



FINANCIAL REVIEW

The discussion and analysis of the financial performance refers to the financial statements for the year ended 31 December 2021 and 31 December 2020, which have been audited by the public accountant firm Tanudiredja, Wibisana, Rintis, dan Rekan (Firm Member of PwC Global Network) with the opinion of present fairly, in all material respects, the consolidated financial position of PT Bank Mandiri (Persero) Tbk and its Subsidiaries on 31 December 2021, including consolidated financial performance and cash flows for the year ended on said date. The Company's audited financial statements presentation and disclosure have been developed and presented in accordance with the Indonesian Financial Accounting Standards.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in Rp trillion)



(in Rp million)

FINANCIAL PERFORMANCE

Description	2021	2020*	2019	Growth 2021-2020 (%)
Assets				
Cash	23,948,485	26,225,089	28,094,267	-8.68%
Current Accounts with Bank Indonesia	99,023,492	52,238,679	46,490,930	89.56%
Current Accounts with Other Banks - Net	25,417,618	26,421,960	12,558,297	-3.80%
Placements with Bank Indonesia and Other Banks - Net	47,783,516	82,395,847	37,568,760	-42.01%
Securities - Net	98,103,670	90,570,073	71,263,368	8.32%
Government Bonds	289,054,774	178,743,845	129,000,300	61.71%
Other Receivables - Trading Transactions - Net	27,817,547	28,308,088	29,104,111	-1.73%
Receivables on Securities Purchased under Agreement to Resell	27,317,000	55,094,456	1,955,363	-50.42%
Derivative Receivables	1,669,838	2,578,947	1,617,476	-35.25%
Loans and Sharia Receivables/ Financing - Net	957,636,147	877,051,229	855,846,844	9.19%
Consumer Financing Receivables - Net	18,633,307	18,649,899	18,211,088	-0.09%
Net Investment Finance Leases - Net	4,693,806	3,522,467	3,047,089	33.25%
Acceptance Receivables - Net	10,076,751	10,109,246	10,058,035	-0.32%
Investments in Shares - Net	2,432,393	2,250,017	606,010	8.11%
Prepaid Expenses	1,470,251	1,626,435	3,012,550	-9.60%
Prepaid Taxes	2,073,725	2,178,758	1,176,600	-4.82%
Fixed Assets - Net	49,144,792	48,306,843	44,612,199	1.73%

FINANCIAL REVIEW

Description	2021	2020*	2019	Growth 2021-2020 (%)
Intangible Assets - Net	5,111,759	4,545,439	3,321,284	12.46%
Other Assets - Net	23,847,463	23,051,381	16,750,054	3.45%
Deferred Tax Assets - Net	10,354,794	8,095,869	3,951,710	27.90%
Total Assets	1,725,611,128	1,541,964,567	1,318,246,335	11.91%
Liabilities, Temporary Syirkah Funds and Equity				
Liabilities				
Obligation due immediately	5,380,474	4,286,333	3,169,451	25.53%
Deposits from Customer	1,115,278,713	995,200,668	850,108,345	12.07%
Deposits from Other Banks	12,800,392	7,391,225	13,397,866	73.18%
Liabilities to Unit-Linked Policyholders	30,657,570	27,850,536	24,037,658	10.08%
Liabilities on Securities Sold under Agreement to Repurchase	5,427,998	1,330,068	3,782,055	308.10%
Derivative Payables	1,018,751	1,570,506	1,195,022	-35.13%
Acceptance Payables	10,273,444	10,232,855	10,279,839	0.40%
Debt Securities Issued - Net	45,138,342	39,111,473	32,245,270	15.41%
Estimated Losses on Commitments and Contingencies	2,295,241	3,475,979	386,039	-33.97%
Accrued Expenses	6,526,489	5,748,405	6,215,561	13.54%
Taxes Payable	2,862,716	2,059,214	1,286,973	39.02%
Employee Benefit Liabilities	11,205,546	8,319,149	7,586,150	34.70%
Provision	413,876	546,237	405,312	-24.23%
Other Liabilities	25,276,602	26,321,079	16,861,260	-3.97%
Fund Borrowings	51,398,940	52,810,689	54,128,562	-2.67%
Subordinated Loans and Marketable Securities - Net	637,143	650,966	664,217	-2.12%
Total Liabilities	1,326,592,237	1,186,905,382	1,025,749,580	11.77%
Temporary Syirkah Funds				
Deposits from Customer	175,897,406	149,439,073	83,016,203	17.71%
Deposits from Other Banks	1,010,203	920,444	446,027	9.75%
Total Temporary Syirkah Funds	176,907,609	150,359,517	83,462,230	17.66%
Equity				
Attributable Equity to the Parent Entity				
Share Capital	11,666,667	11,666,667	11,666,667	0.00%
Additional Paid-in Capital/Agio	17,643,264	17,316,192	17,316,192	1.89%
Treasury Stock	(150,895)	(150,895)	-	0.00%
Differences Arising from Translation of Financial Statements in Foreign Currencies	(88,985)	(116,031)	13,388	-23.31%
Net Unrealized Gain from Increase in Fair Value of Marketable Securities and Government Bonds - Net of Deferred Tax	1,692,145	4,430,511	-	-61.81%
Net Unrealized Gain/(Loss) from Increase/ (Decrease) in Fair Value of Marketable Securities and Government Bonds Available for Resell - Net of Deferred Tax	-	-	1,385,796	-
Effective Portion of Cash Flow Hedges	(370)	(15,319)	(30,045)	-97.58%



FINANCIAL REVIEW

Description	2021	2020*	2019	Growth 2021-2020 (%)
Net Differences in Fixed Assets Revaluation	30,140,345	30,115,479	30,306,255	0.08%
Net Actuarial Gain from Defined Benefit Program - Net of Deferred Tax	1,217,456	1,040,657	653,489	16.99%
Other Comprehensive Income	85,052	85,052	85,052	0.00%
Equity of Merging Entity	-	5,555,377	-	-100.00%
Difference in Transactions with Non-Controlling Parties	(106,001)	(106,001)	(106,001)	0.00%
Retained Earnings	142,587,934	119,556,775	143,310,060	19.26%
Appropriated	5,380,268	5,380,268	5,380,268	0.00%
Unappropriated	137,207,666	114,176,507	137,929,792	20.17%
Non-Controlling Interests in Net Assets of Consolidated Subsidiaries	17,424,670	15,321,204	4,433,672	13.73%
Total Equity	222,111,282	204,699,668	209,034,525	8.51%
Total Liabilities, Temporary Syirkah Funds and Equity	1,725,611,128	1,541,964,567	1,318,246,335	11.91%

*) After restatement

Bank Mandiri total assets stood at Rp1,725.61 trillion in 2021, rose by 11.91% compared to year end position of 2020 at Rp1,541.96 trillion. The growth of total assets was mainly due to an increase of current accounts with Bank Indonesia. The value of current accounts with Bank Indonesia increased by 89.56% from Rp52.24 trillion to Rp99.02 trillion. Moreover, government bonds increased by 61.71% from Rp178.74 trillion to Rp289.05 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Assets				
Cash	23,948,485	26,225,089	28,094,267	-8.68%
Current Accounts with Bank Indonesia	99,023,492	52,238,679	46,490,930	89.56%
Current Accounts with Other Banks - Net	25,417,618	26,421,960	12,558,297	-3.80%
Placements with Bank Indonesia and Other Banks - Net	47,783,516	82,395,847	37,568,760	-42.01%
Securities - Net	98,103,670	90,570,073	71,263,368	8.32%
Government Bonds	289,054,774	178,743,845	129,000,300	61.71%
Other Receivables - Trading Transactions - Net	27,817,547	28,308,088	29,104,111	-1.73%
Receivables on Securities Purchased under Agreement to Resell	27,317,000	55,094,456	1,955,363	-50.42%
Derivative Receivables	1,669,838	2,578,947	1,617,476	-35.25%
Loans and Sharia Receivables/ Financing - Net	957,636,147	877,051,229	855,846,844	9.19%
Consumer Financing Receivables - Net	18,633,307	18,649,899	18,211,088	-0.09%
Net Investment Finance Leases - Net	4,693,806	3,522,467	3,047,089	33.25%

FINANCIAL REVIEW

Description	2021	2020*	2019	Growth 2021-2020 (%)
Acceptance Receivables - Net	10,076,751	10,109,246	10,058,035	-0.32%
Investments in Shares - Net	2,432,393	2,250,017	606,010	8.11%
Prepaid Expenses	1,470,251	1,626,435	3,012,550	-9.60%
Prepaid Taxes	2,073,725	2,178,758	1,176,600	-4.82%
Fixed Assets - Net	49,144,792	48,306,843	44,612,199	1.73%
Intangible Assets - Net	5,111,759	4,545,439	3,321,284	12.46%
Other Assets - Net	23,847,463	23,051,381	16,750,054	3.45%
Deferred Tax Assets - Net	10,354,794	8,095,869	3,951,710	27.90%
Total Assets	1,725,611,128	1,541,964,567	1,318,246,335	11.91%

*) After restatement

Cash

Bank Mandiri total cash reached Rp23.95 trillion in 2021, 8.68% lower than the position of Rp26.23 trillion at the end of 2020. The decrease was mainly due to cash in IDR currency amounted to Rp1.80 trillion and cash in foreign currencies in US Dollar amounted to Rp0.77 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Rupiah	22,255,050	24,045,739	25,547,963	-7.45%
Foreign Currencies				
United States Dollar	1,041,090	907,283	1,299,141	14.75%
European Euro	92,785	318,786	192,564	-70.89%
Singapore Dollar	260,590	451,178	413,716	-42.24%
Japanese Yen	57,726	167,316	41,111	-65.50%
Australian Dollar	28,405	105,423	256,572	-73.06%
Hong Kong Dollar	16,675	16,022	23,337	4.08%
Great Britain Poundsterling	23,250	19,900	17,695	16.83%
Chinese Yuan	10,624	8,310	17,248	27.85%
Others	162,290	185,132	284,920	-12.34%
Total Cash	23,948,485	26,225,089	28,094,267	-8.68%

*) After restatement

Current Accounts with Bank Indonesia

Bank Mandiri total Current Accounts with Bank Indonesia reached Rp99.02 trillion in 2021, increased by 89.56% compared to Rp52.24 trillion in 2020. The increase was specifically derived from Current Account with Bank Indonesia in the IDR currency amounted to Rp45.39 trillion.

(in Rp million)



FINANCIAL REVIEW

Description	2021	2020*	2019	Growth 2021-2020 (%)
Rupiah	90,441,613	45,052,632	33,083,619	100.75%
United States Dollar	8,581,879	7,186,047	13,407,311	19.42%
Total Current Accounts with Bank Indonesia	99,023,492	52,238,679	46,490,930	89.56%

*) After restatement

Current Accounts with Other Banks

In 2021, Current Accounts with Other Banks stood at Rp25.42 trillion, up by 3.80% from Rp26.42 trillion at the end of 2020. The decrease was specifically derived from Current Accounts with Other Banks in the IDR currency amounted to Rp1.22 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Rupiah				
Related Parties	192,850	798,994	4,247	-75.86%
Third Parties	533,934	1,143,251	486,671	-53.30%
Total Rupiah	726,784	1,942,245	490,918	-62.58%
Foreign Currencies				
Related Parties	63,458	1,080,761	246	-94.13%
Third Parties	24,651,419	23,476,066	12,072,326	5.01%
Total Foreign Currencies	24,714,877	24,556,827	12,072,572	0.64%
Less: Allowance for Impairment Losses	(24,043)	(77,112)	(5,193)	-68.82%
Total Current Accounts with Other Banks	25,417,618	26,421,960	12,558,297	-3.80%

*) After restatement

Placements with Bank Indonesia and Other Banks

In 2021 placements with Bank Indonesia and Other Banks amounted to Rp47.78 trillion, decreased by 42.01% compared to Rp82.40 trillion at the end of 2020. The decrease was due to Placements with Bank Indonesia and Other Banks in IDR currency amounted to Rp28.66 trillion and foreign currency amounted to Rp5.99 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Rupiah				
Related Parties	563,630	1,062,799	368,500	-46.97%
Third Parties	11,028,120	39,192,789	17,182,126	-71.86%
Total Rupiah	11,591,750	40,255,588	17,550,626	-71.20%
Foreign Currencies				
Related Parties	1,817,524	2,069,790	1,131,424	-12.19%
Third Parties	34,375,917	40,117,241	18,934,385	-14.31%
Total Foreign Currencies	36,193,441	42,187,031	20,065,809	-14.21%

FINANCIAL REVIEW

Description	2021	2020*	2019	Growth 2021-2020 (%)
Less: Allowance for Impairment Losses	(1,675)	(46,772)	(47,675)	-96.42%
Total Current Accounts with Other Banks	47,783,516	82,395,847	37,568,760	-42.01%

*) After restatement

Marketable Securities

Bank Mandiri total marketable securities increased by 8.32% in 2021 to Rp98.10 trillion, compared to end of 2020 position of Rp90.57 trillion. The significant increase was derived by growth of related parties marketable securities by 12.80% from Rp27.09 trillion to Rp30.55 trillion, whereas marketable securities of third parties up by 6.55% from Rp63.15 trillion to Rp67.28 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	30,552,825	27,086,507	27,377,257	12.80%
Third Parties	67,282,450	63,147,172	43,789,655	6.55%
Add/(Less) Unamortised Discounts, Unrealised Gain/(Loss) - Net from an Increase/ (Decrease) of Fair Value and Allowance for Impairment Losses	268,395	336,394	96,456	-20.21%
Total Marketable Securities	98,103,670	90,570,073	71,263,368	8.32%

*) After restatement

Government Bonds

Government bonds posted a significant increase in 2021 that reached Rp289.05 trillion, or up by 61.71% compared to end of 2020 position of Rp178.74 trillion. The significant increase was derived by growth of Government Bonds measured amortised cost by 192.99% from Rp39.42 trillion to Rp115.51 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Government Bonds				
Fair Value through Profit or Loss	7,608,317	7,896,258	5,040,996	-3.65%
Fair Value through Other Comprehensive Income****)	129,432,300	102,786,203	-	25.92%
Amortised Cost	115,507,886	39,423,359	-	192.99%
Available for Sale****)	-	-	96,664,454	-
Held to Maturity	-	-	18,003,259	-
At Cost**)	33,592,148	27,684,591	8,079,331	21.34%
Investments in Unit-Link***)				
Fair Value through Profit or Loss	2,914,123	953,434	1,212,260	205.64%
Total Government Bonds	289,054,774	178,743,845	129,000,300	61.71%

*) After restatement

**) Government Bonds owned by Subsidiaries classified according to SFAS No. 110 "Sukuk Accounting".

***) Investments in unit-link are investments owned by policyholders in unit-link contracts of Subsidiaries presented in fair value amount.

****) Including sukuk, sukuk and retail sukuk project based classified as fair value through other comprehensive income.



FINANCIAL REVIEW

Other Receivables - Trade Transactions

As of December 2021 other receivables related to trade transactions decreased by 1.73% to Rp27.82 trillion compared to end of 2020 position of Rp28.31 trillion. The decrease was posted on receivables for related parties by 6.77% from Rp14.02 trillion to Rp13.07 trillion. While receivables for third parties increased by 1.57% from Rp15.98 trillion to Rp16.23 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	13,067,399	14,016,134	14,186,619	-6.77%
Third Parties	16,230,869	15,979,730	16,229,083	1.57%
Less: Allowance for Impairment Losses	(1,480,721)	(1,687,776)	(1,311,591)	-12.27%
Total Other Receivables - Trade Transactions	27,817,547	28,308,088	29,104,111	-1.73%

*) After restatement

Receivables on Securities Purchased under Agreement to Resell

Receivables on securities purchased under agreement to resell decreased by 50.42% in 2021 from Rp55.09 trillion to Rp27.32 trillion. The decrease was due to receivables on securities purchased under agreement to resell to third party amounted to Rp27.78 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Third Parties	27,317,000	55,094,456	1,955,363	-50.42%

*) After restatement

Derivative Receivables

As of December 2021 Bank Mandiri derivative receivables reached Rp1.67 trillion, decreased by 35.25% compared to end of 2020 position of Rp2.58 trillion. The decrease was posted on receivables of third parties and related parties at 36.55% and 19.78% to Rp1.51 trillion and Rp0.16 trillion, respectively.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	160,416	199,976	18,817	-19.78%
Third Parties	1,509,422	2,378,971	1,598,659	-36.55%
Total Derivative Receivables	1,669,838	2,578,947	1,617,476	-35.25%

*) After restatement

Loans and Sharia Loan/Financing

Total loans and sharia loan/financing increased by 9.19% or Rp80.58 trillion to Rp957.64 trillion compared to end of 2020 position of Rp877.05 trillion. The increase was posted on loans to related parties and third parties at 11.36% from Rp753.81 trillion to Rp839.42 trillion.

FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Rupiah				
Related Parties	146,389,466	158,722,724	138,616,038	-7.77%
Third Parties	697,251,465	643,369,327	606,188,301	8.37%
Foreign Currencies				
Related Parties	40,414,180	29,532,488	32,768,083	36.85%
Third Parties	142,169,716	110,443,148	108,262,815	28.73%
Less: Allowance for Impairment Losses	(68,588,680)	(65,016,458)	(29,988,393)	5.49%
Total Loans and Sharia Loan/Financing	957,636,147	877,051,229	855,846,844	9.19%

*) After restatement

Consumer Financing Receivables

As of December 2021, Bank Mandiri total consumer financing receivables reached Rp18.63 trillion in 2021, decreased by 0.09% compared to end of 2020 position of Rp18.65 trillion. The decrease was due to an increase of related parties and third parties' consumer financing receivables by 6.12% and 0.15% balanced by an increase of allowance form impairment losses of consumer financing receivables at 10.85% from Rp0.43 trillion to Rp0.48 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	7,287	6,867	6,758	6.12%
Third Parties	19,101,035	19,071,541	18,558,948	0.15%
Less: Allowance for Impairment Losses	(475,015)	(428,509)	(354,618)	10.85%
Total Consumer Financing Receivables	18,633,307	18,649,899	18,211,088	-0.09%

*) After restatement

Net Investment Finance Leases

Bank Mandiri total net investment finance leases increased by 33.25% from Rp3.52 trillion to Rp4.69 trillion. The increase was due to an increase of net investment finance leases to third parties at 34.69% from Rp3.58 trillion to Rp4.82 trillion.



FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Third Parties	4,823,773	3,581,422	3,055,071	34.69%
Less: Allowance for Impairment Losses	(129,967)	(58,955)	(7,982)	120.45%
Total Net Investment Finance Leases	4,693,806	3,522,467	3,047,089	33.25%

*) After restatement

Acceptance Receivables

As of December 2021, net acceptance receivables stood at Rp10.08 trillion in 2021, decreased by 0.32% compared to end of 2020 position of Rp10.11 trillion. The decrease was due to an increase of related parties acceptance receivables by 153.88% from Rp1.06 trillion to Rp2.69 trillion, a decrease of third parties acceptance receivables by 17.32% from Rp9.17 trillion to Rp7.58 trillion, and allocated allowance for impairment losses at Rp0.2 trillion, higher compared to Rp0.1 trillion in the previous year.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Rupiah				
Related Parties	1,655,916	777,628	780,297	112.94%
Third Parties	2,956,802	5,795,701	4,488,886	-48.98%
Foreign Currencies				
Related Parties	1,032,544	281,301	114,908	267.06%
Third Parties	4,628,182	3,378,225	4,895,748	37.00%
Less: Allowance for Impairment Losses	(196,693)	(123,609)	(221,804)	59.13%
Total Acceptance Receivables	10,076,751	10,109,246	10,058,035	-0.32%

*) After restatement

Investments in Shares

Bank Mandiri investments in shares reached Rp2.43 trillion in December 2021, up by 8.11% from 31 December 2020 position of Rp2.25 trillion. The increase was due to growth of investments in shares to third parties by 42.43% from Rp465.32 billion to Rp662.76 billion. The investments in shares to related parties decreased by 0.84% to Rp1.78 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	1,784,229	1,799,313	112,298	-0.84%
Third Parties	662,759	465,323	506,631	42.43%
Less: Allowance for Impairment Losses	(14,595)	(14,619)	(12,919)	-0.16%
Total Investments in Shares	2,432,393	2,250,017	606,010	8.11%

*) After restatement

FINANCIAL REVIEW

Prepaid Expenses

Total prepaid expenses decreased by 9.60% to Rp1.47 trillion in December 2021 from Rp1.63 trillion in 31 December 2020. The decrease was specifically derived from building maintenance and others by 13.10% and 21.19%, respectively.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Prepaid Rent	266,692	201,338	1,708,858	32.46%
Building Maintenance	390,477	449,342	416,581	-13.10%
Insurance cost	130,972	110,269	-	18.77%
Others	682,110	865,486	887,111	-21.19%
Total Prepaid Expenses	1,470,251	1,626,435	3,012,550	-9.60%

*) After restatement

Prepaid Taxes

As of December 2021, prepaid taxes decreased by 4.82% from Rp2.18 trillion to Rp2.07 trillion. The decrease was specifically derived from total prepaid taxes of Bank Mandiri at 9.38% from Rp2.08 trillion to Rp1.89 trillion balanced by prepaid taxes of Subsidiaries at 95.39% from Rp0.09 trillion to Rp0.19 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Bank Mandiri	1,888,518	2,083,970	974,947	-9.38%
Subsidiaries	185,207	94,788	201,653	95.39%
Total Prepaid Taxes	2,073,725	2,178,758	1,176,600	-4.82%

*) After restatement

Fixed Assets

As of December 2021, Bank Mandiri net fixed assets reached Rp49.14 trillion in 2021, increased by 1.73% from end of 2020 position of Rp48.31 trillion. The increase was due to an increase of construction in progress by Rp0.97 trillion from Rp2.83 trillion to Rp3.80 trillion particularly assets on building, computer and other hardwares that were not yet installed, and balanced by a decrease of furniture and fixtures, office equipment and computer by Rp0.16 trillion from Rp2.34 trillion to Rp2.18 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Direct Ownership				
Land	35,703,009	35,677,370	34,504,142	0.07%
Building	5,189,989	5,202,871	4,578,647	-0.25%
Furniture and Fixtures, Office Equipment and Computer	2,185,961	2,344,064	2,527,323	-6.74%
Vehicles	45,102	53,281	54,618	-15.35%



FINANCIAL REVIEW

Description	2021	2020*	2019	Growth 2021-2020 (%)
Construction in Progress	3,799,035	2,828,546	2,940,234	34.31%
Lease Assets	-	-	7,235	-
Right of Use Assets	2,221,696	2,200,711	-	0.95%
Total Fixed Assets	49,144,792	48,306,843	44,612,199	1.73%

*) After restatement

Intangible Assets

Intangible assets increased by 12.46% to Rp5.11 trillion from previous figure of Rp4.55 trillion. The increase was due to an increase of softwares by 15.63% from Rp3.70 trillion to Rp4.28 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Software*)	4,276,631	3,698,639	2,898,169	15.63%
Goodwill	787,466	787,466	423,115	0.00%
Yokke Brand Assets	47,662	59,334	-	-19.67%
Total Intangible Assets	5,111,759	4,545,439	3,321,284	12.46%

*) After restatement

**) After less amortization value of Rp5,511,330 and Rp4,735,341 respectively at 31 December 2021 and 31 December 2020.

Other Assets

Bank Mandiri other assets grew 3.45% in December 2021 to Rp23.85 trillion from Rp23.05 trillion at the end 2020. The increase of other assets was primarily derived from other assets of rupiah currency by 5.41% from Rp19.98 trillion to Rp21.06 trillion and balanced by a decrease of other assets of foreign currencies by 5.09% to Rp4.48 trillion from Rp4.72 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Rupiah	21,058,549	19,977,252	12,793,117	5.41%
Foreign Currencies	4,479,843	4,720,044	4,580,294	-5.09%
Less: Allowance	(1,690,929)	(1,645,915)	(623,357)	2.73%
Total Other Assets	23,847,463	23,051,381	16,750,054	3.45%

*) After restatement

Deferred Tax Assets

Bank Mandiri deferred tax assets increased by 27.90% from Rp8.10 trillion to Rp10.35 trillion at the end of 2020. The increase was due to an increase of Bank Mandiri net deferred tax assets by 26.12% to Rp1.75 trillion from the previous year, and Subsidiaries deferred tax assets of Rp0.51 trillion or by 36.43% from the previous year.

FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Deferred Tax Assets Net - Bank Only	8,447,256	6,697,667	3,350,632	26.12%
Deferred Tax Assets - Subsidiaries	1,907,538	1,398,202	601,078	36.43%
Total Deferred Tax Assets	10,354,794	8,095,869	3,951,710	27.90%

*) After restatement

Liabilities

As of December 2021, Bank Mandiri liabilities up by 11.77% or by Rp139.69 trillion from Rp1,186.91 trillion in the previous year to Rp1,326.59 trillion in 2021. The increase was due to an increase of deposits from customer at 12.07% to Rp120.08 trillion from the previous year.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Obligation due immediately	5,380,474	4,286,333	3,169,451	25.53%
Deposits from Customer	1,115,278,713	995,200,668	850,108,345	12.07%
Deposits from Other Banks	12,800,392	7,391,225	13,397,866	73.18%
Liabilities to Unit-Linked Policyholders	30,657,570	27,850,536	24,037,658	10.08%
Liabilities on Securities Sold under Agreement to Repurchase	5,427,998	1,330,068	3,782,055	308.10%
Derivative Payables	1,018,751	1,570,506	1,195,022	-35.13%
Acceptance Payables	10,273,444	10,232,855	10,279,839	0.40%
Debt Securities Issued - Net	45,138,342	39,111,473	32,245,270	15.41%
Estimated Losses on Commitments and Contingencies	2,295,241	3,475,979	386,039	-33.97%
Accrued Expenses	6,526,489	5,748,405	6,215,561	13.54%
Taxes Payable	2,862,716	2,059,214	1,286,973	39.02%
Employee Benefit Liabilities	11,205,546	8,319,149	7,586,150	34.70%
Provision	413,876	546,237	405,312	-24.23%
Other Liabilities	25,276,602	26,321,079	16,861,260	-3.97%
Fund Borrowings	51,398,940	52,810,689	54,128,562	-2.67%
Subordinated Loans and Marketable Securities - Net	637,143	650,966	664,217	-2.12%
Total Liabilities	1,326,592,237	1,186,905,382	1,025,749,580	11.77%

*) After restatement

Obligation Due Immediately

Bank Mandiri obligation due immediately increased by 25.53% to Rp5.38 trillion from Rp4.29 trillion at the end of 2020. The increase was primarily derived from an increase of non customer demand deposits for settlement at 38% to Rp999.86 trillion from the previous year, and prepaid cards of Rp156.50 trillion or 11% from the previous year.



FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Obligation Due Immediately	5,380,474	4,286,333	3,169,451	25.53%

*) After restatement

Deposits from Customer

As of December 2021, Bank Mandiri deposits from customer grew 12.07% to Rp1.115.28 trillion compared to end of 2020 figure of Rp995.20 trillion. The increase was attributable by an increase of demand deposits and wadiah demand deposits at 27.16% to Rp399.79 trillion, followed by an increase of saving deposits and wadiah saving deposits at 13.21% to Rp422.31 trillion. However, total customer deposits on time deposits decreased by 4.75% in 2021 to Rp293.17 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Demand Deposits and Wadiah Demand Deposits	399,791,311	314,397,478	247,444,267	27.16%
Saving Deposits and Wadiah Saving Deposits	422,314,545	373,021,910	324,488,072	13.21%
Time Deposits	293,172,857	307,781,280	278,176,006	-4.75%
Total Deposits from Customer	1,115,278,713	995,200,668	850,108,345	12.07%

*) After restatement

Deposits from Other Banks

Deposits from other banks posted to nearly doubled growth from Rp7.39 trillion to Rp12.80 trillion. The largest portion of deposits from other banks consisted of demand deposits, wadiah demand deposits and saving deposits reaching a total of Rp5.26 trillion, followed by inter-bank call money of third parties of Rp5.01 trillion, and third parties' time deposits of Rp2.53 trillion. The highest growth was posted by inter-bank call money that grew 663.90%.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Demand Deposits, Wadiah Demand Deposits and Saving Deposits	5,260,016	4,189,160	7,748,268	25.56%
Related Parties	53,022	47,946	148,557	10.59%
Third Parties	5,206,994	4,141,214	7,599,711	25.74%
Total	5,260,016	4,189,160	7,748,268	25.56%
Inter-Bank Call Money	5,009,885	655,829	219,360	663.90%
Time Deposits of Third Parties	2,530,491	2,546,236	5,430,238	-0.62%
Total Deposits from Other Banks	12,800,392	7,391,225	13,397,866	73.18%

*) After restatement

FINANCIAL REVIEW

Liability to Unit-Link Holders

Liability to unit-link holders slightly up by 10.08% from Rp27.85 trillion in the previous year to Rp30.66 trillion. In detailed the increase was derived from liabilities to holders of non-sharia Unit-Link Contract at Rp2.98 trillion or by 11.09% from the previous year, and compensated with a decrease of liabilities to holders of Sharia Unit-Link Contract at Rp0.17 trillion or by 17.12% from 2020.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Non-Sharia	29,827,229	26,848,672	22,955,397	11.09%
Sharia	830,341	1,001,864	1,082,261	-17.12%
Total Liability to Unit-Link Holders	30,657,570	27,850,536	24,037,658	10.08%

*) After restatement

Liabilities on Securities Sold under Agreements to Repurchase

Liabilities on securities sold under agreements to repurchase increased by 308.10% from Rp1.33 trillion in the previous year to Rp5.43 trillion. The increase was purely derived from third parties' liabilities on securities sold under agreements to repurchase.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	-	-	-	-
Third Parties	5,427,998	1,330,068	3,782,055	308.10%
Total Liabilities on Securities Sold under Agreements to Repurchase	5,427,998	1,330,068	3,782,055	308.10%

*) After restatement

Derivative Liabilities

Bank Mandiri derivative liabilities decreased by 35.13% from Rp1.57 trillion in the previous year to Rp1.02 trillion. The decrease was posted on both related parties and third parties' derivative liabilities at 92.43% and 29.91%, respectively.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	9,932	131,127	42,505	-92.43%
Third Parties	1,008,819	1,439,379	1,152,517	-29.91%
Total Derivative Liabilities	1,018,751	1,570,506	1,195,022	-35.13%

*) After restatement

Acceptance Payables

In December 2021 acceptance payables increased by 0.40% from Rp10.23 trillion in the previous year to Rp10.27 trillion. The increase was due to an increase of acceptance payables to third parties at 11.74% from the previous year to Rp9.39 trillion which balanced with a decrease of acceptance payables to related parties by 51.70% to Rp0.88 trillion.



FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	883,389	1,829,062	2,076,355	-51.70%
Third Parties	9,390,055	8,403,793	8,203,484	11.74%
Total Acceptance Payables	10,273,444	10,232,855	10,279,839	0.40%

*) After restatement

Debt Securities Issued

In December 2021 debt securities issued increased by 15.41% to Rp45.14 trillion compared to end of 2020 position of Rp39.11 trillion. Third parties' debt securities issued increased by 22.92% to Rp35.46 trillion, while related parties decreased by 5.67% to Rp9.75 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	9,748,000	10,334,100	10,696,100	-5.67%
Third Parties	35,462,053	28,848,664	21,620,405	22.92%
Less Amortised Debt Issuance Cost	(71,711)	(71,291)	(71,235)	0.59%
Total Debt Securities Issued	45,138,342	39,111,473	32,245,270	15.41%

*) After restatement

Estimated Losses on Commitments and Contingencies

As of December 2021, estimated losses on commitments and contingencies decreased by 33.97% to Rp2.30 trillion compared to end of 2020 position of Rp3.48 trillion. The decrease was derived from the initial adoption of SFAS 71 and formation of allowance during relevant year at 100% and 195.07% respectively to Rp0 and Rp1,162.99 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Beginning Balance	3,475,979	388,751	125,729	794.14%
First Implementation of SFAS 71	-	1,844,775	-	100.00%
Allowance/ (Reverse) During the Year	(1,162,993)	1,223,263	262,215	-195.07%
Others**)	(17,745)	19,190	(1,905)	-192.47%
Ending Balance	2,295,241	3,475,979	386,039	-33.97%

*) After restatement

***) Included the effect of foreign currencies translation.

Accrued Expenses

In December 2021 accrued expenses up by 13.54% to Rp6.53 trillion from Rp5.75 trillion at the end of 2020. The increase of accrued expenses derived from professional service costs of Rp0.65 trillion, promotions at Rp0.51 trillion, and fixed assets and software procurement of Rp0.48 trillion which balanced with a decrease of other accrued expenses of Rp0.65 trillion and interest expense of Rp0.26 trillion.

FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Fixed Asset and Software Procurement	1,795,996	1,312,901	2,360,967	36.80%
Interest Expense	1,305,064	1,560,798	1,747,159	-16.38%
Outsourcing Expenses	238,571	169,556	361,851	40.70%
Promotions	1,147,018	634,752	236,507	80.70%
Uniforms, Recreations and Others	44,845	84,344	99,725	-46.83%
Professional Service Costs	698,397	43,871	49,719	1491.93%
Others	1,296,598	1,942,183	1,359,633	-33.24%
Total Accrued Expenses	6,526,489	5,748,405	6,215,561	13.54%

*) After restatement

Taxes Payable

Bank Mandiri taxes payable increased by 39.02% or Rp0.80 trillion from Rp2.06 trillion in the previous year to Rp2.86 trillion. The increase was specifically derived from current taxes payable of Rp0.79 trillion and other taxes payable of Rp0.02 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Current Taxes Payable	1,607,657	819,389	262,770	96.20%
Others Taxes Payable	1,255,059	1,239,825	1,024,203	1.23%
Total Taxes Payable	2,862,716	2,059,214	1,286,973	39.02%

*) After restatement

Employee Benefit Liabilities

As of December 2021, employee benefit liabilities rose by 34.70% to Rp11.21 trillion from Rp8.32 trillion at the end of 2020. The increase was derived from provisions for bonuses, incentives, leaves, and holidays entitlements at 90.72% to Rp7.91 trillion balanced by a 20.94% decrease of provision for post-employment benefit to Rp3.30 trillion in 2021.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Provision for Post-Employment Benefit	3,299,809	4,173,998	3,748,969	-20.94%
Provisions for Bonuses, Incentives, Leaves and Holiday Entitlements	7,905,737	4,145,151	3,837,181	90.72%
Total Employee Benefit Liabilities	11,205,546	8,319,149	7,586,150	34.70%

*) After restatement



FINANCIAL REVIEW

Provisions

As of December 2021, total provisions decreased by 24.23% to Rp413.88 billion compared to Rp546.24 billion in the end of 2020. The decrease was due to a decrease of provision on estimated contingency - fraud losses by 30.16% to Rp0.29 trillion and estimated contingency - legal losses by 5.71% to Rp0.12 trillion in 2021.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Provision	413,876	546,237	405,312	-24.23%

*) After restatement

Other Liabilities

Other liabilities decreased by Rp1.04 trillion or 3.96% to Rp25.28 trillion from previously Rp26.32 trillion. The decrease was due to a decrease of customer transaction payable at Rp1.10 trillion, customer transfer transaction of Rp0.27 trillion, and an increase of lease liabilities of Rp0.35 trillion in 2021.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Other Liabilities	25,276,600	26,320,160	16,861,260	-3.96%

*) After restatement

Fund Borrowings

Bank Mandiri total fund borrowings reached Rp51.40 trillion, decreased by 2.67% compared to previous year figure of Rp52.81 trillion. Total majority of fund borrowings was derived from third parties amounted to Rp51.20 trillion decreased by 0.85% compared to 2020. Fund borrowings from related parties was Rp0.2 billion, significantly decreased by 83.38% compared to 2020 figure of Rp1.17 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	194,097	1,168,181	984,974	-83.38%
Third Parties	51,204,843	51,642,508	53,143,588	-0.85%
Total Fund Borrowings	51,398,940	52,810,689	54,128,562	-2.67%

*) After restatement

Subordinated Loans and Marketable Securities

As of December 2021, net subordinated loans and marketable securities stood at Rp0.64 trillion, 2.12% lower than the end of 2020 position of Rp0.65 trillion. Related parties' subordinated loans and marketable securities decreased by 12.06% to Rp0.09 trillion, and third parties laons decreased by 0.19% to Rp0.54 trillion in 2021.

FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties	94,750	107,750	127,750	-12.06%
Third Parties	542,856	543,873	537,295	-0.19%
Less Unamortised Debt Issuance Cost	(463)	(657)	(828)	-29.53%
Total Subordinated Loans and Marketable Securities	637,143	650,966	664,217	-2.12%

*) After restatement

Temporary Syirkah Funds

Bank Mandiri temporary syirkah funds grew from Rp150.36 trillion in the previous year to Rp176.91 trillion. Of this total, the largest portion was deposits from customers that reached Rp175.90 trillion, whereas deposits from other banks was Rp1.01 trillion, which grew by 17.71% and 9.75%, respectively.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Deposits from Customers	175,897,406	149,439,073	83,016,203	17.71%
Deposits from Other Banks	1,010,203	920,444	446,027	9.75%
Total Temporary Syirkah Funds	176,907,609	150,359,517	83,462,230	17.66%

*) After restatement

Deposits from Customers

Deposits from customers grew by 17.71% to Rp175.90 trillion compared to Rp149.44 trillion at the end of 2020. From related parties' deposits, saving deposits - restricted investment and Mudharabah saving deposits - unrestricted investment posted a highest increase by 79.18% from Rp0.16 trillion to Rp0.30 trillion. From third parties' deposits, demand deposits - restricted investment and Mudharabah Musytarakah-Musyarakah demand deposits posted highest growth of 325.03% to Rp9.18 trillion from Rp2.16 trillion in the previous year.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Related Parties				
Demand Deposits - Restricted Investment and Mudharabah Musytarakah-Musyarakah Demand Deposits	4,100,614	3,187,886	-	28.63%
Saving Deposits - Restricted Investment and Mudhara-bah Saving Deposits - Unrestricted Investment	292,296	163,134	207,504	79.18%
Mudharabah Time Deposits - Unrestricted Investment	6,842,677	12,872,814	1,526,416	-46.84%



FINANCIAL REVIEW

Description	2021	2020*	2019	Growth 2021-2020 (%)
Third Parties				
Demand Deposits - Restricted Investment and Mudharabah Musytarakah-Musyarakah Demand Deposits	9,180,705	2,159,998	2,969,820	325.03%
Saving Deposits - Restricted Investment and Mudharabah Saving Deposits - Unrestricted Investment	64,246,070	58,322,260	34,465,922	10.16%
Mudharabah Time Deposits - Unrestricted Investment	91,235,044	72,732,981	43,846,541	25.44%
Total Deposits from Customers	175,897,406	149,439,073	83,016,203	17.71%

*) After restatement

Deposits from Other Banks

Total deposits from other banks grew 9.75% to Rp1.01 trillion from end of 2020 position of Rp0.92 trillion. Deposits from other banks was entirely contributed by third parties. Mudharabah time deposits posted highest growth of 65.31% from Rp0.02 trillion to Rp0.04 trillion. Mudharabah demand deposits increased to Rp0.41 trillion from previously Rp0.38 trillion, and mudharabah saving deposits grew 7.75% from Rp0.52 trillion to Rp0.56 trillion.

(in Rp million)

Description	2021 (Q4)	2020*	2019	Growth 2021-2020 (%)
Related Parties				
Mudharabah Saving Deposits - Unrestricted Investment	-	-	-	-
Mudharabah Time Deposits - Unrestricted Investment	-	-	-	-
Third Parties				
Mudharabah Demand De-posits	37,308	22,568	-	65.31%
Mudharabah Saving Deposits - Unrestricted Investment	564,124	523,540	343,098	7.75%
Mudharabah Time Deposits - Unrestricted Investment	408,771	374,336	102,929	9.20%
Total Deposits from Other Banks	1,010,203	920,444	446,027	9.75%

*) After restatement

Equity

As of December 2021, Bank Mandiri equity stood at Rp222.11 trillion, increased by 8.51% compared to end of 2020 position of Rp204.70 trillion. The increase of equity was mainly contributed by an increase of retained earnings by 19.26% to Rp142.59 trillion from the end of 2020 position of Rp119.56 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Share Capital	11,666,667	11,666,667	11,666,667	0.00%
Additional Paid-in Capital/Agio	17,643,264	17,316,192	17,316,192	1.89%
Treasury Stock	(150,895)	(150,895)	-	0.00%

FINANCIAL REVIEW

Description	2021	2020*	2019	Growth 2021-2020 (%)
Differences Arising from Translation of Financial Statements in Foreign Currencies	(88,985)	(116,031)	13,388	-23.31%
Net Unrealized Gain from Increase in Fair Value of Marketable Securities and Government Bonds - Net of Deferred Tax	1,692,145	4,430,511	-	-61.81%
Net Unrealized Gain/(Loss) from Increase/(Decrease) in Fair Value of Marketable Securities and Government Bonds Available for Resell - Net of Deferred Tax	-	-	1,385,796	-
Effective Portion of Cash Flow Hedges	(370)	(15,319)	(30,045)	-97.58%
Net Differences in Fixed Assets Revaluation	30,140,345	30,115,479	30,306,255	0.08%
Net Actuarial Gain from Defined Benefit Program - Net of Deferred Tax	1,217,456	1,040,657	653,489	16.99%
Other comprehensive income	85,052	85,052	85,052	0.00%
Difference in Transactions with Non-Controlling Parties	(106,001)	(106,001)	(106,001)	0.00%
Retained Earnings	142,587,934	119,556,775	143,310,060	19.26%
Non-Controlling Interests in Net Assets of Consolidated Subsidiaries	17,424,670	15,321,204	4,433,672	13.73%
Total Equity	222,111,282	199,144,291	209,034,525	11.53%

*) After restatement

Share Capital

Bank Mandiri share capital stood at Rp11.67 trillion in 2021, remained the same from the end of 2020 position.

Additional Paid-In Capital/Agio

Additional paid-in capital/agio grew 1.89% to Rp17.64 trillion from previously Rp17.32 trillion.

Treasury Stock

Treasury stock remained the same from the end of 2020 position.

Differences arising from Translation of Financial Statements in Foreign Currencies

Differences arising from translation of financial statements in foreign currencies decreased from Rp0.12 trillion to Rp0.09 trillion.

Net unrealized gain from increase in fair value of marketable securities and government bonds - net of deferred tax

Net unrealized gain decreased from Rp4.43 trillion to Rp1.69 trillion.

Effective Portion of Cash Flow Hedges

As of December 2021, effective portion of cash flow hedges decreased by 97.58% to Rp0.0004 trillion from previously Rp0.02 trillion.

Net Differences in Fixed Assets Revaluation

Net differences in fixed assets revaluation rose by 0.08% to Rp30.14 trillion from the end of 2020 position of Rp30.12 trillion.



FINANCIAL REVIEW

Net Actuarial Gain from Defined Benefit Program - Net of Deferred Tax

Net actuarial gain from defined benefit program - net of deferred tax also slightly up by 16.99% from Rp1.04 trillion in 2020 to Rp1.22 trillion in 2021.

Other Comprehensive Income

Other comprehensive income stable from previous year at Rp0.09 trillion.

Difference in Transactions with Non-Controlling Parties

Difference in transactions with non-controlling parties also stable from previous year at Rp0.11 trillion.

Retained Earnings

As of December 2021, Bank Mandiri retained earnings grew 19.26% to Rp142.59 trillion from previous year of Rp119.56 trillion.

Non-Controlling Interests in Net Assets of Consolidated Subsidiaries

Non-controlling interests increased by 13.73% or by Rp2.10 trillion from Rp15.32 trillion to Rp17.42 trillion.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

As of December 2021, Bank Mandiri posted net profit of Rp28.03 trillion, increased by 66.84% compared to Rp16.80 trillion in 31 December 2020.

(in Rp trillion)



FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Income and Expense from Operations				
Interest Income and Sharia Income	97,749,086	95,616,227	91,525,090	2.23%
Interest Expense and Sharia Expense	(24,686,592)	(33,095,422)	(32,084,902)	-25.41%
Net Interest and Sharia Income	73,062,494	62,520,805	59,440,188	16.86%
Net Premium Income	1,787,933	1,513,715	1,807,503	18.12%
Net Interest, Sharia and Premium Income	74,850,427	64,034,520	61,247,691	16.89%
Other Operating Income	29,028,020	28,594,397	26,490,398	1.52%
Allowance for Impairment Losses	(20,428,352)	(23,355,311)	(11,742,986)	-12.53%
Provision/Reversal for Impairment Losses on Commitments and Contingencies	1,162,993	(1,223,263)	(262,215)	-195.07%
Provision for Other Allowances	(277,942)	(276,133)	(67,262)	0.66%
Unrealized Gain/(Loss) from Increase/(Decrease) in Fair Value of Policyholders Investment in Unit-Link Contracts	2,824	12,487	8,205	-77.38%
Gains on Sale of Marketable Securities and Government Bonds	3,242,400	999,026	853,850	224.56%
Other Operating Expenses	(49,140,167)	(44,530,236)	(40,076,167)	10.35%
Income from Operation	38,440,203	24,255,487	36,451,514	58.48%
Non-Operating Income/(Expense) - Net	(81,782)	136,918	(10,074)	-159.73%
Income Before Tax Expense and Noncontrolling Interest	38,358,421	24,392,405	36,441,440	57.26%
Tax Expense - Net	(7,807,324)	(5,993,477)	(7,985,848)	30.26%
Net Income for The Year	30,551,097	18,398,928	28,455,592	66.05%
Other Comprehensive Income				
Items that will not be Reclassified to Profit or Loss	536,055	383,703	4,252,631	39.71%
Items that will be Reclassified to Profit or Loss	(2,767,231)	3,003,448	2,958,445	-192.14%
Other Comprehensive Income for The Year - Net of Income Tax	(2,231,176)	3,387,151	7,211,076	-165.87%
Total Comprehensive Income for The Year	28,319,921	21,786,079	35,666,668	29.99%
Net Income for The Year Attributable To:	30,551,097	18,398,928	28,455,592	66.05%
Parent Entity	28,028,155	16,799,515	27,482,133	66.84%
Noncontrolling Interest	2,681,385	1,599,413	973,459	67.65%
Total Comprehensive Income for The Year Attributable to:	28,319,921	21,786,079	35,666,668	29.99%
Parent Entity	25,638,536	20,121,679	34,655,095	27.42%
Noncontrolling Interest	2,681,385	1,664,400	1,011,573	61.10%
Earnings Per Share (Full Amount of Rupiah)	601.06	360.18	588.90	66.88%

*) After restatement



FINANCIAL REVIEW

Net Interest and Sharia Income

As of December 2021, net interest and sharia income stood at Rp73.06 trillion, increased by 16.86% compared to Rp62.52 trillion in 31 December 2020. The increase was due to an increase of sharia expense and sharia income by 2.23% from Rp95.62 trillion in the previous year to Rp97.75 trillion in 2021. While, sharia interest expense and sharia expense decreased by 25.41% from the end year of 2020 position of Rp33.10 trillion to Rp24.69 trillion in 2021.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Interest Income	83,033,945	81,632,274	84,431,175	1.72%
Sharia Income	14,715,141	13,983,953	7,093,915	5.23%
Total Sharia Interest Income and Income	97,749,086	95,616,227	91,525,090	2.23%
Interest Expense	(20,441,507)	(28,222,605)	(29,070,226)	-27.57%
Sharia Expense	(4,245,085)	(4,872,817)	(3,014,676)	-12.88%
Total Interest Expense and Sharia Expense	(24,686,592)	(33,095,422)	(32,084,902)	-25.41%
Net Interest and Sharia Income	73,062,494	62,520,805	59,440,188	16.86%

*) After restatement

Net Premium Income

Net premium income up by 18.12% to Rp1.79 trillion from previously Rp1.51 trillion. Claim expense increased from Rp11.38 trillion to Rp13.07 trillion, and premium income also increased by 15.26% from Rp12.89 trillion to Rp14.86 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Premium Income	14,857,941	12,890,360	11,113,650	15.26%
Claim Expense	(13,070,008)	(11,376,645)	(9,306,147)	14.88%
Total Net Premium Income	1,787,933	1,513,715	1,807,503	18.12%

*) After restatement

Other Operating Income

As of December 2021, other operating income stood at Rp29.03 trillion, increased by 1.52% compared to the end of 2020 position of Rp28.59 trillion. The increase was due to growth of other fees and commissions, and other income by 14.56% and 0.86%, respectively to Rp15.41 trillion and Rp9.68 trillion that balanced with a decrease in net income from marketable group of 28.99% from the end of 2020 position of Rp5.55 trillion to Rp3.94 trillion.

FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Other fees and commissions	15,408,693	13,450,080	14,216,435	14.56%
Net Income from Marketable Group	3,937,883	5,545,339	3,871,620	-28.99%
Others	9,681,444	9,598,978	8,402,343	0.86%
Total Other Operating In-come	29,028,020	28,594,397	26,490,398	1.52%

*) After restatement

Allowance for Impairment Losses

As of December 2021, Bank Mandiri allocated the allowance for impairment losses amounted to Rp20.43 trillion, lower compared to Rp23.36 trillion in the previous year. Allowance for impairment losses on other receivables - trade transactions was posted a highest decrease in 2021 by 224.03%, and followed by a decrease of allowance for impairment losses on current accounts with other banks and acceptance receivables at 171.85% and 151.78%, respectively.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Current Accounts with Other Banks	51,094	(63,990)	(248)	-179.85%
Placements with Other Banks	825	8,952	51	-90.78%
Marketable Securities	(7,158)	(68,669)	11,701	-89.58%
Other Receivables - Trade Transactions	278,153	(224,254)	262,928	-224.03%
Loans	(19,792,827)	(22,203,469)	(11,468,133)	-10.86%
Consumer Financing Re-ceiveables	(832,853)	(904,826)	(564,224)	-7.95%
Net Investment Finance Leases	(51,248)	(31,716)	(17,342)	61.58%
Acceptance Receivables	(73,877)	142,687	65,114	-151.78%
Investments in Shares	(461)	(10,026)	(32,833)	-95.40%
Allowance for Impairment Losses	(20,428,352)	(23,355,311)	(11,742,986)	-12.53%

*) After restatement

Provision for Other Allowances

As of December 2021, on provision for other allowances, Bank Mandiri allocated a total of Rp0.277 trillion, slightly up by 0.66% compared to Rp0.276 trillion in the previous year. The increase was specifically derived from an increase of other assets' provision for other allowances at Rp0.15 trillion or 158.00% from the previous year, and balanced by a decrease of losses from operational risk - external fraud of Rp0.15 trillion or 88.50% from 2020.

FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Estimated Losses arising from Fraud Cases	(898)	196	(17)	-558.16%
Estimated Losses arising from Legal Cases	7,453	38,465	810	-80.62%
Losses from Operational Risk - External Fraud	(19,121)	(166,215)	(22,768)	-88.50%
Losses from Operational Risk - Internal Fraud	(8,006)	(33,660)	(28,339)	-76.22%
Losses from Operational Risk - Business Activity Disruption and System Failure	(353)	(1,510)	(1,455)	-76.62%
Fines/Sanctions	(284)	(14,769)	(9,722)	-98.08%
Losses from Operational Risk-Management Execution, Delivering and Processing	(3,484)	(435)	(1,227)	700.92%
Losses from Other Operational Risk	(35)	(60)	-	-41.67%
Other Assets	(253,214)	(98,145)	(4,544)	158.00%
Provision for Other Allowance	(277,942)	(276,133)	(67,262)	0.66%

*) After restatement

Unrealized Gains from Increase in Fair Value of Policyholders Investment in Unit-Link Contracts

As of December 2021, Bank Mandiri posted unrealized gains amounted to Rp0.003 trillion, a decrease of 77.38% from previous year position of Rp0.012 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Changes in Fair Value of Policyholders Investment and Increase/(Decrease) in Liability in Unit-Link Contracts	2,824	12,487	8,205	-77.38%
Change in Fair Value of Policyholders Investment	(741,345)	(479,249)	1,759	54.69%
Increase in Liability in Unit-Link Contracts	741,345	479,249	(1,759)	54.69%
Unrealized Gains from Increase in Fair Value of Policyholders Investment in Unit-Link Contracts	2,824	12,487	8,205	-77.38%

*) After restatement

Gain on Sale of Marketable Securities and Government Bonds

As of December 2021, Bank Mandiri booked a total gain of Rp3.24 trillion from the sale of marketable securities and government bonds, a significant increase of 224.56% compared to Rp0.99 trillion achieved in the previous year.

FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Available for Sell				
Marketable Securities	1,005,861	291,650	352,269	244.89%
Government Bonds	2,236,539	707,376	501,581	216.17%
Gain on Sale of Marketable Securities and Government Bonds	3,242,400	999,026	853,850	224.56%

*) After restatement

Other Operating Expenses

Other operating expenses up by 10.35% to Rp49.14 trillion from previously Rp44.53 trillion. The increase was attributed by a 15.15% increase of salaries and employee benefits to Rp22.68 trillion, 3.43% growth of general and administrative expenses for Rp19.52 trillion, and net other expenses growth of 16.43% to Rp6.94 trillion.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Salaries and Employee Benefits	(22,677,112)	(19,693,977)	(17,221,046)	15.15%
General and Administrative Expenses	(19,519,699)	(18,872,831)	(17,635,053)	3.43%
Others - Net	(6,943,356)	(5,963,428)	(5,220,068)	16.43%
Total Other Operating Expenses	(49,140,167)	(44,530,236)	(40,076,167)	10.35%

*) After restatement

Non-Operating Income

Bank Mandiri posted non-operating income of Rp0.08 billion, decreased by 159.73% compared to Rp0.14 trillion in the previous year.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Gain on Sale of Fixed Assets	(114,086)	9,918	12,529	-1250.29%
Others - Net	32,304	127,000	(22,603)	-74.56%
Non-Operating Income/(Expense)	(81,782)	136,918	(10,074)	-159.73%

*) After restatement

Income Before Tax Expense and Non Controlling Interest

Backed by an increase of operating income and non-operating income, Bank Mandiri was able to book income before tax expense and non controlling interest amounted to Rp38.36 trillion, an increase of 57.26% compared to Rp24.39 trillion at the end of 2020.



FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Operating Profit	38,440,203	24,255,487	36,451,514	58.48%
Non-Operating Income/(Expense)	(81,782)	136,918	(10,074)	-159.73%
Income before Tax Expense and Noncontrolling Interest	38,358,421	24,392,405	36,441,440	57.26%

*) After restatement

Tax Expense

As of December 2021, Bank Mandiri tax expense increased by 30.26% to Rp7.81 trillion compared to Rp5.99 trillion in the previous year.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Current				
Current Year	(9,245,615)	(5,457,061)	(7,433,937)	69.42%
Prior Year	-	(175,592)	(201,197)	-100.00%
Deferred	1,438,291	(360,824)	(350,714)	-498.61%
Tax Expense - Net	(7,807,324)	(5,993,477)	(7,985,848)	30.26%

*) After restatement

Profit for the Year

As of December 2021, profit for the year stood at Rp30.55 trillion, increased by 66.05% compared to Rp18.40 trillion in the previous year.

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Profit Before Tax Expenses and Noncontrolling Interest	38,358,421	24,392,405	36,441,440	57.26%
Tax Expense - Net	(7,807,324)	(5,993,477)	(7,985,848)	30.26%
Profit for the Year	30,551,097	18,398,928	28,455,592	66.05%

*) After restatement

Other Comprehensive Income/Expense

As of December 2021, Bank Mandiri posted other comprehensive expense of Rp2.23 trillion, from previously recorded comprehensive income of Rp3.39 trillion. For items that will not be reclassified to profit or loss, Bank Mandiri booked loss on fixed assets revaluation amounted to Rp0.22 trillion, and actuarial loss from defined benefit program of Rp0.39 trillion. Meanwhile, for items that will be reclassified to profit or loss, Bank Mandiri posted loss amounted to Rp3.50 trillion from changes in fair value of fair value through other comprehensive income financial assets.

FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Items that will not be Reclassified to Profit of Loss				
Gains on fixed asset revaluation	221,737	3,328	3,870,948	6562.77%
Actuarial Gain from Defined Benefit Program	392,518	458,842	368,663	-14.45%
Income Tax related to Items that will not be Reclassified to Profit or Loss	(78,200)	(78,467)	(72,032)	-0.34%
Others	-	-	85,052	
Total Items that will not be Re-classified to Profit of Loss	536,055	383,703	4,252,631	39.71%
Items that will be Reclassified to Profit of Loss				
Difference arising from Translation of Financial Statements in Foreign Currencies	28,028	(129,324)	(100,228)	-121.67%
Changes in Fair Value of Fair Value through Other Comprehensive Income Financial Assets	(3,499,000)	3,774,124	-	-192.71%
Changes in Fair Value of Available for Sale Financial Assets	-	-	3,819,305	
Effective portion of cash flow hedge	37,579	37,019	(34,028)	1.51%
Income Tax related to Items that will be Reclassified to Profit or Loss	666,162	(678,371)	(726,604)	-198.20%
Total Items that will be Reclassified to Profit of Loss	(2,767,231)	3,003,448	2,958,445	-192.14%
Other Comprehensive Income/(Expense) for the Year - Net of Income Tax	(2,231,176)	3,387,151	7,211,076	-165.87%

*) After restatement

Profit for the Year and Comprehensive Income for the Year

Profit for the year attributable to parent entity reached Rp28.03 trillion, increased by 66.84% compared to Rp16.80 trillion in the previous year. Profit for the year attributable to non-controlling interest increased almost two times higher to Rp2.52 trillion from previously Rp1.60 trillion. Comprehensive income for the year attributable to parent entity stood at Rp25.64 trillion, up by 27.42% from previous year of Rp20.12 trillion. Total comprehensive income for the year attributable to non-controlling interest increased almost two times to Rp2.68 trillion from Rp1.66 trillion.



FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Parent Entity	28,028,155	16,799,515	27,482,133	66.84%
Noncontrolling Interest	2,522,942	1,599,413	973,459	57.74%
Attributable Income for the Year	30,551,097	18,398,928	28,455,592	66.05%
Parent Entity	25,638,536	20,121,679	34,655,095	27.42%
Non-controlling Interest	2,681,385	1,664,400	1,011,573	61.10%
Attributable Comprehensive Income for the Year	28,319,921	21,786,079	35,666,668	29.99%

*) After restatement

Earnings Per Share

Bank Mandiri earnings per share stood at Rp601.06, increased by 66.88% from previously Rp360.18.

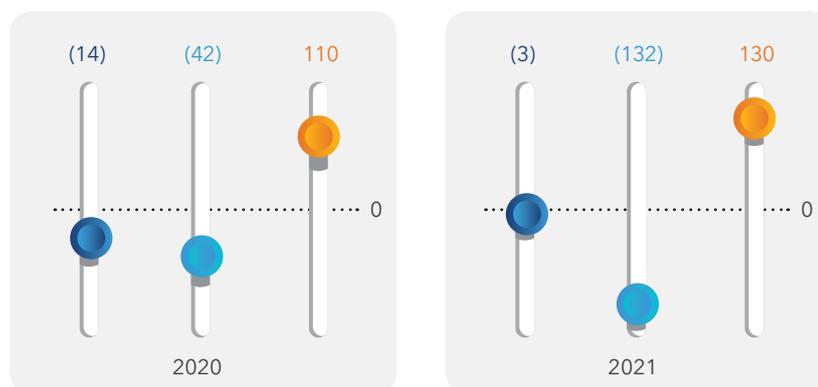
(in full Rupiah)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Basic	601.06	360.18	588.90	66.88%
Diluted	601.06	360.18	588.90	66.88%

*) After restatement

CONSOLIDATED STATEMENT OF CASH FLOWS

(in Rp trillion)



● Cash Flows from Financing Activities ● Cash Flows from Investing Activities ● Cash Flows from Operating Activities

FINANCIAL REVIEW

(in Rp million)

Description	2021	2020*	2019	Growth 2021-2020 (%)
Cash Flows from Operating Activities				
Net Cash Provided from Operating Activities	129,892,493	109,894,642	23,967,890	18.20%
Cash Flows from Investing Activities				
Net Cash Used for Investing Activities	(132,477,052)	(41,558,403)	(16,251,888)	218.77%
Cash Flows from Financing Activities				
Net Cash Used for Financing Activities	(3,435,459)	(14,392,185)	(6,872,016)	76.13%
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,020,018)	53,944,054	843,986	-111.16%
Effects on Exchange Rate Changes on Cash and Cash Equivalents	(269,997)	1,411,999	(1,728,922)	-119.12%
Cash and Cash Equivalents at the Beginning of Year	199,921,727	144,565,674	124,677,686	38.29%
Cash and Cash Equivalents at the End of Year	193,631,712	199,921,727	123,792,750	-3.15%

*) After restatement

Cash Flows from Operating Activities

Cash flows from operating activities increased 18.20% to Rp129.89 trillion compared to Rp109.89 trillion in the previous year. The increase of cash flows from operating activities was derived by an increase of income generated.

Cash Flows from Investing Activities

Cash flows from investing activities increased three times to Rp132.48 trillion from end of 2020 position of Rp41.56 trillion. The increase was derived by an increase of government bonds to Rp111.38 trillion from previously Rp48.57 trillion.

Cash Flows from Financing Activities

Cash flow from financing activities decreased 76.13% to Rp3.44 trillion compared to Rp14.39 trillion in the previous year. The decrease of cash flow from financing activities was derived by an increase of marketable securities sold under the agreement to repurchase amounted to Rp4.07 trillion from previously minus Rp2.60 trillion.



FINANCIAL REVIEW

SOLVENCY AND ACCOUNTS RECEIVABLE COLLECTABILITY

Solvency

The ability to pay debts is reflected in the liquidity and solvency of the bank. Regarding bonds issued, the ability to pay debts is reflected in the efficient interest payments and bond ratings. In addition to successfully achieving solid financial performance in 2021, Bank Mandiri also had adequate liquidity to meet short-term and long-term obligations.

Ability to Pay Short-Term Debt (Bank Liquidity)

To measure liquidity, Bank Mandiri uses several indicators, including the ratio of Statutory Reserve Requirement at Bank Indonesia and Cash, Macprudential Liquidity Buffers (PLM), liquidity reserves, Macprudential Intermediation Ratio (RIM), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR). The position of these indicators as of December 2021 is as follows:

- Bank Mandiri's average Rupiah Statutory Reserves position (bank only) was recorded at 3.97% of the total Rupiah third-party funds, per the predetermined limit. Meanwhile, RIM's Current Account was 1.17% and PLM was 27.57% of the total Rupiah TPF. Meanwhile, the foreign currency reserve requirement was 4.10% of the total foreign currency deposit per the set limit.

- In managing liquidity reserves, Bank Mandiri had a limit in the form of a safety level limit, namely the projection of liquidity reserves for the next month. At the end of December 2021, Bank Mandiri's liquidity reserves were above the safety level.
- RIM is the ratio of the results of the comparison between loans and corporate securities that meet certain requirements held against TPF, securities that meet certain requirements issued by banks, and loans that meet certain requirements received. Bank Mandiri's RIM was recorded at 78.35% (bank only).
- LCR is the ratio between High-Quality Liquid Assets (HQLA) and the estimated total net cash outflow for the next 30 days in a crisis scenario. LCR aims to increase the short-term liquidity resilience of banks in times of crisis. Bank Mandiri's LCR (bank only) was at the level of 200.56%, above the Regulator's regulation which stipulates that the minimum LCR fulfillment is 100%.
- NSFR is the ratio between available stable funding and required stable funding. Bank Mandiri's NSFR (bank only) reached 126.20%, above the regulator's stipulation that the minimum NSFR fulfillment is 100%.

Ability to Pay Long-Term Debt (Bank Solvency)

In 2021, Bank Mandiri had a high capital adequacy ratio (CAR) at the level of 19.60% or a slight decrease from the previous year's position of 19.90%. This ratio shows that Bank Mandiri's solvency was still good because it had exceeded the minimum CAR ratio requirement from the regulator so that it could meet credit risk, market risk, and operational risk.

Bank Mandiri's future liquidity conditions are projected through the liquidity gap methodology, which is a maturity mismatch between the components of assets and liabilities (including off-balance sheets), which are organized into periods (time buckets) based on contractual maturity or behavioral maturity. In December 2021, Bank Mandiri's liquidity for the next 12 months was projected to be in a surplus position. Nevertheless, Bank Mandiri always prepares alternative funding if market liquidity conditions become tight or do not match predictions.

To determine the impact of changes in market factors and internal factors in extreme conditions (crisis) on liquidity conditions, Bank Mandiri conducts stress-testing of liquidity risk regularly. The stress-testing results show that Bank Mandiri can survive the liquidity crisis. However, Bank Mandiri

FINANCIAL REVIEW

also has a Liquidity Contingency Plan (LCP) which includes funding strategies and pricing strategies in crisis conditions, including money market loans, repos, bilateral loans, FX swaps, and wholesale funding. In the LCP, the determination of liquidity conditions and funding strategies has taken into account internal and external conditions.

Ability to Pay Debt from Issued Securities

The ability to pay debts can also be reflected based on the ratings of the securities issued by Bank Mandiri and its Subsidiaries, which may include Bonds, Medium Term Notes (MTN), and Global Bonds. Securities issued are routinely assessed by rating agencies to support the suitability of securities. The quality of securities is largely determined by the ability of the issuing company to pay the securities at maturity and the ability to pay interest or coupons during the period of issuance of the securities.

Bonds and MTN issued by Bank Mandiri are listed on the Indonesia Stock Exchange with Pefindo and Fitch Rating Indonesia as the rating agencies. These two rating agencies give a favorable assessment of the securities issued by Bank Mandiri. Meanwhile, Global Bonds (Euro Medium Term Notes/EMTN) are issued and listed on the Singapore Stock Exchange and offered to investors outside the United States, subject to Regulation S based on the US Securities Act.

Ability to Pay Debt of Issued Securities

Description	Ratings	
	2021	2020
Bonds		
Shelf Registration Bonds I Bank Mandiri Phase I 2016	idAAA oleh Pefindo	idAAA oleh Pefindo
Shelf Registration Bonds I Bank Mandiri Phase II 2017	idAAA oleh Pefindo	idAAA oleh Pefindo
Shelf Registration Bonds I Bank Mandiri Phase III 2018	idAAA oleh Pefindo	idAAA oleh Pefindo
Shelf Registration Bonds I Bank Mandiri Phase II 2020	idAAA oleh Pefindo	idAAA oleh Pefindo
Medium Term Notes (MTN)	idAA oleh Pefindo	idAA oleh Pefindo
<i>Medium Term Notes (MTN) Bank Mandiri Subordination I 2018</i>	idAAA oleh Pefindo	idAAA oleh Pefindo
Global Bond		
Euro Medium Term Notes (EMTN) Bank Mandiri 2019	Baa2 oleh Moody's BBB- oleh Fitch Ratings	Baa2 oleh Moody's BBB- oleh Fitch Ratings
Euro Medium Term Notes (EMTN) Bank Mandiri 2020	Baa2 oleh Moody's BBB- oleh Fitch Ratings	Baa2 oleh Moody's BBB- oleh Fitch Ratings
Sustainability Bonds Euro Medium Term Notes (EMTN) Bank Mandiri 2021	Baa2 oleh Moody's BBB- oleh Fitch Ratings	Baa2 oleh Moody's BBB- oleh Fitch Ratings

Information of Published Securities Ratings

Rating Agency	Rating	Meaning of Rating
Pefindo Rating	idAAA	Has superior capacity in long-term financial commitments compared to other obligors.
	idAA	Only slightly different from idAAA, the idAA level means it has a very strong capacity in long-term financial commitments compared to other Indonesian obligors.



FINANCIAL REVIEW

Rating Agency	Rating	Meaning of Rating
Moody's Rating	Baa2	A rating that describes bonds with moderate risk and therefore has speculative characteristics.
Fitch Rating Indonesia	BBB	Included in the category of investment grade medium quality - a medium risk that is currently in satisfactory condition.
	AA (idn)	Indicates a very low expectation of default risk relative to other issuers or debt securities in Indonesia. Credit risk is only slightly different from the highest-rated issuers or debt securities in Indonesia.
Plus sign (+)		A certain rating indicates that the ranking is relatively strong in each rating category.
Minus sign (-)		At a certain level, it shows that the ranking is relatively weak in each rating category.
(sy)		Means the ranking mandates Islamic principles.

Bank Rentability

Bank Mandiri's rentability (bank only) is measured using the following ratios.

(Bank only, in %)

Description	2021	2020	2019
Return on Equity (ROE)	16.24	9.36	15.08
Return on Assets (ROA)	2.53	1.64	3.03
Net Interest Margin (NIM)	4.73	4.48	5.46
Cost Efficiency Ratio (CER)	44.67	45.72	42.76
Operating Expenses to Operating Income (BOPO)	67.26	80.03	67.44

In terms of rentability, Bank Mandiri recorded a Return on Equity (ROE) and a Return on Assets (ROA) of 16.24% and 2.53% respectively in 2021. This ROE and ROA achievement increased significantly compared to 2020 which were 9.36% and 1.64%. Meanwhile, Bank Mandiri's Net Interest Margin (NIM) reached 4.73%, moving from the

previous year's position of 4.48%. This achievement is in line with the improvements made by Bank Mandiri for credit performance and credit restructuring programs, as well as the Indonesian economy which is gradually recovering. Meanwhile, the Cost Efficiency Ratio (CER) reached 44.67% and the ratio of Operating Expenses to

Operating Income (BOPO) could be reduced from the previous 80.03% in 2020 to 67.26% in 2021.

Kolektibilitas Piutang Bank

Kelancaran pembayaran kredit yang disalurkan tercermin dari kolektibilitas piutang Bank. Kredit yang telah disalurkan beserta klasifikasi kolektibilitasnya disajikan sebagai berikut.

Bank's Loans Collectability

(in Rp million)

Description	2021	2020	2019	2018	2017
Current	764,469,150	701,951,159	734,848,329	669,875,398	596,828,402
Of Special Concern	40,525,825	36,796,337	38,663,525	29,047,814	25,195,239
Substandard	1,913,657	2,065,985	3,372,638	3,716,555	6,045,981

FINANCIAL REVIEW

Description	2021	2020	2019	2018	2017
Doubtful	4,369,540	938,038	3,533,071	1,922,342	3,662,800
Bad	16,835,691	21,851,897	11,933,553	14,404,737	12,524,986
Credit	828,113,863	763,603,416	792,351,117	718,966,846	644,257,408
NPL	23,118,888	24,855,920	18,839,262	20,043,634	22,233,767
NPL (%)	2.81%	3.29%	2.39%	2.79%	3.45%

During 2021, the handling of the COVID-19 pandemic was more effective in line with the acceleration of vaccination programs, which encouraged business actors and the public to start their activities again. This more conducive situation and conditions were optimized VERY well by Bank Mandiri. One example is the ratio of Non-Performing Loans (NPL), which was reduced to the level of 2.81% at the end of 2021, down by 48 bps compared to 2020 which was 3.29%. This shows that Bank Mandiri could improve the balance between healthy credit expansion and prudent credit management during 2021, both in the wholesale and retail segments.

Bank Mandiri's credit management process for the wholesale segment begins with determining the target market through the Portfolio Guideline which establishes Industry Classification (attractive, neutral, selective) and appropriate industry limits, as well as selecting and screening target customers through Industry Acceptance Criteria and Name Clearance, to produce a pipeline of qualified debtors. The next process is to carry out a credit risk assessment using a series of credit risk tools (credit risk rating, spreadsheet, CPA, NAK, and so on), the result of

which is then decided by the Credit Decision Authority (through the Credit Committee Meeting) with the Four-Eyes Principle involving the Business Unit and Credit Risk Management Unit independently.

For the retail segment, because it is a mass market, the credit process is carried out more automatically using a credit risk scorecard pursuant to the Risk Acceptance Criteria for each product, and is processed through an automated workflow (loan factory).

Bank Mandiri's monitoring process is carried out on a portfolio basis through the Portfolio Quality Review, which can be continued with the collection and recovery process for the problematic portion of the portfolio. To anticipate deteriorating macroeconomic conditions, Bank Mandiri conducted a what-if analysis of the wholesale and retail portfolios through a stress testing process using certain macroeconomic scenarios.

CAPITAL STRUCTURE

Risk management through capital

Bank Mandiri's capital policy is to prudently meet regulatory capital requirements, diversify sources

of capital to anticipate long-term strategic plans, and allocate capital efficiently to business segments that have the potential to provide an optimal risk-return profile, including placements and investments in subsidiaries to meet the expectations of stakeholders including investors and regulators.

Bank Mandiri ensures that it has sufficient capital to meet credit risk, market risk, and operational risk, both to support business growth under normal conditions and to anticipate stressful conditions.

In calculating capital adequacy, the Bank refers to the Financial Services Authority Regulation Number 34/POJK.03/2016 dated 22 September 2016 regarding changes to POJK Number 11/POJK.03/2016 concerning the Minimum Capital Adequacy Requirement for Commercial Banks.

For the calculation of Risk-Weighted Assets (ATMR), the Bank uses the Basel II Standard Approach (Standardized Approach) for Credit Risk and has included an External Rating component. In addition, the Bank has gradually simulated an Internal Rating-Based Approach. For Market Risk, the Bank uses the Basel II Standard Measurement Method (Standardized Measurement