

FINANCIAL REVIEW

Mandiri University strengthens its digital capabilities to create a seamless omni-channel learning experience, by strengthening the digital learning experience through the concept of macro learning (classroom, virtual learning, e-learning), micro learning (job aids), and podcasts, adding varied and unconventional digital learning channels, as well as proactive knowledge management activation to document and translate tacit knowledge to become explicit, and can be accessed by all personnel.

MATERIAL INFORMATION AND SUBSEQUENT EVENTS

Up to the completion of the Annual Report, there is no description of important events after the date of the accountant's report, including the impact on future business performance and risks.

DIVIDEND AND DIVIDEND POLICY

Dividends Policy

The distribution of dividends by Bank Mandiri is carried out once a year through a process of determination and approval from the Shareholders at the Annual General Meeting of Shareholders (AGMS). Bank Mandiri has a policy of distributing dividends to shareholders while maintaining a dividend payout ratio of around 50% of net income annually unless the AGMS states otherwise depending on various considerations related to the performance of the year in question. Some of these considerations include the level of the financial health of Bank Mandiri, level of capital adequacy, Bank Mandiri's need for funds for further business expansion, without prejudice to the right of Bank Mandiri's AGMS to determine under the provisions of the Company's Articles of Association.

Bank Mandiri will only pay dividends from net income according to Indonesian law and will pay dividends (if any) in cash in Rupiah and always comply with the provisions applicable in the stock exchange by making timely payments. Bank Mandiri has no restrictions (negative covenants) concerning restrictions on third parties in the context of dividend distribution that may harm the rights of public shareholders.

Announcement and Payment of Dividends

Based on the decision in the AGMS, Bank Mandiri announces and pays dividends according to the following scheme.

Dividend Announcement and Payouts for Fiscal Year 2016-2020

Description	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
Net Profit (billion Rp)	17,645.62	27,482.13	25,015.02	20,639.68	13,806.57
Dividend (billion Rp)	10,271.55	16,489.28	11,256.76	9,287.86	6,212.95
Dividend per Share (Rp)	220	353.34	241.22	199.02552	266.26947
Number of shares	46,688,870,747	46,666,666,666	46,666,666,666	46,666,666,666	23,333,333,333
Dividend Pay Out Ratio (%)	60%	60%	45%	45%	45%
Announcement Date	March 17, 2021	February 19, 2020	May 16, 2019	March 23, 2018	March 14, 2017
Payment Date	April 12, 2021	March 20, 2020	June 19, 2019	April 20, 2018	April 13, 2017

Announcement and Payout of Dividends Fiscal Year 2020

On March 15, 2021, Bank Mandiri conducted an AGMS that approved and set the utilization of Bank Mandiri's net profit for the year ending on December 31, 2020 of Rp17,119,252,607,385.70 as follows:

- 60% of Bank Mandiri's net profit for the financial year 2020 of Rp10,271,551,564,431.41.40 was distributed as cash dividends to shareholders and dividends specifically for the Government/State of the Republic of Indonesia will be paid under the provisions of

laws and regulations. The Bank gave power and authority to the Board of Directors to regulate the procedures and implementation of the cash dividend payment and subsequently announce it under the applicable



FINANCIAL REVIEW

regulations on distribution allocation:

- Government/the Republic of Indonesia shareholding of 60%.
 - Public shareholding of 40%.
2. Around 40% of Bank Mandiri's net profit in Fiscal Year 2020 was acknowledged as Retained Earnings.

The dividend payment for Fiscal Year 2022 was done on April 12, 2021, and the financial performance of 2021 will be decided during a 2022 AGMS.

SHARES OWNERSHIP BY EMPLOYEES AND/OR MANAGEMENT (ESOP/MSOP)

Based on the decision of the Extraordinary GMS on May 29, 2003, as stated in the deed of Notary Sutjipto, S.H., No. 142 dated May 29, 2003, the shareholders of Bank Mandiri also approved the plan for shares ownership by employees and the Board of Directors through the Employee Stock Allocation (ESA) Program and the Granting of Share Purchase Option to Management/ Management Stock Option Plan (MSOP). The ESA program consists of the Share Plan Bonus and the Share Purchase at Discount program. Meanwhile, the MSOP program is intended for Directors and leadership employees at certain grades or criteria. The costs and discounts for the ESA program are borne by Bank

Mandiri, the burden of which comes from the reserves that have been established. The management and implementation of the ESA and MSOP programs are carried out by the Board of Directors, while the supervision is carried out by the Board of Commissioners.

On July 14, 2003, the Indonesian government sold 4,000,000,000 of its shares, representing 20.00% of its ownership of Bank Mandiri, through an Initial Public Offering (IPO). As a follow-up to the Indonesian Government Regulation No. 27/2003 dated June 2, 2003, that approved the divestiture of up to 30.00% of the Government's ownership of Bank Mandiri and based on the decision of the State-Owned Enterprises Privatization Policy Team No. Kep-05/TKP/01/2004 dated January 19, 2004, the Indonesian Government carried out a further divestment of 10.00% ownership in Bank Mandiri or 2,000,000,000 Series B Ordinary shares on March 11, 2004, through a private placement.

At the time of the IPO on July 14, 2003, Bank Mandiri provided the management with the option to purchase shares through the MSOP Phase 1 (one) program of 378,583,785 options with an exercise price of Rp742.50 (full amount) per share and a nominal value of Rp500 (full amount) per share. The share options were recorded in the Equity - Share Options account with the fair value

of the share options amounting to Rp69.71 (full amount) per share. The options exercised from the MSOP Stage 1 (one) amounted to 375,365,957 shares, resulting in an additional Issued and Paid-In Capital of Rp187,683, an additional Paid-In Capital amounting to Rp117,193. MSOP Phase 1 (one) could be executed until July 13, 2008, as announced in 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 GMS on May 16, 2005, it was approved to grant MSOP Phase 2 (two) totaling 312,000,000 share options. The exercise price per share was Rp1,190.50 (full amount) for the exercise in the first year and Rp2,493 (full amount) for the exercise in the second year and the following year. The nominal value per share is Rp500 (full amount). These share options were recorded in equity-share options with a fair value of share options of Rp642.28 (full amount) per share. The options exercised from MSOP Phase 2 (two) amounted to 311,713,697 shares, resulting in an additional issued and paid-in capital of Rp155,857 and an additional premium for shares of Rp425,233. Period 5 (last period) of exercise of MSOP option conversion rights Phase 2 (two) is May 4, 2010, for 30 trading days as announced in the Announcement of the Indonesia