675,018 |
| Chinese Yuan | 21,229 | 9,495 |
| Hong Kong Dollar | 8,762 | 4,793 |
| Others | 3,680 | 258 |
| | 33,645,804 | 4,034,245 |
| Time deposits | | |
| United States Dollar | 29,146,153 | 2,044,985 |
| European Euro | 731,312 | 45,388 |
| Singapore Dollar | 1,097,651 | 103,997 |
| Chinese Yuan | 59,504 | 26,615 |
| Australian Dollar | 69,163 | 6,685 |
| Japanese Yen | 6,752 | 54,553 |
| Great Britain Pound Sterling | 3,648 | 189 |
| | 31,114,183 | 2,282,412 |

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

| | 2021 | |
|--|--------------------------------------|--|
| | Rupiah Equivalent (in million) | Foreign Currencies (in thousand) |
| Liabilities (continued) | | |
| Deposits from other banks | | |
| Demand deposits, <i>wadiah</i> demand deposits and saving deposits | | |
| United States Dollar | 2,351,451 | 164,985 |
| Singapore Dollar | 212 | 20 |
| European Euro | 524 | 33 |
| Japanese Yen | 505 | 4,080 |
| Chinese Yuan | 82 | 37 |
| | 2,352,774 | 169,155 |
| Interbank call money | | |
| United States Dollar | 3,210,738 | 225,275 |
| Chinese Yuan | 1,699,147 | 760,000 |
| | 4,909,885 | 985,275 |
| Time deposits | | |
| United States Dollar | 1,995,350 | 140,000 |
| Securities sold under agreements to repurchase | | |
| United States Dollar | 5,427,998 | 380,845 |
| Derivative payables | | |
| United States Dollar | 821,376 | 57,630 |
| European Euro | 9,833 | 610 |
| Great Britain Pound Sterling | 4,410 | 229 |
| Others | 485 | 34 |
| | 836,104 | 58,503 |
| Acceptance payables | | |
| United States Dollar | 4,780,502 | 335,415 |
| European Euro | 629,055 | 39,042 |
| Japanese Yen | 17,438 | 140,890 |
| Singapore Dollar | 231 | 22 |
| Chinese Yuan | 74,866 | 33,486 |
| Australian Dollar | 2,008 | 194 |
| Others | 156,626 | 10,989 |
| | 5,660,726 | 560,038 |
| Debt securities issued | | |
| United States Dollar | 21,962,700 | 1,540,972 |
| Accrued expenses | | |
| United States Dollar | 614,326 | 43,103 |
| Chinese Yuan | 23,644 | 10,576 |
| Singapore Dollar | 288 | 27 |
| Japanese Yen | 166 | 1,341 |
| Australian Dollar | 143 | 14 |
| Great Britain Pound Sterling | 60 | 3 |
| Others | 1 | - |
| | 638,628 | 55,064 |

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

| | 2021 | |
|---|--------------------------------------|--|
| | Rupiah Equivalent (in million) | Foreign Currencies (in thousand) |
| Liabilities (continued) | | |
| Other liabilities | | |
| United States Dollar | 2,460,106 | 172,609 |
| Japanese Yen | 17,375 | 140,381 |
| European Euro | 200,313 | 12,432 |
| Singapore Dollar | 290,286 | 27,502 |
| Australian Dollar | 6,895 | 667 |
| Hong Kong Dollar | 16,111 | 8,813 |
| Great Britain Pound Sterling | 5,002 | 259 |
| Chinese Yuan | 714,307 | 319,497 |
| Others | 134,516 | 9,438 |
| | 3,844,911 | 691,598 |
| Fund borrowings | | |
| United States Dollar | 39,388,326 | 2,763,608 |
| Great Britain Pound Sterling | 1,197 | 62 |
| | 39,389,523 | 2,763,670 |
| Subordinated loans and marketable securities | | |
| United States Dollar | 137,606 | 9,655 |
| | 262,583,765 | 25,075,627 |

d. Sensitivity to net income

The table below shows the sensitivity of Bank Mandiri's net income to movement of foreign exchange rates as of 31 December 2022 and 2021:

| | Increased by 5% | Decreased by 5% |
|--------------------------------|--------------------|--------------------|
| 31 December 2022 | | |
| Increase/(decrease) net income | 2,699,954 | (2,699,954) |
| 31 December 2021 | | |
| Increase/(decrease) net income | 2,532,252 | (2,532,252) |

The projection above assumes only changes in foreign currency exchange rate of US Dollar while other foreign exchange rates remain unchanged. US Dollars is the major foreign exchange rate held by the Bank. The projection also assumes that all other variables are held constant at reporting date.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities

Valuation is also an important component to manage most risks in banking industry including market risk, credit risk and liquidity risk. Valuation process is performed for all trading book position including marketable securities owned by the Group's portfolio measured at fair value through other comprehensive income.

The table below shows analysis of financial instruments carried at fair value based on method of valuation levels. The difference at each level of assessment methods is described as follows:

- Quoted prices (not adjusted) from active market for asset or liability which are the same/identical (Level 1);
- Inputs other than quoted market prices included in Level 1 that are observable for the asset and liability, either directly (as a price) or indirectly (derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (unobservable information) (Level 3);

The table below shows the Group's assets and liabilities that are measured at fair value as of 31 December 2022 and 2021:

| | 2022 | | | Fair value |
|---|-------------|-------------|-------------|---------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets measured at fair value | | | | |
| Marketable securities | | | | |
| Fair value through profit or loss | 34,046,316 | 178,869 | - | 34,225,185 |
| Fair value through other comprehensive income | 10,065,641 | 19,243,170 | - | 29,308,811 |
| Government bonds | | | | |
| Fair value through profit or loss | 10,805,944 | 1,082,501 | - | 11,888,445 |
| Fair value through other comprehensive income | 89,258,887 | 3,273,199 | - | 92,532,086 |
| Loans | | | | |
| Fair value through other comprehensive income | - | - | 500,049 | 500,049 |
| Derivative receivables | - | 2,176,232 | 75,909 | 2,252,141 |
| Investments in shares | 34,781 | 2,310,479 | 325,709 | 2,670,969 |
| Assets disclosed at fair value | | | | |
| Amortised cost | | | | |
| Marketable securities | 5,894,865 | 2,060,201 | - | 7,955,066 |
| Government bonds | 180,668,045 | - | - | 180,668,045 |
| At cost | | | | |
| Marketable securities | - | 11,227,960 | - | 11,227,960 |
| Government bonds | - | 43,528,296 | - | 43,528,296 |
| Loans | - | 345,846,640 | 761,337,878 | 1,107,184,518 |
| Consumer financing receivables | - | 20,185,615 | - | 20,185,615 |
| Net investment finance leases | - | 5,175,740 | - | 5,175,740 |
| Liabilities measured at fair value | | | | |
| Derivative payables | - | 2,126,769 | - | 2,126,769 |
| Liabilities disclosed at fair values | | | | |
| Debt securities issued | - | 45,510,364 | - | 45,510,364 |
| Fund borrowings | - | 62,937,396 | - | 62,937,396 |
| Subordinated loans and marketable securities | - | 640,288 | - | 640,288 |

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities (continued)

The table below shows the Group's assets and liabilities that are measured at fair value as of 31 December 2022 and 2021 (continued):

| | 2021 | | | Fair value |
|---|-------------|-------------|-------------|-------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets measured at fair value | | | | |
| Marketable securities | | | | |
| Fair value through profit or loss | 36,628,405 | 2,876,333 | - | 39,504,738 |
| Fair value through other comprehensive income | 10,940,160 | 10,725,900 | - | 21,666,060 |
| Government bonds | | | | |
| Fair value through profit or loss | 10,409,363 | 113,077 | - | 10,522,440 |
| Fair value through other comprehensive income | 126,563,523 | 2,868,777 | - | 129,432,300 |
| Derivative receivables | - | 1,602,482 | 67,356 | 1,669,838 |
| Investments in shares | 54,811 | 2,004,521 | 295,646 | 2,354,978 |
| Assets disclosed at fair value | | | | |
| Amortised cost | | | | |
| Marketable securities | 6,334,998 | 2,122,914 | - | 8,457,912 |
| Government bonds | 115,741,080 | - | - | 115,741,080 |
| At cost | | | | |
| Marketable securities | 28,481,280 | - | - | 28,481,280 |
| Government bonds | - | 34,457,768 | - | 34,457,768 |
| Loans | - | 310,103,546 | 652,645,491 | 962,749,037 |
| Consumer financing receivables | - | 17,965,329 | - | 17,965,329 |
| Net investment finance leases | - | 3,592,752 | - | 3,592,752 |
| Liabilities measured at fair value | | | | |
| Derivative payables | - | 1,018,751 | - | 1,018,751 |
| Liabilities disclosed at fair values | | | | |
| Debt securities issued | - | 46,829,532 | - | 46,829,532 |
| Fund borrowings | - | 51,341,742 | - | 51,341,742 |
| Subordinated loans and marketable securities | - | 660,048 | - | 660,048 |

As of 31 December 2022 and 2021, assets and liabilities held at the end of the reporting year are measured at fair value on a recurring basis. The Bank and Subsidiaries have no transfers between Level 1 and Level 2 of the hierarchy. In addition at the same date, there is no Marketable Securities included in Level 3.

The fair value of financial instruments traded in active markets (such as marketable securities which are measured at fair value through profit or loss and fair value through other comprehensive income) was determined based on quoted market prices at the reporting date. A market is considered active if the information regarding price quotations can be easily obtained and regularly available from an exchange, securities dealer or broker, the market price of a particular industry assessors, regulators and those price reflects actual and regular market transactions at a fair value. Quoted market price for financial assets owned by the Group are using current offering price. These instruments are included in level 1. The instruments included in level 1 generally include investments in shares in IDX and debt securities classified as held for trading and fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (include over-the-counter derivatives and inactive government bonds) are determined by internal valuation techniques.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities (continued)

The valuation techniques maximise the use of observable market data when available and as far as possible to minimise the use of specific estimates of the entity. If all the inputs needed to determine the fair value of financial instruments are observable from market, therefore the instrument is included in level 2. Instead, if one or more data is not based on observable market data, these instrument are included in level 3.

As of 31 December 2022 and 2021, the carrying value of the Bank's financial assets and liabilities approximates their fair value except for the following financial instruments:

| | 2022 | | 2021 | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Assets | | | | |
| Marketable securities | | | | |
| Amortised cost | 7,953,376 | 7,955,066 | 8,453,014 | 8,457,912 |
| At cost ¹⁾ | 11,227,960 | 11,227,960 | 28,481,280 | 28,481,280 |
| Government bonds | | | | |
| Amortised cost | 180,578,053 | 180,668,045 | 115,507,886 | 115,741,080 |
| At cost ¹⁾ | 44,213,180 | 43,528,296 | 33,592,148 | 34,457,768 |
| Loans | | | | |
| Amortised cost | 1,107,487,188 | 1,107,184,518 | 957,636,147 | 962,749,037 |
| Consumer financing receivable | 23,147,366 | 20,185,615 | 18,633,307 | 17,965,329 |
| Net Investment finance | | | | |
| Leases | 5,733,387 | 5,175,740 | 4,693,806 | 3,592,752 |
| | 1,380,340,510 | 1,375,925,240 | 1,166,997,588 | 1,171,445,158 |
| Liabilities | | | | |
| Debt securities issued | 45,774,139 | 45,510,364 | 45,138,342 | 46,829,532 |
| Fund borrowings | 62,840,118 | 62,937,396 | 51,398,940 | 51,341,742 |
| Subordinated loans and marketable securities | 633,333 | 640,288 | 637,143 | 660,048 |
| | 109,247,590 | 109,088,048 | 97,174,425 | 98,831,322 |

¹⁾ Marketable securities and government bonds owned by Subsidiary in accordance with SFAS No. 110 "Accounting for Sukuk".

- (i) Current accounts with Bank Indonesia, current accounts with other banks, placement with Bank Indonesia and other banks, other receivables, securities purchased under agreements to resell, acceptance receivables and other assets.

Placements with Bank Indonesia and other banks represent placements in the form of deposit facility, sharia FASBI, call money, "fixed-term" placements, time deposits and others.

The carrying amount of current accounts, placements and overnight deposits, which uses floating rate, is a reasonable approximation of fair value.

The estimated fair value of fixed interest bearing placements, other receivables, securities purchased under agreements to resell, acceptance receivables and other assets is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity. Since the remaining maturity is below one year, the carrying amount of fixed interest bearing placements, other receivables, securities purchased under agreements to resell, acceptance receivables and other assets is a reasonable approximation of fair value.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities (continued)

(ii) Marketable securities (held to maturity) and government bonds (held to maturity)

The fair value for held to maturity marketable securities and government bonds is based on market prices or broker/dealer price quotations. When this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics or using internal valuation method.

(iii) Loans and consumer financing receivables

Loans and consumer financing receivables are recorded at carrying amount net of charges for impairment. The estimated fair value of loans and consumer financing receivables represents the discounted amount of estimated future cash flows expected to be received. The fair value of loans and consumer financing receivables is determined by discounting the expected future cash flows at current market interest rates.

(iv) Deposits from customers and other banks, securities sold under agreements to repurchase, acceptance payables and other liabilities

The estimated fair value of deposits that can be withdrawn at any time, includes non-interest bearing deposits, is the payable amount/carrying amount when the payable is paid.

The estimated fair value of fixed interest bearing deposits, securities sold under agreements to repurchase, acceptance payables and other liabilities not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity. As the remaining maturity is below one year, the carrying amount of fixed interest bearing deposits, acceptance payables and other liabilities is a reasonable approximation of fair value.

(v) Debt securities issued, fund borrowings and subordinated loans and marketable securities

The aggregate fair values are calculated based on quoted market prices. When information is not available, a discounted cash flow model is used based on the current yield curve appropriate for the remaining term to maturity.

(vi) Value at Risk (VaR)

The implementation of managing market risk of trading, the Bank's applies segregation of duties principle by separation front office unit (conduct trading transaction), middle office unit (conduct process of risk management, develop policies and procedures) and back office unit (conduct process of settlement transaction).

Daily market risk analysis of trading treasury activities using best practice approach by consider internal and external policies, such as through calculation of Value at Risk (VaR).

VaR is the maximum potential loss from the Bank's portfolio position (open position) with a certain confidence level and holding period under normal market conditions. The VaR calculation method used by the bank is the Historical Simulation method which does not require the assumption that the movement of market factors is normally distributed. The bank calculates VaR based on 250 days of historical market factor data.

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B. Market risk and liquidity risk (continued)

(vi) Value at Risk (VaR) (continued)

VaR realisation as of 31 December 2022 and 2021 (unaudited) are as follows:

| | 2022 | | | |
|----------------------------------|---------------|---------------|---------------|-------------------|
| | Average VaR | Maximum VaR | Minimum VaR | End of period VaR |
| Type of Risk | | | | |
| Interest rate risk ^{*)} | 30,661 | 59,043 | 11,150 | 37,069 |
| Foreign exchange risk | 15,341 | 51,469 | 1,981 | 20,428 |
| Total | 35,415 | 73,388 | 14,180 | 42,614 |

| | 2021 | | | |
|----------------------------------|---------------|---------------|---------------|-------------------|
| | Average VaR | Maximum VaR | Minimum VaR | End of period VaR |
| Type of Risk | | | | |
| Interest rate risk ^{*)} | 19,892 | 64,434 | 1,590 | 10,985 |
| Foreign exchange risk | 22,432 | 87,768 | 1,267 | 12,324 |
| Total | 25,342 | 99,853 | 10,921 | 13,328 |

^{*)} Only trading book position

The Bank performs backtesting to ensure the accuracy of the VaR calculation method in predicting the profit/loss of treasury activities. Backtesting method compares the daily profit/loss with the VaR calculated by the Bank.

Backtesting result for the period December 2022 shows that the VaR calculation has been performed accurately, where the number of irregularities of P/L to the daily VaR is still acceptable.

(vii) Cash management

Details of cash are as follows:

| | 2022 | | 2021 | |
|------------------------------|---|-------------------|---|-------------------|
| | Notional amount of foreign currency equivalent (in thousands) | Rupiah | Notional amount of foreign currency equivalent (in thousands) | Rupiah |
| Rupiah | - | 24,528,263 | - | 22,255,050 |
| Foreign currencies | | | | |
| United States Dollar | 70,103 | 1,091,335 | 73,046 | 1,041,090 |
| Singapore Dollar | 53,268 | 617,527 | 24,690 | 260,590 |
| Australian Dollar | 33,128 | 349,762 | 2,745 | 28,405 |
| European Euro | 21,974 | 364,359 | 5,759 | 92,785 |
| Chinese Yuan | 2,702 | 6,050 | 4,752 | 10,624 |
| Japanese Yen | 387,217 | 45,618 | 466,397 | 57,726 |
| Great Britain Pound Sterling | 2,056 | 38,631 | 1,208 | 23,250 |
| Hong Kong Dollar | 15,787 | 31,520 | 9,122 | 16,675 |
| Others | 8,973 | 139,694 | 11,387 | 162,290 |
| | 595,208 | 27,212,759 | 599,106 | 23,948,485 |

As of 31 December 2022 and 2021, the cash balance, including money at the ATM (Automatic Teller Machine), amounted to Rp7,615,386 and Rp8,266,733, respectively.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(viii) Impact of Interest Rate Benchmark Reform

In 2017, the UK Financial Conduct Authority (FCA) announced plans to stop using LIBOR by the end of 2020. In November 2020, the ICE Benchmark Administration (IBA) officially announced plans to stop publishing the LIBOR benchmark interest rate. In response to the latest conditions, on 05 March 2021, FCA announced a plan to partially suspend the publication of the LIBOR benchmark interest rate by the IBA which will be held in 2 (two) stages as follows:

1. As of 31 December 2021, the reference interest rate is LIBOR for all tenors in GBP, EUR, CHF, and JPY and in USD for 1 (one) week and 2 (two) months tenors.
2. On 30 June 2023, the reference interest rate is LIBOR in USD for the Overnight tenor, 1 (one) month, 3 (three) months, 6 (six) months and 12 (twelve) months.

The Bank's risk exposures that are directly affected by the interest rate benchmark reform consist of a portfolio of corporate loans, derivative transactions and borrowing using the USD LIBOR benchmark interest rate.

Currently, the Bank plans to use the SOFR (Secured Overnight Financing Rate) benchmark interest rate or other agreed benchmark interest rate to replace the USD LIBOR benchmark interest rate. Regarding the SOFR benchmark interest rate, there are several differences between USD LIBOR and SOFR. USD LIBOR is the "term rate", which means that USD LIBOR is published for several loan periods (for example 3 (three) months or 6 (six) months) and is "forward looking" (LIBOR is published at the beginning of the period), while SOFR is the rate "backward-looking" benchmark interest rate, based on the overnight interest rate of actual transactions, and published at the end of the overnight period. In addition, LIBOR is an interest rate that has taken into account credit spreads, while SOFR is currently an almost risk free interest rate based on US Treasury repurchase agreement (repo) market transactions. In order to make the transition of contracts and agreements that currently refer to USD LIBOR to refer to the alternative benchmark interest rate (SOFR), adjustments are needed to ensure that the two benchmark interest rates are economically equivalent.

In 2020, the Bank has formed a committee, consisting of Treasury, Credit, Risk, IT, Legal, Compliance, and Finance work units to formulate a USD LIBOR transition strategy. The LIBOR Transition Committee was formed to minimize the potential for business disruption and mitigate operational, legal, compliance and financial risks. The LIBOR transition initiative considers changes to information systems, processes, risk management, and financial instrument valuation models and examines the impact of accounting and taxation.

In terms of market risk management, the Bank has identified and anticipated changes that will occur in aspects including changes in market data, which in turn will have an impact on the results of the mark to market calculation, VaR calculation and monitoring, and other calculations related to market risk. With regard to these changes, the Bank has made adjustments to the market risk management system and has reported system enhancement realisation to the regulator.

In terms of liquidity risk, changes in the LIBOR benchmark interest rate to another alternative benchmark interest rate may also have an impact on the Bank's liquidity condition. In this case, changes in the nominal payment of credit interest, derivative transactions and/or loan interest may affect the value of cash flows received or paid by the Bank, including those measured in the LCR and NSFR indicators. However, this impact is not expected to significantly affect the Bank's overall liquidity condition.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(viii) Impact of Interest Rate Benchmark Reform (continued)

As a form of market risk mitigation, as of 31 December 2022, the Bank has identified the need for changes to the information system and the Bank has made adjustments to the system. The Bank has also conducted studies needed in the transition process related to the process and model of the valuation of financial instruments. Currently, the Bank has communicated with affected counterparties and/or customers to provide the latest information regarding changes that may occur as a result of the reform of the interest rate reference, specifically USD LIBOR, either through socialization, discussion or in writing. The Bank has identified areas that have a significant risk of discontinuing USD LIBOR, namely developing information systems and adjusting business processes to accommodate the use of alternative reference interest rates, conducting contract amendments/repapering and/or reviewing fallback clauses on existing contracts. In addition to carrying out continuous efforts in monitoring the latest conditions related to the USD LIBOR transition, the Bank has also conducted more intensive discussions with industry players both from within and outside the country in the context of benchmarking and communication with Regulators to ensure the transition of changes in the benchmark interest rate from USD LIBOR to alternative interest rates went well, also to minimize the risk arising from the transition process. As a long-term follow-up, the Bank will continuously assess and prepare for mitigation of the risks that will arise from the said USD LIBOR transition.

The following is quantitative information about financial instruments that have not yet switched to alternative reference rates as of December 31, 2022, which separately shows non-derivative corporate credit financial assets, borrowing, and derivative non-derivative financial liabilities.

| | 2022 | |
|-------------------------|------------------------------------|--------------------|
| | Assets | Liabilities |
| Non Derivatives | | |
| Loans | 101,863,963 | - |
| Fund borrowings | - | (6,189,545) |
| | Contract Value Full USD | Fair Value |
| Derivatives | | |
| Derivatives Assets | 1,303,785,646 | 978,504 |
| Derivatives Liabilities | 1,104,892,187 | (848,192) |
| | 2021 | |
| | Assets | Liabilities |
| Non Derivatives | | |
| Loans | 123,308,302 | - |
| Fund borrowings | - | (11,102,352) |
| | Contract Value Full USD | Fair Value |
| Derivatives | | |
| Derivatives Assets | 1,820,390,616 | 430,102 |
| Derivatives Liabilities | 1,704,251,116 | (462,412) |

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63. RISK MANAGEMENT (continued)

C. Operational risk

Operational risk is a risk due to inadequacy and/or dysfunctional of internal process, human error, systems failure or external factors which impact the Bank's operations. The effectiveness of operational risk management can reduce losses due to operational risk.

In order to achieve the effectiveness of operational risk management, the Bank has established a framework based on Bank Indonesia, Financial Services Authority, Basel and best practice in both local and global industries. The Bank has implemented Bank Mandiri's Risk Management Policy, Standard Operating Procedures for Operational Risk Management and Technical Guidelines for Operational Risk Management covering both aspects of governance and reporting systems.

Managing risk through operation

In managing operational risk through operation, the Bank has:

- (i) Established risk governance of operational risk management.
- (ii) Established policies and procedures and conducts periodic review.
- (iii) Established operational risk appetite statement.
- (iv) Designed methodologies and tools for operational risk management.
- (v) Developed and implemented Risk Awareness Program for managing operational risk for all employees.
- (vi) Design, developed, and implemented Operational Risk Management System.
- (vii) Implemented the operational risk management to the all units (Head Office and Regional Offices) including the operational risk management tools (ORM Tools).
- (viii) Performed monitoring and reporting for internal and external (regulator).
- (ix) Developed standard competencies for employees involved in the implementation of operational risk management framework activities.

The implementation of operational risk governance begins with:

- (i) Active monitoring by Board of Commissioners and Directors
- (ii) The implementation of operational risk management is supervised by Director of Risk Management which supported by the involvement of:
 - Risk Management & Credit Policy Committee
 - Operational Risk Management and Development Unit
 - Operational Risk Management Unit
 - Business Unit and Risk Controlling Unit
 - Compliance Unit
 - Internal Audit Unit

The Bank has established internal policies and procedures for Operational Risk Management referred to as Risk Management Policy, which is the basis of risk management implementation.

The ORM Tools used by the Bank are:

- (i) Risk & Control Self Assessment (RCSA), is a register of risk identification and main control of the business processes within the Bank, where inherent risk rating and control effectiveness either through control testing or by consensus are periodically assessed. The testing of inherent risk rating and control rating generated residual risk value which become a component of operational risk profile. The residual risk level is minimized by taking necessary mitigations before risk occurs.

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63. RISK MANAGEMENT (continued)

C. Operational risk (continued)

Managing risk through operation (continued)

The ORM Tools used by the Bank are (continued):

- (ii) Loss Event Database, is a database of operational risk incidents which recorded on risk based basis as a lesson learned, remediation monitoring and future improvements, also as a component for calculation of operational risk capital calculation (regulatory capital charge) with the Standardized Approach (SA) method.
- (iii) Key Indicator (KI), is an early warning signal in operational risk management with the aim that mitigation efforts can be immediately determined and implemented before a risk occurs. KI indicates the probability that a risk will occur (risk based) or indicates the probability that a control is not implemented properly (control based). KI is set a threshold (threshold) and its realization score is recorded periodically.
- (iv) Issue & Action Management (IAM), is a tool to monitor follow-up action that have been designed on identified issues through various activities, such as Control Testing, incident, key indicator monitoring result, self identified issued and other.
- (v) Capital Modeling, an operational capital calculation model (regulatory capital charge) that complies with applicable regulations.

As the output of Operational Risk Management process, each unit generates operational risk profile reviewed by Internal Audit unit and presented to the Board of Commissioners and directors, and submitted to the regulators periodically in the form of Risk Based Bank Rating and Risk Profile. In addition, in order to manage operational risk, there is an operational risk management reports that are submitted to management as a monitoring tool and consideration for priority decision making.

Managing risk through capital

In accordance with the regulation, the Bank uses the Basic Indicator Approach to calculate the operational risk capital charge. The Basic Indicator Approach calculation is based on Gross Income of the Bank for the last 3 (three) years. The results of operational risk capital charge of Bank Mandiri (Bank only) is Rp10,706,157.10, meanwhile for the consolidation is amounted to Rp14,148,791.79. Based on balance of operational risk capital charge, the RWA of operational risk is amounted to Rp133,826,963.69 (Bank only) and Rp176,859,897.38 (consolidated).

64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Integrated banking system agreement with vendor

On 22 November 2012, the Bank entered into an agreement with vendor to enhance eMAS features in accordance with Application Management Services 2011 agreement amounted to USD866,125 (full amount, after VAT) and Application Management Services 2012 agreement amounted to USD1,190,000 (full amount, after VAT) with blanket order system so that the maximum total value of the contract amounted to USD2,056,125 (full amount, after VAT). On 31 December 2022, the value of the contract using payment realisation approach for Application Management Services 2012 was USD1,083,250 (full amount, after VAT) and the Bank has recorded fixed asset based on the realization value of USD1,083,250 (full amount, after VAT), therefore estimated completion as of 31 December 2022 was 100%.

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64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

a. Integrated banking system agreement with vendor (continued)

On 3 September 2013, the Bank entered into an agreement with vendors to enhance eMAS features related to the 2013 Application Management agreement with blanket order system with a maximum contract value of USD2,583,700 (full amount, after VAT). The blanket order agreements are based on estimation of actual mandays to be performed by the vendor for additional features of eMAS, As of 31 December 2022, the contract value based on the realisation payment was equal to USD2,443,000 (full amount) and the Bank has recorded the payment as fixed asset of USD2,443,000 (full amount) therefore the estimated project completion as of 31 December 2022 are 100%.

On 15 September 2014, the Bank entered into an agreement with vendors to enhance eMAS features related to the 2014 Application Management agreement with blanket order system with a maximum contract value of USD3,550,000 (full amount, after VAT). The blanket order agreements are based on estimation of actual mandays to be performed by the vendor for additional features of eMAS. As of 31 December 2022, the contract value based on the realisation payment was equal to USD3,483,970 (full amount) and the Bank has recorded the payment as fixed asset of USD3,483,970 (full amount) therefore the estimated project completion are 100% as of 31 December 2022.

On 7 January 2016, the Bank entered into an agreement with vendors to enhance eMAS features related to the 2015 Application Management agreement with the blanket order system with a maximum contract value of 6,000 mandays. As of 31 December 2022, the contract value based on realisation payment was equal to USD3,801,224.25 (full amount) and the Bank has recorded the payment realisation as fixed asset of USD3,697,236 (full amount), therefore the estimated project completion as of 31 December 2022 was 97.26%.

On 14 December 2016, the Bank entered into an agreement with vendors to enhance eMAS features related to the 2016 Application Management agreement with the system blanket order with a maximum contract value of 5,256 mandays. As of 31 December 2022, the contract value using the realisation payment approach is equal to USD3,616,215.50 (full amount) and the Bank has booked the value of the payment realisation as fixed asset of USD3,528,125 (full amount), so that the estimated project completion as of 31 December 2022 was 97.56%.

On 25 January 2018, Bank Mandiri entered into an agreement with vendors to enhance eMAS features related to the 2017-2018 Application Management agreement with the blanket order system with a maximum contract value of 8,592 mandays. On 31 December 2022 the payment realisation was equal to USD5,271,628.65 (full amount) and the Bank has recorded the payment realisation as a fixed asset of USD5,222,207 (full amount), therefore the estimated project completion as of 31 December 2022 was 99.06%.

On 28 May 2019, Bank Mandiri entered into an agreement with vendors to enhance eMAS features related to the 2019 Application Management agreement with the blanket order system with a maximum contract value of 6,141 mandays. On 31 December 2022 the payment realisation was equal to USD4,692,482.82 (full amount) and the Bank has recorded the payment realisation as a fixed asset as of USD4,533,628.82 therefore the estimated project completion as of 31 December 2022 was 96.61%.

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64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

a. Integrated banking system agreement with vendor (continued)

On 25 May 2021, Bank Mandiri entered into an agreement with a vendor to add eMAS features in accordance with the 2021 Application Management agreement using a blanket order system with a maximum contract value of 1,870 mandays. As of 31 December 2022, the contract value of the payment realization approach is USD1,465,144.75 (full amount) and the bookkeeping of the realized value of payments as fixed assets is USD1,225,577.45 so that the estimated project completion position on 31 December 2022 is 83.65%.

On 18 November 2021, Bank Mandiri entered into an agreement with vendors to add eMAS features according to the 2022 Application Management agreement using a blanket order system with a maximum contract value of 1,870 mandays. On 31 December 2022 the contract value for the payment realization approach was USD1,130,531.71 (full amount) and the bookkeeping of the payment realization value as fixed assets was USD858,835.24 so that the estimated project completion for 31 December 2022 is 75.97%

Bank Mandiri and related parties have complied the mutually agreed terms and conditions.

b. Legal matters

Currently, the Bank has a number of outstanding litigation cases, including lawsuits with debtors and/or fund owners due to disputes that had been decided by the Court where the Bank was convicted by the Court to pay compensation amounted to Rp122. Currently, the Bank is still in the legal process to appeal against the decision.

The Bank's total potential financial exposure arising from outstanding lawsuits as of 31 December 2022 and 2021 amounted to Rp695,233 and Rp878,121, respectively. As of 31 December 2022 and 2021, the Bank has provided a provision amounted to Rp111,298 and Rp124,920, respectively and believes that the provision is adequate.

c. Trade Agreement with Asian Development Bank

On 25 November 2009, Bank Mandiri has signed a contractual agreement with Asian Development Bank (ADB) through Trade Finance Facilitation Program (TFFP) which are Confirmation Bank Agreement (CBA) and Issuing Bank Agreement (IBA).

Based on CBA and IBA, Bank Mandiri can act either as confirming bank or issuing bank for export import transactions of its customers with Letter of Credit (L/C) arrangement. As a confirming bank, Bank Mandiri can request a guarantee from ADB for L/C issued by issuing bank and as issuing bank, Bank Mandiri can obtain confirmation guarantee from ADB for L/C that has been issued.

TFFP scheme is a program initiated by ADB to facilitate the L/C based trade transactions within Asian developing countries to increase the trade-volume growth. Becoming a participant in this program, Bank Mandiri will have an easier access to increase its trade volume, its trade volume and to open new business opportunities especially to countries in ADB program.

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65. GOVERNMENT GUARANTEE FOR PAYMENT OBLIGATIONS OF COMMERCIAL BANKS

Based on the Law of the Republic of Indonesia No. 24 Year 2004 dated 22 September 2004 as amended by Government Regulation in Lieu of Law No. 3 Year 2008 concerning Amendments to Law No. 24 Year 2004 concerning the Deposit Insurance Corporation. The Government of Republic Indonesia has established an independent agency called Deposit Insurance Agency (LPS), LPS guarantee public funds, including funds from other banks in form of demand deposits, time deposits, certificates of deposit, savings and/or other equivalent deposits.

Based on the LPS No. 2/PLPS/2014 dated 22 September 2014 regarding amendment of LPS Regulation No. 2/PLPS/2010 regarding the Deposit Guarantee Program, the maximum guaranteed amount for each customer in one bank is Rp2,000,000,000 (full amount).

The interest rate of LPS as of 31 December 2022 and 2021 is 3.75% and 3.50%, respectively, for deposits denominated in Rupiah, 1.75% and 0.25%, respectively, for deposits denominated in foreign currencies.

66. CHANGES IN FINANCING ACTIVITIES

Changes in liabilities arising from financing activities in the consolidated statement of cash flow are as follow:

| | 1 January 2022 | Cash Flow | Non-cash flow | | 31 December 2022 |
|--|--------------------|-------------------|----------------------------------|-----------------|--------------------|
| | | | Differences due to exchange rate | Others | |
| Debt securities issued | 45,138,342 | (1,481,434) | 2,186,689 | (69,458) | 45,774,139 |
| Fund borrowing | 51,398,940 | 10,833,185 | 605,872 | 2,121 | 62,840,118 |
| Subordinated loans and marketable securities | 637,143 | (12,900) | 8,858 | 232 | 633,333 |
| Securities sold under agreements to repurchase | 5,427,998 | 18,642,798 | 254,679 | - | 24,325,475 |
| Total liabilities from financing activities | 102,602,423 | 27,981,649 | 3,056,098 | (67,105) | 133,573,065 |

| | 1 January 2021 | Cash Flow | Non-cash flow | | 31 December 2021 |
|--|-------------------|------------------|----------------------------------|---------------|--------------------|
| | | | Differences due to exchange rate | Others | |
| Debt securities issued | 39,111,472 | 5,744,772 | 245,798 | 36,300 | 45,138,342 |
| Fund borrowing | 52,810,689 | (2,967,254) | 1,499,688 | 55,817 | 51,398,940 |
| Subordinated loans and marketable securities | 650,966 | (16,109) | 2,092 | 194 | 637,143 |
| Securities sold under agreements to repurchase | 1,330,068 | 4,074,684 | 23,246 | - | 5,427,998 |
| Total liabilities from financing activities | 93,903,195 | 6,836,093 | 1,770,824 | 92,311 | 102,602,423 |

67. NEW (REVISED) FINANCIAL ACCOUNTING STANDARDS

Amendments and Improvements of Indonesian Financial Accounting Standards and Interpretations that are issued by the Indonesian Financial Accounting Standards Board (FASB) - Institute of Indonesia Chartered Accountants (IAI), but not yet effective for current year financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Effective on 1 January 2023:

- Amendments to SFAS No. 1 on "Presentation of Financial Statement" for "Classification of Liabilities as Current or Non-current", effective 1 January 2023, and earlier application is permitted. This amendment determine the requirements to classify liabilities as current liabilities or non current liabilities.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

67. NEW (REVISED) FINANCIAL ACCOUNTING STANDARDS (continued)

Effective on 1 January 2025:

- SFAS No. 74, "Insurance Contract", adopted from IFRS 17, is effective 1 January 2025, with early adoption permitted for entities that have also applied SFAS 71 concerning "Financial Instruments" and SFAS 72 concerning "Revenue and Contracts with Customers."

The Group is still in the process of evaluating the impact of the amendments and new SFAS mentioned above to the group's consolidated financial statements.

68. SUPPLEMENTARY INFORMATION

Supplementary Financial Information

The additional information presented in appendix 1 - 4 is a supplementary financial information of PT Bank Mandiri (Persero) Tbk., the Parent Entity, which presents the Bank's investment in its Subsidiaries using cost method.

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF FINANCIAL POSITION - PARENT ENTITY
31 DECEMBER 2022 AND 2021**

(Expressed in millions of Rupiah, unless otherwise stated)

| | 2022 | 2021 |
|--|-------------------|-------------------|
| ASSETS | | |
| Cash | 20,852,885 | 18,829,300 |
| Current accounts with Bank Indonesia | 86,598,997 | 86,733,037 |
| Current accounts with other banks | | |
| Related parties | 31,735 | 214,756 |
| Third parties | 46,485,781 | 22,991,872 |
| | <u>46,517,516</u> | <u>23,206,628</u> |
| Less: allowance for impairment losses | (11,515) | (6,731) |
| Net | <u>46,506,001</u> | <u>23,199,897</u> |
| Placements with Bank Indonesia and other banks | | |
| Related parties | 1,868,100 | 2,209,137 |
| Third parties | 76,495,525 | 35,126,638 |
| | <u>78,363,625</u> | <u>37,335,775</u> |
| Less: allowance for impairment losses | (3,431) | (1,438) |
| Net | <u>78,360,194</u> | <u>37,334,337</u> |
| Marketable securities | | |
| Related parties | 17,260,960 | 18,630,089 |
| Third parties | 27,610,657 | 17,891,968 |
| | <u>44,871,617</u> | <u>36,522,057</u> |
| Add/(less): unamortised premium/(discounts), unrealised gains/(losses) from increase/(decrease) in fair value of marketable securities and allowance for impairment losses | 60,735 | 295,979 |
| Net | <u>44,932,352</u> | <u>36,818,036</u> |
| Government bonds - net | | |
| Related parties | 262,007,141 | 235,822,837 |
| Other receivables - trade transactions | | |
| Related parties | 15,152,746 | 13,067,399 |
| Third parties | 18,506,095 | 16,149,616 |
| | <u>33,658,841</u> | <u>29,217,015</u> |
| Less: allowance for impairment losses | (1,560,367) | (1,436,294) |
| Net | <u>32,098,474</u> | <u>27,780,721</u> |
| Securities purchased under agreements to resell | | |
| Related parties | - | 2,850,956 |
| Third parties | 6,312,523 | 19,285,733 |
| Net | <u>6,312,523</u> | <u>22,136,689</u> |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF FINANCIAL POSITION - PARENT ENTITY (continued)
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | 2022 | 2021 |
|---|-----------------------------|-----------------------------|
| ASSETS (continued) | | |
| Derivative receivables | | |
| Related parties | 110,208 | 160,416 |
| Third parties | 2,117,400 | 1,509,151 |
| Net | 2,227,608 | 1,669,567 |
| Loans | | |
| Related parties | 178,984,137 | 168,076,152 |
| Third parties | 753,654,914 | 660,037,711 |
| Less: allowance for impairment losses | 932,639,051 (54,267,417) | 828,113,863 (60,488,261) |
| Net | 878,371,634 | 767,625,602 |
| Acceptance receivables | | |
| Related parties | 1,863,350 | 2,670,361 |
| Third parties | 9,494,529 | 7,561,474 |
| Less: allowance for impairment losses | 11,357,879 (57,149) | 10,231,835 (195,077) |
| Net | 11,300,730 | 10,036,758 |
| Investments in shares | | |
| Related parties | 15,066,607 | 10,475,718 |
| Third parties | 2,043 | 2,065 |
| Less: allowance for impairment losses | 15,068,650 (80,335) | 10,477,783 (26,807) |
| Net | 14,988,315 | 10,450,976 |
| Prepaid expenses | 1,032,325 | 808,832 |
| Prepaid taxes | 979,174 | 1,888,518 |
| Fixed assets | 66,392,486 | 58,232,269 |
| Less: accumulated depreciation | (16,185,489) | (13,894,875) |
| Net | 50,206,997 | 44,337,394 |
| Intangible assets | 9,270,638 | 8,439,235 |
| Less: accumulated amortization | (5,597,283) | (4,701,232) |
| Net | 3,673,355 | 3,738,003 |
| Other assets | 20,746,169 | 18,230,226 |
| Less: allowance for other impairment losses | (539,972) | (332,415) |
| Net | 20,206,197 | 17,897,811 |
| Deferred tax assets - net | 9,677,161 | 8,447,256 |
| TOTAL ASSETS | 1,570,332,063 | 1,355,555,571 |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF FINANCIAL POSITION - PARENT ENTITY (continued)
31 DECEMBER 2022 AND 2021**
(Expressed in millions of Rupiah, unless otherwise stated)

| | 2022 | 2021 |
|---|---------------|---------------|
| LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| Obligations due immediately | 4,054,700 | 5,380,474 |
| Deposits from customers | | |
| Demand deposits | | |
| Related parties | 156,431,305 | 111,631,286 |
| Third parties | 341,559,932 | 266,805,117 |
| Total | 497,991,237 | 378,436,403 |
| Saving deposits | | |
| Related parties | 6,826,334 | 5,470,541 |
| Third parties | 421,540,614 | 375,405,884 |
| Total | 428,366,948 | 380,876,425 |
| Time deposits | | |
| Related parties | 28,833,694 | 29,348,145 |
| Third parties | 237,972,447 | 237,636,299 |
| Total | 266,806,141 | 266,984,444 |
| Total deposits from customers | 1,193,164,326 | 1,026,297,272 |
| Deposits from other banks | | |
| Demand deposits and saving deposits | | |
| Related parties | 276,263 | 432,683 |
| Third parties | 5,400,942 | 5,075,616 |
| Total | 5,677,205 | 5,508,299 |
| Interbank call money | | |
| Third parties | 4,236,101 | 4,909,885 |
| Time deposits | | |
| Third parties | 3,506,345 | 1,889,129 |
| Total deposits from other banks | 13,419,651 | 12,307,313 |
| Securities sold under agreements to repurchase - third parties | 24,228,547 | 5,343,570 |
| Total | 24,228,547 | 5,343,570 |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF FINANCIAL POSITION - PARENT ENTITY (continued)
31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | 2022 | 2021 |
|---|----------------------|----------------------|
| LIABILITIES AND EQUITY (continued) | | |
| LIABILITIES (continued) | | |
| Derivative payables | | |
| Related parties | 86,933 | 9,932 |
| Third parties | 2,039,836 | 1,008,819 |
| Total | 2,126,769 | 1,018,751 |
| Acceptance payables | | |
| Related parties | 1,693,426 | 873,140 |
| Third parties | 9,664,453 | 9,358,695 |
| Total | 11,357,879 | 10,231,835 |
| Debt securities issued | | |
| Related parties | 3,949,550 | 7,751,000 |
| Third parties | 32,049,152 | 27,176,202 |
| | 35,998,702 | 34,927,202 |
| Less: unamortised issuance cost | (63,194) | (57,183) |
| Net | 35,935,508 | 34,870,019 |
| Estimated losses on commitments and contingencies | 2,044,500 | 2,277,946 |
| Accrued expenses | 4,211,850 | 4,658,370 |
| Taxes payable | 2,037,840 | 1,891,862 |
| Employee benefit liabilities | 8,977,843 | 8,120,451 |
| Provision | 323,365 | 413,876 |
| Other liabilities | 14,844,598 | 11,796,787 |
| Fund borrowings | | |
| Related parties | 570,638 | 485,594 |
| Third parties | 41,158,127 | 40,079,762 |
| Total | 41,728,765 | 40,565,356 |
| Subordinated loans and marketable securities | | |
| Related parties | 87,000 | 94,750 |
| Third parties | 546,564 | 542,856 |
| | 633,564 | 637,606 |
| Less: unamortised issuance cost | (231) | (463) |
| Net | 633,333 | 637,143 |
| TOTAL LIABILITIES | 1,359,089,474 | 1,165,811,025 |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF FINANCIAL POSITION - PARENT ENTITY (continued)
31 DECEMBER 2022 AND 2021**
(Expressed in millions of Rupiah, unless otherwise stated)

| | 2022 | 2021 |
|---|----------------------|----------------------|
| LIABILITIES AND EQUITY (continued) | | |
| EQUITY | | |
| Share capital - Rp250 (full amount) par value per share as of 31 December 2022 and 2021 | | |
| Authorised Capital - | | |
| 1 Dwiwarna Series A share and 63,999,999,999 Series B common shares as of 31 December 2022 and 2021 | | |
| Issued and fully paid-in capital - | | |
| 1 Dwiwarna Series A share and 46,666,666,665 Series B common shares as of 31 December 2022 and 2021 | 11,666,667 | 11,666,667 |
| Additional paid-in capital/agio | 18,941,550 | 18,941,550 |
| Share capital acquired and repossessed (treasury stock) | - | (150,895) |
| Differences arising from translation of financial statements in foreign currencies | (361,753) | (293,022) |
| Net unrealised gain from increase in fair value of marketable securities and government bonds - net of deferred tax | | |
| Fair value through other comprehensive income | (2,737,402) | 1,528,860 |
| Net differences in fixed assets revaluation | 34,487,954 | 29,913,897 |
| Net actuarial gain from defined benefit program - net of deferred tax | 1,478,835 | 1,246,284 |
| Other comprehensive income | 85,052 | 85,052 |
| Retained earnings (accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi-reorganisation as at 30 April 2003) | | |
| Appropriated | 5,380,268 | 5,380,268 |
| Unappropriated | 142,301,418 | 121,425,885 |
| Total retained earnings | 147,681,686 | 126,806,153 |
| TOTAL EQUITY | 211,242,589 | 189,744,546 |
| TOTAL LIABILITIES AND EQUITY | 1,570,332,063 | 1,355,555,571 |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - PARENT ENTITY
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)**

| | 2022 | 2021 |
|---|-------------------|-------------------|
| INCOME AND EXPENSES FROM OPERATIONS | | |
| Interest income | 82,402,327 | 71,404,013 |
| Interest expense | (17,296,790) | (17,443,472) |
| NET INTEREST INCOME | 65,105,537 | 53,960,541 |
| Other operating income | | |
| Other fees and commissions | 14,097,870 | 12,264,845 |
| Income from fair value through profit or loss classification - net | 3,152,807 | 3,642,906 |
| Others | 8,927,628 | 6,041,204 |
| Total other operating income | 26,178,305 | 21,948,955 |
| Allowance for impairment losses | (10,533,173) | (15,034,138) |
| Provision for impairment losses on commitments and contingencies | 266,506 | 1,159,762 |
| Provision for other allowances | (267,870) | (73,845) |
| Gain on sale of marketable securities and government bonds | 696,462 | 3,167,800 |
| Other operating expenses | | |
| Salaries and employee benefits | (16,047,712) | (15,188,121) |
| General and administrative expenses | (14,030,660) | (13,303,948) |
| Others - net | (4,702,056) | (5,001,138) |
| Total other operating expenses | (34,780,428) | (33,493,207) |
| INCOME FROM OPERATIONS | 46,665,339 | 31,635,868 |
| Non-operating income - net | 113,094 | 85,275 |
| INCOME BEFORE TAX EXPENSE | 46,778,433 | 31,721,143 |
| Tax expense | | |
| Current | (9,329,662) | (7,436,303) |
| Deferred | 243,655 | 1,125,311 |
| Total tax expense - net | (9,086,007) | (6,310,992) |
| NET INCOME FOR THE YEAR | 37,692,426 | 25,410,151 |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - PARENT ENTITY
 (continued)
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
 (Expressed in millions of Rupiah, unless otherwise stated)

| | <u>2022</u> | <u>2021</u> |
|---|--------------------|--------------------|
| OTHER COMPREHENSIVE INCOME | | |
| Items that will not be reclassified to profit or loss | | |
| Gains on fixed assets revaluation | 4,574,057 | - |
| Actuarial gain (losses) on defined benefit plan | 287,101 | 271,795 |
| Income tax related to the items that will not be reclassified to profit or loss | (54,550) | (51,641) |
| | <u>4,806,608</u> | <u>220,154</u> |
| Items that will be reclassified to profit or loss | | |
| Difference arising from translation of financial statements in foreign currencies | (68,731) | 13,186 |
| Changes in fair value of other comprehensive income financial assets | (5,307,062) | (3,474,764) |
| Changes in fair value of available for sale financial assets | 1,040,800 | 675,919 |
| Income tax related to items that will be reclassified to profit or loss | (4,334,993) | (2,785,659) |
| | <u>(4,334,993)</u> | <u>(2,785,659)</u> |
| Other comprehensive income for the year - net of income tax | 471,615 | (2,565,505) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 38,164,041 | 22,844,646 |
| EARNING PER SHARE | | |
| Basic (full amount) | 807.96 | 544.92 |
| Dilluted (full amount) | 807.96 | 544.92 |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CHANGES IN EQUITY - PARENT ENTITY
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)**

| | Issued and fully paid-in capital | Additional paid in capital/agio | Share capital acquired and repossessed (treasury stock) | Difference arising from translation of financial statements in foreign currencies | Net unrealised gain from increase in fair value through other comprehensive income marketable securities and government bonds - net of deferred tax | Net differences in fixed assets revaluation | Net actuarial gain on defined benefit program - net of deferred tax | Other comprehensive income | Retained earnings | | | Total equity |
|---|----------------------------------|---------------------------------|---|---|---|---|---|----------------------------|-------------------|--------------------|--------------------|--------------------|
| | | | | | | | | | Appropriated | Unappropriated | Total | |
| Balance as of 1 January 2022 | 11,666,667 | 18,941,550 | (150,895) | (293,022) | 1,528,860 | 29,913,897 | 1,246,284 | 85,052 | 5,380,268 | 121,425,885 | 126,806,153 | 189,744,546 |
| Dividends payment | - | - | - | - | - | - | - | - | - | (16,816,893) | (16,816,893) | (16,816,893) |
| Treasury stock | - | - | 150,895 | - | - | - | - | - | - | - | - | 150,895 |
| Income for the current year | - | - | - | - | - | - | - | - | - | 37,692,426 | 37,692,426 | 37,692,426 |
| Other comprehensive income for the current year | - | - | - | (68,731) | (4,266,262) | 4,574,057 | 232,551 | - | - | - | - | 471,615 |
| Balance as of 31 December 2022 | 11,666,667 | 18,941,550 | - | (361,753) | (2,737,402) | 34,487,954 | 1,478,835 | 85,052 | 5,380,268 | 142,301,418 | 147,681,686 | 211,242,589 |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CHANGES IN EQUITY - PARENT ENTITY
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)**

| | Issued and fully paid-in capital | Additional paid in capital/agio | Share capital acquired and repossessed (treasury stock) | Difference arising from translation of financial statements in foreign currencies | Net unrealised gain from increase in fair value through other comprehensive income marketable securities and government bonds - net of deferred tax | Net differences in fixed assets revaluation | Net actuarial gain on defined benefit program - net of deferred tax | Other comprehensive income | Retained earnings | | | Total equity |
|---|----------------------------------|---------------------------------|---|---|---|---|---|----------------------------|-------------------|--------------------|--------------------|--------------------|
| | | | | | | | | | Appropriated | Unappropriated | Total | |
| Balance as of 1 January 2021 | 11,666,667 | 17,476,308 | (150,895) | (306,208) | 4,327,705 | 29,913,897 | 1,026,130 | 85,052 | 5,380,268 | 106,287,286 | 111,667,554 | 175,706,210 |
| Dividends payment from 2020 net income | - | - | - | - | - | - | - | - | - | (10,271,552) | (10,271,552) | (10,271,552) |
| Income for the current year | - | - | - | - | - | - | - | - | - | 25,410,151 | 25,410,151 | 25,410,151 |
| Effects on investment adjustments in subsidiaries | - | 1,465,242 | - | - | - | - | - | - | - | - | - | 1,465,242 |
| Other comprehensive income for the current year | - | - | - | 13,186 | (2,798,845) | - | 220,154 | - | - | - | - | (2,565,505) |
| Balance as of 31 December 2021 | 11,666,667 | 18,941,550 | (150,895) | (293,022) | 1,528,860 | 29,913,897 | 1,246,284 | 85,052 | 5,380,268 | 121,425,885 | 126,806,153 | 189,744,546 |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CASH FLOWS - PARENT ENTITY
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)**

| | 2022 | 2021 |
|--|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from interest income | 77,592,699 | 67,246,388 |
| Receipts from provision and commissions income | 14,097,870 | 12,264,845 |
| Payments of interest expense | (17,005,710) | (17,647,918) |
| Receipts from the sale of government bonds - fair value through profit or loss | 278,867,971 | 230,702,822 |
| Acquisition of government bonds - fair value through profit or loss | (277,071,573) | (226,991,984) |
| Income from fair value through profit or loss classification - net | (1,408,422) | 5,598,040 |
| Other operating income - others | 2,592,325 | 1,338,562 |
| Other operating expenses - others | (5,567,680) | (5,055,332) |
| Salaries and employee benefits | (14,903,220) | (12,569,489) |
| General and administrative expenses | (10,818,734) | (10,937,735) |
| Non-operating income/(expenses) - net | 110,519 | 91,819 |
| Payment of corporate income tax | (9,221,948) | (6,802,104) |
| | | |
| Cash flows from operating activities before changes in operating assets and liabilities | 37,264,097 | 37,237,914 |
| | | |
| Decrease/(increase) in operating assets: | | |
| Placements with Bank Indonesia and other banks | 1,154,996 | (3,386,903) |
| Marketable securities - fair value through profit or loss | (2,440,006) | (165,205) |
| Other receivables - trade transactions | (4,441,826) | 734,770 |
| Loans | (122,237,237) | (77,410,122) |
| Securities purchased under agreements to resell | 15,824,166 | 31,906,911 |
| Prepaid taxes | 909,344 | 195,452 |
| Prepaid expenses | (223,493) | 82,547 |
| Other assets | (998,419) | (812,740) |
| | | |
| Proceeds from collection of written-off financial assets | 6,335,303 | 4,702,642 |
| | | |
| Increase/(decrease) in operating liabilities: | | |
| Demand deposits | 119,657,314 | 95,589,446 |
| Saving deposits | 47,556,948 | 42,143,273 |
| Time deposits | 1,438,914 | (18,779,960) |
| Interbank call money | (673,784) | 4,254,056 |
| Obligations due immediately | (1,325,774) | 1,094,141 |
| Other taxes payable | 38,264 | (6,780) |
| Other liabilities | 6,169,254 | 1,491,612 |
| | | |
| Net cash provided by operating activities | 104,008,061 | 118,871,054 |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CASH FLOWS - PARENT ENTITY (continued)
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
 (Expressed in millions of Rupiah, unless otherwise stated)

| | 2022 | 2021 |
|---|---------------------|----------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Increase in marketable securities - other than fair value through profit or loss | (6,520,013) | (1,777,356) |
| Increase in government bonds - other than fair value through profit or loss | (32,591,302) | (97,846,102) |
| Proceeds from sale of fixed assets | 2,483 | - |
| Acquisition of fixed assets | (1,885,056) | (1,258,129) |
| Acquisition of intangible assets | (831,403) | (1,202,826) |
| Acquisition of right of use assets | (1,775,410) | (524,047) |
| Capital injection to subsidiary | (4,590,889) | (146,000) |
| Net cash used in investing activities | (48,191,590) | (102,754,460) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from debt securities issued | - | 4,235,505 |
| Payment of debt securities issued | (1,000,101) | (1,100,583) |
| Receipts from fund borrowings | 10,116,382 | 15,154,602 |
| Payment of fund borrowings | (9,705,029) | (16,488,064) |
| Payment of subordinated loans and marketable securities | (12,900) | (16,109) |
| Increase in marketable securities sold under agreements to repurchase | 18,630,298 | 4,074,684 |
| Payment of dividend | (16,816,893) | (10,271,552) |
| Net cash provided by/(used in) financing activities | 1,211,757 | (4,411,517) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 57,028,228 | 11,705,077 |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | 9,413,094 | (291,877) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR | 163,190,949 | 151,777,749 |
| CASH AND CASH EQUIVALENTS AT THE END OF YEAR | 229,632,271 | 163,190,949 |

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CASH FLOWS - PARENT ENTITY (continued)
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Expressed in millions of Rupiah, unless otherwise stated)

| | <u>2022</u> | <u>2021</u> |
|---|---------------------------|---------------------------|
| Cash and cash equivalents at the end of year consist of: | | |
| Cash | 20,852,885 | 18,829,300 |
| Current accounts with Bank Indonesia | 86,598,997 | 86,733,037 |
| Current accounts with other banks | 46,517,516 | 23,206,628 |
| Liquid short-term investments with a period of time maturity of three months or less from the date of acquisition | 75,662,873 | 34,421,984 |
| Total cash and cash equivalents | <u>229,632,271</u> | <u>163,190,949</u> |