



FINANCIAL REVIEW

TRANSACTIONS WITH A CONFLICT OF INTEREST

A conflict of interest arises when an employee of a Bank, in performing their duties and obligations, have interests outside work, such as personal, familial, or external ones imposed by outside parties that make them lose objectivity when making decisions and policies according to the authority that is given to them by the Bank.

Therefore:

1. All employees of the Bank must avoid any activity that may cause a conflict of interest. If anything seems unavoidable, then employees must report it to their superior directly.
2. All employees of the Bank are not allowed to give or seek approval regarding credit facilities, special interest rates, or other particularities to be used by:
 - themselves
 - their family
 - the companies in which they or their family have an interest
3. All employees of the Bank are not allowed to work for other companies as directors, employees, consultants, or members of a board of commissioners unless seconded or approved via a written permit by the Bank. Specifically for members of the Board of Commissioners and Directors, concurrent positions follow regulatory provisions on Good Corporate Governance..

4. All employees of the Bank are not allowed to be direct or indirect partners, whether it relates to the procurement of goods or services for the Bank.
5. All employees of the Bank are not allowed to take possession of the Bank's inventories for personal, familial, or external use..
6. All employees of the Bank are only allowed to trade securities, foreign exchanges, precious metals, derivatives, and other goods for personal interest if there is no conflict of interest, violation in the form of insider trading from the Capital Market Authority, and other regulations.

Bank Mandiri employees must make an annual disclosure of conflicts of interest, and every work unit must submit a transaction report/decision that may contain a conflict of interest every quarter. By the end of 2021, there was not any transaction with a conflict of interest.

RELATED PARTIES TRANSACTIONS

Bank Mandiri and its Subsidiaries conduct transactions with related parties as defined in PSAK No. 7 concerning "Related Party Disclosures" and Bapepam and LK Regulation No. KEP-347/BL/2012 dated 25 June 2012 concerning "Presentation and Disclosure of Financial Statements of Issuers or Public Companies"

A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity). Related party includes the following:

- 1) A person who:
 - a. has control or joint control over the reporting entity;
 - b. has significant influence over the reporting entity;
 - or
 - c. is a member of the key management personnel of the reporting entity or a parent of the reporting entity.
- 2) An entity is related to the reporting entity if any of the following conditions apply:
 - a. The entity and the reporting entity are members of the same group;
 - b. One entity is an associate or joint venture of the other entity;
 - c. Both entities are joint ventures of the same third party;
 - d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - e. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - f. The entity is controlled or jointly controlled by a person identified in point (1); or

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- g. A person identified in point 1) letter (a.) has significant influence over the entity or is a member of the key management personnel of the entity;
- h. The entity is controlled, jointly controlled, or significantly influenced by a Government, i.e., the Minister of Finance or Regional Government serving as a shareholder of the entity.
- 3) The following are not considered as a related party:
- a. Two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity;
- b. Two venturers simply because they share joint control over a joint venture;
- c. Providers of finance, trade unions, public utilities, and departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with an entity;
- d. A customer, supplier, franchisor, distributor, or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence

Name and Nature of the Related Party Relationship

To conduct its normal business, Bank Mandiri has significant business transactions with related parties. The related parties and the nature of their relationship with the Bank are described as follows.

Related Party Relationship as Principal Shareholder

Government of the Republic of Indonesia through the Ministry of Finance.

Related Party Relationship due to Ownership and/or Management

The nature of transactions with related parties includes investments in shares, issued securities, loans and subordinated securities, loans, customer deposits, and bank guarantees.

No	Related Party due to Ownership and/or Management	Nature of the Relationship
1	PT Kustodian Sentral Efek Indonesia	Associate Company
2	PT Mandiri AXA General Insurance	Associate Company
3	Dana Pensiun Bank Mandiri	Bank Mandiri as the founder
4	Dana Pensiun Bank Mandiri 1	Bank Mandiri as the founder
5	Dana Pensiun Bank Mandiri 2	Bank Mandiri as the founder
6	Dana Pensiun Bank Mandiri 3	Bank Mandiri as the founder
7	Dana Pensiun Bank Mandiri 4	Bank Mandiri as the founder
8	PT Bumi Daya Plaza	Controlled by Dana Pensiun Bank Mandiri (since 19 December 2013)
9	PT Pengelola Investama Mandiri	Controlled by Dana Pensiun Bank Mandiri (since 19 December 2013)
10	PT Usaha Gedung Mandiri	Controlled by Dana Pensiun Bank Mandiri (since 19 December 2013)
11	PT Estika Daya Mandiri	Controlled by Dana Pensiun Bank Mandiri 1
12	PT Asuransi Staco Mandiri (dahulu PT Asuransi Staco Jasapratama)	Controlled by Dana Pensiun Bank Mandiri 2



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No	Related Party due to Ownership and/or Management	Nature of the Relationship
13	PT Mulia Sasmita Bhakti	Controlled by Dana Pensiun Bank Mandiri 3
14	PT Krida Upaya Tunggal	Controlled by Dana Pensiun Bank Mandiri 4
15	PT Wahana Optima Permai	Controlled by Dana Pensiun Bank Mandiri 4
16	Cooperative for Employee Healthcare and Retiree (Mandiri Healthcare)	Significantly influenced by Bank Mandiri

Related Party Relationship with Government Entities

The nature of transactions with related parties of Government entities includes demand deposits with other banks, placements with other banks, securities, Government bonds, other receivables - trade transactions, derivative claims, loans, consumer financing receivables, acceptance claims, derivative liabilities, customer deposits, deposits from other banks, acceptance liabilities, liabilities for securities sold under a repurchase agreement, securities issued, loans received, loans and subordinated securities, unused credit facilities, bank guarantees, ongoing irrevocable letters of credit and standby letters of credit. In conducting its business activities, the Group also makes transactions to purchase or use services such as telecommunication fees, electricity costs, and other costs with related parties of Government entities.

[Table regarding State-Owned Enterprises, Social Security Institutions, Financial Institutions is provided in the Audited Financial Report Note 57 attached to this Annual Report].

Management or key personnel relationship of Bank Mandiri

Salaries and allowances, bonuses and profit-sharing, long-term benefits for the Board of Commissioners, Directors, Audit Committee and Risk Monitoring Committee, Sharia Supervisory Board, and Senior Executive Vice President and Senior Vice President (Note 50) for the year ended 31 December 2021 and 2020 were Rp1,376,923 and Rp1,474,543 or 2.80% and 3.31% of the total consolidated other operating expenses, respectively.

Arm's Length Nature of and Reasons for the Transactions

All transactions made in 2021 were conducted in an arm's length manner conforming with normal commercial terms. The arm's length nature of transactions with related parties or having conflicts of interest were conducted in an arm's length manner conforming with the laws and regulations. Transactions were made due to the needs of Bank Mandiri and were considered free from conflicts of interest. In 2021, there were no related party transactions requiring approval from the GMS.

Realization of Related Party Transactions

Balance details of transactions with related parties as of 31 December 2021 and 2020 are provided in the Audited Financial Report Note 57 attached to this Annual Report.

REVIEW MECHANISM POLICIES FOR TRANSACTIONS AND COMPLIANCE WITH RELEVANT RULES AND REGULATIONS

Bank Mandiri has internal policies related to transactions having conflicts of interest and/or transactions with affiliates and transactions with related parties. For lending transactions having affiliated and related in nature, such lending transactions shall obtain approval from the Board of Commissioners.

Policies for providing funds to related parties shall conform with the prevailing general procedures for providing funds and must continue to provide an arm's length profit for Bank Mandiri and such provision must also obtain approval from the Board of Commissioners.