

CAPITAL STRUCTURE

MANAGEMENT POLICY ON CAPITAL STRUCTURE

In managing its capital structure, Bank Mandiri implements a capital policy that includes the prudent fulfillment of regulatory capital requirements, diversification of capital sources to anticipate long-term strategic plans, and efficient capital allocation to business segments with the potential to deliver an optimal risk-return profile. This also includes placements and investments in subsidiaries to meet stakeholder expectations, including those of investors and regulators. Additionally, the Bank continuously ensures adequate capital to cover credit risk, market risk, and operational risk, supporting business expansion in both normal conditions and stress scenarios.

In assessing capital adequacy, Bank Mandiri refers to regulations issued by the Financial Services Authority (Otoritas Jasa Keuangan/OJK), including:

- POJK No. 27 of 2022 dated 28 December 2022 on the Second Amendment to POJK 11/POJK.03/2016 concerning the Minimum Capital Requirement for Commercial Banks.
- POJK No. 34/POJK.03/2016 dated 22 September 2016 on the Amendment to POJK No. 11/POJK.03/2016 concerning the Minimum Capital Requirement for Commercial Banks.
- SEOJK No. 26/SEOJK.03/2016 on the Minimum Capital Requirement Based on Risk Profile and Fulfillment of Capital Equivalency Maintained Assets.

- SEOJK No. 23/SEOJK.03/2022 on the Calculation of Risk-Weighted Assets for Market Risk for Commercial Banks.

Bank Mandiri also applies the Basel II Standardized Approach for Credit Risk and has incorporated the External Rating component in calculating Risk-Weighted Assets (RWA).

Bank Mandiri is gradually conducting simulations of the Internal Ratings-Based Approach. The method used by the Bank to measure market risk follows the Basel III Standardized Approach – Fundamental Review of the Trading Book (FRTB). Currently, internal measurement utilizes the Value at Risk (VaR) method, while a parallel study is being conducted to implement the Expected Shortfall (ES) method as a replacement for VaR. Meanwhile, for operational risk measurement, the Bank applies the Basel II Basic Indicator Approach.

The Bank's consolidated capital adequacy ratio as of 31 December 2024, and 2023, considering credit, operational, and market risks, was 20.82% and 21.48%, respectively. When considering only credit and operational risks, the ratios were 21.14% and 21.69%, respectively.

The following tables present the calculation results of Risk-Weighted Assets (RWA) for credit, operational, and market risks, as well as the Capital Adequacy Ratio as of 31 December 2024, and 2023, for Bank Mandiri on a standalone basis.

Bank Mandiri Capital Structure 2022-2024

(In Rp million)

Capital	2024	2023	2022
Core Capital	229.932.670	209.724.274	181.072.852
Supplemental Capital	14.325.962	12.264.005	10.771.601
Total Capital for Credit Risk, Operational Risk and Market Risk	244.258.632	221.988.279	191.844.453
Credit Risk-Weighted Assets (RWA)	1.132.192.033	964.706.719	846.394.763
Operational Risk-Weighted Assets (RWA)	62.675.961	58.720.278	133.826.964
Market Risk-Weighted Assets (RWA)	20.289.449	9.980.215	5.829.558
Total RWA for Credit Risk, Operational Risk and Market Risk	1.215.157.443	1.033.407.212	986.051.285



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Capital Adequacy Ratio

Capital	2024	2023	2022
CAR for Core Capital	18.92%	20.29%	18.36%
CAR for Credit Risk	21.57%	23.01%	22.67%
CAR for Credit Risk and Operational Risk	20.44%	21.69%	19.57%
CAR for Credit Risk and Market Risk	21.19%	22.78%	22.51%
CAR for Credit Risk, Operational Risk and Market Risk	20.10%	21.48%	19.46%
CAR Minimum Core Capital	6.00%	6.00%	6.00%
CAR Minimum Based on Risk Profile	9.69%	9.76%	9.86%

Quantitative Disclosure of Capital Structure of Commercial Banks

(In Rp million)

Capital	31-Dec-24		31-Dec-23	
	Bank	Consolidated	Bank	Consolidated
I. Core Capital (Tier 1)	229,932,670	286,910,930	209,724,274	258,956,049
1. Common Equity Tier 1 (CET 1)	229,932,670	286,910,930	209,724,274	258,956,049
1.1 Paid-in capital (net of Treasury Stock)	11,666,667	11,666,667	11,666,667	11,666,667
1.2 Disclosed Reserves	243,295,646	269,544,562	224,692,846	246,380,061
1.2.1 Additional Factor	246,404,152	273,337,976	227,600,355	249,758,383
1.2.1.1 Other Comprehensive Income	34,566,487	35,192,233	34,582,623	34,811,362
1.2.1.1.1 Excess Differences Arising from Translation of Financial Statement	47,779	388,734	27,284	27,284
1.2.1.1.2 Potential Gain of the Increase in the Fair Value of Financial Assets Available for Sale	30,754	30,754	67,385	67,385
1.2.1.1.3 Surplus of Fixed Assets Revaluate	34,487,954	34,772,745	34,487,954	34,716,693
1.2.1.2 Other Disclosed Reserves	211,837,665	238,145,743	193,017,732	214,947,021
1.2.1.2.1 Agio	19,661,550	18,095,274	18,941,550	17,643,264
1.2.1.2.2 General Reserves	2,333,333	2,333,333	2,333,333	2,333,333
1.2.1.2.3 Previous Year Profit	138,706,819	161,934,394	120,645,971	139,910,367
1.2.1.2.4 Current Year Profit	51,135,963	55,782,742	51,096,878	55,060,057
1.2.1.2.5 Funds for Paid-in Capital	—	—	—	—
1.2.1.2.6 Others	—	—	—	—
1.2.2 Deduction Factors	(3,108,506)	(3,793,414)	(2,907,509)	(3,378,322)
1.2.2.1 Other Comprehensive Income	(2,520,758)	(2,464,896)	(2,432,966)	(1,971,613)
1.2.2.1.1 Negative Differences Arising from Translation of Financial Statement	(378,445)	(378,445)	(461,721)	(173,583)
1.2.2.1.2 Potential Losses from the Decrease in the Fair Value of Financial Assets Available for Sale	(2,142,313)	(2,086,451)	(1,971,245)	(1,798,030)
1.2.2.2 Other Disclosed Reserves	(587,748)	(1,328,518)	(474,543)	(1,406,709)
1.2.2.2.1 Disagio	—	—	—	—
1.2.2.2.2 Previous Year Loss	—	—	—	—
1.2.2.2.3 Current Year Loss	—	—	—	—
1.2.2.2.4 Negative Difference in Allowance for Possible Losses and Allowance for Impairment on Earning Assets	—	—	—	—
1.2.2.2.5 Negative Difference in Adjustment Amounts from Fair Value of financial Assets in Trading Book	—	—	—	—
1.2.2.2.6 Required Allowance for Non-Earning Asset	(587,748)	(1,328,518)	(474,543)	(1,406,709)
1.2.2.2.7 Others	—	—	—	—
1.3 Noncontrolling Interests	—	25,425,527	—	21,864,452
1.4 Deduction Factor of CET 1	(25,029,643)	(19,725,826)	(26,635,239)	(20,955,131)
1.4.1 Deferred Tax Calculation	(5,840,877)	(8,342,819)	(7,874,700)	(10,100,735)
1.4.2 Goodwill	—	(482,091)	—	(482,091)
1.4.3 Other Intangible Assets	(4,207,868)	(6,525,458)	(3,808,411)	(5,068,755)
1.4.4 Investments in Share	(14,980,898)	(4,375,458)	(14,952,128)	(5,303,550)
1.4.5 Shortfall of Capital on Insurance Subsidiaries	—	—	—	—
1.4.6 Securitization Exposure	—	—	—	—

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Capital	31-Dec-24		31-Dec-23	
	Bank	Consolidated	Bank	Consolidated
1.4.7 Other Deduction of CET 1	–	–	–	–
1.4.7.1 Placement of Funds in Instrument AT 1 and/or Tier 2 to Other Bank	–	–	–	–
1.4.7.2 Cross-Ownership in Another Entity Acquired by the Transition Due to Law, Grants, or Grants Will	–	–	–	–
1.4.7.3 Exposures that Give Rise to Credit Risk Due the Settlement Risk (Settlement Risk) - Non-Delivery Versus Payment	–	–	–	–
1.4.7.4 Exposures in Subsidiaries that do Business Activity Based on Sharia Principles (if Available)	–	–	–	–
2. Additional Tier 1 (AT 1)	–	–	–	–
2.1 Instrument which Comply with AT 1 Requirements	–	–	–	–
2.2 Agio/Disagio	–	–	–	–
2.3 Deduction Factor of AT 1	–	–	–	–
2.3.1 Placement of Funds in Instrument AT 1 and/or Tier 2 to Other Bank	–	–	–	–
2.3.2 Cross-Ownership in Another Entity Acquired by the Transition Due to Law, Grants, or Grants Will	–	–	–	–
II. Supplemental Capital (Tier 2)	14,325,962	17,374,792	12,264,005	14,966,831
1. Capital Instrument in the Form of Stock or others which Comply with Tier 2 Requirements	173,562	333,562	205,171	405,171
2. Agio/Disagio	–	–	–	–
3. General Provision on Earning Assets (max. 1.25% Credit Risk - Weighted Assets)	14,152,400	17,041,230	12,058,834	14,561,660
4. Deduction Supplemental Capital	–	–	–	–
4.1 Sinking Fund	–	–	–	–
4.2 Placement of Funds in instrument AT 1 and/or Tier 2 to Other Bank	–	–	–	–
4.3 Cross-Ownership in Another Entity Acquired by the Transition Due to Law, Grants, or Grants Will	–	–	–	–
III. TOTAL CAPITAL (I+II)	244,258,632	304,285,722	221,988,279	273,922,880

Quantitative Disclosure of Capital Structure of Commercial Banks

(In Rp million)

Description	31-Dec-24		31-Dec-23	
	Bank	Consolidated	Bank	Consolidated
Risk-Weighted Assets (Rwa)				
Credit Risk RWA	1,132,192,033	1,363,298,397	964,706,719	1,164,932,800
Market Risk RWA	20,289,449	22,445,193	9,980,215	12,359,269
Operational Risk RWA	62,675,961	75,849,894	58,720,278	68,332,364
Total RWA	1,215,157,443	1,461,593,484	1,033,407,212	1,245,624,433
CAR BASED ON RISK PROFILE (%)	9.69%	9.73%	9.76%	9.82%
Capital Allocation For Car Based On Risk Profile				
From CET 1 (%)	8.51%	8.54%	8.57%	8.62%
From AT 1 (%)	0.00%	0.00%	0.00%	0.00%
From Tier 2 (%)	1.18%	1.19%	1.19%	1.20%
CAR Ratio				
CET 1 Ratio (%)	18.92%	19.63%	20.29%	20.79%
Tier 1 Ratio (%)	18.92%	19.63%	20.29%	20.79%
Tier 2 Ratio (%)	1.18%	1.19%	1.19%	1.20%
Capital Adequacy Ratio (%)	20.10%	20.82%	21.48%	21.99%
CET 1 FOR BUFFER (%)	10.41%	11.09%	11.72%	12.17%
Percentage of Buffer Mandatory Filled By Bank (%)				
Capital Conservation Buffer (%)	2.50%	2.50%	2.50%	2.50%
Countercyclical Buffer (%)	0.00%	0.00%	0.00%	0.00%
Capital Surcharge for Systemic Banks (%)	2.50%	2.50%	2.50%	2.50%



MATERIAL COMMITMENT FOR CAPITAL GOODS INVESTMENT

Bank Mandiri does not have a material bond for capital goods investment in the 2024 financial year. As such, the Bank does not present information related to this matter, including:

1. The name of the contracting party;
2. The purpose of the engagement;
3. Source of funds prepared to fulfill the engagement;
4. The currency denomination in the bond; and
5. The Bank's planned measures to hedge the risks of the related foreign currency position.



CAPITAL INVESTMENT IN FISCAL YEAR 2024

Capital Investment

Bank Mandiri makes capital investments annually, which involve expenditures used to acquire assets or investments expected to generate future value.

Types and Value of Capital Investment

Bank Mandiri's capital investments in fixed assets, including land, buildings, equipment, office and computer hardware, motor vehicles, assets under construction, and right-of-use assets, reached

Rp8.75 trillion as of 31 December 2024. In addition, Bank Mandiri invested in intangible assets, such as software and assets under development, amounting to Rp2.40 trillion. These capital investments were made in line with the Bank's ongoing business expansion efforts.

The capital investments in both fixed assets and intangible assets made during the period ending 31 December 2024, with their comparison to the previous year-end, are as follows:

Types and Value of Capital Investment

(In Rp million)

Types of Capex	Value of Capital Investment	
	2024	2023
Capital Goods - Fixed Assets		
Land	242,038	33,518
Building	266,238	154,831
Supplies, Office Equipment and Computers	768,293	403,071
Motor vehicle	1,705	11,322
Construction in Progress	4,863,277	2,483,635
Right of Use Assets	2,605,544	1,998,278
Total	8,747,095	5,084,655
Capital Goods - Intangible Assets		
Software	345,015	322,542
Goodwill	-	-
Yokke brand assets	-	-
Construction in Progress	2,057,330	1,612,117
Total	2,402,345	1,934,659

Purpose of Capital Investment

Bank Mandiri undertakes capital investments to support and enhance the Bank's overall operational activities.



TRANSACTION INFORMATION RELATED TO INVESTMENT, EXPANSION, DIVESTMENT, MERGER, ACQUISITION, AND RESTRUCTURING

Investment

As part of its business activities in the banking industry, the Bank invests in debt securities issued by both the Government and corporations. The details of Bank Mandiri's investments in debt securities as of 31 December 2024, are as follows:

(In Rp million)

Types of Securities	Value	
	2024	2023
Related parties		
Measured at Fair Value Through Profit and Loss	4,285,159	3,138,746
Measured at Fair Value Through Other Comprehensive Income	9,586,379	10,625,541
Measured at Amortized Cost of Acquisition	3,139,468	3,668,508
Measured at Cost of Acquisition*)	79,569	309,017
	17,090,575	17,741,812
Third parties		
Measured at Fair Value Through Profit and Loss	17,604,380	16,116,963
Measured at Fair Value Through Other Comprehensive Income	37,408,046	38,208,496
Measured at Amortized Cost of Acquisition	5,842,595	2,231,038
Measured at Cost of Acquisition *)	3,161,962	991,866
	64,016,983	57,548,363
Investments in Unit-Link**)		
Related Parties:		
Measured at Fair Value Through Profit and Loss	3,132,500	6,032,327
Third Parties:		
Measured at Fair Value Through Profit and Loss	11,101,498	13,259,620
	14,233,998	19,291,947
Total	95,341,556	94,582,122
Add/(Less):		
Unamortized Discounts	(27,018)	8,829
Unrealized Gains on Increases in the Fair Value of Marketable Securities	215,010	105,165
Allowance for Impairment Losses	(51,497)	(150,275)
	136,495	(36,281)
Net	95,478,051	94,545,841

*) Marketable securities owned by Subsidiaries.

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

The details of Bank Mandiri's investment in bonds are as follows:

(In Rp million)

Types of Securities	Value	
	2024	2023
Related parties		
Government Bonds		
Measured at Amortized Cost of Acquisition	153,035,870	163,194,756
Measured at Fair Value Through Other Comprehensive Income***)	82,065,670	90,640,924
Measured at Cost of Acquisition*)	22,560,953	34,541,812
Measured at Fair Value Through Profit and Loss	17,761,405	12,078,509
Investment in unit-link **)		
Measured at Fair Value Through Profit and Loss	11,848,761	8,726,970
	287,272,659	309,182,971

*) Government Bonds owned by Subsidiaries classified in accordance with PSAK No. 410 "Sukuk Accounting".

**) Investment in unit-linked is an investment owned by the policyholder in the unit-linked contract of the Subsidiary presented at fair value.

***) This includes sukuk, project-based sukuk, and retail sukuk that are classified as measured at fair value through other comprehensive income.

TRANSACTION INFORMATION RELATED TO INVESTMENT, EXPANSION, DIVESTMENT, MERGER, ACQUISITION, AND RESTRUCTURING

Expansion

In line with the growth of digital banking services, Bank Mandiri has reduced the number of branch offices by 51 sub-branches. This measure was taken to optimize banking services for customers, factoring in the level of digital penetration in each location. This step reflects Bank Mandiri's commitment to consistently providing the public with wider access to banking services and products through the development of digital platforms and Mandiri Agents (branchless banking).

Divestment

On 7 February 2024, Bank Mandiri and PT Asuransi Jiwa IFG (IFG Life) signed a Sale and Purchase Agreement (PPJB) for shares in PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) concerning the planned transfer of 60% ownership of Mandiri Inhealth from Bank Mandiri to IFG Life.

On 21 February 2024, Bank Mandiri submitted an application to the Financial Services Authority (OJK) for approval regarding the divestment of Mandiri Inhealth. On 13 May 2024, Bank Mandiri received approval from the OJK through letter No. S-73/PB.21/2024 on Phase 1 Approval for the Divestment of the Subsidiary PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth). Subsequently, on 7 June 2024, Mandiri Inhealth obtained approval from the OJK through letter No. S-15/D.05/2024 on Approval for the Change of Ownership of PT Asuransi Jiwa Inhealth Indonesia.

On 26 June 2024, the Share Acquisition Deed No. 88 between Bank Mandiri and IFG Life and the Share Sale and Purchase Deed No. 89 between Kimia Farma and IFG Life were signed, both before Mala Mukti, S.H., LL.M., a notary in Jakarta. Following the signing of the Share Acquisition Deed and the Share Sale and Purchase Deed, the shareholder structure of Mandiri Inhealth changed, with IFG Life owning 80% of the shares and Bank Mandiri holding 20%. Consequently, Bank Mandiri lost control over Mandiri Inhealth, resulting in the cessation of recognition of Mandiri Inhealth's net assets at their carrying value. This share transfer was previously approved during Mandiri Inhealth's GMS, formalized in the Deed of Shareholders' Resolutions No. 90, executed

before Mala Mukti, S.H., LL.M., a notary in Jakarta. The notification of this change was recorded in the Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia via a letter dated 27 June 2024, No. AHU-AH.01.09-0219371.

The share transfer transaction of Mandiri Inhealth constitutes a business combination of entities under common control, as the ultimate shareholder of the shareholders of Mandiri Inhealth namely Bank Mandiri, Kimia Farma, and IFG Life, is the Government of the Republic of Indonesia. As such, the divestment transaction was recorded using the pooling of interest method in accordance with the Statement of Financial Accounting Standards (PSAK) No. 338 (Revised 2014), "Business Combination of Entities Under Common Control."

Acquisition

1. Capital Injection into PT Kliring Penjaminan Efek Indonesia (KPEI)

To support the development of a Central Counterparty (CCP) for transactions in the Money Market and Foreign Exchange Market, particularly for Over-The-Counter Derivatives Transactions on Interest Rates and Exchange Rates, as part of the implementation of Law No. 4 of 2023 on Financial Sector Development and Strengthening and Bank Indonesia Regulation No. 6 of 2024 on Money Market and Foreign Exchange Market, Bank Mandiri has made a capital injection for 2,500 Series B shares (representing a 1.11% ownership stake) to KPEI, which functions as the CCP operator in Indonesia.

In relation to this capital injection, Bank Mandiri obtained approval from the OJK through letter No. SR-108/PB.21/2024 dated 16 August 2024, regarding Approval for Bank Saudara's Capital Injection into PT Kliring Penjaminan Efek Indonesia for the Implementation of Central Counterparty for Interest Rates and Exchange Rates. In addition, KPEI received approval from OJK through letter No. S-127/D.04/2024 dated



TRANSACTION INFORMATION RELATED TO INVESTMENT, EXPANSION, DIVESTMENT, MERGER, ACQUISITION, AND RESTRUCTURING

13 September 2024, regarding Approval of Other Parties as Shareholders of PT Kliring Penjaminan Efek Indonesia, and approval through letter No. S-287/PM.01/2024 dated 24 September 2024, concerning Approval for Amendments to the Articles of Association of the Clearing and Guarantee Institution.

The capital injection became effective on 26 September 2024, based on the Decree of the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0061216. AH.01.02. Tahun 2024 dated 26 September 2024, regarding Approval of Amendments to the Articles of Association of PT Kliring Penjaminan Efek Indonesia.

2. Additional Capital Injection into Mandiri Utama Finance (MUF)

To strengthen synergy and transform its business in the multifinance segment, Bank Mandiri carried out additional capital injection into MUF through the purchase of 2,449,999,999 (two billion four hundred forty-nine million nine hundred ninety-nine thousand nine hundred ninety-nine) MUF shares owned by PT Asco Investindo and PT Tunas Ridean. This transaction increased Bank Mandiri's ownership in MUF from 51% to 99.999999998%.

The share purchase became effective on 28 November 2024, as stated in Share Sale and Purchase Deed No. 44 between Bank Mandiri and PT Asco Investindo and Share Sale and Purchase Deed No. 46 between Bank Mandiri and PT Tunas Ridean, both executed before Ashoya Ratam, S.H., M.Kn., a Notary in South Jakarta. The deeds confirm the new shareholder composition of MUF following the capital injection transaction. The notification of the corporate data changes for MUF was acknowledged by the Ministry of Law and Human Rights of the Republic of Indonesia through Letter No. AHU-AH.01.09-0281917 dated 29 November 2024, regarding the Receipt of Notification on Corporate Data Changes of PT Mandiri Utama Finance.

The additional capital injection by Bank Mandiri into MUF received all required approvals and met the conditions for capital participation in accordance with applicable regulations. These included approval from the Ministry of State-Owned Enterprises of the Republic of Indonesia, as the holder of Series A Dwiwarna Shares, via Letter No. S-459/MBU/09/2024 dated 20 September 2024, regarding Approval for Additional Capital Injection into PT Mandiri Utama Finance, and approval from the OJK via Letter No. SR-167/PB.21/2024 dated 29 October 2024, regarding Approval for Capital Injection into PT Mandiri Utama Finance.

To comply with Article 7 paragraph (1) of Law No. 40 of 2007 on Limited Liability Companies, as amended by Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation, which was established as law through Law No. 6 of 2023, PT Mandiri Sekuritas also participated in the capital injection by purchasing 1 (one) share owned by PT Asco Investindo. This share purchase became effective on 28 November 2024, as documented in Share Sale and Purchase Deed No. 45 between Mandiri Sekuritas and PT Asco Investindo.

Debt and Capital Restructuring

Bank Mandiri did not conduct any debt and/or capital restructuring transactions during 2024.

Use of Third-Party Services

The use of third-party services for assessing the fairness of investment, acquisition, divestment, and restructuring transactions is carried out in compliance with applicable capital market regulations.