



EMPLOYEE STOCK OPTION PROGRAM (ESOP) / MANAGEMENT STOCK OPTION PROGRAM (MSOP)

Based on the Resolution of the GMSE dated 29 May 2003 as stated in the Notarial deed of Sutjipto, S.H., No. 142 dated May 29, 2003, the shareholders of Bank Mandiri also approved plans for share ownership by employees and Directors through the Employee Stock Allocation (“ESA”) Program and Provision of Management Stock Option Plan (“MSOP”). The ESA Program consisted of a Share Plan Bonus and a Share Purchase at Discount program. Meanwhile, the MSOP program was aimed at Directors and employees at grade level or certain criteria. The fees and discounts on the ESA program became the responsibility of Bank Mandiri, whose expenses are sourced from reserves that have been formed. The management and implementation of the ESA and MSOP programs would be handled by the Board of Directors, while the supervision was carried out by the Board of Commissioners.

On July 14, 2003, the Government of the Republic of Indonesia released 4,000,000,000 shares, representing 20% of its ownership in Bank Mandiri, through an Initial Public Offering (IPO). As a follow up to the Government Regulation of the Republic of Indonesia No. 27/2003 dated June 2, 2003 which approved a divestment of up to 30.00% of Government ownership in Bank Mandiri and based on the decision of the State Owned Enterprise Privatization Team No. Kep-05 / TKP / 01/2004 dated January 19, 2004, the Government of the Republic of Indonesia carried out a further divestment of 10.00% ownership in Bank Mandiri or as many as 2,000,000,000 Common Series B shares on March 11, 2004 through a private placement.

During the IPO on July 14, 2003, Bank Mandiri gave the option to purchase shares to management through the MSOP Stage 1 (one) program of 378,583,785 options with an execution price of IDR742.50 (full amount) per share and nominal value of IDR500 (value full) per share. The issuance of this stock option was accounted for at the Equity - Stock Option at a fair value of IDR.69.71 (full amount) per share. The option executed from MSOP Stage 1 (one) is 375,365,957 shares, resulting in an increase in the Issued and Paid Up Capital of IDR.187,683, the addition of the Shareholder Agio of IDR.117,193. MSOP Stage 1 (one) could be executed until July 13, 2008 as announced at the Announcement of the Indonesia Stock Exchange (formerly the Jakarta Stock Exchange) No. Peng-262 / BEJ.PJS / P / 07-2004 dated July 14, 2004.

Furthermore, at the Annual General Meeting of Shareholders dated May 16, 2005, MSOP Phase 2 (two) was approved for 312,000,000 options stock. The execution price per share is IDR1,190.50 (full amount) as the implementation in the first year and IDR2,493 (full amount) as the implementation in the second year and in the following year. The nominal value per share was IDR500 (full amount). The issuance of this stock option was recorded in equity - stock options with fair value of stock options amounting to IDR642.28 (full amount) per share. The options executed from MSOP Stage 2 (two) are 311,713,697 shares resulting in the addition of issued and paid-up capital of IDR.155,857 and additional share premiums of IDR.425,233. The 5 (last period) period of implementation of MSOP Stage 2 (two) option conversion rights is May 4, 2010 for 30 exchange days as announced in the Announcement of the Indonesia Stock Exchange (formerly the Jakarta Stock Exchange) No. Peng-97 / BEJ-PSJ / P / 02-2007 dated February 2, 2007. MSOP Stage 2 (two) stock options which were not executed were 286,303 shares or IDR.184 which passed the implementation period which was recorded as an additional share premium.

The Annual General Meeting of Shareholders dated May 22, 2006 approved the granting of MSOP Stage 3 (three) of 309,416,215 stock options. The GMS also authorized the Board of Commissioners to establish MSOP Stage 3 (three) implementation and supervision policies and report them at the upcoming GMS. The MSOP Stage 3 (three) option price per share of MSOP Stage 3 was IDR1,495.08 (full amount) with a nominal value of IDR500 (full amount) per share. This stock option was recorded at the Equity - Stock Option post with a fair value of stock options of IDR.593.89 (full amount) per share. Options executed from MSOP Stage 3 (three) amounted to 309,415,088 shares resulting in the addition of issued and paid-up capital of IDR154,707 and additional share premiums of IDR491,651. The MSOP Stage 3 (three) option execution period ended in February 2011, before the commencement of the trading period of Bank Mandiri Preemptive Rights dated February 14, 2011 to February 21, 2011. MSOP Stage 3 (three) stock options which were not executed were 1,127 shares respectively or as much as IDR. 4, which passes through the implementation period which is recorded as an additional share premium.

On December 27, 2010, the Bank made the first registration to the Financial Services Authority (formerly the Capital Market and Financial Institution Supervisory Agency in the context of Limited Public Offering (PUT) to Bank shareholders in the context of Rights Issuance Pre-emptive Securities ("HMETD") totaling 2,336,838,591 Shares had been approved by the Board of Commissioners through a letter dated April 29, 2010. The Bank submitted a notification regarding LPO to Bank Indonesia through a letter dated September 17, 2010. PUT had also been promulgated through Government Regulation of the Republic of Indonesia No. 75 of 2010 dated November 20, 2010. PUT received effective approval from Bapepam and LK through letter No. S-807 / BL / 2011 dated January 27, 2011, in which PUT became effective after obtaining approval from shareholders at the Extraordinary General Meeting of Shareholders held on January 28, 2011.

Pre-emptive as many as 2,336,838,591 Rights shares were traded during the period February 14, 2011 - February 21, 2011 with an exercise price of IDR5,000 (full amount) per share which resulted in an additional issued and paid-up capital of IDR1,168,420. Based on the resolutions of the Extraordinary General Meeting of Shareholders dated August 21, 2017, the shareholders of Bank Mandiri approved Bank Mandiri's stock split from IDR500 (full amount) per share to IDR250 (full amount) per share, so the capital was placed into 46,666,666,666 shares consisting of 1 (one) Series A Dwiwarna share and 46,666,666,665 Series B shares. For the stock split, there were no changes to the authorized, issued and paid-up capital. The breakdown of the share nominal value would be effective on September 13, 2017.

In 2019, Bank Mandiri did not have an Employee Stock Ownership Program (ESOP) and Management Stock Ownership Program (MSOP) program, the program ended in 2010.

REALIZATION OF USE OF PUBLIC OFFERING RESULTS

On 11 April 2019, Bank Mandiri has finalized the issuance of Euro Medium Term Note (Senior Debt Notes with Unsecured Fixed Interest) in US Dollar (EMTN) amounting USD750.000.000 with interest 3.75% per annum and tenor 5 (five) years due 11 April 2024 (Debt Notes). This Debt Note is listed in Singapore Stock Exchange and is offered to investors outside United States subject to US Regulation based on US Securities Act.

The issuance of this Debt Note is the First Tranche of the Company's EMTN program with a maximum size of USD2.000.000.000. Acting as Joint Global Coordinator in this transaction is The Hongkong and Shanghai Banking Corporation Limited (HSBC) and Mandiri Securities Pte. Ltd (Mandiri Securities). While HSBC, Mandiri Securities, MUFG Securities Asia Limited and Standard Chartered Bank act as Joint Bookrunners.

The fund will be used to support the Company business growth by sufficient source of fund, good distribution of tenor, and improvement of forex Macroeprudential Intermediation Ratio. In addition to using this fund to improve the Bank's structure of fund which is still largely dominated by public fund with short-term tenor, the Bank also requires USD funding to anticipate a larger forex credit growth compare to forex Third Party Fund (DPK) of the Bank.

EMTN offering is not publicly offered in Indonesia as referred by Law No.8 of 1995 concerning Capital Market and its implementation regulations, thus the Company did not provide any information on the realization of the utilization of public offering proceeds.