

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

CONSOLIDATED FINANCIAL STATEMENTS

**30 JUNE 2023 (UNAUDITED) AND
31 DECEMBER 2022 (AUDITED)**

**BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR SIX MONTHS PERIOD ENDED 30 JUNE 2023
PT BANK MANDIRI (PERSERO) Tbk. AND SUBSIDIARIES**

PT Bank Mandiri (Persero) Tbk.
Plaza Mandiri
Jl. Jend. Gatot Subroto Kav. 36-38
Jakarta 12190, Indonesia
Tel. (62-21) 526 5045, 526 5095
Fax. (62-21) 527 4477, 527 5577
www.bankmandiri.co.id

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, 31 July 2023

President Director

Darmawan Junaidi



Director

Sigit Prastowo

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

**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023 AND 31 DECEMBER 2022**

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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
30 JUNE 2023 AND 31 DECEMBER 2022
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	30 June 2023	31 December 2022
ASSETS			
Cash	2c,2g,63.B.(vii)	27,681,721	27,212,759
Current accounts with Bank Indonesia	2c,2g,2h,4	89,917,101	107,349,158
Current accounts with other banks	2c,2f,2g,2h,5		
Related parties	57	1,245,718	110,733
Third parties		26,118,733	47,699,252
		27,364,451	47,809,985
Less: allowance for impairment losses		(22,889)	(20,285)
Net		27,341,562	47,789,700
Placements with Bank Indonesia and other banks	2c,2f,2i,6		
Related parties	57	2,427,895	3,080,128
Third parties		48,137,536	92,243,984
		50,565,431	95,324,112
Less: allowance for impairment losses		(1,495)	(3,601)
Net		50,563,936	95,320,511
Marketable securities	2c,2f,2j,7		
Related parties	57	23,768,036	27,290,577
Third parties		43,479,507	55,530,149
		67,247,543	82,820,726
Add:			
unamortised premiums, unrealised gains/(losses) - net from increase/(decrease) in fair value and allowance for impairment losses		(41,403)	(20,908)
Net		67,206,140	82,799,818
Government bonds - net			
Related parties	2c,2f,2k,8,57	317,302,804	329,211,764
Other receivables - trade transactions	2c,2f,2l,9		
Related parties	57	9,628,483	15,157,619
Third parties		19,512,939	18,635,645
		29,141,422	33,793,264
Less: allowance for impairment losses		(2,285,397)	(1,604,705)
Net		26,856,025	32,188,559

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
30 JUNE 2023 AND 31 DECEMBER 2022
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	30 June 2023	31 December 2022
ASSETS (continued)			
Securities purchased under agreements to resell	2c,2f,2m,10		
Related parties	57	953,951	-
Third parties		15,996,423	11,705,989
Total		16,950,374	11,705,989
Derivative receivables	2c,2f,2n,11		
Related parties	57	91,253	110,208
Third parties		1,838,776	2,141,933
Total		1,930,029	2,252,141
Loans and sharia receivables/ financing	2c,2f,2o,12		
Related parties	57	217,151,441	199,385,546
Third parties		1,021,654,596	973,214,336
		1,238,806,037	1,172,599,882
Less: allowance for impairment losses		(61,981,013)	(64,612,645)
Net		1,176,825,024	1,107,987,237
Consumer financing receivables	2c,2f,2p,13		
Related parties	57	10,176	7,846
Third parties		27,739,383	23,749,881
		27,749,559	23,757,727
Less: allowance for impairment losses		(764,505)	(610,361)
Net		26,985,054	23,147,366
Net investment finance leases	2c,2q,14		
Third parties		5,520,446	5,872,560
Less: allowance for impairment losses		(156,957)	(139,173)
Net		5,363,489	5,733,387
Acceptance receivables	2c,2f,2u,15		
Related parties	57	2,054,003	1,897,509
Third parties		7,474,057	9,884,072
		9,528,060	11,781,581
Less: allowance for impairment losses		(167,468)	(61,963)
Net		9,360,592	11,719,618

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
30 JUNE 2023 AND 31 DECEMBER 2022
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	30 June 2023	31 December 2022
ASSETS (continued)			
Investments in shares	2f,2s,16		
Related parties	57	1,779,968	1,775,847
Third parties		1,040,774	981,747
		2,820,742	2,757,594
Less: allowance for impairment losses		(68,653)	(68,640)
Net		2,752,089	2,688,954
Prepaid expenses	17	2,998,626	1,895,503
Prepaid taxes	2ad,33a	1,269,258	1,164,925
Fixed assets	2r.i.2r.ii,18	79,407,109	77,969,898
Less: accumulated depreciation		(22,939,650)	(21,429,332)
Net		56,467,459	56,540,566
Intangible assets	2r.iii,19	12,210,168	11,712,040
Less: accumulated amortisation		(7,151,260)	(6,618,431)
Net		5,058,908	5,093,609
Other assets	2c,2t,2v,2af,20	41,363,162	30,423,172
Less: allowance for other impairment losses		(1,585,377)	(1,725,528)
Net		39,777,785	28,697,644
Deferred tax assets - net	2ad,33e	11,379,495	12,045,479
TOTAL ASSETS		1,963,987,471	1,992,544,687

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
30 JUNE 2023 AND 31 DECEMBER 2022
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	30 June 2023	31 December 2022
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY			
LIABILITIES			
Obligations due immediately	2w	4,919,607	4,056,029
Deposits from customers			
Demand deposits and <i>wadiah</i>			
demand deposits	2c,2f,2x,21		
Related parties	57	141,834,497	157,247,418
Third parties		334,931,927	361,830,544
Total		476,766,424	519,077,962
Saving deposits and <i>wadiah</i>			
saving deposits	2c,2f,2x,22		
Related parties	57	7,741,187	6,850,898
Third parties		475,058,282	473,631,868
Total		482,799,469	480,482,766
Time deposits	2c,2f,2x,23		
Related parties	57	32,066,010	30,665,985
Third parties		246,982,562	265,349,216
Total		279,048,572	296,015,201
Total deposits from customers		1,238,614,465	1,295,575,929
Deposits from other banks			
Demand deposits, <i>wadiah</i>			
demand deposits			
and saving deposits	2c,2f,2y,24		
Related parties	57	519,249	174,243
Third parties		4,942,863	5,560,158
Total		5,462,112	5,734,401
Interbank call money			
Third parties	2c,2y,25	5,973,211	4,436,101
Time deposits	2c,2y,26		
Related parties	57	-	467,025
Third parties		6,092,639	4,209,882
Total		6,092,639	4,676,907
Total deposits from other banks		17,527,962	14,847,409
Liabilities to unit-link policyholders	2z,27	29,491,904	29,710,227

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
30 JUNE 2023 AND 31 DECEMBER 2022
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	30 June 2023	31 December 2022
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)			
LIABILITIES (continued)			
Securities sold under agreements to repurchase liabilities	2c,2m,28		
Third parties	66	22,452,251	24,325,475
Derivative payables	2c,2f,2n,11		
Related parties	57	132,887	86,933
Third parties		1,508,174	2,039,836
Total		1,641,061	2,126,769
Acceptance payables	2c,2f,2u,29		
Related parties	57	2,297,331	1,750,123
Third parties		7,230,729	10,031,458
Total		9,528,060	11,781,581
Debt securities issued	2c,2f,2aa		
Related parties	30,57,66	5,275,600	5,603,550
Third parties		44,329,955	40,244,057
		49,605,555	45,847,607
Less: unamortised debt issuance cost		(89,303)	(73,468)
Net		49,516,252	45,774,139
Estimated losses on commitments and contingencies	2c,31c	1,415,388	2,073,429
Accrued expenses	2c,2af,32	4,693,240	6,493,794
Taxes payable	2ad,33b	2,214,226	3,590,522
Employee benefit liabilities	2ai,34,52	9,818,603	12,607,759
Provision	64b	305,690	323,365
Other liabilities	2c,35	37,730,130	27,336,753
Fund borrowings	2c,2f,2ab,36		
Related parties	57,66	2,058,639	2,210,704
Third parties		83,977,519	60,629,414
Net		86,036,158	62,840,118

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
30 JUNE 2023 AND 31 DECEMBER 2022
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	30 June 2023	31 December 2022
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)			
LIABILITIES (continued)			
Subordinated loans and marketable securities	2c,2f,2ac		
Related parties	37,57,66	82,000	87,000
Third parties		638,652	546,564
		720,652	633,564
Less: unamortised issuance cost		(165)	(231)
Net		720,487	633,333
TOTAL LIABILITIES		1,516,625,484	1,544,096,631
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	11,754,110	13,702,232
Saving deposits - restricted investment and unrestricted investment - <i>mudharabah</i>	38a.2a	593,436	86,070
<i>Mudharabah</i> time deposits - unrestricted investment	38a.3	27,861,456	17,857,676
		40,209,002	31,645,978
Third parties			
Demand deposits - restricted investments and <i>mudharabah musytarakah</i> demand deposits	38a.1	9,108,448	9,020,856
Saving deposits - restricted investment and - unrestricted investment - <i>mudharabah</i>	38a.2a	69,041,536	72,183,636
<i>Mudharabah</i> time deposits - unrestricted investment	38a.3	73,156,145	82,418,193
		151,306,129	163,622,685
Total deposits from customers		191,515,131	195,268,663

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
30 JUNE 2023 AND 31 DECEMBER 2022
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	30 June 2023	31 December 2022
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	21,734	31,880
<i>Mudharabah</i> saving deposits - unrestricted investment	38b	409,879	627,646
<i>Mudharabah</i> time deposits - unrestricted investment	38b	168,674	274,412
Total deposits from other banks		600,287	933,938
TOTAL TEMPORARY SYIRKAH FUNDS		192,115,418	196,202,601
EQUITY			
Attributable equity to the Parent Entity			
Share capital - Rp125 (full amount) and Rp250 (full amount) par value per share as of 30 June 2023 and 31 December 2022			
Authorised capital -			
1 Dwiwarna Series A share and 127,999,999,999 Series B common shares as of 30 June 2023 and 1 Dwiwarna Series A share and 63,999,999,999 Series B common shares as of 31 December 2022			
Issued and fully paid-in capital -			
1 Dwiwarna Series A share and 93,333,333,331 Series B common shares as of 30 June 2023 and 1 Dwiwarna Series A share and 46,666,666,665 Series B common shares as of 31 December 2022	40a	11,666,667	11,666,667
Additional paid-in capital/agio	40b	17,643,264	17,643,264
Differences arising from translation of financial statements in foreign currencies	2e	(109,525)	(60,427)

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
30 JUNE 2023 AND 31 DECEMBER 2022
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	30 June 2023	31 December 2022
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)			
EQUITY (continued)			
Net unrealised loss from decrease in fair value of financial assets through other comprehensive income - net of deferred tax	2j,2k	(1,898,990)	(2,768,553)
Effective portion of cash flow hedges	2n,11	55	(3,156)
Net differences in fixed assets revaluation	2r.i,18	34,716,693	34,716,693
Net actuarial gain from defined benefits program - net of deferred tax	2ai,34,52	1,478,728	1,510,016
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		162,153,283	161,614,963
Total retained earnings		167,533,551	166,995,231
		231,009,494	229,678,786
Non-controlling interests in net assets of consolidated Subsidiaries	2d,39	24,237,075	22,566,669
TOTAL EQUITY		255,246,569	252,245,455
TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY		1,963,987,471	1,992,544,687

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR PERIODS ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)

		Period ended 30 June	
	Notes	2023	2022
INCOME AND EXPENSE FROM OPERATIONS			
Interest income and sharia income	2f,2af,41,57		
Interest income		55,073,439	45,220,470
Sharia income		9,117,299	7,713,806
Total interest income and sharia income		64,190,738	52,934,276
Interest expense and sharia expense	2f,2af,42,57		
Interest expense		(14,105,502)	(9,261,767)
Sharia expense		(2,778,299)	(1,839,778)
Total interest expense and sharia expense		(16,883,801)	(11,101,545)
NET INTEREST AND SHARIA INCOME		47,306,937	41,832,731
Premium income	2ag	6,699,241	7,639,607
Claim expense	2ag	(5,753,661)	(6,264,759)
NET PREMIUM INCOME		945,580	1,374,848
NET INTEREST, SHARIA AND PREMIUM INCOME		48,252,517	43,207,579
Other operating income			
Fees and commissions	2ah,43	9,224,405	8,105,340
Income from fair value through profit or loss classification - net	2c,2e,2n,44	1,791,519	1,589,306
Others	45	7,323,134	5,654,574
Total other operating income		18,339,058	15,349,220
Allowance for impairment losses	2c,46	(8,186,277)	(7,714,035)
Reversal of allowance for estimated losses commitments and contingencies	2c,31c	629,116	311,084
Allowance for other impairment losses and operational risk losses - net	2t,47	(84,314)	(252,075)
Unrealised gain from increase in fair value of unit-link policyholders	2j,2k,2z,48	-	(213)

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
FOR PERIODS ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)

		Period ended 30 June	
	Notes	2023	2022
INCOME AND EXPENSE FROM OPERATIONS (continued)			
Gain on sale of marketable securities and government bonds - net	2j,2k,49	21,364	754,160
Other operating expenses	2f,2ai,		
Salaries and employee benefits expenses	50,52,57	(11,750,610)	(11,749,360)
General and administrative expenses	2r,51	(9,543,939)	(9,002,899)
Others - net	53	(3,259,022)	(3,175,936)
Total other operating expenses		(24,553,571)	(23,928,195)
INCOME FROM OPERATION		34,417,893	27,727,525
Non operating income/(expense) - net	54	21,423	30,100
INCOME BEFORE TAX EXPENSE		34,439,316	27,757,625
Tax expense			
Current	2ad,33c,33d	(6,286,257)	(5,484,094)
Deferred	2ad,33c,33e	(449,458)	(229,223)
Total tax expense - net		(6,735,715)	(5,713,317)
NET INCOME FOR THE PERIOD		27,703,601	22,044,308

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
FOR PERIODS ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)

		Period ended 30 June	
	Notes	2023	2022
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Gain on fixed assets revaluation	2r.i	-	-
Actuarial gain from defined benefits program	2ai	(53,675)	(2,002)
Income tax related to items that will not be reclassified to profit or loss		122	281
		(53,553)	(1,721)
Items that will be reclassified to profit or loss			
Difference arising from translation of financial statements in foreign currencies	2e	(52,715)	21,874
Changes in fair value of financial assets classified as fair value through other comprehensive income	2j,2k	1,226,628	(7,125,358)
Effective portion of cash flow hedges	2n	8,188	(5,897)
Income tax related to items that will be reclassified to profit or loss		(216,648)	1,317,788
		965,453	(5,791,593)
Other comprehensive income for the period - net of income tax		911,900	(5,793,314)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		28,615,501	16,250,994
Net income for the period attributable to:			
Parent Entity		25,231,887	20,209,210
Non-controlling interest	2d	2,471,714	1,835,098
		27,703,601	22,044,308
Total comprehensive income for the period attributable to:			
Parent Entity		26,024,275	14,533,792
Non-controlling interest	2d	2,591,226	1,717,202
		28,615,501	16,250,994
EARNINGS PER SHARE			
	2aj		
Basic (full amount of Rupiah)		360.46	433.20
Diluted (full amount of Rupiah)		360.46	433.20

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR PERIOD ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Issued and fully paid-in capital	Additional paid-in capital/agio	Difference arising from translation of financial statements in foreign currencies	Net unrealised loss from decrease in fair value of financial assets 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 benefits 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 2023	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
Dividend payment from 2022 net income	40c	-	-	-	-	-	-	-	-	-	(24,702,382)	(24,702,382)	-	(24,702,382)
Adjustments to retained earnings related to the implementation of SFAS 107 in Subsidiaries - Sharia	-	-	-	-	-	-	-	-	-	-	8,815	8,815	8,310	17,125
Changes in non-controlling interest arising from distribution of dividends and changes in Subsidiary's equity	-	-	-	-	-	-	-	-	-	-	-	-	(929,130)	(929,130)
Net income for the period	-	-	-	-	-	-	-	-	-	-	25,231,887	25,231,887	2,471,714	27,703,601
Other comprehensive income for the period	-	-	(49,098)	869,563	3,211	-	(31,288)	-	-	-	-	-	119,512	911,900
Balance as of 30 June 2023	11,666,667	17,643,264	(109,525)	(1,898,990)	55	34,716,693	1,478,728	85,052	(106,001)	5,380,268	162,153,283	167,533,551	24,237,075	255,246,569

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 CHANGES IN EQUITY (continued)
FOR PERIOD ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Issued and fully paid-in capital	Additional paid-in capital/agio	Share capital acquired and repurchased (treasury stock)	Difference arising from translation of financial statements in foreign currencies	Net unrealised loss from decrease in fair value of financial assets 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 benefits 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 shares		-	-	150,895	-	-	-	-	-	-	-	-	-	-	150,895
Changes in non-controlling interest arising from distribution of dividend and changes in Subsidiary's equity		-	-	-	-	-	-	-	-	-	-	-	-	(876,732)	(876,732)
Net income for the period		-	-	-	-	-	-	-	-	-	-	20,209,210	20,209,210	1,835,098	22,044,308
Other comprehensive income for the period		-	-	-	19,371	(5,690,001)	(2,346)	(533)	(1,909)	-	-	-	-	(117,896)	(5,793,314)
Balance as of 30 June 2022	11,666,667	17,643,264	-	(69,614)	(3,997,856)	(2,716)	30,139,812	1,215,547	85,052	(106,001)	5,380,268	140,599,983	145,980,251	18,265,140	220,819,546

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
FOR PERIODS ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)

		Period ended 30 June	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interest income		53,325,378	43,209,757
Receipts from sharia income		8,900,943	7,490,329
Receipts from provision, commission and premium income		15,923,646	15,744,947
Payments of insurance claim expense		(5,753,661)	(6,264,759)
Payments of interest expense		(14,015,838)	(9,094,675)
Payments of sharia expense		(2,754,774)	(1,816,519)
Receipts from the sale of government bonds - fair value through profit or loss		100,645,768	175,601,041
Acquisition of government bonds - fair value through profit or loss		(103,280,055)	(177,844,735)
Income from financial instrument recognised at fair value through profit or loss - net		3,333,661	3,365,662
Other operating income - others		2,250,840	2,253,259
Other operating expenses - others		(5,184,795)	(6,676,598)
Salaries and employee benefits expenses		(14,571,054)	(13,303,195)
General and administrative expenses		(7,493,234)	(7,172,091)
Non-operating income - net		16,154	29,819
Payment of corporate income tax		(7,178,288)	(6,299,174)
Cash flows from operating activities before changes in operating assets and liabilities		24,164,691	19,223,068
Decrease/(increase) in operating assets:			
Placements with Bank Indonesia and other banks		(466,529)	1,470,492
Marketable securities - fair value through profit or loss		2,955,784	6,335,911
Other receivables - trade transactions		4,651,842	2,162,691
Loans		(59,492,456)	(72,093,159)
Sharia receivables/financing		(15,464,212)	(21,130,572)
Securities purchased under agreements to resell		(5,244,385)	22,399,746
Consumer financing receivables		(4,391,633)	(1,794,039)
Net investment finance lease		302,818	(808,374)
Prepaid taxes		(104,333)	902,196
Prepaid expenses		(1,103,123)	(523,879)
Other assets		(10,616,440)	(5,234,448)
Recovery of written-off financial assets		5,072,606	3,475,034
Increase/(decrease) in operating liabilities and temporary <i>syirkah</i> funds:			
Conventional banking			
Demand deposits		(43,273,003)	(5,919,131)
Saving deposits		3,005,879	32,232,012
Time deposits		(15,550,897)	1,419,745

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 (continued)
FOR PERIODS ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)

		Period ended 30 June	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES (continued)			
Increase/(decrease) in operating liabilities and temporary <i>syirkah</i> funds: (continued)			
Interbank call money		1,537,110	1,328,382
Obligations due immediately		863,578	917,019
Liability to unit-link policyholders	27	(218,323)	(754,735)
Other taxes payable		(484,265)	22,309
Other liabilities		11,688,867	10,734,680
Sharia bank - temporary <i>syirkah</i> funds			
Demand deposits - restricted investment and <i>mudharabah musytarakah</i> demand deposits		(1,870,676)	3,248,455
Saving deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment		(2,852,501)	2,797,862
<i>Mudharabah</i> time deposits - unrestricted investment		635,994	973,878
Net cash (used in)/provided by operating activities		(106,253,607)	1,385,143
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in marketable securities - other than fair value through profit or loss		13,235,891	4,314,659
Decrease/(increase) in government bonds - other than fair value through profit or loss		15,647,478	(42,521,912)
Proceeds from sale of fixed assets		5,441	7,614
Acquisition of fixed assets	18a	(460,567)	(774,082)
Acquisition of intangible assets	19	(475,756)	(247,124)
Acquisition of right of use assets		(812,035)	(1,129,855)
Increase in investment in subsidiaries		(872,766)	(1,055,947)
Net cash provided by/(used in) investing activities		26,267,686	(41,406,647)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from debt securities issued		6,700,334	1,415,850
Payments of debt securities issued		(2,075,000)	(1,972,836)
Receipts from fund borrowings		34,028,143	8,128,373
Payments of fund borrowings		(11,558,078)	(7,085,146)
Receipts from subordinated loans and marketable securities		100,000	-
Payments of subordinated loans and marketable securities		(11,979)	(7,989)
(Decrease)/increase in securities sold under agreements to repurchase liabilities		(1,364,234)	14,424,574
Payments of dividends	40c	(24,702,382)	(16,816,893)
Net cash provided by/(used in) financing activities		1,116,804	(1,914,067)

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 PERIODS ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Period ended 30 June	
		2023	2022
NET DECREASE IN CASH AND CASH EQUIVALENTS		(78,869,117)	(41,935,571)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(3,214,722)	2,246,601
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		274,889,544	193,631,712
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		192,805,705	153,942,742
Cash and cash equivalents at the end of period consists of:			
Cash	63.B.(vii)	27,681,721	22,505,848
Current accounts with Bank Indonesia	4	89,917,101	66,735,705
Current accounts with other banks	5	27,364,451	21,716,129
Liquid short-term investments with a period of time maturity of three months or less from the date of acquisition		47,842,432	42,985,060
Total cash and cash equivalents		192,805,705	153,942,742

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
30 JUNE 2023 AND 31 DECEMBER 2022 AND
FOR PERIODS ENDED 30 JUNE 2023 AND 2022
(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 that is 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. 12, dated on 16 March 2023 stated under Notary Utiok 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.01.03-0041000 and Decision Letter No. AHU-0016584.AH.01.02. year 2023, both dated on 16 March 2023 and registered on Company’s Registry No. AHU-0054153.AH.01.11.year 2023, dated on 16 March 2023.

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
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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 of the Ministry of Finance and the Governor of Bank Indonesia No. 389/KMK.017/1999 and No. 1/10/KEP/GBI dated 29 July 1999.

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 from 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 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 from 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 8 August 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 repurchase of Bank Mandiri shares

Public offering of Bank Mandiri subordinated bonds and medium term notes

On 23 June 2023, Bank Mandiri issued Subordinated Medium Term Notes II Bank Mandiri Year 2023 with nominal value of Rp100,000.

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

Public offering of Bank Mandiri bonds and medium term notes

On 4 April 2023, Bank Mandiri issued the fourth Euro Medium Term Notes (EMTN), with a nominal value of USD 300,000,000 (full amount) in the Singapore Exchange (SGX).

On 19 April 2021, Bank Mandiri issued the third EMTN, namely the 2021 Bank Mandiri Sustainability Bond, with a nominal value of USD 300,000,000 (full amount) in the SGX.

On 13 May 2020, Bank Mandiri issued the second EMTN with nominal value of USD500,000,000 (full amount) and on 11 April 2019 the Bank issued the first EMTN with nominal value of USD750,000,000 (full amount) in the 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. Public offering of Continuous Bonds II Bank Mandiri Phase I Year 2020 was effective based on letter of FSA Capital Market No. S-133/D.04/2020 dated 30 April 2020.

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

On 15 June 2017, Bank Mandiri issued Bank Mandiri Continuous Bonds I Phase II Year 2017 ("Continuous Bonds I Phase II") with a nominal value of Rp6,000,000 (Note 30).

On 30 September 2016, Bank Mandiri issued Continuous Bonds I Bank Mandiri Phase I Year 2016 ("Continuous Bonds I Phase I") with nominal amount of Rp5,000,000. Public offering of Continuous Bonds I Bank Mandiri Phase I Year 2016 was effective based on Letter of FSA Capital Market No. S-530/D.04/2016 dated on 22 September 2016.

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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 repurchase of Bank Mandiri shares (continued)

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.

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

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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 repurchase of Bank Mandiri shares (continued)**

Changes in share capital of Bank Mandiri (continued)

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

	Number of shares
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
Decrease of par value of share from Rp250 (full amount) to Rp125 (full amount) per share through stock split in 2023	46,666,666,666
Total	93,333,333,332

Stock split of Bank Mandiri:

Based on the decision of the Annual General Meeting of Shareholders (RUPS) dated 14 March 2023, as recorded in the Notarial Deed of Utiek R. Abdurachman S.H., MLI., Mkn., No. 12 dated 16 March 2023, the shareholders of Bank Mandiri, among others, approved a stock split of the bank from Rp250 (full amount) per share to Rp125 (full amount) per share. This results in an increase in the issued capital to a total of 93,333,333,332 shares, consisting of 1 (one) Dwiwarna Series A shares and 93,333,333,331 Series B common shares. For the Dwiwarna Series A shares owned by the Republic of Indonesia, 1 (one) share will be retained, and the remaining will be allocated to increase the Series B common shares owned by the Republic of Indonesia. The stock split was effective on 6 April 2023.

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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 repurchase of Bank Mandiri shares (continued)

Changes in share capital of Bank Mandiri (continued)

Stock split of Bank Mandiri (continued):

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, approved the stock split of the Bank from Rp500 (full amount) per share to Rp250 (full amount) per share which resulted increase in capital into 46,666,666,666 shares consisting of 1 (one) Dwiwarna Series A share and 46,666,666,665 Series B shares.

Repurchase of Bank Mandiri shares

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 30 June 2023 and 31 December 2022, are as follows:

Name of Subsidiaries	Nature of Business	Domicile	Percentage of Ownership	
			June 2023	December 2022
PT Bank Syariah Indonesia Tbk. (formerly PT Bank Syariah Mandiri)	Sharia Banking	Jakarta	51.47	51.47
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 (AMFS)	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 (MCI)	Venture Capital	Jakarta	99.99	99.99

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

The Subsidiaries' total assets as of 30 June 2023 and 31 December 2022 (before elimination) are as follows:

Subsidiaries	Year of commercial operation	Total assets (before eliminaton)	
		June 2023	December 2022
PT Bank Syariah Indonesia Tbk. (formerly PT Bank Syariah Mandiri)	1955	313,640,731	305,727,438
Bank Mandiri (Europe) Limited	1999	3,240,162	3,765,899
PT Mandiri Sekuritas	1992	4,508,971	4,141,024
PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos)	1970	56,333,564	53,894,750
PT Mandiri Tunas Finance	1989	26,375,252	23,742,009
Mandiri International Remittance Sendirian Berhad	2009	23,487	24,360
PT AXA Mandiri Financial Services	1991	41,135,414	40,164,675
PT Asuransi Jiwa Inhealth Indonesia	2008	3,378,311	2,706,131
PT Mandiri Utama Finance	2015	9,427,313	7,612,738
PT Mandiri Capital Indonesia	2015	5,853,374	5,774,807
Total		463,916,579	447,553,831

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.

BRIS 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. No. 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 on 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 BRIS'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 regarding Acceptance of Notification of Amendments to the Articles of Association of PT Bank Syariah Indonesia Tbk.

Furthermore, changes to the BRIS'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, 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.

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:

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

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

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

The Head Office of PT Bank Syariah Indonesia Tbk, located at is The Tower Building, Jalan Gatot Subroto No. 27, Karet Semanggi sub-district, 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.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Sekuritas (continued)

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.

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 effective on 28 May 2015 with the approval from FSA, with the composition of the final ownership is Bank Mandiri (58.25%), PT Taspen (20.20%), PT Pos (20.20%) 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 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 (40.00%) 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 Transfer 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 30 June 2023 and 31 December 2022 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 and MTF has obtained a business license to operate in leasing, factoring, and consumer financing from Ministry of Finance in its Decision Letter No. KEP-352/KM.10/2009 dated on 29 September 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 30 June 2023 and 31 December 2022 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, Philippines, 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 30 June 2023 and 31 December 2022 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 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 30 June 2023 and 31 December 2022 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 679/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 22 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 State Owned Enterprise 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). Stage 2 had been effective on 7 November 2022 with share investment amounted to Rp30,565 which resulted to total shares owned by inhealth as of 31 December 2022 amounted to Rp47,945 or ownership portion of 45.14% (forty five point fourteen).

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 share 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 30 June 2023 and 31 December 2022, Bank Mandiri's the structure and number of Bank Mandiri's domestic and foreign offices are as follows:

	June 2023	December 2022
Domestic regional offices	12	12
Domestic branches:		
Branch Offices ^{*)}	138	138
Sub-Branch Offices	2,189	2,225
Total domestic branches	2,327	2,363
Overseas branches	6	6

^{*)} Several branch offices function as area offices.

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 30 June 2023, 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 15 May 2023 as stated in Directors Decree No. KEP.DIR/024/2023 dated 31 May 2023 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 30 June 2023 and 31 December 2022, the members of Bank Mandiri's Boards of Commissioners are as follows:

	<u>30 June 2023</u>	<u>31 December 2022</u>
<u>Board of Commissioners</u>		
President Commissioner/		
Independent	: Muhamad Chatib Basri	Muhamad Chatib Basri
Deputy President Commissioner/		
Independent	: Andrinof A. Chaniago	Andrinof A. Chaniago
Independent Commissioner	: Loeke Larasati A.	Boedi Armanto
Independent Commissioner	: Muliadi Rahardja	Loeke Larasati A.
Independent Commissioner	: Heru Kristiyana ^{*)}	Muliadi Rahardja
Independent Commissioner	: Zainudin Amali ^{*)}	-
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

^{*)} In accordance with the decision of the Bank Mandiri's Annual General Meeting of Shareholders held on 14 March 2023, the person were appointed as a Commissioner of the Company, wherein the appointment of the Board of Commissioners member become effective upon receiving approval from the Financial Services Authorit based on Fit and Proper Test and in accordance with the applicable laws and regulation.

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 30 June 2023 and 31 December 2022, the members of Bank Mandiri's Board of Directors are as follows:

	30 June 2023
<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 Commercial Banking	: Riduan
Director of Network and Retail Banking	: Aquarius Rudianto
Director of Operation	: Toni E. B. Subari
Director of Corporate Banking	: Susana Indah K. Indriati
Director of Institutional Relationship	: Rohan Hafas
Director of Finance and Strategy	: Sigit Prastowo
Director of Information Technology	: Timothy Utama
Director of Treasury and International Banking	: Eka Fitria*)
	31 December 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 Network and Retail Banking	: Aquarius Rudianto
Director of Operation	: Toni E. B. Subari
Director of Corporate Banking	: Susana Indah K. Indriati
Director of Institutional Relationship	: Rohan Hafas
Director of Finance and Strategy	: Sigit Prastowo
Director of Information Technology	: Timothy Utama

*) In accordance with the decision of the Bank Mandiri's Annual General Meeting of Shareholders held on 14 March 2023, this person was appointed as a Director of the Company, wherein the appointment as the Board of Director is effective after obtaining approval from the Financial Services Authority based on Fit and Proper Test and in accordance with the applicable laws and regulation.

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 30 June 2023 and 31 December 2022, the members of Bank Mandiri's Audit Committee are as follows:

	30 June 2023	31 December 2022
Chairman and member	: Muliadi Rahardja	Boedi Armanto
Member	: Muhamad Chatib Basri	Muhamad Chatib Basri
Member	: Andrinof A. Chaniago	Andrinof A. Chaniago
Member	: Loeke Larasati A.	Loeke Larasati A.
Member	: Heru Kristiyana ^{*)}	Muliadi Rahardja.
Member	: Rasyid Darajat	Rasyid Darajat
Member	: Rubi Pertama	Rubi Pertama

^{*)} In accordance with the decision of the Bank Mandiri's Annual General Meeting of Shareholders held on 14 March 2023, this person was appointed as a Commissioner of the Company, wherein the appointment of the Board of Commissioners member is effective after obtaining approval from the Financial Services Authority based on Fit and Proper Test and in accordance with the applicable laws and regulation.

As of 30 June 2023 and 31 December 2022, Bank Mandiri's Remuneration and Nomination Committee are as follows:

	30 June 2023	31 December 2022
Chairman and member	: Muhamad Chatib Basri	Muhamad Chatib Basri
Member	: Andrinof A. Chaniago	Andrinof A. Chaniago
Member	: Muliadi Rahardja	Muliadi Rahardja
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

As of 30 June 2023 and 31 December 2022, Bank Mandiri's Risk Oversight Committee are as follows:

	30 June 2023	31 December 2022
Chairman and member	: Andrinof A. Chaniago	Andrinof A. Chaniago
Member	: Loeke Larasati A.	Boedi Armanto
Member	: Nawal Nely	Loeke Larasati A.
Member	: Arif Budimanta	Nawal Nely
Member	: Heru Kristiyana ^{*)}	Arif Budimanta
Member	: Chrisna Pranoto	Chrisna Pranoto
Member	: Caroline Halim	Caroline Halim

^{*)} In accordance with the decision of the Bank Mandiri's Annual General Meeting of Shareholders held on 14 March 2023, this person was appointed as a Commissioner of the Company, wherein the appointment of the Board of Commissioners member is effective after obtaining approval from the Financial Services Authority based on Fit and Proper Test and in accordance with the applicable laws and regulation.

As of 30 June 2023 and 31 December 2022, Bank Mandiri's Integrated Governance Committee are as follows:

	30 June 2023	31 December 2022
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	: Zainudin Amali ^{*)}	-

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 30 June 2023 and 31 December 2022, Bank Mandiri's Integrated Governance Committee are as follows (continued):

		30 June 2023	31 December 2022
Member	:	Chrisna Pranoto	Chrisna Pranoto
Member	:	Rasyid Darajat	Rasyid Darajat
Member	:	Independent	Independent
		Commissioner	Commissioner
		Bank Mantap ^{*)}	Bank Mantap ^{*)}
Member	:	Independent	Independent
		Commissioner MAGI ^{**)}	Commissioner MAGI ^{**)}
Member	:	Independent	Independent
		Commissioner	Commissioner
		Mansek ^{**)}	Mansek ^{*)}
Member	:	Independent	Independent
		Commissioner AMFS ^{**)}	Commissioner AMFS ^{**)}
Member	:	Independent	Independent
		Commissioner MTF ^{**)}	Commissioner MTF ^{**)}
Member	:	Independent	Independent
		Commissioner MUF ^{**)}	Commissioner MUF ^{**)}
Member	:	Independent	Independent
		Commissioner MCI ^{**)}	Commissioner MCI ^{**)}
Member	:	Independent	Independent
		Commissioner Inhealth ^{**)}	Commissioner Inhealth ^{**)}
Member	:	Independent	Independent
		Commissioner BSI ^{**)}	Commissioner BSI ^{**)}
Member	:	Sharia Supervisory	Sharia Supervisory
		Board from subsidiary ^{**)}	Board from subsidiary ^{**)}

^{*)} In accordance with the decision of the Bank Mandiri's Annual General Meeting of Shareholders held on 14 March 2023, the person in question was appointed as a Commissioner of the Company, wherein the appointment of the Board of Commissioners member is effective after obtaining approval from the Financial Services Authority based on Fit and Proper Test and in accordance with the applicable laws and regulation.

^{**)} Adjusted to the Officers of the relevant Subsidiaries

Management and key personnel includes the Board of Commissioners, Board of Directors, Audit Committee and Risk Oversight Committee, Sharia Supervisory Board as well as Senior Executive Vice President and Senior Vice President.

As of 30 June 2023 and 31 December 2022, the Chairperson of Bank Mandiri's Internal Audit was Danis Subyantoro.

As of 30 June 2023 and 31 December 2022, Bank Mandiri's Corporate Secretary was Rudi As Aturridha.

The number of Bank Mandiri employees as of 30 June 2023 was 37,999 persons (31 December 2022: 38,200 persons (unaudited)).

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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 July 2023.

The consolidated financial statements have been prepared and presented in accordance with the 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 Sharia Accounting Standards of the Indonesian Institute of Accountants and capital market regulation No. VIII.G.7 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 period ended 30 June 2023 have been applied consistently with the Group consolidated financial statements for the year ended 31 December 2022 which are in accordance with Indonesian Financial Accounting Standards.

On 1 January 2023, 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 SFAS No. 1 on Presentation of Financial Statements related to Disclosure of Accounting Policies. This amendment changes "significant accounting policy information" to "material accounting policy information" and clarifies that not all accounting policy information related to material transactions, events or other conditions is material to the financial statements.
- Amendment to SFAS No. 16 on Fixed Assets related to Proceeds before Intended Use. This amendment clarifies the examples of costs that are directly attributable as the acquisition cost of fixed assets. This amendment adds provisions regarding the recognizing of sales proceeds and the acquisition cost of items generated when relocating fixed assets to the required location and condition in accordance with management's intention in the Profit and Loss Statement, as well as measuring the cost of acquisition of those items by applying the measurement requirements in SFAS 14: Inventory.
- Amendment to SFAS No. 25 on Accounting Policies, Changes in Accounting Estimates and Errors related to the Definition of Accounting Estimates. This Amendment to SFAS No. 25 introducing the definition of accounting estimates and clarifies estimation techniques and valuation techniques are examples of measurement techniques used in developing accounting estimates, as well as changes in accounting estimates resulting from new information or new developments that are not corrections of errors.
- Amendment to SFAS No. 46 on Income Taxes Related to Deferred Tax Assets and Liabilities Arise from a Single Transaction. This amendment to SFAS No. 46 propose that entities recognize both deferred tax assets and liabilities at their initial recognition, such as from lease transactions, in order to eliminate variations in practice in the field for that transaction and similar transactions.
- Changes to SFAS 107 concerning Ijarah Accounting. This has an impact on changes in the policy for implementing multiservice ijarah on lease contracts that are still valid at the time of the initial implementation of the SFAS. The scope of SFAS 107 covers ijarah contracts both used in the financial sector and the real sector. The arrangements in this SFAS include Asset Ijarah, Direct Service Ijarah and Indirect Service Ijarah. The implementation of this SFAS also has an impact on the addition of retained earnings due to differences in the method of charging from the ijarah asset depreciation method using straight line method to the decreasing of principal portion of outstanding ijarah receivables method.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Group'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 Group's original expectations, the Group 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 Subsidiaries 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 recognised 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 recognised as "interest income". When the decline in value occurs, the impairment loss is recognised as a deduction to the carrying amount of the financial asset and is recognised in the financial statements as "impairment loss".

Recognition

Banks use transactions date record to 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 fair value through profit or loss 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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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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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 recognised 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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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 recognised as a deduction from the asset's carrying amount in the statement of financial position, and recognised 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 recognised 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 recognised 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 recognised together as a deduction from the carrying amount of the assets in the consolidated statement of financial position.

c) Financial Guarantee Contract

Impairment of financial guarantee contracts is recognised 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) Purchase or issuance of financial asset at significant discount which reflects the credit loss that occurs.

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 30 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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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)

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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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)

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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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 with the purpose of facilitating analysis which is designed to 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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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

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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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)

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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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 Interpretation of Financial Accounting Standard ("IFAS") 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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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)

(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 estimation of the amount required to settle the guarantee. These estimation 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 assets” 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.

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 30 June 2023 and 31 December 2022. 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):

	30 June 2023	31 December 2022
Great Britain Pound Sterling 1/Rp	19,092.95	18,786.09
European Euro 1/Rp	16,401.80	16,581.72
United States Dollar 1/Rp	14,992.50	15,567.50
Japanese Yen 100/Rp	10,446.00	11,781.00
Australian Dollar 1/Rp	10,058.47	10,577.88
Hong Kong Dollar 1/Rp	1,914.00	1,996.55
Chinese Yuan 1/Rp	2,079.52	2,238.91
Singapore Dollar 1/Rp	11,109.26	11,592.88

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 on Related Party Disclosures and capital market regulation No. VIII.G.7 regarding Financial Statements Presentation and Disclosure for Issuer 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 dated 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 rupiah 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).

Fulfillment of GWM in Rupiah for both Commercial Banks (BUK) and Subsidiaries is calculated by comparing the balance position of Rupiah Demand Deposits 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.

On 30 June 2022, an extended PADG has been issued, namely PADG No. 24/8/PADG/2022 regarding the implementation of Minimum Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units, as amended once through PADG No. 2 year 2023 dated 24 March 2023. Upon the effective date of PADG No. 24/8/PADG/22, PADG No. 20/10/PADG/2018 and its amendments are revoked and declared invalid.

The new PADG regulates that the fulfillment of Minimum Statutory Reserves 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).

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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)

GWM in Rupiah for Subsidiaries that carry out business activities with sharia principles must be met 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 6% (six percent); and
 - 2) Period 1 September 2022 onwards of 7.5% (seven point five percent).

The amount of remuneration/allocation ('*athaya*') after considering incentives within the framework of macroprudential policies are as follows:

- a. Conventional Commercial Banks get macroprudential incentive amounted to 2.8% and the GWM amount that received remuneration/allocation ('*athaya*') amounted to 6.2% - 7.0% (from average GWM fulfillment)
- b. Sharia Commercial Banks and Sharia Business Units get macroprudential incentive amounted to 2.8% and GWM amount that received remuneration/allocation ('*athaya*') amounted to 4.7% - 5.5% (from average GWM fulfillment).

In addition, Bank Indonesia is strengthening policies to encourage economic growth through regulations of GWM incentives in Rupiah as stated in PBI No. 24/5/PBI/2022 dated 25 February 2022 regarding 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 regarding Regulations Implementation of Incentives for Banks Providing Provision of Funds for Certain and Inclusive Economic Activities, as amended 2 (two) times through PADG No. 24/12/PADG/2022 dated 20 Juli 2022 and PADG No. 1 year 2023 dated 15 Februari 2023. 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 (MLB 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Macroprudential Liquidity Buffer (continued)

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.

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 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.

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 Demand Deposits are 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.

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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)

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. Amounting to 0 (zero), if the BUK has the gross non-performing loan ratio is greater than or equal to 5% (five percent);
 2. Amounting to 0 (zero), if the BUK 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 BUK 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.

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 of amortised cost.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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)), Government Treasury Bills (*Surat Perbendaharaan Negara* (SPN)) 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, the 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.

Reclassification of marketable securities to amortised cost from 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 are classified as financial assets at amortised cost. Refer to Note 2c for the accounting policy of amortised cost.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Securities purchased/sold under resale/repurchase agreements

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

Securities purchased under agreements to resale are presented as assets in the consolidated statement of financial position at the agreed resale 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.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Derivative receivables and derivative payables (continued)

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.

Syndication 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*.

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.

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 financing 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Loans and sharia receivables/financing (continued)

Murabahah financing 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.

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 Subsidiaries'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 Subsidiaries'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.

Subsidiaries'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 Subsidiaries 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 right 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 No. 73 "Leased" since 1 January 2020.

SFAS No. 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 No. 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 No. 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 No. 30, with the concept of risk and benefit.

The Group applies the definition of leases and related guidance applied in SFAS No. 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 recognised the use rights assets at the inception date of the lease. The 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 recognised, 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 No. 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 recognised 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% 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.

Investments in shares for investment purposes with a share ownership of 20% or more and with significant influence are investments in associates. The Bank's investment in associates is measured at equity method. The initial recognition of investment in associates is recognized at cost of acquisition. The carrying amount of the investment in associates is adjusted to recognize Bank Mandiri's share of profit or loss, receipt of distributions, and changes recognised directly in the equity of the associates after the acquisition date.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 at 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, *ijarah mustahiyah bittamlik* receivables, *ijarah* multi-services, 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.

Ijarah is a contract involving the transfer of right of use (benefit) of an asset for a specific period which the lessee pays rent (*ujrah*) without the transfer of ownership of the asset itself. *Ijarah muntahiyah bittamlik* is the provision of funds to transfer the right of use or benefit of goods or services based on a lease transaction with an option to transfer ownership of the goods to the lessee. The transfer of ownership of the leased object to the lessee in *ijarah muntahiyah bittamlik* can be executed as a grant. *Ijarah* revenue receivables are recognised at the due date for the outstanding rent and presented at the net realisable value, which is the outstanding balance of the receivables.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Other assets (continued)

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.

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 *wadiah* 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 *wadiah* saving deposits earn bonus based on Subsidiary's policy. *Wadiah* demand deposits and *wadiah* saving 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 a form of *wadiah* demand deposits.

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.

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

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Insurance contract (continued)

Liability adequacy test

Liability adequacy testing is performed at reporting date for contract individually or group of products determined in accordance with the Subsidiaries'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 Subsidiaries'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. Subsidiaries operates in life insurance use Gross Premium Reserve with best estimate and margin for adverse deviation therefore liability adequacy test is not required.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Insurance contract (continued)

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 Subsidiaries'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.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

aa. Debt securities issued

Debt securities issued by the Bank and its Subsidiaries, including bonds, subordinated notes, medium term notes, travelers' cheques and Interbank *Mudharabah* Investment Certificate (SIMA), are initially measured at fair value plus directly attributable transaction costs. Subsequently, transactions cost are amortised using 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.

The sharia liquidity management facility of Bank Indonesia (PASBI) received by Sharia Subsidiaries is classified as "Fund Borrowings". Bank Indonesia and the Bank mutually agree to enter into a *wakalah bil ististmar* contract for fund management, guaranteed by sharia securities. The funds received are recognised as liabilities to Bank Indonesia.

The Bank undertakes fund management for whole business investment activities (*mutlaqah*). The return of managed funds and the distribution of investments return (*ististmar*) occur upon maturity.

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.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ad. Income tax (continued)

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. Furthermore, the Bank establishes provisions based on the amounts expected to be paid to the tax authorities.

Bank Mandiri and Subsidiaries apply 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.

Furthermore, 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. Premium income 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 net 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 net investment in lease financing which is settled prior to maturity are recognised upon settlement date of such loans, consumer financing and net 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 since 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 Labor Law is a defined benefit plan because the Labor 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 Law No. 4 year 2023 dated 12 January 2023 regarding Development and Strengthening of Financial Sector.

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 qualified independent actuaries.

Tantiem distribution

Bank Mandiri records tantiem 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 30 June 2023 is 69,999,999,999 shares and as of 31 December 2022 are 46,651,357,241 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 30 June 2023 and 31 December 2022 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 Minister of State-Owned Enterprises Regulation No. PER-01/MBU/03/2023 regarding Special Assignments and Social and Environmental Responsibility Programs of State-Owned Enterprises dated 24 March 2023, fund allocation was no longer allocated from retained earnings based on the decision of the General Shareholders Meeting (RUPS). Instead, it was recognised and charged to the current period 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 (BSM), with PT Bank BRIsyariah Tbk. (BRIS) 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 estimation and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimation and assumptions required in conformity with Statement of Financial Accounting Standard are the best estimation undertaken in accordance with the applicable standards. Estimation 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 pricing information, 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 benefits

Pension programs are determined based on actuarial valuation. The actuarial valuation uses 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 taxable income most likely will be available so that the temporary differences can be utilised. Significant estimation 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 recognise 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 have 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

	30 June 2023	31 December 2022
Rupiah	78,273,280	95,778,696
United States Dollar (Note 63.B.(iv))	11,643,821	11,570,462
	89,917,101	107,349,158

As of 30 June 2023 dan 31 December 2022, 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:

	30 June 2023	31 December 2022
Rupiah		
Primary Minimum Statutory Reserve ^{*)}	7.55%	7.90%
(i) Daily Minimum Statutory Reserve	0.00%	0.00%
(ii) Average Minimum Statutory Reserve	7.55%	7.90%
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%

^{*)} The Bank provides funding for specific and inclusive economic activities, allowing the Bank to receive incentives in the form of Rupiah Minimum Statutory Reserves (GWM) leniency at 1.45% and 1.10% on 30 June 2023 and 31 December 2022, respectively. The Rupiah Minimum Statutory Reserves (GWM) that the Bank requires to meet which should have been 9.00% each on 30 June 2023 and 31 December 2022 with a daily requirement of 0.00% and an average of 9.00%, has been reduced to 7.55% on 30 June 2023, with a daily requirement of 0.00% and an average of 7.55% and has been reduced to 7.90% on 31 December 2022, with a daily requirement of 0.00% and an average of 7.90%.

As of 30 June 2023 and 31 December 2022, the Bank has fulfilled the ratio as mentioned above. The Rupiah and Foreign Currencies Minimum Statutory Reserves Ratio and Macroprudential Liquidity Buffer Ratio (Bank Mandiri only), are as follows:

	30 June 2023	31 December 2022
Rupiah		
Primary Minimum Statutory Reserve	7.69%	8.53%
(i) Daily Minimum Statutory Reserve ^{*)}	0.00%	0.50%
(ii) Average Minimum Statutory Reserve	7.69%	8.53%
Macroprudential Liquidity Buffer	21.55%	21.14%
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%

^{*)} Realization of daily Rupiah minimum statutory reserve as of 30 June 2023 and 31 December 2022 were 4.95% dan 7.56%, respectively.

^{**)} Realization of daily foreign currencies minimum statutory as of 30 June 2023 and 31 December 2022 were 4.10% and 4.10%, respectively.

As of 30 June 2023 and 31 December 2022, the Bank is obliged to fulfill the RIM Current Account of 0.62% dan 0.87%, 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:

	30 June 2023	31 December 2022
Rupiah		
Related parties (Note 57)	56,404	70,843
Third parties	776,525	566,608
Total	832,929	637,451
Foreign currencies		
Related parties (Note 57)	1,189,314	39,890
Third parties	25,342,208	47,132,644
Total (Note 63.B.(iv))	26,531,522	47,172,534
	27,364,451	47,809,985
Less: allowance for impairment losses	(22,889)	(20,285)
Net	27,341,562	47,789,700

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 of current account with other banks classified as amortised cost for the period and year ended 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023				
	Stage 1	Stage 2	Stage 3	Sharia¹⁾	Total
Beginning balance	47,024,265	-	-	785,720	47,809,985
Remeasurement of net carrying amount	(21,268,795)	-	-	414,287	(20,854,508)
New financial assets originated or purchased	194,356	-	-	28,636	222,992
Financial assets derecognised	(163,034)	-	-	(27,620)	(190,654)
Total increase/(decrease) during the period	(21,237,473)	-	-	415,303	(20,822,170)
Others ²⁾	382,269	-	-	(5,633)	376,636
Ending balance	26,169,061	-	-	1,195,390	27,364,451

	31 December 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 ²⁾	1,571,747	-	-	(59,487)	1,512,260
Ending balance	47,024,265	-	-	785,720	47,809,985

¹⁾ Not Implement SFAS 71

²⁾ Included effect of foreign currencies translation

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b. By Bank Indonesia's collectibility:

	30 June 2023	31 December 2022
Rupiah		
Current	832,929	637,451
Foreign currencies (Note 63.B.(iv))		
Current	26,531,522	47,172,534
	27,364,451	47,809,985
Less: allowance for impairment losses	(22,889)	(20,285)
Net	27,341,562	47,789,700

c. The average interest rate (yield) per annum:

	30 June 2023	31 December 2022
Rupiah	0.90%	0.96%
Foreign currencies (equivalen in Rupiah)	1.86%	1.05%

d. Movements of allowance for impairment losses on current accounts with other banks are as follows:

	30 June 2023	31 December 2022
Beginning balance	20,285	24,043
Allowance/(reversal) during the period/year (Note 46)	4,511	(5,165)
Others ^{*)}	(1,907)	1,407
Ending balance	22,889	20,285

^{*)} Included effect of foreign currencies translation.

	30 June 2023				
	Stage 1	Stage 2	Stage 3	Sharia^{*)}	Total
Beginning balance	11,611	-	-	8,674	20,285
Net remeasurement of losses allowance	(1,596)	-	-	6,087	4,491
New financial assets originated or purchased	121	-	-	-	121
Financial assets derecognised	(101)	-	-	-	(101)
Total allowance/(reversal) during the period	(1,576)	-	-	6,087	4,511
Others ^{**)}	(574)	-	-	(1,333)	(1,907)
Ending balance	9,461	-	-	13,428	22,889

^{*)} Not implement SFAS 71.

^{**)} Included effect of foreign currencies translation.

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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):

	31 December 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.

^{**)} Included effect of foreign currencies translation.

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 63.A.

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

- a. By type, currency, maturity and Bank Indonesia’s collectibility:

30 June 2023				
	Maturity	Current	Loss	Total
Rupiah				
Bank Indonesia	< 1 month	14,478,343	-	14,478,343
Call money	< 1 month	550,000	-	550,000
Time deposits	< 1 month	1,641,045	-	1,641,045
	≥ 1 month ≤ 3 months	662,500	-	662,500
	> 3 months ≤ 6 months	65,000	-	65,000
	> 6 months ≤ 12 months	12,500	-	12,500
Total		17,409,388	-	17,409,388
Foreign currencies				
Bank Indonesia	< 1 month	24,212,888	-	24,212,888
	≥ 1 month ≤ 3 months	1,574,213	-	1,574,213
Call money	< 1 month	3,994,072	-	3,994,072
Fixed term placement	< 1 month	1,424,901	-	1,424,901
	≥ 1 month ≤ 3 months	163,556	-	163,556
	> 3 months ≤ 6 months	187,157	-	187,157
	> 6 months ≤ 12 months	420	-	420
	> 12 months ≤ 36 months	367,377	-	367,377
	> 36 months	1,036,556	-	1,036,556
Time deposits	< 1 month	194,903	-	194,903
Total (Note 63.B.(iv))		33,156,043	-	33,156,043
				50,565,431
Less: allowance for impairment losses				(1,495)
Net				50,563,936

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By type, currency, maturity and Bank Indonesia's collectability (continued):

31 December 2022				
	Maturity	Current	Loss	Total
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 63.B.(iv))		64,512,315	-	64,512,315
Less: allowance for impairment losses				95,324,112
				(3,601)
Net				95,320,511

Movements of placement with other banks classified as amortised cost for 30 June 2023 and 31 December 2022 are as follows:

30 June 2023				
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	95,324,112	-	-	95,324,112
Remeasurement of net carrying amount	(5,297,833)	-	-	(5,297,833)
New financial assets originated or purchased	73,676,906	-	-	73,676,906
Financial assets derecognised	(112,561,000)	-	-	(112,561,000)
Total decrease during the period	(44,181,927)	-	-	(44,181,927)
Others ^{*)}	(576,754)	-	-	(576,754)
Ending balance	50,565,431	-	-	50,565,431
31 December 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

^{*)} Included effect of foreign currencies translation.

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

b. By related parties and third parties:

	30 June 2023	31 December 2022
Rupiah		
Related parties (Note 57)	958,630	636,030
Third parties	16,450,758	30,175,767
Total	17,409,388	30,811,797
Foreign currencies		
Related parties (Note 57)	1,469,265	2,444,098
Third parties	31,686,778	62,068,217
Total (Notes 63.B.(iv))	33,156,043	64,512,315
	50,565,431	95,324,112
Less: allowance for impairment losses	(1,495)	(3,601)
Net	50,563,936	95,320,511

c. By counterparty:

	30 June 2023	31 December 2022
Rupiah		
Deposit Facility		
Bank Indonesia	14,478,343	26,843,755
Call Money		
Deutsche Bank AG	300,000	-
PT Bank Pembangunan Daerah Jawa Tengah	250,000	-
PT Bank Pembangunan Daerah Jawa Timur Tbk	-	250,000
PT Bank Pembangunan Daerah Sumatera Utara	-	250,000
JP Morgan Chase Bank N.A	-	200,000
PT Bank Aceh Syariah	-	200,000
PT Bank OCBC NISP Tbk	-	200,000
PT Bank Pembangunan Daerah Sulawesi Selatan and Sulawesi Barat	-	150,000
PT Bank Pembangunan Daerah Kalimantan Tengah	-	150,000
PT Bank Pembangunan Daerah Nusa Tenggara Timur	-	125,000
PT Bank Pembangunan Daerah Sulawesi Tenggara	-	125,000
PT Bank Pembangunan Daerah Sumatera Selatan and Bangka Belitung	-	125,000
PT Bank Pembangunan Daerah Jawa Barat and Banten Tbk	-	100,000
PT Bank DKI	-	100,000
PT Bank Pembangunan Daerah Istimewa Yogyakarta	-	100,000
PT Bank Pembangunan Daerah Bali	-	100,000
Others	-	200,000
	550,000	2,375,000

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

c. By counterparty (continued):

	30 June 2023	31 December 2022
Rupiah (continued)		
Fixed Term		
PT Bank UOB Indonesia	-	76,732
PT Bank ANZ Indonesia	-	33,130
	-	109,862
Time Deposits		
PT Bank Rakyat Indonesia (Persero) Tbk	360,530	162,530
PT Bank Tabungan Negara (Persero) Tbk - Unit Usaha Syariah	302,100	247,400
PT Bank Tabungan Negara (Persero) Tbk	296,000	226,100
PT Bank Nagari	252,900	70,750
PT Bank DKI	206,100	121,400
Citibank	180,050	102,200
PT Bank Pembangunan Daerah Jawa Timur Tbk	132,000	5,000
PT Bank Pembangunan Daerah Jawa Barat and Banten Tbk - Unit Usaha Syariah	130,800	256,500
PT Bank Pembangunan Daerah Sulawesi Selatan and Sulawesi Barat	127,000	51,000
Others	393,565	240,300
	2,381,045	1,483,180
Total	17,409,388	30,811,797
Foreign currencies		
<u>USD</u>		
Term Deposits		
Bank Indonesia	25,787,101	49,738,163
Call Money		
PT Bank Negara Indonesia (Persero) Tbk	1,274,363	934,050
HSBC Bank USA N.A.	1,038,980	1,203,368
Wells Fargo Bank N.A.	688,905	5,461,857
Bank of New York	613,193	1,963,062
BNP Paribas S.A	378,631	393,152
Others	-	591,565
	3,994,072	10,547,054
Fixed Term		
JP Morgan Chase Bank N.A.	850,748	883,376
Agricultural Bank of China	464,768	233,513
Standard Chartered Bank	433,655	682,941
CTBC Bank Co. Ltd	404,798	-
BNP Paribas S.A	291,859	374,801
Bank Of Montreal	134,933	147,891
Banco Bilbao Vizcaya Argentaria	127,436	-
Bank of China	104,948	342,485
Others	179,665	596,406
	2,992,810	3,261,413

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

c. By counterparty (continued):

	30 June 2023	31 December 2022
Foreign currencies (continued)		
USD (continued)		
Time Deposits		
PT Bank Negara Indonesia (Persero) Tbk.	134,933	264,648
PT Bank Rakyat Indonesia (Persero) Tbk.	59,970	311,350
PT Bank Andamon Indonesia Tbk.	-	31,462
	<u>194,903</u>	<u>607,460</u>
	<u>32,968,886</u>	<u>64,154,090</u>
CNY		
Fixed Term		
Bank of China	187,157	358,225
	<u>187,157</u>	<u>358,225</u>
Total	<u>33,156,043</u>	<u>64,512,315</u>
Total counterparty placements	50,565,431	95,324,112
Less: allowance for impairment losses	(1,495)	(3,601)
Net	<u>50,563,936</u>	<u>95,320,511</u>

d. Average interest rate (yield) per annum:

	30 June 2023	31 December 2022
Rupiah	0.91%	0.71%
Foreign currencies	4.24%	1.03%

e. Movements of allowance for impairment losses on placements with other banks:

	30 June 2023	31 December 2022
Beginning balance	3,601	1,675
(Reversal)/allowance during the period/year		
(Note 46)	(1,744)	1,948
Others ⁷⁾	(362)	(22)
Ending balance	<u>1,495</u>	<u>3,601</u>

⁷⁾ Included effect of foreign currencies translation.

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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):

30 June 2023				
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	3,601	-	-	3,601
Net remeasurement of losses allowance	(1,607)	-	-	(1,607)
New financial assets originated or purchased	805	-	-	805
Financial assets derecognised	(942)	-	-	(942)
Total reversal during the period	(1,744)	-	-	(1,744)
Others ^{*)}	(362)	-	-	(362)
Ending balance	1,495	-	-	1,495

31 December 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

^{*)} Included effect of foreign currencies translation.

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 63.A.
- g. As of 30 June 2023 and 31 December 2022, placements with a balance of USD3,571,290 (full amount) and USD2,270,190 (full amount) were pledged for fund borrowings from other banks (Note 36d).

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7. MARKETABLE SECURITIES

a. By purpose, related parties and third parties:

	30 June 2023	31 December 2022
Marketable securities		
Related parties (Note 57):		
Fair value through profit or loss	1,159,346	363,281
Fair value through other comprehensive income	10,943,879	14,060,476
At amortised cost	4,725,753	4,834,818
At cost ^{*)}	284,956	281,259
	<u>17,113,934</u>	<u>19,539,834</u>
Third parties:		
Fair value through profit or loss	10,415,802	10,724,161
Fair value through other comprehensive income	15,353,703	15,277,832
At amortised cost	2,267,234	3,120,999
At cost ^{*)}	1,748,365	10,967,719
	<u>29,785,104</u>	<u>40,090,711</u>
Investments in unit-link contracts ^{**)}		
Related parties (Note 57):		
Fair value through profit or loss	6,654,102	7,750,743
Third parties:		
Fair value through profit or loss	13,694,403	15,439,438
	<u>20,348,505</u>	<u>23,190,181</u>
Total	<u>67,247,543</u>	<u>82,820,726</u>
Add/(less):		
Unamortised premiums	10,523	18,986
Unrealised (loss)/gain on (decrease)/increase in fair value of marketable securities	(9,751)	1,297
Allowance for impairment losses	(42,175)	(41,191)
	<u>(41,403)</u>	<u>(20,908)</u>
Net	<u>67,206,140</u>	<u>82,799,818</u>

^{*)} Marketable securities owned by Subsidiary.

^{**)} Investments in unit-link contracts are investments owned by policyholders of unit-link contracts of Subsidiary which are presented at fair value.

Movements of marketable securities classified as at amortised cost and at cost for the period and year ended 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023				
	Stage 1	Stage 2	Stage 3	Sharia^{*)}	Total
At amortised cost					
Beginning balance	7,916,557	58,246	-	11,248,978	19,223,781
Remeasurement	(71,405)	-	-	-	(71,405)
New purchased financial assets	1,396,831	-	-	1,213,661	2,610,492
Matured or sold financial assets	(1,655,674)	-	-	(10,387,555)	(12,043,229)
Total decrease during the period	(330,248)	-	-	(9,173,894)	(9,504,142)
Others ^{**)}	(641,045)	-	-	(41,763)	(682,808)
Ending balance	<u>6,945,264</u>	<u>58,246</u>	<u>-</u>	<u>2,033,321</u>	<u>9,036,831</u>

^{*)} Not implement SFAS 71

^{**)} Included effect of foreign currencies translation.

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7. MARKETABLE SECURITIES (continued)

a. By purpose, related parties and third parties (continued):

Movements of marketable securities classified as at amortised cost and at cost for the period and year ended 30 June 2023 and 31 December 2022 are as follows (continued):

31 December 2022					
	Stage 1	Stage 2	Stage 3	Sharia¹⁾	Total
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 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 ²⁾	(546,466)	-	-	6,334	(540,132)
Ending balance	7,916,557	58,246	-	11,248,978	19,223,781

¹⁾ Not implement SFAS 71

²⁾ Included effect of foreign currencies translation.

Movements of 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 period and year ended 30 June 2023 and 31 December 2022 are as follows:

30 June 2023		
	Carrying amount	Allowance for impairment losses¹⁾
Fair value through other comprehensive income		
Beginning balance	29,308,811	11,045
Remeasurement	(235,267)	(3,975)
New purchased financial assets	1,759,691	15,643
Matured or sold financial assets	(4,565,150)	(668)
Decrease from changes in fair value	(8,216)	-
Ending balance	26,259,869	22,045

31 December 2022		
	Carrying amount	Allowance for impairment losses¹⁾
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 marketable securities classified as fair value through other comprehensive income recognised at 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:

	30 June 2023						
	Cost/ nominal value/ fair value	Unamortised premiums/ (discounts)	Unrealised gains/ (losses)	Fair value/at cost/at amortised cost			Total
				Current	Substandard	Loss	
Rupiah							
Fair value through profit or loss							
Marketable securities							
Bonds	865,281	-	-	865,281	-	-	865,281
Investments in mutual fund units	251,447	-	-	251,447	-	-	251,447
Sukuk of Bank Indonesia	2,100,000	-	11,809	2,111,809	-	-	2,111,809
Shares	325,817	-	-	325,817	-	-	325,817
Asset-backed security	26,148	-	(2,555)	23,593	-	-	23,593
	3,568,693	-	9,254	3,577,947	-	-	3,577,947
Investments in unit-link contracts ^{?)}							
Shares	14,041,174	-	-	14,041,174	-	-	14,041,174
Investments in mutual fund units	987,554	-	-	987,554	-	-	987,554
Bonds	648,676	-	-	648,676	-	-	648,676
	15,677,404	-	-	15,677,404	-	-	15,677,404
	19,246,097	-	9,254	19,255,351	-	-	19,255,351
Fair value through other comprehensive income							
Marketable securities							
Investments in mutual fund units	19,907,044	-	178,708	20,085,752	-	-	20,085,752
Medium term notes	99,452	-	-	99,452	-	-	99,452
Bonds	2,849,003	-	33,887	2,882,890	-	-	2,882,890
Asset-backed security	27,301	-	-	27,301	-	-	27,301
Sharia corporate bonds	19,964	-	-	19,964	-	-	19,964
	22,902,764	-	212,595	23,115,359	-	-	23,115,359
At amortised cost							
Marketable securities							
Bonds	4,175,000	21	-	4,175,021	-	-	4,175,021
Asset-backed security	85,019	-	-	85,019	-	-	85,019
Export bills	641,890	-	-	641,890	-	-	641,890
Medium term notes	245,000	-	-	245,000	-	-	245,000
	5,146,909	21	-	5,146,930	-	-	5,146,930
At cost ^{?)}							
Marketable securities							
Export bills	106,866	-	-	106,866	-	-	106,866
Medium term notes	160,000	-	-	160,000	-	-	160,000
Sharia corporate bonds	787,800	-	-	787,800	-	-	787,800
Sukuk of Bank Indonesia	978,655	-	-	978,655	-	-	978,655
	2,033,321	-	-	2,033,321	-	-	2,033,321
Total	49,329,091	21	221,849	49,550,961	-	-	49,550,961
Foreign currencies							
Fair value through profit or loss							
Marketable securities							
Bonds	168,412	-	1,357	169,769	-	-	169,769
Treasury bills	7,088,313	-	21,861	7,110,174	-	-	7,110,174
Treasury bonds	749,730	-	(4,510)	745,220	-	-	745,220
	8,006,455	-	18,708	8,025,163	-	-	8,025,163
Investments in unit-link contracts ^{?)}							
Investments in mutual fund units	4,671,101	-	-	4,671,101	-	-	4,671,101
	4,671,101	-	-	4,671,101	-	-	4,671,101
	12,677,556	-	18,708	12,696,264	-	-	12,696,264
Fair value through other comprehensive income							
Marketable securities							
Bonds	2,187,252	-	(116,959)	2,070,293	-	-	2,070,293
Treasury bills	1,207,566	-	(133,349)	1,074,217	-	-	1,074,217
	3,394,818	-	(250,308)	3,144,510	-	-	3,144,510
At amortised cost							
Marketable securities							
Export bills	245,644	-	-	245,644	-	-	245,644
Bonds	940,764	(3,777)	-	936,987	-	-	936,987
Treasury bills	659,670	14,279	-	673,949	-	-	673,949
	1,846,078	10,502	-	1,856,580	-	-	1,856,580
Total (Note 63.B.(iv))	17,918,452	10,502	(231,600)	17,697,354	-	-	17,697,354
	67,247,543	10,523	(9,751)	67,248,315	-	-	67,248,315
Less: allowance for impairment losses							(42,175)
Net							67,206,140

^{?)} Unit-link investments are investments owned by policyholders in Subsidiary unit-link contracts which are presented at fair value.

^{?)} Marketable securities owned by Subsidiary.

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7. MARKETABLE SECURITIES (continued)

b. By type, currency and Bank Indonesia's collectability (continued):

31 December 2022							
	Cost/ nominal value/ fair value	Unamortised premiums/ (discounts)	Unrealised gains/ (losses)	Fair value/at cost/at amortised cost			
				Current	Substandard	Loss	Total
Rupiah							
Fair value through profit or loss							
~~Marketable securities~~							
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 deposits	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
~~Investments in unit-link contracts~~ ^{?)}							
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							
~~Marketable securities~~							
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							
~~Marketable securities~~							
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 ^{?)}							
~~Marketable securities~~							
Export bills and others	119,194	-	-	119,194	-	-	119,194
Medium term notes	160,000	-	-	160,000	-	-	160,000
Sharia corporate bonds	742,800	-	-	742,800	-	-	742,800
Interbank Mudharabah							
Investment Certificate ("SIMA")	690,000	-	-	690,000	-	-	690,000
Sharia Compliant Interbank Fund							
Management Certificate ("SIPA")	934,000	-	-	934,000	-	-	934,000
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							
~~Marketable securities~~							
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
~~Investments in unit-link contracts~~ ^{?)}							
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							
~~Marketable securities~~							
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							
~~Marketable securities~~							
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 63.B.(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

^{?)} Unit-link investments are investments owned by policyholders in Subsidiary unit-link contracts which are presented at fair value.

^{?)} Marketable securities owned by Subsidiary.

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7. MARKETABLE SECURITIES (continued)

c. By maturity:

	30 June 2023	31 December 2022
<u>Marketable securities</u>		
Rupiah		
No maturity date	1,080,982	592,587
< 1 year	7,289,974	15,099,577
> 1 < 5 years	19,629,794	17,278,208
> 5 < 10 years	5,623,636	7,434,548
> 10 years	27,301	-
	<u>33,651,687</u>	<u>40,404,920</u>
Foreign currencies		
< 1 year	8,730,932	14,426,574
> 1 < 5 years	3,035,226	3,573,616
> 5 < 10 years	1,481,193	979,656
> 10 years	-	245,779
	<u>13,247,351</u>	<u>19,225,625</u>
Total	<u>46,899,038</u>	<u>59,630,545</u>
<u>Investments in unit-link contracts ^{*)}</u>		
Rupiah		
No maturity date	15,028,728	17,766,505
< 1 year	113,033	17,916
> 1 < 5 years	500,317	385,368
> 5 < 10 years	35,326	5,022
	<u>15,677,404</u>	<u>18,174,811</u>
Foreign currencies		
No maturity date	4,671,101	5,015,370
Total	<u>20,348,505</u>	<u>23,190,181</u>
	<u>67,247,543</u>	<u>82,820,726</u>
Add/(less):		
Unamortised premiums	10,523	18,986
Unrealised (loss)/gain on (decrease)/increase in fair value of marketable securities	(9,751)	1,297
Allowance for impairment losses	(42,175)	(41,191)
	<u>(41,403)</u>	<u>(20,908)</u>
Net	<u>67,206,140</u>	<u>82,799,818</u>

^{*)} Investments in unit-link contracts are investments owned by policyholders of unit-link contracts of Subsidiary, which are presented at fair value.

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7. MARKETABLE SECURITIES (continued)

d. By issuer:

	30 June 2023	31 December 2022
<u>Marketable securities</u>		
Corporate	30,730,561	32,788,198
Government	10,590,390	11,992,849
Central Bank	3,078,655	8,902,984
Banks	2,499,432	5,946,514
	46,899,038	59,630,545
<u>Investments in unit-link contracts ^{*)}</u>		
Corporate	13,253,249	14,510,661
Banks	7,095,256	8,661,604
Government	-	17,916
	20,348,505	23,190,181
Total	67,247,543	82,820,726
Add/(less):		
Unamortised premiums	10,523	18,986
Unrealised (loss)/gain on (decrease)/increase in fair value of marketable securities	(9,751)	1,297
Allowance for impairment losses	(42,175)	(41,191)
	(41,403)	(20,908)
Net	67,206,140	82,799,818

^{*)} Investments in unit-link contracts are investments owned by policyholders of unit-link contracts of Subsidiary which are presented at fair value.

e. Details of bonds by rating:

	Rating ^{*)}		Fair value/at cost/at amortised cost	
	Rating agencies	30 June 2023	31 December 2022	
Rupiah				
Fair value through profit or loss				
<u>Marketable securities</u>				
Bonds				
Surat Perbendaharaan Negara ^{**)}	-	-	-	865,281
Asset-backed security PT Sarana Multigriya Finansial (Persero)	Pefindo	idAAA	idAAA	23,593
				888,874
<u>Investment in unit-link contracts^{***)}</u>				
Bonds				
PT Federal International Finance	-	-	-	82,931
PT Sarana Multigriya Finansial (Persero)	-	-	-	63,987
PT XL Axiata Tbk	-	-	-	61,589
PT Waskita Karya (Persero) Tbk	-	-	-	50,570
PT Indosat Tbk	-	-	-	45,207
PT Bank Rakyat Indonesia (Persero) Tbk	-	-	-	42,623
PT Sarana Multi Infrastruktur (Persero)	-	-	-	40,799
PT Profesional Telekomunikasi Indonesia	-	-	-	35,036
PT Kereta Api Indonesia (Persero)	-	-	-	32,977
				31,959

^{*)} Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as *Pemeringkat 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 unit link contracts of Subsidiary 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 ^{*)}		Fair value/at cost/at amortised cost	
	Rating agencies	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Rupiah (continued)					
Fair value through					
profit or loss (continued)					
<u>Investment in unit-link contracts****)</u>					
(continued)					
Bonds (continued)					
PT Semen Indonesia (Persero) Tbk	-	-	-	32,711	
PT Mayora Indah Tbk	-	-	-	24,767	24,176
PT Bank Sulawesi selatan dan barat	-	-	-	22,072	21,834
PT Bank Maybank Indonesia Tbk	-	-	-	21,090	21,303
PT Maybank Indonesia Finance	-	-	-	19,967	-
PT Astra Sedaya Finance	-	-	-	-	15,979
PT Adira Dinamika Multi Finance Tbk	-	-	-	10,852	10,685
PT Medikaloka Hermina Tbk	-	-	-	10,035	10,114
Surat Perbendaharaan Negara**)	-	-	-	-	17,916
PT Tower Bersama Infrastructure Tbk	-	-	-	-	13,969
Others (each below Rp10,000)	-	-	-	51,463	23,565
				648,676	408,306
				1,537,550	431,736
Fair value through					
other comprehensive income					
<u>Marketable securities</u>					
Bonds					
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	idAAA	718,329	1,022,102
PT Pupuk Indonesia (Persero)	Fitch Ratings	AAA(idn)	AAA(idn)	386,915	383,126
PT Hutama Karya (Persero)	Pefindo	idAAA(gg)	idAAA(gg)	334,789	339,166
PT Profesional Telekomunikasi Indonesia	Fitch Ratings	AAA(idn)	AAA(idn)	222,079	219,799
PT Pegadaian	Pefindo	idAAA	idAAA	201,785	403,320
PT Bank Tabungan Negara (Persero) Tbk	Fitch Ratings	AA+(idn)	AA(idn)	150,989	158,587
PT XL Axiata Tbk	Fitch Ratings	AAA(idn)	AAA(idn)	126,236	122,597
PT Sarana Multi Infrastruktur (Persero)	Pefindo	idAAA	idAAA	123,674	123,761
PT Indosat Tbk	Pefindo	idAAA	idAAA	83,876	73,138
PT Chandra Asri Petrochemical Tbk	Pefindo	idAA-	idAA-	73,491	71,479
PT Tower Bersama Infrastructure Tbk	Fitch Ratings	AA+(idn)	AA+(idn)	65,016	40,079
PT Telkom Indonesia (Persero) Tbk	Pefindo	idAAA	idAAA	62,716	63,719
PT Kereta Api Indonesia (Persero)	Pefindo	idAAA	idAA+	61,530	59,834
PT Bank Negara Indonesia (Persero) Tbk	Pefindo	idAAA	idAAA	56,327	56,121
PT Adira Dinamika Multi Finance Tbk	Pefindo	idAAA	idAAA	51,148	51,953
PT Bank Rakyat Indonesia (Persero) Tbk	Pefindo	idAAA	idAAA	50,523	349,995
PT Wijaya Karya (Persero) Tbk	Pefindo	idBBB	idA	39,009	40,207
PT Mayora Indah Tbk	Pefindo	idAA	idAA	38,637	88,113
PT Maybank Indonesia Finance	Fitch Ratings	idAA+(idn)	AA+(idn)	35,821	36,597
PT Bank Pan Indonesia Tbk	Pefindo	-	idAA	-	200,924
Others (each below Rp10,000)	Various	-	Various	-	5,008

^{*)} Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as *Pemeringkat 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 unit link contracts of Subsidiary 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 ^{*)}		Fair value/at cost/at amortised cost	
	Rating agencies	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Rupiah (continued)					
Fair value through other comprehensive income (continued)					
<u>Marketable securities (continued)</u>					
Asset-backed security PT Sarana Multigriya Finansial (Persero)**)	-	-	-	27,301	-
Sharia corporate bonds PT CIMB Niaga Auto Finance	Fitch Ratings	AA(idn)	-	19,964	-
				2,930,155	3,909,625
At 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	624,170
PT Hutama Karya (Persero) Tbk	Pefindo	idAAA(gg)	idAAA(gg)	580,021	580,024
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	Pefindo	idAA	idAA	230,000	230,000
PT Jakarta Lingkar Baratsatu	Pefindo	idAA-	idAA-	160,000	160,000
PT Dharma Satya Nusantara Tbk	Pefindo	idA	idA	150,000	150,000
PT Pegadaian	Pefindo	idAAA	-	150,000	-
PT Angkasa Pura II (Persero)	Pefindo	idAA+	idAA+	140,000	140,000
PT Bank Rakyat Indonesia (Persero) Tbk	Pefindo	idAAA	idAAA	90,000	90,000
PT Semen Indonesia (Persero) Tbk	Pefindo	idAA+	idAA+	75,000	75,000
PT Pembangunan Perumahan (Persero) Tbk	Pefindo	idA	idA	63,000	63,000
PT Sarana Multigriya Finansial (Persero)	Pefindo	idAAA	idAAA	50,000	20,000
PT Bank Tabungan Negara (Persero) Tbk	Fitch Ratings	AA+(idn)	AA(idn)	49,000	49,000
PT Indah Kiat Pulp & Paper Tbk	Pefindo	idA+	idA+	30,000	30,000
PT BFI Finance Indonesia	Fitch Ratings	idAA-	-	30,000	-
PT Federal International Finance	Pefindo	idAAA	-	28,000	-
PT Astra Sedaya Finance	Pefindo	idAAA	idAAA	25,000	25,000
Surat Perbendaharaan Negara**)	-	-	-	19,830	19,498
PT Bank Negara Indonesia (Persero) Tbk	Pefindo	idAAA	idAAA	13,000	13,000
PT Industri Kereta Api (Persero)	Pefindo	-	idBBB+	-	101,106
Others (each below Rp10,000)	Various	Various	Various	13,000	6,000
Asset-backed security PT Sarana Multigriya Finansial (Persero)	Pefindo	idAAA	idAAA	85,019	102,732
				4,260,040	4,133,530

^{*)} Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as *Pemeringkat Efek Indonesia* (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.
^{**)} No rating.

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7. MARKETABLE SECURITIES (continued)

e. Details of bonds by rating (continued):

		Rating ¹⁾		Fair value/at cost/at amortised cost	
	Rating agencies	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Rupiah (continued)					
At cost^{***)}					
<u>Marketable securities</u>					
Sharia corporate bonds					
PT Indosat Tbk	Pefindo	idAAA(sy)	idAAA(sy)	213,800	213,800
PT XL Axiata Tbk	Fitch Ratings	AAA(idn)	AAA(idn)	195,000	195,000
PT Medco Power Indonesia	Pefindo	idA(sy)	idA(sy)	150,000	150,000
PT Wijaya Karya (Persero) Tbk	Pefindo	idBBB(sy)	idA(sy)	99,000	99,000
PT Global Mediacom Tbk	Pefindo	idA+(sy)	idA+(sy)	50,000	50,000
PT CIMB Niaga Auto Finance	Fitch Ratings	AA(idn)	-	45,000	-
PT BPD Kalimantan Selatan	Fitch Ratings	A(idn)	A(idn)	35,000	35,000
				<u>787,800</u>	<u>742,800</u>
Interbank Mudharabah Investment Certificate ("SIMA")					
SIMA PT Bank Jawa Tengah-Unit Usaha Syariah ^{**)}	-	-	-	-	300,000
SIMA PT Bank Aceh Syariah ^{**)}	-	-	-	-	290,000
SIMA PT Bank Sumsel Babel Syariah ^{**)}	-	-	-	-	100,000
				<u>-</u>	<u>690,000</u>
Sharia Compliant Interbank Fund Management Certificate ("SIPA")					
SIPA PT Bank BJB Syariah ^{**)}	-	-	-	-	500,000
SIPA PT Bank Aladin Syariah Tbk ^{**)}	-	-	-	-	434,000
				<u>-</u>	<u>934,000</u>
				<u>787,800</u>	<u>2,366,800</u>
Total				<u>9,515,545</u>	<u>10,841,691</u>
Foreign currencies					
Fair value through profit or loss					
<u>Marketable securities</u>					
Bonds					
PT Sinbad Karya Perdagangan ^{**)}	-	-	-	74,575	74,575
PT Bank Rakyat Indonesia (Persero) Tbk	Fitch Ratings	BBB	-	68,739	-
PT Millenio Amerta Data ^{**)}	-	-	-	26,455	-
Others (each below Rp10,000)	-	-	-	-	8,657
				<u>169,769</u>	<u>83,232</u>
Fair value through other comprehensive income					
<u>Marketable securities</u>					
Bonds					
PT Pertamina (Persero)	Moody's	Baa2	Baa2	560,377	3,546,179
PT Indonesia Asahan Aluminium (Persero)	Fitch Ratings	BBB-	BBB-	409,013	429,622
PT Bank Rakyat Indonesia (Persero) Tbk	Fitch Ratings	BBB	BBB-	283,454	293,180
PT Bank Rakyat Indonesia (Persero) Tbk	Moody's	Baa2	Baa2	233,576	241,368
PT Bank Tabungan Negara (Persero) Tbk	Moody's	Ba3	Ba3	140,199	141,747

¹⁾ Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as *Pemeringkat Efek Indonesia* (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

^{**)} No rating.

^{***)} Marketable securities owned by Subsidiary.

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7. MARKETABLE SECURITIES (continued)

e. Details of bonds by rating (continued):

		Rating ¹⁾		Fair value/at cost/at amortised cost	
	Rating agencies	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Foreign currencies (continued)					
Fair value through other comprehensive income (continued)					
Marketable securities (continued)					
Bonds (continued)					
PT Indonesia Asahan Aluminium (Persero)	S&P	BBB	BBB	80,305	83,786
PT Saka Energi Indonesia	Moody's	B2	B2	73,369	74,071
Medco Platinum Road Pte. Ltd	Moody's	B1	B1	65,129	66,393
PT Bank Negara Indonesia (Persero) Tbk	Moody's	Ba3	Ba3	43,473	50,970
PT ABM Investama Tbk	Fitch Ratings	B+	B+	33,372	34,456
PT Japfa Comfeed Indonesia Tbk	Fitch Ratings	BB-	BB-	29,108	34,121
PT Sarana Multi Infrastruktur (Persero)	Moody's	Baa2	Baa2	26,575	27,024
PT Indika Energy Tbk	Moody's	Ba3	Ba3	22,478	23,457
PT Delta Dunia Makmur Tbk	Moody's	Ba3	Ba3	19,220	20,200
Korea Development Bank	Moody's	Aa2	Aa2	14,112	14,783
Others (each below Rp10,000)	Various	Various	Various	36,533	30,427
				2,070,293	5,111,784
At amortised cost					
Marketable securities					
Bonds					
PT Indonesia Asahan Aluminium (Persero)	S&P	BBB	BBB	221,452	231,022
PT Indonesia Asahan Aluminium (Persero)	Moody's	Baa3	Baa3	151,519	157,778
PT Pelabuhan Indonesia IV	Moody's	Baa3	Baa3	150,935	157,012
PT Perusahaan Listrik Negara (Persero)	Moody's	Baa2	Baa2	104,288	78,252
PT Indonesia Infrastruktur Finance	Moody's	Baa2	Baa3	80,627	41,239
PT Perusahaan Gas Negara Tbk	Moody's	Ba2	Ba2	76,602	80,534
Medco Oak Tree Pte Ltd	Moody's	B1	B1	75,244	77,993
PT Bank Negara Indonesia (Persero) Tbk	Moody's	Ba2	Ba3	33,185	34,554
PT Pertamina (Persero)	Moody's	Baa2	Baa2	28,085	28,810
PT Bank Rakyat Indonesia (Persero) Tbk	Moody's	Baa2	Baa2	15,050	15,668
PT Perusahaan Listrik Negara (Persero)	Moody's	-	Baa3	-	29,941
				936,987	932,803
Total				3,177,049	6,127,819

¹⁾ Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as *Pemeringkat Efek Indonesia* (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

f. Average interest rate (yield) per annum:

	30 June 2023	31 December 2022
Rupiah	5.84%	5.45%
Foreign currencies (equivalent to Rupiah)	12.69%	10.43%

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7. MARKETABLE SECURITIES (continued)

g. Movements of allowance for impairment losses on marketable securities:

	30 June 2023	31 December 2022
Beginning balance	41,191	99,504
Reversal during period/year (Note 46)	(1,395)	(26,899)
Others ^{*)}	2,379	(31,414)
Ending balance	42,175	41,191

^{*)} Included effect of foreign currency translation.

	30 June 2023				
	Stage 1	Stage 2	Stage 3	Sharia^{*)}	Total
Beginning balance	22,249	1,465	-	17,477	41,191
Net remeasurement of losses allowance	(9,050)	(1,459)	-	9,487	(1,022)
New financial assets originated or purchased	1,005	-	-	-	1,005
Financial asset derecognised	(1,378)	-	-	-	(1,378)
Total allowance/(reversal) during period	(9,423)	(1,459)	-	9,487	(1,395)
Others ^{**)}	2,379	-	-	-	2,379
Ending balance	15,205	6	-	26,964	42,175

^{*)} Not implement SFAS 71

^{**)} Included effect of foreign currency translation.

	31 December 2022				
	Stage 1	Stage 2	Stage 3	Sharia^{*)}	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

^{*)} Not implement SFAS 71

^{**)} Included effect of foreign currency translation.

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 63.A.

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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 30 June 2023 and 31 December 2022:

	30 June 2023	31 December 2022
Protected Mutual Fund Syailendra Capital Protected Fund 45	1,441,765	1,440,607
Protected Mutual Fund Manulife Proteksi Dana Utama III	1,311,518	1,310,426
Protected Mutual Fund Syailendra Capital Protected Fund 53	1,020,328	1,017,901
Protected Mutual Fund Syailendra Capital Protected Fund 52	1,019,687	1,019,454
Protected Mutual Fund BNI AM Proteksi Sunflower	1,009,140	1,009,308
Protected Mutual Fund BNI AM Proteksi Orchid	1,009,080	1,007,620
Protected Mutual Fund Trimegah 21	1,005,683	1,004,287
Protected Mutual Fund Panin 17	992,995	993,279
Protected Mutual Fund BNP Paribas Selaras VI	991,493	991,874
Protected Mutual Fund Trimegah 26	909,218	757,075
Protected Mutual Fund BNI AM Proteksi Rasamala	761,249	760,055
Protected Mutual Fund Trimegah 24	760,083	908,311
Protected Mutual Fund Manulife Proteksi Dana Utama II	759,825	759,345
Protected Mutual Fund BNI AM Proteksi Magnifera	757,271	756,333
Protected Mutual Fund Danareksa 81	757,215	756,623
Protected Mutual Fund Syailendra Capital Protected Fund 46	754,613	754,502
Protected Mutual Fund Danareksa Proteksi 79	710,731	710,570
Protected Mutual Fund Panin 26	603,143	603,243
Protected Mutual Fund BMI Indo Proteksi Sinergi 1	501,802	502,067
Protected Mutual Fund BNP Paribas Selaras V	500,908	501,138
Protected Mutual Fund Bahana Centrum Protected Fund 221	496,992	496,576
Protected Mutual Fund Bahana Centrum Protected Fund 222	493,969	493,521
Protected Mutual Fund Trimegah XI	-	490,047
	18,568,708	19,044,162

- j. As of 30 June 2023 and 31 December 2022, securities with total amount of USD55,226,480 (full amount) and USD55,226,340 (full amount), respectively were sold under repurchase agreements (Note 28).

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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 30 June 2023 and 31 December 2022, with details as follows:

	30 June 2023	31 December 2022
Related party (Note 57)		
<u>Government bonds</u>		
At amortised cost	169,435,451	180,578,053
Fair value through other comprehensive income ^{***})	92,483,371	92,532,086
At cost ^{*)}	40,839,885	44,213,180
Fair value through profit or loss	7,788,726	6,972,279
<u>Investments in unit-link contracts ^{**)}</u>		
Fair value through profit or loss	6,755,371	4,916,166
	317,302,804	329,211,764

^{*)} 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 unit-link contracts of Subsidiary 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.

a. By maturity

The government bonds, by remaining period of maturity, are as follows:

	30 June 2023	31 December 2022
<u>Rupiah</u>		
Fair value through profit or loss		
<u>Government bonds</u>		
Less than 1 year	1,515,254	2,403,912
1 - 5 years	3,267,828	2,704,883
5 - 10 years	1,969,021	1,672,415
Over 10 years	982,233	174,954
	7,734,336	6,956,164
<u>Investments in unit-link^{**)}</u>		
Less than 1 year	389,347	142,890
1 - 5 years	1,913,836	2,235,398
5 - 10 years	3,959,771	2,210,076
Over 10 years	492,417	327,802
	6,755,371	4,916,166
	14,489,707	11,872,330

^{*)} 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):

	30 June 2023	31 December 2022
Rupiah (continued)		
Fair value through other comprehensive income^{***})		
<u>Government bonds</u>		
Less than 1 year	6,802,568	2,214,055
1 - 5 years	13,227,804	17,502,539
5 - 10 years	38,382,925	37,341,218
Over 10 years	7,581,855	5,588,365
	<u>65,995,152</u>	<u>62,646,177</u>
At amortised cost		
<u>Government bonds</u>		
Less than 1 year	8,650,619	15,890,558
1 - 5 years	52,868,951	52,132,872
5 - 10 years	39,483,837	43,313,092
Over 10 years	43,758,200	43,501,330
	<u>144,761,607</u>	<u>154,837,852</u>
At cost^{*)}		
<u>Government bonds</u>		
Less than 1 year	6,925,453	11,130,042
1 - 5 years	28,100,029	27,845,450
5 - 10 years	4,407,257	3,775,555
Over 10 years	966,623	966,330
	<u>40,399,362</u>	<u>43,717,377</u>
Total	<u>265,645,828</u>	<u>273,073,736</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 unit-link contracts of Subsidiary 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):

	30 June 2023	31 December 2022
Foreign currencies		
Fair value through profit or loss		
<u>Government bonds</u>		
Less than 1 year	771	-
1 - 5 years	4,960	14,914
5 - 10 years	26,721	-
Over 10 years	21,938	1,201
	<u>54,390</u>	<u>16,115</u>
Fair value through other comprehensive income		
<u>Government bonds</u>		
Less than 1 year	1,511,465	2,437,444
1 - 5 years	12,030,339	11,089,589
5 - 10 Years	11,349,904	14,892,272
Over 10 years	1,596,511	1,466,604
	<u>26,488,219</u>	<u>29,885,909</u>
At amortised cost		
<u>Government bonds</u>		
Less than 1 year	510,695	406,571
1 - 5 years	5,259,594	4,080,521
5 - 10 years	18,650,689	20,988,875
Over 10 years	252,866	264,234
	<u>24,673,844</u>	<u>25,740,201</u>
At cost ^{*)}		
<u>Government bonds</u>		
Less than 1 year	-	35,136
1 - 5 years	440,523	460,667
	<u>440,523</u>	<u>495,803</u>
Total (Note 63.B.(iv))	<u>51,656,976</u>	<u>56,138,028</u>
	<u>317,302,804</u>	<u>329,211,764</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

30 June 2023					
	Nominal/ cost/ at amortised cost	Interest rates per annum	Fair value	Maturity dates	Frequency of interest payment
Rupiah					
Fair value through profit or loss					
<u>Government bonds</u>					
Fixed rate bonds	7,382,165	4.00% - 12.00%	7,616,712	15/07/2023 - 15/08/2051	1 and 6 months
Floating rate bonds	116,437	5.79%	117,624	25/04/2025	3 months
	<u>7,498,602</u>		<u>7,734,336</u>		
<u>Investments in unit-link contracts⁾</u>					
Fixed rate bonds	6,755,371	4.00% - 11.00%	6,755,371	15/07/2023 - 15/08/2051	1 and 6 months
Fair value through other comprehensive income^{**)}					
<u>Government bonds</u>					
Fixed rate bonds	63,028,737	4.00% - 11.00%	65,995,152	15/07/2023 - 15/06/2047	1 and 6 months
Foreign currencies					
Fair value through profit or loss					
<u>Government bonds</u>					
Fixed rate bonds	54,723	1.50% - 5.88%	54,390	15/01/2024 - 15/10/2050	6 months
Fair value through other comprehensive income					
<u>Government bonds</u>					
Fixed rate bonds	28,263,350	1.00% - 8.50%	26,488,219	17/10/2023 - 20/09/2052	6 months

⁾ Investments in unit-link contracts are investments owned by policyholders of unit-link contracts of Subsidiary which are presented at fair value.

^{**) Including sukuk, project-based sukuk and retail sukuk which are classified as at fair value through other comprehensive income.}

30 June 2023				
	Nominal/ cost/ at amortised cost	Interest rates per annum	Maturity dates	Frequency of interest payment
Rupiah				
At amortised cost				
<u>Government bonds</u>				
Fixed rate bonds	144,761,607	4.00% - 12.00%	15/07/2023 - 15/06/2042	1 and 6 months
At cost⁾				
<u>Government bonds</u>				
Fixed rate bonds	40,399,362	4.00% - 10.25%	15/08/2023 - 15/04/2043	1 and 6 months

⁾ 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)

30 June 2023 (continued)				
	Nominal/ cost/ at amortised cost	Interest rates per annum	Maturity dates	Frequency of interest payment
<u>Foreign currencies</u>				
<u>At amortised cost</u>				
<u>Government bonds</u>				
Fixed rate bonds	24,673,844	1.50% - 8.50%	17/10/2023 - 17/02/2037	6 months
<u>At cost^{*)}</u>				
<u>Government bonds</u>				
Fixed rate bonds	440,523	2.30% - 4.40%	10/09/2024 - 06/06/2027	6 months
^{*)} Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk".				
31 December 2022				
	Nominal/ cost/ at amortised cost	Interest rates per annum	Fair value	Frequency of interest payment
<u>Rupiah</u>				
<u>Fair value through profit or loss</u>				
<u>Government bonds</u>				
Fixed rate bonds	6,811,770	4.00% - 12.00%	6,838,806	10/03/2023 - 15/08/2051
Floating rate bonds	116,437	4.79%	117,358	25/04/2025
	<u>6,928,207</u>		<u>6,956,164</u>	1 and 6 months 3 months
<u>Investments in unit-link contracts^{*)}</u>				
Fixed rate bonds	4,916,166	4.00% - 11.00%	4,916,166	10/03/2023 - 15/08/2051
<u>Fair value through other comprehensive income^{**)}</u>				
<u>Government bonds</u>				
Fixed rate bonds	60,705,506	4.00% - 11.00%	62,646,177	15/05/2023 - 15/02/2044
<u>Foreign currencies</u>				
<u>Fair value through profit or loss</u>				
<u>Government bonds</u>				
Fixed rate bonds	15,941	4.45% - 5.13%	16,115	11/02/2024 - 08/01/2045
<u>Fair value through other comprehensive income</u>				
<u>Government bonds</u>				
Fixed rate bonds	31,323,436	1.00% - 8.50%	29,885,909	11/01/2023 - 20/09/2052

^{*)} 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 sukuk which are classified as at fair value through other comprehensive income.

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8. GOVERNMENT BONDS (continued)

b. By type (continued)

31 December 2022 (continued)				
	Nominal/ cost/ at amortised cost	Interest rates per annum	Maturity dates	Frequency of interest payment
<u>Rupiah</u>				
<u>At amortised cost</u>				
<u>Government bonds</u>				
Fixed rate bonds	154,837,852	4.00% - 12.00%	15/05/2023 - 15/06/2042	1 and 6 months
<u>At cost¹⁾</u>				
<u>Government bonds</u>				
Fixed rate bonds	43,717,377	4.00% - 10.25%	10/03/2023 - 15/04/2043	1 and 6 months
<u>Foreign currencies</u>				
<u>At amortised cost</u>				
<u>Government bonds</u>				
Fixed rate bonds	25,740,201	1.50% - 8.50%	17/10/2023 - 17/02/2037	6 months
<u>At cost¹⁾</u>				
<u>Government bonds</u>				
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".

c. Other information

As of 30 June 2023, Government Bonds with total nominal amount of USD1,505,983,125 (full amount) and Rp1,183,025 (31 December 2022: USD1,540,153,393 (full amount) and Rp1,170,000) were sold under repurchase agreements (Note 28).

As of 30 June 2023 and 31 December 2022, Bank Indonesia's collectibility for government bonds is current.

9. OTHER RECEIVABLES - TRADE TRANSACTIONS

a. By type, currency, related parties and third parties:

	30 June 2023	31 December 2022
Rupiah		
Related parties (Note 57)		
Usance L/C payable at sight	474,522	825,810
Supplier Chain Financing receivables	2,473,388	8,037,934
Others	5,167,533	4,715,835
	<u>8,115,443</u>	<u>13,579,579</u>
Third parties		
Usance L/C payable at sight	836,146	1,607,332
Supplier Chain Financing receivables	5,228,450	1,136,264
Others	4,571,319	5,048,128
	<u>10,635,915</u>	<u>7,791,724</u>
Total	<u>18,751,358</u>	<u>21,371,303</u>

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9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)

a. By type, currency, related parties and third parties (continued):

	30 June 2023	31 December 2022
Foreign currencies		
Related parties (Note 57)		
Usance L/C payable at sight	1,469,494	1,508,552
Supplier Chain Financing receivables	42,987	44,635
Others	559	24,853
	<u>1,513,040</u>	<u>1,578,040</u>
Third parties		
Usance L/C payable at sight	2,121,440	3,189,451
Others	6,755,584	7,654,470
	<u>8,877,024</u>	<u>10,843,921</u>
Total (Note 63.B.(iv))	<u>10,390,064</u>	<u>12,421,961</u>
	29,141,422	33,793,264
Less: allowance for impairment losses	<u>(2,285,397)</u>	<u>(1,604,705)</u>
Net	<u>26,856,025</u>	<u>32,188,559</u>

Movements in carrying amount of other receivables - trade transactions classified as at amortised cost upon stages for the period and year ended 30 June 2023 and 31 December 2022:

	30 June 2023				
	Stage 1	Stage 2	Stage 3	Sharia^{*)}	Total
At amortised cost					
Beginning balance	31,593,450	825,526	1,239,865	134,423	33,793,264
Transfer to:					
- Lifetime expected credit losses – unimpaired (stage 2)	(2,438,768)	2,438,768	-	-	-
Total beginning balance after transfer	<u>29,154,682</u>	<u>3,264,294</u>	<u>1,239,865</u>	<u>134,423</u>	<u>33,793,264</u>
Remeasurement of net carrying amount	(107,491)	(9,360)	(39,946)	(5,156)	(161,953)
New financial assets originated or purchased	34,609,260	3,714,804	18,564	-	38,342,628
Financial assets derecognised	(40,453,569)	(3,026,604)	(12,867)	-	(43,493,040)
Total increase/(decrease) during the period	<u>(5,951,800)</u>	<u>678,840</u>	<u>(34,249)</u>	<u>(5,156)</u>	<u>(5,312,365)</u>
Others**)	490,708	169,815	-	-	660,523
Ending balance	<u>23,693,590</u>	<u>4,112,949</u>	<u>1,205,616</u>	<u>129,267</u>	<u>29,141,422</u>

^{*)} Not implement SFAS 71

^{**) Included effect of foreign currency translation.}

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9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)

a. By type, currency, related parties and third parties (continued):

Movements in carrying amount of other receivables - trade transactions classified as at amortised cost upon stages for the period and year ended 30 June 2023 and 31 December 2022 (continued):

	31 December 2022				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	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

^{**)} Included effect of foreign currency translation.

b. By Bank Indonesia's collectibility:

	30 June 2023	31 December 2022
Current	27,637,085	32,250,518
Special mention	255,292	259,452
Substandard	18,116	12,419
Loss	1,230,929	1,270,875
Total	29,141,422	33,793,264
Less: allowance for impairment losses	(2,285,397)	(1,604,705)
Net	26,856,025	32,188,559

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9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)

c. By maturity:

	30 June 2023	31 December 2022
Rupiah		
Less than 1 month	4,012,077	4,914,242
1 - 3 months	9,085,092	8,979,096
3 - 6 months	5,044,741	6,189,972
6 - 12 months	420,075	1,098,620
Over 12 months	189,373	189,373
Total	18,751,358	21,371,303
Foreign currencies		
Less than 1 month	1,643,182	2,835,630
1 - 3 months	4,280,358	4,749,700
3 - 6 months	3,273,884	3,754,340
6 - 12 months	151,085	789
Over 12 months	1,041,555	1,081,502
Total (Note 63.B.(iv))	10,390,064	12,421,961
	29,141,422	33,793,264
Less: allowance for impairment losses	(2,285,397)	(1,604,705)
Net	26,856,025	32,188,559

d. Movements of allowance for impairment losses on other receivables - trade transactions:

	30 June 2023	31 December 2022
Beginning balance	1,604,705	1,480,721
Allowance during the period/year (Note 46)	727,860	27,813
Others ^{*)}	(47,168)	96,171
Ending balance	2,285,397	1,604,705

^{*)} Included 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):

30 June 2023					
	Stage 1	Stage 2	Stage 3	Sharia^{*)}	Total
Beginning balance	81,376	239,125	1,239,865	44,339	1,604,705
Transfer to:					
- Lifetime expected credit losses - non-impaired (stage 2)	(17,497)	17,497	-	-	-
Total beginning balance after transfer	63,879	256,622	1,239,865	44,339	1,604,705
Net remeasurement of losses allowance	(20,866)	278,315	(13,626)	(52)	243,771
New financial assets originated or purchased	88,152	778,651	18,564	-	885,367
Financial assets derecognised	(57,552)	(330,859)	(12,867)	-	(401,278)
Total allowance/(reversal) during the period	9,734	726,107	(7,929)	(52)	727,860
Others ^{**)}	(1,282)	(19,566)	(26,320)	-	(47,168)
Ending balance	72,331	963,163	1,205,616	44,287	2,285,397

^{*)} Not implement SFAS 71

^{**)} Included effect of foreign currency translation.

31 December 2022					
	Stage 1	Stage 2	Stage 3	Sharia^{*)}	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

^{*)} Not implement SFAS 71

^{**)} Included effect of foreign currency translation.

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 63.A.

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10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL

a. Securities purchased under agreements to resell

Type of securities	30 June 2023		Resale amount	Unamortised interest	Carrying amount
	Starting date	Maturity date			
Related parties					
Bond FR0081	23/06/2023	04/07/2023	483,727	243	483,484
Bond FR0091	22/06/2023	03/07/2023	470,625	158	470,467
			954,352	401	953,951
Third parties					
Rupiah					
Bond VR0063	23/06/2023	03/07/2023	7,138,682	2,277	7,136,405
Bond VR0034	22/06/2023	03/07/2023	766,820	-	766,820
Bond VR0065	27/06/2023	25/07/2023	744,305	2,874	741,431
Bond FR0090	22/06/2023	06/07/2023	472,722	405	472,317
Bond VR0065	31/05/2023	03/07/2023	471,507	-	471,507
Bond VR0093	21/06/2023	20/07/2023	471,948	1,331	470,617
Bond VR0095	21/06/2023	05/07/2023	470,746	152	470,594
Bond VR0095	12/06/2023	10/07/2023	471,090	551	470,539
Bond VR0068	05/06/2023	03/07/2023	464,971	-	464,971
Bond FR0086	22/06/2023	06/07/2023	448,892	384	448,508
Bond VR0035	23/06/2023	21/07/2023	384,599	1,149	383,450
Bond VR0067	16/06/2023	03/07/2023	381,413	1	381,412
Bond VR0092	14/06/2023	03/07/2023	380,872	-	380,872
Bond VR0064	23/06/2023	07/07/2023	380,987	247	380,740
Bond VR0079	16/06/2023	14/07/2023	372,806	680	372,126
Bond VR0072	27/06/2023	04/07/2023	360,421	172	360,249
Bond FR0096	08/06/2023	07/09/2023	303,074	3,527	299,547
Bond FR0086	30/05/2023	29/08/2023	289,562	3,012	286,550
Bond FR0077	22/06/2023	06/07/2023	253,109	217	252,892
Bond VR0084	19/06/2023	17/07/2023	233,137	541	232,596
Bond FR0081	26/06/2023	03/07/2023	193,342	63	193,279
Bond VR0064	27/06/2023	11/07/2023	190,642	246	190,396
Bond FR0076	23/06/2023	04/07/2023	150,976	76	150,900
Bond VR0057	19/06/2023	03/07/2023	139,832	-	139,832
Bond FR0096	16/05/2023	15/08/2023	24,989	193	24,796
Bond FR0070	04/04/2023	04/07/2023	10,230	6	10,224
Bond FR0070	27/04/2023	27/07/2023	10,256	47	10,209
Bond FR0077	06/06/2023	05/09/2023	10,229	119	10,110
Bond FR0077	15/06/2023	14/09/2023	10,246	136	10,110
Bond FR0081	23/05/2023	22/08/2023	10,059	92	9,967
Share	20/03/2023	01/09/2023	783	-	783
Share	27/03/2023	22/09/2023	694	-	694
Share	02/03/2023	29/08/2023	526	2	524
Share	22/06/2023	19/12/2023	250	-	250
Share	17/04/2023	01/09/2023	206	-	206
			16,014,923	18,500	15,996,423
Total			16,969,275	18,901	16,950,374

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10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (continued)

a. Securities purchased under agreements to resell (continued)

Type of securities	31 December 2022				
	Starting date	Maturity date	Resale amount	Unamortised interest	Carrying amount
Third parties					
Rupiah					
Bond FR0081	30/12/2022	03/01/2023	962,762	288	962,474
Bond VR0034	30/12/2022	06/01/2023	957,562	731	956,831
Bond VR0034	26/12/2022	02/01/2023	956,758	146	956,612
Bond VR0086	29/12/2022	12/01/2023	648,562	1,137	647,425
Bond VR0034	26/12/2022	02/01/2023	642,721	98	642,623
Bond VR0057	29/12/2022	26/01/2023	607,464	2,519	604,945
Bond FR0046	30/12/2022	02/01/2023	523,231	72	523,159
Bond FR0059	29/12/2022	03/01/2023	492,316	153	492,163
Bond VR0044	26/12/2022	23/01/2023	483,408	1,764	481,644
Bond VR0077	23/12/2022	20/01/2023	470,342	1,483	468,859
Bond VR0053	26/12/2022	09/01/2023	467,804	596	467,208
Bond FR0081	29/12/2022	02/01/2023	385,142	57	385,085
Bond FR0059	22/12/2022	02/01/2023	344,491	54	344,437
Bond VR0064	28/12/2022	25/01/2023	334,470	1,332	333,138
Bond FR0072	29/12/2022	03/01/2023	309,004	94	308,910
Bond VR0075	28/12/2022	11/01/2023	281,742	449	281,293
Bond VR0065	30/12/2022	27/01/2023	279,264	1,204	278,060
Bond VR0037	27/12/2022	24/01/2023	233,831	893	232,938
Bond FR0059	23/12/2022	02/01/2023	196,492	32	196,460
Bond VR0042	27/12/2022	03/01/2023	190,175	58	190,117
Bond FR0080	28/12/2022	04/01/2023	187,434	90	187,344
Bond VR0079	12/12/2022	09/01/2023	186,245	237	186,008
Bond VR0041	20/12/2022	17/01/2023	186,442	474	185,968
Bond VR0068	07/12/2022	04/01/2023	185,909	88	185,821
Bond FR0087	07/12/2022	09/01/2023	185,351	240	185,111
Bond VR0048	27/12/2022	10/01/2023	144,332	207	144,125
Bond VR0084	06/12/2022	03/01/2023	139,558	44	139,514
Bond VR0069	15/12/2022	12/01/2023	139,605	245	139,360
Bond VR0038	26/12/2022	02/01/2023	122,423	19	122,404
Bond VR0073	08/12/2022	05/01/2023	117,276	75	117,201
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 FR0046	10/11/2022	09/02/2023	31,624	193	31,431
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	29/12/2022	30/03/2023	19,949	309	19,640
Bond FR0059	27/12/2022	28/03/2023	19,910	301	19,609
Bond FR0059	01/11/2022	31/01/2023	19,690	93	19,597
Bond FR0059	13/12/2022	14/03/2023	19,838	243	19,595
Bond FR0046	22/11/2022	21/02/2023	10,544	91	10,453
Share	23/09/2022	22/03/2023	3,418	2	3,416
Share	22/09/2022	21/03/2023	837	1	836
Share	06/09/2022	03/03/2023	714	2	712
Share	22/09/2022	21/03/2023	520	-	520
Share	23/09/2022	22/03/2023	297	1	296
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)

Changes in carrying amount of securities purchased under agreements to resell classified as at amortised cost upon stage 1 for the period and year ended 30 June 2023 and 31 December 2022:

	30 June 2023		
	Gross carrying amount	Allowance for impairment losses	Carrying amount
At amortised cost			
Beginning balance	11,705,989	-	11,705,989
New purchased financial assets	22,198,549	-	22,198,549
Matured or sold financial assets	(16,954,164)	-	(16,954,164)
Ending balance	16,950,374	-	16,950,374

	31 December 2022		
	Gross carrying amount	Allowance for impairment losses	Carrying amount
At amortised cost			
Beginning balance	27,317,000	-	27,317,000
New purchased financial assets	35,103,557	-	35,103,557
Matured or sold financial assets	(50,714,568)	-	(50,714,568)
Ending balance	11,705,989	-	11,705,989

b. By Bank Indonesia's collectibility:

	30 June 2023	31 December 2022
Current	16,950,374	11,705,989

As of 30 June 2023 and 31 December 2022, 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 63.A.

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11. DERIVATIVE RECEIVABLES AND PAYABLES

As of 30 June 2023, the summary of derivative transactions is as follows:

Transactions	Notional amount (absolute Rupiah equivalent)	30 June 2023	
		Fair value	
		Derivative receivables	Derivative payables
Related parties (Note 57)			
<u>Foreign currencies related</u>			
1. Forward - buy			
United States Dollar	832,100	1,533	8,618
Others	2,235	-	58
2. Forward - sell			
United States Dollar	19,221,872	66,676	53,984
Others	1,887	1	-
3. Swap - buy			
United States Dollar	8,519,311	22,476	51,396
4. Swap - sell			
United States Dollar	1,824,304	567	10,585
<u>Interest rate related</u>			
1. Swap - interest rate			
Others	2,683,567	-	8,246
Total related parties		91,253	132,887
Third parties			
<u>Foreign currencies related</u>			
1. Forward - buy			
United States Dollar	11,239,073	54,401	7,229
Others	3,350,549	369	78,708
2. Forward - sell			
United States Dollar	3,011,310	10,649	21,552
Others	1,369,155	13,734	475
3. Swap - buy			
United States Dollar	38,781,104	153,750	183,702
Others	234,398	13,295	626
4. Swap - sell			
United States Dollar	31,576,469	298,394	107,530
Others	2,177,034	99,734	4,063
5. Option - buy			
United States Dollar	3,842,578	55,296	-
Others	140,000	75,909	-
6. Option - sell			
United States Dollar	2,057,991	2,464	16,807
<u>Interest rate related</u>			
1. Swap - interest rate			
United States Dollar	25,825,590	733,350	623,311
Others	36,764,363	268,077	420,012
2. Bond forward - sell			
United States Dollar	3,898,050	59,354	44,159
Total third parties		1,838,776	1,508,174
Total		1,930,029	1,641,061

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11. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

As of 31 December 2022, the summary of derivative transactions is as follows:

	31 December 2022		
		Fair value	
Transactions	Notional amount (absolute Rupiah equivalent)	Derivative receivables	Derivative payables
Related parties (Note 57)			
Foreign currencies related			
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
Interest rate related			
1. Swap - interest rate			
Others	2,509,848	-	5,943
Total related parties		110,208	86,933
Third parties			
Foreign currencies related			
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
Interest rate related			
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 30 June 2023 and 31 December 2022, the Subsidiary has cross currency and interest rate swap contracts which meet the criteria and effectively applied as cashflow hedge. The gain/loss from fair value changes related to effective portion of cashflow hedge are recognised as other comprehensive income.

As of 30 June 2023 and 31 December 2022, 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:

	30 June 2023	31 December 2022
Rupiah		
Related parties (Note 57)	158,420,924	148,421,175
Third parties ^{*)}	847,411,860	793,534,679
Total	1,005,832,784	941,955,854
Foreign currencies		
Related parties (Note 57)	58,730,517	50,964,371
Third parties ^{**)}	174,242,736	179,679,657
Total (Note 63.B.(iv))	232,973,253	230,644,028
	1,238,806,037	1,172,599,882
Less: allowance for impairment losses	(61,981,013)	(64,612,645)
Net	1,176,825,024	1,107,987,237

^{*)} Including loans measured at fair value through other comprehensive income, on the "third party" category in Rupiah currency as of 30 June 2023 and 31 December 2022 amounted to Rp342,897 and Rp341,552, respectively.

^{**)} Including loans measured at fair value through other comprehensive income, on the "third party" category in foreign currencies as of 30 June 2023 and 31 December 2022 amounted to Rp1,577,747 and Rp158,497, respectively.

b.1 By type:

	30 June 2023		
	Non-impaired^{*)}	Impaired^{*)}	Total
Rupiah			
Working capital	294,364,118	15,318,539	309,682,657
Consumer	267,415,718	9,500,714	276,916,432
Investment ^{**)}	241,209,400	6,944,678	248,154,078
Government program	78,108,452	1,370,530	79,478,982
Syndication	42,052,355	2,077,108	44,129,463
Employees	42,131,371	241,597	42,372,968
Export	5,075,744	22,460	5,098,204
Total	970,357,158	35,475,626	1,005,832,784

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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):

	30 June 2023 (continued)		
	Non-impaired ^{*)}	Impaired ^{*)}	Total
Foreign currencies			
Investment	119,427,653	238,927	119,666,580
Syndication ^{****)}	62,164,970	352,738	62,517,708
Working capital	39,293,860	2,730,193	42,024,053
Export	6,675,882	12,427	6,688,309
Consumer	2,076,507	96	2,076,603
Total (Note 63.B.(iv))	229,638,872	3,334,381	232,973,253
	1,199,996,030	38,810,007 ¹⁾	1,238,806,037
Less: allowance for impairment losses	(42,328,856)	(19,652,157) ²⁾	(61,981,013)
Net	1,157,667,174	19,157,850³⁾	1,176,825,024

^{*)} Include in category "impaired" portfolio are loans classified as stage 3 in accordance with SFAS No. 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual of Subsidiary engaged in sharia banking amounted to Rp22,431,376 with allowance for impairment losses amounted to Rp7,140,044 which is calculated based on Financial Services Authority Regulations and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2) and Notes 2c.(H).(5)).

^{**)} Including loans that are categorized as stages 1 and 2 in accordance with SFAS No. 71 and sharia financing from Subsidiary engaged in sharia banking where allowance for impairment losses is calculated based on Financial Services Authority 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 Rp342,897.

^{****)} Including loans measured at fair value through other comprehensive income, based on the "not impaired" category in foreign currencies with the type of syndication loans amounted to Rp1,577,747.

¹⁾ Loans evaluated by using individual and collective assessment are amounted to Rp13,648,725 and Rp25,161,282, respectively.

²⁾ Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp10,509,784 and Rp9,142,373, respectively.

³⁾ Loans - net evaluated by using individual and collective assessment are amounted to Rp3,138,941 and Rp16,018,909, respectively.

	31 December 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
Syndication	38,992,609	2,272,467	41,265,076
Employees	41,044,265	288,260	41,332,525
Export	5,356,423	3,132	5,359,555
Total	902,396,852	39,559,002	941,955,854

^{*)} Include in category "impaired" portfolio are loans classified as stage 3 in accordance with SFAS No. 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 Financial Services Authority Regulations and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2)) and and Notes 2c.(H).(5)).

^{**)} Including loans that are categorized as stages 1 and 2 in accordance with SFAS No. 71 and sharia financing from Subsidiary engaged in sharia banking where allowance for impairment losses is calculated based on Financial Services Authority 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 syndication 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.

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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):

31 December 2022 (continued)			
	Non-impaired^{*)}	Impaired^{*)}	Total
Foreign currencies			
Investment	114,567,691	293,298	114,860,989
Syndication ^{****)}	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 63.B.(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 No. 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 Financial Services Authority Regulations and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2)) and and Notes 2c.(H).(5)).

^{**)} Including loans that are categorized as stages 1 and 2 in accordance with SFAS No. 71 and sharia financing from Subsidiary engaged in sharia banking where allowance for impairment losses is calculated based on Financial Services Authority 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 syndication 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.

b.2 By type and Bank Indonesia's collectibility:

30 June 2023						
	Current	Special mention	Sub-standard	Doubtful	Loss	Total
Rupiah						
Working capital	283,796,404	16,310,083	1,101,911	3,362,228	5,112,031	309,682,657
Consumer	259,957,457	12,316,265	1,581,455	1,656,670	1,404,585	276,916,432
Investment ^{*)}	237,807,185	8,424,334	690,703	763,706	468,150	248,154,078
Government program	75,719,654	2,718,748	376,866	420,901	242,813	79,478,982
Syndication	43,575,970	553,493	-	-	-	44,129,463
Employees	42,169,130	191,089	298	761	11,690	42,372,968
Export	5,045,323	30,421	-	22,460	-	5,098,204
Total	948,071,123	40,544,433	3,751,233	6,226,726	7,239,269	1,005,832,784

^{*)} Including loans measured at fair value through other comprehensive income, on the category of "current collectability" in the Rupiah currency with the type of investment credit of Rp342,897.

^{**)} Including loans measured at fair value through other comprehensive income, on the "current collectability" category in foreign currencies with a syndication loan type of Rp1,577,747.

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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 collectability (continued):

30 June 2023 (continued)

	Current	Special mention	Sub- standard	Doubtful	Loss	Total
Foreign currencies						
Investment	113,502,481	6,027,741	-	-	136,358	119,666,580
Syndication ^{*)}	58,764,937	3,400,033	352,660	-	78	62,517,708
Working capital	35,028,742	4,397,944	-	503,258	2,094,109	42,024,053
Export	6,675,528	354	-	1,214	11,213	6,688,309
Consumer	2,076,016	491	-	-	96	2,076,603
Total (Note 63.B.(iv))	216,047,704	13,826,563	352,660	504,472	2,241,854	232,973,253
	1,164,118,827	54,370,996	4,103,893	6,731,198	9,481,123	1,238,806,037
Less: allowance for impairment losses	(25,284,171)	(20,521,061)	(2,455,231)	(4,779,367)	(8,941,183)	(61,981,013)
Net	1,138,834,656	33,849,935	1,648,662	1,951,831	539,940	1,176,825,024

^{*)} Including loans measured at fair value through other comprehensive income, on the category of "current collectability" in the Rupiah currency with the type of investment credit of Rp342,897.

^{**)} Including loans measured at fair value through other comprehensive income, on the "current collectability" category in foreign currencies with a syndication loan type of Rp1,577,747.

31 December 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 ^{*)}	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
Syndication	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
Syndication ^{**)}	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 63.B.(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)
Net	1,077,969,638	26,463,626	1,032,998	1,500,832	1,020,143	1,107,987,237

^{*)} Including loans measured at fair value through other comprehensive income, on the category of "current collectability" in the Rupiah currency with the type of investment credit of Rp341,552.

^{**)} Including loans measured at fair value through other comprehensive income, on the "current collectability" category in foreign currencies with a syndication loan type of Rp158,497.

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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:

	30 June 2023		
	Non-impaired ^{*)}	Impaired ^{*)}	Total
Rupiah			
Trading, restaurant and hotel	128,748,743	5,022,802	133,771,545
Agriculture	125,615,517	2,157,151	127,772,668
Manufacturing	95,410,444	7,444,417	102,854,861
Business services	87,078,755	2,317,815	89,396,570
Construction	80,761,372	5,157,104	85,918,476
Transportation, warehouse and communication ^{***)}	67,687,436	3,251,071	70,938,507
Social services	30,811,635	116,118	30,927,753
Mining	22,328,684	26,937	22,355,621
Electricity, gas and water	17,145,712	56,933	17,202,645
Others	314,768,860	9,925,278	324,694,138
Total	970,357,158	35,475,626	1,005,832,784
Foreign currencies			
Mining ^{****)}	64,522,529	66,461	64,588,990
Manufacturing	59,331,243	2,662,355	61,993,598
Electricity, gas and water	28,426,138	352,660	28,778,798
Social services	27,079,454	-	27,079,454
Transportation, warehouse and communication	17,594,545	235,173	17,829,718
Trading, restaurant and hotel	10,674,510	5,209	10,679,719
Business services	9,085,200	12,427	9,097,627
Construction	5,563,362	-	5,563,362
Agriculture	4,987,271	-	4,987,271
Others	2,374,620	96	2,374,716
Total (Note 63.B.(iv))	229,638,872	3,334,381	232,973,253
	1,199,996,030	38,810,007 ¹⁾	1,238,806,037
Less: allowance for impairment losses	(42,328,856)	(19,652,157) ²⁾	(61,981,013)
Net	1,157,667,174	19,157,850³⁾	1,176,825,024

^{*)} Included in "impaired" portfolio are loans classified as stage 3 in accordance with SFAS No. 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 Rp22,431,376 with allowance for impairment losses amounted to Rp7,140,044 which is calculated based on Financial Services Authority Regulations 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 No. 71 and sharia financing from Subsidiary engaged in sharia banking where allowance for impairment losses is calculated based on Financial Services Authority 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 transportation, warehouse and communication economic sector amounting to Rp342,897.

^{*****)} Including loans measured at fair value through other comprehensive income, based on the "not impaired" category in foreign currencies with the type of mining economic sector amounting to Rp1,577,747.

¹⁾ Loans evaluated by using individual and collective assessment are amounted to Rp13,648,725 and Rp25,161,282, respectively.

²⁾ Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp10,509,784 and Rp9,142,373, respectively.

³⁾ Loans - net evaluated by using individual and collective assessment are amounted to Rp3,138,941 and Rp16,018,909, 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):

	31 December 2022		
	Non-impaired^{*)}	Impaired^{*)}	Total
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
Business services	76,341,783	2,773,712	79,115,495
Construction	75,919,081	4,484,847	80,403,928
Transportation, warehouse and communication ^{***)}	56,381,896	4,895,288	61,277,184
Social services	26,799,599	70,594	26,870,193
Mining	14,151,918	162,629	14,314,547
Electricity, gas and water	16,941,596	73,639	17,015,235
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
Construction	3,763,207	-	3,763,207
Agriculture	5,720,538	-	5,720,538
Others	2,601,833	99	2,601,932
Total (Note 63.B.(iv))	226,766,826	3,877,202	230,644,028
	1,129,163,678	43,436,204¹⁾	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

^{*)} Included in "impaired" portfolio are loans classified as stage 3 in accordance with SFAS No. 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 amounted to Rp6,936,588 which is calculated based on Financial Services Authority Regulations 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 No. 71 and sharia financing from Subsidiary engaged in sharia banking where allowance for impairment losses is calculated based on Financial Services Authority 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 transportation, warehouse and communication economic sector 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 mining economic sector 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.2 By economic sector and Bank Indonesia's collectibility:

30 June 2023						
	Current	Special mention	Sub- standard	Doubtful	Loss	Total
Rupiah						
Trading, restaurant, and hotel	125,560,567	5,517,906	802,773	729,952	1,160,347	133,771,545
Agriculture	124,850,773	1,974,272	603,786	206,471	137,366	127,772,668
Manufacturing	89,766,224	5,907,912	502,225	2,854,687	3,823,813	102,854,861
Business service	86,406,802	2,635,373	110,402	101,561	142,432	89,396,570
Construction	77,564,432	7,322,682	36,646	577,500	417,216	85,918,476
Transportation, warehousing and communications ¹⁾	69,426,777	1,413,328	41,291	20,905	36,206	70,938,507
Social service	30,259,428	558,413	39,351	27,488	43,073	30,927,753
Mining	20,657,226	1,684,336	4,100	4,627	5,332	22,355,621
Electricity, gas and water	16,633,961	563,183	3,242	849	1,410	17,202,645
Others	306,944,933	12,967,028	1,607,417	1,702,686	1,472,074	324,694,138
Total	948,071,123	40,544,433	3,751,233	6,226,726	7,239,269	1,005,832,784
Foreign currencies						
Mining ²⁾	64,459,078	63,451	-	-	66,461	64,588,990
Manufacturing	52,449,795	6,881,448	-	503,258	2,159,097	61,993,598
Electricity, gas and water	25,026,105	3,400,033	352,660	-	-	28,778,798
Social service	27,079,454	-	-	-	-	27,079,454
Transportation, warehousing and communications	17,529,481	300,159	-	-	78	17,829,718
Trading, restaurant, and hotel	10,566,393	108,417	-	-	4,909	10,679,719
Business service	9,085,200	-	-	1,214	11,213	9,097,627
Construction	2,490,798	3,072,564	-	-	-	5,563,362
Agriculture	4,987,271	-	-	-	-	4,987,271
Others	2,374,129	491	-	-	96	2,374,716
Total (Note 63.B.(iv))	216,047,704	13,826,563	352,660	504,472	2,241,854	232,973,253
	1,164,118,827	54,370,996	4,103,893	6,731,198	9,481,123	1,238,806,037
Less: allowance for impairment losses	(25,284,171)	(20,521,061)	(2,455,231)	(4,779,367)	(8,941,183)	(61,981,013)
Net	1,138,834,656	33,849,935	1,648,662	1,951,831	539,940	1,176,825,024

¹⁾ Including loans measured at fair value through other comprehensive income, on the "current collectability" category in the Rupiah currency with the transportation, warehousing and communication economic sector amounting to Rp342,897.

²⁾ Including loans measured at fair value through other comprehensive income, on the category of "current collectability" in foreign currencies with the mining economy sector of Rp1,577,747.

31 December 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
Business service	76,172,877	2,539,976	128,079	128,439	146,124	79,115,495
Construction	76,736,734	2,949,699	75,331	493,094	149,070	80,403,928
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
Mining	14,103,302	172,080	5,319	7,498	26,348	14,314,547
Electricity, gas and water	16,440,654	556,975	13,316	98	4,192	17,015,235
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

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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):

	31 December 2022 (continued)					
	Current	Special mention	Sub-standard	Doubtful	Loss	Total
Foreign currencies						
Mining ^{*)}	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
Construction	2,628,999	1,134,208	-	-	-	3,763,207
Agriculture	5,720,538	-	-	-	-	5,720,538
Others	2,601,832	-	-	100	-	2,601,932
Total (Note 63.B.(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)
Net	1,077,969,638	26,463,626	1,032,998	1,500,832	1,020,143	1,107,987,237

^{*)} Including loans measured at fair value through other comprehensive income, on the "current collectability" category in the Rupiah currency with the transportation, warehousing and communication economic sector amounting to Rp341,552.

^{**)} Including loans measured at fair value through other comprehensive income, on the category of "current collectability" in foreign currencies with the mining economy sector of Rp158,497.

d. By period:

	30 June 2023	31 December 2022
Rupiah		
Less than 1 year	131,299,296	114,179,441
1 - 2 years	67,014,852	58,338,259
2 - 5 years	233,206,250	230,681,444
Over 5 years ^{*)}	574,312,386	538,756,710
Total	1,005,832,784	941,955,854
Foreign currencies		
Less than 1 year	32,133,506	30,643,581
1 - 2 years	11,619,940	17,463,622
2 - 5 years	54,852,191	62,383,307
Over 5 years ^{**)}	134,367,616	120,153,518
Total (Note 63.B.(iv))	232,973,253	230,644,028
	1,238,806,037	1,172,599,882
Less: allowance for impairment losses	(61,981,013)	(64,612,645)
Net	1,176,825,024	1,107,987,237

^{*)} Including loans measured at fair value through other comprehensive income, on the "more than 5 years" category in Rupiah currency as of 30 June 2023 and 31 December 2022, amounted to Rp342,897 and Rp341,552, respectively.

^{**)} Including loans measured at fair value through other comprehensive income, on the "more than 5 years" category in foreign currencies as of 30 June 2023 and 31 December 2022 amounted to Rp1,577,747 and Rp158,497, respectively.

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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:

Movements in carrying amount of loans and sharia receivables/financing classified as amortised cost by stage for the period and year ended 30 June 2023 and 31 December 2022:

30 June 2023					
	Stage 1	Stage 2	Stage 3	Sharia¹⁾	Total
At amortised cost					
Beginning balance	861,614,135	85,390,165	18,888,528	206,207,005	1,172,099,833
Transfer to stage 1	3,966,249	(3,573,595)	(392,654)	-	-
Transfer to stage 2	(15,221,666)	15,486,911	(265,245)	-	-
Transfer to stage 3	(1,594,394)	(5,316,879)	6,911,273	-	-
Total beginning balance after transfer	848,764,324	91,986,602	25,141,902	206,207,005	1,172,099,833
Remeasurement of net carrying amount	(56,973,313)	(5,281,963)	(895,646)	-	(63,150,922)
New financial assets originated or purchased	278,821,838	6,262,093	81,711	67,403,004	352,568,646
Financial assets derecognised	(158,922,401)	(4,332,567)	(687,891)	(51,938,792)	(215,881,651)
Written-off financial assets	(52,487)	(47,849)	(7,261,446)	(1,388,731)	(8,750,513)
Total increase/(decrease) during the period	62,873,637	(3,400,286)	(8,763,272)	14,075,481	64,785,560
Ending balance	911,637,961	88,586,316	16,378,630	220,282,486	1,236,885,393

¹⁾ Not implement SFAS 71

31 December 2022					
	Stage 1	Stage 2	Stage 3	Sharia¹⁾	Total
At amortised cost					
Beginning balance	745,168,168	87,018,909	23,749,727	170,288,023	1,026,224,827
Transfer to stage 1	5,750,409	(4,558,695)	(1,191,714)	-	-
Transfer to stage 2	(19,853,035)	20,345,091	(492,056)	-	-
Transfer to 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):

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 and year ended 30 June 2023 and 31 December 2022:

30 June 2023	
Carrying value	Allowance for impairment losses¹⁾
Fair value through other comprehensive income	
Beginning balance	500,049
Remeasurement	(76,445)
New financial assets originated or purchased	1,497,040
Ending balance	1,920,644
	11,965
31 December 2022	
Carrying value	Allowance for impairment losses¹⁾
Fair value through other comprehensive income	
Beginning balance	-
New financial assets originated or purchased	1,217,489
Matured or sold financial assets	(717,440)
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).

The ratio of non-performing loans of Bank Mandiri and its Subsidiaries on a gross basis (before deducted with allowance for impairment losses) as of 30 June 2023 and 31 December 2022 were 1.64% and 1.92%, respectively (the ratios for Bank Mandiri only were 1.53% and 1.88% as of 30 June 2023 and 31 December 2022, respectively), while the ratio of non-performing loans of Bank Mandiri and its Subsidiaries on a net basis as of 30 June 2023 and 31 December 2022 were 0.35% and 0.31%, respectively (the ratios for Bank Mandiri only were 0.29% and 0.26%, as of 30 June 2023 and 31 December 2022, respectively). The balance of non-performing loans of Bank Mandiri and its Subsidiaries include consumer financing receivables and net investment finance leases of the Subsidiaries.

The calculation of non-performing loans ratio for Bank Mandiri and its Subsidiaries as of 30 June 2023 and 31 December 2022 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 amended with Financial Services Authority Circular Letter No. 9/SEOJK.03/2020 dated 30 June 2020 which is calculated from the loan amount, excluding loan to other banks amounted to Rp7,341,697 and Rp6,769,326 as of 30 June 2023 and 31 December 2022, respectively.

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

B. Other significant information related to loans and sharia receivables/financing:

- a. Included in loans are sharia receivables/financing granted by Subsidiary amounted to Rp220,282,486 and Rp206,207,005 as of 30 June 2023 and 31 December 2022, respectively which consist of:

	30 June 2023	31 December 2022
<i>Murabahah</i> receivables	129,766,409	124,873,356
<i>Musyarakah</i> financing	79,494,997	70,590,511
Other sharia financing	11,021,080	10,743,138
Total	220,282,486	206,207,005
Less: allowance for impairment losses	(9,681,368)	(9,186,762)
Net	210,601,118	197,020,243

- b. Average interest rates (yield) and range of profit sharing per annum are as follows:

	30 June 2023	31 December 2022
Average interest rates (yield) per annum:		
Rupiah	8.60%	8.37%
Foreign currencies (equivalent to Rupiah)	6.43%	4.45%
Range of profit sharing per annum:		
<i>Murabahah</i> receivables	1.05% - 10.37%	0.03% - 11.58%
<i>Musyarakah</i> financing	2.12% - 11.78%	2.10% - 8.08%
Other sharia financing	8.39% - 9.98%	7.94% - 10.59%

- c. Loan collaterals

Loans are generally secured by pledged collateral bound 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 30 June 2023 and 31 December 2022 amounted to Rp68,720,214 and Rp64,356,878, respectively (notes 21c, 22c, 23e, 24c and 26d).

- 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 No. 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.

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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)

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 to 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 Micro, Small and Medium Enterprises ("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.

The Bank also participates in the distribution of Interest Subsidies from the Government for *Kredit Usaha Rakyat* ("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. As for 2023, the additional KUR interest subsidy program has finished and discontinued.

In 2021, Bank Mandiri also participated in the PEN interest subsidy distribution program for Non-KUR debtors in relation with implementation PMK 150/2021 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. Syndication loans

Syndication loans represent loans granted to debtors through joint financing agreements with other banks. The total percentage share of Bank Mandiri as lead arranger in syndication loans as creditor. Apart from being creditor, the Bank also act as an agent (facility agent, guarantee agent, shelter agent) which operates administrative function for all of creditors and debtors' interest.

As of 30 June 2023 and 31 December 2022, the percentage of Bank Mandiri financing as a creditor and facility agent is between 1.18% to 91.66% and 1.31% to 99.00% from total participation of Bank Mandiri in syndication loans. While the percentage of Bank Mandiri financing as syndication member for period 30 June 2023 and 31 December 2022 is between 5.45% to 55.98% and 1.12% to 74.26% from total participation of Bank Mandiri in syndication loans.

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

B. Other significant information related to loans and sharia receivables/financing (continued):

f. Restructured loans

Below are the types and amounts of restructured loans as of 30 June 2023 and 31 December 2022:

	30 June 2023	31 December 2022
Extension of loan maturity dates	69,370,706	78,995,530
Extension of loan maturity dates and reduction of interest rates	1,922,155	915,936
Extension of loan maturity dates and other restructuring schemes ^{*)}	36,762,601	45,623,774
Total^{**)}	108,055,462	125,535,240

^{*)} 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 30 June 2023 and 31 December 2022, amounted to Rp38,877,055 and Rp50,704,100, respectively.

Below are the amount of restructured loans based on collectability as of 30 June 2023 and 31 December 2022:

	30 June 2023	31 December 2022
Current	53,350,222	72,521,126
Special mention	39,332,356	34,618,352
Substandard	2,529,932	2,015,712
Doubtful	4,756,065	5,001,561
Loss	8,086,887	11,378,489
Total^{*)}	108,055,462	125,535,240

^{*)} Including the Covid-19 restructuring credit outstanding balance as of 30 June 2023 and 31 December 2022, amounted to Rp38,877,055 and Rp50,704,100, respectively.

Total restructured loans under non-performing loans (NPL) category as of 30 June 2023 and 31 December 2022 are amounted to Rp15,372,884 and Rp18,395,762, 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 13 March 2020 as amended twice by POJK No. 48/POJK.03/2020 regarding "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 regarding Second Amendment of POJK No.11/POJK/03/2020 regarding National Economic Stimulus as Countercyclical for the Impact of the Spread of Coronavirus Disease on 10 September 2021. As of 30 June 2023 and 31 December 2022, the balances for the Covid-19 restructuring credit were Rp38,877,055 and Rp50,704,100, respectively.

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

B. Other significant information related to loans and sharia receivables/financing (continued):

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 8.19% 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 30 June 2023 and 31 December 2022, 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 regarding 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:

	30 June 2023	31 December 2022
Beginning balance ¹⁾	64,612,645	68,588,680
Allowance during the period/year (Note 46)	6,715,398	15,442,378
Write-offs ²⁾	(8,750,513)	(16,883,940)
Others ³⁾	(596,517)	(2,534,473)
Ending balance³⁾	61,981,013	64,612,645

¹⁾ Included 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 30 June 2023 and 31 December 2022 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.

²⁾ Write-off as of 30 June 2023 and 31 December 2022 is amounted to Rp3,722,344 and Rp8,467,647, respectively, which are calculated using individual assessment and Rp5,028,169 and Rp8,416,293, respectively, which are calculated using collective assessment.

³⁾ Ending balance as of 30 June 2023 and 31 December 2022, is amounted to Rp35,351,634 and Rp39,161,899, respectively, which were calculated using individual assessment and Rp26,629,379 and Rp25,450,746, 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):

	30 June 2023				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	12,334,510	27,535,018	15,556,355	9,186,762	64,612,645
Transfer to:					
- 12 months expected credit losses (stage 1)	677,770	(455,330)	(222,440)	-	-
- Lifetime expected credit losses - unimpaired (stage 2)	(636,377)	801,729	(165,352)	-	-
- Lifetime expected credit losses - impaired (stage 3)	3,083	(1,171,720)	1,168,637	-	-
Total beginning balance after transfer	12,378,986	26,709,697	16,337,200	9,186,762	64,612,645
Net remeasurement of losses allowance	(1,795,326)	716,951	3,808,431	275,169	3,005,225
New financial assets originated or purchased	2,741,571	1,173,504	49,272	1,623,304	5,587,651
Financial assets derecognised	(815,583)	(903,985)	(157,910)	-	(1,877,478)
Total allowance during the period	130,662	986,470	3,699,793	1,898,473	6,715,398
Written-off assets	(52,487)	(47,849)	(7,261,446)	(1,388,731)	(8,750,513)
Unwinding interest	-	-	(112,405)	-	(112,405)
Others	(42,552)	(325,309)	(101,115)	(15,136)	(484,112)
Ending balance	12,414,609	27,323,009	12,562,027	9,681,368	61,981,013

¹⁾ Not implement SFAS 71

	31 December 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 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	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

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 Financial Services Authority Regulations)	
	30 June 2023	31 December 2022
Rupiah		
Manufacturing	7,180,725	7,354,314
Trading, restaurant and hotel	2,693,072	3,828,086
Construction	1,031,362	717,495
Agriculture	947,623	920,690
Business service	354,395	402,642
Social services	109,912	62,102
Transportation, warehouse, and communications	98,402	1,622,442
Mining	14,059	39,165
Electricity, gas and water	5,501	17,606
Others	4,782,177	4,125,978
	17,217,228	19,090,520
Foreign currencies		
Manufacturing	2,662,355	3,100,504
Electricity, gas and water	352,660	388,533
Mining	66,461	69,010
Business services	12,427	-
Trading, restaurant and hotel	4,909	-
Transportation, warehousing and communications	78	28,139
Others	96	100
	3,098,986	3,586,286
Total	20,316,214	22,676,806

Total minimum allowance for impairment losses based on Financial Services Authority Regulations are as follows:

	Minimum allowance for impairment losses	
	30 June 2023	31 December 2022
Rupiah		
Manufacturing	5,326,489	5,668,480
Trading, restaurant and hotel	1,645,739	2,973,898
Constructions	711,463	406,917
Agriculture	331,169	588,470
Business services	209,773	229,555
Social services	62,720	47,871
Transportation, warehousing and communications	52,852	1,566,548
Mining	8,261	30,895
Electricity, gas and water	2,321	6,238
Others	2,564,530	2,522,209
	10,915,317	14,041,081
Foreign currencies		
Manufacturing	2,410,726	2,837,778
Mining	66,461	69,010
Electricity, gas and water	52,899	58,280
Business service	11,820	-
Trading, restaurant and hotel	4,909	-
Transportation, warehousing and communications	78	28,139
Others	96	50
	2,546,989	2,993,257
Total	13,462,306	17,034,338

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12. LOANS AND SHARIA RECEIVABLES/FINANCING (continued)

B. Other significant information related to loans and sharia receivables/financing (continued):

l. Written-off of non-performing loans

For the period and year ended 30 June 2023 and 31 December 2022, Bank Mandiri written-off non-performing loans amounted to Rp7,225,370 and Rp14,285,070 (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 period and year ended 30 June 2023 and 31 December 2022 are as follows (for Bank Mandiri only):

	30 June 2023	31 December 2022
Beginning balance	97,501,028	87,324,011
Write-offs	7,225,370	14,285,070
Cash recoveries from written-off loans	(4,133,301)	(6,335,303)
Others ^{*)}	(953,001)	2,227,250
Ending balance	99,640,096	97,501,028

^{*)} Represents effect of foreign currency translation, re-recognition of written off assets and others

- n. Loans channelled by Bank Mandiri through direct financing (executing) to multifinance company and joint financing mechanism as of 30 June 2023 and 31 December 2022 amounted to Rp11,204,824 and Rp9,146,755, respectively.

- o. The carrying amount of loans and sharia receivables/financing at amortised cost are as follows:

	30 June 2023	31 December 2022
Loans (Note 12A)	1,238,806,037	1,172,599,882
Accrued interest receivables	4,485,984	4,130,866
Unearned income (directly attributable) (Note 35)	(818,685)	(885,978)
Allowance for impairment losses (Note 12A and 12B.j)	(61,981,013)	(64,612,645)
Total	1,180,492,323	1,111,232,125

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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 to PT Garuda Indonesia (Persero) Tbk ("Garuda") as a result of the restructuring amounted to Rp798,126 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 of Rp4,202,165 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:

	30 June 2023	31 December 2022
Consumer financing receivables - gross	52,506,290	45,821,974
Less:		
Unearned income on consumer financing	(24,756,731)	(22,064,247)
Total	27,749,559	23,757,727
Less: allowance for impairment losses	(764,505)	(610,361)
Net	26,985,054	23,147,366

Installments of consumer financing receivables - gross as of 30 June 2023 and 31 December 2022 which will be received from customers based on the maturity dates are as follows:

	30 June 2023	31 December 2022
Year		
2023	19,837,797	17,404,993
2024	15,422,756	13,705,543
2025 and later	17,245,737	14,711,438
Total	52,506,290	45,821,974

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 28 February 2024, with total facility amounted to Rp21,000,000.

The agreement has been amended in 2023. The latest amendment through First Amendment of Regular Joint Financing Agreement of Subsidiary and Bank with Company No. 022A/PKS-LEF/MTF/II/2023 dated 21 February 2023, within joint financing facility become Rp3,000,000 with a portion of joint financing facility minimum at 1.00% from Company and maximum at 99.00% from joint financing providers. The agreement is valid until 20 February 2024.

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13. CONSUMER FINANCING RECEIVABLES (continued)

- a. Details of Subsidiary's consumer financing receivables are as follows (continued):

The agreement has been amended few times. The latest amendment through Amendment of Motor Vehicle Agreement between Subsidiaries and Bank date 30 June 2023, with a joint financing facility amounted to Rp24,000,000 with a portion of joint financing facility minimum at 1.00% from Company and maximum at 99.00% from joint financing providers. The agreement is valid until 28 February 2024.

Financing period for contracts disbursed by the Subsidiaries on motor vehicles ranges from 12 - 84 months.

Included in consumer financing receivables transactions are related parties transactions as of 30 June 2023 and 31 December 2022 amounted to Rp10,176 and Rp7,846, respectively (Note 57).

Changes in carrying amount of consumer financing receivables classified as amortised upon stages for the period and year ended 30 June 2023 and 31 December 2022 are as follows:

30 June 2023				
	Stage 1	Stage 2	Stage 3	Total
Amortised cost				
Beginning balance	22,712,668	846,480	198,579	23,757,727
Transfer to stage 1	221,597	(208,504)	(13,093)	-
Transfer to stage 2	(831,232)	848,836	(17,604)	-
Transfer to stage 3	(298,088)	(287,259)	585,347	-
Total beginning balance after transfer	21,804,945	1,199,553	753,229	23,757,727
Remeasurement of net carrying amount	(5,688,502)	(398,162)	420,265	(5,666,399)
New financial assets originated or purchased	12,883,658	66,328	13,486	12,963,472
Financial assets derecognised	(2,162,252)	(275,095)	(468,093)	(2,905,440)
Written-off financial assets	(4,876)	(23,223)	(371,702)	(399,801)
Total increase/(decrease) during the period	5,028,028	(630,152)	(406,044)	3,991,832
Ending balance	26,832,973	569,401	347,185	27,749,559

31 December 2022				
	Stage 1	Stage 2	Stage 3	Total
Amortised cost				
Beginning balance	18,139,856	676,126	292,340	19,108,322
Transfer to stage 1	38,526	(39,868)	1,342	-
Transfer to stage 2	49,570	(48,280)	(1,290)	-
Transfer to 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

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13. CONSUMER FINANCING RECEIVABLES (continued)

- b. Details of consumer financing receivables by Bank Indonesia's collectibility are as follows:

	30 June 2023	31 December 2022
Current	25,595,400	22,426,377
Special mention	1,806,974	1,127,591
Substandard	154,255	86,362
Doubtful	186,297	105,737
Loss	6,633	11,660
Total	27,749,559	23,757,727
Less: allowance for impairment losses	(764,505)	(610,361)
Net	26,985,054	23,147,366

- c. Average of effective interest rate charged to customers are as follows:

	30 June 2023	31 December 2022
Car	13.70%	13.79%
Motorcycle	25.15%	24.77%

- d. Movements of allowance for impairment losses on consumer financing receivables are as follows:

	30 June 2023	31 December 2022
Beginning balance	610,361	475,015
Allowance during the period/year (Note 46)	561,611	708,402
Cash recoveries from written-offs consumer financing receivables	-	134,639
Write-offs	(399,801)	(720,797)
Others	(7,666)	13,102
Ending balance	764,505	610,361

	30 June 2023			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	415,028	108,061	87,272	610,361
Transfer to:				
12 months expected credit losses (stage 1)	17,340	(15,422)	(1,918)	-
Lifetime expected credit losses - non-impaired (stage 2)	(23,545)	26,470	(2,925)	-
Lifetime expected credit losses - impaired (stage 3)	(9,931)	(16,720)	26,651	-
Total beginning balance after transfer	398,892	102,389	109,080	610,361
Net remeasurement of losses allowance	(37,307)	78,897	551,515	593,105
New financial assets originated or purchased	190,763	24,900	6,598	222,261
Financial assets derecognised	(33,873)	(59,805)	(160,077)	(253,755)
Total allowance during the period	119,583	43,992	398,036	561,611
Written-off financial assets	(4,876)	(23,223)	(371,702)	(399,801)
Others	4,669	(12,686)	351	(7,666)
Ending balance	518,268	110,472	135,765	764,505

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13. CONSUMER FINANCING RECEIVABLES (continued)

- d. Movements of allowance for impairment losses on consumer financing receivables are as follows (continued):

	31 December 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 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

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 63.A.
- f. Consumer financing receivables pledged as collateral for debt securities issued as of 30 June 2023 and 31 December 2022 are Rp1,915,592 and Rp1,718,119, respectively (Note 30).
- g. Consumer financing receivables pledged as collateral for fund borrowing as of 30 June 2023 and 31 December 2022 are Rp15,275,644 and Rp13,515,545, 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 Subsidiaries’s net investment finance leases are as follows:

	30 June 2023	31 December 2022
Rupiah		
Third parties		
Gross lease financing receivables	6,331,598	6,761,548
Finance lease receivables jointly funded		
other parties without recourse - gross	(68,395)	(102,811)
Guaranteed residual value	2,609,397	2,551,829
Deferred lease income	(742,757)	(786,177)
Security deposit	(2,609,397)	(2,551,829)
Total net investment finance leases	5,520,446	5,872,560
Less: allowance for impairment losses	(156,957)	(139,173)
Net	5,363,489	5,733,387

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14. NET INVESTMENT FINANCE LEASES (continued)

- a. Details of Subsidiaries's net investment finance leases are as follows (continued):

Financing period for contracts disbursed by the Subsidiaries on motor vehicles ranges between 12 - 60 months.

Details of investment finance leases - gross, based on the maturity date are as follows:

	30 June 2023	31 December 2022
Year		
2023	3,515,452	3,524,821
2024 and later	2,816,146	3,236,727
	6,331,598	6,761,548
Finance lease receivables jointly funded by other parties without recourse - gross	(68,395)	(102,811)
Guaranteed residual value, deferred lease income and security deposit	(742,757)	(786,177)
Finance leases receivable	5,520,446	5,872,560

Movements in carrying amount of investment finance leases classified as at amortised cost upon stages are as follows:

30 June 2023				
	Stage 1	Stage 2	Stage 3	Total
At amortised cost				
Beginning balance	5,676,950	168,820	26,790	5,872,560
Transfer to stage 1	24,416	(22,429)	(1,987)	-
Transfer to stage 2	(148,522)	153,717	(5,195)	-
Transfer to stage 3	(8,870)	(48,399)	57,269	-
Total beginning balance after transfer	5,543,974	251,709	76,877	5,872,560
Remeasurement of net carrying amount	(1,888,803)	26,330	54,046	(1,808,427)
New financial assets originated or purchased	2,193,704	4,474	-	2,198,178
Financial assets derecognised	(528,889)	(104,079)	(59,601)	(692,569)
Written-off financial assets	-	(488)	(48,808)	(49,296)
Total decrease during the period	(223,988)	(73,763)	(54,363)	(352,114)
Ending balance	5,319,986	177,946	22,514	5,520,446

31 December 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 stage 1	(5,800)	5,001	799	-
Transfer to stage 2	32,725	(36,476)	3,751	-
Transfer to stage 3	4,555	17,387	(21,942)	-
Total beginning balance after transfer	4,719,965	97,131	6,677	4,823,773
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 during the year	956,985	71,689	20,113	1,048,787
Ending balance	5,676,950	168,820	26,790	5,872,560

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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:

	30 June 2023	31 December 2022
Current	5,230,851	5,676,952
Special mention	267,082	168,819
Substandard	3,526	8,157
Doubtful	18,987	18,632
Total	5,520,446	5,872,560
Less: allowance for impairment losses	(156,957)	(139,173)
Net	5,363,489	5,733,387

- c. Average of effective interest rate charged to customers are as follows:

	30 June 2023	31 December 2022
Car	13.33%	10.28%
Heavy equipment	11.60%	11.85%
Machine	12.11%	12.39%

- d. Movements of allowance for impairment losses on net investment finance leases are as follows:

	30 June 2023	31 December 2022
Beginning balance	139,173	129,967
Allowance during the period/year (Note 46)	66,768	32,438
Recovery from written-off net investment finance leases	312	18,027
Write-offs	(49,296)	(41,259)
Ending balance	156,957	139,173

30 June 2023				
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	95,289	34,345	9,539	139,173
Transfer to:				
12 months expected credit losses (stage 1)	1,968	(1,644)	(324)	-
Lifetime expected credit losses - non-impaired (stage 2)	(3,092)	4,258	(1,166)	-
Lifetime expected credit losses - impaired (stage 3)	(249)	(3,493)	3,742	-
Total beginning balance after transfer	93,916	33,466	11,791	139,173
Net remeasurement of losses allowance	22,907	10,792	63,149	96,848
New financial assets originated or purchased	28,888	1,573	-	30,461
Financial assets derecognised	(13,474)	(27,478)	(19,589)	(60,541)
Total allowance/(reversal) during the period	38,321	(15,113)	43,560	66,768
Recovery from written-off net investment finance leases	(724)	843	193	312
Written-off financial assets	-	(488)	(48,808)	(49,296)
Ending balance	131,513	18,708	6,736	156,957

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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):

	31 December 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

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 63.A.
- f. Net investment finance leases pledged as collateral for debt securities issued as of 30 June 2023 and 31 December 2022 amounted to Rp691,353 and Rp888,925, respectively (Note 30).
- g. Net investment finance lease pledged as collateral for fund borrowings as of 30 June 2023 and 31 December 2022 amounted to Rp1,189,807 and Rp1,681,888, respectively (Note 36f).

15. ACCEPTANCE RECEIVABLES

- a. By currency, related parties and third parties:

	30 June 2023	31 December 2022
Rupiah		
Receivables from other banks		
Related parties (Note 57)	213,976	352,448
Third parties	332,249	355,892
	546,225	708,340
Receivables from debtors		
Related parties (Note 57)	668,649	797,282
Third parties	3,521,202	2,971,145
	4,189,851	3,768,427
Total Rupiah	4,736,076	4,476,767

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15. ACCEPTANCE RECEIVABLES (continued)

a. By currency, related parties and third parties (continued):

	30 June 2023	31 December 2022
Foreign currencies		
Receivables from other banks		
Related parties (Note 57)	3,922	-
Third parties	184,763	143,125
	<u>188,685</u>	<u>143,125</u>
Receivables from debtors		
Related parties (Note 57)	1,167,456	747,779
Third parties	3,435,843	6,413,910
	<u>4,603,299</u>	<u>7,161,689</u>
Total foreign currencies (Note 63.B.(iv))	<u>4,791,984</u>	<u>7,304,814</u>
	9,528,060	11,781,581
Less: allowance for impairment losses	(167,468)	(61,963)
Net	<u>9,360,592</u>	<u>11,719,618</u>

Movements in carrying amount of acceptance receivables classified as at amortised cost upon stages:

	30 June 2023				
	Stage 1	Stage 2	Stage 3	Sharia¹⁾	Total
At amortised cost					
Beginning balance	11,267,881	87,483	2,515	423,702	11,781,581
Transfer to stage 2	(23,404)	23,404	-	-	-
Total beginning balance after transfer	<u>11,244,477</u>	<u>110,887</u>	<u>2,515</u>	<u>423,702</u>	<u>11,781,581</u>
Remeasurement of net carrying amount	(122,221)	(6,023)	-	(363,198)	(491,442)
New financial assets originated or purchased	15,156,254	448,241	7,474	-	15,611,969
Financial assets derecognised	(17,252,432)	(189,883)	(3,855)	-	(17,446,170)
Others	66,606	5,516	-	-	72,122
Total increase/(decrease) during the period	<u>(2,151,793)</u>	<u>257,851</u>	<u>3,619</u>	<u>(363,198)</u>	<u>(2,253,521)</u>
Ending balance	<u>9,092,684</u>	<u>368,738</u>	<u>6,134</u>	<u>60,504</u>	<u>9,528,060</u>

¹⁾ Not implement SFAS 71

	31 December 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

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15. ACCEPTANCE RECEIVABLES (continued)

b. By maturity:

	30 June 2023	31 December 2022
Rupiah		
Less than 1 month	1,272,038	966,825
1 - 3 months	2,124,198	1,783,794
3 - 6 months	1,339,840	1,725,640
6 - 12 months	-	508
Total	4,736,076	4,476,767
Foreign currencies		
Less than 1 month	1,371,640	2,262,567
1 - 3 months	2,162,440	3,048,233
3 - 6 months	744,646	1,742,471
6 - 12 months	321,096	250,856
Over 12 months	192,162	687
Total (Note 63.B.(iv))	4,791,984	7,304,814
Less: allowance for impairment losses	9,528,060 (167,468)	11,781,581 (61,963)
Net	9,360,592	11,719,618

c. By Bank Indonesia's collectibility:

	30 June 2023	31 December 2022
Current	9,462,892	11,716,282
Special mention	59,034	62,784
Substandard	6,134	2,515
	9,528,060	11,781,581
Less: allowance for impairment losses	(167,468)	(61,963)
Net	9,360,592	11,719,618

d. Movements of allowance for impairment losses on acceptance receivables:

	30 June 2023	31 December 2022
Beginning balance	61,963	196,693
Total allowance/(reversal) during the period/year (Note 46)	108,973	(146,934)
Others ^{*)}	(3,468)	12,204
Ending balance	167,468	61,963

^{*)} Included effect of foreign currency translation.

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15. ACCEPTANCE RECEIVABLES (continued)

d. Movements of allowance for impairment losses on acceptance receivables (continued):

30 June 2023					
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	35,320	19,314	2,515	4,814	61,963
Transfer to: lifetime expected credit losses – unimpaired (stage 2)	(158)	158	-	-	-
Total beginning balance after transfer	35,162	19,472	2,515	4,814	61,963
Remeasurement of net carrying amount	(13,589)	2,737	95	(2,337)	(13,094)
New financial assets originated or purchased	46,979	142,302	6,060	-	195,341
Financial assets derecognised	(32,965)	(36,455)	(3,854)	-	(73,274)
Total allowance/(reversal) during the period	425	108,584	2,301	(2,337)	108,973
Others ²⁾	(704)	(2,536)	(95)	(133)	(3,468)
Ending balance	34,883	125,520	4,721	2,344	167,468

¹⁾ Not implement SFAS 71

²⁾ Included effect of foreign currency translation

31 December 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 ²⁾	7,542	4,125	537	-	12,204
Ending balance	35,320	19,314	2,515	4,814	61,963

¹⁾ Not implement SFAS 71

²⁾ Included effect of foreign currency translation

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 63.A.

16. INVESTMENTS IN SHARES

a. The detail of investments in shares are as follows:

	30 June 2023	31 December 2022
Investments in shares		
Related parties (Note 57)	1,779,968	1,775,847
Third parties	1,040,774	981,747
Total	2,820,742	2,757,594
Less: allowance for impairment losses	(68,653)	(68,640)
Net	2,752,089	2,688,954

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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 30 June 2023 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 Amarta Mikro Fintek	Fintech Lending	9.10%	191,732
Sleekr	HR dan 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
Iseller	Digital Service	16.11%	93,210
Investree	Fintech Lending	2.34%	62,187
Ayo Connect	Open Finance API	2.24%	51,314
Agriaku	Agricultural Technology	1.60%	29,626
Crowde	Fintech Lending	12.47%	25,009
Others (each less than Rp20,000)	Various	0.01% - 100.00%	67,030
Cost and equity method:			
PT Mandiri AXA General Insurance (MAGI)	General Insurance	20.00%	50,506
PT Jakarta Lloyd (Persero)	Shipping Line	17.67%	32,067
Others (each less than Rp20,000)	Various	0.00015% - 10%	8,173
			<u>2,820,742</u>
Less: allowance for impairment losses			(68,653)
Net			<u>2,752,089</u>

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 Amarta 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 Jakarta Lloyd (Persero)	Shipping Line	17.67%	32,067
Others (each less than Rp20,000)	Various	0.00015% - 10%	8,173
			<u>2,757,594</u>
Less: allowance for impairment losses			(68,640)
Net			<u>2,688,954</u>

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16. INVESTMENTS IN SHARES (continued)

b. Investments in shares by Bank Indonesia's collectibility:

	30 June 2023	31 December 2022
Current	2,736,114	2,677,099
Doubtful	50,506	46,385
Loss	34,122	34,110
	2,820,742	2,757,594
Less: allowance for impairment losses	(68,653)	(68,640)
Net	2,752,089	2,688,954

c. Movements of allowance for impairment losses on investments in shares:

	30 June 2023	31 December 2022
Beginning balance	68,640	14,595
Allowance during the period/year (Note 46)	1,073	53,658
Others ^{*)}	(1,060)	387
Ending balance	68,653	68,640

^{*)} Included effect of foreign currency translation

Management believes that the allowance for impairment losses on investments in shares are adequate.

17. PREPAID EXPENSES

	30 June 2023	31 December 2022
Prepaid insurance premium	773,839	359,648
Building maintenance fee	541,853	636,656
Employment expenses	314,093	114,839
Prepaid rent	298,145	292,592
Loans transaction fee	168,763	87,416
System maintenance fee	49,364	14,935
Promotion fee	49,001	2,441
Treasury transaction fee	33,915	38,230
Third-party labor service fee	33,896	18,618
Professional fee	11,636	3,756
Others	724,121	326,372
Total	2,998,626	1,895,503

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:

	30 June 2023					
	Beginning Balance ¹⁾	Additions	Revaluation	Deductions	Reclassifications	Ending Balance ¹⁾
At cost/revaluation value						
Direct ownership						
Land	41,356,880	16,433	-	-	27,327	41,400,640
Building	11,158,849	45,052	-	(131)	682,439	11,886,209
Furniture and fixtures, office equipment and computer	15,148,376	107,435	-	(19,707)	200,627	15,436,731
Vehicles	250,858	612	-	(10,264)	314	241,520
Construction in progress	3,121,729	291,035	-	-	(910,707)	2,502,057
	71,036,692	460,567	-	(30,102)	-	71,467,157
Right of use assets	6,933,206	1,130,497	-	(123,751)	-	7,939,952
	77,969,898	1,591,064	-	(153,853)	-	79,407,109
Accumulated depreciation						
Direct ownership						
Building	4,116,724	320,527	-	(12)	-	4,437,239
Furniture and fixtures, office equipment and computer	12,789,030	488,474	-	(19,655)	-	13,257,849
Vehicles	200,679	7,253	-	(10,263)	-	197,669
	17,106,433	816,254	-	(29,930)	-	17,892,757
Right of use assets	4,322,899	848,119	-	(124,125)	-	5,046,893
	21,429,332	1,664,373	-	(154,055)	-	22,939,650
Net book value						
Direct ownership						
Land						41,400,640
Building						7,448,970
Furniture and fixtures, office equipment and computer						2,178,882
Vehicles						43,851
Construction in progress						2,502,057
						53,574,400
Right of use assets						2,893,059
						56,467,459

¹⁾ As of 30 June 2023 and 31 December 2022, fixed assets are revaluated to Rp35,704,220 which consist of Bank amounted to Rp35,272,112 and Subsidiaries amounted to Rp432,108.

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18. FIXED ASSETS (continued)

a. The details of fixed assets were as follows (continued):

	31 December 2022					
	Beginning Balance ^{*)}	Additions	Revaluation	Deductions	Reclassifications	Ending Balance ^{**)}
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 amounted 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 amounted to Rp432,108.}

Construction in progress as of 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Buildings	1,890,698	2,336,700
Computers and other hardware that have not been installed	540,744	713,396
Office equipment and inventory	33,251	47,165
Land	50	-
Vehicles	22	344
Others	37,292	24,124
	2,502,057	3,121,729

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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 30 June 2023 and 31 December 2022 for computers and other hardware that have not been installed was ranging between 22.00% - 85.00%, respectively.

Right of use assets as of 30 June 2023 are as follows:

	Balance 1 January 2023	Additions	Deductions	Reclassifications	Balance 30 June 2023
At cost					
Building	5,815,928	988,215	(123,751)	-	6,680,392
Furniture and fixtures, office equipment and computer	59,454	1,792	-	-	61,246
Vehicles	1,057,824	140,490	-	-	1,198,314
	6,933,206	1,130,497	(123,751)	-	7,939,952
Accumulated depreciation					
Building	3,618,037	698,515	(124,125)	-	4,192,427
Furniture and fixtures, office equipment and computer	34,665	6,276	-	-	40,941
Vehicles	670,197	143,328	-	-	813,525
	4,322,899	848,119	(124,125)	-	5,046,893
Net book value					
Building					2,487,965
Furniture and fixtures, office equipment and computer					20,305
Vehicles					384,789
					2,893,059

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
	4,984,633	2,255,067	(306,494)	-	6,933,206
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
	2,762,937	1,852,876	(292,914)	-	4,322,899
Net book value					
Building					2,197,891
Furniture and fixtures, office equipment and computer					24,789
Vehicles					387,627
					2,610,307

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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:

	30 June 2023		
	Depreciation of right of use assets	Interest expenses of lease liabilities	Expenses related to short term lease
Building	698,515	20,400	5,523
Furniture and fixture, office equipment and computer	6,276	850	6,911
Vehicles	143,328	12,773	748
Total recognized in consolidated statement of profit or loss	848,119	34,023	13,182

	31 December 2022		
	Depreciation of right of use assets	Interest expenses of lease liabilities	Expenses related 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

Bank entered into rental agreement for a number of assets include vehicle, office house, office building, 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 low value underlying asset. Bank applied the exception for the short term leases and low value leases.

- b. Others

1. The Joint Agreement of Build, Operate, Transfer

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:

Fixed assets	Fair value	Book value	Increase in value (before tax)
Land	28,822,150	2,880,116	25,942,034

To determine the fair value, KJPP ANA and KJPP MBPRU use assessment methodology of 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:

Fixed assets	Fair value	Book value	Increase in value (before tax)
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 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 (Signed by Ir. Muhammad Adil Muttaqin, M.Sc., MAPPI (Cert) with Registered Letter (STTD): STTD.PP-83/PM.2/2018) on 16 December 2022 and KJPP Dasa'at Yudistira and Partners (Signed by Dasa'at Alam Ratu, S.P., MAPPI (Cert) with Registered Letter (STTD): STTD.PP-93/PM.2/2018) on 19 December 2022, the value of fixed assets and the increase in value are as follows:

Fixed assets	Fair value	Book value	Increase in value (before tax)
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 30 June 2023 and 31 December 2022 uses revaluation method for lands and Sales Value of Taxable Object for Buildings ("NJOP"). As of 30 June 2023, the revaluation value of land and NJOP owned by the Bank was Rp41,415,181 and Rp5,234,125, respectively. As of 31 December 2022, the revaluation value of land and NJOP owned by the Bank was Rp41,371,421 and Rp5,153,212, 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 30 June 2023 and 31 December 2022 amounted to Rp5,694,834 and Rp5,667,200, 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.

30 June 2023				
	Level 1	Level 2	Level 3	Fair Value
Land	-	41,415,181	-	41,415,181
31 December 2022				
	Level 1	Level 2	Level 3	Fair Value
Land	-	41,371,421	-	41,371,421

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 2023 until 2042. Based on past experience, the Group believes that they can extend the HGB.
6. As of 30 June 2023, 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 Rp12,774,989 (31 December 2022: Rp11,334,849). 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 Bank Mandiri consist of several things such as office machine, printing office equipment and office houses.
8. Management believes that there is no impairment of fixed assets as of 30 June 2023 and 31 December 2022.

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19. INTANGIBLE ASSETS

30 June 2023					
	Beginning Balance	Additions	Deductions	Reclassifications	Ending Balance
At cost					
Software	9,060,895	56,525	-	311,911	9,429,331
Goodwill	787,466	-	-	-	787,466
Yokke brand assets	59,334	-	-	22,372	81,706
Construction in progress	1,804,345	419,231	-	(311,911)	1,911,665
	<u>11,712,040</u>	<u>475,756</u>	<u>-</u>	<u>22,372</u>	<u>12,210,168</u>
Accumulated amortisation					
Software	6,595,087	504,621	-	-	7,099,708
Yokke brand assets	23,344	5,836	-	22,372	51,552
	<u>6,618,431</u>	<u>510,457</u>	<u>-</u>	<u>22,372</u>	<u>7,151,260</u>
Net book value					
Software					2,329,623
Goodwill					787,466
Yokke brand assets					30,154
Construction in progress					1,911,665
					<u><u>5,058,908</u></u>

31 December 2022					
	Beginning Balance	Additions	Deductions	Reclassifications	Ending Balance
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>

Software is amortised over its economic useful life, which is 5 years (refer to Note 2.r.i).

As of 30 June 2023 and 31 December 2022, included in intangible assets is the Yokke brand asset from its Subsidiary, PT Mandiri Capital Indonesia (MCI) worth Rp30,154 and Rp35,990 (net - accumulated amortisation) amortised over its economic useful life of 7 years using the straight-line method.

As of 30 June 2023 and 31 December 2022, included in the software balance are construction in progress for software amounted to Rp1,911,665 and Rp1,804,345, respectively. The estimated percentage of completion of software as of 30 June 2023 was ranging between 5.00% - 85.00% (31 December 2022: 15.00% - 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 30 June 2023 and 31 December 2022, there are no impairment of goodwill.

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20. OTHER ASSETS

	30 June 2023	31 December 2022
Rupiah		
Accrued income	7,619,457	7,443,236
Receivables from customer transactions	3,117,138	2,455,853
Receivables related to ATM and credit card transactions	2,560,604	2,053,222
Receivables from government <i>Ijarah</i> assets	1,716,440	1,289,926
Receivables from sales of marketable securities	1,387,234	1,484,573
Reposessed assets	1,244,234	225,715
Advance payment	1,141,067	1,145,931
Deferred insurance contract acquisition fee	532,264	347,593
Receivables from policyholders	494,581	499,951
Receivables from credit and trade finance fee	371,842	294,896
Assets from unit-link	298,417	253,109
Office supplies	247,986	819,771
Security deposits paid	154,250	123,927
<i>Ijarah</i> receivables	151,866	150,643
Reinsurance assets	117,633	13,278
Abandoned properties	97,132	89,604
Management fee receivables	95,392	96,837
Reinsurance and coinsurance receivables	61,047	70,871
Spot receivables	5,153	28,555
Receivables related to remittance transactions	3,821	22,901
Receivables from government bonds pledged as collateral	282	144
Others	-	1,773,074
	3,292,751	2,849,259
Total	24,710,591	23,532,869
Foreign currencies		
Accrued income (Note 63.B.(iv))	2,136,700	2,109,350
Receivables from government bonds pledged as collateral (Note 63.B.(iv))	1,351,844	1,984,881
Receivables from customer transactions (Note 63.B.(iv))	81,603	30,849
Receivables from sales of marketable securities (Note 63.B.(iv))	79,751	5,935
Receivables from credit and trade finance fee	75,483	72,850
Policy security deposits	24,752	25,831
Receivables from policyholders (Note 63.B.(iv))	8,053	8,404
Receivables related to remittance transactions	5,763	886,575
Advance payment	5,598	4,890
Receivables related to ATM transactions and credit card (Note 63.B.(iv))	1,948	2,023
Spot receivables	10	207
Others	12,881,066	1,758,508
Total	16,652,571	6,890,303
	41,363,162	30,423,172
Less: other allowances	(1,585,377)	(1,725,528)
Net	39,777,785	28,697,644

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20. OTHER ASSETS (continued)

Accrued income consist of interest accrued from the placement, marketable securities, government bonds, loans, others receivables – trade transactions and fees and commissions.

Receivables from customer transactions mainly consist of receivables arising from securities transactions of Bank's Subsidiaries. As of 30 June 2023 and 31 December 2022, included in receivables from customer transactions is an impaired portfolio amounted to Rp6,970 and Rp6,416, respectively.

Ijarah assets are lease assets from *ijarah* transaction, *ijarah* multiservices, *ijarah muntahiyah bittamlik* (IMBT) from Subsidiary.

Assets from unit-link is related to receivables 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 ROI 23NN, ROI 24 and ROI 25 (Note 36d). 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.

Subsidiary deferred insurance contract acquisition fee consists deferred acquisition cost of unit link back end loading and unit link hybrid insurance product and was amortised with straight-line method.

Receivables from policyholders represent receivables from the Subsidiary's to its policyholders related to premium of non unit-link products.

As of 30 June 2023 and 31 December 2022, receivables from sales of marketable securities are receivables from sale of marketable securities with maturity date on 3 July 2023 dan 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:

	30 June 2023	31 December 2022
Beginning balance	1,725,528	1,690,929
Allowance during the period/year (Note 47)	60,535	187,130
Others ^{*)}	(200,686)	(152,531)
Ending balance	1,585,377	1,725,528

^{*)} Included 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:

	30 June 2023	31 December 2022
Rupiah		
Related parties (Note 57)	71,093,773	96,693,975
Third parties	229,461,756	234,631,125
Total	300,555,529	331,325,100
Foreign currencies		
Related parties (Note 57)	70,740,724	60,553,443
Third parties	105,470,171	127,199,419
Total (Note 63B.(iv))	176,210,895	187,752,862
	476,766,424	519,077,962

Included in demand deposits were *wadiah* demand deposits amounted to Rp19,551,452 and Rp21,797,852 as of 30 June 2023 and 31 December 2022, respectively.

- b. Average interest rates (cost of funds) and range of profit sharing per annum:

Average interest rates (cost of funds) per annum:

	30 June 2023	31 December 2022
Rupiah	2.28%	1.88%
Foreign currencies (equivalent to Rupiah)	1.71%	0.44%

Range of profit sharing per annum on *wadiah* demand deposits:

	30 June 2023	31 December 2022
Rupiah	0.02%	0.01% - 0.03%
Foreign currencies (equivalent to Rupiah)	0.00% - 0.00%	0.00% - 0.00%

- c. As of 30 June 2023 and 31 December 2022, 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 Rp17,885,087 and Rp18,764,324, 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:

	30 June 2023	31 December 2022
Rupiah		
Related parties (Note 57)		
Mandiri Saving Deposits	3,065,951	3,641,055
Third parties		
Mandiri Saving Deposits	429,426,939	425,783,273
Haji Mandiri Saving Deposits	10,765,408	10,396,440
Total	443,258,298	439,820,768

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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):

	30 June 2023	31 December 2022
Foreign currencies		
Related parties (Note 57)		
Mandiri Saving Deposits	4,675,236	3,209,843
Third parties		
Mandiri Saving Deposits	34,865,935	37,452,155
Total (Note 63.B.(iv))	39,541,171	40,661,998
	482,799,469	480,482,766

Included in saving deposits were *wadiah* saving deposits amounted to Rp41,294,284 and Rp44,214,405 as of 30 June 2023 and 31 December 2022, respectively.

b. Average interest rates (*cost of funds*) per annum:

	30 June 2023	31 December 2022
Rupiah	0.49%	0.51%
Foreign currencies (equivalent to Rupiah)	0.18%	0.19%

c. As of 30 June 2023 and 31 December 2022, total saving deposits pledged as collateral and blocked for loans and other purposes were amounted to Rp18,354,802 and Rp17,766,721, respectively (Note 12B.c).

23. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS

a. By currencies, related parties and third parties:

	30 June 2023	31 December 2022
Rupiah		
Related parties (Note 57)	27,191,422	27,085,663
Third parties	223,330,790	231,954,064
Total	250,522,212	259,039,727
Foreign currencies		
Related parties (Note 57)	4,874,588	3,580,322
Third parties	23,651,772	33,395,152
Total (Note 63.B.(iv))	28,526,360	36,975,474
	279,048,572	296,015,201

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23. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS (continued)

b. By period:

	30 June 2023	31 December 2022
Rupiah		
1 month	123,575,705	135,375,162
3 months	92,292,176	90,460,008
6 months	26,227,375	22,280,790
12 months	8,264,580	10,663,982
Over 12 months	162,376	259,785
Total	250,522,212	259,039,727
Foreign currencies		
1 month	15,307,062	22,515,474
3 months	5,847,672	7,522,823
6 months	5,783,734	4,994,714
12 months	1,446,899	1,878,389
Over 12 months	140,993	64,074
Total (Note 63.B.(iv))	28,526,360	36,975,474
	279,048,572	296,015,201

c. By remaining period to maturity date:

	30 June 2023	31 December 2022
Rupiah		
Less than 1 month	143,201,127	162,151,537
1 - 3 months	76,377,892	75,752,708
3 - 6 months	7,323,748	13,015,942
6 - 12 months	18,022,324	7,218,663
Over 12 months	5,597,121	900,877
Total	250,522,212	259,039,727
Foreign currencies		
Less than 1 month	15,462,222	23,965,592
1 - 3 months	8,243,556	7,483,892
3 - 6 months	103,342	4,343,560
6 - 12 months	3,776,595	1,063,974
Over 12 months	940,645	118,456
Total (Note 63.B.(iv))	28,526,360	36,975,474
	279,048,572	296,015,201

d. Average interest rates (cost of funds) per annum:

	30 June 2023	31 December 2022
Rupiah	3.08%	2.63%
Foreign currencies (equivalent to Rupiah)	2.77%	1.01%

e. As of 30 June 2023 and 31 December 2022, total time deposits pledged as collateral and blocked for loans and other purposes were amounted to Rp41,187,747 and Rp38,508,154, respectively (Note 12B.c).

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24. DEPOSITS FROM OTHER BANKS - DEMAND DEPOSITS, WADIAH DEMAND DEPOSITS AND SAVING DEPOSITS

a. By currencies, related parties and third parties:

	30 June 2023	31 December 2022
Demand deposits and <i>wadiah</i> demand deposits		
Related parties (Note 57)		
Rupiah	365	1,662
Foreign currencies (Note 63.B.(iv))	518,800	172,497
	<u>519,165</u>	<u>174,159</u>
Third parties		
Rupiah	1,565,810	1,904,754
Foreign currencies (Note 63.B.(iv))	978,711	1,946,238
	<u>2,544,521</u>	<u>3,850,992</u>
Total	<u>3,063,686</u>	<u>4,025,151</u>
Saving deposits		
Related parties (Note 57)		
Rupiah	84	84
	<u>84</u>	<u>84</u>
Third parties		
Rupiah	2,398,329	1,709,152
Foreign currencies (Note 63.B.(iv))	13	14
	<u>2,398,342</u>	<u>1,709,166</u>
	<u>2,398,426</u>	<u>1,709,250</u>
	<u>5,462,112</u>	<u>5,734,401</u>

Included in deposits from other banks - demand deposits are *wadiah* demand deposits amounted to Rp109,820 and Rp142,388, as of 30 June 2023 and 31 December 2022, respectively.

b. Average interest rates (cost of funds) and profit sharing per annum:

	30 June 2023	31 December 2022
Average interest rates (cost of funds) per annum:		
Demand deposits and <i>wadiah</i> demand deposits		
Rupiah	2.28%	1.88%
Foreign currencies (equivalent to Rupiah)	1.71%	0.44%
Saving deposits		
Rupiah	0.48%	0.50%
Foreign currencies (equivalent to Rupiah)	0.18%	0.19%
Range of profit sharing per annum for <i>wadiah</i> demand deposits:		
Rupiah	0.72% - 0.73%	0.72% - 0.75%

c. As of 30 June 2023 and 31 December 2022, total demand deposits, *wadiah* demand deposits and saving deposits from other banks pledged as collateral for loans and bank guarantees were amounted to Rp127,046 and Rp160,387, respectively (Notes 12B.c and 31e).

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25. DEPOSITS FROM OTHER BANKS - INTER-BANK CALL MONEY

a. By currencies:

	30 June 2023	31 December 2022
Third parties:		
Rupiah	-	200,000
Foreign currencies (Notes 63.B.(iv))	5,973,211	4,236,101
	5,973,211	4,436,101

b. By remaining period to maturity date:

	30 June 2023	31 December 2022
Rupiah		
Less than 1 month	-	200,000
Foreign currencies		
Less than 1 month	1,219,197	2,649,621
Over 1 month	4,754,014	1,586,480
Total (Note 63.B.(iv))	5,973,211	4,236,101
	5,973,211	4,436,101

c. Average interest rates (cost of funds) per annum:

	30 June 2023	31 December 2022
Rupiah	6.23%	3.71%
Foreign currencies (equivalent to Rupiah)	4.89%	2.75%

26. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS

a. By currencies:

	30 June 2023	31 December 2022
Related parties (Note 57)		
Foreign currencies (Note 63.B.(iv))	-	467,025
	-	467,025
Third parties		
Rupiah	5,343,014	2,730,970
Foreign currencies (Note 63.B.(iv))	749,625	1,478,912
	6,092,639	4,209,882
Total	6,092,639	4,676,907

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26. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS (continued)

b. By period:

	30 June 2023	31 December 2022
Rupiah		
1 month	5,101,714	2,363,920
3 months	223,650	338,950
6 months	12,900	25,350
12 months	4,750	2,750
Total	5,343,014	2,730,970
Foreign currencies		
1 month	299,850	-
3 months	-	467,025
6 months	-	778,375
12 months	149,925	77,837
More than 12 months	299,850	622,700
Total (Note 63.B.(iv))	749,625	1,945,937
	6,092,639	4,676,907

c. Average interest rates (cost of funds) per annum:

	30 June 2023	31 December 2022
Rupiah	2.79%	2.41%
Foreign currencies (equivalent to Rupiah)	2.77%	1.01%

d. As of 30 June 2023 and 31 December 2022, time deposits from other banks pledged as collateral for loans amounted to Rp438,888 and Rp520,310, 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:

	30 June 2023	31 December 2022
Non-sharia	28,800,225	28,934,947
Sharia	691,679	775,280
	29,491,904	29,710,227

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 30 June 2023 and 31 December 2022, the investment of policyholders were recorded to the related financial assets in the consolidated statements of financial position.

Included in the unit-link policyholders' investments are policyholders' fund in foreign currency as of 30 June 2023 and 31 December 2022, amounted to USD329,430,172 (full amount) and USD339,134,861 (full amount), respectively.

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27. LIABILITIES TO UNIT-LINK POLICYHOLDERS (continued)

The details of non-sharia unit-link investments based on the type of contracts are as follows:

	30 June 2023	31 December 2022
Dynamic money	10,677,814	12,379,566
Prime equity	7,583,622	5,442,516
Equity Fund Offshore	2,243,731	2,378,169
Attractive money	1,929,582	2,157,013
Progressive money	1,673,496	1,681,321
Mandiri Golden Offshore	1,344,330	1,523,995
Secure money	980,828	1,013,580
Mandiri Equity Money	638,374	663,040
Balance Fund Offshore	470,189	484,864
Money market	323,456	270,346
Excellent equity	312,882	365,597
Fixed money	283,797	231,598
Active money	94,757	100,749
Mandiri Flexible Equity Offshore	92,331	86,267
Protected money	76,364	85,123
Mandiri Multi Asset Balanced Offshore	32,395	32,356
Mandiri Global Offshore	21,694	22,071
Money Market CS	20,583	16,776
	28,800,225	28,934,947

Dynamic money

This is an equity fund placement with underlying investments 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 Shares Mutual Fund.

Equity Fund Offshore

Equity-based mutual funds from foreign markets managed by the Subsidiary.

Attractive money

This is an equity fund placement with underlying investments in stocks and bonds traded in Indonesia Stock Exchange and money market instruments through Mandiri Mutual Fund Attractive Shares.

Progressive money

This is a balanced fund placement with underlying investments in stocks and bonds traded in Indonesia Stock Exchange and money market instruments through Schroder Progressive Balanced Mutual Fund.

Mandiri Golden Offshore

Equity-based mutual funds with underlying investments in equity traded in offshore equity market.

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27. LIABILITIES TO UNIT-LINK POLICYHOLDERS (continued)

Secure money

Secure money Rupiah is a fixed income based placement of funds with underlying investments 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 Mandiri Index LQ45 mutual fund managed by Mandiri Manajemen Investasi (MMI).

Balance Fund Offshore

Mutual funds which the composition is a mixture of equity and bonds from foreign markets managed by Subsidiary.

Money market

Placement of money market fund with underlying investments in money market instrument including time deposits and fixed income securities traded in Indonesia Stock Exchange through Mandiri Investa Pasar Uang Mutual Fund.

Excellent equity

This is a share based fund placement with underlying investments in small cap shares (exclude top 20 largest capitalisation shares) listed in Indonesia Stock Exchange and money market instruments through Mandiri Dynamic Equity Mutual Fund.

Fixed money

This is a fixed income based fund placement with underlying investments in Indonesian Government Bonds and money market instruments through Mandiri Investa Dana Obligasi II Mutual Fund.

Active money

This is a balanced fund placement with underlying investments in stocks and bonds traded in Indonesia Stock Exchange and money market instruments through Mandiri Aktif Mutual Fund.

Mandiri Flexible Equity Offshore

Mixed mutual fund with underlying investments in equity and money market in foreign markets.

Protected money

Placement of funds based on combination (balanced fund) with investments in stocks and bonds traded in the Indonesia Stock Exchange and money market instruments with a maturity of less than 1 year.

Mandiri Multi Asset Balanced Offshore

Mixed mutual fund with underlying investments in money market, equity and foreign market securities.

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27. LIABILITIES TO UNIT-LINK POLICYHOLDERS (continued)

Mandiri Global Offshore

Mixed mutual funds with underlying investments in equity and money market in foreign markets.

Money market CS

This is a fund placement with underlying investments in money market instrument, especially in time deposits based on sharia principles.

The details of sharia unit-link investments based on the type of contracts are as follows:

	30 June 2023	31 December 2022
Attractive money sharia	375,182	457,164
Active money sharia	153,343	171,663
Amanah Fixed Income	90,001	63,714
Amanah equity sharia	42,819	51,474
Advanced commodity sharia	19,744	24,047
Amanah Money Market Sharia	10,590	7,218
Total	691,679	775,280

Attractive money sharia

This is an equity based fund placement with underlying investments in stocks and bonds traded 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 combination based fund with underlying investments in stocks and bonds traded 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 investments of Sukuk and Sharia Government Bonds.

Amanah equity sharia

This is an equity based fund placement with underlying investments in stocks traded 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 a share based fund placement with underlying investments in shares in the commodity sector and related to commodities traded 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 based mutual fund with underlying investments of sharia money market and sharia fixed income marketable securities.

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

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28. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE LIABILITIES

30 June 2023						
Securities	Nominal value	Start date	Maturity date	Buy back value	Unamortised interest expense	Net value
Rupiah						
Third parties						
VR0072	400,000	27/06/2023	04/07/2023	360,418	171	360,247
FR0086	300,000	30/05/2023	29/08/2023	289,533	2,993	286,540
FR0058	108,025	25/05/2023	24/07/2023	108,025	-	108,025
FR0096	100,000	08/06/2023	07/09/2023	101,015	1,169	99,846
FR0096	100,000	08/06/2023	07/09/2023	101,015	1,169	99,846
FR0096	100,000	08/06/2023	07/09/2023	101,015	1,169	99,846
FR0096	25,000	16/05/2023	15/08/2023	24,987	192	24,795
FR0070	10,000	04/04/2023	04/07/2023	10,229	6	10,223
FR0070	10,000	27/04/2023	27/07/2023	10,255	47	10,208
FR0077	10,000	15/06/2023	14/09/2023	10,245	135	10,110
FR0077	10,000	06/06/2023	05/09/2023	10,228	118	10,110
FR0081	10,000	23/05/2023	22/08/2023	10,058	91	9,967
Total Rupiah	1,183,025			1,137,023	7,260	1,129,763
Foreign currencies						
Third parties						
FR0056	2,137,300	25/02/2022	18/08/2026	2,554,217	213,674	2,340,543
FR0086	2,008,000	25/02/2022	16/03/2026	2,102,871	152,908	1,949,963
FR0086	2,000,000	24/02/2022	13/03/2026	2,048,032	148,936	1,899,096
FR0082	1,472,000	21/07/2022	06/07/2023	1,289,071	556	1,288,515
FR0087	1,524,000	21/07/2022	06/07/2023	1,288,752	555	1,288,197
FR0091	1,560,000	21/07/2022	06/07/2023	1,288,279	556	1,287,723
FR0056	790,000	24/02/2022	14/08/2026	920,142	76,497	843,645
FR0091	858,716	09/08/2022	25/07/2023	774,779	1,724	773,055
FR0091	858,551	10/08/2022	26/07/2023	774,769	1,796	772,973
FR0090	824,000	24/02/2022	12/02/2027	849,078	81,022	768,056
Bond US455780CY00	665,667	07/07/2022	07/07/2025	522,166	46,226	475,940
Bond US455780CQ75	524,738	26/04/2023	24/04/2026	471,864	64,547	407,317
Bond US71567RAS58	479,760	14/12/2021	13/12/2024	419,413	22,284	397,129
Bond US71567RAM88	374,813	14/12/2021	13/12/2024	375,987	19,977	356,010
Bond US455780CQ75	434,783	07/07/2022	07/07/2025	370,891	32,834	338,057
Bond US455780CS32	311,094	07/07/2022	07/07/2025	282,013	24,966	257,047
Bond US455780CY00	307,346	14/12/2021	13/12/2024	265,725	14,119	251,606
Bond INDON-280731	299,850	20/12/2021	20/12/2024	260,037	13,064	246,973
Bond INDOIS-010328	254,873	06/04/2023	06/04/2026	284,137	39,811	244,326
Bond US71567RAM88	239,880	22/05/2023	22/08/2023	235,409	2,940	232,469
Bond INDOIS-090631	272,414	06/04/2023	06/04/2026	267,517	37,482	230,035
Bond INDOIS-200229	209,895	06/04/2023	06/04/2026	234,230	32,819	201,411
Bond US455780CQ75	224,888	14/12/2021	13/12/2024	204,487	10,865	193,622
Bond US71567RAS58	254,873	07/07/2022	07/07/2025	205,687	18,209	187,478
Bond INDOIS-290327	194,903	13/12/2021	13/12/2024	195,326	9,964	185,362
Bond US71567RAP10	209,895	26/04/2023	24/04/2026	212,641	29,088	183,553
Bond US455780CV60	221,139	14/12/2021	13/12/2024	186,930	9,932	176,998
Bond US455780CS32	224,888	26/04/2023	24/04/2026	188,517	25,788	162,729
Bond ADGB-160430	149,925	27/01/2022	13/12/2024	165,553	7,747	157,806
Bond US71567RAP10	179,910	22/05/2023	22/08/2023	157,966	1,973	155,993
Bond QATAR-140329	149,925	15/12/2021	13/12/2024	161,479	7,850	153,629
Bond INDON-170138	119,940	06/04/2023	06/04/2026	171,322	24,004	147,318
Bond INDON-080126	149,925	13/12/2021	13/12/2024	153,565	7,833	145,732
Bond INDOIS-290326	149,925	15/12/2021	13/12/2024	151,702	7,375	144,327
Bond INDON-151030	149,925	13/01/2022	13/12/2024	149,200	7,407	141,793
Bond INDON-120331	179,910	06/04/2023	06/04/2026	164,228	23,010	141,218
Bond US71567RAP10	176,162	07/07/2022	07/07/2025	146,378	12,959	133,419
Bond US455780CK06	149,925	07/07/2022	07/07/2025	133,087	11,782	121,305
Bond INDON-280731	149,925	06/04/2023	06/04/2026	140,705	19,714	120,991
Bond INDOIS-010328	119,940	03/03/2022	13/12/2024	116,065	5,510	110,555
Bond INDOIS-200229	104,948	13/01/2022	13/12/2024	107,595	5,342	102,253
Bond INDON-240428	104,948	06/04/2023	06/04/2026	117,466	16,458	101,008
Bond INDON-170237	89,955	06/04/2023	06/04/2026	116,646	16,343	100,303
Bond INDON-180929	104,948	06/04/2023	06/04/2026	109,619	15,359	94,260
Bond PERTM-270625	93,348	27/06/2022	27/06/2025	93,348	-	93,348
Bond KSA-020233	104,948	13/12/2021	13/12/2024	97,862	4,993	92,869
Bond INDOIS-230630	89,955	06/04/2023	06/04/2026	90,647	12,701	77,946
Bond ADGB-111027	74,963	13/01/2022	13/12/2024	76,197	3,783	72,414
Bond QATAR-160425	74,963	15/12/2021	13/12/2024	75,867	3,688	72,179
Bond KSA-291029(SUKUK)	74,963	13/01/2022	13/12/2024	74,267	3,687	70,580
Bond US455780CK06	74,963	14/12/2021	13/12/2024	70,544	3,748	66,796
Bond INDON-110128	74,963	16/02/2022	13/12/2024	69,664	3,201	66,463
Bond KSA-020233	74,963	03/03/2022	20/12/2024	67,065	3,156	63,909
Bond INDON-280731	74,963	15/12/2021	13/12/2024	67,016	3,258	63,758
Bond INDOIS-090626	74,963	20/12/2021	20/12/2024	64,834	3,257	61,577
Bond INDOIS-290327	58,471	06/04/2023	06/04/2026	64,532	9,042	55,490
Bond US71567RAK23	44,978	22/05/2023	22/08/2023	43,967	549	43,418
Bond INDON-151030	44,978	13/12/2021	13/12/2024	45,475	2,319	43,156
Bond INDON-170237	38,231	16/02/2022	13/12/2024	45,114	2,073	43,041
Bond INDOIS-010328	44,978	20/12/2021	20/12/2024	44,565	2,239	42,326
Bond US455780CQ75	44,978	14/12/2021	13/12/2024	40,897	2,173	38,724
Bond INDOIS-090631	44,978	13/12/2021	13/12/2024	40,702	2,076	38,626
Bond INDON-280731	44,978	20/12/2021	20/12/2024	39,006	1,960	37,046

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28. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE LIABILITIES (continued)

30 June 2023 (continued)						
Securities	Nominal value	Start date	Maturity date	Buy back value	Unamortised interest expense	Net value
Foreign currencies (continued)						
Third parties (continued)						
Bond INDON-240428	29,985	13/12/2021	13/12/2024	30,166	1,539	28,627
Bond INDON-140230	29,985	13/12/2021	13/12/2024	28,223	1,440	26,783
Bond INDON-180929	29,985	16/02/2022	13/12/2024	28,026	1,287	26,739
Bond KSA-020233	29,985	03/03/2022	13/12/2024	26,838	1,274	25,564
Bond INDOIS-230630	25,487	13/12/2021	13/12/2024	23,884	1,218	22,666
Bond US71567RAM88	23,088	14/12/2021	13/12/2024	23,161	1,231	21,930
Bond INDOIS-200229	14,993	13/12/2021	13/12/2024	15,568	793	14,775
Total foreign currencies (Note 63.B.(iv))	23,406,435			22,722,978	1,400,490	21,322,488
Total	24,589,460			23,860,001	1,407,750	22,452,251

31 December 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	858,716	09/08/2022	25/07/2023	804,493	15,292	789,201
FR0091	858,551	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	400,000	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	200,000	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	100,000	21/07/2022	21/06/2023	95,243	1,427	93,816
FR0070	100,000	21/07/2022	21/06/2023	94,857	1,422	93,435
FR0081	100,000	21/07/2022	21/06/2023	91,952	1,378	90,574
FR0086	100,000	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

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28. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE LIABILITIES (continued)

31 December 2022 (continued)						
Securities	Nominal value	Start date	Maturity date	Buy back value	Unamortised interest expense	Net value
Foreign currencies (continued)						
Third parties (continued)						
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 63.B.(iv))	24,836,086			24,522,757	1,331,399	23,191,358
Total	26,006,086			25,665,813	1,340,338	24,325,475

29. ACCEPTANCE PAYABLES

a. By currencies, related parties and third parties:

	30 June 2023	31 December 2022
Rupiah		
Payables to other banks		
Related parties (Note 57)	2,084,067	1,512,348
Third parties	1,999,640	2,202,157
Payables to debtors		
Related parties (Note 57)	192,280	206,010
Third parties	460,089	556,252
Total	4,736,076	4,476,767
Foreign currencies		
Payables to other banks		
Related parties (Note 57)	8,080	13,103
Third parties	4,595,219	7,148,586
Payables to debtors		
Related parties (Note 57)	12,904	18,662
Third parties	175,781	124,463
Total (Note 63.B.(iv))	4,791,984	7,304,814
	9,528,060	11,781,581

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29. ACCEPTANCE PAYABLES (continued)

b. By maturity:

	30 June 2023	31 December 2022
Rupiah		
Less than 1 month	1,272,038	966,825
1 - 3 months	2,124,198	1,783,794
3 - 6 months	1,339,840	1,725,640
6 - 12 months	-	508
Total	4,736,076	4,476,767
Foreign currencies		
Less than 1 month	1,371,640	2,262,567
1 - 3 months	2,162,440	3,048,233
3 - 6 months	744,646	1,742,471
6 - 12 months	321,096	250,856
More than 12 months	192,162	687
Total (Note 63.B.(iv))	4,791,984	7,304,814
	9,528,060	11,781,581

30. DEBT SECURITIES ISSUED

	30 June 2023	31 December 2022
Rupiah		
Related parties (Note 57)		
Bonds	4,815,600	4,748,550
Subordinated notes sharia <i>mudharabah</i>	260,000	455,000
Interbank <i>Mudharabah</i> Investment Certificate (SIMA)	200,000	400,000
	5,275,600	5,603,550
Third parties		
Bonds	13,683,305	13,550,355
Interbank <i>Mudharabah</i> Investment Certificate (SIMA)	1,816,000	1,675,000
Subordinated notes sharia <i>mudharabah</i>	1,115,000	920,000
Mandiri travelers' cheques	62,567	64,402
Sukuk <i>Mudharabah Muqayyadah</i> I Phase I	3,759	-
	16,680,631	16,209,757
	21,956,231	21,813,307

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30. DEBT SECURITIES ISSUED (continued)

	30 June 2023	31 December 2022
Foreign currencies (Note 63.B.(iv))		
Third parties		
Bonds	27,649,324	24,034,300
	49,605,555	45,847,607
Less: unamortised debt issuance cost	(89,303)	(73,468)
Net	49,516,252	45,774,139

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:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
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 30 June 2023 and 31 December 2022 based on Pefindo's rating, the Continuous Bonds II Phase I was rated idAAA (triple A).

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:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
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.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Bank Mandiri (continued)

Rupiah (continued)

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:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
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 and maturity date of the bonds are 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 and the maturity date is 15 June 2020 date 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:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
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

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 are on 30 September 2023 for Series B and 30 September 2026 for Series C which is also the redemption date of 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 or other parties) and comply to Indonesia's laws and regulations.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Bank Mandiri (continued)

Rupiah (continued)

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 30 June 2023 dan 31 December 2022 the Pefindo's rating of Continuous Bonds I Phase I, II and Phase III is idAAA (triple A).

Foreign Currency

On 4 April 2023, Bank Mandiri issued the fourth Euro Medium Term Notes (EMTN) with nominal value of USD300,000,000 (full amount) in 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	USD300,000,000	5.50%	4 April 2026

The fourth EMTN is offered at 99.58% (ninety-nine point fifty eight percent) of the principal amount of the bonds. The bond interest is paid on semi-annual basis, with the first interest payment scheduled on 4 October 2023 and the last interest payment and due date of the bond principal on 4 April 2026, which also the due date of the principal amount of the bonds. The trustee of the EMTN bond issuance is Bank of New York Mellon.

As of 30 June 2023, the credit ratings for the fourth EMTN are Baa2 (Moody's) and BBB- (Fitch Ratings).

On 19 April 2021, Bank Mandiri issued the third 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

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Bank Mandiri (continued)

Foreign Currency (continued)

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.

As of 30 June 2023 and 31 December 2022, the third EMTN's ratings are Baa2 (Moody's) and BBB- (Fitch Ratings).

On 13 May 2020 Bank Mandiri issued the second 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

The second 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 maturity date of the bonds principal on 13 May 2025 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 30 June 2023 and 31 December 2022, the second EMTN is rated Baa2 (Moody's) and BBB- (Fitch Ratings).

On 11 April 2019 Bank Mandiri issued the first 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

The first EMTN 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 30 June 2023 and 31 December 2022, the first EMTN is rated Baa2 (Moody's) and BBB- (Fitch Ratings).

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Subsidiaries

Rupiah

On 23 February 2022, the Subsidiary (PT Mandiri Tunas Finance) issued Continuous Bonds V Phase III Year 2022 ("Continuous Bonds V Phase III") with total nominal value of Rp1,228,055 which consist of 2 (two) series:

Bonds	Nominal Value	Fixed interest rate per annum	Maturity date
Series A	851,440	5.90%	23 February 2025
Series B	376,615	6.75%	23 February 2027

Trustee for Continuous Bonds V Phase III is PT Bank Rakyat Indonesia (Persero) Tbk.

On 20 May 2021, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuous Bonds V Mandiri Tunas Finance Phase II Year 2021 ("Continuous Bonds V Phase II") to the Indonesia Stock Exchange with total nominal value of Rp1,400,850 which consist of 2 (two) series:

Bonds	Nominal Value	Fixed interest rate per annum	Maturity date
Series A	915,150	7.00%	20 May 2024
Series B	485,700	7.65%	20 May 2026

Trustee for Continuous Bonds V Phase II 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 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.

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 consist of 2 (two) series:

Bonds	Nominal Value	Fixed interest rate per annum	Maturity date
Series A	472,000	8.00%	13 August 2023
Series B	386,000	8.60%	13 August 2025

Trustee for Continuous Bonds V 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 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.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Subsidiaries (continued)

Rupiah (continued)

As of 30 June 2023 and 31 December 2022 based on Pefindo's rating, the Continuous Bonds V Phase I, II and III was rated idAAA (triple A).

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 with consist of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	800,000	6.50%	29 April 2024
Series B	1,200,000	7.25%	29 April 2026

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 30 June 2023 and 31 December 2022, 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 consist of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
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 Year 2019 is PT Bank Permata Tbk. As of 30 June 2023 and 31 December 2022, Continuous Bond I Phase I PT Bank Mandiri Taspen Year 2019 is rated AA (idn) (double A) by PT Fitch Ratings Indonesia.

During the validity period of the Bonds and prior to the fully repayment of the bonds, the Subsidiary has to comply to: (i) maintains the overall Subsidiary's soundness level as regulated by FSA; (ii) maintains the Subsidiary'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) obtains and comply with permits and approvals (from the Government and other parties) and complies to Indonesia's laws and regulations.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Subsidiaries (continued)

Rupiah (continued)

The Subsidiary, without a written approval from the Trustee will not: (i) reduces the Subsidiary's issued and fully paid-in capital except such a reduction is conducted based on regulations from the Government of Indonesia or Bank Indonesia; (ii) changes its nature of business; (iii) conducts merger, consolidation, or acquisitions which led to the dissolution of the Subsidiary.

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 26 July 2022, series A of the Continuous Bonds IV Phase II has matured.

Bonds interest were paid on quarterly basis, with the first interest payment was made on 26 October 2019, while the last interest payment and maturity of the bonds on 26 July 2022 for Series A and 26 July 2024 for Series B.

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.

Bonds interest were paid on quarterly basis, with the first interest payment was made on 8 April 2019, while the last interest payment and maturity of the bonds on 8 January 2022 for Series A and 8 January 2024 for Series B.

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 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.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Subsidiaries (continued)

Rupiah (continued)

As of 30 June 2023 and 31 December 2022 based on Pefindo's rating, the Continuous Bonds IV Phase I and II was rated idAAA (triple A). On 8 January 2022, Series A of the Continuous Bonds IV Phase I has matured.

The Continuous Bonds V Phase I according to Pefindo as of 30 June 2023 and 31 December 2022 is idAA+ (double A plus).

As of 30 June 2023, all securities issued by PT Mandiri Tunas Finance are secured by consumer financing receivables amounted to Rp1,915,592 (31 December 2022: Rp1,718,119) (Note 13f) and net investment finance leases amounted to Rp691,353 (31 December 2022: Rp888,925) (Note 14f).

Subordinated notes sharia *mudharabah*

On 22 December 2016, the Subsidiary, PT Bank Syariah Indonesia Tbk ("BSI") (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 sukuk *mudharabah* holders and revenue which can be shared based on the available last-quarter unaudited financial statements and approved by BSI'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 BSI's financing 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 BSI'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.

During the validity period of sukuk *mudharabah* and before the redemption of all of principal and profit sharing, BSI 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 BSI's soundness rating report and self-assessment of Good Corporate Governance implementation to the FSA.

BSI 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 BSI.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Subsidiaries (continued)

Rupiah (continued)

Subordinated notes sharia *mudharabah* (continued)

Acting as the trustee of the *mudharabah* sukuk is PT Bank Mandiri (Persero) Tbk. As of 30 June 2023 and 31 December 2022, the rating for the sukuk *mudharabah* 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 Ratings Indonesia 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 Sukuk *Mudharabah* 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 Sukuk *Mudharabah* 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 interest payment schedule during the period and year ended 30 June 2023 and 31 December 2022.

During the period and year ended 30 June 2023 and 31 December 2022, PT Bank Mandiri (Persero) Tbk. and the Subsidiaries have fulfilled the requirements as set out in the agreement of debt securities issued.

Interbank *Mudharabah* Investment Certificate (SIMA)

On 27 March 2023 to 30 March 2023, the Subsidiary (PT Bank Syariah Indonesia Tbk) provided a committed line facilities through SIMA amounting to Rp2,016,000 with a maturity of less than one month with indicated interest rate ranging between 5.95% - 6.1%. This facility is not guaranteed by special collateral, as well as not guaranteed by Republic of Indonesia or other third parties.

Sukuk *Mudharabah Muqayyadah* I Phase I

On 26 June 2023, the Subsidiary (PT Bank Syariah Indonesia Tbk) has issued a long term Sukuk *Mudharabah Muqayyadah* without Public Offering I of PT Bank BSI Tbk for the Year 2023 Phase 1 ("Sukuk *Mudharabah Muqayyadah* I Phase I") with a nominal value of Rp3,759 and maximum limit of Rp100,000. The profit-sharing ratio is 36.34% indicating approximately 0.55% per annum. Profit sharing is paid every 3 (three) months and will mature on 26 December 2035. The facility is not secured by any specific collateral, including not guaranteed by the Republic of Indonesia or any third parties.

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31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

a. Transactions of commitments are as follows:

	30 June 2023	31 December 2022
Rupiah		
Bank guarantee issued (Note 55)	57,479,137	67,983,979
Unused loan facilities ^{*)}	50,718,136	58,225,671
Outstanding irrevocable letter of credit (Note 55)	5,678,524	7,373,846
Standby letter of credit (Note 55)	2,058,867	2,940,072
Total	115,934,664	136,523,568
Foreign currencies		
Bank guarantee issued (Note 55)	45,676,332	43,022,528
Unused loan facilities ^{*)}	41,764,727	25,679,721
Outstanding irrevocable letter of credit (Note 55)	14,263,548	20,943,435
Standby letter of credit (Note 55)	13,700,072	8,890,240
Total	115,404,679	98,535,924
	231,339,343	235,059,492

^{*)} Including unused committed and uncommitted credit card facilities

Movements in carrying amount of commitments and contingencies classified as amortised cost upon stage for the period and year ended 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023				
	Stage 1	Stage 2	Stage 3	Sharia¹⁾	Total
Beginning balance ^{**)}	222,612,365	9,250,636	305,472	2,891,019	235,059,492
Transfer to:					
- Stage 1	163,489	(145,205)	(18,284)	-	-
- Stage 2	(4,289,796)	4,327,356	(37,560)	-	-
- Stage 3	(16,908)	(106,760)	123,668	-	-
Total beginning balance after transfer	218,469,150	13,326,027	373,296	2,891,019	235,059,492
Remeasurement of net carrying amount	(12,926,730)	(1,378,855)	(1,244)	-	(14,306,829)
New commitments and contingencies originated or purchased	91,444,653	3,993,879	87,015	1,139,512	96,665,059
Commitments and contingencies derecognised	(81,635,027)	(3,205,237)	(88,663)	(1,149,452)	(86,078,379)
Total decrease during the period	(3,117,104)	(590,213)	(2,892)	(9,940)	(3,720,149)
Ending balance	215,352,046	12,735,814	370,404	2,881,079	231,339,343

¹⁾ Not implement SFAS 71

^{**)} Including the unused credit facilities for credit cards amounted to Rp36,309,868

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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 period and year ended 30 June 2023 and 31 December 2022 (continued):

	31 December 2022				
	Stage 1	Stage 2	Stage 3	Sharia ^{*)}	Total
Beginning balance	223,551,457	7,107,360	295,167	1,724,608	232,678,592
Transfer to:					
- Stage 1	252,401	(175,246)	(77,155)	-	-
- Stage 2	(3,192,940)	3,196,982	(4,042)	-	-
- Stage 3	(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 balance^{**)}	222,612,365	9,250,636	305,472	2,891,019	235,059,492

^{*)} Not implement SFAS 71

^{**)} Including the unused credit facilities for credit cards amounted to Rp36,533,367

- b. By Bank Indonesia's collectibility:

	30 June 2023	31 December 2022
Current	225,431,937	228,260,580
Special mention	5,620,759	6,554,760
Substandard	3,568	4,209
Doubtful	106,220	48,627
Loss	176,859	191,316
Total	231,339,343	235,059,492
Less: allowance for impairment losses	(1,415,388)	(2,073,429)
Commitments and contingencies - net	229,923,955	232,986,063

- c. Movements of allowance for impairment losses on commitments and contingencies:

	30 June 2023	31 December 2022
Beginning balance	2,073,429	2,295,241
Reversal during the period/year	(629,116)	(255,268)
Others ^{*)}	(28,925)	33,456
Ending balance	1,415,388	2,073,429

^{*)} Included 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):

	30 June 2023				
	Stage 1	Stage 2	Stage 3	Sharia ^{*)}	Total
Beginning balance	489,027	1,326,709	228,819	28,874	2,073,429
Transfer to:					
- 12 months expected credit losses	5,225	(2,205)	(3,020)	-	-
- Lifetime expected credit losses - unimpaired	(7,612)	8,532	(920)	-	-
- Lifetime expected credit losses - impaired	(1,102)	(18,171)	19,273	-	-
Total beginning balance after transfer	485,538	1,314,865	244,152	28,874	2,073,429
Remeasurement of net carrying amount	2,355	(423,657)	11,638	334	(409,330)
New financial assets originated or purchased	106,013	215,313	63,767	-	385,093
Financial assets derecognised	(60,469)	(473,602)	(70,808)	-	(604,879)
Total allowance/(reversal) during the period	47,899	(681,946)	4,597	334	(629,116)
Others ^{**)}	(27,239)	(1,343)	-	(343)	(28,925)
Ending balance	506,198	631,576	248,749	28,865	1,415,388

^{*)} Not implement SFAS 71

^{**)} Included effect of foreign currencies translation

	31 December 2022				
	Stage 1	Stage 2	Stage 3	Sharia ^{*)}	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

^{*)} Not implement SFAS 71

^{**)} Included effect of foreign currencies translation

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 63.A.
- e. Deposits from customers and deposits from other banks pledged as collateral for bank guarantee and irrevocable letter of credit as of 30 June 2023 and 31 December 2022 were amounted to Rp9,273,356 and Rp11,363,018, respectively (Notes 21c and 24c).

32. ACCRUED EXPENSES

	30 June 2023	31 December 2022
Interest expense	1,641,656	1,565,557
Fixed assets, software, operational, and ATM procurement	1,061,750	2,352,674
Promotions	531,256	1,077,634
Third party labor service and outsourcing expenses	346,959	643,082
Professional service costs	309,012	214,190
Regulator fee	276,664	68,196
Training, uniform and recreation	44,811	61,656
Business development	965	11,561
Others	480,167	499,244
Total	4,693,240	6,493,794

Included in the fixed assets, software, operational and ATM procurement are payables to vendors related to operational and maintenance activities for buildings, equipments, software, ATM machines and Information Technology System of the Group. Others consists of accrued expenses related to fees to be paid in relation to Group’s operational activities, such as data communication costs and costs of electricity, water and gas.

33. TAXATION

a. Prepaid taxes

	30 June 2023	31 December 2022
Bank Mandiri	979,790	979,174
Subsidiaries	289,468	185,751
Total	1,269,258	1,164,925

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33. TAXATION (continued)

b. Taxes payable

	30 June 2023	31 December 2022
Current income taxes payable		
Bank Mandiri	757,619	796,520
Subsidiaries	280,140	459,524
	<u>1,037,759</u>	<u>1,256,044</u>
Other taxes payable		
Bank Mandiri		
Income Tax		
Article 25	-	673,746
Article 21	138,185	149,892
Article 4 (2)	296,239	250,899
Others	139,971	166,783
	<u>574,395</u>	<u>1,241,320</u>
Subsidiaries	<u>602,072</u>	<u>1,093,158</u>
	<u>1,176,467</u>	<u>2,334,478</u>
Total	<u>2,214,226</u>	<u>3,590,522</u>

c. Tax expense/(benefit)

	Period ended 30 June	
	2023	2022
Tax expense - current:		
Bank Mandiri	4,804,058	4,334,048
Subsidiaries	1,482,199	1,150,046
	<u>6,286,257</u>	<u>5,484,094</u>
Tax expense/(benefit) - deferred:		
Bank Mandiri	479,113	171,416
Subsidiaries	(29,655)	57,807
	<u>449,458</u>	<u>229,223</u>
Total	<u>6,735,715</u>	<u>5,713,317</u>

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:

	Period ended 30 June	
	2023	2022
Consolidated income before tax		
expense and non-controlling interests	34,439,316	27,757,625
Less:		
Income before tax expense of Subsidiaries -		
after elimination	(8,383,143)	(6,385,707)
Impact of changes in investment recognition		
from equity method to cost method	2,229,443	1,671,378
Income before tax expense- Bank Mandiri only	28,285,616	23,043,296
Add/(deduct) permanent differences:		
Non-deductible expenses/(non-taxable income)	(557,871)	(104,296)
Others	5,793	173,969
Add/(deduct) temporary differences:		
Allowance for impairment losses		
and write-offs of loans	(404,696)	1,598,315
Allowance for impairment losses on financial		
assets other than loans	770,296	(9,946)
Provision for post-employment benefit expense,		
provisions for bonuses, leave and holiday		
(THR) entitlements	(2,289,618)	(1,364,934)
Allowance for estimated losses arising from		
legal cases	(2,824)	(3,745)
Provision for estimated losses on commitments		
contingencies	(657,998)	(313,725)
Provision for foreclosed collateral losses	-	(9,150)
Depreciation of fixed assets	172,017	(183,589)
Unrealised losses/gains on decrease/increase		
in fair value of marketable securities and		
government bonds - fair value through		
profit or loss	(36,201)	(15,415)
Allowance for possible losses of abandoned		
properties	-	-
Estimated taxable income	25,284,514	22,810,780
Estimated tax expense - current		
Bank Mandiri	4,804,058	4,334,048
Subsidiaries	1,482,199	1,150,046
Total	6,286,257	5,484,094

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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:

	Period ended 30 June	
	2023	2022
Consolidated income before tax expense and non-controlling interest	34,439,316	27,757,625
Tax calculated at applicable tax rates	7,218,559	5,783,081
Income tax effect of:		
Bank Mandiri		
Income not subject to tax and final tax	(198,326)	(117,328)
Expenses not deductible for tax purposes	93,431	97,512
Estimated taxable income	(104,895)	(19,816)
Subsidiaries	(377,949)	(49,948)
Total tax effect	(482,844)	(69,764)
Income tax expense	6,735,715	5,713,317

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 Year 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 Year 2020 dated 10 June 2020 regarding Income Tax Facility in the Context of Handling Corona Virus Disease (Covid-19) and Government Regulation Number 30 Year 2020 dated 18 June 2020 concerning Reducing Income Tax Rates for Domestic Corporate Taxpayers in the Form of Public Companies ("Government Regulation Number 30 Year 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 20% (twenty percent) which will take effect in the 2022 Fiscal Year.

Law of the Republic of Indonesia Number 7 Year 2021 dated 29 October 2021 regarding Harmonization of Tax Regulations ("Law Number 7 Year 2021") stipulates that the income tax rate for domestic corporate taxpayers and permanent establishments is 22% (twenty two percent) with effect from the 2022 fiscal 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 Year 1983 regarding Income Tax as amended several times, most recently by Law Number 7 Year 2021 and Government Regulation of the Republic of Indonesia Number 55 Year 2022 dated 20 December 2022 regarding Amendment of Regulations related to Income Tax Sector (which replaces Government Regulation Number 30 Year 2020), domestic taxpayers in the form of public 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 regarding to Fulfillment of Requirements for Reduction of 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 share ownership that have special relations as part of the Annual Income Tax Return for each Fiscal Year.

Based on Statement Letter No. DE/II/2023-0184 dated 4 January 2023 concerning Monthly Report of Share Ownership of Issuers or Public Companies and Reported Recapitulation (Form of POJK Appendix 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 Year 2020 dated 18 June 2020 regarding Reduction of 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 ended 31 December 2023 in accordance with the tax provisions mentioned above, so that Bank Mandiri's corporate income tax for the year ended 31 December 2023 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 purposes are as follows:

	30 June 2023			
	Beginning balance	Credited/ (charged) to profit or loss	Charged to equity	Ending balance
Bank Mandiri				
Deferred tax assets:				
Allowance for impairment losses	6,363,273	(76,892)	-	6,286,381
Provisions for post-employment benefit expense, provision for bonuses, leave and holiday (THR) entitlements	1,692,770	(435,027)	-	1,257,743
Loans written-off until 2008	-	-	-	-
Allowance for impairment losses on financial assets other than loans	696,917	132,557	-	829,474
Unrealised gain from increased fair value of marketable securities and government bonds - measured at fair value through other comprehensive income	931,086	-	(157,206)	773,880
Allowance for estimated losses arising from legal cases	20,927	(536)	-	20,391
Estimated losses on commitments and contingencies	36,275	(36,275)	-	-
Allowance for possible losses on abandoned properties	16,338	-	-	16,338
Allowance for possible losses on repossessed assets	53,396	-	-	53,396
Accumulated losses arising from differences in net realizable value of repossessed assets	-	-	-	-
Deferred tax assets	9,810,982	(416,173)	(157,206)	9,237,603

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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 purposes are as follows (continued):

30 June 2023 (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	(7,827)	(6,878)	-
Net book value of fixed assets	(125,994)	32,683	-
Estimated losses on commitments and contingencies	-	(88,745)	-
			(14,705)
			(93,311)
			(88,745)
Deferred tax assets - Bank Mandiri only	9,677,161	(479,113)	(157,206)
			9,040,842
Deferred tax assets - Subsidiaries	2,368,318	29,655	(59,320)
			2,338,653
Total consolidated deferred tax assets - net	12,045,479	(449,458)	(216,526)
			11,379,495

31 December 2022			
Beginning balance	Credited/ (charged) to profit or loss	Charged to equity	Ending balance
Bank Mandiri			
Deferred tax assets:			
Allowance for impairment losses	6,070,489	292,784	-
Provisions for post-employment benefit expense, provision for bonuses, leave and holiday (THR) entitlements	1,530,956	216,363	(54,549)
Loans written-off until 2008	256,458	(256,458)	-
Allowance for impairment losses on financial assets other than loans	697,563	(646)	-
Unrealised gain from increased fair value of marketable securities and government bonds - measured at fair value through other comprehensive income	-	-	931,086
Allowance for estimated losses arising from legal cases	23,538	(2,611)	-
Estimated losses on commitments and contingencies	80,630	(44,355)	-
Allowance for possible losses on abandoned properties	16,338	-	-
Allowance for possible losses on repossessed asset	9,757	43,639	-
Accumulated losses arising from differences in net realizable value of repossessed assets	1,871	(1,871)	-
			6,363,273
			1,692,770
			-
			696,917
			931,086
			20,927
			36,275
			16,338
			53,396
Deferred tax assets	8,687,600	246,845	876,537
			9,810,982
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	-
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

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 resulted in deferred tax assets.

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33. TAXATION (continued)

f. Tax assessment letter

Fiscal year 2015

According to the tax audit result from Tax Office, on 26 November 2019, the 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 amounted to Rp201,197 only and recorded as current tax expense - prior year in the 2019 consolidated statement of profit or loss. On 5 December 2019, the Bank has paid all of the underpayment and has submitted an objection letter on the SKPKB of Corporate Income Tax amounted to Rp716,963 to the Tax Office on 20 February 2020.

On 26 November 2019, the Bank also received 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 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 (2) amounted to Rp28,255 and has submitted an objection letter to the SKPKB VAT amounted to to Rp247,544 to the Tax Office on 20 February 2020.

The total payment for the SKPKB that was not approved above amounted to Rp964,507 where the Bank has filed an objection, and recognised 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 Rp716,963 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.

On 9 June 2023, the Tax Court read the verdict of the appeal for Corporate Income Tax (CIT) and Value Added Tax (VAT) for the fiscal year 2015. The Tax Court fully granted the CIT appeal, which reduced the amount of tax in the appeal letter from Rp544,853 to RpNil. The Tax Court also fully granted the VAT appeal, which reduced the amount of tax in the appeal letter from Rp221,199 to RpNil.

Fiscal year 2016

Based on the result of the tax audit from 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 penalties), 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 has submitted an objection letter for the SKPKB amounted to Rp1,118,225 to the Tax Office.

On 17 November 2020, the 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, 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.

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33. TAXATION (continued)

f. Tax assessment letter (continued)

Fiscal year 2016 (continued)

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.

34. EMPLOYEE BENEFIT LIABILITIES

	30 June 2023	31 December 2022
Provision for post-employment benefit (Note 52)	3,527,504	3,251,241
Provisions for bonuses, incentive, leave and holiday (THR) entitlements	6,291,099	9,356,518
Total	9,818,603	12,607,759

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

	30 June 2023	31 December 2022
Rupiah		
Liability to policyholders	7,123,693	6,003,177
Liability related to ATM and credit card transactions	3,115,257	2,800,422
Customers transfer transactions	2,888,041	642,371
Customers transaction payables	1,876,266	1,236,438
Liability to third parties	1,769,381	2,390,734
Pension fund and pension plan liabilities	1,071,872	1,014,286
Lease liabilities	893,924	841,130
Liability to dealer	829,472	460,916
Deferred income (directly attributable)	818,685	885,978
Dividend payable to non-controlling interests of subsidiaries	693,514	-
Insurance transaction liabilities	647,472	626,020
Guarantee deposits	549,100	677,241
Deferred income (not directly attributable)	544,357	590,345
Payables from purchase of marketable securities	487,820	121,394
Liabilities related to unit-link	359,627	324,717
Zakat liabilities	98,118	145,153
Provision for losses that arise from legal cases	2,928	2,928

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35. OTHER LIABILITIES (continued)

	30 June 2023	31 December 2022
Rupiah (continued)		
Spot liabilities	2,212	23,279
Liabilities related to treasury transactions	2,142	12,065
Liabilities related to trade finance transactions	157	3,019
Others	3,521,465	2,671,695
Total	27,295,503	21,473,308
Foreign currencies		
Customers transfer transactions	5,844,446	2,581,170
Liabilities related to trade finance transactions	1,736,233	690,186
Guarantee deposits	541,988	288,296
Deferred income (not directly attributable)	498,746	480,301
Lease liabilities	168,821	26,905
Liabilities related to treasury transactions	162,878	1,003,189
Liability to third parties	126,114	160,335
Insurance transaction liabilities	17,785	15,183
Liabilities related to unit-link	5,412	8,528
Spot liabilities	17	122
Others	1,332,187	609,230
Total (Note 63B.(iv))	10,434,627	5,863,445
	37,730,130	27,336,753

Liabilities to policyholders consist of liabilities of the Subsidiaries (PT AXA Mandiri Financial Services and PT Asuransi Jiwa Inhealth Indonesia) as follows:

	30 June 2023	31 December 2022
Future policy benefits from non unit-link products	5,098,065	4,627,860
Unearned premiums	1,088,757	508,597
Estimated claim liabilities	550,168	543,326
Claim payables	386,703	323,394
Total	7,123,693	6,003,177

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 recognised 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 recognised as income because the coverage period is still running at the end of the year. Reserves for unearned premiums are calculated using the daily amortisation 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, which are 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.

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35. OTHER LIABILITIES (continued)

Claims payable is an payable of insurance claims that have been received and approved.

Pension fund and pension plan liabilities are liabilities of a subsidiary (PT Bank Mandiri Taspen) to retirees, where the Subsidiary acts as a distributor of pension funds from the Subsidiary's customers to the retirees of those customers.

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, ATM Link and ATM Prima network 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.

Guarantee deposit is a cash guarantee deposited by customers related to export, import transaction and issuance of bank guarantees.

Liabilities to dealers are liabilities of the Subsidiaries (PT Mandiri Tunas Finance and PT Mandiri Utama Finance) to motor vehicle dealers related to financing provided by the Subsidiaries to customers.

Directly attributable deferred income consists of income from provisions/commissions of loans which directly attributable to unamortised loan granted.

Payable from purchase of marketable securities represent securities purchase transactions which have been fully paid on 3 July 2023 and 3 January 2023 for 30 June 2023 and 31 December 2022, respectively.

Non directly attributable deferred income consists of provisions/commissions that are not directly attributable to the unamortised loan granted.

The disclosure of lease liabilities as of 30 June 2023 are as follows:

Underlying assets	Beginning balance on 1 January 2023	Additions of lease liabilities	Interest expense on lease liabilities	Payments of lease liabilities	Balance on 30 June 2023
Vehicles	386,924	138,365	12,773	(139,402)	398,660
Building - office residence	7,671	7,464	182	(5,513)	9,804
Building - office building	447,110	266,380	20,218	(104,016)	629,692
Furniture and fixture, office equipment and computer	26,329	-	850	(2,590)	24,589
Total	868,034	412,209	34,023	(251,521)	1,062,745

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 - office 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

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35. OTHER LIABILITIES (continued)

Other liabilities related to leases by period:

	30 June 2023	31 December 2022
Short term	72,126	83,729
Long term	990,619	784,305
Total	1,062,745	868,034

Analysis of the maturities of other liabilities related to leases as follows:

	30 June 2023	31 December 2022
1 year	72,126	83,729
2 years	504,153	301,806
3 years	285,543	258,503
4 years	53,139	32,738
5 years	147,784	191,258
Total	1,062,745	868,034

Others mainly consist of interoffice accounts and liabilities related to trade transactions, deposits and transaction remains to be settled.

36. FUND BORROWINGS

	30 June 2023	31 December 2022
Rupiah		
Related parties		
(f) Others (Note 57)	2,058,639	2,210,704
Third parties		
(a) Ministry of Public Work and Housing (Kemenpupera)	1,244,896	1,138,633
(e) Bank Indonesia	14,901,780	-
(f) Others	20,390,848	18,270,535
Total	36,537,524	19,409,168
	38,596,163	21,619,872
Foreign currencies		
Third parties		
(b) Direct off-shore loans	23,320,009	15,919,032
(c) Trade financing facilities	21,407,072	21,130,920
(d) Repo to maturity	990,285	2,969,542
(f) Others	1,722,629	1,200,752
Total (Note 63.B.(iv))	47,439,995	41,220,246
	86,036,158	62,840,118

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36. FUND BORROWINGS (continued)

(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 regarding 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 in 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 regarding Distribution of 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 Funding Management Center of Housing Financing ("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 regarding Distribution of Liquidity Facility of House Financing (FLPP) Funds through Housing Loans 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 regarding the Distribution of FLPP Funds for Home Ownership for Low-Income Communities (MBR).

In 2019, the Operational Cooperation Agreement between PPDPP Kemenpupera and PT Bank Mandiri (Persero) Tbk. has been amended through operational agreement No. 59/PKS/Sg/2019 and DIR.PKS/55/2019 about FLPP through House Financing/Loans/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 No. 02/ADD.PKS.Sg/2020 and Dir.PKS/07/2020 regarding Distribution of Liquidity Facility Funds for House Financing/Sharia House Financing for Low-Income Communities. Subsequently, a joint agreement was renewed between the Ministry of Public Work and Housing No. 29/MoU/Dp/2020 with PT Bank Mandiri (Persero) Tbk. No. DIR.MOU/19/2020 dated 17 December 2020 regarding Distribution of Subsidised Housing Loans for Low-Income Communities. This joint agreement was followed up by a Cooperation Agreement between the Housing PPDPP 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 regarding Distribution of Housing Financing Liquidity Facility Funds Through Credit/Financing for Home Ownership for Low-Income Communities.

In 2021, there was a transfer of FLPP Fund management which was previously managed by the 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 regarding Distribution of FLPP Funds through Home Ownership Credit for Low-Income Communities.

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36. FUND BORROWINGS (continued)

(a) Ministry of Public Work and Housing (Kemenpupera) (continued)

Outstanding balance as of 30 June 2023 and 31 December 2022 were Rp1,244,896 and Rp1,138,633, respectively. These facilities are subject to a certain rate from the Government. The period of loan and repayment schedule are maximum of 240 months (20 years). Repayment (principal and interest instalment) to BPTapera 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:

	30 June 2023	31 December 2022
Foreign currencies		
Third parties		
China Development Bank, China		
- Tranche A	3,495,080	4,353,644
- Tranche B	1,455,406	1,813,804
United Overseas Bank Limited, Singapore	5,997,000	6,227,000
MUFG Bank, Ltd. Singapura	11,987,111	3,113,500
Taipei Fubon Commercial Bank co. Ltd., Singapore	374,783	388,987
Agence Française de Développement, France	10,629	22,097
	23,320,009	15,919,032

China Development Bank, China

30 June 2023						Nominal amount	
Type	Lender	Maturity date	Tenor (months)	Interest rate per annum	Currency	Foreign currency (full amount)	Rupiah equivalent
Tranche A	China Development Bank, China	15 September 2025	120	LIBOR (6 months) + certain margin	USD	233,333,333	3,498,250
Less:							
Unamortised attributable costs						(211,449)	(3,170)
						233,121,884	3,495,080
Tranche B	China Development Bank, China	15 September 2025	120	LIBOR (6 months) + certain margin	USD	97,083,149	1,455,519
Less:							
Unamortised attributable costs						(7,550)	(113)
						97,075,599	1,455,406

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

China Development Bank, China (continued)

31 December 2022							
Type	Lender	Maturity date	Tenor (months)	Interest rate per annum	Currency	Nominal amount	
						Foreign currency (full amount)	Rupiah equivalent
Tranche A	China Development Bank, China	15 September 2025	120	LIBOR (6 months) + certain margin	USD	280,000,000	4,358,900
Less:							
Unamortised attributable costs						(337,624)	(5,256)
						279,662,376	4,353,644
Tranche B	China Development Bank, China	15 September 2025	120	LIBOR (6 months) + certain margin	USD	116,523,149	1,813,974
Less:							
Unamortised attributable costs						(10,933)	(170)
						116,512,216	1,813,804

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.

United Overseas Bank Limited, Singapore

30 June 2023							
Type	Lender	Maturity date	Tenor (months)	Interest rate per annum	Currency	Nominal amount	
						Foreign currency (full amount)	Rupiah equivalent
Direct off-shore loans	United Overseas Bank Limited, Singapore	18 August 2023	2	SOFR (3 months) + certain margin	USD	100,000,000	1,499,250
Direct off-shore loans	United Overseas Bank Limited, Singapore	29 September 2023	3	SOFR (3 months) + certain margin	USD	100,000,000	1,499,250
Direct off-shore loans	United Overseas Bank Limited, Singapore	15 May 2024	11	SOFR (3 months) + certain margin	USD	100,000,000	1,499,250
Direct off-shore loans	United Overseas Bank Limited, Singapore	14 June 2024	12	SOFR (3 months) + certain margin	USD	100,000,000	1,499,250
						400,000,000	5,997,000

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

United Overseas Bank Limited, Singapore (continued)

31 December 2022							
Type	Lender	Maturity date	Tenor (months)	Interest rate per annum	Currency	Nominal amount	
						Foreign currency (full amount)	Rupiah equivalent
Direct off-shore loans	United Overseas Bank Limited, Singapore	17 January 2023	1	SOFR (3 months) + certain margin	USD	100,000,000	1,556,750
Direct off-shore loans	United Overseas Bank Limited, Singapore	17 January 2023	1	SOFR (3 months) + certain margin	USD	100,000,000	1,556,750
Direct off-shore loans	United Overseas Bank Limited, Singapore	18 August 2023	8	SOFR (3 months) + certain margin	USD	100,000,000	1,556,750
Direct off-shore loans	United Overseas Bank Limited, Singapore	29 September 2023	9	SOFR (3 months) + certain margin	USD	100,000,000	1,556,750
						400,000,000	6,227,000

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 18 August 2023 to 14 June 2024.

MUFG Bank, Ltd., Singapore

30 June 2023							
Type	Lender	Maturity date	Tenor (months)	Interest rate per annum	Currency	Nominal amount	
						Foreign currency (full amount)	Rupiah equivalent
Direct off-shore loans	MUFG Bank Ltd. Singapore	15 June 2026	36	SOFR (3 months) + certain margin	USD	199,817,729	2,995,767
Direct off-shore loans	MUFG Bank Ltd. Singapore	15 June 2026	36	SOFR (3 months) + certain margin	USD	199,815,200	2,995,729
Direct off-shore loans	MUFG Bank Ltd. Singapore	17 July 2023	1	SOFR (3 months) + certain margin	USD	100,000,000	1,499,250
Direct off-shore loans	MUFG Bank Ltd. Singapore	28 July 2023	1	SOFR (3 months) + certain margin	USD	100,000,000	1,499,250
Direct off-shore loans	MUFG Bank Ltd. Singapore	17 December 2024	18	SOFR (3 months) + certain margin	USD	100,000,000	1,499,250
Direct off-shore loans	MUFG Bank Ltd. Singapore	15 June 2026	36	SOFR (3 months) + certain margin	USD	99,907,600	1,497,865
						799,540,529	11,987,111

31 December 2022							
Type	Lender	Maturity date	Tenor (months)	Interest rate per annum	Currency	Nominal amount	
						Foreign Currency (full amount)	Rupiah equivalent
Direct off-shore loans	MUFG Bank Ltd. Singapore	28 July 2023	7	SOFR (3 months) + certain margin	USD	100,000,000	1,556,750
Direct off-shore loans	MUFG Bank Ltd. Singapore	17 December 2024	12	SOFR (3 months) + certain margin	USD	100,000,000	1,556,750
						200,000,000	3,133,500

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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 17 July 2023 to 15 June 2026.

Taipei Fubon Commercial Bank Co. Ltd. - Singapore Branch

30 June 2023							
Type	Lender	Maturity date	Tenor (months)	Interest rate per annum	Currency	Nominal amount	
						Foreign currency (full amount)	Rupiah equivalent
Direct off-shore loans	Taipei Fubon Commercial Bank Co, Ltd.	14 July 2023	1	TSOFR (3 months + certain margin)	USD	25,000,000	374,813
Less: Unamortised attributable costs						(1,992)	(30)
						24,998,008	374,783

31 December 2022							
Type	Lender	Maturity date	Tenor (months)	Interest rate per annum	Currency	Nominal amount	
						Foreign currency (full amount)	Rupiah equivalent
Direct off-shore loans	Taipei Fubon Commercial Bank Co, Ltd.	14 July 2023	7	TSOFR (3 months + certain margin)	USD	25,000,000	389,188
Less: Unamortised attributable costs						(12,902)	(201)
						24,987,098	388,987

On 14 July 2020, Bank Mandiri obtained a loan facility from Taipei Fubon Commercial Bank Co. Ltd. - Singapore Branch amounted 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. On 5 April 2023, the Bank has signed an override agreement related to the change in the benchmark interest rate from LIBOR to Term SOFR.

Bank Mandiri has made a drawdown of USD25,000,000 (full amount) on 30 July 2020.

Agence Française de Développement, France

30 June 2023							
Type	Lender	Maturity date	Tenor (months)	Interest rate per annum	Currency	Nominal amount	
						Foreign currency (full amount)	Rupiah equivalent
Direct off-shore loans	Agence Française de Développement	30 September 2023	3	LIBOR (6 months) + certain margin	USD	714,286	10,709
Less: Unamortised attributable costs						(5,324)	(80)
						708,962	10,629

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

Agence Française de Développement, France (continued)

31 December 2022						Nominal amount	
Type	Lender	Maturity date	Tenor (months)	Interest rate per annum	Currency	Foreign currency (full amount)	Rupiah equivalent
Direct off-shore loans	Agence Française de Développement	30 September 2023	9	LIBOR (6 months) + certain margin	USD	1,428,571	22,239
Less:							
Unamortised attributable costs						(9,124)	(142)
						1,419,447	22,097

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 Mandiri 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.

(c) 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 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
CoBank US, United States	3,988,005	4,514,575
The Bank of New York Mellon, Singapore	3,587,019	957,401
Wells Fargo Bank, Singapore	3,534,524	1,562,821
CTBC Bank Co, Ltd., Singapore	2,245,202	1,089,725
Bank of America, N.A. Hong Kong	2,196,401	1,684,310
Emirates NBD Bank, Singapore	1,649,175	-
The Hongkong and Shanghai Banking Corporation, Singapore	994,303	2,604,754
DBS Bank, Singapore	749,625	2,335,125
Bank of Montreal, Canada	749,625	622,700
Citibank N.A., Hong Kong	613,193	1,587,885
Sumitomo Mitsui Banking Corporation, Singapore	391,304	1,951,698
United Overseas Bank Limited, Singapore	374,813	1,108,406
CIMB Bank, Hong Kong	333,883	358,053
MUFG Bank, Ltd., Singapore	-	753,467
Total	21,407,072	21,130,920

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36. FUND BORROWINGS (continued)

(d) Repo to maturity

Foreign currency

On 11 May 2020, Bank Mandiri entered into borrowing transaction of USD99,774,646 (full amount) 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 15 May 2023. On the maturity date, SCB submit cash value (Rupiah) 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 (full amount), USD31,270,000 (full amount) and USD34,782,000 (full amount) 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. The borrowings amounted to USD24,926,000 (full amount) has matured according to the ROI23 NN maturity date, which on 11 January 2023, while the borrowings amounted to USD31,270,000 (full amount) and USD34,782,000 (full amount) will mature according to the ROI 24 and ROI 25 maturity dates, which on 15 January 2024 and 15 January 2025. On the maturity date, settlement of this transaction will be carried out on a net basis from borrowings and receivables between Bank Mandiri and NSL.

As of 30 June 2023 and 31 December 2022, Repo to maturity of foreign currencies amounted to Rp990,285 and Rp2,969,542, respectively.

This loan facilities from NSL have guaranteed by placement amounted to USD3,571,290 (full amount) (31 December 2022: USD2,270,190 (full amount)) (Notes 6g).

(e) Bank Indonesia

On 23 and 27 June 2023, the Subsidiary (PT Bank Syariah Indonesia Tbk.) obtained a funding facility based on sharia principles from Bank Indonesia for liquidity management amounted to Rp14,901,780 with a profit-sharing rate of 6.00%. This facility is guaranteed by collateral in the form of sharia securities and will mature in less than one month.

(f) Others

	30 June 2023	31 December 2022
Rupiah		
Related parties		
PT Bank Negara Indonesia (Persero) Tbk.	1,170,507	1,239,578
PT Bank Tabungan Negara (Persero) Tbk.	888,132	971,126
	<u>2,058,639</u>	<u>2,210,704</u>
Third parties		
PT Bank Central Asia Tbk.	7,457,214	5,732,180
PT Bank Pan Indonesia Tbk.	3,421,533	3,048,510
PT Bank Danamon Indonesia Tbk.	2,128,321	2,241,928
PT Bank DKI	777,647	858,862
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.	750,000	750,000
PT Bank China Construction Bank Indonesia Tbk.	731,761	585,408
PT Bank CIMB Niaga Tbk.	657,594	391,260

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36. FUND BORROWINGS (continued)

(f) Others (continued)

	30 June 2023	31 December 2022
Rupiah (continued)		
Third parties (continued)		
PT Bank Maybank Indonesia Tbk.	584,609	568,732
PT Bank Permata Tbk.	536,139	683,222
PT Bank Oke Indonesia Tbk.	495,500	599,577
PT Bank UOB Indonesia	453,423	569,683
PT Bank Panin Dubai Syariah	423,692	96,844
PT Bank Jtrust Indonesia Tbk.	410,814	258,375
PT Bank KEB Hana Indonesia	355,269	207,400
PT Bank Mega Tbk.	297,542	378,577
PT Bank CTBC Indonesia	200,000	-
PT Bank Central Asia Tbk. - Sindikasi Onshore	194,303	609,710
PT Bank BCA Syariah	186,595	234,745
PT Bank QNB Indonesia Tbk.	149,807	241,323
PT Bank BPD Daerah Istimewa Yogyakarta	83,332	99,730
PT Maybank Syariah	78,062	90,542
PT Bank Danamon Indonesia Tbk. - Unit Usaha Syariah	17,691	23,927
	<u>20,390,848</u>	<u>18,270,535</u>
Total	<u>22,449,487</u>	<u>20,481,239</u>
Foreign currencies		
Third parties		
PT Bank Maybank Indonesia Tbk.	749,625	778,375
PT Bank Mizuho Indonesia	687,510	-
MUFG Bank, Ltd., Singapore	285,494	373,611
The Development Bank of Singapore Limited	-	48,766
	<u>1,722,629</u>	<u>1,200,752</u>
Total	<u>24,172,116</u>	<u>21,681,991</u>

Rupiah

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 (PT Mandiri Utama Finance) 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 30 June 2023 and 31 December 2022 outstanding fund borrowings from BNI was amounted to Rp1,170,507 and Rp1,239,578, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

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 tenor of up to 12 months with interest rate of 5.03% per annum. On 19 May 2022, the term of this facility has been extended to 29 June 2025.

On 12 October 2022, the Subsidiary (PT Mandiri Tunas Finance) and BTN signed a non-revolving loan agreement amounting to Rp500,000. The facility was drawn on 19 October 2022, with tenor of 3 years and fixed interest rate of 6.85%. The facility matures on 19 October 2025.

As of 30 June 2023 and 31 December 2022, there were no bank assets used as collateral for fund borrowings.

As of 30 June 2023 and 31 December 2022, the Subsidiary has complied with the terms and conditions set out in the loan agreement.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from BTN was amounted to Rp888,132 and Rp971,126, respectively.

PT Bank Central Asia Tbk.

On 20 November 2020 and last on 17 April 2023, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Central Asia Tbk ("BCA") signed loan agreement that BCA provided several Installment Loan and Money Market loan facility (PBMM) with total limit up to Rp12,308,000 which is non-revolving and revolving and subject to a various fixed rates of interest which ranging between 6.00% - 7.25%. These facilities have various maturity dates which ranging between July 2023 until January 2027.

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 amount of Rp500,000 with an interest rate of 5.25%. This facility is used to finance the Subsidiary's working capital. On 15 December 2021, the maturity of Term Loan 1 (committed) – non-revolving facility was extended again to 20 January 2025.

In March 2021, the Subsidiary (PT Bank Mandiri Taspen) obtained a credit facility from BCA, in the form of a Term Loan 3 (committed) – non-revolving facility with maximum amount of Rp250,000. This facility is used to finance the Subsidiary's working capital. This facility has a term of 12 months until 30 June 2022 with an interest rate of 3 months JIBOR + 125bps. On 15 December 2021, the maturity of 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 amount of Rp250,000. 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 30 June 2023 and 31 December 2022, the Subsidiary has complied with the terms and conditions set out in the loan agreement.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Central Asia Tbk. (continued)

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from BCA was amounted to Rp7,457,214 and Rp5,732,180, respectively.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from BCA - Onshore Syndication was amounted to Rp194,303 and Rp609,710, respectively.

PT Bank Pan Indonesia Tbk.

On 4 December 2020, the subsidiary (PT Mandiri Utama Finance) obtained a 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 period 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 available until 23 February 2023. As for the Money Market Line Credit facility which matures on 26 May 2022, the Subsidiary has extended the facility until 26 May 2023 with a plafond of 100,000 and is subject to a reference interest rate.

On 12 June 2023, the Subsidiary (PT Mandiri Utama Finance) obtained an additional non-revolving working capital loan facility of Rp500,000. The working capital facility is subject to interest rate of 7.25% at the time of drawdown with drawdown availability until 12 March 2024. This facility will mature on 12 March 2027. As for the Money Market Line Credit facility which matures on 26 May 2023, the Subsidiary has extended the facility until 26 May 2024 which the plafond is Rp100,000 and is subject to the prevailing benchmark interest rate.

On 15 November 2022, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Pan Indonesia Tbk. ("Panin") signed a non-revolving loan agreement amounting to Rp2,000,000 with fixed interest rates of 7.15% and 7.10%. The first and second drawdown were made on 16 November 2022 and 14 March 2023 with tenor of 3 years. These facilities mature on 14 November 2025 and 13 March 2026.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from Panin was amounted to Rp3,421,533 and Rp3,048,510, 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.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Danamon Indonesia Tbk. (continued)

On 20 November 2020, the Subsidiary (PT Mandiri Tunas Finance) received an additional non-revolving term loan facility from Danamon amounted to Rp500,000 with interest rate of 6.80% at the time of 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 for term loan facility and 8.00% of interest rate for working capital facility. The term for withdrawing the Term Loan facility is 12 months after the facility is signed and the facility is non-revolving. While for working capital facility, the term for withdrawing is 12 months after the facility is signed and the facility is revolving. The term loan facility has been extended until 31 August 2021. On 27 September 2021, the Subsidiary has extended the Working Capital Facility with a withdrawal period of 12 months from the facility signing date and obtained additional Term Loan facilities with a maximum credit limit of Rp300,000 with an interest rate of 7.25% and a drawdown period of 12 months from the facility signing date and the facility is non-revolving. On 21 December 2022, the Subsidiary extended the Working Capital Facility with a drawdown period until 30 August 2023 and get additional Term Loan and Sharia Term Loan facilities with maximum credit limits amounting to Rp400,000 and Rp100,000, respectively, with interest rate of 7% - 7.25%. The drawdown period of the Term Loan facility is 12 months from the facility signing date and the facility is non-revolving.

As of 30 June 2023 and 31 December 2022, outstanding borrowings from Danamon was amounted to Rp2,128,321 and Rp2,241,928, 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 December 2024.

On 15 June 2022, the Subsidiary (PT Mandiri Taspen) obtained a credit facility from Bank DKI, in the form of a Term Loan (committed) – non-revolving facility with a maximum loan amounted to Rp500,000. 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 30 June 2023 and 31 December 2022, outstanding borrowings from Bank DKI was amounted to Rp777,647 and Rp858,862, 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 10 February 2022, the term of non-revolving Term Loan (committed) facility has been extended again until 23 March 2025 and get an additional limit of Rp250,000.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk. (continued)

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 limit amounted to Rp500,000 with interest rate of 5.05% - 5.25%. This facility is used to finance the Subsidiary's working capital. This facility will mature on March 2025.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from BJB was amounted to Rp750,000, respectively.

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 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.

On 16 June 2022, the Subsidiary (PT Mandiri Tunas Finance) and CCBI signed a non-revolving credit agreement amounted to Rp430,000. The drawdown were made on 15 July 2022 with a tenor of 3 years and bears the fixed interest rate of 6.15%. This facility will mature on 15 July 2025.

As of 30 June 2023 and 31 December 2022, the outstanding fund borrowings from CCBI was amounted to Rp731,761 and Rp585,408, respectively.

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 fixed interest rate at drawdown. This facility will mature in February 2023. On 4 March 2023, the term of non-revolving Term Loan (committed) facility has been extended again until 4 March 2025.

On 30 August 2019 and most recently on 20 December 2022, the Subsidiary (PT Mandiri Tunas Finance) and Bank CIMB Niaga signed a credit agreement in which Bank CIMB Niaga provides several Special Transaction Loan facilities with a total facility amount of Rp1,200,000 which is non-revolving in nature and subject to various interest rate that ranging between 6.00%-7.50% at the time of withdrawal. The facility have various maturity date which ranging between February 2023 to March 2026.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from Bank CIMB Niaga was amounted to Rp657,594 and Rp391,260, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Maybank Indonesia Tbk.

On 10 May 2019, the Subsidiary (PT Mandiri Utama Finance) obtained a Term Loan I facility from PT Bank Maybank Indonesia Tbk. ("Maybank") with a maximum loan limit of Rp600,000 with interest rate of 9.50%. The Term Loan I facility will mature on March 2024.

The Subsidiary (PT Mandiri Utama Finance) also obtained an additional of Term Loan II facility amounted to Rp200,000 with an interest rate of 7.75% and drawdown period until 6 March 2022 and the tenor is 48 months. The facility has been drawdown on 6 September 2021 and will mature on 1 December 2025.

On 2 June 2022, the Subsidiary (PT Bank Mandiri Taspen) obtained a credit facility from Maybank, in the form of a Term Loan (committed) – non-revolving facility with a maximum amount of Rp250,000. 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 + 100bps. This facility is hybrid in nature which can be used as a conventional or sharia working capital loan. This facility will mature on 29 September 2026.

On 27 July 2022, the Subsidiary (PT Mandiri Utama Finance) 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 is hybrid in nature which can be used as a conventional or sharia working capital loan. This facility matures in 29 September 2026.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from Maybank was amounted to Rp584,609 and Rp568,732, respectively.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from Maybank Syariah was amounted to Rp78,062 and Rp90,542, respectively.

PT Bank Permata Tbk.

On 25 November 2020, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Permata Tbk. ("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. In February 2022, the term of the Term Loan facility (committed) - non-revolving has been extended again until 1 August 2027.

On 16 June 2022, the Subsidiary (PT Mandiri Tunas Finance) and Bank Permata signed loan agreement which Bank Permata provides a working capital loan facility with a maximum credit limit of Rp400,000 which is non-revolving with an interest rate of 6.15%. This facility will mature on 16 June 2022. On 16 June 2022, the term of the Term Loan facility (committed) - non-revolving has been extended again until 16 June 2025.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from Bank Permata was amounted to Rp536,139 and Rp683,222, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Oke Indonesia

On 23 March 2022, the 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 7,00% per annum. 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. This facility will mature on 7 October 2026.

On 6 June 2022, the Subsidiary (PT Mandiri Tunas Finance) and OK Bank signed a non-revolving working capital loan facility agreement with a maximum limits of Rp500,000 which bears interest rate of 6.15% per annum. This facility will mature on 15 June 2025.

As of 30 June 2023 and 31 December 2022, the outstanding fund borrowing from PT Bank Oke Indonesia was amounted to Rp495,500 and Rp599,577, respectively.

PT Bank UOB Indonesia

On 23 November 2021, the 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 fixed interest rate of 6.14% at the time of withdrawal. This facility has matured on 21 November 2022. On 27 May 2022, the term of Term Loan Sublimit Credit Revolving facility has been extended again until 21 November 2023.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from Bank UOB was amounted to Rp453,423 and Rp569,683, respectively.

PT Bank Panin Dubai Syariah Tbk.

On 27 October 2022, the Subsidiary (PT Mandiri Utama Finance) obtained Executing loan facility from PT Panin Dubai Syariah ("PDS") with a maximum credit limit of Rp450,000, which bears profit sharing rate of 7%. The term for drawdown the credit facility is up to 31 October 2023 with a maximum loan tenor of 48 months from the drawdown date. This facility will mature on 9 June 2027.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowing from PDS was amounted to Rp423,692 and Rp96,844, respectively.

PT Bank Jtrust Indonesia 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. On 31 January 2023, the Subsidiary (PT Mandiri Utama Finance) obtained an additional non-revolving working capital credit facility with a maximum credit of Rp200,000 and interest rate of 6.85% - 7% with a maximum loan tenor of 48 months from the withdrawal date and the drawdown period for the loan facility is until 31 January 2024. This facility will mature on 20 March 2027.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowing from Jtrust was amounted to Rp410,814 and Rp258,375, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank KEB Hana Indonesia

On 15 December 2021, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank KEB Hana Indonesia ("Bank Hana") signed a non-revolving loan agreement in which Bank Hana provides several Term Loan facilities with a total facility of Rp300,000 and bears fixed interest rate of 6.25%. The facility will mature on 20 December 2024.

On 29 May 2023, the Subsidiary (PT Mandiri Utama Finance) and Bank Hana signed a new loan agreement in which Bank Hana provides a Working Capital Loan Facility with a maximum credit limit of Rp200,000 which is non-revolving and with interest rate of 7.25%. This facility will mature on 20 June 2027.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from Bank Hana was amounted to Rp355,269 and Rp207,400, 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 provides 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 30 June 2023 and 31 December 2022, outstanding fund borrowings from PT Bank Mega was amounted to Rp297,542 and Rp378,577, respectively.

PT Bank CTBC Indonesia

On 22 February 2022, the Subsidiary (PT Mandiri Utama Finance) and PT Bank China Construction Bank Indonesia, ("CCBI") signed a non-revolving working capital loan facility agreement with a maximum credit limit of IDR 250,000 which is subject to interest rates of 6.50% per annum. The drawdown period is until 22 August 2022 with a maximum loan tenor of 48 months from the withdrawal date. Facility will mature on 20 May 2026.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from PT Bank CTBC Indonesia was amounted to Rp200,000 and RpNil, respectively.

PT Bank BCA Syariah

On 18 November 2020, the Subsidiary (PT Mandiri Utama Finance) obtained an additional working capital 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 30 June 2023 and 31 December 2022, outstanding fund borrowings from PT Bank BCA Syariah was amounted to Rp186,595 and Rp234,745, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

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 with total limit 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. On 12 March 2023, the term of Term Loan (committed) – non revolving has been extended again until 20 December 2024.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from QNB was amounted to equivalent Rp149,807 and Rp241,323, respectively.

PT Bank BPD Daerah Istimewa Yogyakarta

On 15 December 2022, the Subsidiary (PT Mandiri Utama Finance) and PT Bank BPD Daerah Istimewa Yogyakarta ("Bank BPD DIY") signed a credit agreement whereby Bank BPD DIY provides an additional Working Capital Credit facility with a maximum credit of Rp100,000, which is non-revolving with interest rate of 6.80% upon withdrawal. The withdrawal period for the facility is 36 months from the effective date the contract was signed. This facility will mature on 15 December 2025.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from Bank BPD DIY was amounted to Rp83,332 and Rp99,730, respectively.

Foreign currencies

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 with interest rate of 8.75%. The facility will mature on November 2024.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from Danamon Syariah was amounted to Rp17,691 and Rp23,927, respectively.

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 with profit sharing rate of 0.93% - 0.94%. *Mudharabah* financing will mature on 30 August 2023.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from PT Maybank Indonesia was amounted to Rp749,625 and Rp778,375, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Foreign currencies (continued)

PT Bank Mizuho Indonesia

On 8 April 2022, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Mizuho Indonesia ("Mizuho Indonesia") signed a loan agreement amounting to Rp50,000,000 (full amount) which is non-revolving facility. The drawdown loan facility was made on 13 February 2023 with a tenor of 3 years and bears a fixed interest rate of 6.98% which fully hedged. This facility will mature on 13 February 2026.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from Mizuho was amounted to Rp687,510 and RpNil, respectively.

MUFG Bank, Ltd., Singapore

On 11 March 2022, Subsidiary (PT Mandiri Tunas Finance) and MUFG Bank, Ltd. Singapore ("MUFG") signed a loan agreement whereby MUFG provides an uncommitted long-term loan/money market line facility with a total limit of Rp409,460 which is revolving and bears a fixed interest rate of 6% upon drawdown. This facility matures on 11 April 2025.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from MUFG was amounted to Rp285,494 and Rp373,611, respectively.

The Development Bank of Singapore Limited

On 6 March 2019, the Subsidiary (PT Mandiri Sekuritas) and The Development Bank of Singapore Limited ("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 loan drawdown period.

As of 30 June 2023 and 31 December 2022, outstanding fund borrowings from DBS amounted to RpNil and Rp48,766, respectively.

Fund borrowings from PT Mandiri Tunas Finance and PT Mandiri Utama Finance are secured by consumer financing receivables amounting to Rp15,275,644 as of 30 June 2023 (31 December 2022: Rp13,515,545) (Note 13g) and net investment in finance leases amounted to Rp1,189,807 as of 30 June 2023 (31 December 2022: Rp1,681,888) (Note 14g).

The loan facilities from several banks and syndication 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 debt 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 period/year ended 30 June 2023 and 31 December 2022.

During the period and year ended 30 June 2023 and 31 December 2022, 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:

	30 June 2023	31 December 2022
Rupiah		
Medium Term Notes Subordinated I Bank Mandiri		
Related parties (Note 57)	72,000	87,000
Third parties	428,000	413,000
Medium Term Notes Subordinated II Bank Mandiri		
Related parties (Note 57)	10,000	-
Third parties	90,000	-
Total	600,000	500,000
Foreign currencies		
Two-step loans (TSL)		
Third parties		
Asian Development Bank (ADB)		
(Catatan 63.B.(iv))	120,652	133,564
	720,652	633,564
Less: unamortised issuance cost	(165)	(231)
Net	720,487	633,333

Medium Term Notes Subordinated 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 30 June 2023, the unamortised issuance cost of Subordinated MTN I amounted to Rp79.

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.

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37. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

Medium Term Notes Subordinated I Bank Mandiri (continued)

Interest of Subordinated MTN I is paid on quarterly basis, the first interest payment was made on 31 October 2018 while 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. The principal of MTN I will be fully repaid on the maturity date. 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 period/year ended on 30 June 2023 and 31 December 2022.

As of 30 June 2023 and 31 December 2022, rating of MTN Subordinated I based on Pefindo was idAA (double A).

Medium Term Notes Subordinated II Bank Mandiri

In order to strengthen the capital structure and long-term funding structure, as well as to support the credit expansion, on 23 June 2023, Bank Mandiri issued Subordinated Medium Term Notes II Bank Mandiri 2023 ("Subordinated MTN II") amounted to Rp100,000. On 30 June 2023, the unamortised issuance cost of Subordinated MTN II amounted to Rp86.

Subordinated MTN II has 5 (five) years in terms and will mature on 23 June 2028, in which issued scriptless with a fixed rate of 6.95% per annum. The Trustee of the issuance of Subordinated MTN II is PT Bank Negara Indonesia (Persero) Tbk.

Interest of Subordinated MTN II is paid on quarterly basis, the first interest payment will be made on 23 September 2023 while the last interest payment, in which also the maturity date and the repayment of the principal of Subordinated MTN II, is on 23 June 2028. The principal of MTN II will be fully repaid on the maturity date. On 20 July 2023, Subordinated MTN II approved as supplementary capital components (Tier 2) according to the approval from FSA through letter No. SR-51/PB.21/2023.

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.

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37. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

Medium Term Notes Subordinated II Bank Mandiri (continued)

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 II is not guaranteed by a public collateral which refer to Article 1131 and 1132 of Indonesian Civil Law (UU Hukum Perdata) or include special collateral is not guaranteed by Bank or the Subsidiary, Republic of Indonesia or other related parties and not included to bank guarantee program implemented by Deposit Insurance Corporation (LPS) or its substitute. Based on the Law and regarding amendment Article 19 Paragraph (1) letter f of Capital Adequacy Requirement and in accordance with article 5 of the Subordinated MTN Issuance Agreement.

There was no breach of the Trustee restrictions agreement on Subordinated MTN II during the period ended on 30 June 2023.

As of 30 June 2023, rating of MTN Subordinated II based on Pefindo was idAA (double A).

Two-step loans - Asian Development Bank

This account represents a loan 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 relent to participating banks to finance several projects in Indonesia. The detail of this facility is as follows:

Credit facility	Purpose	Repayment period
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:

	30 June 2023	31 December 2022
ADB Loan 1327 - INO (SF)	120,652	133,564

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.

The ADB loan for Micro Credit Projects was granted in SDR (Special Drawing Rights) currency in amount of SDR15,872,600 (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.

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38. TEMPORARY SYIRKAH FUNDS

Temporary *syirkah* funds consists of:

a. Deposits from Customers

1) Demand Deposits

a. Based on type:

	30 June 2023	31 December 2022
Rupiah		
Related parties (Note 57)		
Demand deposits - restricted investment	1	1
Demand deposits - unrestricted investment <i>mudharabah</i>	11,167,575	12,456,380
	<u>11,167,576</u>	<u>12,456,381</u>
Third parties		
Demand deposits - restricted and unrestricted investment <i>mudharabah</i>	7,300,310	8,117,963
Demand deposits <i>mudharabah musytarakah</i>	387	626
	<u>7,300,697</u>	<u>8,118,589</u>
	<u>18,468,273</u>	<u>20,574,970</u>
Foreign currency		
Related parties (Note 57)		
Demand deposits - restricted and unrestricted investment <i>mudharabah</i>	586,534	1,245,851
	<u>586,534</u>	<u>1,245,851</u>
Third parties		
Demand deposits - restricted and unrestricted investment <i>mudharabah</i>	1,807,751	902,267
	<u>1,807,751</u>	<u>902,267</u>
	<u>2,394,285</u>	<u>2,148,118</u>
Total	<u>20,862,558</u>	<u>22,723,088</u>

The demand deposits - restricted investment represent deposits from third parties which will receive returns from Subsidiary's restricted 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)

1) Demand Deposits (continued)

- b. Range of profit sharing ratios for demand deposits - unrestricted *mudharabah* investment per year:

	30 June 2023	31 December 2022
Rupiah	3.37% - 3.97%	1.95% - 3.40%
Foreign currency	0.13% - 0.34%	0.05% - 0.19%

2) Saving Deposits

a. Based on type:

	30 June 2023	31 December 2022
Related parties (Note 57)		
Saving deposits - restricted investment	7,500	731
<i>Mudharabah</i> saving deposits - unrestricted investment		
BSI saving deposits	584,716	84,035
<i>Investa Cendekia</i> saving deposits	632	425
<i>Mabrur</i> saving deposits	325	292
<i>Berencana</i> BSI saving deposits	223	197
<i>Mudharabah Institusi</i> saving deposits	40	390
	<u>593,436</u>	<u>86,070</u>
Third parties		
Saving deposits - restricted investment	1,966,783	2,061,141
<i>Mudharabah</i> saving deposits - unrestricted investment		
BSI saving deposits	54,724,440	57,783,564
<i>Mabrur</i> saving deposits	9,718,813	9,374,466
Retirement saving deposits	1,080,827	1,064,785
<i>Mudharabah Institusi</i> saving deposits	824,862	1,148,770
<i>Investa Cendekia</i> saving deposits	538,175	568,028
<i>Berencana</i> BSI saving deposits	187,532	182,713
<i>Qurban</i> saving deposits	104	169
	<u>69,041,536</u>	<u>72,183,636</u>
Total	<u>69,634,972</u>	<u>72,269,706</u>

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 set and agreed share (*nisbah*).

The *Mudharabah* saving deposits - unrestricted investment represent third parties' deposits which will receive return from Subsidiary's revenue based on the set and agreed share (*nisbah*).

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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:

	30 June 2023	31 December 2022
Rupiah	0.66% - 0.67%	0.68% - 0.91%
Foreign currency	0.23% - 0.23%	0.23% - 0.24%

3) *Mudharabah* Time Deposit - unrestricted investment

	30 June 2023	31 December 2022
Rupiah		
Related parties (Note 57)	25,200,113	17,735,345
Third parties	71,331,517	80,087,363
	<u>96,531,630</u>	<u>97,822,708</u>
Foreign currency		
Related parties (Note 57)	2,661,343	122,331
Third parties	1,824,628	2,330,830
	<u>4,485,971</u>	<u>2,453,161</u>
Total	<u>101,017,601</u>	<u>100,275,869</u>

b. Deposits from Other Banks

	30 June 2023	31 December 2022
Rupiah		
Third parties		
<i>Mudharabah</i> demand deposits - unrestricted investment	21,734	31,880
<i>Mudharabah</i> saving deposits - unrestricted investment	409,879	627,646
<i>Mudharabah</i> time deposits - unrestricted investment	168,674	274,412
Total	<u>600,287</u>	<u>933,938</u>

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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:

	30 June 2023	31 December 2022
Rupiah		
1 month	60,734,099	64,518,121
3 months	17,300,185	19,666,582
6 months	6,612,605	4,250,650
12 months	12,053,415	9,661,767
	<u>96,700,304</u>	<u>98,097,120</u>
Foreign currency		
1 month	2,478,533	1,904,064
3 months	1,673,796	256,852
6 months	99,260	97,899
12 months	234,382	194,346
	<u>4,485,971</u>	<u>2,453,161</u>
Total	<u>101,186,275</u>	<u>100,550,281</u>

- 2) By remaining period until maturity date:

	30 June 2023	31 December 2022
Rupiah		
Less than 1 month	66,207,497	72,572,418
1 - 3 months	16,547,102	15,147,698
3 - 6 months	5,554,938	4,837,970
6 - 12 months	8,390,767	5,539,034
	<u>96,700,304</u>	<u>98,097,120</u>
Foreign currency		
Less than 1 month	2,552,182	1,960,597
1 - 3 months	1,614,091	300,290
3 - 6 months	180,173	81,059
6 - 12 months	139,525	111,215
	<u>4,485,971</u>	<u>2,453,161</u>
Total	<u>101,186,275</u>	<u>100,550,281</u>

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*) set and 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:

	30 June 2023	31 December 2022
Rupiah	0.08% - 2.65%	2.51% - 3.23%
Foreign currency	0.09% - 0.23%	0.22% - 0.27%

- 4) *Mudharabah* time deposits with *mudharabah muthlaqah* agreement that is pledged as collateral for receivables and financing amounted to Rp954,256 and Rp944,097 as of 30 June 2023 and 31 December 2022, 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:

	30 June 2023	31 December 2022
PT Bank Syariah Indonesia Tbk.	17,419,132	16,256,603
PT Bank Mandiri Taspen	2,789,340	2,442,097
PT Mandiri Tunas Finance	1,653,565	1,495,576
PT AXA Mandiri Financial Services	1,487,099	1,585,781
PT Mandiri Utama Finance	546,414	460,299
PT Asuransi Jiwa Inhealth Indonesia	340,657	325,364
PT Mandiri Sekuritas	598	596
PT Mandiri Capital Indonesia	270	353
Total	24,237,075	22,566,669

40. EQUITY

a. Authorised, issued and fully paid capital

The Bank's authorised, issued and fully paid capital as of 30 June 2023 and 31 December 2022, respectively, are as follows:

30 June 2023			
	Number of shares	Nominal value per Share (full amount)	Share value (full amount) Percentage of ownership
Authorised Capital			
Dwiwarna Series A Share	1	125	125 0.00%
Series B Common Shares	127,999,999,999	125	15,999,999,999,875 100.00%
Total Authorised Capital	128,000,000,000		16,000,000,000,000 100.00%

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40. EQUITY (continued)

a. Authorised, issued and fully paid capital (continued)

The Bank's authorised, issued and fully paid capital as of 30 June 2023 and 31 December 2022, respectively, are as follows (continued):

30 June 2023 (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	1	125	125	0.00%
Republic of Indonesia				
Series B Common Shares				
Republic of Indonesia	48,533,333,333	125	6,066,666,666,625	52.00%
Indonesia Investment Authority	7,466,666,666	125	933,333,333,250	8.00%
Board of Commissioners:				
Rionald Silaban	1,824,400	125	228,050,000	0.00%
Arif Budimanta	1,510,600	125	188,825,000	0.00%
Fariad Utomo	1,510,600	125	188,825,000	0.00%
Nawal Nely	1,510,600	125	188,825,000	0.00%
Muhammad Yusuf Ateh	1,067,800	125	133,475,000	0.00%
Board of Directors:				
Darmawan Junaidi	6,185,000	125	773,125,000	0.01%
Alexandra Askandar	6,995,600	125	874,450,000	0.01%
Ahmad Siddik Badruddin	8,310,200	125	1,038,775,000	0.01%
Agus Dwi Handaya	5,828,400	125	728,550,000	0.01%
Riduan	5,641,700	125	705,212,500	0.01%
Aquarius Rudianto	3,731,600	125	466,450,000	0.00%
Toni Eko Boy Subari	2,711,800	125	338,975,000	0.00%
Susana Indah K. Indriati	3,401,600	125	425,200,000	0.00%
Rohan Hafas	2,594,800	125	324,350,000	0.00%
Sigit Prastowo	4,753,400	125	594,175,000	0.01%
Timothy Utama	2,816,200	125	352,025,000	0.00%
Eka Fitria ¹⁾	170,000	125	21,250,000	0.00%
Public (less than 5%)	37,272,769,032	125	4,659,096,129,000	39.94%
	93,333,333,332		11,666,666,666,500	100.00%

¹⁾ The appointment of member of the Board of Directors is effective after obtaining approval from financial service Authority based on Fit and Proper Test and in accordance with the applicable laws and regulations.

31 December 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%
Issued and fully paid capital				
Dwiwarna Series A Share	1	250	250	0.00%
Republic of Indonesia				
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%
Fariad Utomo	396,300	250	99,075,000	0.00%
Nawal Nely	396,300	250	99,075,000	0.00%
Muhammad Yusuf Ateh	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%

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40. EQUITY (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 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 period/ended 30 June 2023 and 31 December 2022 respectively, amounted to 60,564,300 shares and 21,479,500 shares, or 0.06% and 0.05% from the total number of issued and fully paid-in capital 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 based on 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.

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.

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40. EQUITY (continued)

a. Authorised, issued and fully paid capital (continued)

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 stated in Notarial Deed of 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. EQUITY (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, and 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. EQUITY (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 30 June 2023 and 31 December 2022 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) amounted to Rp10,515,774 before deducting the costs related to the LPO amounted to Rp274,078. The additional share premium in 2013 amounted 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. EQUITY (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 14 March 2023 and 10 March 2022, the shareholders approved the distribution of the 2022 and 2021 net income as follows:

	2022	2021
Dividends	24,702,382	16,816,893
Retained earnings Unappropriated	16,468,255	11,211,262
	41,170,637	28,028,155
Dividend per share (full amount)	529.34	360.64

Dividends from 2022 net income amounted to Rp24,702,382 were paid on 12 April 2023 and dividends from 2021 net income amounted to Rp16,816,893 were paid on 6 April 2022. Distribution of dividends were recorded in the consolidated statement of changes in equity at the year the provision 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. EQUITY (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:

	Period ended 30 June	
	2023	2022
<u>Interest income</u>		
Loans	40,208,435	32,484,523
Government bonds	8,438,740	8,035,860
Consumer financing income	3,022,263	2,321,840
Placements with Bank Indonesia and other banks	1,600,827	433,196
Marketable securities	1,432,935	1,624,776
Others receivables - trade transactions	352,474	273,673
Margin	15,505	15,534
Others	2,260	31,068
	55,073,439	45,220,470
<u>Sharia income</u>		
Net <i>murabahah</i> and <i>istishna</i>	6,213,277	5,490,361
<i>Musarakah</i> profit sharing	2,767,602	2,122,083
Net <i>ijarah</i>	93,243	22,072
<i>Mudharabah</i> profit sharing	43,177	79,290
	9,117,299	7,713,806
	64,190,738	52,934,276

Included in interest income from loans is interest income recognised on the non-impaired portion of the impaired loans for the period ended 30 June 2023 and 2022 amounted to Rp112,405 and Rp134,385 and fees and commissions income directly attributable to lending activities amortised using effective interest rate method for the year ended 30 June 2023 and 2022 amounted to Rp1,490,201 and Rp1,463,461, respectively.

As of 30 June 2023 and 2022 included in interest income and sharia income was income from transaction with related parties on government bonds and treasury bills amounted to Rp8,438,740 and Rp8,035,860, respectively (Note 57).

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42. INTEREST EXPENSE AND SHARIA EXPENSE

Interest expense and sharia expense are incurred on the following:

	Period ended 30 June	
	2023	2022
<u>Interest expense</u>		
Demand deposits	4,746,757	2,514,067
Time deposits	4,369,887	3,225,122
Fund borrowings	2,012,721	1,024,091
Debt securities issued	1,181,414	1,165,645
Saving deposits	1,013,188	984,613
Securities sold under agreements to repurchase (repo)	780,838	342,715
Subordinated loans and marketable securities	697	916
Others	-	4,598
	14,105,502	9,261,767
<u>Sharia expense</u>		
Mudharabah time deposits	1,910,139	1,393,477
Musytarakah - mudharabah musytarakah	439,588	137,625
Mudharabah saving deposits	227,677	280,414
Debt securities issued - sharia	82,977	386
Fund borrowings	74,458	-
Restricted investments	43,460	27,876
	2,778,299	1,839,778
	16,883,801	11,101,545

Included in interest expense and sharia expense are interest expense from related parties transactions related to interest expense of fund borrowing for the period/year ended 30 June 2023 and 2022 amounted to Rp43,734 and Rp8,742, respectively (Note 57).

43. FEES AND COMMISIONS

	Period ended 30 June	
	2023	2022
Loans	2,044,100	1,854,857
E-channel transactions	1,815,693	1,733,989
Deposit transactions	1,469,994	1,377,027
Credit cards	1,289,733	1,009,368
Remittances, clearings and collections	782,950	430,900
Trade transactions	757,082	706,178
Marketable securities	588,826	570,117
Custodian and trustee	137,636	117,340
Financial advisor	129,478	121,571

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43. FEES AND COMMISSIONS (continued)

	Period ended 30 June	
	2023	2022
Bancassurance and mutual funds	44,706	77,090
Restructuring compensation income (<i>ta'wid</i>)	15,284	15,656
Others	148,923	91,247
	9,224,405	8,105,340

Others mainly consist of fees and commissions from cash management fees, short message service (SMS) notification fees to customers, payroll package administration fees, tax payment distribution service fees and Fiesta point redemption fees.

44. INCOME FROM FAIR VALUE THROUGH PROFIT OR LOSS CLASSIFICATION - NET

	Period ended 30 June	
	2023	2022
Gain from derivatives transactions - net	737,014	1,551,082
Gain/(loss) from sales - net	594,650	(287,882)
Interest income	410,874	548,025
Unrealised gain/(loss) from increase/decrease in fair value – net	48,981	(221,919)
Total	1,791,519	1,589,306

45. OTHER OPERATING INCOME - OTHERS

	Period ended 30 June	
	2023	2022
Recoveries from written-off loans and sharia receivables/financing principal	4,833,107	3,280,561
Other administration and commission income	974,522	1,000,811
Dividend income from mutual fund and shares investment	490,898	369,379
Penalty income	463,830	367,886
Recovery from written-off interest from loans	239,187	92,379
EDC rent income	97,360	14,502
Stamp duty income	29,012	28,277
Safety deposit box	19,225	20,346
Others	175,993	480,433
Total	7,323,134	5,654,574

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46. ALLOWANCE FOR IMPAIRMENT LOSSES

	Period ended 30 June	
	2023	2022
(Allowance)/reversal for provision of impairment losses on:		
Current accounts with other banks (Note 5d)	(4,511)	6,370
Placements with other banks (Note 6e)	1,744	(539)
Marketable securities (Note 7g)	1,395	39,571
Other receivables - trade transactions (Note 9d)	(727,860)	84,106
Loans (Note 12A.e, 12B.i)	(6,718,620)	(7,340,093)
Consumer financing receivables (Note 13d)	(561,611)	(398,569)
Net investment finance leases (Note 14d)	(66,768)	(49,980)
Acceptance receivables (Note 15d)	(108,973)	(16,761)
Investments in shares (Note 16c)	(1,073)	(38,140)
Total	(8,186,277)	(7,714,035)

47. PROVISION FOR OTHER ALLOWANCES AND OPERATIONAL RISK LOSSES - NET

	Period ended 30 June	
	2023	2022
(Allowance)/reversal provision or expenses of:		
Losses from operational risk - management execution, delivering and processing	(17,244)	(1,244)
Losses from operational risk - internal fraud	(6,686)	(38)
Losses from operational risk - external fraud	(1,339)	(18,430)
Losses from operational risk - business activity disruption and system failure	(737)	(207)
Fines/penalty	(597)	(186)
Estimated losses arising from legal cases	2,824	3,755
Other assets (Note 20)	(60,535)	(235,725)
Total	(84,314)	(252,075)

48. UNREALISED GAINS FROM INCREASE IN FAIR VALUE OF POLICYHOLDERS INVESTMENT IN UNIT-LINK CONTRACTS

	Period ended 30 June	
	2023	2022
Changes in fair value of policyholders' investment	994,577	(276,808)
Decrease in unit-link contracts liability	(994,577)	276,808
Others	-	(213)
Total	-	(213)

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49. GAIN ON SALE OF MARKETABLE SECURITIES AND GOVERNMENT BONDS - NET

	Period ended 30 June	
	2023	2022
Marketable securities	31,298	115,220
Government bonds	(9,934)	638,940
Total	21,364	754,160

50. SALARIES AND EMPLOYEE BENEFITS EXPENSES

	Period ended 30 June	
	2023	2022
Salaries, wages, pension and tax allowances	6,425,583	5,995,356
Bonuses and others	1,803,282	2,204,527
Religious holidays allowance, leave and other related expenses	1,495,172	1,460,278
Employee benefits in kind	858,754	1,034,971
Provision for tantiem	537,127	469,778
Allowance of provision for post-employment benefits	459,797	421,953
Training and education	170,895	162,497
Total	11,750,610	11,749,360

Total gross salaries and allowances, bonus and tantiem, long-term employment benefits of the Boards of Commissioners, Directors, Audit Committee and Risk Oversight Committee, Sharia Supervisory Board and Senior Executive Vice President and Senior Vice President are amounted to Rp788,359 and Rp761,003 (Note 57) for the period ended 30 June 2023 and 2022, respectively, as follows:

Period ended 30 June 2023				
	Salaries and allowance	Bonus and tantiem	Long-term employment benefits	Total
The Board of Commissioners	41,642	1,915	4,884	48,441
Directors	120,858	10,344	21,249	152,451
Audit Committee and Risk Oversight Committee	3,632	215	157	4,004
Sharia Supervisory Board	1,377	150	-	1,527
Senior Executive Vice Presidents and Senior Vice President	265,572	301,576	14,788	581,936
Total	433,081	314,200	41,078	788,359

Period ended 30 June 2022				
	Salaries and allowance	Bonus and tantiem	Long-term employment benefits	Total
The Board of Commissioners	40,401	1,499	3,630	45,530
Directors	118,462	5,286	15,213	138,961
Audit Committee and Risk Oversight Committee	3,738	-	14	3,752
Sharia Supervisory Board	1,496	-	1	1,497
Senior Executive Vice Presidents and Senior Vice President	248,476	306,107	16,680	571,263
Total	412,573	312,892	35,538	761,003

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51. GENERAL AND ADMINISTRATIVE EXPENSES

	Period ended 30 June	
	2023	2022
Professional fees	2,116,346	2,271,582
Goods/services provided by third parties	1,342,663	1,082,403
Depreciation of right of use assets (Note 18a)	848,119	810,519
Depreciation of fixed assets (Note 18a)	816,254	718,485
Repairs and maintenance	702,587	727,761
Office supplies	532,807	364,428
Promotion	527,048	584,213
Amortisation of intangible assets (Note 19)	510,457	464,138
Communication	448,093	540,301
Rent	303,664	382,305
Transportations	296,770	243,096
Electricity, water and gas	223,465	259,260
Tax other than income tax	112,111	84,330
Traveling	100,797	62,361
<i>Zakat</i>	92,301	70,632
Insurance premium	90,517	46,892
Social and environmental responsibility	62,861	3,903
Interest on lease liability (Note 18a)	34,023	35,551
Security	20,107	24,705
Government program	10,483	13,609
Recruitment	4,892	8,376
Others	347,574	204,049
Total	9,543,939	9,002,899

For the period ended 30 June 2023 and 2022, promotions expenses include the reward/prize expenses of third party funds amounted to Rp13,947 and Rp27,804, 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 Regulation of Minister of State-Owned Enterprises Number PER-1/MBU/03/2023 regarding Special Assignments and Social and Environmental Responsibility Programs of State-Owned Enterprises ("SOE") stated that the SOE's TJSL Program is carried out in a systematic and integrated manner to ensure the implementation, success achievement and management of the impact of the SOE's TJSL Program in accordance with the priorities and/or achievement of the objectives of the SOE's TJSL Program which guided by the work plan. The implementation of the PT Bank Mandiri (Persero) Tbk. TJSL Program is in the form of support and/or other activities and is carried out with a focus on education, environment, and development of micro and small businesses. Realization of the on balance sheet as of 30 June 2023 and 2022 was Rp62,861 and Rp3,903, respectively, while from the off balance sheet as of 30 June 2023 and 2022 were RpNil and Rp55,176, respectively.

Others is consist of research and development expenses, agency expenses, membership fee depository Bank, overseas representative expenses and representation expenses.

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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 30 June 2023 and 31 December 2022 amounted to Rp26,850 and Rp9,200, respectively. The interest rate of the deposits are the same with interest rate for third party time deposits.

For the period ended 30 June 2023 and 2022, Bank has paid pension contribution of Rp284,794 and Rp538,691, 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 Satu (Bank Bumi Daya),
2. Dana Pensiun Bank Mandiri Dua (Bank Dagang Negara),
3. Dana Pensiun Bank Mandiri Tiga (Bank Exim) and
4. Dana Pensiun Bank Mandiri Empat (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 Dana Pensiun Bank Mandiri Satu (DPBM Satu), Dana Pensiun Bank Mandiri Dua (DPBM Dua), Dana Pensiun Bank Mandiri Tiga (DPBM Tiga) and Dana Pensiun Bank Mandiri Empat (DPBM Empat) have been changed several times, in order to comply with the applicable laws and regulations, as follows:

1. Dana Pensiun Bank Mandiri Satu

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 Dana Pensiun Bank Mandiri Satu.

The Pension Fund Regulations of the Dana Pensiun Bank Mandiri Satu have been amended last by Decree of the Board of Directors of PT Bank Mandiri (Persero) Tbk. Number KEP.DPB1/001/2023 dated 15 March 2023. The amendment was made in order to provide Other Benefits in the form of Additional Benefits year 2023 to Dana Pensiun Bank Mandiri Satu, Dana Pensiun Bank Mandiri Dua, Dana Pensiun Bank Mandiri Tiga and Dana Pensiun Bank Mandiri Empat.

The amendment to the Pension Fund Regulation of Dana Pensiun Bank Mandiri Satu has been authorized by the Financial Services Authority based on the Decision of the Board of Commissioners of the Financial Services Authority Number KEP-23/D.05/2023 dated 5 April 2023 regarding the Ratification of the Pension Fund Regulation of Dana Pensiun Bank Mandiri Satu.

2. Dana Pensiun Bank Mandiri Dua

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 Dana Pensiun Bank Mandiri Dua.

The Pension Fund Regulations of Dana Pensiun Bank Mandiri Dua have been amended last by Decree of the Board of Directors of PT Bank Mandiri (Persero) Tbk. Number: KEP.DPB2/001/2023 dated 15 March 2023. The amendment was made in order to provide Other Benefits in the form of Additional Benefits year 2023 to Dana Pensiun Bank Mandiri Satu, Dana Pensiun Bank Mandiri Dua, Dana Pensiun Bank Mandiri Tiga and Dana Pensiun Bank Mandiri Empat.

This amendment to the Pension Fund Regulations of Dana Pensiun Bank Mandiri Dua has been authorized by the Financial Services Authority (OJK) based on the Decree of the Board of Commissioners of the Financial Services Authority Number KEP-24/D.05/2023 dated 5 April 2023 regarding the Ratification of Pension Fund Regulations of Dana Pensiun Bank Mandiri Dua.

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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. Dana Pensiun Bank Mandiri Tiga

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 Dana Pensiun Bank Mandiri Tiga.

The Pension Fund Regulations of Dana Pensiun Bank Mandiri Tiga have been amended last by Decree of the Board of Directors of PT Bank Mandiri (Persero) Tbk. Number KEP.DPB3/001/2023 dated 15 March 2023. The amendment was made in order to provide Other Benefits in the form of Additional Benefits year 2023 to Dana Pensiun Bank Mandiri Satu, Dana Pensiun Bank Mandiri Dua, Dana Pensiun Bank Mandiri Tiga and Dana Pensiun Bank Mandiri Empat.

The amendment to the Pension Fund Regulation of Dana Pensiun Bank Mandiri Tiga has been authorized by the Financial Services Authority based on the Decision of the Board of Commissioners of the Financial Services Authority Number KEP-25/D.05/2023 dated 5 April 2023 regarding the Ratification of the Pension Fund Regulation of Dana Pensiun Bank Mandiri Tiga.

4. Dana Pensiun Bank Mandiri Empat

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 Dana Pensiun Bank Mandiri Empat.

The Pension Fund Regulations of Dana Pensiun Bank Mandiri Empat have been amended last by Decree of the Board of Directors of PT Bank Mandiri (Persero) Tbk. Number KEP.DPB4/001/2023 dated 15 March 2023. The amendment was made in order to provide Other Benefits in the form of Additional Benefits year 2023 to Dana Pensiun Bank Mandiri Satu, Dana Pensiun Bank Mandiri Dua, Dana Pensiun Bank Mandiri Tiga and Dana Pensiun Bank Mandiri Empat.

The amendment to the Pension Fund Regulations of Dana Pensiun Bank Mandiri Empat has been authorized by the Financial Services Authority based on the Decision of the Board of Commissioners of the Financial Services Authority Number KEP-26/D.05/2023 dated 5 April 2023 regarding the Ratification of the Pension Fund Regulations of Dana Pensiun Bank Mandiri Empat.

The actuarial calculation on pension benefits liability for Bank only as of 30 June 2023 and 31 December 2022 were based on estimated actuarial calculation for the period and year ended 30 June 2023 and 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 period and year ended 30 June 2023 and 31 December 2022 are as follows:

	DPBMS	DPBMD	DPBMT	DPBME
Discount rate	7.30%	7.30%	7.30%	7.30%
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 Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%	80% UN 2010 Male Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%	80% UN 2010 Male Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%	80% UN 2010 Male Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%
Turnover rate				
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 30 June 2023 are as follows:

	DPBMS	DPBMD	DPBMT	DPBME
Present value of the pension benefit obligation	(1,251,722)	(1,377,178)	(576,155)	(449,671)
Fair value of plan assets	1,325,157	1,395,382	594,042	580,753
Funded Status	73,435	18,204	17,887	131,082
Asset ceiling ¹⁾	(73,435)	(18,204)	(17,887)	(131,082)
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 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 ^{*)}	(98,799)	(11,900)	(26,491)	(142,215)
Pension Plan Program Assets recognised in consolidated statement of financial position ^{**)}	-	-	-	-

^{*)} 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.

^{**)} 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 period and year ended 30 June 2023 and 31 December 2022 are as follows:

30 June 2023				
	DPBMS	DPBMD	DPBMT	DPBME
Time deposit	4%	5%	1%	8%
Bonds	36%	41%	12%	21%
Direct placement	9%	20%	32%	3%
Land and building	27%	4%	33%	6%
Shares	1%	1%	0%	0%
Treasury bills	23%	28%	22%	62%
Others	0%	1%	0%	0%
Total	100%	100%	100%	100%

31 December 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%

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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 Bank Mandiri Collective Labor Agreements for the period and year ended 30 June 2023 and 31 December 2022 respectively in the amount to Rp3,459,852 and Rp3,184,090 (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 30 June 2023 and 31 December 2022 are estimated using the employees service entitlements calculation for the year ended 30 June 2023 and 31 December 2022 as included in the independent actuarial report of Enny Diah Awal Actuary Consultant Firm dated 3 January 2023, respectively. The assumptions used by the actuary are as follows:

- a. Discount rate is 7.30% per annum.
- b. Salary increase rate: 8.00%.
- 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):

	<u>30 June 2023</u>	<u>31 December 2022</u>
Provision for post employment benefits presented in statement of financial position	2,005,819	1,879,403

The movement in present value of obligation over the year is as follows (Bank Mandiri only):

	<u>30 June 2023</u>	<u>31 December 2022</u>
Beginning balance of present value of obligation	1,879,403	1,920,311
Current service cost	99,155	200,823
Severance payment	-	33,660
Interest fee	67,354	139,120
Past service cost	-	1,603
Benefit paid	(40,093)	(130,766)
Actuarial gain	-	(285,348)
Ending balance of present value of obligation	<u>2,005,819</u>	<u>1,879,403</u>

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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

	30 June 2023	31 December 2022
Current service cost	99,155	234,483
Interest cost	67,354	139,120
Past service cost	-	1,603
Cost of pension benefits	166,509	375,206

Other Comprehensive Income

	30 June 2023	31 December 2022
Financial assumptions (change in assumptions)	-	41,455
Experience adjustment (demographics and finances)	-	(326,803)
Actuarial gains recognized in other comprehensive income	-	(285,348)

Reconciliations of provision for post employment benefits are as follows:

	30 June 2023	31 December 2022
<u>Bank Mandiri</u>		
Beginning balance of provision for post employment benefits	1,879,403	1,920,311
Expenses during the year	166,509	375,206
Payments of benefits	(40,093)	(130,766)
Recognition of actuarial (gain)/losses in other comprehensive income	-	(285,348)
Provision for post employment benefits (Bank Mandiri only)	2,005,819	1,879,403
<u>Subsidiaries</u>		
Provision for post employment benefits	1,445,793	1,296,447
Total provision for post employment benefits (Note 34)	3,451,612¹⁾	3,175,850¹⁾

¹⁾ As of 30 June 2023 and 31 December 2022, 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 30 June 2023 and 31 December 2022 based on an actuarial calculation amounted to Rp67,652 and Rp67,151, respectively (Notes 34).

The assumptions used for the period and year ending 30 June 2023 and 31 December 2022 are as follows:

- Discount rate: 7.30%.
- Gold price: Rp1,012,000.
- Increment rate of gold price: 8.00%.
- Mortality rate table used is Indonesia Mortality 2019.
- Disability rate is 10% of death probability at each age.
- Turnover rate: Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%.
- Normal retirement age is until age of 56 years.
- Actuarial method used is projected unit credit method.

The movement in present value of obligation over the year is as follows (Bank Mandiri only):

	30 June 2023	31 December 2022
Beginning balance of present value of obligation	67,151	62,781
Expenses during the year	6,045	11,261
Benefit paid	(5,544)	(5,140)
Actuarial gain through other comprehensive income	-	(1,751)
Ending balance of present value of obligation (Note 34)	67,652	67,151

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

	30 June 2023	31 December 2022
Current service cost	3,630	6,745
Interest cost	2,415	4,516
Cost of pension appreciation	6,045	11,261

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Other Comprehensive Income

	30 June 2023	31 December 2022
Financial assumptions (change in assumptions)	-	(866)
Experience adjustment	-	(885)
Actuarial gains recognised in other comprehensive Income	-	(1,751)

Reconciliation of PVDBO (Bank Mandiri only):

30 June 2023						
	DPBMS	DPBMD	DPBMT	DPBME	UUTK and PKB BMRI	Pension Appreciation
Beginning balances of PVDBO	1,321,307	1,453,643	600,389	466,605	1,879,403	67,151
Current service cost	-	-	-	-	99,155	3,630
Interest cost of PVDBO	-	-	-	-	67,354	2,415
Benefit payments from plan assets	-	-	-	-	(40,093)	(5,544)
Movement of PVDBO	(69,585)	(76,465)	(24,234)	(16,934)	-	-
Ending balances of PVDBO	1,251,722	1,377,178	576,155	449,671	2,005,819	67,652

31 December 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

Reconciliation of plan assets (Bank Mandiri only):

30 June 2023				
	DPBMS	DPBMD	DPBMT	DPBME
Beginning fair value of plan assets	1,420,106	1,465,542	626,880	608,820
Mutation of value asset program	(94,949)	(70,160)	(32,838)	(28,067)
Ending fair value plan assets	1,325,157	1,395,382	594,042	580,753

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Reconciliation of plan assets (Bank Mandiri only) (continued):

	31 December 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

Movements in other comprehensive income:

Movements in other comprehensive income for the Bank Mandiri only for the period and year ended 30 June 2023 and 31 December 2022 as follows:

	30 June 2023					
	DPBMS	DPBMD	DPBMT	DPBME	UUTK and PKB BMRI	Pension Appreciation
Accumulated of actuarial gains on beginning year	-	-	-	-	1,821,130	4,592
Actuarial gain/(loss) of the current year	-	-	-	-	-	-
Accumulated actuarial gains/(loss) on ending year	-	-	-	-	1,821,130	4,592

	31 December 2022					
	DPBMS	DPBMD	DPBMT	DPBME	UUK and PKB BMRI	Pension Appreciation
Accumulated of actuarial gains on beginning year	-	-	-	-	1,535,782	2,841
Actuarial gain/(loss) of the current year	-	-	-	-	285,348	1,751
Accumulated actuarial gains/(loss) on ending year	-	-	-	-	1,821,130	4,592

Employee benefits liabilities maturing on 31 December 2022 related to UUK No. 13/2003 are as follows:

	31 December 2022
Year 1	158,350
Year 2	189,223
Year 3	246,688
Year 4	331,017
Year 5	380,023
Year 6 and others	8,074,873
Total	9,380,174

The average duration of the defined benefit obligation is 10.42 years and the defined contribution obligation is 15.57 years as of 31 December 2022, respectively.

Actuary's calculation of employee pension benefits for Bank only as of 30 June 2023 were based on estimated actuarial calculation for the year ended 31 December 2022, that listed in the report from the Enny Diah Awal Actuary Consultant Firm dated 3 January 2023 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 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	9 January 2023	10 January 2022
PT Mandiri Sekuritas	Steven & Mouritz Actuarial Consultant Office	30 December 2022	31 December 2021
PT Bank Mandiri Taspen	Nandi and Utama Actuarial Consultant Office	6 January 2023	5 January 2022
PT Mandiri Tunas Finance	Steven & Mouritz Actuarial Consultant Office	2 January 2023	3 January 2022
PT AXA Mandiri Financial Services	Steven & Mouritz Actuarial Consultant Office	11 January 2023	10 January 2022
PT Asuransi Jiwa Inhealth Indonesia	Nurichwan Actuarial Consulting Office	2 January 2023	31 December 2021
PT Mandiri Utama Finance Indonesia	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):

31 December 2022

Changes of assumptions:	
1% increase in discount rate	(1,714,955)
1% decrease in discount rate	2,112,449

53. OTHER OPERATING EXPENSES - OTHERS - NET

	Period ended 30 June	
	2023	2022
Insurance premiums on third party funds guarantee program	1,401,985	1,269,500
Fees and commissions expenses	621,525	580,736
Regulator fee	478,430	343,050
Fees related to credit card and ATM transaction	384,761	234,218
Insurance marketing personnel compensation	104,457	227,459
Bancassurance fee	54,778	261,238
Membership fee	32,473	24,092
Group insurance commissions	25,513	88,360
Fees from RTGS, remittance and clearing transactions	25,323	21,193
Impairment loss on <i>ijarah</i> asset	20,742	-
Early payment - treasury transaction	230	37,221
<i>Murabahah</i> margin deduction expense	-	8,179
Others	108,805	80,690
	3,259,022	3,175,936

Others mainly consist of securities trading transaction expenses and bank administration expenses.

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54. NON-OPERATING (EXPENSE)/INCOME - NET

	Period ended 30 June	
	2023	2022
Gain on sale of fixed assets	5,269	281
Foreclosed assets withdrawal cost	(39,599)	(24,011)
Others - net	55,753	53,830
Net	21,423	30,100

55. COMMITMENTS AND CONTINGENCIES

The following accounts represent accounts which are recorded as off-balance sheet:

	30 June 2023	31 December 2022
COMMITMENTS		
Commitment payables:		
Unused loan facilities*)		
Related parties (Note 57)	(99,533,795)	(75,635,375)
Third parties	(126,158,808)	(121,899,606)
	(225,692,603)	(197,534,981)
Outstanding irrevocable letter of credit (Note 31):		
Related parties (Note 57)	(6,962,322)	(13,991,579)
Third parties	(12,979,750)	(14,325,702)
	(19,942,072)	(28,317,281)
Commitment payables - net	(245,634,675)	(225,852,262)
CONTINGENCIES		
Contingent receivables:		
Guarantees received from other banks	25,846,767	28,052,019
Interest receivable on non-performing assets	12,099,627	12,467,774
Others	34,295	34,355
	37,980,689	40,554,148
Contingent payables:		
Guarantees issued in the form of:		
Bank guarantees (Note 31):		
Related parties (Note 57)	(31,786,926)	(36,092,991)
Third parties	(71,368,543)	(74,913,516)
	(103,155,469)	(111,006,507)
Standby letter of credit (Note 31)		
Related parties (Note 57)	(6,970,576)	(5,810,458)
Third parties	(8,788,363)	(6,019,854)
	(15,758,939)	(11,830,312)
Others	(2,724,282)	(2,154,323)
Total	(121,638,690)	(124,991,142)
Contingent payables - net	(83,658,001)	(84,436,994)
	(329,292,676)	(310,289,256)

*) 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 30 June 2023 dan 31 December 2022 are as follows:

30 June 2023				
Original Currency	Spot - Buy		Spot - Sell	
	Original currency (full amount)	Rupiah equivalent	Original currency (full amount)	Rupiah equivalent
United States Dollar	123,685,000	1,854,347	115,248,001	1,727,856
Others ^{*)}		49,206		81,907
		1,903,553		1,809,763

31 December 2022				
Original Currency	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

*) 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 Mandiri AXA General Insurance	Associate Company
2.	Dana Pensiun Bank Mandiri	Bank Mandiri as a founder
3.	Dana Pensiun Bank Mandiri Satu	Bank Mandiri as a founder
4.	Dana Pensiun Bank Mandiri Dua	Bank Mandiri as a founder
5.	Dana Pensiun Bank Mandiri Tiga	Bank Mandiri as a founder
6.	Dana Pensiun Bank Mandiri Empat	Bank Mandiri as a founder
7.	PT Bumi Daya Plaza	Controlled by Dana Pensiun Bank Mandiri (since 19 December 2013)
8.	PT Pengelola Investama Mandiri	Controlled by PT Bumi Daya Plaza (since 21 July 1999)
9.	PT Usaha Gedung Mandiri	Controlled by Dana Pensiun Bank Mandiri (since 19 December 2013)
10.	PT Estika Daya Mandiri	Controlled by Dana Pensiun Bank Mandiri Satu
11.	PT Asuransi Staco Mandiri (dahulu PT Asuransi Staco Jasapratama)	Controlled by Dana Pensiun Bank Mandiri Dua
12.	PT Mulia Sasmita Bhakti	Controlled by Dana Pensiun Bank Mandiri Tiga
13.	PT Krida Upaya Tunggal	Controlled by Dana Pensiun Bank Mandiri Empat
14.	PT Wahana Optima Permai	Controlled by Dana Pensiun Bank Mandiri Empat
15.	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 Aneka Jasa Grhadika	Subsidiary of State Owned Enterprise
26.	PT Aneka Tambang Tbk	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 Ararkula Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
42.	PT Aru Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
43.	PT Artha Daya Coalindo	Subsidiary of State Owned Enterprise
44.	PT Askrindo Mitra Utama	Subsidiary of State Owned Enterprise
45.	PT Asuransi BRI Life	Subsidiary of State Owned Enterprise
46.	PT Asuransi Jasa Indonesia	Subsidiary of State Owned Enterprise
47.	PT Asuransi Jasindo Syariah	Subsidiary of State Owned Enterprise
48.	PT Asuransi Jiwa IFG	Subsidiary of State Owned Enterprise
49.	PT Asuransi Jiwa Taspen	Subsidiary of State Owned Enterprise
50.	PT Asuransi Kredit Indonesia	Subsidiary of State Owned Enterprise
51.	PT Asuransi Tugu Pratama Indonesia Tbk	Subsidiary of State Owned Enterprise
52.	PT Badak Arun Solusi	Subsidiary of State Owned Enterprise
53.	PT Bahana Artha Ventura	Subsidiary of State Owned Enterprise
54.	PT Bahana Securities	Subsidiary of State Owned Enterprise
55.	PT Bahana TCW Investment Management	Subsidiary of State Owned Enterprise
56.	PT Bakeuheni Terbagi Besar Toll	Subsidiary of State Owned Enterprise
57.	PT Bakti Timah Medika	Subsidiary of State Owned Enterprise
58.	PT Balai Lelang Artha Gasia (freeze operation)	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
59.	PT Balai Pustaka	Subsidiary of State Owned Enterprise
60.	PT Banggai Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
61.	PT Bangkit Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
62.	PT Bangun Persada Jambi Energi	Subsidiary of State Owned Enterprise
63.	PT Bank Raya Indonesia (formerly PT BRI Agroniaga Tbk)	Subsidiary of State Owned Enterprise
64.	PT Banyan Koalindo Lestari	Subsidiary of State Owned Enterprise
65.	PT Batubara Bukit Kendi	Subsidiary of State Owned Enterprise
66.	PT Baturaja Multi Usaha	Subsidiary of State Owned Enterprise
67.	PT Barung Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
68.	PT Belitung Intipermi	Subsidiary of State Owned Enterprise
69.	PT Benggala Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
70.	PT Bepondi Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
71.	PT Berdikari	Subsidiary of State Owned Enterprise
72.	PT Berdikari Logistik Indonesia	Subsidiary of State Owned Enterprise
73.	PT Berdikari United Livestock	Subsidiary of State Owned Enterprise
74.	PT Berkah Multi Cargo	Subsidiary of State Owned Enterprise
75.	PT Berlian Jasa Terminal Indonesia	Subsidiary of State Owned Enterprise
76.	PT BGR Logistik Indonesia	Subsidiary of State Owned Enterprise
77.	PT Bhirawa Steel	Subsidiary of State Owned Enterprise
78.	PT Bima Sepaja Abadi	Subsidiary of State Owned Enterprise
79.	PT BNI Asset Management	Subsidiary of State Owned Enterprise
80.	PT BNI Life Insurance	Subsidiary of State Owned Enterprise
81.	PT BNI Sekuritas	Subsidiary of State Owned Enterprise
82.	PT Borneo Alumina Indonesia	Subsidiary of State Owned Enterprise
83.	PT Borneo Edo International	Subsidiary of State Owned Enterprise
84.	PT Brantas Adya Surya Energi	Subsidiary of State Owned Enterprise
85.	PT Brantas Cakrawala Energi	Subsidiary of State Owned Enterprise
86.	PT Brantas Energi	Subsidiary of State Owned Enterprise
87.	PT Brantas Energi Mandiri	Subsidiary of State Owned Enterprise
88.	PT Brantas Hidro Energi	Subsidiary of State Owned Enterprise
89.	PT Brantas Mahalona Energi	Subsidiary of State Owned Enterprise
90.	PT Brantas Nipajaya Energi	Subsidiary of State Owned Enterprise
91.	PT Brantas Prospek Energi	Subsidiary of State Owned Enterprise
92.	PT Brantas Prospek Engineering	Subsidiary of State Owned Enterprise
93.	PT Brass Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
94.	PT BRI Multifinance Indonesia	Subsidiary of State Owned Enterprise
95.	PT Bromo Steel Indonesia	Subsidiary of State Owned Enterprise
96.	PT Bukit Asam Medika	Subsidiary of State Owned Enterprise
97.	PT Bukit Asam Prima	Subsidiary of State Owned Enterprise
98.	PT Bukit Asam Tbk	Subsidiary of State Owned Enterprise
99.	PT Bukit Energi Investama	Subsidiary of State Owned Enterprise
100.	PT Bukit Energi Service Terpadu	Subsidiary of State Owned Enterprise
101.	PT Bukit Multi Investama	Subsidiary of State Owned Enterprise
102.	PT Bukit Multi Properti	Subsidiary of State Owned Enterprise
103.	PT Bukit Prima Bahari	Subsidiary of State Owned Enterprise
104.	PT Bumi Sawindo Permai	Subsidiary of State Owned Enterprise
105.	PT Cibaliung Sumber Daya	Subsidiary of State Owned Enterprise
106.	PT Citilink Indonesia	Subsidiary of State Owned Enterprise
107.	PT Citra Lautan Teduh	Subsidiary of State Owned Enterprise
108.	PT Citra Tobindo Sukses Perkasa	Subsidiary of State Owned Enterprise
109.	PT Cogindo Daya Bersama	Subsidiary of State Owned Enterprise
110.	PT Dahana	Subsidiary of State Owned Enterprise
111.	PT Damanusa Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
112.	PT Damar Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
113.	PT Danareksa Capital	Subsidiary of State Owned Enterprise
114.	PT Danareksa Finance	Subsidiary of State Owned Enterprise
115.	PT Dasaplast Nusantara	Subsidiary of State Owned Enterprise
116.	PT Dayamitra Telekomunikasi	Subsidiary of State Owned Enterprise
117.	PT Dharma Lautan Nusantara	Subsidiary of State Owned Enterprise
118.	PT Dirgantara Indonesia	Subsidiary of State Owned Enterprise
119.	PT Dok dan Perkapalan Air Kantung	Subsidiary of State Owned Enterprise
120.	PT Dok dan Perkapalan Waiame	Subsidiary of State Owned Enterprise
121.	PT Dwimitra Enggang Khatulistiwa	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
122.	PT Electronic Data Interchange Indonesia	Subsidiary of State Owned Enterprise
123.	PT Elnusa Fabrikasi Konstruksi	Subsidiary of State Owned Enterprise
124.	PT Elnusa Geosains Indonesia	Subsidiary of State Owned Enterprise
125.	PT Elnusa Oilfield Services	Subsidiary of State Owned Enterprise
126.	PT Elnusa Petrofin	Subsidiary of State Owned Enterprise
127.	PT Elnusa Tbk	Subsidiary of State Owned Enterprise
128.	PT Elnusa Trans Samudera	Subsidiary of State Owned Enterprise
129.	PT Eltran Indonesia	Subsidiary of State Owned Enterprise
130.	PT Emas Antam Indonesia	Subsidiary of State Owned Enterprise
131.	PT Energi Agro Nusantara	Subsidiary of State Owned Enterprise
132.	PT Energi Biomasa Indonesia	Subsidiary of State Owned Enterprise
133.	PT Energi Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
134.	PT Energy Management Indonesia	Subsidiary of State Owned Enterprise
135.	PT Equiport Inti Indonesia	Subsidiary of State Owned Enterprise
136.	PT Farmalab Indoutama	Subsidiary of State Owned Enterprise
137.	PT Feni Haltim	Subsidiary of State Owned Enterprise
138.	PT Finnet Indonesia	Subsidiary of State Owned Enterprise
139.	PT Gadang Hidro Energi	Subsidiary of State Owned Enterprise
140.	PT Gag Nikel	Subsidiary of State Owned Enterprise
141.	PT Gagas Energi Indonesia	Subsidiary of State Owned Enterprise
142.	PT Gapura Angkasa	Subsidiary of State Owned Enterprise
143.	PT Garam	Subsidiary of State Owned Enterprise
144.	PT Garuda Maintenance Facility Aero Asia Tbk	Subsidiary of State Owned Enterprise
145.	PT Gema Hutani Lestari	Subsidiary of State Owned Enterprise
146.	PT GIEB Indonesia	Subsidiary of State Owned Enterprise
147.	PT GIH Indonesia	Subsidiary of State Owned Enterprise
148.	PT Gitanusa Sarana Niaga	Subsidiary of State Owned Enterprise
149.	PT Graha Investama Bersama	Subsidiary of State Owned Enterprise
150.	PT Graha Sarana Duta	Subsidiary of State Owned Enterprise
151.	PT Graha Yasa Selaras	Subsidiary of State Owned Enterprise
152.	PT Grahaniaga Tata Utama	Subsidiary of State Owned Enterprise
153.	PT Griyaton Indonesia	Subsidiary of State Owned Enterprise
154.	PT Gunung Gajah Abadi	Subsidiary of State Owned Enterprise
155.	PT Gunung Kendaik	Subsidiary of State Owned Enterprise
156.	PT HaKaAston	Subsidiary of State Owned Enterprise
157.	PT Haleyora Power	Subsidiary of State Owned Enterprise
158.	PT Haleyora Powerindo	Subsidiary of State Owned Enterprise
159.	PT Hasta Kreasi Mandiri	Subsidiary of State Owned Enterprise
160.	PT HK Infrastruktur	Subsidiary of State Owned Enterprise
161.	PT HK Realtindo	Subsidiary of State Owned Enterprise
162.	PT Hotel Indonesia Group	Subsidiary of State Owned Enterprise
163.	PT Hotel Indonesia Natour	Subsidiary of State Owned Enterprise
164.	PT Hotel Indonesia Properti	Subsidiary of State Owned Enterprise
165.	PT Utama Marga Waskita	Subsidiary of State Owned Enterprise
166.	PT Igaras	Subsidiary of State Owned Enterprise
167.	PT Indo Raya Tenaga	Subsidiary of State Owned Enterprise
168.	PT Indo Ridlatama Power	Subsidiary of State Owned Enterprise
169.	PT Indofarma Global Medika	Subsidiary of State Owned Enterprise
170.	PT Indofarma Tbk	Subsidiary of State Owned Enterprise
171.	PT Indonesia Chemical Alumina	Subsidiary of State Owned Enterprise
172.	PT Indonesia Coal Resources	Subsidiary of State Owned Enterprise
173.	PT Indonesia Comnets Plus	Subsidiary of State Owned Enterprise
174.	PT Indonesia Kendaraan Terminal Tbk	Subsidiary of State Owned Enterprise
175.	PT Indonesia Papua Metal dan Mineral	Subsidiary of State Owned Enterprise
176.	PT Indonesia Power	Subsidiary of State Owned Enterprise
177.	PT Indonesian Air & Marine Supply	Subsidiary of State Owned Enterprise
178.	PT Indopelita Aircraft Service	Subsidiary of State Owned Enterprise
179.	PT Industri Karet Nusantara	Subsidiary of State Owned Enterprise
180.	PT Industri Kemasan Semen Gresik	Subsidiary of State Owned Enterprise
181.	PT Industri Nabati Lestari	Subsidiary of State Owned Enterprise
182.	PT Industri Nuklir Indonesia (Persero)	Subsidiary of State Owned Enterprise
183.	PT Infomedia Nusantara	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
184.	PT Infomedia Solusi Humanika	Subsidiary of State Owned Enterprise
185.	PT Infrastruktur Telekomunikasi Indonesia	Subsidiary of State Owned Enterprise
186.	PT Inhutani I	Subsidiary of State Owned Enterprise
187.	PT Inhutani V	Subsidiary of State Owned Enterprise
188.	PT INKA Multi Solusi	Subsidiary of State Owned Enterprise
189.	PT Integrasi Logistik Cipta Solusi	Subsidiary of State Owned Enterprise
190.	PT International Mineral Capital	Subsidiary of State Owned Enterprise
191.	PT Inti Bagus Perkasa	Subsidiary of State Owned Enterprise
192.	PT IPC Terminal Petikemas	Subsidiary of State Owned Enterprise
193.	PT ITCI Kayan Hutani	Subsidiary of State Owned Enterprise
194.	PT ITDC Nusantara Properti	Subsidiary of State Owned Enterprise
195.	PT ITDC Nusantara Utilitas	Subsidiary of State Owned Enterprise
196.	PT ITDC Nusantara Xplorin	Subsidiary of State Owned Enterprise
197.	PT Jalantol Lingkarluar Jakarta	Subsidiary of State Owned Enterprise
198.	PT Jalin Pembayaran Nusantara	Subsidiary of State Owned Enterprise
199.	PT Jambi Prima Coal	Subsidiary of State Owned Enterprise
200.	PT Jaminan Kredit Indonesia	Subsidiary of State Owned Enterprise
201.	PT Jasa Armada Indonesia Tbk	Subsidiary of State Owned Enterprise
202.	PT Jasa Peralatan Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
203.	PT Jasa Prima Logistik	Subsidiary of State Owned Enterprise
204.	PT Jasa Raharja	Subsidiary of State Owned Enterprise
205.	PT Jasamarga Bali Tol	Subsidiary of State Owned Enterprise
206.	PT Jasamarga Balikpapan Samarinda	Subsidiary of State Owned Enterprise
207.	PT Jasamarga Gempol Pasuruan	Subsidiary of State Owned Enterprise
208.	PT Jasamarga Japek Selatan	Subsidiary of State Owned Enterprise
209.	PT Jasamarga Jogja Bawen	Subsidiary of State Owned Enterprise
210.	PT Jasamarga Kualanamu Tol	Subsidiary of State Owned Enterprise
211.	PT Jasamarga Kunciran Cengkareng	Subsidiary of State Owned Enterprise
212.	PT Jasamarga Manado Bitung	Subsidiary of State Owned Enterprise
213.	PT Jasamarga Probolinggo Banyuwangi	Subsidiary of State Owned Enterprise
214.	PT Jasamarga Related Business	Subsidiary of State Owned Enterprise
215.	PT Jasamarga Surabaya Mojokerto	Subsidiary of State Owned Enterprise
216.	PT Jasamarga Tollroad Maintenance	Subsidiary of State Owned Enterprise
217.	PT Jasamarga Tollroad Operator	Subsidiary of State Owned Enterprise
218.	PT Jasamarga Transjawa Tol	Subsidiary of State Owned Enterprise
219.	PT Jasaraharja Putera	Subsidiary of State Owned Enterprise
220.	PT Jawa Satu Power	Subsidiary of State Owned Enterprise
221.	PT Jembatan Nusantara	Subsidiary of State Owned Enterprise
222.	PT KA Logistik	Subsidiary of State Owned Enterprise
223.	PT KA Pariwisata	Subsidiary of State Owned Enterprise
224.	PT KA Properti Manajemen	Subsidiary of State Owned Enterprise
225.	PT Kalimantan Agro Nusantara	Subsidiary of State Owned Enterprise
226.	PT Kalimantan Jawa Gas	Subsidiary of State Owned Enterprise
227.	PT Kalimantan Medika Nusantara	Subsidiary of State Owned Enterprise
228.	PT Kaltim Daya Mandiri	Subsidiary of State Owned Enterprise
229.	PT Kaltim Industrial Estate	Subsidiary of State Owned Enterprise
230.	PT Kaltim Jasa Sekuriti	Subsidiary of State Owned Enterprise
231.	PT Kaltim Kariangau Terminal	Subsidiary of State Owned Enterprise
232.	PT Kawasan Berikat Nusantara	Subsidiary of State Owned Enterprise
233.	PT Kawasan Industri Gresik	Subsidiary of State Owned Enterprise
234.	PT Kawasan Industri Kujang Cikampek	Subsidiary of State Owned Enterprise
235.	PT Kawasan Industri Makassar	Subsidiary of State Owned Enterprise
236.	PT Kawasan Industri Medan	Subsidiary of State Owned Enterprise
237.	PT Kawasan Industri Terpadu Batang	Subsidiary of State Owned Enterprise
238.	PT Kawasan Industri Wijayakusuma	Subsidiary of State Owned Enterprise
239.	PT KBN Graha Medika	Subsidiary of State Owned Enterprise
240.	PT KBN Prima Logistik	Subsidiary of State Owned Enterprise
241.	PT Kereta Commuter Indonesia	Subsidiary of State Owned Enterprise
242.	PT Kertas Padalarang	Subsidiary of State Owned Enterprise
243.	PT Kharisma Pemasaran Bersama Nusantara	Subsidiary of State Owned Enterprise
244.	PT Kilang Pertamina Balikpapan	Subsidiary of State Owned Enterprise
245.	PT Kilang Pertamina International	Subsidiary of State Owned Enterprise
246.	PT Kimia Farma Apotek	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
247.	PT Kimia Farma Diagnostik	Subsidiary of State Owned Enterprise
248.	PT Kimia Farma Sungwun Pharmacopia	Subsidiary of State Owned Enterprise
249.	PT Kimia Farma Tbk	Subsidiary of State Owned Enterprise
250.	PT Kimia Farma Trading dan Distribution	Subsidiary of State Owned Enterprise
251.	PT Kliring Berjangka Indonesia	Subsidiary of State Owned Enterprise
252.	PT Kliring Perdagangan Berjangka Indonesia	Subsidiary of State Owned Enterprise
253.	PT Kodja Terramarin	Subsidiary of State Owned Enterprise
254.	PT Komipo Pembangkitan Jawa Bali	Subsidiary of State Owned Enterprise
255.	PT Krakatau Baja Konstruksi (formerly PT Krakatau Wijatama)	Subsidiary of State Owned Enterprise
256.	PT Krakatau Bandar Samudra	Subsidiary of State Owned Enterprise
257.	PT Krakatau Daya Listrik	Subsidiary of State Owned Enterprise
258.	PT Krakatau Engineering	Subsidiary of State Owned Enterprise
259.	PT Krakatau Global Trading (formerly PT Krakatau National Resources)	Subsidiary of State Owned Enterprise
260.	PT Krakatau Information Technology	Subsidiary of State Owned Enterprise
261.	PT Krakatau Jasa Industri (formerly PT Purna Sentana Baja)	Subsidiary of State Owned Enterprise
262.	PT Krakatau Jasa Logistik	Subsidiary of State Owned Enterprise
263.	PT Krakatau Medika	Subsidiary of State Owned Enterprise
264.	PT Krakatau Niaga Indonesia	Subsidiary of State Owned Enterprise
265.	PT Krakatau Pipe Industries (formerly KHI Pipe Industries)	Subsidiary of State Owned Enterprise
266.	PT Krakatau Sarana Infrastruktur	Subsidiary of State Owned Enterprise
267.	PT Krakatau Tirta Industri	Subsidiary of State Owned Enterprise
268.	PT Lamong Energi Indonesia	Subsidiary of State Owned Enterprise
269.	PT Lamong Nusantara Gas	Subsidiary of State Owned Enterprise
270.	PT Laras Astra Kartika	Subsidiary of State Owned Enterprise
271.	PT LEN Railway Systems	Subsidiary of State Owned Enterprise
272.	PT LEN Telekomunikasi Indonesia	Subsidiary of State Owned Enterprise
273.	PT Limbong Hidro Energi	Subsidiary of State Owned Enterprise
274.	PT Liran Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
275.	PT Mandau Cipta Tenaga Nusantara	Subsidiary of State Owned Enterprise
276.	PT Marga Sarana Jabar	Subsidiary of State Owned Enterprise
277.	PT Marga Trans Nusantara	Subsidiary of State Owned Enterprise
278.	PT Mega Citra Utama	Subsidiary of State Owned Enterprise
279.	PT Melon Indonesia	Subsidiary of State Owned Enterprise
280.	PT Menara Maritim Indonesia	Subsidiary of State Owned Enterprise
281.	PT Meratus Jaya Iron & Steel	Subsidiary of State Owned Enterprise
282.	PT Merese Mandalika Nusantara	Subsidiary of State Owned Enterprise
283.	PT Merpati Training Centre	Subsidiary of State Owned Enterprise
284.	PT Metra Digital Investama	Subsidiary of State Owned Enterprise
285.	PT Metra Digital Media	Subsidiary of State Owned Enterprise
286.	PT Metranet	Subsidiary of State Owned Enterprise
287.	PT Metraplaza	Subsidiary of State Owned Enterprise
288.	PT MGPA Nusantara Jaya	Subsidiary of State Owned Enterprise
289.	PT Miangas Bahtera Laju Abadi	Subsidiary of State Owned Enterprise
290.	PT Minahasa Brantas Energi	Subsidiary of State Owned Enterprise
291.	PT Mirtasari Hotel Development	Subsidiary of State Owned Enterprise
292.	PT Mitra Cipta Polasarana	Subsidiary of State Owned Enterprise
293.	PT Mitra Dagang Madani	Subsidiary of State Owned Enterprise
294.	PT Mitra Kerinci	Subsidiary of State Owned Enterprise
295.	PT Mitra Proteksi Madani	Subsidiary of State Owned Enterprise
296.	PT Mitra Rajawali Banjaran	Subsidiary of State Owned Enterprise
297.	PT Mitra Tekno Madani	Subsidiary of State Owned Enterprise
298.	PT Mitra Tour & Travel	Subsidiary of State Owned Enterprise
299.	PT Mitrasraya Adhijasa	Subsidiary of State Owned Enterprise
300.	PT Mitratani Dua Tujuh	Subsidiary of State Owned Enterprise
301.	PT Multi Terminal Indonesia	Subsidiary of State Owned Enterprise
302.	PT Multimedia Nusantara	Subsidiary of State Owned Enterprise
303.	PT Nasional Hijau Lestari	Subsidiary of State Owned Enterprise
304.	PT Nikel Halmahera Timur (NHT)	Subsidiary of State Owned Enterprise
305.	PT Nindya Beton	Subsidiary of State Owned Enterprise
306.	PT Nindya Karya	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
307.	PT Nusa Karya Arindo	Subsidiary of State Owned Enterprise
308.	PT Nusa Pratama Property	Subsidiary of State Owned Enterprise
309.	PT Nusantara Batulicin	Subsidiary of State Owned Enterprise
310.	PT Nusantara Medika Utama	Subsidiary of State Owned Enterprise
311.	PT Nusantara Regas	Subsidiary of State Owned Enterprise
312.	PT Nusantara Sebelas Medika	Subsidiary of State Owned Enterprise
313.	PT Nusantara Sukses Investasi	Subsidiary of State Owned Enterprise
314.	PT Nusantara Terminal Services	Subsidiary of State Owned Enterprise
315.	PT Nusantara Turbin dan Propulsi	Subsidiary of State Owned Enterprise
316.	PT Nutech Integrasi	Subsidiary of State Owned Enterprise
317.	PT Optima Nusa Tujuh	Subsidiary of State Owned Enterprise
318.	PT Paguntaka Cahaya Nusantara	Subsidiary of State Owned Enterprise
319.	PT PAL Indonesia	Subsidiary of State Owned Enterprise
320.	PT PAL Marine Service	Subsidiary of State Owned Enterprise
321.	PT Palawi Risorsis	Subsidiary of State Owned Enterprise
322.	PT PANN Pembiayaan Maritim	Subsidiary of State Owned Enterprise
323.	PT Patra Drilling Contractor	Subsidiary of State Owned Enterprise
324.	PT Patra Jasa	Subsidiary of State Owned Enterprise
325.	PT Patra Logistik	Subsidiary of State Owned Enterprise
326.	PT Patra Nusa Data	Subsidiary of State Owned Enterprise
327.	PT Patra Trading	Subsidiary of State Owned Enterprise
328.	PT Pefindo Biro Kredit	Subsidiary of State Owned Enterprise
329.	PT Pegadaian	Subsidiary of State Owned Enterprise
330.	PT Pegadaian Galeri Dua Empat	Subsidiary of State Owned Enterprise
331.	PT Pekanbaru Permai Propertindo	Subsidiary of State Owned Enterprise
332.	PT Pelabuhan Bukit Prima	Subsidiary of State Owned Enterprise
333.	PT Pelabuhan Tanjung Priok	Subsidiary of State Owned Enterprise
334.	PT Pelayanan Energi Batam	Subsidiary of State Owned Enterprise
335.	PT Pelayanan Listrik Nasional Batam	Subsidiary of State Owned Enterprise
336.	PT Pelayaran Bahtera Adhiguna	Subsidiary of State Owned Enterprise
337.	PT Pelindo Daya Sejahtera	Subsidiary of State Owned Enterprise
338.	PT Pelindo Energi Logistik	Subsidiary of State Owned Enterprise
339.	PT Pelindo Husada Citra	Subsidiary of State Owned Enterprise
340.	PT Pelindo Jasa Maritim	Subsidiary of State Owned Enterprise
341.	PT Pelindo Marine Service	Subsidiary of State Owned Enterprise
342.	PT Pelindo Multi Terminal	Subsidiary of State Owned Enterprise
343.	PT Pelindo Properti Indonesia	Subsidiary of State Owned Enterprise
344.	PT Pelindo Terminal Petikemas	Subsidiary of State Owned Enterprise
345.	PT Pelita Air Service	Subsidiary of State Owned Enterprise
346.	PT Pelita Indonesia Djaya Corporation	Subsidiary of State Owned Enterprise
347.	PT Pemalang Batang Toll Road	Subsidiary of State Owned Enterprise
348.	PT Pembangunan Jawa Bali	Subsidiary of State Owned Enterprise
349.	PT Pendawa Lestari Perkasa	Subsidiary of State Owned Enterprise
350.	PT Pendidikan Maritim dan Logistik Indonesia	Subsidiary of State Owned Enterprise
351.	PT Pengembang Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
352.	PT Pengerukan Indonesia	Subsidiary of State Owned Enterprise
353.	PT Perjaya Bravo Energi	Subsidiary of State Owned Enterprise
354.	PT Perikanan Indonesia	Subsidiary of State Owned Enterprise
355.	PT Perkebunan Mitra Ogan	Subsidiary of State Owned Enterprise
356.	PT Perkebunan Nusantara I	Subsidiary of State Owned Enterprise
357.	PT Perkebunan Nusantara II	Subsidiary of State Owned Enterprise
358.	PT Perkebunan Nusantara IV	Subsidiary of State Owned Enterprise
359.	PT Perkebunan Nusantara V	Subsidiary of State Owned Enterprise
360.	PT Perkebunan Nusantara VI	Subsidiary of State Owned Enterprise
361.	PT Perkebunan Nusantara VII	Subsidiary of State Owned Enterprise
362.	PT Perkebunan Nusantara VIII	Subsidiary of State Owned Enterprise
363.	PT Perkebunan Nusantara IX	Subsidiary of State Owned Enterprise
364.	PT Perkebunan Nusantara X	Subsidiary of State Owned Enterprise
365.	PT Perkebunan Nusantara XI	Subsidiary of State Owned Enterprise
366.	PT Perkebunan Nusantara XII	Subsidiary of State Owned Enterprise
367.	PT Perkebunan Nusantara XIII	Subsidiary of State Owned Enterprise
368.	PT Perkebunan Nusantara XIV	Subsidiary of State Owned Enterprise
369.	PT Permata Graha Nusantara	Subsidiary of State Owned Enterprise
370.	PT Permodalan Nasional Madani	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
371.	PT Perta Arun Gas	Subsidiary of State Owned Enterprise
372.	PT Pertagas Niaga	Subsidiary of State Owned Enterprise
373.	PT Pertamina Bina Medika	Subsidiary of State Owned Enterprise
374.	PT Pertamina Drilling Services Indonesia	Subsidiary of State Owned Enterprise
375.	PT Pertamina EP	Subsidiary of State Owned Enterprise
376.	PT Pertamina EP Cepu Alas Dara dan Kemuning	Subsidiary of State Owned Enterprise
377.	PT Pertamina Gas	Subsidiary of State Owned Enterprise
378.	PT Pertamina Geothermal Energy	Subsidiary of State Owned Enterprise
379.	PT Pertamina Hulu Energi	Subsidiary of State Owned Enterprise
380.	PT Pertamina Hulu Indonesia	Subsidiary of State Owned Enterprise
381.	PT Pertamina Hulu Mahakam	Subsidiary of State Owned Enterprise
382.	PT Pertamina Hulu Rokan	Subsidiary of State Owned Enterprise
383.	PT Pertamina Hulu Sanga Sanga	Subsidiary of State Owned Enterprise
384.	PT Pertamina Internasional Eksplorasi dan Produksi	Subsidiary of State Owned Enterprise
385.	PT Pertamina International Shipping	Subsidiary of State Owned Enterprise
386.	PT Pertamina International Timor SA	Subsidiary of State Owned Enterprise
387.	PT Pertamina Lubricants	Subsidiary of State Owned Enterprise
388.	PT Pertamina Malaysia EP	Subsidiary of State Owned Enterprise
389.	PT Pertamina Marine Engineering	Subsidiary of State Owned Enterprise
390.	PT Pertamina Marine Solution	Subsidiary of State Owned Enterprise
391.	PT Pertamina Patra Niaga	Subsidiary of State Owned Enterprise
392.	PT Pertamina Pedeve Indonesia	Subsidiary of State Owned Enterprise
393.	PT Pertamina Port and Logistic	Subsidiary of State Owned Enterprise
394.	PT Pertamina Power Indonesia	Subsidiary of State Owned Enterprise
395.	PT Pertamina Retail	Subsidiary of State Owned Enterprise
396.	PT Pertamina Training dan Consulting	Subsidiary of State Owned Enterprise
397.	PT Pertamina Trans Kontinental	Subsidiary of State Owned Enterprise
398.	PT Pertani Properti	Subsidiary of State Owned Enterprise
399.	PT Peruri Digital Security	Subsidiary of State Owned Enterprise
400.	PT Peruri Properti	Subsidiary of State Owned Enterprise
401.	PT Perusahaan Gas Negara Tbk	Subsidiary of State Owned Enterprise
402.	PT Perusahaan Pengelola Aset	Subsidiary of State Owned Enterprise
403.	PT Perusahaan Perdagangan Indonesia	Subsidiary of State Owned Enterprise
404.	PT Pesonna Indonesia Jaya	Subsidiary of State Owned Enterprise
405.	PT Pesonna Optima Jasa	Subsidiary of State Owned Enterprise
406.	PT Peteka Karya Tirta	Subsidiary of State Owned Enterprise
407.	PT Petrokimia Gresik	Subsidiary of State Owned Enterprise
408.	PT Petrokimia Kayaku	Subsidiary of State Owned Enterprise
409.	PT Petronesia Benimel	Subsidiary of State Owned Enterprise
410.	PT Petronika	Subsidiary of State Owned Enterprise
411.	PT Petrosida Gresik	Subsidiary of State Owned Enterprise
412.	PT PG Rajawali I	Subsidiary of State Owned Enterprise
413.	PT PG Rajawali II	Subsidiary of State Owned Enterprise
414.	PT PGAS Solution	Subsidiary of State Owned Enterprise
415.	PT PGAS Telekomunikasi Nusantara	Subsidiary of State Owned Enterprise
416.	PT PGN LNG Indonesia	Subsidiary of State Owned Enterprise
417.	PT Phapros Tbk	Subsidiary of State Owned Enterprise
418.	PT PHE Abar	Subsidiary of State Owned Enterprise
419.	PT PHE Metana Kalimantan B	Subsidiary of State Owned Enterprise
420.	PT PHE Metana Sumatera 5	Subsidiary of State Owned Enterprise
421.	PT PHE West Madura Offshore	Subsidiary of State Owned Enterprise
422.	PT PIM Prima Medika	Subsidiary of State Owned Enterprise
423.	PT Pindad	Subsidiary of State Owned Enterprise
424.	PT Pindad Enjiniring Indonesia	Subsidiary of State Owned Enterprise
425.	PT Pindad Medika Utama	Subsidiary of State Owned Enterprise
426.	PT PINS Indonesia	Subsidiary of State Owned Enterprise
427.	PT PJB Investasi	Subsidiary of State Owned Enterprise
428.	PT PJB Service	Subsidiary of State Owned Enterprise
429.	PT PLN Batubara	Subsidiary of State Owned Enterprise
430.	PT PLN Tarakan	Subsidiary of State Owned Enterprise
431.	PT PLNBB Niaga	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
432.	PT PNM Investment Management	Subsidiary of State Owned Enterprise
433.	PT Pos Logistik Indonesia	Subsidiary of State Owned Enterprise
434.	PT Pos Properti Indonesia	Subsidiary of State Owned Enterprise
435.	PT PP Energi	Subsidiary of State Owned Enterprise
436.	PT PP Infrastruktur	Subsidiary of State Owned Enterprise
437.	PT PP Presisi Tbk	Subsidiary of State Owned Enterprise
438.	PT PP Properti Jababeka Residen	Subsidiary of State Owned Enterprise
439.	PT PP Properti Tbk	Subsidiary of State Owned Enterprise
440.	PT PP Semarang Demak	Subsidiary of State Owned Enterprise
441.	PT PP Tirta Riau	Subsidiary of State Owned Enterprise
442.	PT PP Urban Tbk	Subsidiary of State Owned Enterprise
443.	PT PPA Finance	Subsidiary of State Owned Enterprise
444.	PT PPA Kapital	Subsidiary of State Owned Enterprise
445.	PT Pratama Mitra Sejati	Subsidiary of State Owned Enterprise
446.	PT Prima Armada Raya	Subsidiary of State Owned Enterprise
447.	PT Prima Husada Cipta Medan	Subsidiary of State Owned Enterprise
448.	PT Prima Indonesia Logistik	Subsidiary of State Owned Enterprise
449.	PT Prima Layanan Nasional Enjinering	Subsidiary of State Owned Enterprise
450.	PT Prima Layanan Niaga Suku Cadang	Subsidiary of State Owned Enterprise
451.	PT Prima Medica Nusantara	Subsidiary of State Owned Enterprise
452.	PT Prima Multi Terminal	Subsidiary of State Owned Enterprise
453.	PT Prima Pengembangan Kawasan	Subsidiary of State Owned Enterprise
454.	PT Prima Power Nusantara	Subsidiary of State Owned Enterprise
455.	PT Prima Terminal Peti Kemas	Subsidiary of State Owned Enterprise
456.	PT Propernas Griya Utama	Subsidiary of State Owned Enterprise
457.	PT Pupuk Indonesia Energi	Subsidiary of State Owned Enterprise
458.	PT Pupuk Indonesia Logistik	Subsidiary of State Owned Enterprise
459.	PT Pupuk Indonesia Niaga (formerly PT Mega Eltra)	Subsidiary of State Owned Enterprise
460.	PT Pupuk Indonesia Pangan	Subsidiary of State Owned Enterprise
461.	PT Pupuk Iskandar Muda	Subsidiary of State Owned Enterprise
462.	PT Pupuk Kalimantan Timur	Subsidiary of State Owned Enterprise
463.	PT Pupuk Kujang Cikampek	Subsidiary of State Owned Enterprise
464.	PT Pupuk Sriwidjaja Palembang	Subsidiary of State Owned Enterprise
465.	PT Purantara Mitra Angkasa Dua	Subsidiary of State Owned Enterprise
466.	PT Puspetindo	Subsidiary of State Owned Enterprise
467.	PT Pusri Agro Lestari	Subsidiary of State Owned Enterprise
468.	PT Putra Indo Tenaga	Subsidiary of State Owned Enterprise
469.	PT Railink	Subsidiary of State Owned Enterprise
470.	PT Rajawali Citramass	Subsidiary of State Owned Enterprise
471.	PT Rajawali Nusindo	Subsidiary of State Owned Enterprise
472.	PT Rajawali Tanjungsari Enjiniring	Subsidiary of State Owned Enterprise
473.	PT Rantepao Hidro Energi	Subsidiary of State Owned Enterprise
474.	PT Ratah Timber	Subsidiary of State Owned Enterprise
475.	PT Reasuransi Nasional Indonesia	Subsidiary of State Owned Enterprise
476.	PT Reasuransi Syariah Indonesia	Subsidiary of State Owned Enterprise
477.	PT Recon Sarana Utama	Subsidiary of State Owned Enterprise
478.	PT Rekadaya Elekrika	Subsidiary of State Owned Enterprise
479.	PT Rekaindo Global Jasa	Subsidiary of State Owned Enterprise
480.	PT Rekayasa Cakrawala Resources	Subsidiary of State Owned Enterprise
481.	PT Rekayasa Engineering	Subsidiary of State Owned Enterprise
482.	PT Rekayasa Industri	Subsidiary of State Owned Enterprise
483.	PT Rekind Daya Mamuju	Subsidiary of State Owned Enterprise
484.	PT Reksasentosa Dinamika	Subsidiary of State Owned Enterprise
485.	PT Reska Multi Usaha	Subsidiary of State Owned Enterprise
486.	PT Riset Perkebunan Nusantara	Subsidiary of State Owned Enterprise
487.	PT Rolas Nusantara Mandiri	Subsidiary of State Owned Enterprise
488.	PT Rolas Nusantara Medika	Subsidiary of State Owned Enterprise
489.	PT Rolas Nusantara Tambang	Subsidiary of State Owned Enterprise
490.	PT Rumah Sakit Pelabuhan	Subsidiary of State Owned Enterprise
491.	PT Rumah Sakit Pelni	Subsidiary of State Owned Enterprise
492.	PT Sabre Travel Network Indonesia	Subsidiary of State Owned Enterprise
493.	PT Sahung Brantas Energi	Subsidiary of State Owned Enterprise
494.	PT Saka Energi Bangkanai Barat	Subsidiary of State Owned Enterprise
495.	PT Saka Energi Indonesia	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
496.	PT Sang Hyang Seri	Subsidiary of State Owned Enterprise
497.	PT Sarana Aceh Ventura	Subsidiary of State Owned Enterprise
498.	PT Sarana Agro Nusantara	Subsidiary of State Owned Enterprise
499.	PT Sarana Bandar Logistik	Subsidiary of State Owned Enterprise
500.	PT Sarana Bandar Nasional	Subsidiary of State Owned Enterprise
501.	PT Sarana Bengkulu Ventura	Subsidiary of State Owned Enterprise
502.	PT Sarana Jabar Ventura	Subsidiary of State Owned Enterprise
503.	PT Sarana Jakarta Ventura	Subsidiary of State Owned Enterprise
504.	PT Sarana Jambi Ventura	Subsidiary of State Owned Enterprise
505.	PT Sarana Jateng Ventura	Subsidiary of State Owned Enterprise
506.	PT Sarana Jatim Ventura	Subsidiary of State Owned Enterprise
507.	PT Sarana Kalbar Ventura	Subsidiary of State Owned Enterprise
508.	PT Sarana Kalsel Ventura	Subsidiary of State Owned Enterprise
509.	PT Sarana Kaltim Ventura	Subsidiary of State Owned Enterprise
510.	PT Sarana Multigriya Finansial	Subsidiary of State Owned Enterprise
511.	PT Sarana Papua Ventura	Subsidiary of State Owned Enterprise
512.	PT Sarana Riau Ventura	Subsidiary of State Owned Enterprise
513.	PT Sarana Sulsel Ventura	Subsidiary of State Owned Enterprise
514.	PT Sarana Sulut Ventura	Subsidiary of State Owned Enterprise
515.	PT Sarana Surakarta Ventura	Subsidiary of State Owned Enterprise
516.	PT Sari Valuta Asing	Subsidiary of State Owned Enterprise
517.	PT Sarinah	Subsidiary of State Owned Enterprise
518.	PT Satria Bahana Sarana	Subsidiary of State Owned Enterprise
519.	PT Semen Baturaja (Persero) Tbk	Subsidiary of State Owned Enterprise
520.	PT Semen Gresik	Subsidiary of State Owned Enterprise
521.	PT Semen Indogreen Sentosa	Subsidiary of State Owned Enterprise
522.	PT Semen Indonesia Aceh	Subsidiary of State Owned Enterprise
523.	PT Semen Indonesia Beton	Subsidiary of State Owned Enterprise
524.	PT Semen Indonesia Distributor	Subsidiary of State Owned Enterprise
525.	PT Semen Indonesia International	Subsidiary of State Owned Enterprise
526.	PT Semen Indonesia Logistik	Subsidiary of State Owned Enterprise
527.	PT Semen Kupang Indonesia	Subsidiary of State Owned Enterprise
528.	PT Semen Padang	Subsidiary of State Owned Enterprise
529.	PT Semen Tonasa	Subsidiary of State Owned Enterprise
530.	PT Senggigi Pratama Internasional	Subsidiary of State Owned Enterprise
531.	PT Sepatim Batamtama	Subsidiary of State Owned Enterprise
532.	PT Sepoetih Daya Prima	Subsidiary of State Owned Enterprise
533.	PT SIER	Subsidiary of State Owned Enterprise
534.	PT SIER Puspa Utama	Subsidiary of State Owned Enterprise
535.	PT Sigma Cipta Caraka	Subsidiary of State Owned Enterprise
536.	PT Sigma Cipta Utama	Subsidiary of State Owned Enterprise
537.	PT Sigma Utama	Subsidiary of State Owned Enterprise
538.	PT Sinergi Gula Nusantara	Subsidiary of State Owned Enterprise
539.	PT Sinergi Informatika Semen Indonesia	Subsidiary of State Owned Enterprise
540.	PT Sinergi Mitra Investama	Subsidiary of State Owned Enterprise
541.	PT Sinergi Perkebunan Nusantara	Subsidiary of State Owned Enterprise
542.	PT Sinkona Indonesia Lestari	Subsidiary of State Owned Enterprise
543.	PT Sintas Kurama Perdana	Subsidiary of State Owned Enterprise
544.	PT Solusi Bangun Andalas	Subsidiary of State Owned Enterprise
545.	PT Solusi Bangun Beton	Subsidiary of State Owned Enterprise
546.	PT Solusi Bangun Indonesia Tbk	Subsidiary of State Owned Enterprise
547.	PT Solusi Energy Nusantara	Subsidiary of State Owned Enterprise
548.	PT Sri Pamela Medika Nusantara	Subsidiary of State Owned Enterprise
549.	PT Sucofindo	Subsidiary of State Owned Enterprise
550.	PT Sucofindo Advisory Utama	Subsidiary of State Owned Enterprise
551.	PT Sucofindo Episi	Subsidiary of State Owned Enterprise
552.	PT Sumberdaya Arindo	Subsidiary of State Owned Enterprise
553.	PT Surveyor Carbon Consulting Indonesia	Subsidiary of State Owned Enterprise
554.	PT Surveyor Indonesia	Subsidiary of State Owned Enterprise
555.	PT Surya Energi Indotama	Subsidiary of State Owned Enterprise
556.	PT Swadarma Sarana Informatika	Subsidiary of State Owned Enterprise
557.	PT Tanjung Alam Jaya	Subsidiary of State Owned Enterprise
558.	PT Telekomunikasi Indonesia International	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
559.	PT Telekomunikasi Selular	Subsidiary of State Owned Enterprise
560.	PT Telemedia Dinamika Sarana	Subsidiary of State Owned Enterprise
561.	PT Telkom Akses	Subsidiary of State Owned Enterprise
562.	PT Telkom Data Ekosistem (TDE) (formerly PT Sigma Tata Sadaya)	Subsidiary of State Owned Enterprise
563.	PT Telkom Landmark Tower	Subsidiary of State Owned Enterprise
564.	PT Telkom Satelit Indonesia	Subsidiary of State Owned Enterprise
565.	PT Telkomsel Ekosistem Digital	Subsidiary of State Owned Enterprise
566.	PT Terminal Petikemas Surabaya	Subsidiary of State Owned Enterprise
567.	PT Terminal Teluk Lamong	Subsidiary of State Owned Enterprise
568.	PT Tiar Daya Hidro	Subsidiary of State Owned Enterprise
569.	PT Timah Agro Manunggal	Subsidiary of State Owned Enterprise
570.	PT Timah Industri	Subsidiary of State Owned Enterprise
571.	PT Timah Investasi Mineral	Subsidiary of State Owned Enterprise
572.	PT Timah Karya Persada Properti	Subsidiary of State Owned Enterprise
573.	PT Timah Tbk	Subsidiary of State Owned Enterprise
574.	PT Tirta Tangsel Mandiri	Subsidiary of State Owned Enterprise
575.	PT Tracon Industri	Subsidiary of State Owned Enterprise
576.	PT Trans Jabar Tol	Subsidiary of State Owned Enterprise
577.	PT Tugu Pratama Interindo	Subsidiary of State Owned Enterprise
578.	PT TWC BP dan RB	Subsidiary of State Owned Enterprise
579.	PT United Tractors Semen Gresik	Subsidiary of State Owned Enterprise
580.	PT Varia Usaha Bahari	Subsidiary of State Owned Enterprise
581.	PT Varia Usaha Beton	Subsidiary of State Owned Enterprise
582.	PT Varia Usaha Dharma Segara	Subsidiary of State Owned Enterprise
583.	PT Varia Usaha Lintas Segara	Subsidiary of State Owned Enterprise
584.	PT Waskita Beton Precast Tbk	Subsidiary of State Owned Enterprise
585.	PT Waskita Bumi Wira	Subsidiary of State Owned Enterprise
586.	PT Waskita Fim Perkasa Realti	Subsidiary of State Owned Enterprise
587.	PT Waskita Karya Infrastruktur	Subsidiary of State Owned Enterprise
588.	PT Waskita Karya Realty	Subsidiary of State Owned Enterprise
589.	PT Waskita Sangir Energi	Subsidiary of State Owned Enterprise
590.	PT Waskita Sriwijaya Tol	Subsidiary of State Owned Enterprise
591.	PT Waskita Toll Road	Subsidiary of State Owned Enterprise
592.	PT Waskita Wado Energy	Subsidiary of State Owned Enterprise
593.	PT Wege Solusi Proklamasi	Subsidiary of State Owned Enterprise
594.	PT Widar Mandipa Nusantara	Subsidiary of State Owned Enterprise
595.	PT Wijaya Karya Aspal	Subsidiary of State Owned Enterprise
596.	PT Wijaya Karya Bangunan Gedung Tbk	Subsidiary of State Owned Enterprise
597.	PT Wijaya Karya Beton Tbk	Subsidiary of State Owned Enterprise
598.	PT Wijaya Karya Bitumen	Subsidiary of State Owned Enterprise
599.	PT Wijaya Karya Industri dan Konstruksi	Subsidiary of State Owned Enterprise
600.	PT Wijaya Karya Pracetak Gedung	Subsidiary of State Owned Enterprise
601.	PT Wijaya Karya Realty	Subsidiary of State Owned Enterprise
602.	PT Wijaya Karya Rekayasa Konstruksi	Subsidiary of State Owned Enterprise
603.	PT Wijaya Karya Serang Panimbang	Subsidiary of State Owned Enterprise
604.	PT WIKA Industri Manufaktur	Subsidiary of State Owned Enterprise
605.	PT WIKA Komponen Beton	Subsidiary of State Owned Enterprise
606.	PT WIKA Krakatau Beton	Subsidiary of State Owned Enterprise
607.	PT Wisma Seratus Sejahtera	Subsidiary of State Owned Enterprise
608.	PT Yasa Industri Nusantara	Subsidiary of State Owned Enterprise
609.	Saka Indonesia Pangkah BV	Subsidiary of State Owned Enterprise
610.	Timah International Investment Pte Ltd	Subsidiary of State Owned Enterprise
611.	PT Fintek Karya Nusantara	Associate Company of State Owned Enterprise
612.	Perum BULOG	State Owned Enterprise
613.	Perum Damri	State Owned Enterprise
614.	Perum Jasa Tirta I	State Owned Enterprise
615.	Perum Jasa Tirta II	State Owned Enterprise
616.	Perum Lembaga Kantor Berita Nasional Antara	State Owned Enterprise
617.	Perum LPPNPI	State Owned Enterprise
618.	Perum Pengangkutan Penumpang Djakarta	State Owned Enterprise
619.	Perum Percetakan Negara Republik Indonesia	State Owned Enterprise
620.	Perum Percetakan Uang Republik Indonesia	State Owned Enterprise
621.	Perum Perhutani	State Owned Enterprise
622.	Perum Perumnas	State Owned Enterprise
623.	PT Adhi Karya (Persero) Tbk	State Owned Enterprise
624.	PT Amarta Karya (Persero)	State Owned Enterprise
625.	PT ASABRI (Persero)	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
626.	PT ASDP Indonesia Ferry (Persero)	State Owned Enterprise
627.	PT Asuransi Jiwasraya (Persero)	State Owned Enterprise
628.	PT Aviastri Pariwisata Indonesia (Persero)	State Owned Enterprise
629.	PT Bahana Pembinaan Usaha Indonesia (Persero)	State Owned Enterprise
630.	PT Bank Negara Indonesia (Persero) Tbk	State Owned Enterprise
631.	PT Bank Rakyat Indonesia (Persero) Tbk	State Owned Enterprise
632.	PT Bank Tabungan Negara (Persero) Tbk	State Owned Enterprise
633.	PT Barata Indonesia (Persero)	State Owned Enterprise
634.	PT Bina Karya (Persero)	State Owned Enterprise
635.	PT BioFarma (Persero)	State Owned Enterprise
636.	PT Biro Klasifikasi Indonesia (Persero)	State Owned Enterprise
637.	PT Boma Bisma Indra (Persero)	State Owned Enterprise
638.	PT Brantas Abipraya (Persero)	State Owned Enterprise
639.	PT Danareksa (Persero)	State Owned Enterprise
640.	PT Djakarta Lloyd (Persero)	State Owned Enterprise
641.	PT Dok dan Perkapalan Kodja Bahari (Persero)	State Owned Enterprise
642.	PT Dok dan Perkapalan Surabaya (Persero)	State Owned Enterprise
643.	PT Garuda Indonesia (Persero) Tbk	State Owned Enterprise
644.	PT Hutama Karya (Persero)	State Owned Enterprise
645.	PT Iglas (Persero)	State Owned Enterprise
646.	PT Indah Karya (Persero)	State Owned Enterprise
647.	PT Indonesia Asahan Aluminium (Persero)	State Owned Enterprise
648.	PT Indra Karya (Persero)	State Owned Enterprise
649.	PT Industri Kapal Indonesia (Persero)	State Owned Enterprise
650.	PT Industri Kereta Api (Persero)	State Owned Enterprise
651.	PT Industri Sandang Nusantara (Persero)	State Owned Enterprise
652.	PT Industri Telekomunikasi Indonesia (Persero)	State Owned Enterprise
653.	PT Istaka Karya (Persero)	State Owned Enterprise
654.	PT Jasa Marga (Persero) Tbk	State Owned Enterprise
655.	PT Kereta Api Indonesia (Persero)	State Owned Enterprise
656.	PT Kertas Kraft Aceh (Persero)	State Owned Enterprise
657.	PT Kertas Leces (Persero) (in insolvency)	State Owned Enterprise
658.	PT Krakatau Steel (Persero) Tbk	State Owned Enterprise
659.	PT LEN Industri (Persero)	State Owned Enterprise
660.	PT Merpati Nusantara Airlines (Persero)	State Owned Enterprise
661.	PT PANN (Persero)	State Owned Enterprise
662.	PT PDI Pulau Batam (Persero)	State Owned Enterprise
663.	PT Pelabuhan Indonesia (Persero)	State Owned Enterprise
664.	PT Pelayaran Nasional Indonesia (Persero)	State Owned Enterprise
665.	PT Pembangunan Perumahan (Persero) Tbk	State Owned Enterprise
666.	PT Pengembangan Pariwisata Indonesia (Persero)	State Owned Enterprise
667.	PT Perkebunan Nusantara III (Persero)	State Owned Enterprise
668.	PT Pertamina (Persero)	State Owned Enterprise
669.	PT Perusahaan Listrik Negara (Persero)	State Owned Enterprise
670.	PT Pos Indonesia (Persero)	State Owned Enterprise
671.	PT Primmisima (Persero)	State Owned Enterprise
672.	PT Pupuk Indonesia (Persero)	State Owned Enterprise
673.	PT Rajawali Nusantara Indonesia (Persero)	State Owned Enterprise
674.	PT Reasuransi Indonesia Utama (Persero)	State Owned Enterprise
675.	PT Sarana Multi Infrastruktur	State Owned Enterprise
676.	PT Semen Indonesia (Persero) Tbk	State Owned Enterprise
677.	PT Semen Kupang (Persero)	State Owned Enterprise
678.	PT Taspen (Persero)	State Owned Enterprise
679.	PT Telkom Indonesia (Persero) Tbk	State Owned Enterprise
680.	PT Varuna Tirta Prakasya (Persero)	State Owned Enterprise
681.	PT Virama Karya (Persero)	State Owned Enterprise
682.	PT Waskita Karya (Persero) Tbk	State Owned Enterprise
683.	PT Wijaya Karya (Persero) Tbk	State Owned Enterprise
684.	PT Yodya Karya (Persero)	State Owned Enterprise
685.	BPJS Kesehatan	Social Security Institution
686.	BPJS Ketenagakerjaan	Social Security Institution
687.	Perusahaan Penerbit SBSN Indonesia	Social Security Institution
688.	Lembaga Pembiayaan Ekspor Indonesia	Financial Institution
689.	PT Penjaminan Infrastruktur Indonesia	Financial Institution
690.	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 and sharia receivable/financing, consumer financing receivables, acceptance receivables, investment in shares, derivative payables, deposit from customers, deposits from other bank, acceptance payables, debt securities issued, fund borrowings, subordinated loans and subordinated debt, *syirkah* funds, unused loan facility, guarantees issued in the form of bank guarantee and standby letter of credit, and irrevocable 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 Oversight Committee, Sharia Supervisory Board and Senior Executive Vice President and Senior Vice President (Note 50) for the period ended 30 June 2023 and 2022 amounted to Rp788,359 and Rp761,003 or 3.21% and 3.18% of total consolidated other operating expenses, respectively.

Details of transactions with related parties as of 30 June 2023 and 31 December 2022, are as follows:

	30 June 2023	31 December 2022
<u>Assets</u>		
Current accounts with other banks (Note 5a)	1,245,718	110,733
Placements with Bank Indonesia and other banks (Note 6b)	2,427,895	3,080,128
Marketable securities (Note 7a)	23,768,036	27,290,577
Government bonds (Note 8)	317,302,804	329,211,764
Other receivables - trade transactions (Note 9a)	9,628,483	15,157,619
Securities purchased under agreements to resell (Note 10)	953,951	-
Derivative receivables (Note 11)	91,253	110,208
Loans and sharia receivables/financing (Note 12A.a)	217,151,441	199,385,546
Consumer financing receivables (Note 13a)	10,176	7,846
Acceptance receivables (Note 15a)	2,054,003	1,897,509
Investments in shares (Note 16a)	1,779,968	1,775,847
Total assets with related parties	576,413,728	578,027,777
Total consolidated assets	1,963,987,471	1,992,544,687
Percentage of total assets with related parties to total consolidated assets	29.35%	29.01%

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57. RELATED PARTY TRANSACTIONS (continued)

Details of transactions with related parties as of 30 June 2023 and 31 December 2022, are as follows (continued):

	30 June 2023	31 December 2022
<u>Liabilities</u>		
Deposits from customers		
Demand deposits and <i>wadiah</i> demand deposits (Note 21a)	141,834,497	157,247,418
Saving deposits and <i>wadiah</i> saving deposit (Note 22a)	7,741,187	6,850,898
Time deposits (Note 23a)	32,066,010	30,665,985
Deposits from other banks		
Demand deposits, <i>wadiah</i> demand deposit and saving deposits (Note 24a)	519,249	174,243
Time deposits (Note 26a)	-	467,025
Derivative payables (Note 11)	132,887	86,933
Acceptance payables (Note 29a)	2,297,331	1,750,123
Debt securities issued (Note 30)	5,275,600	5,603,550
Fund borrowings (Note 36)	2,058,639	2,210,704
Subordinated loans and marketable securities (Note 37)	82,000	87,000
Total liabilities with related parties	192,007,400	205,143,879
Total consolidated liabilities	1,516,625,484	1,544,096,631
Percentage of total liabilities with related parties to total consolidated liabilities	12.66%	13.29%
Temporary <i>syirkah</i> funds (Note 38)	40,209,002	31,645,978
Percentage to total temporary <i>syirkah</i> funds	20.93%	16.13%
	Period ended 30 June	
	2023	2022
<u>Statement of profit or loss and other comprehensive income</u>		
Interest income from government bonds and treasury bills (Note 41)	8,438,740	8,035,860
Percentage to interest income and sharia Income	13.15%	15.18%
Interest expense from fund borrowings (Note 42)	43,734	8,742
Percentage to interest expense and sharia expense	0.26%	0.08%
	30 June 2023	31 December 2022
Commitments and contingencies (Note 55)		
Unused loan facilities	99,533,795	75,635,375
Outstanding irrevocable letter of credit	6,962,322	13,991,579
Guarantees issued in the form of bank guarantee	31,786,926	36,092,991
Commitments and contingencies (Note 55)		
Guarantees issued in the form of standby letter of credit	6,970,576	5,810,458
Total commitments and contingencies for related parties	145,253,619	131,530,403

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57. RELATED PARTY TRANSACTIONS (continued)

Details of transactions with related parties as of 30 June 2023 and 31 December 2022, are as follows (continued):

	30 June 2023	31 December 2022
Total consolidated commitments and contingencies - net	329,292,676	310,289,256
Percentages of total commitments and contingencies with related parties to total commitments and contingencies - net	44.11%	42.39%

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 30 June 2023 and 31 December 2022:

- 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 Subsidiary 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.

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58. SEGMENT INFORMATION (continued)

Description	30 June 2023 ¹⁾										Total
	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 ^{***)}	
Consolidated statements of profit or loss and other comprehensive income											
Interest and sharia income ^{*)}	21,686,250	10,713,325	3,550,633	35,182,203	11,666,486	294,492	10,940,886	216,567	6,001,250	(36,061,354)	64,190,738
Interest and sharia expense ^{*)}	(14,209,680)	(7,379,763)	(2,039,359)	(12,913,899)	(10,615,260)	(210,740)	(2,778,299)	-	(2,107,351)	35,370,550	(16,883,801)
Net interest and sharia income	7,476,570	3,333,562	1,511,274	22,268,304	1,051,226	83,752	8,162,587	216,567	3,893,899	(690,804)	47,306,937
Net premium income	-	-	-	-	-	-	-	1,266,634	-	(321,054)	945,580
Net interest, sharia and premium income	7,476,570	3,333,562	1,511,274	22,268,304	1,051,226	83,752	8,162,587	1,483,201	3,893,899	(1,011,858)	48,252,517
Other operating income:											
Fees and commission	1,243,240	393,042	214,171	3,506,306	173,634	1,830,856	1,241,333	-	946,945	(325,122)	9,224,405
Others	194,490	75,722	12,348	2,657,910	1,353,344	2,600,709	955,238	671,603	1,159,481	(566,192)	9,114,653
Total	1,437,730	468,764	226,519	6,164,216	1,526,978	4,431,565	2,196,571	671,603	2,106,426	(891,314)	18,339,058
Reversal of/(allowance for) impairment losses on financial assets and others	(818,114)	97,800	(105,046)	(13,380,475)	(78,986)	9,349,837	(1,942,228)	-	(764,263)	-	(7,641,475)
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 - net	-	-	-	-	-	-	30,780	4,883	(14,299)	-	21,364
Other operating expenses:											
Salaries and employee benefit expenses	(110,112)	(164,548)	(54,510)	(1,194,252)	(70,803)	(6,211,793)	(2,343,755)	(268,766)	(1,653,125)	321,054	(11,750,610)
General and administrative expenses	(45,890)	(51,097)	(60,205)	(690,198)	(68,332)	(5,007,730)	(2,132,282)	(396,044)	(1,092,161)	-	(9,543,939)
Others - net	(284,716)	(123,069)	(72,470)	(772,449)	(183,913)	(935,145)	(378,333)	(593,069)	(242,279)	326,421	(3,259,022)
Total	(440,718)	(338,714)	(187,185)	(2,656,899)	(323,048)	(12,154,668)	(4,854,370)	(1,257,879)	(2,987,565)	647,475	(24,553,571)
Non-operating income/(expense) - net	-	-	-	-	-	32,175	6,404	-	(17,156)	-	21,423
Tax expense	-	-	-	-	-	(5,283,171)	(817,779)	(122,108)	(512,657)	-	(6,735,715)
Net income	7,655,468	3,561,412	1,445,562	12,395,146	2,176,170	(3,540,510)	2,781,965	779,700	1,704,385	(1,255,697)	27,703,601
Net income attributable to:											
Parent Entity	-	-	-	-	-	-	-	-	-	-	25,231,887
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	2,471,714
Consolidated statement of financial position											
Loans and sharia receivables/financing - gross	375,682,350	215,697,118	50,803,686	336,129,069	6,368,324	77	220,282,486	-	38,911,677	(5,068,750)	1,238,806,037
Total assets	383,806,343	201,246,135	52,032,738	330,022,276	318,422,597	242,611,234	313,640,731	44,513,725	105,762,123	(28,070,431)	1,963,987,471
Demand deposits and wadiah demand deposits	(221,848,329)	(81,125,325)	(56,561,358)	(92,556,609)	(4,626,294)	(2,551,163)	(19,551,452)	-	(1,946,656)	4,000,762	(476,766,424)
Saving deposits and wadiah saving deposits	(14,894,348)	(17,867,450)	(948,506)	(399,243,902)	(207,008)	-	(41,294,283)	-	(8,343,972)	-	(482,799,469)
Time deposits	(31,542,869)	(33,019,478)	(26,019,582)	(145,319,856)	(10,809,498)	(1,801,076)	-	-	(31,884,857)	1,348,644	(279,048,572)
Total deposit from customers	(268,285,546)	(132,012,253)	(83,529,446)	(637,120,367)	(15,642,800)	(4,352,239)	(60,845,735)	-	(42,175,485)	5,349,406	(1,238,614,465)
Total liabilities	(269,408,561)	(132,658,501)	(83,373,894)	(638,381,645)	(45,171,701)	(148,906,084)	(85,423,145)	(39,950,077)	(86,776,632)	13,424,756	(1,516,625,484)

¹⁾ In accordance with operating segments of Bank Mandiri (Note 2ak).

^{*)} Include component of internal transfer pricing among operating segments.

^{***)} Include elimination of internal transfer pricing or reclassification among operating segments and elimination for Subsidiaries.

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58. SEGMENT INFORMATION (continued)

Description	30 June 2022 ¹⁾										Total
	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 ^{***)}	
Consolidated statements of profit or loss and other comprehensive income											
Interest and sharia income ^{*)}	12,925,765	7,390,518	1,867,704	27,916,652	8,308,806	218,285	9,376,126	165,122	4,856,263	(20,090,965)	52,934,276
Interest and sharia expense ^{*)}	(6,814,244)	(3,798,373)	(1,086,488)	(11,369,793)	(1,894,750)	(70,782)	(1,839,777)	-	(1,641,923)	17,414,585	(11,101,545)
Net interest and sharia income	6,111,521	3,592,145	781,216	16,546,859	6,414,056	147,503	7,536,349	165,122	3,214,340	(2,676,380)	41,832,731
Net premium income	-	-	-	-	-	-	-	1,580,987	-	(206,139)	1,374,848
Net interest, sharia and premium income	6,111,521	3,592,145	781,216	16,546,859	6,414,056	147,503	7,536,349	1,746,109	3,214,340	(2,882,519)	43,207,579
Other operating income:											
Fees and commission	1,088,817	346,150	182,296	3,255,240	203,012	1,512,401	1,202,392	-	663,466	(348,434)	8,105,340
Others	177,797	61,312	32,414	1,895,160	1,998,218	1,346,957	596,173	409,414	1,126,072	(399,637)	7,243,880
Total	1,266,614	407,462	214,710	5,150,400	2,201,230	2,859,358	1,798,565	409,414	1,789,538	(748,071)	15,349,220
Reversal of/(allowance for) impairment losses on financial assets and others	278,241	(1,670,920)	(10,801)	(3,552,173)	10,451	(133,561)	(1,927,172)	-	(648,660)	(431)	(7,655,026)
Unrealised gains/(losses) from increase/(decrease) in fair value of policy holders' investment in unit-link contracts	-	-	-	-	-	-	-	(213)	-	-	(213)
Gain on sale of marketable securities and government bonds - net	-	-	-	-	-	701,477	-	26,189	26,494	-	754,160
Other operating expenses:											
Salaries and employee benefit expenses	(88,052)	(148,672)	(46,607)	(1,176,828)	(68,381)	(6,217,966)	(2,260,761)	(260,639)	(1,687,592)	206,138	(11,749,360)
General and administrative expenses	(44,872)	(44,396)	(65,528)	(597,960)	(52,045)	(4,882,174)	(2,045,674)	(404,356)	(865,894)	-	(9,002,899)
Others - net	(202,385)	(100,201)	(73,411)	(732,169)	(184,235)	(877,262)	(374,118)	(671,217)	(322,990)	362,052	(3,175,936)
Total	(335,309)	(293,269)	(185,546)	(2,506,957)	(304,661)	(11,977,402)	(4,680,553)	(1,336,212)	(2,876,476)	568,190	(23,928,195)
Non-operating income/(expense) - net	-	-	-	-	-	7,029	22,623	-	448	-	30,100
Tax expense	-	-	-	-	-	(4,505,464)	(629,204)	(167,155)	(411,494)	-	(5,713,317)
Net income	7,321,067	2,035,418	799,579	15,638,129	8,321,076	(12,901,060)	2,120,608	678,132	1,094,190	(3,062,831)	22,044,308
Net income attributable to:											
Parent Entity	-	-	-	-	-	-	-	-	-	-	20,209,210
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	1,835,098
Consolidated statement of financial position ^{****)}											
Loans and sharia receivables/financing - 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	(40,636,466)	(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).

^{*)} Include component of internal transfer pricing among operating segments.

^{***)} Include elimination of internal transfer pricing or reclassification among operating segments and elimination for Subsidiaries.

^{****)} For the year ended 31 December 2022

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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 period ended 30 June 2023:

	Indonesia	Asia	West Europe	Cayman Islands	Consolidated
Consolidated statements of profit or loss and other comprehensive income					
Interest and sharia income	61,358,721	1,975,914	78,121	777,982	64,190,738
Interest and sharia expense	(15,720,013)	(884,644)	(46,016)	(233,128)	(16,883,801)
Net interest and sharia income	45,638,708	1,091,270	32,105	544,854	47,306,937
Net premium income	945,580	-	-	-	945,580
Net interest, sharia and premium income	46,584,288	1,091,270	32,105	544,854	48,252,517
Other operating income:					
Fees and commissions	9,000,027	191,142	-	33,236	9,224,405
Others	8,949,350	120,810	2,932	41,561	9,114,653
Total	17,949,377	311,952	2,932	74,797	18,339,058
(Allowance for)/reversal of impairment losses on financial assets and others	(7,423,761)	(218,391)	677	-	(7,641,475)
Gain on sale of marketable securities and government bonds - net	21,364	-	-	-	21,364
Other operating expenses:					
Salaries and employee benefit expenses	(11,616,456)	(110,653)	(16,338)	(7,163)	(11,750,610)
General, administrative expenses and others	(12,701,510)	(79,238)	(11,295)	(10,918)	(12,802,961)
Total	(24,317,966)	(189,891)	(27,633)	(18,081)	(24,553,571)
Non operating income/ (expense) - net	537,356	(264,537)	-	(251,396)	21,423
Tax expense	(6,623,796)	(110,490)	(1,429)	-	(6,735,715)
Net income	26,726,862	619,913	6,652	350,174	27,703,601
Net income attributable to:					
Parent Entity	-	-	-	-	25,231,887
Non-controlling interest	-	-	-	-	2,471,714
Consolidated statement of financial position					
Loans and sharia receivables/financing - gross	1,166,646,628	49,769,643	327,276	22,062,490	1,238,806,037
Total assets	1,854,060,394	77,025,230	3,240,162	29,661,685	1,963,987,471
Demand deposits and wadiah demand deposits	(466,671,227)	(9,751,731)	(343,466)	-	(476,766,424)
Saving deposits and wadiah saving deposits	(479,919,653)	(2,879,816)	-	-	(482,799,469)
Time deposits	(276,554,083)	(2,494,489)	-	-	(279,048,572)
Total deposit from customers	(1,223,144,963)	(15,126,036)	(343,466)	-	(1,238,614,465)
Total liabilities	(1,443,550,491)	(56,336,972)	(2,476,685)	(14,261,336)	(1,516,625,484)

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58. SEGMENT INFORMATION (continued)

Geographical segment (continued)

Information on geographical segment for the period ended 30 June 2022:

	Indonesia	Asia	West Europe	Cayman Islands	Consolidated
Consolidated statements of profit or loss and other comprehensive income					
Interest and sharia income	51,744,614	831,859	34,701	323,102	52,934,276
Interest and sharia expense	(10,847,633)	(180,838)	(9,420)	(63,654)	(11,101,545)
Net interest and sharia income	40,896,981	651,021	25,281	259,448	41,832,731
Net premium income	1,374,848	-	-	-	1,374,848
Net interest, sharia and premium income	42,271,829	651,021	25,281	259,448	43,207,579
Other operating income:					
Fees and commissions	7,916,757	180,355	-	8,228	8,105,340
Others	7,191,302	40,282	7,102	5,194	7,243,880
Total	15,108,059	220,637	7,102	13,422	15,349,220
(Allowance for)/reversal of impairment losses on financial assets and others	(7,523,888)	(130,300)	(838)	-	(7,655,026)
Unrealised gains/(losses) from increase/(decrease) in fair value of marketable securities, government bonds and policyholders' investment in unit-link contracts	(213)	-	-	-	(213)
Gain on sale of marketable securities and government bonds - net	687,441	63,473	-	3,246	754,160
Other operating expenses:					
Salaries and employee benefit expenses	(11,622,955)	(108,190)	(14,296)	(3,919)	(11,749,360)
General, administrative expenses and others	(12,073,396)	(80,694)	(11,029)	(13,716)	(12,178,835)
Total	(23,696,351)	(188,884)	(25,325)	(17,635)	(23,928,195)
Non operating income/(expense) - net	61,129	(13,723)	-	(17,306)	30,100
Tax expense	(5,587,044)	(125,551)	(722)	-	(5,713,317)
Net income	21,320,962	476,673	5,498	241,175	22,044,308
Net income attributable to:					
Parent Entity	-	-	-	-	20,209,210
Non-controlling interest	-	-	-	-	1,835,098
Consolidated statement of financial position^{*)}					
Loans and sharia receivables/financing - 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 wadiah demand deposits	(511,480,446)	(7,324,681)	(272,835)	-	(519,077,962)
Saving deposits and wadiah 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)

^{*)} For the year ended 31 December 2022

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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.

In calculating capital adequacy, the Bank refers to POJK No. 11/POJK.03/2016 regarding Minimum Capital Adequacy Requirement for Commercial Banks, as amended by POJK No. 34/POJK.03/2016 and POJK No. 27/POJK.03/2022.

For or the calculation of Risk-Weighted Assets (RWA), the Bank employs Standardized Approach, which in accordance with Basel III Reforms (Standardized Approach) for Credit Risk, which effective since January 2023. For Market Risk, the Bank employs Basel II Standardized Measurement Method and employs Value at Risk internally. For Operational Risk, the Bank employs Standardized Approach which in accordance with Basel III Reforms, which effective since January 2023.

The calculation result of Risk Weighted Assets (Credit, Operational and Market) and Capital Adequacy Ratio (CAR) as of 30 June 2023 and 2022 (Bank Mandiri only) are as follows:

	Period ended 30 June	
	2023	2022
Capital:		
Core capital	180,543,177	160,862,626
Supplementary capital	11,332,204	10,068,457
Total capital for credit risk, operational risk and market risk	191,875,381	170,931,083
Risk-Weighted Assets for credit ¹	896,263,910	785,993,109
Risk-Weighted Assets for operational ²	58,720,278	133,826,964
Risk-Weighted Assets for market ³	6,488,268	8,653,144
Total Risk-Weighted Assets for credit, operational and market risk	961,472,456	928,473,217

¹ Referring to SEOJK No. 24/SEOJK.03/2021 regarding Guidelines for Calculation of Risk Weighted Assets ("RWA") for Credit Risk Using the Standardized Approach, SEOJK No. 48/SEOJK.03/2017 regarding Guidelines for Calculation of Net Receivables of Derivative Transactions in Risk-Weighted Asset Calculations for Credit Risk Using the Standardized Approach and POJK No. 11/POJK.03/2019 regarding Prudential Principles in Assets Securitization Activities for Commercial Banks.

² Referring to SEOJK No. 6/SEOJK.03/2020 regarding Calculation of Risk-Weighted Assets for Operational Risk Using the Standardized Approach for Commercial Banks.

³ Referring to SEOJK No. 38/SEOJK.03/2016 regarding Guidelines for the Use of Standardized Method in Calculation of Minimum Capital Adequacy Requirement for Commercial Banks by Taking Market Risk Into Account.

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59. CAPITAL ADEQUACY RATIO (continued)

Capital risk management (continued)

	Period ended 30 June	
	2023	2022
CAR for core capital	18.78%	17.33%
CAR for credit risk, operational risk and market risk	19.96%	18.41%
Minimum CAR core capital ⁴	6.00%	6.00%
Minimum CAR based on risk profile ⁵	9.68%	9.83%

The Bank's capital adequacy ratio on a consolidated basis as of 30 June 2023 and 2022 including credit, operational and market risk are 20.70% and 18.23%, 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 30 June 2023 and 31 December 2022 (Bank Mandiri only) are 0.96% and 1.09%, 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 30 June 2023 and 31 December 2022 compared to the minimum allowance for impairment losses on earning assets under the guidelines prescribed by Bank Indonesia as of 30 June 2023 and 31 December 2022 are 205.71% and 194.70%, 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 30 June 2023 and 31 December 2022 are 9.21% and 9.52%, respectively.

⁴ Based on POJK No. 27/POJK.03/2022 regarding Second Amendment to POJK No. 11/POJK.03/2016 regarding Minimum Capital Adequacy Requirement for Commercial Banks, Banks are required to maintain a minimum common equity tier 1 capital of 6% (six percent) from RWA, both on an individual basis and consolidated with Subsidiaries.

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 Depositary Receipts (ADR) and Global Depositary 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 30 June 2023 and 31 December 2022, Bank Mandiri's Custodian has 15,585 and 14,662 customers, respectively, which consist of pension funds, insurance companies, banks, foundation, securities companies, mutual funds, other institution/legal entity and individual customer. Total portfolio by currencies as of 30 June 2023 are amounted to Rp815,314,292 million, USD2,860 million (full amount) and EUR0.61 million (full amount), and as of 31 December 2022 are amounted to Rp815,382,074 million, USD2,626 million (full amount) and EUR1.94 million (full amount). 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 30 June 2023, Bank Mandiri as the Trustee manage 128 customers with the total value of bonds and MTN issued based on currency amounted Rp75,372,453 and for the year ended 31 December 2022 managed 83 customers with the total value of bonds and MTN issued amounted Rp77,771,685.

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 also managing 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/acquisition, 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:

	30 June 2023	31 December 2022
Government:		
Agriculture	164,958	173,403
Manufacturing	14,543	14,543
	179,501	187,946

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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 Investeringsbank 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 (DRHTI) 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 in the principal, including the interest and other charges such as loan documentation management. As compensation, Bank Mandiri receives banking fee which varies from 0.50% - 2%.

63. RISK MANAGEMENT

Bank Mandiri implements independent risk management in accordance with standards that refer to the regulations of FSA, Bank Indonesia 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 POJK 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 to support the business risks and comply with regulator requirements
Liquidity and Funding	▪ Maintain a strong liquidity position under a variety of stressful conditions ▪ Maintain stable and well-diversified funding
Credit Risk	▪ 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 according to the Bank's appetite
Compliance Risks	Intolerance for violation of regulatory compliance (which results in sanctions/fines) according to the Bank's appetite
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)

Conducting risk identification, measurement, and monitoring, establishing risk management policies and strategies. In addition, formulating credit policies, overseeing the implementation of credit policies, monitoring the development and conditions of the credit portfolio and also providing recommendations for improvement.

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 in condition of financial stress/crisis, ALCO has the function and responsibility to monitor Bank's risk and financial indicators which state in the Recovery Plan in which these indicators exceed the set limits.

4. Policy & Procedure Committee (PPC)

PPC is a committee that assist the Board of Directors in arrangement of Company Regulations in the form of policies and/or procedures, as well as arrangement of granting authority to Company executives on an ex-officio basis.

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 in order to carry out the monitoring roles.

A. Credit risk

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 eyes principles which are Wholesale Risk and Retail Risk. Independent Risk Management Unit who are responsible directly to Risk Management Director, which are Credit Portfolio Risk Group, Market Risk Group, Operational Risk Group and Policy & Procedure Group.

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-eyes 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-eyes 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 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 internal data (transaction, funding or lending) 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 (SFAS 71).

Aside from Credit Rating and Scoring, 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. In assessing and monitoring credit quality, the Bank adheres to regulatory requirements, emphasizing the principle of prudence by conducting a review of the three pillars, namely business prospects, financial performance and the debtor's repayment ability. 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 Corporate and Commercial segments are performed at debtor level through Watchlist analysis (Early Warning Analysis) and collectability review based on 3 pillars.

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 Limit and Industry Acceptance Criteria.

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 Limit (IL) is used to determines maximum exposure limit for a particular industrial sector to avoid concentration risk meanwhile, 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.

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 anticipates and take actions earlier 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 Endemic COVID-19 Condition

During the COVID-19 Pandemic, Bank Mandiri actively participated in various national programs initiated by the Government to boost economy recovery (*Pemulihan Ekonomi Nasional* (PEN)), including government fund's distribution, loan guarantees and interest subsidies. Currently, the validity period of all relaxation programs has ended according to each related regulation, and there is no further information on the renewal of regulations or continuation of the program. Nevertheless, Bank Mandiri continues to actively monitor existing portfolios that one received PEN program's benefits during the COVID-19 Pandemic to ensure that credit quality can be maintained properly.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

Credit Risk Management in Endemic COVID-19 Condition (continued)

Apart from those program, the Bank also implemented a credit restructuring policy for debitur affected by Covid-19, which alligns with the policy dynamics and regulations issued by the Regulators based an PJO No. 11 year 2020 and its amandments. As a continuation, in order to ensure that the end of national economic stimulus (relaxation) programs implementation smoothly landed, as well as in a broader context, the Financial Services Authority (OJK) through POJK No. 19 year 2022 establish the relaxation/restructuring program that can be carried out on debtors within the scope of certain regions and 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 states that the credit quality for restructured debtors is determined to be Performance Loan (PL) since the restructuring is carried out while the determination and announcement of areas/sectors affected by disaster conditions will be made by OJK.

Furthermore, POJK NO. 19 year 2022 followed by FSA Board of Commissioners Decision No. 34/KDK.03/2022 dated 25 November 2022 stipulated that the Accommodation and Food & Beverage Provision Sector, Textile &Textile Products and Footwear Sector, Micro, Small and Medium enterprise (UMKM) Segment and Bali Province are sectors and region that still require special treatment related to Bank credit or financing. With the issuance of these stipulation, the COVID-19 Restructuring debtors who still require an extension of restructuring but are not eligible for an extension, will be restructured under the normal restructuring category.

Taking into account that the Bank has assessed the debtor's credit quality condition orderly, and supported by analysis which include analysis of real sector development, sectoral analysis, regional analysis, and has made adequate reserves, the Bank has made sufficient preparations as it enters the endemic phase. In addition, as an effort to prevent an increase in NPL and LaR (Loan at Risk), the Bank prepared an action plan for debtors who potentially downgrade to NPL by preparing normal restructuring beyond those regulated in POJK No. 17/POJK.03/2021. Besides referring to the regulations, Bank Mandiri also follows good corporate governance (GCG) in its implementation.

Anticipating the transition period, the Bank made a number of adjustments to the credit monitoring process and mechanism, both for debtors as an entity and for portfolio. A number of these adjustments were made so that the monitoring results could always provide early warning signals and the determination of risk mitigation could be effective in maintaining credit quality during the pandemic.

The Bank constantly reviews the implementation of the credit monitoring mechanism, so that adjustments can be made early when changes in conditions occur with reference to applicable government and regulations.

The government has revoked the Covid-19 pandemic status in Indonesia as of June 2023, yet the Bank is aware that post-pandemic conditions may still have impact on the Banks' risk measurement model (e.g., Rating/Scoring Models, Basel Models and Macroeconomic Models). As part of Risk Model Management, Model Validators and Model Developers evaluate the performance of these models periodically. Model Validators as independent reviewers will consider the latest data when evaluating the models.

Based on FSA Board of Commissioners Decision No. 34/KDK.03/2022 dated 25 November 2022, OJK stipulated that the Accommodation and Food and Beverage Provision Sector, Textile and Textile Products and Footwear Sector, Micro, Small and Medium enterprise (UMKM) Segment and Bali Province are sectors and region that still require special treatment related to Bank credit or financing. The special treatment in accordance with the FSA Board of Commissioners Decision is valid until 31 March 2024.

Referring to the stipulation, as of June 2023, around 32% of Bank Mandiri's COVID-19 Restructuring portfolio are eligible for special treatment in the form of credit restructuring extensions. Meanwhile, debtors who do not qualify but still require further restructuring will be restructured under the Regular Restructuring scheme.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

Credit Risk Management in Endemic COVID-19 Condition (continued)

As of June 2023, 92% of COVID-19 Restructuring debtors have been making payments. This illustrates the improvement in business environment and the debtors' ability to fulfill credit payment obligations. However, the Bank continues to closely monitor the debtors' business conditions through Early Warning Signal or Watchlist indicators, as well as monitors the fulfillment of obligations to the Bank. Considering that 85% of COVID-19 Restructuring debtors have started to make payments on their obligations, the Bank has already made larger credit provisions, in accordance to the debtor's risk profile and projected credit quality, as the Bank's NPL coverage for COVID-19 Restructuring of around 261%, the Bank believes that the end of relaxation will not cause credit quality volatility to the Bank.

(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 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Current Account with Bank Indonesia	89,917,101	107,349,158
Current Account with Other Banks	27,341,562	47,789,700
Placement with Bank Indonesia and other banks	50,563,936	95,320,511
Marketable securities**)		
Government		
Fair value through profit or loss	8,720,675	10,089,149
Fair value through other comprehensive income	1,074,217	1,117,351
Amortised cost	693,778	720,769
Non-government		
Fair value through profit or loss	2,881,930	1,028,671
Fair value through other comprehensive income	25,168,262	28,189,646
Amortised cost	6,296,831	7,232,607
At cost	2,021,942	11,231,444
Government bonds***)		
Fair value through profit or loss	7,788,726	6,972,279
Fair value through other comprehensive income	92,483,371	92,532,086
Amortised cost	169,435,451	180,578,053
At cost	40,839,885	44,213,180
Other receivables - trade transactions	26,856,025	32,188,559
Securities purchased under agreements to resell	16,950,374	11,705,989
Derivatives receivables	1,930,029	2,252,141
Loans and sharia receivables/financing ¹⁾		
Corporate	410,960,907	392,944,033
Commercial	195,128,327	172,687,792
Retail	360,134,672	345,335,169
Sharia	210,601,118	197,020,243

¹⁾ 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 30 June 2023 and 31 December 2022 are as follows (continued):

	30 June 2023	31 December 2022
Consumer financing receivables	26,985,054	23,147,366
Net investment finance leases	5,363,489	5,733,387
Acceptance receivables	9,360,592	11,719,618
Other assets		
Accrued income	9,756,157	9,552,586
Receivables from customer transactions	3,189,480	2,475,579
Receivables from transactions related to ATM and credit card	2,562,552	2,055,245
Receivables from policyholders	379,895	303,300
Sale of accrued marketable securities	1,323,985	231,650
Receivables from government bonds pledged as collateral	1,351,844	3,757,955
	1,808,062,167	1,847,475,216

Credit risk exposures relating to administrative accounts net after allowance for impairment losses as of 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Bank guarantees issued	102,093,966	109,339,109
Unused loan facilities ^{*)}	92,226,688	83,626,620
Outstanding irrevocable letter of credit	19,881,249	28,214,783
Standby letter of credit	15,722,052	11,805,551
	229,923,955	232,986,063

^{*)} 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 30 June 2023 and 31 December 2022, 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 30 June 2023 and 31 December 2022. In the following table, Bank Mandiri and Subsidiaries have allocated exposures based on the geographical area where the transactions are recorded.

	30 June 2023					
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others ^(*)	Total
Current accounts with Bank Indonesia	89,917,101	-	-	-	-	89,917,101
Current accounts with other banks	17,762,678	10	564	-	9,601,199	27,364,451
Placement with Bank Indonesia and other banks	44,480,891	-	-	-	6,084,540	50,565,431
Marketable securities ^(*)						
Government						
Fair value through profit or loss	5,892,745	-	-	-	2,827,930	8,720,675
Fair value through OCI	-	-	-	-	1,074,217	1,074,217
Amortised cost	19,829	-	-	-	673,949	693,778
Non Government						
Fair value through profit or loss	2,882,435	-	-	-	-	2,882,435
Fair value through OCI	24,242,196	-	-	-	943,456	25,185,652
Amortised cost	5,352,312	-	-	-	957,420	6,309,732
At cost	2,033,321	-	-	-	-	2,033,321
Government Bonds ^(**)						
Fair value through profit or loss	7,788,726	-	-	-	-	7,788,726
Fair value through OCI	92,483,371	-	-	-	-	92,483,371
Amortised cost	169,435,451	-	-	-	-	169,435,451
At cost	40,839,885	-	-	-	-	40,839,885
Other receivables-trade transactions	29,141,422	-	-	-	-	29,141,422
Securities purchased under agreements to resell	16,950,374	-	-	-	-	16,950,374
Derivatives receivables	1,792,965	-	-	-	137,064	1,930,029
Loans and sharia receivables/financing ^(*)						
Corporate	307,733,042	35,223,994	5,190,001	14,876,642	68,695,014	431,718,693
Commercial	143,088,603	33,550,909	22,630,013	8,952,032	3,871,371	212,092,928
Retail	241,788,713	64,944,350	28,493,878	30,549,777	8,935,212	374,711,930
Sharia	137,156,131	50,952,697	14,432,216	10,904,727	6,836,715	220,282,486
Consumer financing receivables	17,657,244	4,384,631	3,058,635	2,481,245	167,804	27,749,559
Net investment finance leases	5,003,004	204,553	191,799	86,556	34,534	5,520,446
Acceptance receivables	9,364,482	-	-	-	163,578	9,528,060
Other assets						
Accrued Income	8,016,507	381,421	145,817	346,238	866,174	9,756,157
Receivables from customer transactions	3,198,741	-	-	-	-	3,198,741
Receivables from transactions related to ATM and credit card	2,562,552	-	-	-	-	2,562,552
Receivables to policyholders	379,895	-	-	-	-	379,895
Receivables from sales of marketable securities	1,315,957	-	-	-	8,028	1,323,985
Bonds pledged as collateral	1,351,844	-	-	-	-	1,351,844
	1,429,632,417	189,642,565	74,142,923	68,197,217	111,878,205	1,873,493,327

^(*) Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^(**) Excluding securities which are the investment of 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.

^(****) 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)

	31 December 2022					
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others ^{****)}	Total
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
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 and sharia receivables/financing ^{*)}						
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	8,017,490	383,472	140,808	257,790	753,026	9,552,586
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
	1,483,541,281	183,727,194	68,004,948	65,548,160	113,758,680	1,914,580,263

^{*)} Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**)} Excluding securities which are the investment of 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.

^{****)} 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:

30 June 2023						
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others ^{*)}	Total
Administrative accounts						
Bank guarantees issued	100,475,294	444,308	46,037	57,145	2,132,685	103,155,469
Unused loan facilities ^{*)}	45,785,630	5,819,053	462,142	510,679	39,905,359	92,482,863
Outstanding irrevocable letter of credit	18,772,780	-	-	-	1,169,292	19,942,072
Standby letter of credit	14,999,443	67,776	-	-	691,720	15,758,939
	180,033,147	6,331,137	508,179	567,824	43,899,056	231,339,343
31 December 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

^{*)} 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 30 June 2023 and 31 December 2022.

	30 June 2023						
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others ^(***)	Total
Current accounts with Bank Indonesia	-	89,917,101	-	-	-	-	89,917,101
Current accounts with other banks	-	27,364,451	-	-	-	-	27,364,451
Placement with Bank Indonesia and other banks	-	50,565,431	-	-	-	-	50,565,431
Marketable securities ^(**)							
Government							
Fair value through profit or loss	8,720,675	-	-	-	-	-	8,720,675
Fair value through other comprehensive income	1,074,217	-	-	-	-	-	1,074,217
Amortised cost	693,778	-	-	-	-	-	693,778
Non Government							
Fair value through profit or loss	-	2,658,916	32,539	8	77,064	113,908	2,882,435
Fair value through other comprehensive income	-	21,560,614	141,236	386,915	642,364	2,454,523	25,185,652
Amortised cost	-	1,549,416	729,170	895,000	1,815,956	1,320,190	6,309,732
At cost	-	1,165,521	75,000	85,000	213,800	494,000	2,033,321
Government Bonds ^(***)							
Fair value through profit or loss	7,788,726	-	-	-	-	-	7,788,726
Fair value through other comprehensive income	92,483,371	-	-	-	-	-	92,483,371
Amortised cost	169,435,451	-	-	-	-	-	169,435,451
At cost	40,839,885	-	-	-	-	-	40,839,885
Other receivables-trade transactions	-	1,285,887	-	-	-	27,855,535	29,141,422
Securities purchased under resale agreements	-	16,947,917	-	-	2,457	-	16,950,374
Derivatives receivables	-	7,711	-	-	-	1,922,318	1,930,029
Loans and sharia receivables/financing ⁾							
Corporate	43,114,495	4,231,228	218,737,680	28,243,386	91,588,673	45,803,231	431,718,693
Commercial	-	1,404,772	72,173,442	49,924,767	64,148,397	24,441,550	212,092,928
Retail	-	56,306	20,568,323	38,692,498	94,927,859	220,466,944	374,711,930
Sharia	17,217,331	4,530,661	11,257,483	15,899,287	18,730,054	152,647,670	220,282,486
Consumer financing receivables	55,599	96,350	153,188	70,489	148,190	27,225,743	27,749,559
Net investment finance leases	9,229	7,769	110,220	87,564	69,093	5,236,571	5,520,446
Acceptance receivables	-	1,380,765	1,948,469	44,983	-	6,153,843	9,528,060
Other assets							
Accrued income	5,723,321	240,425	325,072	130,275	525,458	2,811,606	9,756,157
Receivables from customer transactions	-	294,955	-	-	-	2,903,786	3,198,741
Receivables from transactions related to ATM and credit card	-	-	-	-	-	2,562,552	2,562,552
Receivables to policyholders	-	379,895	-	-	-	-	379,895
Sale of accrued marketable securities	-	1,323,985	-	-	-	-	1,323,985
Receivables from Government bonds pledged as collateral	-	1,351,844	-	-	-	-	1,351,844
	387,156,078	228,321,920	326,251,822	134,460,172	272,889,365	524,413,970	1,873,493,327

^(*) Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^(**) Excluding marketable securities from investment 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.

^(****) 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)

	31 December 2022						
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others ^(****)	Total
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
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 ^(**)							
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 and sharia receivables/financing ^(*)							
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	7,387,368	9,552,586
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	504,878,035	1,914,580,263

^{*)} Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**)} Excluding marketable securities from investment 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.

^{****)} 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:

30 June 2023							
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others^{*)}	Total
Administrative accounts							
Bank guarantees issued	3,515	26,347,490	33,360,323	374,049	121,976	42,948,116	103,155,469
Unused loan facilities ^{*)}	35,737,559	2,369,864	4,578,575	1,851,690	-	47,945,175	92,482,863
Outstanding irrevocable letter of credit	-	403,901	3,949,412	205,981	1,218,475	14,164,303	19,942,072
Standby letter of credit	-	300,483	5,531,075	2,151	1,653,422	8,271,808	15,758,939
	35,741,074	29,421,738	47,419,385	2,433,871	2,993,873	113,329,402	231,339,343
31 December 2022							
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others^{*)}	Total
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

^{*)} 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 30 June 2023 and 31 December 2022, exposure to credit risk on financial assets are as follows:

	30 June 2023					
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision	Net
Current account with Bank Indonesia	89,917,101	-	-	89,917,101	-	89,917,101
Current account with other bank	27,364,451	-	-	27,364,451	(22,889)	27,341,562
Placement with Bank Indonesia and others bank	50,565,431	-	-	50,565,431	(1,495)	50,563,936
Marketable securities ^{*)}						
Government						
Fair value through profit or loss	8,720,675	-	-	8,720,675	-	8,720,675
Fair value through other comprehensive income	1,074,217	-	-	1,074,217	-	1,074,217
Amortised cost	693,778	-	-	693,778	-	693,778
Non-government						
Fair value through profit or loss	2,882,435	-	-	2,882,435	(505)	2,881,930
Fair value through other comprehensive income	25,185,652	-	-	25,185,652	(17,390)	25,168,262
Amortised cost	6,309,732	-	-	6,309,732	(12,901)	6,296,831
At cost	2,033,321	-	-	2,033,321	(11,379)	2,021,942
Government Bonds ^{**)}						
Fair value through profit or loss	7,788,726	-	-	7,788,726	-	7,788,726
Fair value through other comprehensive income	92,483,371	-	-	92,483,371	-	92,483,371
Amortised cost	169,435,451	-	-	169,435,451	-	169,435,451
At cost	40,839,885	-	-	40,839,885	-	40,839,885
Other receivables						
trade transactions	22,404,381	5,487,997	1,249,044	29,141,422	(2,285,397)	26,856,025
Securities purchased under resale agreements	16,950,374	-	-	16,950,374	-	16,950,374
Derivatives receivables	1,930,029	-	-	1,930,029	-	1,930,029
Loans and sharia receivables/financing ^{*)}						
Corporate	422,159,969	5,187,805	4,370,919	431,718,693	(20,757,786)	410,960,907
Commercial	201,284,480	4,479,262	6,329,186	212,092,928	(16,964,601)	195,128,327
Retail	354,476,868	14,556,536	5,678,526	374,711,930	(14,577,258)	360,134,672
Sharia	195,832,980	2,018,130	22,431,376	220,282,486	(9,681,368)	210,601,118
Consumer financing receivables	25,595,401	1,806,973	347,185	27,749,559	(764,505)	26,985,054
Net Investment finance leases	5,230,851	267,082	22,513	5,520,446	(156,957)	5,363,489
Acceptance receivables	9,521,926	-	6,134	9,528,060	(167,468)	9,360,592
Other assets						
Accrued income	9,756,157	-	-	9,756,157	-	9,756,157
Receivables from customer transactions	3,191,771	-	6,970	3,198,741	(9,261)	3,189,480
Receivables from transactions related to ATM and credit card	2,562,552	-	-	2,562,552	-	2,562,552
Receivable to policyholders	379,895	-	-	379,895	-	379,895
Sale of accrued marketable securities	1,323,985	-	-	1,323,985	-	1,323,985
Receivables from Government bonds pledged as collateral	1,351,844	-	-	1,351,844	-	1,351,844
	1,799,247,689	33,803,785	40,441,853	1,873,493,327	(65,431,160)	1,808,062,167

^{*)} Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**)} Excluding marketable securities from investment 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.

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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)

	31 December 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
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 and sharia receivables/financing ^{*)}						
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	9,552,586	-	-	9,552,586	-	9,552,586
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
	1,848,971,447	20,649,839	44,958,977	1,914,580,263	(67,105,047)	1,847,475,216

^{*)} Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**)} Excluding marketable securities from investment 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.

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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 30 June 2023 and 31 December 2022, exposure to credit risk on administrative accounts are as follows:

30 June 2023					
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision
Administrative accounts					
Bank guarantees issued	102,871,770	-	283,699	103,155,469	(1,061,503)
Unused loan facilities ^{*)}	91,869,556	526,602	86,705	92,482,863	(256,175)
Outstanding irrevocable letter of credit	19,942,072	-	-	19,942,072	(60,823)
Standby letter of credit	15,758,939	-	-	15,758,939	(36,887)
	230,442,337	526,602	370,404	231,339,343	(1,415,388)
					229,923,955

31 December 2022					
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision
Administrative accounts					
Bank guarantees issued	110,774,344	-	232,163	111,006,507	(1,667,398)
Unused loan facilities ^{*)}	83,274,830	560,464	70,098	83,905,392	(278,772)
Outstanding irrevocable letter of credit	28,314,070	-	3,211	28,317,281	(102,498)
Standby letter of credit	11,830,312	-	-	11,830,312	(24,761)
	234,193,556	560,464	305,472	235,059,492	(2,073,429)
					232,986,063

^{*)} 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 30 June 2023 and 31 December 2022, details of the quality of financial assets that are neither past due or nor impaired based on internal ratings are as follows:

	30 June 2023		
	Not under Monitoring¹⁾	Under monitoring²⁾	Total
Assets			
Current accounts with Bank Indonesia	89,917,101	-	89,917,101
Current accounts with other banks	27,364,451	-	27,364,451
Placement with Bank Indonesia and other banks	50,565,431	-	50,565,431
Marketable securities ^{*)}			
Government			
Fair value through profit or loss	8,720,675	-	8,720,675
Fair value through other comprehensive income	1,074,217	-	1,074,217
Amortised cost	693,778	-	693,778
Non Government			
Fair value through profit or loss	2,882,435	-	2,882,435
Fair value through other comprehensive income	25,185,652	-	25,185,652
Amortised cost	6,226,466	83,266	6,309,732
At cost	2,033,321	-	2,033,321
Government Bonds ^{***)}			
Fair value through profit or loss	7,788,726	-	7,788,726
Fair value through other comprehensive income	92,483,371	-	92,483,371
Amortised cost	169,435,451	-	169,435,451
At cost	40,839,885	-	40,839,885
Other receivables-trade transactions	12,287,999	10,116,382	22,404,381
Securities purchased under agreements to resell	16,950,374	-	16,950,374
Derivatives receivables	1,930,029	-	1,930,029
Loans and sharia receivables/financing ¹⁾			
Corporate	335,612,409	86,547,560	422,159,969
Commercial	151,000,708	50,283,772	201,284,480
Retail	345,405,188	9,071,680	354,476,868
Sharia	195,832,980	-	195,832,980
Consumer financing receivables	25,595,401	-	25,595,401
Net Investment finance leases	5,230,851	-	5,230,851
Acceptance receivables	4,817,250	4,704,676	9,521,926
Other assets			
Accrued income	9,756,157	-	9,756,157
Receivables from customer transactions	3,191,771	-	3,191,771
Receivables from transactions related to ATM and credit card	2,562,552	-	2,562,552
Receivables to policyholders	379,895	-	379,895
Sale of accrued marketable securities	1,323,985	-	1,323,985
Receivables from Government bonds pledged as collateral	1,351,844	-	1,351,844
	1,638,440,353	160,807,336	1,799,247,689

¹⁾ 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 30 June 2023 and 31 December 2022, details of the quality of financial assets that are neither past due or nor impaired based on internal ratings are as follows (continued):

	31 December 2022		
	Not under Monitoring¹⁾	Under monitoring²⁾	Total
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 ³⁾			
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
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 ⁴⁾			
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 and sharia receivables/financing ¹⁾			
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	9,552,586	-	9,552,586
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
	1,682,876,162	166,095,285	1,848,971,447

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 policyholders with no credit risk.

³⁾ Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

⁴⁾ Not under monitoring, there is no doubt on the return of financial assets.

⁵⁾ 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 30 June 2023 and 31 December 2022, details of the credit quality of administrative accounts that are neither past due nor impaired based on internal ratings are as follows:

30 June 2023			
	Not under monitoring ¹⁾	Under monitoring ²⁾	Total
Administrative accounts			
Bank guarantees issued	67,844,001	35,027,769	102,871,770
Unused loan facilities ¹⁾	88,858,825	3,010,731	91,869,556
Outstanding irrevocable letter of credit	11,657,397	8,284,675	19,942,072
Standby letter of credit	15,625,259	133,680	15,758,939
	183,985,482	46,456,855	230,442,337
31 December 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 ¹⁾	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.

Bank Mandiri:

There are certain considerations in relation to the debtor's ability in repaying the loan at maturity date. However, up to 30 June 2023 and 31 December 2022, 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 30 June 2023 and 31 December 2022.

Subsidiaries:

Financial assets which have experienced past due in the past but no overdue as of 30 June 2023 and 31 December 2022.

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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 30 June 2023 and 31 December 2022 are as follows:

30 June 2023				
	1 - 30 days	31 - 60 days	61 - 90 days	Total
Assets				
Other receivables - trade transactions	5,487,997	-	-	5,487,997
Loans and sharia receivables/financing				
Corporate	5,187,805	-	-	5,187,805
Commercial	2,177,012	849,104	1,453,146	4,479,262
Retail	9,076,837	2,902,364	2,577,335	14,556,536
Sharia	1,288,931	405,237	323,962	2,018,130
Consumer financing receivables	1,211,051	345,509	250,413	1,806,973
Net investment finance leases	161,031	61,595	44,456	267,082
	24,590,664	4,563,809	4,649,312	33,803,785
31 December 2022				
	1 - 30 days	31 - 60 days	61 - 90 days	Total
Assets				
Other receivables - trade transactions	5,886,049	-	-	5,886,049
Loans and sharia receivables/financing				
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

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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 30 June 2023 and 31 December 2022, are summarised in the tables below:

	30 June 2023¹⁾				
	Corporate	Commercial	Retail	Sharia	Total
Impaired (assessed individually)²⁾					
Gross amount	4,370,841	6,298,397	327,431	2,652,056	13,648,725
Allowance for impairment losses	(3,356,978)	(5,534,378)	(254,311)	(1,364,117)	(10,509,784)
Carrying amount	1,013,863	764,019	73,120	1,287,939	3,138,941
Impaired (assessed collectively)²⁾					
Gross amount	78	30,789	5,351,095	19,779,320	25,161,282
Allowance for impairment losses	(63)	(24,009)	(3,342,374)	(5,775,927)	(9,142,373)
Carrying amount	15	6,780	2,008,721	14,003,393	16,018,909
Total gross amount	4,370,919	6,329,186	5,678,526	22,431,376	38,810,007
Allowance for impairment losses	(3,357,041)	(5,558,387)	(3,596,685)	(7,140,044)	(19,652,157)
Total carrying amount	1,013,878	770,799	2,081,841	15,291,332	19,157,850

¹⁾ Segment of risk management are classified into Corporate, Commercial, Retail and Sharia.

²⁾ 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 Rp22,431,376 with allowance for losses impairment amounting to Rp7,140,044.

	31 December 2022¹⁾				
	Corporate	Commercial	Retail	Sharia	Total
Impaired (assessed individually)²⁾					
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)²⁾					
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

¹⁾ Segment of risk management are classified into Corporate, Commercial, Retail and Sharia.

²⁾ 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.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(iii) Current accounts with other banks

	30 June 2023		
	Non-impaired^{*)}	Impaired	Total
Rupiah	832,929	-	832,929
Foreign currencies	26,531,522	-	26,531,522
Total	27,364,451	-	27,364,451
Less: allowance for impairment losses	(22,889)	-	(22,889)
Net	27,341,562	-	27,341,562

	31 December 2022		
	Non-impaired^{*)}	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

^{*)} Including financial assets of Subsidiary engaged in the field of sharia banking which are evaluated based on the Financial Services Authority Regulation.

(iv) Placement with Bank Indonesia and other banks

	30 June 2023		
	Non-impaired^{*)}	Impaired	Total
Rupiah			
Bank Indonesia	14,478,343	-	14,478,343
Time deposits	2,381,045	-	2,381,045
Call money	550,000	-	550,000
	17,409,388	-	17,409,388
Foreign currencies			
Bank Indonesia	25,787,101	-	25,787,101
Call money	3,994,072	-	3,994,072
Fixed term placement	3,179,967	-	3,179,967
Time deposits	194,903	-	194,903
	33,156,043	-	33,156,043
Total	50,565,431	-	50,565,431
Less: allowance for impairment losses	(1,495)	-	(1,495)
Net	50,563,936	-	50,563,936

^{*)} Including financial assets of Subsidiary engaged in the field of sharia banking which are evaluated based on the Financial Services Authority Regulation.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(iv) Placement with Bank Indonesia and other banks (continued)

	31 December 2022		
	Non-impaired^{*)}	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
	<u>30,811,797</u>	<u>-</u>	<u>30,811,797</u>
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
	<u>64,512,315</u>	<u>-</u>	<u>64,512,315</u>
Total	<u>95,324,112</u>	<u>-</u>	<u>95,324,112</u>
Less: allowance for impairment losses	(3,601)	-	(3,601)
Net	<u>95,320,511</u>	<u>-</u>	<u>95,320,511</u>

^{*)} Including financial assets of Subsidiary engaged in the field of sharia banking which are evaluated based on the Financial Services Authority Regulation.

(v) Marketable securities

	30 June 2023^{*)}		
	Non-impaired	Impaired	Total
Government			
Rupiah			
Bonds	885,110	-	885,110
	<u>885,110</u>	<u>-</u>	<u>885,110</u>
Foreign currencies			
Treasury bills	8,858,340	-	8,858,340
Treasury bond	745,220	-	745,220
	<u>9,603,560</u>	<u>-</u>	<u>9,603,560</u>
	<u>10,488,670</u>	<u>-</u>	<u>10,488,670</u>
Non-government			
Rupiah			
Investments in mutual fund	20,337,199	-	20,337,199
Bonds	7,038,082	-	7,038,082
Sukuk of Bank Indonesia	3,090,464	-	3,090,464
Sharia corporation bonds	807,764	-	807,764
Export bills	748,756	-	748,756
Medium term notes	504,452	-	504,452
Shares	325,817	-	325,817
Asset-backed security	135,913	-	135,913
	<u>32,988,447</u>	<u>-</u>	<u>32,988,447</u>
Total	<u>32,988,447</u>	<u>-</u>	<u>32,988,447</u>

^{*)} Including financial assets of Subsidiary engaged in the field of sharia banking which are evaluated based on the Financial Services Authority Regulation. 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)

30 June 2023^{*)}			
	Non-impaired	Impaired	Total
Non-government (continued)			
Foreign currencies			
Bonds	3,177,049	-	3,177,049
Export bills	245,644	-	245,644
Total	3,422,693	-	3,422,693
Total	36,411,140	-	36,411,140
Less: allowance for impairment losses	46,899,810 (42,175)	-	46,899,810 (42,175)
Net	46,857,635	-	46,857,635
31 December 2022^{*)}			
	Non-impaired	Impaired	Total
Government			
Rupiah			
Bonds	19,498	-	19,498
Total	19,498	-	19,498
Foreign currencies			
Treasury bills	11,907,771	-	11,907,771
Total	11,927,269	-	11,927,269
Non-government			
Rupiah			
Investments in mutual fund	19,190,989	-	19,190,989
Certificates of Bank Indonesia	8,903,272	-	8,903,272
Bonds	8,047,087	-	8,047,087
Export bills	1,104,554	-	1,104,554
Sharia Compliant Interbank Fund Management Certificate ("SIPA")	934,000	-	934,000
Sharia corporation bonds	742,800	-	742,800
Interbank Mudharabah Investment Certificate ("SIMA")	690,000	-	690,000
Shares	445,760	-	445,760
Medium term notes	405,000	-	405,000
Negotiable certificate of deposit	155,440	-	155,440
Total	40,618,902	-	40,618,902
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
Less: allowance for impairment losses	59,650,828 (41,191)	-	59,650,828 (41,191)
Net	59,609,637	-	59,609,637

^{*)} Including financial assets of Subsidiary engaged in the field of sharia banking which are evaluated based on the Financial Services Authority Regulation. 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

30 June 2023^{*)}			
	Non-impaired	Impaired	Total
Rupiah			
Usance L/C payable at sight	1,292,552	18,116	1,310,668
Supplier Chain Financing receivables	7,701,838	-	7,701,838
Others	9,549,479	189,373	9,738,852
Total	18,543,869	207,489	18,751,358
Foreign currencies			
Usance L/C payable at sight	3,590,934	-	3,590,934
Supplier Chain Financing receivables	42,987	-	42,987
Others	5,714,588	1,041,555	6,756,143
Total	9,348,509	1,041,555	10,390,064
Less: allowance for impairment losses	27,892,378 (1,036,353)	1,249,044 (1,249,044)	29,141,422 (2,285,397)
Net	26,856,025	-	26,856,025
31 December 2022^{*)}			
	Non-impaired	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
Less: allowance for impairment losses	32,509,970 (321,411)	1,283,294 (1,283,294)	33,793,264 (1,604,705)
Net	32,188,559	-	32,188,559

^{*)} Including financial assets of Subsidiary engaged in the field of sharia banking which are evaluated based on the Financial Services Authority Regulation.

(vii) Acceptance receivables

30 June 2023			
	Non-impaired^{*)}	Impaired	Total
Rupiah	4,736,076	-	4,736,076
Foreign currencies	4,785,850	6,134	4,791,984
	9,521,926	6,134	9,528,060
Less: allowance for impairment losses	(162,747)	(4,721)	(167,468)
Net	9,359,179	1,413	9,360,592
31 December 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

^{*)} Including financial assets of Subsidiary engaged in the field of sharia banking which are evaluated based on the Financial Services Authority Regulation.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(viii) Consumer financing receivables

30 June 2023			
	Non-impaired	Impaired	Total
Rupiah	27,402,374	347,185	27,749,559
Less: allowance for impairment losses	(628,740)	(135,765)	(764,505)
Net	26,773,634	211,420	26,985,054

31 December 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

(ix) Securities purchased under agreements to resell

30 June 2023			
	Non-impaired	Impaired	Total
Rupiah	16,950,374	-	16,950,374

31 December 2022			
	Non-impaired	Impaired	Total
Rupiah	11,705,989	-	11,705,989

(x) Net investment finance leases

30 June 2023			
	Non-impaired	Impaired	Total
Rupiah	5,497,932	22,514	5,520,446
Less: allowance for impairment losses	(150,221)	(6,736)	(156,957)
Net	5,347,711	15,778	5,363,489

31 December 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

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(xi) Estimated losses on commitments and contingencies

	30 June 2023		
	Non-impaired ^{*)}	Impaired	Total
Rupiah			
Bank guarantees issued	57,204,091	275,046	57,479,137
Unused loan facilities ^{**)}	50,631,431	86,705	50,718,136
Outstanding irrevocable letter of credit	5,678,524	-	5,678,524
Standby letter of credit	2,058,867	-	2,058,867
Total	115,572,913	361,751	115,934,664
Foreign currencies			
Bank guarantees issued	45,667,679	8,653	45,676,332
Unused loan facilities ^{**)}	41,764,727	-	41,764,727
Outstanding irrevocable letter of credit	14,263,548	-	14,263,548
Standby letter of credit	13,700,072	-	13,700,072
Total	115,396,026	8,653	115,404,679
	230,968,939	370,404	231,339,343
Less: allowance for impairment losses	(1,166,639)	(248,749)	(1,415,388)
Net	229,802,300	121,655	229,923,955

^{*)} Including financial assets of Subsidiary engaged in sharia banking.

^{**)} Including balance amounted to Rp5,620,759 which is classified as "special mention" and the calculation of provision for impairment losses is collectively assessed based on Bank Indonesia Regulation amounted to Rp241,097.

^{***)} Include unused committed and uncommitted credit card facilities.

	31 December 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 Regulation amounted to Rp544,821.

^{***)} 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 30 June 2023 (Bank Mandiri only), the Bank maintained Rupiah primary statutory reserve of 7.69% from total outstanding deposit from customers denominated in Rupiah in accordance with the regulated limit, while for RIM ratio is 0.62% and PLM ratio of 21.55% 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 30 June 2023, 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 30 June 2023, the Banks's RIM is 83.53%.

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 30 June 2023, the Bank's LCR is 169.10%.

NSFR is a ratio of the available stable funding to required stable funding. As of 30 June 2023, the Bank's NSFR is 110.01%.

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 30 June 2023, 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 indONIA, BI 7-days RR, 10-years SUN Yield, Rupiah Banking Liquidity Outstanding, Composite Stock Price Index (IHSG), Rate Interbank Call Money, 10-years UST Yield, USD/IDR Exchange Rate, Indonesia's 5-years Credit Default Swap (CDS) and the current market informations.

The maturity profile as of 30 June 2023 and 31 December 2022 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:

30 June 2023								
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	89,917,101	-	89,917,101	-	-	-	-	-
Current accounts with other banks - gross	27,364,451	-	27,364,451	-	-	-	-	-
Placement with Bank Indonesia and other banks - gross	50,565,431	-	46,496,152	2,400,269	252,157	12,920	367,377	1,036,556
Marketable securities - gross	67,248,315	20,780,811	3,930,589	4,922,702	4,637,990	2,659,032	10,507,454	19,809,737
Government bonds	317,302,804	-	1,159,630	14,323,925	627,326	10,195,292	71,607,475	219,389,156
Other receivables-trade transactions - gross	29,141,422	-	5,655,259	13,365,450	8,318,625	571,160	-	1,230,928
Securities purchased under resale agreements - gross	16,950,374	-	16,306,837	643,287	250	-	-	-
Derivative receivables - gross	1,930,029	-	394,718	188,898	352,150	68,396	422,447	503,420
Loans and sharia receivables/financing - gross	1,238,806,037	-	44,544,286	15,617,181	35,048,645	77,244,846	153,429,632	912,921,447
Consumer financing receivables - gross	27,749,559	-	853,833	1,712,566	2,555,119	4,846,346	9,093,519	8,688,176
Net Investment finance leases - gross	5,520,446	-	293,619	570,721	810,879	1,409,297	2,284,729	151,201
Acceptance receivables - gross	9,528,060	-	2,643,678	4,286,638	2,084,486	321,096	192,162	-
Other asset - gross ¹⁾	18,573,174	379,895	12,147,933	424,787	364,583	862,267	2,185,433	2,208,276
	1,900,597,203	21,160,706	251,708,086	58,456,424	55,052,210	98,190,652	250,090,228	1,165,938,897
Allowance for impairment losses	(65,431,160)							
Total	1,835,166,043							
Liabilities								
Deposits from customers								
Demand deposits and wadiah demand deposits	476,766,424	-	476,766,424	-	-	-	-	-
Saving deposits and wadiah saving deposits	482,799,469	-	482,799,469	-	-	-	-	-
Time deposits	279,048,572	-	158,663,349	84,621,448	7,427,090	21,798,919	6,537,766	-
Deposits from other banks								
Demand deposits, wadiah demand deposits and saving deposits	5,462,112	-	5,462,112	-	-	-	-	-
Interbank call money	5,973,211	-	1,219,197	1,442,404	2,037,247	1,274,363	-	-
Time deposits	6,092,639	-	5,445,980	330,058	312,400	4,201	-	-
Securities sold under agreements to repurchase	22,452,251	-	5,899,166	1,072,940	-	-	11,527,901	3,952,244
Derivatives liabilities	1,641,061	-	239,168	255,815	80,667	155,688	397,594	512,129
Acceptance liabilities	9,528,060	-	2,643,678	4,286,638	2,084,486	321,096	192,162	-
Debt securities issued	49,516,252	-	2,078,567	379,709	4,971,954	15,068,574	21,148,889	5,868,559
Accrued expenses	4,693,240	-	3,694,937	-	-	998,303	-	-
Other liabilities ²⁾	16,752,366	386,703	14,211,830	1,091,088	-	72,126	990,619	-
Fund borrowings	86,036,158	-	22,615,677	762,820	5,697,695	9,779,177	34,314,302	12,866,487
Subordinates loans and marketable securities	720,487	-	9,280	499,923	-	9,280	37,119	164,885
	1,447,482,302	386,703	1,181,748,834	94,742,843	22,611,539	49,481,727	75,146,352	23,364,304
Maturity gap	453,114,901	20,774,003	(930,040,748)	(36,286,419)	32,440,671	48,708,925	174,943,876	1,142,574,593
Net positions, net of allowance for impairment losses	387,683,741							

¹⁾ Other assets consists of accrued income, receivables from government bonds pledged as collateral, receivables from customer transactions, receivables from sales of marketable securities, receivables related to ATM and credit card transactions and receivables from policyholders.

²⁾ Other liabilities consists of customers transfer transaction, liabilities related to ATM and credit card transactions, guarantee deposits, lease liabilities, liabilities related to customer transfer 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):

31 December 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 and sharia receivables/financing - 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 ^{*)}	18,387,438	303,300	10,357,139	311,590	672,047	717,761	1,442,316	4,583,285
	1,942,686,610	23,677,762	325,704,309	71,439,215	226,123,717	81,160,696	215,516,524	999,064,387
Allowance for impairment losses	(67,105,047)							
Total	1,875,581,563							
Liabilities								
Deposits from customers								
Demand deposits and wadiah demand deposits	519,077,962	-	519,077,962	-	-	-	-	-
Saving deposits and wadiah saving 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 deposits, wadiah demand deposits 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 ^{**)}	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	468,749,302	23,354,368	(895,622,288)	(20,273,299)	184,998,425	48,336,867	157,102,770	970,852,459
Net positions, net of allowance for impairment losses	401,644,255							

^{*)} Other assets consists of accrued income, receivables from government bonds pledged as collateral, receivables from customer transactions, receivables from sales of marketable securities, receivables related to ATM and credit card transactions and receivables from policyholders.

^{**) Other liabilities consists of customers transfer transaction, liabilities related to ATM and credit card transactions, guarantee deposits, lease liabilities, liabilities related to customer transfer 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 30 June 2023 and 31 December 2022 as follows:

30 June 2023								
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 and <i>wadiah</i> demand deposits	477,430,501	-	477,430,501	-	-	-	-	-
Saving deposits and <i>wadiah</i> saving deposits	482,969,434	-	482,591,779	60,842	61,406	95,607	107,701	52,099
Time deposits	280,453,141	-	162,360,073	83,087,726	6,684,187	21,787,838	6,533,317	-
Deposits from other banks								
Demand deposits, <i>wadiah</i> demand deposits and saving deposits	5,465,993	-	5,465,993	-	-	-	-	-
Interbank call money	6,110,414	-	1,243,892	1,482,338	2,075,413	1,308,771	-	-
Time deposits	6,149,126	-	5,473,877	339,752	12,608	4,235	318,654	-
Securities sold under agreements to repurchase	24,039,720	-	2,038,475	5,131,259	-	-	12,546,549	4,323,437
Derivative payables	1,430,589	-	61,211	99,532	125,844	260,387	537,145	346,470
Acceptance payables	9,528,060	-	2,643,678	4,286,638	2,084,486	321,096	192,162	-
Debt securities issued	52,617,258	-	62,567	685,253	4,967,933	13,813,647	23,844,793	9,243,065
Accrued expenses	4,693,240	-	3,694,938	-	-	998,302	-	-
Other liabilities	16,752,366	386,703	14,211,830	1,091,088	-	72,126	990,619	-
Fund borrowings	88,744,799	-	22,954,966	5,301,594	13,796,927	7,968,942	32,272,493	6,449,877
Subordinated loans and marketable securities	762,886	-	13,400	504,620	1,737	12,754	51,015	179,360
Total	1,457,147,527	386,703	1,180,247,180	102,070,642	29,810,541	46,643,705	77,394,448	20,594,308
31 December 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 and <i>wadiah</i> demand deposits	519,777,663	-	519,777,663	-	-	-	-	-
Saving deposits and <i>wadiah</i> 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 deposits, <i>wadiah</i> demand deposits and saving deposits	5,738,669	-	5,738,669	-	-	-	-	-
Interbank call money	4,523,557	-	2,916,320	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

The following maturity table provides information regarding contractual maturities of administrative accounts based on undiscounted cash flows as of 30 June 2023 and 31 December 2022 as follows:

30 June 2023								
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	103,155,469	-	103,155,469	-	-	-	-	-
Unused loan facilities ⁹⁾	92,482,863	-	92,482,863	-	-	-	-	-
Outstanding irrevocable letter of credit	19,942,072	-	5,086,941	8,776,404	2,793,243	1,918,555	1,366,929	-
Standby letter of credit	15,758,939	-	15,758,939	-	-	-	-	-
Total	231,339,343	-	216,484,212	8,776,404	2,793,243	1,918,555	1,366,929	-

⁹⁾ 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 30 June 2023 and 31 December 2022 as follows (continued):

31 December 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 ^{*)}	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	-	-	-	-	-
	<u>235,059,492</u>	<u>-</u>	<u>214,163,040</u>	<u>13,204,528</u>	<u>3,876,944</u>	<u>2,108,466</u>	<u>1,050,190</u>	<u>656,324</u>

*) 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 30 June 2023 and 31 December 2022 (Bank Mandiri only) as follows:

	Increased by 400 bps	Decreased by 400 bps
30 June 2023		
Increase/(decrease) net interest income (Rp billion)	(4,527.84)	(3,281.02)
	Increased by 400 bps	Decreased by 400 bps
31 December 2022		
Increase/(decrease) net interest income (Rp billion)	(2,844.96)	(2,508.39)

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 financial assets classified at fair value through other comprehensive income

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 30 June 2023 and 31 December 2022 which will be due in 12 (twelve) months due to interest rate changes (Bank Mandiri only) as follows:

	Increased by 400 bps	Decreased by 400 bps
30 June 2023		
Increase/(decrease) interest income (Rp billion)	146.65	(143.08)
	Increased by 400 bps	Decreased by 400 bps
31 December 2022		
Increase/(decrease) interest income (Rp billion)	197.38	(195.37)

The above projections assumed that all other variables are held constant at reporting date.

The sensitivities of interest income from fair value through other comprehensive income without considering the effect off 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:

	30 June 2023 ¹⁾									
	Interest bearing								Non interest bearing	Total
	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	-	-	-	-	-	-	-	-	89,917,101	89,917,101
Current accounts with other banks	26,021,581	-	-	-	-	-	-	-	1,342,870	27,364,451
Placements with Bank Indonesia and other banks	40,485,085	4,315,332	98,500	-	-	-	-	-	5,666,514	50,565,431
Marketable securities	24,561,063	4,075,681	5,963,421	5,149,497	4,008,052	8,884,943	2,541,504	6,432,561	5,631,593	67,248,315
Government bonds	7,444,150	8,318,975	10,148,585	26,058,314	32,241,155	24,338,454	9,224,619	151,466,313	48,062,239	317,302,804
Other receivables - trade transactions	5,655,259	13,365,450	8,318,625	571,160	-	1,230,928	-	-	-	29,141,422
Securities purchased under resale agreements	16,309,047	641,077	250	-	-	-	-	-	-	16,950,374
Derivative receivables	25,086	29,323	71,837	411,057	353,344	-	-	-	1,039,382	1,930,029
Loans and sharia receivables/financing ²⁾	168,145,661	478,178,517	193,748,065	49,520,098	29,219,175	14,005,933	19,419,923	66,286,179	220,282,486	1,238,806,037
Consumer financing receivables	1,032,165	2,110,759	7,998,867	8,182,882	5,037,813	2,504,682	842,161	40,230	-	27,749,559
Net investment finance leases	295,614	574,125	2,235,500	1,775,884	559,333	70,597	9,393	-	-	5,520,446
Acceptance receivables	-	-	-	-	-	-	-	-	9,528,060	9,528,060
Other assets	12,147,933	424,787	364,583	862,267	2,185,433	2,208,276	-	-	379,895	18,573,174
	302,122,644	512,034,026	228,948,233	92,531,159	73,604,305	53,243,813	32,037,600	224,225,283	381,850,140	1,900,597,203
Deposits from customers										
Demand deposits and wadiah demand deposits	268,901,831	5,304,596	23,870,680	31,827,573	31,827,573	31,827,573	31,827,573	31,827,573	19,551,452	476,766,424
Saving deposits and wadiah saving deposits	121,489,609	9,064,727	40,674,496	54,076,710	54,077,612	54,032,154	54,042,856	54,047,022	41,294,283	482,799,469
Time deposits	165,441,067	81,649,470	26,175,287	5,782,628	120	-	-	-	-	279,048,572
Deposits from other banks										
Demand deposits, wadiah demand deposits and saving deposits	1,572,041	106,386	478,735	638,313	638,313	638,313	638,313	638,313	113,385	5,462,112
Interbank call money	3,692,960	992,629	1,287,622	-	-	-	-	-	-	5,973,211
Time deposits	5,432,692	341,806	18,291	299,850	-	-	-	-	-	6,092,639
Securities sold under agreements to repurchase	5,899,166	1,072,941	-	3,804,344	7,723,556	3,952,244	-	-	-	22,452,251
Derivative payables	5,046	53,912	84,987	395,493	399,893	219	-	-	-	1,641,061
Acceptance payables	-	-	-	-	-	-	-	-	9,528,060	9,528,060
Debt securities issued	492,292	4,872,578	15,906,224	9,510,538	10,877,891	4,363,512	98,458	-	3,394,759	49,516,252
Accrued expenses	-	-	-	-	-	-	-	-	4,693,240	4,693,240
Other liabilities	14,211,830	1,091,088	-	72,126	990,619	-	-	-	386,703	16,752,366
Fund borrowings	7,397,329	10,608,667	26,378,158	9,517,700	10,483,081	4,572,432	-	1,427,385	15,651,406	86,036,158
Subordinated loans and marketable securities	-	-	-	-	-	-	-	720,487	-	720,487
	594,535,863	115,158,800	134,874,480	115,925,275	117,018,658	99,386,447	86,607,200	88,660,780	95,314,799	1,447,482,302
Total interest repricing gap	(292,413,219)	396,875,226	94,073,753	(23,394,116)	(43,414,353)	(46,142,634)	(54,569,600)	135,564,503	286,535,341	453,114,901

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)

	31 December 2022 ¹⁾									
	Interest bearing								Non interest bearing	Total
	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 and sharia receivables/financing 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	10,357,139	311,590	672,047	717,761	1,442,316	4,583,285	-	-	303,300	18,387,438
	324,369,089	482,007,487	244,584,758	90,640,425	66,656,359	60,195,237	38,359,639	231,262,341	404,611,275	1,942,686,610
Deposits from customers										
Demand deposits and wadiah 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 wadiah 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 deposits, wadiah demand deposits 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	(292,976,242)	374,468,197	109,868,909	(36,710,706)	(39,565,837)	(47,748,315)	(53,953,575)	139,986,266	315,380,605	468,749,302

¹⁾ There was a change in the calculation following SEOJK regarding Interest Rate Risk in Banking Book (IRBB) 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 30 June 2023 and 31 December 2022 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 NOP 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 30 June 2023 as follows:

Currency	Assets	Liabilities	Net open position
OVERALL (STATEMENT OF FINANCIAL POSITION AND ADMINISTRATIVE ACCOUNTS)^{***}			
United States Dollar	461,076,298	461,772,105	695,807
European Euro	8,514,400	7,077,703	1,436,697
Singapore Dollar	2,023,699	2,054,359	30,660
Japanese Yen	8,310,171	8,125,122	185,049
Australian Dollar	1,248,761	1,256,096	7,335
Great Britain Pound Sterling	647,182	652,085	4,903
Hong Kong Dollar	190,731	189,933	798
Others	6,955,412	6,989,004	215,244 ^{*)}
Total			2,576,493
STATEMENT OF FINANCIAL POSITION			
United State Dollar	354,335,054	347,215,346	7,119,708
European Euro	8,401,373	3,013,881	5,387,492
Singapore Dollar	4,987,654	3,977,700	1,009,954
Japanese Yen	1,222,056	347,000	875,056
Australian Dollar	1,849,843	1,882,313	(32,470)
Great Britain Pound Sterling	613,416	209,444	403,972
Hong Kong Dollar	190,731	127,019	63,712
Others	6,716,472	4,610,717	2,105,755 ^{*)}
Total			16,933,179
Total Capital (Note 59)			191,875,381
NOP ratio (statement of financial position)			8.83%
NOP ratio (overall)			1.34%

Net Open Position ratio as of 30 June 2023 if calculated using May 2023 capital as follows:

May 2023 Capital	186,937,020
NOP ratio (Statement of financial position)	9.06%
NOP ratio (overall) ^{***}	1.38%

^{*)} Represents total absolute amount of difference between assets and liabilities from other foreign currencies.

^{**)} 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 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 ^{*)}
Total			18,771,237
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 ^{*)}
Total			59,412,923
Total Capital (Note 59)			191,844,453
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%

^{*)} Represents total absolute amount of difference between assets and liabilities from other foreign currencies.

^{**)} 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)

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 30 June 2023 and 31 December 2022, Included in the table are the Group's financial instruments at carrying amount, categorised by currencies.

	30 June 2023								
	United States Dollar	European Euro	Singapore Dollar	Japanese Yen	Australian Dollar	Chinese Yuan	Great Britain Pound-sterling	Others	Total
Assets									
Cash	1,708,318	692,569	263,811	61,785	306,795	5,236	72,617	311,084	3,422,215
Current accounts with Bank Indonesia	11,643,821	-	-	-	-	-	-	-	11,643,821
Current accounts with other banks	14,145,863	1,971,679	823,719	4,788,367	241,562	2,880,654	549,777	1,129,901	26,531,522
Placement with Bank Indonesia and other banks	32,968,886	-	-	-	-	187,157	-	-	33,156,043
Marketable securities	17,368,492	5,651	301,889	-	-	21,322	-	-	17,697,354
Government bonds	50,595,818	1,061,158	-	-	-	-	-	-	51,656,976
Other receivables - trade transactions	9,974,657	304,151	25,848	24,361	-	61,047	-	-	10,390,064
Derivative receivables	1,451,198	196	11,172	102,072	678	270	2,150	5,453	1,573,189
Loans and sharia receivables/financing	225,516,307	4,235,687	309,863	8,949	680,766	2,221,681	-	-	232,973,253
Acceptance receivables	3,497,621	643,689	2,058	83,677	-	324,823	-	240,116	4,791,984
Other assets	3,571,577	64,014	490	281	7,788	15,749	-	-	3,659,899
Total asset	372,442,558	8,978,794	1,738,850	5,069,492	1,237,589	5,717,939	624,544	1,686,554	397,496,320
Liabilities									
Deposits from customers									
Demand deposits and wadiah demand deposits	172,907,654	1,463,957	262,841	638,596	128,545	688,611	63,548	57,143	176,210,895
Saving deposits and wadiah saving deposits	34,879,694	569,380	745,979	2,932,486	162,855	142,940	93,492	14,345	39,541,171
Time deposits	27,547,621	19,382	637,911	218,838	21,760	42,274	1,513	37,061	28,526,360
Deposits from other banks									
Demand deposits, wadiah demand deposits and saving deposits	1,495,230	619	1,135	425	-	68	-	47	1,497,524
Interbank call money	3,748,125	-	-	-	-	2,225,086	-	-	5,973,211
Time deposits	749,625	-	-	-	-	-	-	-	749,625
Securities sold under agreements to repurchase	21,322,488	-	-	-	-	-	-	-	21,322,488
Derivative payable	1,128,654	4,018	-	78,562	757	-	42	551	1,212,584
Acceptance payables	3,497,621	643,689	2,058	83,677	-	324,823	-	240,116	4,791,984
Debt securities issued	27,649,324	-	-	-	-	-	-	-	27,649,324
Accrued expenses	854,264	1,221	15,895	140	134	23,859	55	7,287	902,855
Other liabilities	8,946,086	237,249	155,758	101,900	32,383	800,545	51,223	109,483	10,434,627
Fund borrowings	47,439,995	-	-	-	-	-	-	-	47,439,995
Subordinated loans and marketable securities	120,652	-	-	-	-	-	-	-	120,652
Total liabilities	352,287,033	2,939,515	1,821,577	4,054,624	346,434	4,248,206	209,873	466,033	366,373,295
Net statement of financial position	20,155,525	6,039,279	(82,727)	1,014,868	891,155	1,469,733	414,671	1,220,521	31,123,025
Administrative accounts - net	(5,946,846)	(3,950,796)	1,810	(807,409)	(882,391)	(62,914)	(404,455)	(660,324)	(12,713,325)

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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 (continued)

The table below summaries the Group's exposure of foreign currency exchange rate risk as of 30 June 2023 and 31 December 2022, Included in the table are the Group's financial instruments at carrying amount, categorised by currencies (continued)

	31 December 2022								
	United States Dollar	European Euro	Singapore Dollar	Japanese Yen	Australian Dollar	Chinese Yuan	Great Britain Pound-sterling	Others	Total
Assets									
Cash	1,091,335	364,359	617,527	45,618	349,762	6,050	38,631	171,214	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	1,476,989	328,183	731,682	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	-	-	-	39,955	1,424	-	12,421,961
Derivative receivables	1,776,578	24,419	-	5,623	449	1	324	3,064	1,810,458
Loans and sharia receivables/financing	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	85,453	-	328,734	7,304,814
Other assets	4,070,930	48,914	443	173	21	20,920	41	-	4,141,442
Total asset	443,904,274	7,645,851	2,103,032	1,884,276	560,926	4,726,680	368,603	1,234,694	462,428,336
Liabilities									
Deposits from customers									
Demand deposits and wadiah demand deposits	183,659,852	1,567,152	378,961	981,868	58,596	923,787	58,323	124,323	187,752,862
Saving deposits and wadiah saving deposits	37,509,967	1,445,995	797,745	476,033	170,238	134,651	111,877	15,492	40,661,998
Time deposits	35,652,385	58,378	983,388	106,988	21,515	96,260	8,545	48,015	36,975,474
Deposits from other banks									
Demand deposits, wadiah 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	85,453	-	328,734	7,304,814
Debt securities issued	24,034,300	-	-	-	-	-	-	-	24,034,300
Accrued expenses	838,514	-	16,459	158	140	35,105	54	7,828	898,258
Other liabilities	3,504,061	248,116	83,789	40,542	4,622	1,695,062	15,601	271,652	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	4,559,983	194,412	796,242	377,544,563
Net statement of financial position	79,718,090	4,040,155	(166,040)	209,817	302,411	166,697	174,191	438,452	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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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:

	30 June 2023	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Assets		
Cash		
United States Dollar	1,708,318	113,945
European Euro	692,569	42,225
Australian Dollar	306,795	30,501
Singapore Dollar	263,811	23,747
Great Britain Pound Sterling	72,617	3,803
Japanese Yen	61,785	591,470
Hong Kong Dollar	10,728	5,605
Chinese Yuan	5,236	2,518
Others	300,356	20,034
	3,422,215	833,848
Current accounts with Bank Indonesia		
United States Dollar	11,643,821	776,643
Current accounts with other banks		
United States Dollar	14,145,863	943,529
Japanese Yen	4,788,367	45,839,240
Chinese Yuan	2,880,654	1,385,249
European Euro	1,971,679	120,211
Singapore Dollar	823,719	74,147
Great Britain Pound Sterling	549,777	28,795
Australian Dollar	241,562	24,016
Hong Kong Dollar	156,613	81,825
Others	973,288	64,918
	26,531,522	48,561,930
Placement with Bank Indonesia and other banks		
United States Dollar	32,968,886	2,199,025
Chinese Yuan	187,157	90,000
	33,156,043	2,289,025
Marketable securities		
United States Dollar	17,368,492	1,158,480
Singapore Dollar	301,889	27,175
Chinese Yuan	21,322	10,253
European Euro	5,651	345
	17,697,354	1,196,253
Government bonds		
United States Dollar	50,595,818	3,374,742
European Euro	1,061,158	64,698
	51,656,976	3,439,440

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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):

	30 June 2023	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Assets (continued)		
Other receivables - trade transactions		
United States Dollar	9,974,657	665,310
European Euro	304,151	18,544
Chinese Yuan	61,047	29,356
Singapore Dollar	25,848	2,327
Japanese Yen	24,361	233,209
	10,390,064	948,746
Derivative receivables		
United States Dollar	1,451,198	96,795
Japanese Yen	102,072	977,140
Singapore Dollar	11,172	1,006
Great Britain Pound Sterling	2,150	113
Australian Dollar	678	67
Chinese Yuan	270	130
European Euro	196	12
Others	5,453	364
	1,573,189	1,075,627
Loan and sharia loan/financing		
United States Dollar	225,516,307	15,041,941
European Euro	4,235,687	258,245
Chinese Yuan	2,221,681	1,068,362
Australian Dollar	680,766	67,681
Singapore Dollar	309,863	27,892
Japanese Yen	8,949	85,669
	232,973,253	16,549,790
Acceptance receivables		
United States Dollar	3,497,621	233,291
European Euro	643,689	39,245
Chinese Yuan	324,823	156,201
Japanese Yen	83,677	801,043
Singapore Dollar	2,058	185
Others	240,116	16,016
	4,791,984	1,245,981
Other assets		
United States Dollar	3,571,577	238,224
European Euro	64,014	3,903
Chinese Yuan	15,749	7,573
Singapore Dollar	490	44
Japanese Yen	281	2,690
Australian Dollar	7,788	774
	3,659,899	253,208
Total asset	397,496,320	77,170,491

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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):

	30 June 2023	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities		
Deposits from customers		
Demand deposits and <i>wadiah</i> demand deposits		
United States Dollar	172,907,654	11,532,943
European Euro	1,463,957	89,256
Chinese Yuan	688,611	331,139
Japanese Yen	638,596	6,113,307
Singapore Dollar	262,841	23,660
Australian Dollar	128,545	12,780
Great Britain Pound Sterling	63,548	3,328
Hong Kong Dollar	9,937	5,192
Others	47,206	3,149
	176,210,895	18,114,754
Saving deposits and <i>wadiah</i> saving deposits		
United States Dollar	34,879,694	2,326,476
Japanese Yen	2,932,486	28,072,813
Singapore Dollar	745,979	67,149
European Euro	569,380	34,714
Australian Dollar	162,855	16,191
Chinese Yuan	142,940	68,737
Great Britain Pound Sterling	93,492	4,897
Hong Kong Dollar	10,868	5,678
Others	3,477	232
	39,541,171	30,596,887
Time deposits		
United States Dollar	27,547,621	1,837,427
Singapore Dollar	637,911	57,422
Japanese Yen	218,838	2,094,945
Chinese Yuan	42,274	20,329
Hong Kong Dollar	37,061	19,363
Australian Dollar	21,760	2,163
European Euro	19,382	1,182
Great Britain Pound Sterling	1,513	79
	28,526,360	4,032,910
Deposits from other banks		
Demand deposits, <i>wadiah</i> demand deposits and saving deposits		
United States Dollar	1,495,230	99,732
Singapore Dollar	1,135	102
European Euro	619	38
Japanese Yen	425	4,069
Chinese Yuan	68	33
Others	47	3
	1,497,524	103,977
Interbank call money		
United States Dollar	3,748,125	250,000
Chinese Yuan	2,225,086	1,070,000
	5,973,211	1,320,000
Time deposits		
United States Dollar	749,625	50,000

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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):

	30 June 2023	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities (continued)		
Securities sold under agreements to repurchase		
United States Dollar	21,322,488	1,422,210
Derivative payables		
United States Dollar	1,128,654	75,281
Japanese Yen	78,562	752,077
European Euro	4,018	245
Australian Dollar	757	75
Great Britain Pound Sterling	42	2
Others	551	37
	1,212,584	827,717
Acceptance payables		
United States Dollar	3,497,621	233,291
European Euro	643,689	39,245
Chinese Yuan	324,823	156,201
Japanese Yen	83,677	801,043
Singapore Dollar	2,058	185
Others	240,116	16,016
	4,791,984	1,245,981
Debt securities issued		
United States Dollar	27,649,324	1,844,210
Accrued expenses		
United States Dollar	854,264	56,979
Chinese Yuan	23,859	11,473
Singapore Dollar	15,895	1,431
Hong Kong Dollar	7,278	3,803
European Euro	1,221	74
Japanese Yen	140	1,340
Australian Dollar	134	13
Great Britain Pound Sterling	55	3
Others	9	1
	902,855	75,117
Other liabilities		
United States Dollar	8,946,086	596,704
Chinese Yuan	800,545	384,967
European Euro	237,249	14,465
Singapore Dollar	155,758	14,021
Japanese Yen	101,900	975,493
Great Britain Pound Sterling	51,223	2,683
Australian Dollar	32,383	3,220
Hong Kong Dollar	6,110	3,193
Others	103,373	6,895
	10,434,627	2,001,641

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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):

	30 June 2023	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities (continued)		
Fund borrowings		
United States Dollar	47,439,995	3,164,249
Subordinated loans and marketable securities		
United States Dollar	120,652	8,047
Total Liabilities	366,373,295	64,807,700
	31 December 2022	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Assets		
Cash		
United States Dollar	1,091,335	70,103
European Euro	364,359	21,974
Australian Dollar	349,762	33,128
Singapore Dollar	617,527	53,268
Great Britain Pound Sterling	38,631	2,056
Japanese Yen	45,618	387,217
Hong Kong Dollar	31,520	15,787
Chinese Yuan	6,050	2,702
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
Japanese Yen	1,763,801	14,971,573
European Euro	1,510,937	91,121
Chinese Yuan	1,476,989	659,691
Singapore Dollar	667,211	57,554
Great Britain Pound Sterling	328,183	17,469
Australian Dollar	206,781	19,585
Hong Kong Dollar	186,132	93,227
Others	545,550	35,044
	47,172,534	18,546,000

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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):

	31 December 2022	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Assets (continued)		
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
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
Japanese Yen	5,623	47,729
Great Britain Pound Sterling	324	17
Australian Dollar	449	43
Chinese Yuan	1	-
European Euro	24,419	1,473
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

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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):

	31 December 2022	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Assets (continued)		
Acceptance receivables		
United States Dollar	6,542,642	420,276
European Euro	272,256	16,419
Chinese Yuan	85,453	38,167
Japanese Yen	65,816	558,662
Singapore Dollar	7,765	670
Australian Dollar	2,148	203
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
Chinese Yuan	20,920	9,344
Singapore Dollar	443	38
Japanese Yen	173	1,468
Australian Dollar	21	2
Great Britain Pound Sterling	41	2
	4,141,442	275,307
Total asset	462,428,336	47,509,757
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
Chinese Yuan	923,787	412,606
Japanese Yen	981,868	8,334,335
Singapore Dollar	378,961	32,689
Australian Dollar	58,596	5,550
Great Britain Pound Sterling	58,323	3,105
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
Japanese Yen	476,033	4,040,684
Singapore Dollar	797,745	68,813
European Euro	1,445,995	87,204
Australian Dollar	170,238	16,124
Chinese Yuan	134,651	60,141
Great Britain Pound Sterling	111,877	5,955
Hong Kong Dollar	11,768	5,894
Others	3,724	239
	40,661,998	6,694,559

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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):

	31 December 2022	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities (continued)		
Deposits from customers (continued)		
Time deposits		
United States Dollar	35,652,385	2,290,181
Singapore Dollar	983,388	84,827
Japanese Yen	106,988	908,140
Chinese Yuan	96,260	42,994
Hong Kong Dollar	48,015	24,049
Australian Dollar	21,515	2,038
European Euro	58,378	3,521
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
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
Japanese Yen	2,574	21,849
European Euro	13,171	794
Australian Dollar	1,256	119
Great Britain Pound Sterling	12	1
Others	198	13
	1,207,457	99,233
Acceptance payables		
United States Dollar	6,542,642	420,276
European Euro	272,256	16,419
Chinese Yuan	85,453	38,167
Japanese Yen	65,816	558,662
Singapore Dollar	7,765	670
Australian Dollar	2,148	203
Others	328,734	21,117
	7,304,814	1,055,514

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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):

	31 December 2022	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities (continued)		
Debt securities issued		
United States Dollar	24,034,300	1,543,877
Accrued expenses		
United States Dollar	838,514	53,863
Chinese Yuan	35,105	15,680
Singapore Dollar	16,459	1,420
Hong Kong Dollar	7,819	3,916
Japanese Yen	158	1,341
Australian Dollar	140	13
Great Britain Pound Sterling	54	3
Others	9	1
	898,258	76,237
Other liabilities		
United States Dollar	3,504,061	225,088
Chinese Yuan	1,695,062	757,091
European Euro	248,116	14,964
Hong Kong Dollar	191,658	95,994
Singapore Dollar	83,789	7,228
Japanese Yen	40,542	344,129
Great Britain Pound Sterling	15,601	830
Australian Dollar	4,622	438
Others	79,994	5,138
	5,863,445	1,450,900
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	40,259,585

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

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 30 June 2023 and 31 December 2022:

	<u>Increased by 5%</u>	<u>Decreased by 5%</u>
30 June 2023		
Increase/(decrease) net income	(34,790)	34,790
31 December 2022		
Increase/(decrease) net income	2,699,954	(2,699,954)

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

(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);

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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 30 June 2023 and 31 December 2022:

30 June 2023				
	Level 1	Level 2	Level 3	Fair value
Assets measured at fair value				
Marketable securities				
Fair value through profit or loss	30,736,711	1,113,874	-	31,850,585
Fair value through other comprehensive income	5,937,720	20,322,149	-	26,259,869
Government bonds				
Fair value through profit or loss	13,361,235	1,182,862	-	14,544,097
Fair value through other comprehensive income	87,688,625	4,794,746	-	92,483,371
Loans and sharia receivables/financing				
Fair value through other comprehensive income	-	-	1,920,644	1,920,644
Derivative receivables	-	1,854,120	75,909	1,930,029
Investments in shares	26,521	118,219	2,585,256	2,729,996
Assets disclosed at fair value				
Marketable securities				
Amortised cost	6,042,741	967,185	-	7,009,926
At cost	-	2,018,120	-	2,018,120
Government bonds				
Amortised cost	169,592,954	-	-	169,592,954
At cost	-	40,839,885	-	40,839,885
Loans and sharia receivables/financing	-	359,766,197	815,553,017	1,175,319,214
Consumer financing receivables	-	22,032,115	-	22,032,115
Net investment finance leases	-	4,461,485	-	4,461,485
Liabilities measured at fair value				
Derivative payables	-	1,641,061	-	1,641,061
Liabilities disclosed at fair values				
Debt securities issued	-	49,526,457	-	49,526,457
Fund borrowings	-	70,800,802	-	70,800,802
Subordinated loans and marketable securities	-	722,505	-	722,505
31 December 2022				
	Level 1	Level 2	Level 3	Fair value
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 and sharia receivables/financing				
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

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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 30 June 2023 and 31 December 2022 (continued):

	31 December 2022 (continued)			
	Level 1	Level 2	Level 3	Fair value
Assets disclosed at fair value (continued)				
Marketable securities				
At amortised cost	5,894,865	2,060,201	-	7,955,066
At cost	-	11,227,960	-	11,227,960
Government bonds				
At amortised cost	180,668,045	-	-	180,668,045
At cost	-	43,528,296	-	43,528,296
Loans and sharia receivables/financing	-	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

As of 30 June 2023 and 31 December 2022, 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.

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.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities (continued)

As of 30 June 2023 and 31 December 2022, the carrying value of the Bank's financial assets and liabilities approximates their fair value except for the following financial instruments:

	30 June 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Marketable securities				
At amortised cost	6,990,609	7,009,926	7,953,376	7,955,066
At cost ^{*)}	2,018,120	2,018,120	11,227,960	11,227,960
Government bonds				
At amortised cost	169,435,451	169,592,954	180,578,053	180,668,045
At cost ^{*)}	40,839,885	40,839,885	44,213,180	43,528,296
Loans and sharia receivables/financing				
Amortised cost	1,174,904,377	1,175,319,214	1,107,487,188	1,107,184,518
Consumer financing receivable	26,985,054	22,032,115	23,147,366	20,185,615
Net Investment finance				
Leases	5,363,489	4,461,485	5,733,387	5,175,740
	1,426,536,985	1,421,273,699	1,380,340,510	1,375,925,240
Liabilities				
Debt securities issued	49,516,252	49,526,457	45,774,139	45,510,364
Fund borrowings	86,036,158	85,702,581	62,840,118	62,937,396
Subordinated loans and marketable securities	720,487	722,505	633,333	640,288
	136,272,897	135,951,543	109,247,590	109,088,048

^{*)} 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 - trading transactions, 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 - trading transactions, 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 - trading transactions, 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) Government Securities and Bonds (measured at cost and amortised cost)

The fair value for government securities and bonds measured at cost and amortised cost is determined based on market prices or intermediary (broker)/dealer quotes. If this information is not available, the fair value is estimated using market prices of similar credit, maturity and yield securities or evaluated using internal valuation methods.

(iii) Loans and Sharia Receivables/Financing, Consumer Financing Receivables and Net Investment in Finance Leases

Loans and Sharia Receivables/Financing, Consumer Financing Receivables and Net Investment in Finance Leases are recorded at carrying amount net of charges for impairment. The estimated fair value of Loans and Sharia Receivables/Financing, Consumer Financing Receivables, and Net Investment in Finance Leases 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 as well as 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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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(vi) Value at Risk (VaR) (continued)

VaR realisation as of 30 June 2023 and 31 December 2022 (unaudited) are as follows:

30 June 2023				
Type of Risk	Average VaR	Maximum VaR	Minimum VaR	End of period VaR
Interest rate risk ^{*)}	26,934	47,974	12,661	20,930
Foreign exchange risk	31,352	75,369	5,090	27,654
Total	35,927	68,649	15,257	33,020

31 December 2022				
Type of Risk	Average VaR	Maximum VaR	Minimum VaR	End of period VaR
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

^{*)} 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 June 2023 shows that the VaR calculation has been performed accurately, where the number of irregularities of Profit/Loss to the daily VaR is still acceptable.

(vii) Cash management

Details of cash are as follows:

	30 June 2023		31 December 2022	
	Notional amount of foreign currency equivalent (in thousands)	Rupiah	Notional amount of foreign currency equivalent (in thousands)	Rupiah
Rupiah	-	24,259,506	-	24,528,263
Foreign currencies				
United States Dollar	113,945	1,708,318	70,103	1,091,335
European Euro	42,225	692,569	21,974	364,359
Australian Dollar	30,501	306,795	33,128	349,762
Singapore Dollar	23,747	263,811	53,268	617,527
Great Britain Pound Sterling	3,803	72,617	2,056	38,631
Japanese Yen	591,470	61,785	387,217	45,618
Hong Kong Dollar	5,605	10,728	15,787	31,520
Chinese Yuan	2,518	5,236	2,702	6,050
Others	20,034	300,356	8,973	139,694
	833,848	27,681,721	595,208	27,212,759

As of 30 June 2023 and 31 December 2022, the cash balance, including money at the ATM (Automatic Teller Machine), amounted to Rp8,336,805 and Rp7,615,386, 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 30 June 2023, 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 30 June 2023 and 31 December 2023, which separately shows non-derivative corporate credit financial assets, borrowing, and derivative non-derivative financial liabilities (bank only).

		30 June 2023	
		Assets	Liabilities
Non Derivatives			
Loans		53,307,804	-
Fund borrowings		-	(4,961,115)
		Contract Value	
		Full USD	Fair Value
Derivatives			
Derivatives receivables		517,579,137	410,968
Derivatives liabilities		466,447,470	(281,857)
		31 December 2022	
		Assets	Liabilities
Non Derivatives			
Loans		101,863,963	-
Fund borrowings		-	(6,189,545)
		Contract Value	
		Full USD	Fair Value
Derivatives			
Derivatives receivables		1,303,785,646	978,504
Derivatives liabilities		1,104,892,187	(848,192)

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63. RISK MANAGEMENT (continued)

C. Operational risk

Operational risk is a risk due to inadequacy and/or dysfunctional 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) Designed, 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

According to the regulations, the Bank utilizes the Standardized Approach (SA) in accordance with SEOJK No. 06/SEOJK.03/2020 for operational risk capital charges calculation. The calculation of the Risk Weighted Assets (RWA) using Standardized Approach is performed annually based on Operational Risk Loss Components data for the last 10 (ten) years and Business Indicator Components data for the last 3 (three) years. The result of calculation of operational risk capital charges for Bank Mandiri (Bank Only) as of 30 June 2023 is Rp4,697,622, while for consolidation (Bank Mandiri and its subsidiaries) is Rp5,466,589. Based on these operational risk capital charges values, RWA for operational risk as of 30 June 2023 are Rp58,720,278 (Bank Only) and Rp68,332,364 (consolidated).

64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Integrated banking system agreement with vendor

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 30 June 2023 the payment realisation was equal to USD4,898,670.82 (full amount) and the Bank has recorded the payment realisation as a fixed asset as of USD4,869,245.87 (full amount) therefore the estimated project completion on 30 June 2023 is 99.40%.

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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 vendors to add eMAS features according to the 2021 Application Management agreement using a blanket order system with a maximum contract value of 1,870 mandays. As on 30 June 2023, the contract value for the payment realization approach was USD1,513,307.45 (full amount) and Bank has recorded it as fixed assets amounting to USD1,501,340.95 (full amount) so that the estimated project completion position on 30 June 2023 is 99.21%.

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 30 June 2023, the contract value for the payment realization approach was USD1,505,807.95 (full amount) and Bank has recorded it as fixed assets amounting to USD1,455,684.74 (full amount) so that the estimated project completion on 30 June 2023 is 96.67%.

On 19 October 2022, Bank Mandiri entered into an agreement with vendors to add eMAS features according to the 2023 Application Management agreement using a blanket order system with a maximum contract value of 350 mandays. On 30 June 2023, the contract value for the payment realization approach was USD99,803.42 (full amount) and Bank has recorded it as fixed assets amounting to USD89,823.08 (full amount) so that the estimated project completion on 30 June 2023 is 90.00%

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 Rp6,871. 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 30 June 2023 and 31 December 2022 amounted to Rp691,190 and Rp695,233, respectively. As of 30 June 2023 and 31 December 2022, the Bank has provided a provision amounted to Rp108,427 and Rp111,298, respectively and believes that the provision is adequate.

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64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

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, therefore 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 and to open new business opportunities especially to countries in ADB program.

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 regarding the Deposit Insurance Corporation. The Government of Republic Indonesia has established an independent agency called Deposit Insurance Corporation (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. 1/PLPS/2023 dated 22 May 2023 regarding the Deposit Guarantee Program, the maximum guaranteed amount for each customer in one bank is Rp2,000.

The interest rate of LPS as of 30 June 2023 and 31 December 2022 for deposits denominated in Rupiah is 4.25% and 3.75%, respectively, for deposits denominated in foreign currencies is 2.25% and 1.75%, respectively.

66. CHANGES IN FINANCING ACTIVITIES

Changes in liabilities arising from financing activities in the consolidated statement of cash flow are as follow:

	1 January 2023	Cash flow	Non-cash flow		30 June 2023
			Differences due to exchange rate	Others	
Debt securities issued	45,774,139	4,625,334	(862,365)	(20,856)	49,516,252
Fund borrowing	62,840,118	22,470,065	723,481	2,494	86,036,158
Subordinated loans and marketable securities	633,333	88,021	(933)	66	720,487
Securities sold under agreements to repurchase	24,325,475	(1,364,234)	(508,990)	-	22,452,251
Total liabilities from financing activities	133,573,065	25,819,186	(648,807)	(18,296)	158,725,148

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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

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 2024:

- Amendments to SFAS No. 1 on "Presentation of Financial Statements" regarding "Non-Current Liabilities with Covenant". The implementation effective on 1 January 2024 in accordance with the amended effective date of SFAS No. 1 Amendments on "Presentation of Financial Statements" for "Classification of Liabilities as Current or Non-current" from effective on 1 January 2023 to 1 January 2024.
- Amendments to SFAS No. 73 on "Lease" for Lease Liability in a Sale and Leaseback. This amendment adopts all the regulation in IFRS 16 Amendment on "Lease" regarding "Lease Liability in a Sale and Leaseback". This implementation starts on 1 January 2024 and early implementation is permitted.

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 No. 71 concerning "Financial Instruments" and SFAS No. 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.

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68. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. Issuance of Sustainable Environmental Continuous Bond I Bank Mandiri Phase I Year 2023

On 4 July 2023, Bank Mandiri issued Sustainable Environmental Continuous Bond I Bank Mandiri Phase I Year 2023 ("Sustainable Environmental Continuous Bond I Phase I") with total nominal value of Rp5,000,000 which consist of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	1,950,000	5.80%	4 July 2026
Series B	3,050,000	6.10%	4 July 2028

Sustainable Environmental Continuous Bond I 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 4 October 2023, while the last interest payment and maturity date of the bonds will be on 4 July 2026 for Series A and 4 July 2028 for Series B. The trustee for the issuance of Sustainable Environmental Continuous Bond I Phase I is PT Bank Negara Indonesia (Persero) Tbk.

b. Issuance of Continuous Bond VI Phase I Mandiri Tunas Finance Year 2023

On 11 July 2023, the Subsidiary (PT Mandiri Tunas Finance) issued Continuous Bonds VI Phase I Mandiri Tunas Finance Year 2023 ("Continuous Bonds VI Phase I Year 2023") with total nominal value of Rp691,735 which consist of 2 (two) series:

Bonds	Nominal value	Fixed interest rate per annum	Maturity date
Series A	439,660	6.00%	11 July 2026
Series B	252,075	6.25%	11 July 2028

Continuous Bond VI 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 11 October 2023, while the last interest payment and maturity date of the bonds will be on 11 July 2026 for Series A and 11 July 2028 for Series B. The trustee for the issuance of Continuous Bond VI Phase I Year 2023 is PT Bank Rakyat Indonesia (Persero) Tbk.

69. 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.
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	30 June 2023	31 December 2022
ASSETS		
Cash	20,260,497	20,852,885
Current accounts with Bank Indonesia	58,953,247	86,598,997
Current accounts with other banks		
Related parties	1,154,366	31,735
Third parties	24,583,827	46,485,781
	<u>25,738,193</u>	<u>46,517,516</u>
Less: allowance for impairment losses	(9,368)	(11,515)
Net	<u>25,728,825</u>	<u>46,506,001</u>
Placements with Bank Indonesia and other banks		
Related parties	1,274,363	1,868,100
Third parties	42,476,995	76,495,525
	<u>43,751,358</u>	<u>78,363,625</u>
Less: allowance for impairment losses	(1,449)	(3,431)
Net	<u>43,749,909</u>	<u>78,360,194</u>
Marketable securities		
Related parties	13,111,147	17,260,960
Third parties	25,331,042	27,610,657
	<u>38,442,189</u>	<u>44,871,617</u>
Add/(less): unamortised premium, unrealised gains/(losses) from increase/ (decrease) in fair value of marketable securities and allowance for impairment losses	40,050	60,735
Net	<u>38,482,239</u>	<u>44,932,352</u>
Government bonds - net		
Related parties	248,022,228	262,007,141
Other receivables - trade transactions		
Related parties	9,628,483	15,152,746
Third parties	19,383,672	18,506,095
	<u>29,012,155</u>	<u>33,658,841</u>
Less: allowance for impairment losses	(2,241,109)	(1,560,367)
Net	<u>26,771,046</u>	<u>32,098,474</u>
Securities purchased under agreements to resell		
Related parties	953,951	-
Third parties	10,139,400	6,312,523
Net	<u>11,093,351</u>	<u>6,312,523</u>

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	30 June 2023	31 December 2022
ASSETS (continued)		
Derivative receivables		
Related parties	91,253	110,208
Third parties	1,831,064	2,117,400
Net	1,922,317	2,227,608
Loans		
Related parties	193,594,346	178,984,137
Third parties	791,086,278	753,654,914
	984,680,624	932,639,051
Less: allowance for impairment losses	(51,165,440)	(54,267,417)
Net	933,515,184	878,371,634
Acceptance receivables		
Related parties	2,027,515	1,863,350
Third parties	7,440,041	9,494,529
	9,467,556	11,357,879
Less: allowance for impairment losses	(165,124)	(57,149)
Net	9,302,432	11,300,730
Investments in shares		
Related parties	15,063,607	15,063,607
Third parties	5,055	5,043
	15,068,662	15,068,650
Less: allowance for impairment losses	(79,077)	(80,335)
Net	14,989,585	14,988,315
Prepaid expenses	1,455,522	1,032,325
Prepaid taxes	979,790	979,174
Fixed assets	67,350,423	66,392,486
Less: accumulated depreciation	(17,211,140)	(16,185,489)
Net	50,139,283	50,206,997
Intangible assets	9,542,511	9,270,638
Less: accumulated amortization	(5,992,903)	(5,597,283)
Net	3,549,608	3,673,355
Other assets	30,553,343	20,746,169
Less: allowance for other impairment losses	(367,925)	(539,972)
Net	30,185,418	20,206,197
Deferred tax assets - net	9,040,842	9,677,161
TOTAL ASSETS	1,528,141,323	1,570,332,063

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	30 June 2023	31 December 2022
LIABILITIES AND EQUITY		
LIABILITIES		
Obligations due immediately	4,912,036	4,054,700
Deposits from customers		
Demand deposits		
Related parties	139,736,042	156,431,305
Third parties	319,533,036	341,559,932
Total	459,269,078	497,991,237
Saving deposits		
Related parties	7,682,742	6,826,334
Third parties	425,478,472	421,540,614
Total	433,161,214	428,366,948
Time deposits		
Related parties	29,096,358	28,833,694
Third parties	219,416,001	237,972,447
Total	248,512,359	266,806,141
Total deposits from customers	1,140,942,651	1,193,164,326
Deposits from other banks		
Demand deposits and saving deposits		
Related parties	519,023	276,263
Third parties	4,980,999	5,400,942
Total	5,500,022	5,677,205
Interbank call money		
Third parties	5,973,211	4,236,101
Time deposits		
Third parties	5,632,364	3,506,345
Total deposits from other banks	17,105,597	13,419,651
Securities sold under agreements to repurchase - third parties	22,250,878	24,228,547

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	30 June 2023	31 December 2022
LIABILITIES AND EQUITY (continued)		
LIABILITIES (continued)		
Derivative payables		
Related parties	132,887	86,933
Third parties	1,507,955	2,039,836
Total	1,640,842	2,126,769
Acceptance payables		
Related parties	2,289,166	1,693,426
Third parties	7,178,390	9,664,453
Total	9,467,556	11,357,879
Debt securities issued		
Related parties	3,709,900	3,949,550
Third parties	35,901,991	32,049,152
	39,611,891	35,998,702
Less: unamortised issuance cost	(81,548)	(63,194)
Net	39,530,343	35,935,508
Estimated losses on commitments and contingencies	1,386,502	2,044,500
Accrued expenses	1,929,396	4,211,850
Taxes payable	1,332,014	2,037,840
Employee benefit liabilities	6,688,713	8,977,843
Provision	305,690	323,365
Other liabilities	22,133,650	14,844,598
Fund borrowings		
Related parties	591,771	570,638
Third parties	46,962,260	41,158,127
Total	47,554,031	41,728,765
Subordinated loans and marketable securities		
Related parties	82,000	87,000
Third parties	638,652	546,564
	720,652	633,564
Less: unamortised issuance cost	(165)	(231)
Net	720,487	633,333
TOTAL LIABILITIES	1,317,900,386	1,359,089,474

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	30 June 2023	31 December 2022
LIABILITIES AND EQUITY (continued)		
EQUITY		
Share capital – Rp125 and Rp250 (full amount) par value per share each of 30 June 2023 and 31 December 2022		
Authorised Capital -		
1 Dwiwarna Series A share		
127,999,999,999 and 63,999,999,999		
Series B common		
shares each of 30 June 2023 and		
31 December 2022		
Issued and fully paid-in capital -		
1 Dwiwarna Series A share and		
93,333,333,331 and 46,666,666,665		
Series B common shares		
each of 30 June 2023		
and 31 December 2022	11,666,667	11,666,667
Additional paid-in capital/agio	18,941,550	18,941,550
Differences arising from translation of financial statements in foreign currencies	(367,645)	(361,753)
The unrealized net loss from the fair value decrease of financial assets in the fair value through other comprehensive income group after deducting deferred taxes	(2,033,225)	(2,737,402)
Net differences in fixed assets revaluation	34,487,954	34,487,954
Net actuarial gain from defined benefit program - net of deferred tax	1,478,835	1,478,835
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	140,601,481	142,301,418
Total retained earnings	145,981,749	147,681,686
TOTAL EQUITY	210,240,937	211,242,589
TOTAL LIABILITIES AND EQUITY	1,528,141,323	1,570,332,063

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME - PARENT ENTITY
FOR PERIODS ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)**

	Period ended 30 June	
	2023	2022
INCOME AND EXPENSES FROM OPERATIONS		
Interest income	47,222,473	38,683,531
Interest expense	(12,188,588)	(7,766,608)
NET INTEREST INCOME	35,033,885	30,916,923
Other operating income		
Other fees and commissions	7,361,248	6,587,916
Income from fair value through profit or loss classification - net	1,342,008	1,602,128
Others	5,552,516	3,909,729
Total other operating income	14,255,772	12,099,773
Allowance for impairment losses	(5,530,562)	(5,374,732)
Provision for impairment losses on commitments and contingencies	629,415	320,380
Provision for other allowances and operational risk losses – net	(33,837)	(24,412)
Gain on sale of marketable securities and government bonds - net	-	701,477
Other operating expenses		
Salaries and employee benefits expenses	(7,806,018)	(7,746,505)
General and administrative expenses	(5,923,452)	(5,686,974)
Others - net	(2,371,762)	(2,169,664)
Total other operating expenses	(16,101,232)	(15,603,143)
INCOME FROM OPERATIONS	28,253,441	23,036,266
Non-operating income - net	32,175	7,030
INCOME BEFORE TAX EXPENSE	28,285,616	23,043,296
Tax expense		
Current	(4,804,058)	(4,334,048)
Deferred	(479,113)	(171,416)
Total tax expense - net	(5,283,171)	(4,505,464)
NET INCOME FOR THE PERIOD	23,002,445	18,537,832

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 PERIODS ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)**

	Period ended 30 June	
	2023	2022
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Gains on fixed assets revaluation	-	-
Actuarial gain (losses) on defined benefit plan	-	-
Income tax related to the items that will not be reclassified to profit or loss	-	-
	-	-
Items that will be reclassified to profit or loss		
Difference arising from translation of financial statements in foreign currencies	(5,891)	(23,429)
Changes in fair value of other comprehensive income financial assets	861,382	(6,770,487)
Effective portion of cash flow hedges	-	-
Income tax related to items that will be reclassified to profit or loss	(157,206)	1,282,008
	698,285	(5,511,908)
Other comprehensive income for the year - net of income tax	698,285	(5,511,908)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	23,700,730	13,025,924
EARNING PER SHARE		
Basic (full amount)	328.61	397.37
Dilluted (full amount)	328.61	397.37

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CHANGES IN EQUITY - PARENT ENTITY
FOR PERIODS ENDED 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)**

	Issued and fully paid-in capital	Additional paid in capital/agio	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 2023	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
Dividends payment from 2022 net income	-	-	-	-	-	-	-	-	(24,702,382)	(24,702,382)	(24,702,382)
Income for the periods ended	-	-	-	-	-	-	-	-	23,002,445	23,002,445	23,002,445
Other comprehensive income for the periods ended	-	-	(5,892)	704,177	-	-	-	-	-	-	698,285
Balance as of 30 June 2023	11,666,667	18,941,550	(367,645)	(2,033,225)	34,487,954	1,478,835	85,052	5,380,268	140,601,481	145,981,749	210,240,937

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CHANGES IN EQUITY - PARENT ENTITY (continued)
FOR PERIODS ENDED 30 JUNE 2023 AND 2022
(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 from 2021 net income	-	-	-	-	-	-	-	-	-	(16,816,893)	(16,816,893)	(16,816,893)
Release of treasury shares	-	-	150,895	-	-	-	-	-	-	-	-	150,895
Income for the periods ended	-	-	-	-	-	-	-	-	-	18,537,832	18,537,832	18,537,832
Other comprehensive income for the periods ended	-	-	-	(23,429)	(5,488,479)	-	-	-	-	-	-	(5,511,908)
Balance as of 30 June 2022	11,666,667	18,941,550	-	(316,451)	(3,959,619)	29,913,897	1,246,284	85,052	5,380,268	123,146,824	128,527,092	186,104,472

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CASH FLOWS - PARENT ENTITY
FOR PERIODS ENDE 30 JUNE 2023 AND 2022**
(Expressed in millions of Rupiah, unless otherwise stated)

	Period ended 30 June	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from interest income	45,514,940	36,535,585
Receipts from provision and commissions income	7,361,248	6,587,916
Payments of interest expense	(12,139,489)	(7,547,299)
Receipts from the sale of government bonds - fair value through profit or loss	100,624,404	175,548,358
Acquisition of government bonds - fair value through profit or loss	(100,996,210)	(177,159,333)
Income from fair value through profit or loss classification - net	2,788,074	2,639,129
Other operating income - others	1,419,215	1,242,127
Other operating expenses - others	(4,699,656)	(5,476,821)
Salaries and employee benefits expenses	(10,095,148)	(9,110,902)
General and administrative expenses	(4,486,661)	(4,300,572)
Non-operating income/(expenses) - net	30,944	6,753
Payment of corporate income tax	(5,516,705)	(4,914,401)
 Cash flows from operating activities before changes in operating assets and liabilities	 19,804,956	 14,050,540
Decrease/(increase) in operating assets:		
Placements with Bank Indonesia and other banks	771,003	2,425,187
Marketable securities - fair value through profit or loss	1,269,732	2,261,712
Other receivables - trade transactions	4,646,686	2,205,635
Loans	(59,266,943)	(69,555,286)
Securities purchased under agreements to resell	(4,780,828)	20,640,363
Prepaid taxes	(616)	908,945
Prepaid expenses	(423,197)	(183,734)
Other assets	(9,757,633)	(1,460,706)
 Recovery of written-off financial assets	 4,133,301	 2,667,602
Increase/(decrease) in operating liabilities:		
Demand deposits	(39,582,624)	(6,582,727)
Saving deposits	5,477,548	27,427,795
Time deposits	(16,167,763)	1,822,061
Interbank call money	1,737,110	1,428,382
Obligations due immediately	857,336	917,019
Other taxes payable	6,821	(52,461)
Other liabilities	8,597,915	4,600,583
 Net cash (used in)/provided by operating activities	 (82,677,196)	 3,520,910

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CASH FLOWS - PARENT ENTITY (continued)
FOR PERIODS ENDE 30 JUNE 2023 AND 2022
(Expressed in millions of Rupiah, unless otherwise stated)

	Period ended 30 June	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in marketable securities -		
other than fair value through profit or loss	5,724,799	(6,878,128)
Increase in government bonds -		
other than fair value through profit or loss	15,214,880	(32,574,289)
Proceeds from sale of fixed assets	1,244	276
Acquisition of fixed assets	(193,277)	(124,135)
Acquisition of intangible assets	(271,873)	(164,131)
Acquisition of right of use assets	(598,855)	(988,827)
Net cash provided by/(used in) investing activities	19,876,918	(40,729,234)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from debt securities issued	4,480,576	-
Payment of debt securities issued	-	(1,000,041)
Receipts from fund borrowings	15,060,560	4,484,513
Payment of fund borrowings	(9,939,351)	(5,229,357)
Receipts from subordinated loans and marketable securities	100,000	-
Payment of subordinated loans and marketable securities	(11,979)	(7,989)
(Decrease)/increase in marketable securities sold under agreements to repurchase	(1,468,679)	14,416,245
Payment of dividend	(24,702,382)	(16,816,893)
Net cash used in financing activities	(16,481,255)	(4,153,522)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(79,281,533)	(41,361,846)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3,027,192)	2,116,941
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	229,632,271	163,190,949
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	147,323,546	123,946,044

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CASH FLOWS - PARENT ENTITY (continued)
FOR PERIODS ENDE 30 JUNE 2023 AND 2022
 (Expressed in millions of Rupiah, unless otherwise stated)

	Period ended 30 June	
	2023	2022
Cash and cash equivalents at the end of year consists of:		
Cash	20,260,497	16,734,545
Current accounts with Bank Indonesia	58,953,247	53,982,938
Current accounts with other banks	25,738,193	19,807,593
Liquid short-term investments with a period of time maturity of three months or less from the date of acquisition	42,371,609	33,420,968
Total cash and cash equivalents	147,323,546	123,946,044