

**PT. Bank Mandiri Tbk.
Investor Release
July 2019**

Bank Mandiri Co-launches LinkAja, Cementing Its Strong Presence in Digital Payment Environment

What is LinkAja?

LinkAja is an e-wallet app launched recently by PT Fintek Karya Nusantara (Finarya). Finarya is an entity jointly owned by several state-owned enterprises, namely Bank Mandiri, Bank Rakyat Indonesia (BRI), Bank Negara Indonesia (BNI), Bank Tabungan Negara (BTN), Telkomsel, Pertamina and Jiwasraya. LinkAja's vision is to be a national mobile payment champion. This vision is strongly supported by Government of Indonesia, whose desire is a single platform for national e-wallet. This app is currently available in Google Playstore and the Apple Store. LinkAja's technology uses a combination of dynamic quick response (QR), which is the preferred method, by modern market retailers. It also uses static QR which is the preference of individual merchants.

Figure 1: Link Aja user interface

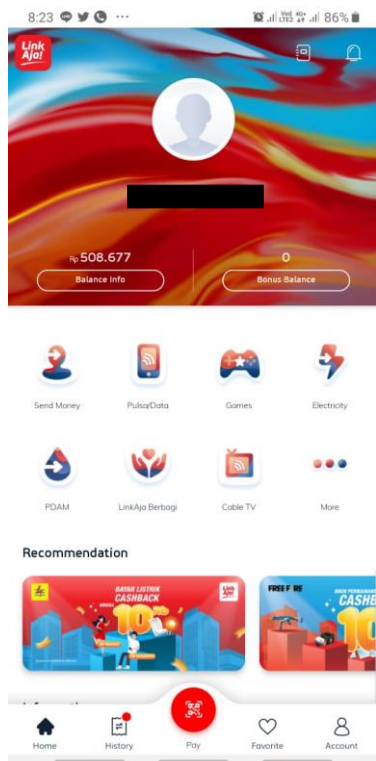
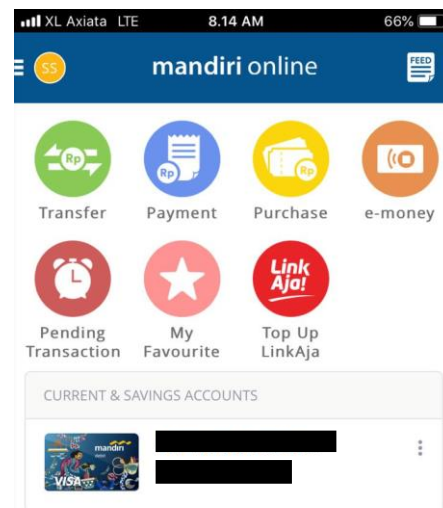


Figure 2: LinkAja is embedded into Mandiri Online apps



How is it different with other e-wallets in Indonesia?

Unlike other e-wallet apps, in Indonesia which focuses on lifestyles as its platform, LinkAja is targeting other topics of concerns that make up of the daily essentials. Examples of these essentials include but are not limited to transportation, utilities payment, and mobile phone voucher top up, bank transactions, groceries, and e-commerce shopping.

It offers better user experience than other e-wallet apps by allowing the user to link the source of payment in LinkAja to a debit card and/or credit card. In addition, a user is able to manually top up process like other e-wallet apps. Another distinctive characteristic is it allows the users to do cardless cash withdrawal in various SOE bank ATMs.

In addition to domestic use cases, this e-wallet app will also enable cross border transaction such as Indonesian tourist in Singapore and Thailand who wants to do transaction in several retail and F&B merchants. This can also include an Indonesian migrant worker who want to wire money to their families in Indonesia.

What are the examples of LinkAja main use cases?

LinkAja leverages on state-owned enterprise (SOE) synergies by being the preferred payment method for services provided within SOE ecosystem. Toll road users will find it more convenient to seamlessly access toll gate by having a Radio-frequency identification (RFID) sticker linked to their LinkAja app. This would allow direct debit from their e-wallet app. This option would be more seamless than the current system of having to tap a prepaid card to the card reader machine at the toll gate. LinkAja will also be available in all gas stations operated by Pertamina. For millions of commuters in greater Jakarta, they will be able to use LinkAja to pay for various transportation modes, such as commuter train, Mass Rapid Transit (MRT), and Trans Jakarta bus system.

Beyond SOE ecosystem, LinkAja is also widely accepted in private sectors, such as e-commerce transactions (Tokopedia, Bukalapak, Traveloka, Tiket.com), retailers (Indomart, Alfamart, Circle K, etc), and thousands of other retail merchants currently using SOE banks EDC machine.

One of the most helpful benefits of LinkAja is that it can be used as an efficient tool for the government in providing social assistance. By using LinkAja services, the government could recall and analyze historical social assistance transactions. Recognizing not all social assistance receivers has a smart phone, LinkAja is also accessible via mobile phone SMS banking.

How is it structured?

PT Fintek Karya Nusantara, LinkAja operator, is established as a separate entity with series A capital injection coming from Bank Mandiri, Bank Rakyat Indonesia (BRI), Bank Negara Indonesia (BNI), Bank Tabungan Negara (BTN), Telkomsel, Pertamina and Jiwasraya. By having clear separation from the SOEs

founders, the company will be able to focus solely on the e-wallet app business. Going forward, the company will consistently seek out new sources of financial support by tapping broader investor bases.

Figure 3: PT Fintek Karya Nusantara (Finarya) working space

