

**PT BANK MANDIRI (PERSERO) Tbk.
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2021 AND 2020

**BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021
PT BANK MANDIRI (PERSERO) Tbk. AND SUBSIDIARIES**

PT Bank Mandiri (Persero) Tbk.
Plaza Mandiri
Jl. Jend. Gatot Subroto Kav. 36-38
Jakarta 12190, Indonesia
Tel. (62-21) 526 5045, 526 5095
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We, the undersigned:

1. Name : Darmawan Junaidi
Office address : Jl. Jend. Gatot Subroto Kav. 36-38
Jakarta 12190
Residential address as stated in ID : Jl. Mini III RT 003/ RW 003
Kelurahan Bambu Apus, Kecamatan Cipayung,
Kotamadya Jakarta Timur
Phone number : 021 – 5245577
Title : President Director
2. Name : Sigit Prastowo
Office address : Jl. Jend. Gatot Subroto Kav. 36-38
Jakarta 12190
Residential address as stated in ID : Jl. Baitis Salmah I No. 16A RT 002/RW 007
Kelurahan Sawah Baru, Kecamatan Ciputat,
Kotamadya Tangerang Selatan
Phone number : 021 – 5245600
Title : Director

in the above positions acted as and on behalf of the Board of Directors of PT Bank Mandiri (Persero) Tbk. declare that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of PT Bank Mandiri (Persero) Tbk. ("Bank") and Subsidiaries;
2. The consolidated financial statements of the Bank and Subsidiaries have been prepared and presented in accordance with Indonesian Financial Accounting Standard;
3. a. All information in the consolidated financial statements of the Bank and Subsidiaries have been disclosed in a complete and truthful manner;
b. The consolidated financial statements of the Bank and Subsidiaries do not contain any incorrect information or material facts, nor do they omit information or material fact;
4. We are responsible for the Bank and Subsidiaries' internal control system.

Thus this statement is made truthfully.

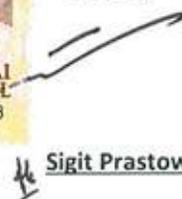
Jakarta, January 27, 2022

President Director

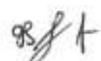


Darmawan Junaidi

Director



Sigit Prastowo



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**PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021 AND 2020
FOR THE YEAR THEN ENDED**

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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
PT BANK MANDIRI (PERSERO) Tbk**

We have audited the accompanying consolidated financial statements of PT Bank Mandiri (Persero) Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bank Mandiri (Persero) Tbk and its subsidiaries as of 31 December 2021, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

JAKARTA,
27 January 2022

Lucy Luciana Suhenda, S.E., Ak., CPA
License of Public Accountant No. AP.0229

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These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2021	31 December 2020 ^{*)}	31 December 2019 ^{*)}
ASSETS				
Cash	2c,2g,63.B.(vii)	23,948,485	26,225,089	28,712,595
Current accounts with Bank Indonesia	2c,2g,2h,4	99,023,492	52,238,679	49,793,311
Current accounts with other banks	2c,2f,2g,2h,5			
Related parties	57	256,308	1,879,755	474,232
Third parties		25,185,353	24,619,317	12,591,395
		25,441,661	26,499,072	13,065,627
Less: allowance for impairment losses		(24,043)	(77,112)	(7,698)
Net		25,417,618	26,421,960	13,057,929
Placements with Bank Indonesia and other banks	2c,2f,2i,6			
Related parties	57	2,381,154	3,132,589	1,499,924
Third parties		45,404,037	79,310,030	42,993,751
		47,785,191	82,442,619	44,493,675
Less: allowance for impairment losses		(1,675)	(46,772)	(47,675)
Net		47,783,516	82,395,847	44,446,000
Marketable securities	2c,2f,2j,7			
Related parties	57	30,552,825	26,860,359	28,357,754
Third parties		67,282,450	63,373,320	47,406,750
		97,835,275	90,233,679	75,764,504
Add: unamortised discounts, unrealised gains/(losses) - net from increase/(decrease) in fair value and allowance for impairment losses		268,395	336,394	88,476
Net		98,103,670	90,570,073	75,852,980
Government bonds - net				
Related parties	2c,2f,2k,8,57	289,054,774	178,743,845	145,632,539
Other receivables - trade transactions	2c,2f,2l,9			
Related parties	57	13,067,399	14,016,134	14,186,619
Third parties		16,230,869	15,979,730	16,229,083
		29,298,268	29,995,864	30,415,702
Less: allowance for impairment losses		(1,480,721)	(1,687,776)	(1,311,591)
Net		27,817,547	28,308,088	29,104,111

*) Restated (see Note 69)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS OF 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2021	31 December 2020 ^{*)}	31 December 2019 ^{*)}
ASSETS (continued)				
Securities purchased under agreements to resell				
Related parties	57	2,850,956	-	-
Third parties	2c,2m,10	24,466,044	55,094,456	1,955,363
		27,317,000	55,094,456	1,955,363
Derivative receivables	2c,2f,2n,11			
Related parties	57	160,416	199,976	18,817
Third parties		1,509,422	2,378,971	1,598,659
		1,669,838	2,578,947	1,617,476
Loans and sharia receivables/ financing	2c,2f,2o,12			
Related parties	57	186,803,646	188,255,212	187,814,693
Third parties		839,421,181	753,812,475	756,225,323
		1,026,224,827	942,067,687	944,040,016
Less: allowance for impairment losses		(68,588,680)	(65,016,458)	(31,794,908)
Net		957,636,147	877,051,229	912,245,108
Consumer financing receivables	2c,2f,2p,13			
Related parties	57	7,287	6,867	6,758
Third parties		19,101,035	19,071,541	18,558,948
		19,108,322	19,078,408	18,565,706
Less: allowance for impairment losses		(475,015)	(428,509)	(354,618)
Net		18,633,307	18,649,899	18,211,088
Net investment finance leases	2c,2q,14			
Third parties		4,823,773	3,581,422	3,055,071
Less: allowance for impairment losses		(129,967)	(58,955)	(7,982)
Net		4,693,806	3,522,467	3,047,089
Acceptance receivables	2c,2f,2u,15			
Related parties	57	2,688,460	1,058,929	1,198,875
Third parties		7,584,984	9,173,926	9,082,345
		10,273,444	10,232,855	10,281,220
Less: allowance for impairment losses		(196,693)	(123,609)	(221,804)
Net		10,076,751	10,109,246	10,059,416

*) Restated (see Note 69)

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS OF 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2021	31 December 2020 ^{*)}	31 December 2019 ^{*)}
ASSETS (continued)				
Investments in shares	2f,2s,16			
Related parties	57	1,784,229	1,799,313	112,298
Third parties		662,759	465,323	506,631
		<u>2,446,988</u>	<u>2,264,636</u>	<u>618,929</u>
Less: allowance for impairment losses		(14,595)	(14,619)	(12,919)
Net		<u>2,432,393</u>	<u>2,250,017</u>	<u>606,010</u>
Prepaid expenses	17	1,470,251	1,626,435	3,372,914
Prepaid taxes	2ad,33a	2,073,725	2,178,758	1,112,520
Fixed assets	2r.i,2r.ii,18	67,503,267	64,322,488	58,923,176
Less: accumulated depreciation		(18,358,475)	(16,015,645)	(13,582,228)
Net		<u>49,144,792</u>	<u>48,306,843</u>	<u>45,340,948</u>
Intangible assets	2r.iii,2s,19	10,623,089	9,280,780	7,228,188
Less: accumulated amortisation		(5,511,330)	(4,735,341)	(3,880,481)
Net		<u>5,111,759</u>	<u>4,545,439</u>	<u>3,347,707</u>
Other assets	2c,2t,2v,2af,20	25,538,392	24,697,296	20,928,422
Less: allowance for other impairment losses		(1,690,929)	(1,645,915)	(1,573,205)
Net		<u>23,847,463</u>	<u>23,051,381</u>	<u>19,355,217</u>
Deferred tax assets - net	2ad,33e	10,354,794	8,095,869	4,373,721
Total Assets		<u><u>1,725,611,128</u></u>	<u><u>1,541,964,567</u></u>	<u><u>1,411,244,042</u></u>

^{*)} Restated (see Note 69)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS OF 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2021	31 December 2020 ^{*)}	31 December 2019 ^{*)}
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY				
LIABILITIES				
Obligations due immediately	2w	5,380,474	4,286,333	3,169,451
Deposits from customers				
Demand deposits and <i>wadiah</i>				
demand deposits	2c,2f,2x,21			
Related parties	57	111,706,274	89,898,414	61,204,077
Third parties		288,085,037	224,499,064	191,158,130
Total		399,791,311	314,397,478	252,362,207
Saving deposits and <i>wadiah</i>				
saving deposits	2c,2f,2x,22			
Related parties	57	5,491,050	3,828,567	3,325,242
Third parties		416,823,495	369,193,343	337,171,732
Total		422,314,545	373,021,910	340,496,974
Time deposits	2c,2f,2x,23			
Related parties	57	33,467,991	48,559,521	34,132,147
Third parties		259,704,866	259,221,759	244,043,859
Total		293,172,857	307,781,280	278,176,006
Total deposits from customers		1,115,278,713	995,200,668	871,035,187
Deposits from other banks				
Demand deposits, <i>wadiah</i>				
demand deposits				
and saving deposits	2c,2f,2y,24			
Related parties	57	53,022	47,946	113,449
Third parties		5,206,994	4,141,214	7,673,580
Total		5,260,016	4,189,160	7,787,029
Interbank call money -				
Third parties	2c,2y,25	5,009,885	655,829	219,360
Time deposits	2c,2y,26			
Related parties		-	500,000	-
Third parties		2,530,491	2,046,236	5,430,238
Total deposits from other banks		2,530,491	2,546,236	5,430,238
		12,800,392	7,391,225	13,436,627
Liabilities to unit-linked policyholders	2z,27	30,657,570	27,850,536	24,037,658

*) Restated (see Note 69)

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS OF 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2021	31 December 2020 ^{*)}	31 December 2019 ^{*)}
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)				
LIABILITIES (continued)				
Securities sold under agreements to repurchase				
Third parties	2c,2m,28,66	5,427,998	1,330,068	3,782,055
Derivative payables				
Related parties	2c,2f,2n,11, 57	9,932	131,127	42,505
Third parties		1,008,819	1,439,379	1,152,517
Total		1,018,751	1,570,506	1,195,022
Acceptance payables				
Related parties	2c,2f,2u,29, 57	883,389	1,829,062	2,076,355
Third parties		9,390,055	8,403,793	8,204,865
Total		10,273,444	10,232,855	10,281,220
Debt securities issued				
Related parties	2c,2f,2aa,30, 57,66	9,748,000	10,334,100	10,894,100
Third parties		35,462,053	28,848,664	22,326,405
		45,210,053	39,182,764	33,220,505
Less: unamortised debt issuance cost		(71,711)	(71,291)	(71,235)
Net		45,138,342	39,111,473	33,149,270
Estimated losses on commitment and contingencies	2c,31c	2,295,241	3,475,979	388,751
Accrued expenses	2c,2af,32	6,526,489	5,748,405	6,320,066
Taxes payable	2ad,33b	2,862,716	2,059,214	1,477,872
Employee benefit liabilities	2ai,34,52	11,205,546	8,319,149	8,626,762
Provision	64b	413,876	546,237	405,312
Other liabilities	2c,35	25,276,602	26,321,079	19,508,201
Fund borrowings				
Related parties	2c,2f,2ab,36	194,097	1,168,181	984,974
Third parties	57,66	51,204,843	51,642,508	53,143,588
Net		51,398,940	52,810,689	54,128,562

*) Restated (see Note 69)

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS OF 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2021	31 December 2020 ^{*)}	31 December 2019 ^{*)}
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)				
LIABILITIES (continued)				
Subordinated loans and marketable securities	2c,2f,2ac,37			
Related parties	57,66	94,750	107,750	127,750
Third parties		542,856	543,873	537,295
		637,606	651,623	665,045
Less: unamortised subordinated loans and marketable securities		(463)	(657)	(828)
Net		637,143	650,966	664,217
TOTAL LIABILITIES		1,326,592,237	1,186,905,382	1,051,606,233
TEMPORARY SYIRKAH FUNDS				
	2f,2ae,38			
Deposits from customers				
Related parties	57			
Demand deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment	38a.1	4,100,614	3,187,886	10,458,215
Saving deposits - restricted investment - unrestricted investment	38a.2a	292,296	163,134	225,649
<i>Mudharabah</i> time deposits - unrestricted investment	38a.3	6,842,677	12,872,814	7,002,833
		11,235,587	16,223,834	17,686,697
Third parties				
Demand deposits - restricted investments and <i>mudharabah musytarakah - musyarakah</i> demand deposits	38a.1	9,180,705	2,159,998	1,410,604
Saving deposits - restricted investment and - unrestricted investment - <i>mudharabah</i>	38a.2a	64,246,070	58,322,260	47,344,178
<i>Mudharabah</i> time deposits - unrestricted investment	38a.3	91,235,044	72,732,981	73,544,655
		164,661,819	133,215,239	122,299,437
Total deposits from customers		175,897,406	149,439,073	139,986,134

*) Restated (see Note 69)

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS OF 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2021	31 December 2020 ^{*)}	31 December 2019 ^{*)}
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)				
TEMPORARY SYIRKAH FUNDS (continued) 2f,2ae,38				
Deposits from other Banks				
Third parties				
<i>Mudharabah</i> demand deposit - unrestricted investment	38b	37,308	22,568	11,385
<i>Mudharabah</i> saving deposit - unrestricted investment	38b	564,124	523,540	494,520
<i>Mudharabah</i> time deposit - unrestricted investment	38b	408,771	374,336	293,701
Total deposits from other banks		1,010,203	920,444	799,606
		1,010,203	920,444	799,606
TOTAL TEMPORARY SYIRKAH FUNDS		176,907,609	150,359,517	140,785,740
EQUITY				
Attributable equity of the Parent Entity				
Share capital - Rp250 (full amount)				
par value per share as of 31 December 2021 and 2020				
Authorised Capital - 1 share				
Dwiwarna Series A and 63,999,999,999 common shares series B as of 31 December 2021 and 2020				
Issued and fully paid-in capital - 1 share Dwiwarna Series A and 46,666,666,665 common shares Series B as of 31 December 2021 and 2020				
	40a	11,666,667	11,666,667	11,666,667
Additional paid-in capital/agio	40b	17,643,264	17,316,192	17,316,192
Treasury stock	1f, 2am,40d	(150,895)	(150,895)	-
Differences arising from translation of financial statements in foreign currencies	2e	(88,985)	(116,031)	13,388

^{*)} Restated (see Note 69)

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS OF 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	31 December 2021	31 December 2020 ^{*)}	31 December 2019 ^{*)}
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)				
EQUITY (continued)				
Net unrealised gain from increase in fair value of marketable securities and government bonds - net of deferred tax				
Fair value through other comprehensive income	2j,2k	1,692,145	4,430,511	-
Available for sale	2j,2k	-	-	1,385,450
Effective portion of cash flow hedges	2n,11	(370)	(15,319)	(30,045)
Net differences in fixed assets revaluation	2r.i,18	30,140,345	30,115,479	30,112,151
Net actuarial gain from defined benefit program - net of deferred tax	2ai,34,52	1,217,456	1,040,657	630,412
Other comprehensive income		85,052	85,052	85,052
Merging entities equity		-	5,555,377	5,004,875
Difference in transactions with non controlling parties	1g	(106,001)	(106,001)	(106,001)
Retained earnings (accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi-reorganisation on 30 April 2003)				
Appropriated		5,380,268	5,380,268	5,380,268
Unappropriated		137,207,666	114,176,507	133,606,673
Total retained earnings		142,587,934	119,556,775	138,986,941
		204,686,612	189,378,464	205,065,082
Noncontrolling interests in net assets of consolidated Subsidiaries	2d,39	17,424,670	15,321,204	13,786,987
TOTAL EQUITY		222,111,282	204,699,668	218,852,069
TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY		1,725,611,128	1,541,964,567	1,411,244,042

*) Restated (see Note 69)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
31 DECEMBER 2021 AND 2020

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	For the years ended 31 December	
		2021	2020 ^{*)}
INCOME AND EXPENSE FROM OPERATIONS			
Interest income and sharia income	2f,2af,41,57		
Interest income		83,033,945	81,632,274
Sharia income		14,715,141	13,983,953
Total interest income and sharia income		97,749,086	95,616,227
Interest expense and sharia expense	2f,2af,42,57		
Interest expense		(20,441,507)	(28,222,605)
Sharia expense		(4,245,085)	(4,872,817)
Total interest expense and sharia expense		(24,686,592)	(33,095,422)
NET INTEREST AND SHARIA INCOME		73,062,494	62,520,805
Premium income	2ag	14,857,941	12,890,360
Claim expense	2ag	(13,070,008)	(11,376,645)
NET PREMIUM INCOME		1,787,933	1,513,715
NET INTEREST, SHARIA AND PREMIUM INCOME		74,850,427	64,034,520
Other operating income			
Other fees and commissions	2ah, 43	15,408,693	13,450,080
Net income from fair value through profit or loss classification	2c,2e,2n,44	3,937,883	5,545,339
Others	45	9,681,444	9,598,978
Total other operating income		29,028,020	28,594,397
Allowance for impairment losses	2c,46	(20,428,352)	(23,355,311)
Provision for impairment losses on commitments and contingencies	2c,31c	1,162,993	(1,223,263)
Provision for other allowances	2t,47	(277,942)	(276,133)
Unrealised gain/(loss) from increase in fair value of policyholders investment in unit-link contracts	2j,2k,2z,48	2,824	12,487

^{*)} Restated (see Note 69)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	For the years ended 31 December	
		2021	2020 ^{*)}
INCOME AND EXPENSE FROM OPERATIONS (continued)			
Gains on sale of marketable securities and government bonds	2j,2k,49	3,242,400	999,026
Other operating expenses	2f,2ai,		
Salaries and benefits	50,52,57	(22,677,112)	(19,693,977)
General and administrative expenses	2r,51	(19,519,699)	(18,872,831)
Others - net	53	(6,943,356)	(5,963,428)
Total other operating expenses		(49,140,167)	(44,530,236)
INCOME FROM OPERATION		38,440,203	24,255,487
Non operating income/(expense) - net	54	(81,782)	136,918
INCOME BEFORE TAX EXPENSE AND NONCONTROLLING INTEREST		38,358,421	24,392,405
Tax expense			
Current	2ad,33c,33d	(9,245,615)	(5,632,653)
Deferred	2ad,33c,33e	1,438,291	(360,824)
Total tax expense - net		(7,807,324)	(5,993,477)
NET INCOME FOR THE YEAR		30,551,097	18,398,928
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Gains on fixed asset revaluation	2r(i)	221,737	3,328
Actuarial gain from defined benefit program	2ai	392,518	458,842
Income tax related to items that will not be reclassified to profit or loss		(78,200)	(78,467)
		536,055	383,703
Items that will be reclassified to profit or loss			
Difference arising from translation of financial statements in foreign currencies	2e	28,028	(129,324)

*) Restated (see Note 69)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	For the years ended 31 December	
		2021	2020 ^{*)}
OTHER COMPREHENSIVE INCOME (continued)			
Items that will be reclassified to profit or loss (continued)			
Changes in fair value through other comprehensive income financial assets	2j,2k	(3,499,000)	3,774,124
Effective portion of cash flow hedge	2n	37,579	37,019
Income tax related to items that will be reclassified to profit or loss		666,162	(678,371)
		<u>(2,767,231)</u>	<u>3,003,448</u>
Other comprehensive income for the year - net of income tax		(2,231,176)	3,387,151
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		28,319,921	21,786,079
Net income for the year attributable to:			
Parent Entity		28,028,155	16,799,515
Noncontrolling interest	2d	2,522,942	1,599,413
		<u>30,551,097</u>	<u>18,398,928</u>
Total comprehensive income for the year attributable to:			
Parent Entity		25,638,536	20,121,679
Noncontrolling interest	2d	2,681,385	1,664,400
		<u>28,319,921</u>	<u>21,786,079</u>
EARNINGS PER SHARE			
Basic (full amount of Rupiah)	2aj	601.06	360.18
Diluted (full amount of Rupiah)		601.06	360.18

^{*)} Restated (see Note 69)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
31 DECEMBER 2021 AND 2020
 (Expressed in millions of Rupiah, unless otherwise stated)

Notes	Issued and fully paid-in capital	Additional paid-in capital/agio	Share capital acquired and repurchased (treasury stock)	Difference arising from the translation of financial statements in foreign currencies	Net unrealised gain/(loss) from increase/ decrease in fair value through other comprehensive income: net of tax	Effective portion of cash flow hedge	Net difference in fixed assets revaluation	Net actuarial gain from defined benefit program - net of deferred tax assets	Other comprehensive income	Difference in transaction with noncontrolling parties	Retained earnings		Merging entities equity	Noncontrolling interest in net assets of consolidated Subsidiaries	Total Equity
											Appropriated	Unappropriated			
Balance as of 1 January 2021	11,666,667	17,316,192	(150,896)	(116,031)	4,430,511	(15,319)	30,115,479	1,040,657	85,052	(106,001)	5,380,268	114,176,507	5,556,377	15,321,204	204,699,668
Dividend payment	-	-	-	-	-	-	-	-	-	-	-	(10,271,552)	-	-	(10,271,552)
Changes in noncontrolling interest arising from distribution of dividend and changes in Subsidiary's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	(578,266)	(578,266)
Income for the current year	-	-	-	-	-	-	-	-	-	-	-	27,994,004	34,151	2,522,942	30,551,097
Reversal of merging entities equity	-	-	-	-	75,234	-	(69,682)	(84,207)	-	-	-	5,635,779	(5,547,124)	-	-
Effects on investment adjustments in subsidiaries as a result of the business combination	-	327,072	-	-	-	-	-	-	-	-	-	(327,072)	-	-	-
Subsidiary's fixed assets adjustments	-	-	-	-	-	-	-	-	-	-	-	-	(59,196)	-	(59,196)
Share-based payment	-	-	-	-	-	-	-	-	-	-	-	-	360	347	707
Comprehensive income for the current year	-	-	-	27,046	(2,813,600)	14,949	84,548	271,006	-	-	-	-	16,432	158,443	(2,231,176)
Balance as of 31 December 2021	11,666,667	17,643,264	(150,896)	(88,985)	1,692,145	(370)	30,140,345	1,217,456	85,052	(106,001)	5,380,268	137,207,666	-	17,424,670	222,111,282

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)
31 DECEMBER 2021 AND 2020

(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Issued and redeemed in equity capital	Additional paid-up capital/agio	Share capital acquired and repossessed (treasury stock)	Difference arising from translation of financial statements in foreign currencies	Net unrealised gain/(loss) from (decrease) in fair value through other comprehensive income of marketable securities and government bonds, net of deferred tax	Effective portion of change in allowance for bad debt	Net difference in revaluation	Net actuarial gain from defined benefit program – net of deferred tax assets	Other comprehensive income	Difference in transaction with noncontrolling interests in parities	Retained earnings		Merging equity	Noncontrolling interest in net assets of Subsidiaries	Total Equity
											Appropriated	Unappropriated			
	11,666,667	17,316,192	-	13,388	1,365,796	(30,045)	30,306,255	653,489	85,052	(106,001)	5,380,268	137,929,792	5,004,875	4,433,672	209,034,525
Subsidiaries merger effect	-	-	-	-	(346)	-	(194,104)	(23,077)	-	-	-	(4,323,119)	-	9,353,315	9,817,544
Balance as of 1 January 2020															
Subsidiaries merger effect	-	-	-	-	(346)	-	(194,104)	(23,077)	-	-	-	(4,323,119)	-	9,353,315	9,817,544
Balance as of 1 January 2020 after restatement	11,666,667	17,316,192	-	13,388	1,365,450	(30,045)	30,112,151	630,412	85,052	(106,001)	5,380,268	133,606,673	5,004,875	13,786,987	218,852,069
Impact of implementation SFAS 71 - net	-	-	-	-	-	-	-	-	-	-	-	(19,283,982)	-	-	(19,283,982)
Balance as of 1 January 2020 after implementation of SFAS 71	11,666,667	17,316,192	-	13,388	1,365,450	(30,045)	30,112,151	630,412	85,052	(106,001)	5,380,268	114,322,691	5,004,875	13,786,987	199,568,087
Dividend payment from 2019 net income	-	-	-	-	-	-	-	-	-	-	-	(16,469,280)	(76,827)	-	(16,566,107)
Treasury stock	-	-	(150,895)	-	-	-	-	-	-	-	-	-	-	-	(150,895)
Changes in noncontrolling interest arising from acquisitions and changes in Subsidiary's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	(460,702)	(460,702)
Income for the current year	-	-	-	-	-	-	-	-	-	-	-	16,415,790	383,735	1,599,413	18,398,928
Subsidiaries merger effect	-	-	-	-	-	-	-	-	-	-	-	(72,684)	-	-	(72,684)
Additional share capital	-	-	-	-	-	-	-	-	-	-	-	-	269,241	333,283	601,524
Share-based payment	-	-	-	-	-	-	-	-	-	-	-	-	(2,870)	(2,764)	(5,634)
Comprehensive income for the current year	-	-	-	(129,419)	3,045,081	14,726	3,328	410,245	85,052	-	-	114,176,507	(21,777)	64,987	3,387,151
Balance as of 31 December 2020	11,666,667	17,316,192	(150,895)	(116,031)	4,430,511	(16,319)	30,115,479	1,040,657	85,052	(106,001)	5,380,268	114,176,507	6,555,377	15,321,204	204,699,668

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2021	2020 ^{*)}
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interest income		75,695,074	78,186,345
Receipts from sharia income		17,703,438	13,881,677
Receipts from provision, commission and premium income - net		30,266,634	26,340,440
Payments of insurance claim expense		(13,070,008)	(11,376,645)
Payments of interest expense		(31,422,158)	(26,158,417)
Payments of sharia expense		4,306,773	(4,881,532)
Receipts from the sale of government bonds - fair value through profit or loss		230,777,422	225,404,435
Acquisition of government bonds - fair value through profit or loss		(229,207,771)	(205,899,478)
Foreign exchange gains - net		5,240,325	2,827,197
Income from fair value through profit or loss - net		1,070,433	1,036,870
Other operating income - others		3,842,197	4,883,142
Other operating expenses - others		(4,621,890)	(7,670,231)
Salaries and employee benefits expenses		(19,613,916)	(19,612,302)
General and administrative expenses		(16,261,430)	(16,434,029)
Non-operating income/(expense) - net		32,304	127,000
Payment of corporate income tax		(8,301,777)	(5,051,029)
Cash flows from operating activities before changes in operating assets and liabilities		46,435,650	55,603,443
Decrease/(increase) in operating assets:			
Placements with Bank Indonesia and other banks		(3,035,199)	262,811
Marketable securities - fair value through profit or loss		(3,725,552)	(25,702,294)
Other receivables - trade transactions		697,596	419,838
Loans		(82,428,247)	13,973,399
Sharia receivables financing		(17,626,346)	(23,372,583)
Securities purchased under agreements to resell		27,777,456	(53,139,093)
Consumer financing receivables		(955,774)	(1,423,147)
Net investment finance lease		(1,276,488)	(567,294)
Prepaid taxes		105,033	(1,066,238)
Prepaid expenses		156,184	1,746,479
Other assets		773,601	(3,929,069)
Recovery of written-off financial assets		6,032,660	4,834,654
Increase/(decrease) in operating liabilities and temporary <i>syirkah</i> funds:			
Conventional banking			
Demand deposits		86,516,511	62,327,150
Saving deposits		49,240,816	28,635,183
Time deposits		(14,624,168)	26,721,272
Interbank call money		4,354,056	436,469
Obligations due immediately		1,094,141	1,116,882

*) Restated (see Note 69)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2021	2020 ^{*)}
CASH FLOWS FROM OPERATING ACTIVITIES (continued)			
Increase/(decrease) in operating liabilities and temporary <i>syirkah</i> funds (continued):			
Liability to unit - linked policyholders	27	2,807,034	3,812,878
Other taxes payable		(140,336)	(282)
Other liabilities		1,165,775	9,630,405
Sharia bank - temporary <i>syirkah</i> funds			
Demand deposit - restricted investment and demand deposit <i>mudharabah musytarakah - musyarakah</i>		7,948,174	(6,509,751)
Saving deposit - restricted investment and <i>mudharabah</i> saving deposit - unrestricted investment		6,093,555	10,944,588
<i>Mudharabah</i> time deposit - unrestricted investment		12,506,361	5,138,942
Net cash provided by operating activities		129,892,493	109,894,642
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in marketable securities - other than fair value through profit or loss		(15,903,410)	14,872,324
Increase in government bonds - other than fair value through profit or loss		(111,377,999)	(48,572,996)
Proceeds from sale of fixed assets		(112,059)	565,322
Acquisition of fixed assets		(2,170,555)	(2,806,835)
Acquisition of intangible assets		(1,353,981)	(1,629,161)
Acquisition of right of use assets ^{**)}		(957,220)	(2,268,456)
Decrease in investment in subsidiaries		(601,828)	(1,718,601)
Net cash used in investing activities		(132,477,052)	(41,558,403)
CASH FLOWS FROM FINANCING ACTIVITIES			
Debt securities issued		7,625,355	8,900,260
Payments of debt securities issued		(1,880,583)	(3,178,670)
Receipts from fund borrowing		19,337,627	37,285,908
Payments of fund borrowings		(22,304,881)	(38,266,387)
Payments of subordinated loans and marketable securities		(16,109)	(15,829)
Increase/(decrease) in securities sold under agreements to repurchase		4,074,684	(2,593,152)
Beginning balance adjustment related to SFAS 55 implementation		-	192,687
Payments of dividends		(10,271,552)	(16,566,107)
Purchase of treasury stock		-	(150,895)
Net cash used in financing activities		(3,435,459)	(14,392,185)

^{*)} Restated (see Note 69)

^{**)} Related to the application of SFAS 73 "Leases"

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PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2021	2020 ^{*)}
NET INCREASE IN CASH AND CASH EQUIVALENTS		(6,020,018)	53,944,054
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(269,997)	1,411,999
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		199,921,727	144,565,674
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		193,631,712	199,921,727
Cash and cash equivalents at end of year consists of:			
Cash	63.B.(vii)	23,948,485	26,225,089
Current accounts with Bank Indonesia	4	99,023,492	52,238,679
Current accounts with other banks	5	25,441,661	26,499,072
Liquid short-term investments matured within three months or less since the date of acquisition		45,218,074	94,958,887
Total cash and cash equivalents		193,631,712	199,921,727

^{*)} Restated (see Note 69)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL INFORMATION

a. Establishment

PT Bank Mandiri (Persero) Tbk. (hereinafter referred to as “Bank Mandiri” or the “Bank”) was established on 2 October 1998 in the Republic of Indonesia based on Notarial Deed No. 10 of Sutjipto, S.H., under Government Regulation No. 75 of 1998 dated 1 October 1998. The deed of establishment was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-16561.HT.01.01.TH.98 dated 2 October 1998 and was published in Supplement No. 6859 of State Gazette of the Republic of Indonesia No. 97 dated 4 December 1998.

Bank Mandiri was established through the merger of PT Bank Bumi Daya (Persero) (“BBD”), PT Bank Dagang Negara (Persero) (“BDN”), PT Bank Ekspor Impor Indonesia (Persero) (“Bank Exim”) and PT Bank Pembangunan Indonesia (Persero) (“Bapindo”) (hereinafter collectively referred to as the “Merged Banks”).

Based on Article 3 of the Bank’s Articles of Association, Bank Mandiri is engaged in banking activities in accordance with prevailing laws and regulations. The Bank commenced its operations on 1 August 1999. The Bank’s Parent Entity is the Government of the Republic of Indonesia through the Ministry of State-Owned Enterprises which is the Ministry within the Indonesian Government in charge of fostering state-owned enterprises.

The Articles of Association of Bank Mandiri has been amended several times, the latest amendment under Deed of Annual General Meeting of Shareholders No. 08, dated on 13 April 2021 stated under Notary Utiek R. Abdurachman, S.H., MLI, M.Kn, in Jakarta. This amendment has been approved by the Ministry of Laws and Human Rights of the Republic of Indonesia, in its Decision Letter No. AHU-AH.01.03-0307305 regarding the Acceptance on Notification of the changes of the Bank’s Articles of Association of PT Bank Mandiri (Persero) Tbk dated on 12 May 2021 and registered on Company’s Registry No. AHU-0087821.AH.01.11 year 2021, dated on 12 May 2021.

b. Merger

At the end of February 1998, the Government of the Republic of Indonesia (hereinafter referred to as “Government”) announced its plan to restructure the Merged Banks. In connection with the restructuring plan, the Government established Bank Mandiri in October 1998 through the payment of cash and the acquisition of the Government’s shares of stock of the Merged Banks (Notes 40a and 40b). The difference between the transfer price and the book value of the shares of stock at the time of the restructuring was not calculated as it was considered not practicable to do so. All losses incurred during the year of restructuring were taken into account in the Recapitalisation Program.

The restructuring plan was designed for the merger of the Merged Banks into Bank Mandiri on July 1999 and the recapitalisation of Bank Mandiri. The restructuring of the Merged Banks into Bank Mandiri also covered the following:

- Restructuring of loans
- Restructuring of non-loan assets
- Rationalisation of domestic and overseas offices
- Rationalisation of human resources

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL INFORMATION (continued)

b. Merger (continued)

Based on the Notarial Deed of Sutjipto, S.H., No. 100 dated 24 July 1999, the Merged Banks were legally merged into Bank Mandiri. The Merger Deed was legalised by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C-13.781.HT.01.04.TH.99 dated 29 July 1999 and approved by the Governor of Bank Indonesia in its Decision Letter No. 1/9/KEP.GBI/1999 dated 29 July 1999. The merger was declared effective by the Chief of the South Jakarta Ministry of Industry and Trade Office in its Decision Letter No. 09031827089 dated 31 July 1999.

Effective from the date of the merger:

- All assets and liabilities of the Merged Banks were transferred to Bank Mandiri as the Surviving Bank;
- All operations and business activities of the Merged Banks were transferred and operated by Bank Mandiri;
- Bank Mandiri received additional paid-in capital amounted to Rp1,000,000 (one million Rupiah) (full amount) or equivalent to 1 (one) share representing the remaining shares owned by the Government in the Merged Banks (Notes 40a and 40b).

On the effective date, the Merged Banks were legally dissolved without liquidation process and Bank Mandiri, as the Surviving Bank, received all the rights and obligations from the Merged Banks.

c. Recapitalisation

In response to the effects of the adverse economic conditions on the banking sector in Indonesia, on 31 December 1998, the Government issued Regulation No. 84 of 1998 regarding Recapitalisation Program for Commercial Banks, which was designed to increase the paid-in capital of commercial banks to enable them to meet the minimum requirement of Capital Adequacy Ratio ("CAR"). The eligibility of commercial banks for inclusion in the Recapitalisation Program is based on requirements and procedures set forth in the Joint Decrees No. 53/KMK.017/1999 and No. 31/12/KEP/GBI dated 8 February 1999 of the Ministry of Finance and the Governor of Bank Indonesia. Based on the Joint Decrees, the Government, among others, shall implement the Recapitalisation Program for Commercial Banks with respect to all State-Owned Banks, Regional Development Banks, and Commercial Banks, with the status of "Taken Over Bank", by the Indonesian Bank Restructuring Agency (Badan Penyehatan Perbankan Nasional or "BPPN").

On 28 May 1999, the Government issued Regulation No. 52 of 1999 (PP No. 52/1999) regarding additional capital investment by the Government of Republic of Indonesia in Bank Mandiri through issuance of Government Recapitalisation Bonds to be issued then by the Ministry of Finance with a value of up to Rp137,800,000. The implementation of PP No. 52/1999 was set forth in Joint Decrees No. 389/KMK.017/1999 and No. 1/10/KEP/GBI dated 29 July 1999 of the Ministry of Finance and the Governor of Bank Indonesia.

While the Government Recapitalisation Bonds had not yet been issued, at the point in time, Bank Mandiri accounted the bonds as "Due from the Government" amounted to Rp137,800,000 in accordance with the Government's Commitment through the Ministry of Finance's letter No. S-360/MK.017/1999 dated on 29 September 1999 and the approval of the Ministry of State-Owned Enterprises in letter No. S-510/M-PBUMN/1999 dated 29 September 1999.

PT BANK MANDIRI (PERSERO) Tbk. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL INFORMATION (continued)

c. Recapitalisation (continued)

Based on Bank Indonesia Letter No. 1/1/GBI/DPIP dated 11 October 1999, concerning the issuance of Government Bonds/Debentures in connection with the Government of Republic of Indonesia's investment in Bank Mandiri, Bank Indonesia agreed to include the above receivable as Bank Mandiri's core capital (Tier 1) for the purposes of calculating its Capital Adequacy Ratio (CAR) as of 31 July 1999 through 30 September 1999, with a condition that not later than 15 October 1999 the Government Bonds/Debentures should have been received by Bank Indonesia.

Based on Government Regulation No. 97 of 1999 dated 24 December 1999 concerning the increase in capital of the Government in Bank Mandiri in relation to the Recapitalisation Program, the Government increased its investment to a maximum of Rp42,200,000, so that the total maximum investment amounted to Rp180,000,000.

In relation to the implementation of the above Government Regulations No. 52 and No. 97 of 1999, in the Temporary Recapitalisation Agreement between the Government and Bank Mandiri and its amendment, the Government issued Government Recapitalisation Bonds in 2 (two) tranches of Rp103,000,000 on 13 October 1999 and Rp75,000,000 on 28 December 1999 so that as of 31 December 1999 the total Government Recapitalisation Bonds issued in accordance with the aforementioned agreements amounted to Rp178,000,000.

Based on the Management Contract dated 8 April 2000 between Bank Mandiri and the Government, the total amount of recapitalisation required by Bank Mandiri was Rp173,931,000, or less than the amount of the Government Recapitalisation Bonds. The excess of Rp1,412,000 was used as additional paid-in capital and the remaining balance of Rp2,657,000 was returned to the Government on 7 July 2000 in the form of Government Recapitalisation Bonds equivalent to 2,657,000 (two million six hundred and fifty seven thousand) units.

Based on the Letter of the Ministry of Finance of the Republic of Indonesia No. S-174/MK.01/2003 dated 24 April 2003 regarding the return of the excess Government Recapitalisation Bonds, which was previously used as additional paid-in capital, Government Recapitalisation Bonds amounted to Rp1,412,000 were returned to the Government on 25 April 2003 (Note 40b).

The Ministry of Finance of the Republic of Indonesia issued Decrees ("KMK-RI") No. 227/KMK.02/2003 dated 23 May 2003 and KMK-RI No. 420/KMK-02/2003 dated 30 September 2003 confirmed that the final amount of the addition of the Government's participation in Bank Mandiri amounted to Rp173,801,315 (Note 40b).

d. Initial public offering of Bank Mandiri and quasi-reorganisation

Initial public offering of Bank Mandiri

Bank Mandiri submitted its registration for an Initial Public Offering (IPO) to Financial Services Authorities ("FSA"), previously the Capital Market Supervisory Board and Financial Institution ("Bapepam and LK") on 2 June 2003 and became effective based on the Letter of the Chairman of Bapepam and LK No. S-1551/PM/2003 dated 27 June 2003.

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1. GENERAL INFORMATION (continued)

d. Initial public offering of Bank Mandiri and quasi-reorganisation (continued)

Initial public offering of Bank Mandiri (continued)

The Bank's name was changed from PT Bank Mandiri (Persero) to PT Bank Mandiri (Persero) Tbk. based on an amendment to the Articles of Association which has been held with Notarial Deed of Sutjipto, S.H., No. 2 dated 1 June 2003 and approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. C-12783.HT.01.04.TH.2003 dated 6 June 2003 that was published in the State Gazette Republic of Indonesia No. 63 dated August 8, 2003, Supplement State Gazette of Republic of Indonesia No. 6590.

On 14 July 2003, Bank Mandiri sold its 4,000,000,000 Common Shares Series B through IPO, with a nominal value of Rp500 (full amount) per share with an initial selling price of Rp675 (full amount) per share. The IPO represents a divestment of 20.00% of the ownership of the Government in Bank Mandiri (Note 40a).

On 14 July 2003, 19,800,000,000 of Bank Mandiri's Common Shares Series B were listed on the Jakarta Stock Exchange and Surabaya Stock Exchange based on Jakarta Stock Exchange's Approval Letter No. S-1187/BEJ.PSJ/07-2003 dated 8 July 2003 and Surabaya Stock Exchange's Approval Letter No. JKT-028/LIST/BES/VII/2003 dated 10 July 2003.

Quasi-reorganisation

In order for Bank Mandiri to eliminate the negative consequences of being burdened by accumulated losses, the Bank undertook quasi-reorganisation as approved in the Extraordinary General Meeting of Shareholders ("RUPS-LB") on 29 May 2003.

The quasi-reorganisation adjustments were booked on 30 April 2003 which the accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital.

Bank Mandiri's Articles of Association were amended due to the changes in additional paid-in capital as a result of quasi-reorganisation, based on Notarial Deed of Sutjipto, S.H., No. 130 dated 29 September 2003 which was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. C-25309.HT.01.04.TH.2003 dated 23 October 2003 and was published in the State Gazette Republic of Indonesia No. 910, Supplement No. 93 dated 23 October 2003.

On 30 October 2003, Bank Mandiri's RUPS-LB approved the quasi-reorganisation as of 30 April 2003, which were notarised by Sutjipto, S.H. in Notarial Deed No. 165 dated 30 October 2003.

e. Divestment of Government share ownership

On 11 March 2004, the Government divested another 10.00% of its ownership in Bank Mandiri which was equivalent to 2,000,000,000 Common Shares Series B through private placements (Note 40a).

f. Public offering of subordinated bonds and medium term notes, public offering of bonds and medium term notes, limited public offering of shares, changes in share capital of Bank Mandiri and repurchasing of Bank Mandiri shares

Public offering of Bank Mandiri subordinated bonds and medium term notes

On 31 July 2018, Bank Mandiri issued Subordinated Medium Term Notes I Bank Mandiri Year 2018 nominal value of Rp500.000 in Indonesia Stock Exchange.

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1. GENERAL INFORMATION (continued)

f. Public offering of subordinated bonds and medium term notes, public offering of bonds and medium term notes, limited public offering of shares, changes in share capital of Bank Mandiri and repurchasing of Bank Mandiri shares (continued)

Public offering of Bank Mandiri subordinated bonds and medium term notes (continued)

On 3 December 2009, Bank Mandiri received the effective approval from the Chairman of Capital Market Supervisory Board and Financial Institution through its letter No. S-10414/BL/2009 dated 3 December 2009 to conduct the public offering of Bank Mandiri Rupiah Subordinated Bond I 2009 with a nominal value of Rp3,500,000. On 14 December 2009, the aforementioned Bond was listed on Indonesia Stock Exchange.

Public offering of Bank Mandiri bonds and medium term notes

On 19 April 2021, Bank Mandiri issued the third Euro Medium Term Notes (EMTN), namely the 2021 Bank Mandiri Sustainability Bond, with a nominal value of USD 300,000,000 (full amount) on the Singapore Exchange (SGX).

On 13 May 2020, Bank Mandiri issued Euro Medium Term Notes (EMTN) with nominal value of USD500,000,000 (Full Amount) and on 11 April 2019 the Bank issued Euro Medium Term Notes (EMTN) with nominal value of USD750,000,000 (full amount) in Singapore Exchange (SGX).

On 12 May 2020, Bank Mandiri issued Continuing Bonds II Bank Mandiri Phase I Year 2020 ("Continuing Bonds II Phase I") with nominal value of Rp1,000,000.

On 21 September 2018, Bank Mandiri issued Bank Mandiri Continuing Bonds I Phase III 2018 ("Continuing Bonds I Phase III") with a nominal value of Rp3,000,000.

On 30 September 2016, Bank Mandiri issued Continuing Bonds I Bank Mandiri Phase I 2016 ("Continuing Bonds I Phase I") with nominal amount of Rp5,000,000 and on 15 June 2017, Bank Mandiri issued Continuing Bonds I Bank Mandiri Phase II 2017 ("Continuing Bonds I Phase II") with nominal amount of Rp6,000,000 (Note 30).

Limited public offering of Bank Mandiri shares

To strengthen the capital structure, the Bank increased its issued and paid up capital through the Limited Public Offering ("LPO") with Pre-emptive Rights ("Rights"). Bank Mandiri submitted the first and second registration statement of this LPO to the Financial Services Authority ("FSA"), previously the Capital Market Supervisory Board and Financial Institution ("Bapepam and LK") on 26 December 2010 and 18 January 2011 and received the effective notification from Capital Market Supervisory Board and Financial Institution on 27 January 2011 based on the Bapepam and LK letter No. S-807/BL/2011. The Bank also obtained an approval from the shareholders based on the Extraordinary General Meeting of Shareholder dated on 28 January 2011 as notarised by Dr. A. Partomuan Pohan, S.H., LLM No. 15 dated on 25 February 2011 and reported it to the Ministry of Law and Human Rights Republic of Indonesia with the receipt No. AHU-AH.01.10-07446 dated on 10 March 2011. The Bank also registered it to company listing No. AHU-0019617.AH.01.09 year 2011 dated on 10 March 2011.

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1. GENERAL INFORMATION (continued)

f. Public offering of subordinated bonds and medium term notes, public offering of bonds and medium term notes, limited public offering of shares, changes in share capital of Bank Mandiri and repurchasing of Bank Mandiri shares (continued)

Limited public offering of Bank Mandiri shares notes (continued)

Total number of Pre-emptive Rights issued by Bank Mandiri was 2,336,838,591 shares at a price of Rp5,000 (full amount) per share determined on 25 January 2011 and the execution period of pre-emptive rights trading started from 14 February 2011 until 21 February 2011.

The Government of the Republic of Indonesia as the controlling shareholder of Bank Mandiri, did not execute its right to acquire the pre-emptive rights, and transferred it to other shareholders. As a result of this, Government's ownership in Bank Mandiri was reduced or diluted from 66.68%, prior to the execution of pre-emptive rights, to 60.00% after the execution of the pre-emptive rights.

Changes in share capital of Bank Mandiri

The details of changes in issued and paid-in-share capital (Note 40a) are as follows:

	Number of shares
Initial capital injection by the Government in 1998	4,000,000
Increase in share capital by the Government in 1999	251,000
	4,251,000
Increase in paid-in capital by the Government in 2003	5,749,000
	10,000,000
Decrease in par value per share from Rp1,000,000 (full amount) to Rp500 (full amount) per share through stock split in 2003	20,000,000,000
Shares from conversion of MSOP I in 2004	132,854,872
Shares from conversion of MSOP I in 2005	122,862,492
Shares from conversion of MSOP I in 2006	71,300,339
Shares from conversion of MSOP II in 2006	304,199,764
Shares from conversion of MSOP I in 2007	40,240,621
Shares from conversion of MSOP II in 2007	343,135
Shares from conversion of MSOP III in 2007	77,750,519
Shares from conversion of MSOP I in 2008	8,107,633
Shares from conversion of MSOP II in 2008	399,153
Shares from conversion of MSOP III in 2008	147,589,260
Shares from conversion of MSOP II in 2009	86,800
Shares from conversion of MSOP III in 2009	64,382,217
Shares from conversion of MSOP II in 2010	6,684,845
Shares from conversion of MSOP III in 2010	19,693,092
Increase of Capital through Limited Public Offering (LPO) with pre-emptive Rights in 2011	2,336,838,591
Decrease of par value of stock from Rp500 (full amount) to Rp250 (full amount) per stock through stock split in 2017	23,333,333,333
Total	46,666,666,666

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1. GENERAL INFORMATION (continued)

f. Public offering of subordinated bonds and medium term notes, public offering of bonds and medium term notes, limited public offering of shares, changes in share capital of Bank Mandiri and repurchasing of Bank Mandiri shares (continued)

Changes in share capital of Bank Mandiri (continued)

Stock split of Bank Mandiri:

Based on the decision of the Extraordinary General Meeting of Shareholders (RUPS-LB) dated 21 August 2017 as in the Notarial Deed of Ashoya Ratam, SH, M.Kn. No. 36 dated 24 August 2017, the shareholders of Bank Mandiri, among others, approved the stock split of the Bank from Rp500 (full amount) per share to Rp250 (full amount) per share so that the capital was placed into 46,666,666,666 shares consisting of 1 (one) Dwiwarna share series A and 46,666,666,665 shares series B.

Treasury Stock of Bank Mandiri

Bank Mandiri through letter No. CEO/30/2020 dated 18 March 2020 submit a request of approval of treasury stock to FSA gradually with maximum amount Rp2,000,000, and has been approved by FSA through letter No.S-50/PB.31/2020 dated 19 March 2020. Furthermore, Bank Mandiri has declare this information to Indonesia Stock Exchange ("IDX") on 20 March 2020 regarding execution of treasury stock that had been issued and registered in IDX with maximum amount Rp2,000,000. Treasury stock will be executed gradually for 3 months since 20 March 2020 until 19 June 2020.

Bank Mandiri has executed treasury stock amounted 35,400,000 shares (nominal value Rp250 (full amount) per share) with acquisition price Rp150,895.

g. Subsidiaries

Subsidiaries included in the consolidated financial statements as of 31 December 2021 and 2020, are as follows:

Name of Subsidiaries	Nature of Business	Domicile	Percentage of Ownership	
			2021	2020
PT Bank Syariah Indonesia (formerly PT Bank Syariah Mandiri)	Sharia Banking	Jakarta	50.95	-
PT Bank Syariah Mandiri	Sharia Banking	Jakarta	-	99.99
Bank Mandiri (Europe) Limited (BMEL)	Commercial Banking	London	100.00	100.00
PT Mandiri Sekuritas	Securities	Jakarta	99.99	99.99
PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos)	Commercial Banking	Jakarta	51.10	51.08
PT Mandiri Tunas Finance (MTF)	Consumer Financing	Jakarta	51.00	51.00
Mandiri International Remittance Sendirian Berhad (MIR)	Remittance Service	Kuala Lumpur	100.00	100.00
PT AXA Mandiri Finansial Services	Life Insurance	Jakarta	51.00	51.00
PT Asuransi Jiwa Inhealth Indonesia	Life Insurance	Jakarta	80.00	80.00
PT Mandiri Utama Finance (MUF)	Consumer Financing	Jakarta	51.00	51.00
PT Mandiri Capital Indonesia	Venture Capital	Jakarta	99.99	99.99

¹⁾ Effective 1 February 2021

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

The Subsidiaries' total assets as of 31 December 2021 and 2020 (before elimination) are as follows:

Subsidiaries	Year of commercial operation	Total assets (before eliminaton)	
		2021	2020
PT Bank Syariah Indonesia (formerly PT Bank Syariah Mandiri)	1955	265,289,081	239,581,524
Bank Mandiri (Europe) Limited	1999	2,613,274	2,178,249
PT Mandiri Sekuritas	1992	3,301,720	3,875,697
PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos)	1970	45,541,864	35,074,269
PT Mandiri Tunas Finance	1989	18,706,305	18,611,335
Mandiri International Remittance Sendirian Berhad	2009	23,242	19,677
PT AXA Mandiri Financial Services	1991	41,079,324	37,555,991
PT Asuransi Jiwa Inhealth Indonesia	2008	2,519,163	2,235,930
PT Mandiri Utama Finance	2015	6,107,514	5,118,723
PT Mandiri Capital Indonesia	2015	3,654,217	3,326,484
Total		388,835,704	347,577,879

PT Bank Syariah Indonesia (formerly PT Bank Syariah Mandiri)

PT Bank BRISyariah Tbk (the "Bank") is located in Jakarta, Indonesia, and initially established under the name of PT Bank Jasa Arta (BJA) based on the Deed of Establishment No. 4 dated 3 April 1969 of Liem Toeng Kie, S.H., Notary in Jakarta. The deed has been approved by the Minister of Law of the Republic of Indonesia in its Decision Letter No. J.A.5/70/4 dated 28 May 1970 and has been published in the State Gazette of the Republic of Indonesia No. 43, dated 28 May 1971, Supplement No. 242/1971.

The changes in name and business activity based on sharia principles from BJA to PT Bank Syariah BRI (BSBRI) was based on BJA Shareholders' Decision Statement, as stated in the Deed No. 45 dated 22 April 2008 of Fathiah Helmi, S.H., Notary in Jakarta.

BJA obtained its business license to operate as a commercial bank from the Minister of Finance of the Republic of Indonesia No. D.15.1-4-40 dated 3 July 1969. Since 16 October 2008, BJA has obtained license from Bank Indonesia to change its business activities, from a conventional Bank into a commercial bank based on sharia principles.

In 2009, PT Bank Syariah BRI changed its name to PT Bank BRISyariah based on PT Bank Syariah BRI Shareholders' Decision Statement, as stated in Notarial Deed No. 18 dated 14 April 2009 of Notary Fathiah Helmi, S.H., it was subsequently amended by PT Bank Syariah BRI Shareholders' Decision Statement, as stated in Notarial Deed No. 20 dated 17 September 2009 of Notary Fathiah Helmi, S.H., which has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No.AHU-53631.AH.01.02.TH2009 dated 5 November 2009. It was announced in the State Gazette of the Republic of Indonesia No. 96 dated 1 December 2009, Supplement No. 27908 and Decision Letter from the Governor of Bank Indonesia No. 11/63/KEP.GBI/DpG/2009 dated 15 December 2009.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Syariah Indonesia (formerly PT Bank Syariah Mandiri) (continued)

The Bank's Articles of Association have been amended several times. According to PT Bank BRISyariah Shareholders Decision Statement, Deed No. 28 dated 14 September 2010 of Fathiah Helmi, S.H., Notary in Jakarta, shareholders decided to approve the reduction of issued and fully paid-up share capital of the Bank from 966,750,000 shares (full amount) or Rp483,375 to 958,000,000 shares (full amount) or Rp479,000, which was approved by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-33517.AH.01.02. Year 2010 dated 2 July 2010 and has been announced in the State Gazette of the Republic of Indonesia No. 59 dated 26 July 2011, Supplement No. 21333.

Subsequently, this was again amended by PT Bank BRISyariah Shareholders Resolution Statement, Deed No. 15 dated 19 July 2010 of Notary Fathiah Helmi, S.H., in Jakarta, in which shareholders decided to increase the issued and fully paid-up share capital of the Bank from 958,000,000 shares (full amount) or Rp479,000 to 1,958,000,000 shares (full amount) or Rp979,000, which was received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.10-20012 dated 5 August 2010, and which has been announced in the State Gazette of the Republic of Indonesia No. 57 dated July 17, 2012, Supplement No. 1521/L.

Subsequently, this was again amended by PT Bank BRISyariah's Annual General Meeting of Shareholders Statement, Deed No. 113 dated 26 September 2013 of Fathiah Helmi, S.H., Notary in Jakarta, in which shareholders decided to increase the issued and fully paid-up share capital of the Bank from 1,958,000,000 shares (full amount) or Rp979,000 to 2,958,000,000 shares (full amount) or Rp1,479,000, which was approved by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-40622.AH.01.02. Year 2013 dated 25 July 2013, and has been announced in the State Gazette of the Republic of Indonesia No. 76 dated 20 September 2013, Supplement No. 113984.

On 27 December 2013, the Bank obtained a license to operate as foreign exchange bank based on the Decision Letter of the Governor of Bank Indonesia No. 15/139/KEP.GBI/DpG/2013.

Subsequently, this was again amended by PT Bank BRISyariah's Annual General Meeting of Shareholders Statement, Deed No. 1 dated 4 August 2015 of Notary Fathiah Helmi, S.H., in which shareholders decided to increase the issued and fully paid-up share capital of the Bank from 2,958,000,000 shares (full amount) or Rp1,479,000 to 3,958,000,000 shares (full amount) or Rp1,979,000, which was received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0954202 Year 2015 dated 4 August 2015.

Subsequently, this was again amended by PT Bank BRISyariah's Annual General Meeting of Shareholders Statements as stated in Notarial Deed No. 52 dated 31 August 2016 of Notary Fathiah Helmi, SH., notary in Jakarta, regarding the change in the term of service of Directors, Board of Commissioners and the Sharia Supervisory Board. The amendment was accepted and recorded by the Ministry of Laws and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0076528 dated 1 September 2016.

Subsequently, this was again amended by PT Bank BRISyariah's Extraordinary General Meeting of Shareholders Statement, Deed No. 8 dated 8 January 2018 notarized by Fathiah Helmi, S.H., notary in Jakarta, in which shareholders decided to increase the authorized capital of the Bank from Rp5,000,000,000,000 (full amount) or 10,000,000,000 shares to Rp7,500,000,000,000 (full amount) or 15,000,000,000 shares to approve the Bank's plan to do Initial Public Offering (IPO) to amend the Bank's Articles of Association to become a Public Company in accordance with the laws and regulations of the capital market, and to change the Bank's name from PT Bank BRISyariah to PT Bank BRISyariah Tbk. The amendments were accepted and recorded by the Ministry of Laws and Human Rights of the Republic of Indonesia No. AHU-0000386.AH.01.02 year 2018 dated 10 January 2018 and by Ministry of Laws and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0009224 and No. AHU-AH.01.03-0009250 dated 10 January 2018.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Syariah Indonesia (formerly PT Bank Syariah Mandiri) (continued)

Subsequently, this was again amended by PT Bank BRISyariah Tbk's Extraordinary General Meeting of Shareholders Statements No. 92 dated 31 May 2018 regarding the change of issued and fully paid-up capital as the result of initial public offering of the Bank's stocks from 7,092,762,898 shares or Rp3,546,381,449,000 (full amount) to 9,716,113,498 shares or Rp4,858,056,749,000 (full amount). This change has been received and recorded by Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0211334 dated 31 May 2018.

Subsequently, this was again amended by PT Bank BRISyariah's Annual General Meeting of Shareholders No. 27 dated 17 July 2019, made before the Notary Fathiah Helmi, S.H., a notary in Jakarta, among others, the amendment included the changes to the terms of office of the Company's Management and several other adjustments to the Articles of Association of the Company that were relevant to the Company's activities. These changes have been accepted and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0302291 on 23 July 2019.

An amendment of the Bank's Articles of Association are set forth in the Deed of Statement of Meeting Resolutions on Amendments to Articles of Association of PT Bank BRISyariah Tbk No. 101 Dated 16 December 2020 regarding changes in the Issued and Fully Paid-Up Capital of the Company. This change has been received and accepted by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0424917 dated 29 December 2020.

Furthermore, based on the Extraordinary General Meeting of Shareholders (EGMS) of the Bank on 15 December 2020, as stated in the deed of Minutes of the EGMS of PT Bank BRISyariah Tbk no.92 dated 15 December 2020 by Notary Jose Dima Satria SH., Mkn., a notary in Jakarta, the shareholders approved the merger of PT Bank Syariah Mandiri ("BSM") and PT Bank BNI Syariah ("BNIS") with PT Bank BRISyariah Tbk (where BRIS will become the Surviving Bank). The EGMS also approved the Merger Plan and all amendments or additions on article associations jointly prepared and announced by PT Bank BRISyariah Tbk, PT BSM and PT BNIS and the Deed of Merger between PT Bank BRISyariah Tbk and PT BSM and PT BNIS, which was made based on the provisions of the applicable laws and regulations, and also approved the appointment of members of the Board of Directors, Board of Commissioners and Sharia Supervisory Board of the Bank as the Surviving Bank. Then the merger agreement has been stated in the Deed of Merger No. 103 On 16 December 2020 made by Notary Jose Dima Satria SH., Mkn., notary in Jakarta. The decision of the Bank's EGMS was restated in the Deed of Statement of Meeting Resolutions on the Amendment of the Articles of Association of PT Bank BRISyariah Tbk No.104 dated 16 December 2020 made by Notary Jose Dima Satria SH., Mkn., notary in Jakarta.

The Merger's Approval was obtained by the OJK through a copy of the Decree of the OJK Board of Commissioners Number 4/KDK.03/2021 dated 27 January 2021 concerning the Granting of a Merger's Approval for PT Bank Syariah Mandiri and PT Bank BNI Syariah into PT Bank BRISyariah Tbk as well as a Name Change Approval using a Business License PT Bank BRISyariah Tbk becomes a business license for PT Bank Syariah Indonesia Tbk as the Surviving Bank.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Syariah Indonesia (formerly PT Bank Syariah Mandiri) (continued)

Subsequently, the decision of the Bank's EGMS regarding the merger of BSM and BNIS into PT Bank BRISyariah Tbk was restated in the Deed of Statement of Meeting Resolutions of PT Bank BRISyariah Tbk Number 37 dated 14 January 2021. This amendment was accepted and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No.AHU-AH.01.10-0011384 dated 28 January 2021 which was effective 1 February 2021.

Furthermore, the decisions of the Bank's EGMS, among others related to the Amendment to the Bank's Articles of Association, were restated in the Deed of Statement of Meeting Resolutions on the Amendment of the Articles of Association for the Change of Name of PT Bank BRISyariah Tbk No. 38 dated 14 January 2021 which, among others, changed its name to PT Bank Syariah Indonesia Tbk and this change was approved by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0006268.AH.01.02 year 2021, and by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03.061498 and Number AHU-AH.01.03.061501 which are all set on 1 February 2021.

Further amendments to the Bank's Articles of Association through the Deed of Statement of Decisions Outside the Meeting of the Board of Commissioners of PT Bank Syariah Indonesia Tbk No. 54 dated 27 July 2021 regarding the addition of the Bank's issued and paid-up capital and had been received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0434796 dated 5 August 2021 regarding Acceptance of Notification of Amendment to the Articles of Association of PT Bank Syariah Indonesia Tbk.

The latest amendment to the Bank's Articles of Association was made through the Deed of Statement of Resolutions of the Annual General Meeting of Shareholders of PT Bank Syariah Indonesia Tbk No. 25 dated 8 September 2021 regarding the change of address of the Bank's Head Office and this change has been approved by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0048485.AH.01.02 in 2021 concerning Approval of Amendment to the Articles of Association of Limited Liability Company PT Bank Syariah Indonesia Tbk and has been received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0445911 dated 8 September 2021 regarding Acceptance of Notification Changes to the company data of PT Bank Syariah Indonesia Tbk. The change of address of the Bank's Head Office was approved by OJK through OJK Letter No. S-62/PB.1/2021 dated 25 August 2021 regarding the Change of Address for the Head Office of PT Bank Syariah Indonesia Tbk on 25 August 2021.

The Head Office of PT Bank Syariah Indonesia Tbk is located at The Tower Building Jalan Gatot Subroto No. 27, Kel. Karet Semanggi, Kec. Setiabudi, South Jakarta 12930.

Bank Mandiri (Europe) Limited

Bank Mandiri (Europe) Limited ("BMEL") was established in London, United Kingdom on 22 June 1999 under "The Companies Act 1985 of the United Kingdom". It was established from the conversion of Bank Exim London branch to a Subsidiary and operated effectively on 31 July 1999. BMEL, located in London, United Kingdom, is mandated to act as a commercial bank to represent the interests of Bank Mandiri.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Sekuritas

PT Mandiri Sekuritas ("Mandiri Securities"), formerly known as PT Merincorp Securities Indonesia ("MSI"), incorporated under Act No. 1 dated 2 December 1991 made before Sutjipto, S.H. Mandiri Sekuritas is the result of the merger of PT Bumi Daya Sekuritas ("BDS"), PT Exim Securities ("ES") and PT Merincorp Securities Indonesia ("MSI") was accomplished by means of merging BDS and ES into the MSI. MSI obtained a license as a securities broker and underwriter of the securities portfolio of the Chairman of the Capital Market Supervisory Agency ("Bapepam") by decree No. KEP-12/PM/1992 and No. KEP-13/PM/1992 and started operations on 23 January 1992. The merger was based on the Deed No. 116 dated 31 July 2000 the Notary Ny. Vita Buena, S.H., and approved by the Minister of Law and Legislation of the Republic of Indonesia on 25 August 2000 by Decree No. C-18762.HT.01.01-TH.2000 and business permits obtained previously by MSI can still be used by PT Mandiri Sekuritas. PT Mandiri Sekuritas owns 99.93% of total shares of PT Mandiri Manajemen Investasi, a Subsidiary that was established on 26 October 2004 and is engaged in investment management and advisory. Mandiri Sekuritas also owns 100% of the total shares of Mandiri Securities Pte. Ltd., a company engage a capital market service license for the business type "Dealing in Securities and Advising Corporate Finance and Monetary Authority of Singapore" based on license No. CMS100566-1 dated 10 November 2016.

On 28 December 2012, Bank Mandiri increased its capital in form of cash at Mandiri Sekuritas, amounted to Rp29,512. Bank Mandiri obtained approval from Bank Indonesia through its letter dated 31 October 2012 and the circular resolution of shareholders dated 27 December 2012 on the capital increase. After the implementation of the additional capital investment, the Bank's ownership at Mandiri Sekuritas increased from 95.69% to 99.99% of the total shares issued by Mandiri Sekuritas.

PT Bank Mandiri Taspen

PT Bank Sinar Harapan Bali ("BSHB") was established as the Micro Banking on 23 February 1970 under the name MAI Bank Pasar Sinar Harapan Bali, then on 3 November 1992 the Bank transformed it into Limited Liability Company based on Deed No. 4 made by Ida Bagus Alit Sudiarmika, S.H., Notary in Denpasar and obtained a business license as a commercial bank under the decree of the Minister of Finance of the Republic of Indonesia No. 77/KMK.017/1994 dated 10 March 1994. On 3 May 2008, shareholders of BSHB and Bank Mandiri signed the acquisition deed as stated in the acquisition deed No. 4 dated 3 May 2008 made by I Wayan Sugitha, S.H., Notary in Denpasar. The signing of the Deed of Acquisition is the beginning of Bank Mandiri's ownership of 80.00% BSHB shares, wherein the management of BSHB will be carried out separately from Bank Mandiri as a stand-alone bank with the main focus on developing Micro and Small Businesses.

On 22 October 2009, the Bank increased its capital in BSHB amounted to 1.46% of the total shares issued and fully paid, or at Rp1,460,657,000 (full amount) by purchasing all shares of BSHB owned by the President Director for 2,921,314 shares, as stated in the Deed of Sale and Purchase of Shares No. 52 dated 22 October 2009 of Notary Ni Wayan Widastri, S.H., Notary in Denpasar, Bali.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Mandiri Taspen (continued)

Bank increased its capital at BSHB in order to comply with Bank Indonesia regulation on Good Corporate Governance which requires the President Director of Bank should come from an independent party. Capital increase of the Bank at BSHB approved by Bank Indonesia as stated in the letter No. 11/103/DPB1/TPB1-1 dated 21 August 2009.

After increasing its capital, the Bank's ownership in BSHB increased from 80.00% to 81.46% of the total shares issued by BSHB with a total investment amounted to Rp81,461 from Rp80,000.

On 28 May 2013, the Bank increase its capital at BSHB amounted to 11.77% of the total shares issued and fully paid at Rp32,377,072,750 (full amount) by purchasing shares of BSHB owned by BSHB minority shareholders with a total of 23,546,962 shares (full amount). Capital increase of the Bank at BSHB has been approved by Bank Indonesia as stated in the letter of Bank Indonesia No. 15/33/DPB1/PB1-1 dated 6 May 2013.

On 22 December 2014, BSHB held an Extraordinary General Meeting of Shareholders approving the issuance of 800,000,000 (full amount) of new shares to be purchased by Bank Mandiri, PT Taspen (Persero) and PT Pos Indonesia (Persero). Changes in the composition of ownership has been effective on 28 May 2015 with the approval from FSA, with the composition of the final ownership is Bank Mandiri (58.25%), PT Taspen (20.2%), PT Pos (20.2%) and individual shareholders (1.35%). FSA also approved Taspen and PT Pos as new shareholders as well as the additional capital injection of the Bank in BSHB amounted to Rp198,000.

On 24 July 2015, the FSA has approved the name changes of PT Bank Sinar Harapan Bali to PT Bank Mandiri Taspen Pos and given permission to conduct business under the name of Bank Mantap. Name and logo changes are approved by FSA on 31 July 2015 and announced to public on 7 August 2015.

On 24 November 2016, the Bank get approval from the FSA related to capital injection plan at PT Bank Mandiri Taspen Pos amounted to Rp257,036 through letter No. S-125/PB.31/2016 regarding Approval for Bank Mandiri capital injection at Bank Mandiri Taspen Pos. This capital increase also increases the Bank's ownership in Bank Mandiri Taspen Pos from 58.25% to 59.44% of the total shares issued by Bank Mantap. The capital injection effective in 2017 based on approval from OJK Bali through letter No. S-07/KR.081/2017 and registered FSA. There are any differences on book value amounted to Rp13,250.

On 9 October 2017, Bank Mandiri Taspen Pos held an Extraordinary General Meeting of Shareholders which approved the changes in the composition of shareholders to Bank Mandiri (59.44%), PT Taspen (40%) and individual shareholders (0.56%). The Extraordinary General Meeting of Shareholders also approved the changes of company's name, formerly PT Bank Mandiri Taspen Pos to PT Bank Mandiri Taspen.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Mandiri Taspen (continued)

On 6 December 2017, the Bank has received approval from FSA related to the planned additional capital injection at PT Bank Mandiri Taspen Pos amounted to Rp210,000 through letter No. S-131/PB.31/2017 regarding Approval for capital injection to PT Bank Mandiri Taspen. The application has been approved by the Ministry of State-Owned Enterprises as stated in the letter No. S-504/MBU/09/2017 dated 7 September 2017. Approval from FSA Bali was obtained in January 2018.

The addition of capital investment does not change the percentage of ownership, the percentage of ownership of Bank Mandiri in Bank Mantap remains 59.44% of the total stock issued by Bank Mantap.

On 30 November 2018, PT Bank Mandiri Taspen held an Extraordinary General Meeting of Shareholders as stated in the Deed of Minutes of the Extraordinary General Meeting of Shareholders No. 112 dated 30 November 2018, as reaffirmed in the Deed of Resolutions Extraordinary General Meeting of Shareholders No. 34 dated December 14, 2018 approved the transfer part of PT Bank Mandiri Taspen's shares portion owned by PT Bank Mandiri (Persero) Tbk to PT Taspen (Persero), therefore the ownership of PT Bank Mandiri (Persero) in PT Bank Mandiri Taspen, increase from 59.44% to 51.05%, hence the Bank's total ownership become 51.05%. PT Taspen 48.39% and individual ownership 0.56%. The changes of the percentage shareholders composition was approved by FSA on 11 January 2019.

On 8 December 2018, the Bank has received approval from FSA, concerning plan of divestment and additional share capital to PT Bank Mandiri Taspen through Decision Letter No. S-35/PB.3/2018 regarding the Divestment Initiative and the Bank's Additional Share Capital in PT Bank Mandiri Taspen. The Bank has obtained approval from the Ministry of State Owned Enterprises through Decision Letter No. S-772/MBU/11/2018 dated 16 November 2018.

Based on the Extraordinary General Meeting of Shareholders stated in the Deed of Minutes of the Extraordinary General Meeting of Shareholders No. 112 dated 30 November 2018, as reaffirmed in the Deed of Resolutions Extraordinary General Meeting of Shareholders No. 42 dated 19 December 2018, also approved the issuance of 140,492,748 shares (full amount) which have been taken over by Bank Mandiri and PT Taspen, by changes the shares portion, the shareholders composition owned by Bank Mandiri 51.08%, PT Taspen 48.42% and individual ownership 0.50%.

To expand the business and become National Bank that have branches all over Indonesia based on Deed of Decision General Meeting of Shareholders No. 53 dated 31 October 2016 made by Notary I Gusti Ngurah Putra Wijaya S.H, Notary in Denpasar as affirmed by Meeting Decision Number 7 dated 5 March 2019 about transference of Bank's Head Office location. The Deed of Change of Company's Information has been submitted to Ministry of Law and Human Right as stated on Notification of the change of the Company's Information dated 11 March 2019 No. AHU-AH.01.03.-138220 and registered of the change of the Company's Information Number AHU-0039461.AH.01.11 year 2019 dated 11 March 2019. The Change of Bank's Article of Association through Approval from Ministry of Law and Human Right of Indonesia No.AHU-0012925.AH.01.02 year 2019 about Approval of Change of Article of Association PT Bank Mandiri Taspen and approval from FSA Number. S-5/PB.1/2019 dated 28 January 2019 about program to Separation and transference of Head Office location, Bank transfer their Head Office from Denpasar, Bali to Jakarta. The head office relocation was then carried out effectively on 11 March 2019.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Bank Mandiri Taspen (continued)

In 2020, the Bank has injected additional capital amounting to Rp255,384 to PT Bank Mandiri Taspen. Based on Circular Decision of Shareholder PT Bank Mandiri Taspen dated 16 December 2020 as stated on Deed of Resolutions General Meeting of Shareholders No. 41 dated 28 December 2020 has received approval PT Bank Mandiri Taspen to issued 135,993,787 shares which will be executed by Bank and PT Taspen (Persero). therefore the ownership of PT Bank Mandiri (Persero) in PT Bank Mandiri Taspen, increase from 51.077% to 51.098%, and PT Taspen (Persero) from 48.416% become 48.437% and individual ownership from 0.507% become 0.465%. The changes of the percentage shareholders composition effective from 13 January 2021 after approval and received Notification of the changes of the Article of Association PT Bank Mandiri Taspen from Ministry Law and Human Right about the changes of share capital, issued capital and paid-up in capital, and from administrative, by reporting to FSA about the Change of the Shareholder Composition.

Prior to 1 January 2011, goodwill arising from the acquisition of PT Bank Mandiri Taspen amounted to Rp19,219 was amortised using the straight-line method over 5 (five) years with the estimation of economic benefits of the goodwill. Effective 1 January 2011, in accordance with SFAS No. 22 (Revised 2009), "Business Combinations", goodwill is not amortised but is tested for impairment on annually basis. The Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, "Impairment of Assets" (see Note 2s). The outstanding goodwill on 31 December 2021 and 2020 amounted to Rp21,043.

PT Mandiri Tunas Finance

PT Mandiri Tunas Finance ("MTF", formerly PT Tunas Financindo Sarana ("TFS")) is a company engaged in consumer financing activities. MTF was established based on Notarial Deed of Misahardi Wilamarta, S.H., No. 262 dated 17 May 1989 and approved by the Ministry of Justice through its Decision Letter No. C2-4868.HT.01.01.TH.89 dated 1 June 1989 and published in State Gazette No. 57, Supplement No. 1369 dated 18 July 1989. MTF commenced its commercial activities in 1989. MTF obtained a business license to operate in leasing, factoring and consumer financing from Minister of Finance in its Decision Letter No. 1021/KMK.13/1989 dated 7 September 1989, No. 54/KMK.013/1992 dated 15 January 1992 and No. 19/KMK.017/2001 dated 19 January 2001. Based on Notarial Deed of Dr. A. Partomuan Pohan, S.H., LLM, dated 6 February 2009, the Bank entered into a sales and purchase agreement with MTF's shareholders (PT Tunas Ridean Tbk. and PT Tunas Mobilindo Parama) to acquire 51.00% ownership of MTF through its purchase of 1,275,000,000 shares of MTF (the nominal value of Rp100 (full amount)) per share amounted to Rp290,000.

The acquisition of 51.00% of MTF shares ownership by Bank Mandiri was approved in the Extraordinary General Shareholders Meeting of MTF as stated in the Minutes of Extraordinary General Shareholders' Meeting No. 8 dated 6 February 2009 and listed in Legal Administration Ministry of Law and Human Rights as affirmed by the Ministry of Law and Human Rights through its Letter No. AHU-AH.01.10-01575 dated 11 March 2009.

This acquisition had been approved by Bank Indonesia through the Decree of the Governor of Bank Indonesia No. 11/3/DPB1/TPB1-1 dated 8 January 2009.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Tunas Finance (continued)

The amendment of the TFS's name to become MTF was undertaken on 26 June 2009, in accordance with a resolution on Notarial Deed of PT Tunas Financindo Sarana No. 181 dated 26 June 2009, notarised by notarial Dr. Irawan Soerodjo, S.H., Msi. The Articles of Association was approved by the Ministry of Law and Human Rights Republic of Indonesia in its Decision Letter No. AHU-4056.AH.01.02.TH.09 dated 26 August 2009.

Prior to 1 January 2011, goodwill arising from the acquisitions of MTF amounted to Rp156,807 was amortised using the straight-line method over 5 (five) years with the estimation of economic benefits of the goodwill. Effective 1 January 2011, in accordance with SFAS No. 22 (Revised 2009), "Business Combinations", goodwill is not amortised but tested for impairment annually. The Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, "Impairment of Assets" (see Note 2s). The balance of goodwill on 31 December 2021 and 2020 amounted to Rp96,697.

Mandiri International Remittance Sendirian Berhad

Mandiri International Remittance Sendirian Berhad ("MIR"), a wholly owned Subsidiary of Bank Mandiri and became a Malaysian legal entity on 17 March 2009 based on registration No. 850077-P. MIR is engaged in money remittance service under the provisions of the Bank Negara Malaysia ("BNM"). MIR has obtained an approval from Bank Indonesia ("BI") through letter No. 10/548/DPB1 dated 14 November 2008 and from BNM to conduct operational activities through its letter No. KL.EC.150/1/8562 dated 18 November 2009. MIR officially commenced its operations on 29 November 2009 and is currently located in Kuala Lumpur, Malaysia. In 2020, MIR has 14 branches around Malaysia and provide remittance service to 8 (eight) countries which are Indonesia, Phillipines, Thailand, Singapoe, India, Nepal, Pakistan and Bangladesh.

PT AXA Mandiri Financial Services

PT AXA Mandiri Financial Services ("AXA Mandiri") is a joint venture company between PT Bank Mandiri (Persero) Tbk. ("Bank Mandiri") and National Mutual International Pty Ltd ("NMI") that is engaged in Life Insurance. AXA Mandiri was formerly established under the name of PT Asuransi Jiwa Staco Raharja on 30 September 1991 by Notarial Deed No. 179 of Muhani Salim, S.H. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia through its letter No. C2-6144.HT.01.01.TH.91 dated 28 October 1991. The Company obtained its life insurance license through General Directorate of Finance Institution Decision Letter No. KEP.605/KM.13/1991 and officially commenced its operations on 4 December 1991. The Company's name was then changed to PT Asuransi Jiwa Mandiri and subsequently changed to PT AXA Mandiri Financial Services. This change was approved by the Ministry of Justice and Human Rights in its Decision Letter No. C-28747.HT.01.04.TH.2003 dated 10 December 2003, and was published in State Gazette No. 64, Supplement No. 7728 dated 10 August 2004 with shareholders composed of NMI for 51.00% and Bank Mandiri for 49.00%.

The shareholders of Bank Mandiri, at the Annual General Meeting held on 17 May 2010 (in article 7), had approved the acquisition of additional shares in AXA Mandiri through the purchase of 2.00% of the total shares issued and fully paid shares in AXA Mandiri directly from NMI.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT AXA Mandiri Financial Services (continued)

On 20 August 2010, Bank Mandiri signed a Sale and Purchase Agreement (AJB) to acquire 2,027,844 (two million twenty seven thousand eight hundred forty four) shares (for an amount of Rp48,427) or 2.00% of issued and fully paid-in capital of AXA Mandiri from NMI which was performed in front of Notary Dr. A. Partomuan Pohan, S.H., LL.M. The addition of shares in AXA Mandiri was approved by Bank Indonesia through its letter No. 12/71/DPB1/TPB1-1 dated 22 July 2010. After this acquisition, the Bank's percentage of ownership in AXA Mandiri increased to become 51.00%.

Prior to 1 January 2011, goodwill arising from the acquisition of AXA Mandiri amounted to Rp40,128 was amortised using the straight-line method over 5 (five) years with the estimation of economic benefits of the goodwill. Effective 1 January 2011, in accordance with SFAS No. 22 (Revised 2009), "Business Combinations", goodwill is not amortised but tested for impairment annually. Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, "Impairment of Assets" (see Note 2s). The balance of goodwill on 31 December 2021 and 2020 amounted to Rp37,194.

PT Asuransi Jiwa Inhealth Indonesia

PT Asuransi Jiwa Indonesia Inhealth ("Mandiri Inhealth") was established on 6 October 2008 based on the Notarial Deed No. 2 of NM Dipo Nusantara Pua Upa, S.H. Inhealth has obtained its license based on the Minister of Law and Human Rights of the Republic of Indonesia through its letter No. AHU-90399.AH.01.01 dated 26 November 2008. Inhealth obtained its license to operate in life insurance based on the Decision Letter of the Minister of Finance of the Republic of Indonesia No. KEP-38/KM.10/2009 dated 20 March 2009.

On 23 December 2013, Bank Mandiri with PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) as the buyers and the Social Security Agency of Health (BPJS Kesehatan; formerly PT Askes (Persero)) and the Cooperative Bhakti Askes as the sellers have signed a Conditional Share Purchase Agreement on PT Asuransi Jiwa Inhealth Indonesia ("Inhealth") where the execution of transactions will be conducted in two phases as follows:

1. Phase 1, namely the acquisition of 80% ownership in Inhealth, whereas the ownership of the PT Bank Mandiri (Persero) Tbk is 60%, PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) are 10%, respectively, and BPJS Kesehatan still has 20%; and
2. Phase 2, namely the acquisition of 20% ownership of BPJS in Inhealth by the PT Bank Mandiri (Persero) Tbk so that the total ownership of PT Bank Mandiri (Persero) Tbk is 80%. The composition of shareholders after the transaction Inhealth stage 2 resulted in the following percentage ownership PT Bank Mandiri (Persero) Tbk, 80%; PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) have 10%, respectively, of the total shares issued and fully paid of Inhealth.

On 27 February 2014, PT Bank Mandiri (Persero) Tbk has obtained the approval of the General Meeting of Shareholders related to the acquisition Inhealth. Furthermore, PT Bank Mandiri (Persero) Tbk also has received the approval of the proposed acquisition from FSA in accordance with Letter No. S-37/PB/31/2014 dated 17 April 2014 regarding the Application for Approval for Equity Investment of PT Bank Mandiri (Persero) Tbk. in PT Asuransi Jiwa Inhealth Indonesia.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Asuransi Jiwa Inhealth Indonesia (continued)

On 2 May 2014, PT Bank Mandiri (Persero) Tbk with PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) as the buyers with BPJS Kesehatan (formerly PT Askes (Persero)) and Koperasi Bhakti Askes as the sellers have signed a Sale and Purchase agreement of Inhealth's shares as recorded in Notarial deed of sale and purchase agreement No. 01 dated 2 May 2014 by Notary Mala Mukti S.H., LL.M.

With the signing of the Sale and Purchase Agreements, PT Bank Mandiri (Persero) Tbk has effectively become the majority shareholder in Inhealth with ownership of 60% (Rp990,000), PT Kimia Farma (Persero) Tbk. and PT Asuransi Jasa Indonesia (Persero) of 10% respectively (Rp165,000) and BPJS Kesehatan of 20% (Rp330,000). Change in share ownership has been approved by the General Meeting of Shareholders of Inhealth by Notary Mala Mukti S.H., LL.M. No. 19 dated 5 May 2014 and has been submitted to the Ministry of Law and Human Rights of the Republic of Indonesia and has been received through letter No. AHU-06507.40.22.2014 dated 5 May 2014 regarding the Company's Receipt of Notification of Data Change of PT Asuransi Jiwa Inhealth Indonesia.

Articles of Association of Inhealth has been changed in accordance with the Shareholders Agreement which was signed on 23 December 2013 and has been recorded in the Notarial Deed of Mala Mukti, S.H., LL.M No. 20 dated 5 May 2014. This change has been submitted to the Ministry of Justice and Human Rights of the Republic of Indonesia and accepted through its letter No. AHU-01805.40.21.2014 dated 6 May 2014.

The signing of sale and purchase deed was the first phase of Inhealth's acquisition in accordance with Conditional Share Purchase Agreement which was signed on 23 December 2013.

On 30 March 2015, PT Bank Mandiri (Persero) Tbk carried out additional investment in Inhealth shares by buying 200,000 shares owned by BPJS Kesehatan through the signing of the Deed of Sale and Purchase Agreement No. 108, dated 30 March 2015, made before Mala Mukti, S.H., LL.M., Notary in Jakarta, which is 20% of the total shares issued by Inhealth. Total purchase price amounted to Rp330,000. The addition of these investments had been approved by the FSA as mentioned in its letter No. S-19/PB.31/2015 dated 20 February 2015. The difference in the balance of recorded non-controlling interest in the fair value of consideration paid for the additional shares of to 20% of Inhealth shares amounted to Rp92,751 is recorded as "Difference in transactions with non-controlling interest".

Since the signing date of the Sale and Purchase Agreements, PT Bank Mandiri (Persero) Tbk has effectively become the majority shareholder of Inhealth with ownership of 80%, which PT Kimia Farma (Persero) Tbk and PT Asuransi Jasa Indonesia (Persero) each own 10%. It has been approved by the General Meeting of Shareholders in accordance with Notarial Deed of Mala Mukti S.H., LL.M. No. 109 dated 30 March 2015 and submitted to the Ministry of Justice and Human Rights of the Republic of Indonesia and accepted by its letter No. AHU-AH.01.03-0020238 dated 30 March 2015 regarding Acceptance Notification of the Data Change of PT Asuransi Jiwa Inhealth Indonesia.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Asuransi Jiwa Inhealth Indonesia (continued)

Bank Mandiri acquired 80% of total shares issued by Mandiri Inhealth amounted to Rp1,320,000. As of 31 December 2021 and 2020 goodwill each amounted to Rp268,181, respectively. The Bank periodically evaluates the impairment of goodwill in accordance with SFAS No. 48, "Impairment of Assets" (Note 2s).

PT Mandiri Utama Finance

On 16 April 2014, Bank Mandiri and PT Asco Investindo ("ASCO") and PT Tunas Ridean (Persero) Tbk. ("TURI"), signed an agreement of signing a preliminary agreement to set up a finance company to be able to accelerate Bank Mandiri finance portfolio, especially in the segment of vehicle financing.

On 22 October 2014, Bank Mandiri with ASCO and TURI signed a shareholders' agreement on the establishment of a finance company with an authorised capital of Rp100,000 and an ownership composition as follows: the Bank (51%); ASCO (37%); and TURI (12%). Subsequently, on 23 December 2014, in accordance with letter No. S-137/PB.31/2014 the Bank obtained a principle license of equity participation in the new company financing from Bank Supervision FSA.

On 21 January 2015, the deed of incorporation of a new subsidiary of Bank Mandiri named PT Mandiri Utama Finance ("MUF") has been signed as outlined in the Notarial Deed Ashoya Ratam, SH, M.Kn. No. 19 dated 21 January 2015 and was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in Decree No. AHU-0003452.AH.01.01. Year 2015 dated 26 January 2015. Concurrent with the signing of the deed of incorporation, the Bank also made capital injection amounted to Rp51,000 as stipulated in the Bank's shareholding in MUF. Based on Notarial Deed No. 66 of Ashoya Ratam dated 29 May 2015 on the Circular Letter of Shareholders' Meeting regarding the approval of change in composition of the Board of Commissioners, which such changes registered with the Ministry of Justice and Human Rights of the Republic of Indonesia based on Letter No. AHU-AH.01.03-0936033 dated 29 May 2015.

After the signing of the deed, MUF submitted application of financing company business license to FSA - Non-Bank Financial Institutions ("FSA IKNB"). Upon request, the FSA IKNB has issued a decree of IKNB Board of Commissioners of the FSA No. KEP-81/D.05/2015 regarding the Granting Approval of Financing Company to PT Mandiri Utama Finance on 25 June 2015 through FSA letter No. SR-3516 /NB.111/2015 dated 26 June 2015, regarding the Granting Approval of Financing Company PT Mandiri Utama Finance.

On 24 August 2015, MUF has carried out the initial operational activities through cooperation with primary dealers and showroom, as well as vehicle financing disbursement to limited customers to meet the requirements of the FSA IKNB, and commercially operated on January 2016 through its branches which already have operational permit from FSA IKNB.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Utama Finance (continued)

Based on the Letter of Approval from the FSA No. S-86/PB.31/2016 dated 25 August 2016, regarding the Application for Approval of the Increase in the Share Capital of PT Mandiri Utama Finance, the FSA expressed no objection to the Bank's plan of increasing its equity participation in MUF amounted to Rp102,000. The increase of capital in MUF will be done gradually with a nominal value of Rp51,000 for each stage. On 29 August 2016, the execution of the first stage in increasing the share capital of MUF, with a nominal value of Rp51,000, has been completed. The next stage of issuing additional share capital amounted to Rp51,000 has been carried out on 16 December 2016. The increase in capital did not change the percentage of ownership over MUF as follows Bank Mandiri 51%, ASCO 37% and TURI 12%.

Based on the Letter of Approval from the FSA No. S-68/PB.31/2017 dated 26 July 2017, regarding the Application for Approval of the Increase in the Share Capital of the Bank to MUF, FSA expressed no objection to the Bank's plan of increasing its equity participation in MUF amounted to Rp102,000. The increase of capital in MUF will be done for two phases with nominal value Rp51,000 for each phase. On 28 July 2017, the execution of the first phase increasing the share capital of MUF with nominal value of Rp51,000 has been completed and documented on Notarial Deed of Ashoya Ratam S.H., M.Kn, No. 56 dated 29 August 2017 and approved by Ministry of Justice and Human Rights of the Republic of Indonesia based on Letter No. AHU-AH.01.03-0169081 year 2017 dated 6 September 2017. On 30 October 2017, the execution of the second phase increasing the share capital of MUF with nominal value of Rp51,000,000,000 (fifty one billion rupiahs) has been completed as stated in the Notarial Deed of Ashoya Ratam S.H., M.Kn. No. 60 dated 24 November 2017 and has been ratified by the Ministry of Law and Human Rights by Decree No. AHU-AH.01.03-0195073 dated 27 November 2017. The addition of capital investment does not change the percentage of ownership, the percentage of ownership of Bank Mandiri in MUF amounted to 51%, ASCO amounted to 37% and TURI amounted to 12%.

MUF request approval to operate for Sharia Unit (UUS) to FSA-IKBN Sharia and approved to operate Sharia Unit (UUS) MUF through Decision Letter Commissioners Board FSA No. KEP-36/NB.223/NB/2018 about "granting permission to Operate Sharia Unit for Financing Company to PT Mandiri Utama Finance" dated 27 April 2018 through FSA letter No. S-626/NB.223/2018 dated 15 May 2018 about "Notification Transcript of Permission to operate Sharia Unit for Financing Company to PT Mandiri Utama Finance".

PT Mandiri Capital Indonesia

As of 23 June 2015, Bank Mandiri and PT Mandiri Sekuritas have established new subsidiary engaged in venture capital under the name of PT Mandiri Capital Indonesia ("MCI").

Establishment of the Company was marked by the signing of the deed of Bank Mandiri and PT Mandiri Sekuritas in which the Bank invested capital amounted Rp9,900, representing 99% share ownership in MCI and PT Mandiri Sekuritas injected capital amounted to Rp100 which represents a 1% share ownership in MCI, therefore the capital structure of MCI amounted Rp10,000.

Bank Mandiri's equity participation in the framework of establishment of MCI was approved by the FSA per its letter No. S-48/PB.31/2015 regarding Application for Approval of Equity Participation of PT Bank Mandiri (Persero) Tbk. for the establishment of Venture Capital Company on 11 June 2015.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Capital Indonesia (continued)

As of 26 June 2015, the establishment of MCI was approved by the Minister of Law and Human Rights through letter No. AHU-2445684.AH.01.01 year 2015. MCI obtained a license to carry out business activities in the venture capital sector on 10 November 2015 through the decree of the Board of Commissioners of the Financial Services Authority No. KEP-113/D.05/2015 stating that MCI may carry out full operational activities.

Based on the Letter of Approval from the FSA No. S-1/PB.31/2016 dated 7 January 2016, regarding the Application for Approval of the Bank's investment in PT Mandiri Capital Indonesia (MCI), the FSA expressed no objection to Bank Mandiri's plan of additional shares investment in MCI.

As of 5 February 2016, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No.AHU-0002343.AH.01.02 year 2016 as documented in Deed No. 13 dated 3 February 2016 which the Bank's authorised and issued capital became Rp349,900 representing 99.97% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0,03% share ownership in MCI, therefore the capital structure in MCI amounted to Rp350,000.

The additional shares investment in MCI was done through the issuance of 3,400 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such and new shares were executed by Bank Mandiri (100%).

Based on the approval letter from FSA No. S-69/PB.31/2017 dated 26 July 2017 regarding the Application for Approval of the Bank's investment to PT Mandiri Capital Indonesia (MCI), the FSA expressed no objection to Bank Mandiri's plan of additional shares investment in MCI.

As of 13 September 2017, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No.AHU-0018840.AH.01.02 year 2017 as documented in Deed No. 8 dated 7 September 2017 which the Bank's authorised and issued capital became Rp549,900 representing 99.98% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0,02% share ownership in MCI, therefore the capital structure in MCI amounted to Rp550,000.

The additional shares investment in MCI was done through the issuance of 2,000 new shares in MCI, each share has a nominal value of Rp100,000,000- (full amount) in which all such and new shares were executed by Bank Mandiri (100%).

Based on the approval letter from FSA No. S-14/PB.31/2019 dated 31 January 2019 regarding Bank's additional investment in PT Mandiri Capital Indonesia, FSA has recorded Bank Mandiri's plan to conduct the additional investment to MCI in FSA's administration.

As of 7 February 2019, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No.AHU-00063880.AH.01.02 year 2019 as documented in Deed No. 06 dated 7 February 2019 which the Bank's authorised and issued capital became Rp1,096,900 representing 99.99% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0,01% share ownership in MCI, therefore the capital structure in MCI amounted to Rp1,097,000.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri Capital Indonesia (continued)

The additional shares investment to MCI was done through the issuance of 5,470 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such and new shares were executed by Bank Mandiri (100%).

Based on the approval letter from FSA No. S-111/PB.31/2019 dated 30 July 2019 regarding Bank's additional investment to PT Mandiri Capital Indonesia, FSA has recorded Bank Mandiri's plan to conduct the additional investment to MCI in FSA's administration.

As of 30 July 2019, MCI has obtained the approval of changes in Articles of Association regarding to the increase in authorised capital and issued capital by Minister of Law and Human Rights based on letter No.AHU-0044080.AH.01.02 year 2019 as documented in Deed No. 13 dated 30 July 2019 which the Bank's authorised and issued capital became Rp1,456,900 representing 99.99% share ownership in MCI and PT Mandiri Sekuritas became Rp100 representing 0,01% share ownership in MCI, therefore the capital structure in MCI amounted to Rp1,457,000.

The additional shares investment in MCI was done through the issuance of 3,600 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such and new shares were executed by Bank Mandiri (100%).

Based on the approval letter from OJK No. S-283/PB.31/2021 dated 29 December 2021 regarding the Application for Approval of the Bank's investment to PT Mandiri Capital Indonesia (MCI), the FSA expressed no objection to Bank Mandiri's plan of additional shares investment in MCI.

As of 31 December 2021, MCI has obtained the approval of changes in Articles of Association regarding the increase in authorised and issued capital from the Minister of Law and Human Rights based on its letter No.AHU-0077472.AH.01.02 year 2021 as documented in Deed No. 4 dated 30 December 2021, in which MCI's authorised and issued capital became Rp1,603,000, consisted of Rp 1,602,900 or 99.99% share ownership by the Bank, and Rp 100 or 0.01% share ownership by MCI.

The additional shares investment in MCI was made through the issuance of 1,460 new shares in MCI, each share has a nominal value of Rp100,000,000 (full amount) in which all such and new shares were subscribed by Bank Mandiri (100%).

PT Mandiri AXA General Insurance

PT Mandiri AXA General Insurance ("MAGI") is a joint venture between Bank Mandiri with AXA Société Anonyme engaged in general insurance. MAGI was formerly known as PT Maskapai Asuransi Dharma Bangsa (PT Insurance Society Dharma Bangsa Ltd) which was established based on Notarial Deed of Sie Khwan Djioe No. 109 dated 28 July 1961 in Jakarta and approved by the Minister of Justice through its letter No. J.A.5/11/4 dated 20 January 1962. The name of the Company, PT Maskapai Asuransi Dharma Bangsa, was subsequently changed to PT Asuransi Dharma Bangsa as notarised by Imas Fatimah, S.H. No. 54 dated 17 December 1997, and approved by the Minister of Justice through the Ministry of Justice Decree No. C2-2421.HT.01.04.TH.98 dated 26 March 1998.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri AXA General Insurance (continued)

In Bank Mandiri's General Shareholder Meeting dated 23 May 2011, Bank Mandiri's shareholders approved the Bank's plans to acquire 120,000 (one hundred and twenty thousand) new shares issued by PT Asuransi Dharma Bangsa. The Bank's investment in PT Asuransi Dharma Bangsa was approved by Bank Indonesia through its letter No. 13/59/DPB1/TPB1-1 dated 28 July 2011.

On 11 October 2011, Bank Mandiri acquired 120,000 (one hundred and twenty thousand) new shares issued by PT Asuransi Dharma Bangsa with a total value of Rp60,000 as notarised by Notarial Deed of Yualita Widyadhari, S.H. No. 23 dated 11 October 2011. After this acquisition, Bank Mandiri became the shareholder of PT Asuransi Dharma Bangsa with 60.00% ownership. This was ratified in the General Shareholders Meeting of PT Asuransi Dharma Bangsa in accordance with Notarial Deed of Yualita Widyadhari, SH No. 22 dated 11 October 2011. The notarial deed had been received by the Ministry of Justice and Human Rights Republic of Indonesia as documented in its letter No. AHU-AH.01.10-10-33252 dated 17 October 2011 regarding Acceptance Notification on the Amendment of PT Asuransi Dharma Bangsa's Article of Association.

Subsequently, the name of PT Asuransi Dharma Bangsa, was changed to PT Mandiri AXA General Insurance in accordance with the Notarial Deed of Yualita Widyadhari, S.H. No. 90 dated 18 October 2011. The notarial deed had been received by the Ministry of Justice and Human Rights of the Republic of Indonesia as documented in its letter No. AHU-51976.AH.01.02 dated 25 October 2011 regarding Acceptance Notification on the amendment of PT Mandiri AXA General Insurance's Article of Association.

In conducting its business, MAGI has been granted a license from the Insurance Bureau of Bapepam and LK Ministry of Finance of the Republic of Indonesia (*Biro Perasuransian Bapepam dan LK Kementerian Keuangan*) through letter No. S-12583/BL/2011 dated 22 November 2011 regarding the Activation of General Insurance Business License and Change of the Company's name from PT Asuransi Dharma Bangsa to PT Mandiri AXA General Insurance. The shares composition owned by PT Bank Mandiri (Persero) Tbk 120,000 shares amounted to Rp60,000,000,000 (full amount) and AXA S.A owned 80,000 shares amounted to Rp40,000,000,000 (full amount). In 2014, shares of AXA S.A were sold to AXA ASIA in accordance with the Notary Deed of Mala Mukti S.H., L.LM dated 6 January 2014 and submitted to the Ministry of Law and Human Rights of the Republic of Indonesia and received by letter No. AHU-AH.01.10.01330 dated 10 January 2014.

The FSA through its letter No. S-42/PB.31/2014 dated 14 May 2014 and letter No. 5-94/PB.31/2014 dated 31 October 2014 has approved the Additional Capital Investment of PT Bank Mandiri (Persero) Tbk in PT Mandiri AXA General Insurance amounted to Rp24,000 and Rp63,000. The additional capital investment has been approved by circularised decision of the General Meeting of Shareholders (RUPS). As documented in Notarial Deed Wiwiek Widhi Astuti No. 20 dated 6 June 2014 and No. 27 dated 21 November 2014, has been approved by the Ministry of Justice and Human Rights through its letter No. AHU-03896.40.20.2014 dated 12 June 2014 and No. AHU-08879.40.21.2014 dated 26 November 2014. The addition of the equity investment did not change the percentage of share ownership whereas Bank Mandiri owned 60% and AXA S.A owned 40% MAGI.

Based on the letter of approval from the FSA No. S-52/PB.31/2015 dated 25 June 2015 regarding the Application for Approval of Increase in Investment of PT Mandiri AXA General Insurance, the FSA expressed no objection to the plan of the Bank to make additional capital investments in MAGI amounted to Rp30,000.

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1. GENERAL INFORMATION (continued)

g. Subsidiaries (continued)

PT Mandiri AXA General Insurance (continued)

On 9 July 2015, the Bank carried out the execution of the additional investment to MAGI amounted to Rp30,000. The total increase in capital in PT MAGI amounted to Rp50,000 equal to the additional capital injection in proportion to its percentage shareholding in Bank Mandiri MAGI by 60% and AXA ASIA by 40%, so the Bank increased its investment of Rp30,000 and AXA ASIA of Rp20,000. The increase in capital did not change the percentage of share ownership in the overall MAGI-owned by Bank Mandiri of 60% and AXA ASIA of 40%.

Based on the letter of approval from the FSA No. S-72/PB.31/2016 dated 3 August 2016 regarding the Application for Approval of Increase in Investment PT Mandiri AXA General Insurance, the FSA expressed no objection to the plan of the Bank to make additional capital investments to MAGI amounted to Rp30,000. On 9 August 2016, the Bank made the additional investment transaction execution to MAGI amounted to Rp30,000. The total additional investment to MAGI is Rp50,000 with the amount of additional capital injection in proportion to its percentage shareholding of the Bank in MAGI by 60% and AXA ASIA by 40%, therefore the Bank increased its investment of Rp30,000 and AXA ASIA by Rp20,000. The increase in capital did not change the percentage of ownership in the overall MAGI-owned by Bank Mandiri amounted to 60% and AXA ASIA by 40%.

On 31 October 2018, the Bank obtained approval from FSA regarding to the divestment plan on PT Mandiri AXA General Insurance through Decision Letter No. S-122/PB.31/2018 regarding the Divestment Initiative of the Bank's Share Investment in PT Mandiri AXA General Insurance. The Bank obtained approval from the Ministry of State Owned Enterprises in its Decision Letter No. S-635/MBU/09/2018 dated 26 September 2018.

On 21 November 2018, AXA ASIA purchased 276,000 (two hundreds and seventy six thousands) shares owned by PT Bank Mandiri (Persero) Tbk which issued by PT Mandiri AXA General Insurance and registered in the Share Transfer Deed of Mala Mukti SH L.L.M. No. 52 dated 21 November 2018. After shares purchasing, Bank Mandiri owned 20.00% shares of PT Mandiri AXA General Insurance which was ratified in General Shareholder's Meeting as covered in the Notarial Deed of Mala Mukti SH., L.L.M No. 54 dated 21 November 2018 and was submitted to Ministry of Law and Human Rights of Republic Indonesia in its Decision Letter No. AHU-AH.01.03-10-0268916 dated 28 November 2018. PT Mandiri AXA General Insurance has submitted the changes of the shareholder's composition to FSA which had been approved on 12 December 2018. Since the change of ownership of Bank Mandiri in MAGI became 20%, MAGI's financial statements was no longer consolidated to Bank Mandiri.

On 1 December 2019, PT Mandiri AXA General Insurance has taken corporate action in the form of merger & acquisition with PT Asuransi AXA Indonesia, where PT Mandiri AXA General Insurance as the entity that received the merger results. This has been approved by the Financial Services Authority through Letter No. S-32/D.05/2019 dated 26 November 2019 concerning The Merger Approval of PT Asuransi AXA Indonesia into PT Mandiri AXA General Insurance. This merger has been contained in Notarial Deed No. 104 dated 27 November 2019 and Notarial Deed No. 105 dated 27, 2019, both were made before Notary Mala Mukti, S.H., LL. M, notary in Jakarta, and has been recorded in the Legal Entity Administration System (SABH) of the Ministry of Law and Human Rights of the Republic of Indonesia through Letter Number AHU-AH.01.10-0010347 dated 28 November 2019 concerning receipt of the Merger Notice of PT Mandiri AXA General Insurance.

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1. GENERAL INFORMATION (continued)

h. Structure and Management

Bank Mandiri's head office is located on Jalan Jenderal Gatot Subroto Kavling 36-38, South Jakarta, Indonesia. As of 31 December 2021 and 2020, Bank Mandiri's the structure and number of Bank Mandiri's domestic and foreign offices are as follows:

	2021	2020
Domestic regional offices	12	12
Domestic branches:		
Branch Offices ^{*)}	137	140
Sub-Branch Offices ^{**)}	2,465	2,280
Cash Outlets	-	90
Total domestic branches	2,602	2,510
Overseas branches	6	6

^{*)} Several branch offices functioning as area offices.

^{**)} In accordance with POJK No.12/POJK.03/2021 dated 30 July 2021 regarding Commercial Banks, the Cash Office, Payment Point and Mobile Cash are registered as branch office (KCP) starting 31 October 2021.

As of 31 December 2021, Bank Mandiri has 6 overseas branches located in Cayman Islands, Singapore, Hong Kong, 2 branch offices in Dili Timor Leste, Shanghai (People's Republic of China) and 1 remittance office in Hong Kong.

To support Bank Mandiri in achieve its aspiration to be the primary customers' financial partner, Bank Mandiri divided its organisation structure into strategic business units (SBU) to three major groups, which are:

1. Business Units, are responsible as the Bank's main business development or operational segment unit, consists of 2 (two) main segments, namely Wholesale Banking which consists of Corporate Banking, Commercial Banking, Government Institutional, Treasury & International Banking and Retail banking which consists of Credit Card, Consumer Loan, Micro Personal Loan, Small & Medium Enterprise Banking and Micro Development & Agent Banking.
2. Support Functions, are responsible as supporting units that provide overall support to Bank's operations consisting of Special Asset Management, Risk Management which monitors Wholesale Risk and Retail Risk, Information Technology & Operation that supervises Operation, Compliance and Human Resources, Strategic and Finance, Internal Audit and Corporate Transformation.
3. Business & Distribution are responsible as selling products and services to all segments of Bank's customers, consisting of 12 (twelve) Regional Offices that are spread out across Indonesia and wealth management.

Bank Mandiri has made changes in its organizational structure which became effective on 10 November 2020, as stated in the Decree (SK) Board No.KEP.DIR/133/2020 dated 9 November 2020 on the Organizational Structure. Changes in the organizational structure of Bank Mandiri was done through rearranging the organization to meet the needs and development of the Bank.

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 31 December 2021 and 2020, the members of Bank Mandiri's Boards of Commissioners are as follows:

	2021	2020
<u>Board of Commissioners</u>		
President Commissioner/		
Independent Commissioner	: Muhamad Chatib Basri	Muhamad Chatib Basri
Deputy Chief Commissioner/		
Independent Commissioner	: Andrinof A. Chaniago	Andrinof A. Chaniago
Independent Commissioner	: Mohamad Nasir	Mohamad Nasir
Independent Commissioner	: Boedi Armanto	Boedi Armanto
Independent Commissioner	: Loeke Larasati A.	Loeke Larasati A.
Commissioner	: Rionald Silaban	Ardan Adiperdana
Commissioner	: Arif Budimanta	Rionald Silaban
Commissioner	: Faried Utomo	Arif Budimanta
Commissioner	: Nawal Nely	Faried Utomo
Commissioner	: Muhammad Yusuf Ateh	Nawal Nely

As of 31 December 2021 and 2020, the members of Bank Mandiri's Board of Directors are as follows:

	2021
<u>Board of Directors</u>	
President Director	: Darmawan Junaidi
Deputy of President Director	: Alexandra Askandar
Director of Risk Management	: Ahmad Siddik Badruddin
Director of Compliance and Human Resources	: Agus Dwi Handaya
Director of Treasury and International Banking	: Panji Irawan
Director of Commercial Banking	: Riduan
Director of Consumer and Retail Banking	: Aquarius Rudianto
Director of Operation	: Toni E. B. Subari
Director of Corporate Banking	: Susana Indah K. Indriati
Director of Government Institutional	: Rohan Hafas
Director of Finance and Strategy	: Sigit Prastowo
Director of Information Technology	: Timothy Utama

	2020
<u>Board of Directors</u>	
President Director	: Darmawan Junaidi
Deputy of President Director	: Alexandra Askandar
Director of Risk Management	: Ahmad Siddik Badruddin
Director of Information Technology	: Rico Usthalvia Frans
Director of Treasury and International Banking	: Panji Irawan
Director of Corporate Banking	: Susana Indah K. Indriati
Director of Compliance and Human Resources	: Agus Dwi Handaya
Director of Operation	: Toni Eko Boy Subari
Director of Government Institutional	: Rohan Hafas
Director of Commercial Banking	: Riduan
Director of Finance and Strategy	: Sigit Prastowo
Director of Consumer and Retail Banking	: Aquarius Rudianto

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 31 December 2021 and 2020, the members of Bank Mandiri's Audit Committee are as follows:

	2021	2020
Chairman and member	: Boedi Armanto	Boedi Armanto
Member	: Muhamad Chatib Basri	Muhamad Chatib Basri
Member	: Andrinof A. Chaniago	Andrinof A. Chaniago
Member	: Mohamad Nasir	Mohamad Nasir
Member	: Loeke Larasati A.	Loeke Larasati A.
Member	: Rasyid Darajat	Bambang Ratmanto
Member	: Rubi Pertama	Ridwan D. Ayub

As of 31 December 2021 and 2020, Bank Mandiri's Remuneration and Nomination Committee are as follows:

	2021	2020
Chairman and member	: Muhamad Chatib Basri	Muhamad Chatib Basri
Member	: Andrinof A. Chaniago	Andrinof A. Chaniago
Member	: Mohamad Nasir	Mohamad Nasir
Member	: Rionald Silaban	Rionald Silaban
Member	: Arif Budimanta	Arif Budimanta
Member	: -	Indri K. Hidayat
Secretary (ex-officio)	: SEVP/Group Head Human Capital	SEVP/Group Head Human Capital

As of 31 December 2021 and 2020, Bank Mandiri's Risk Oversight Committee are as follows:

	2021	2020
Chairman and member	: Andrinof A. Chaniago	Andrinof A. Chaniago
Member	: Boedi Armanto	Boedi Armanto
Member	: Loeke Larasati A.	Loeke Larasati A.
Member	: Nawal Nely	Ardan Adiperdana
Member	: Arif Budimanta	Nawal Nely
Member	: Chrisna Pranoto	Arif Budimanta
Member	: Caroline Halim	Lista Irna
Member	: -	Chrisna Pranoto

As of 31 December 2021 and 2020, Bank Mandiri's Integrated Governance Committee are as follows:

	2021	2020
Chairman and member	: Muhamad Chatib Basri	Muhamad Chatib Basri
Member	: Andrinof A. Chaniago	Andrinof A. Chaniago
Member	: Loeke Larasati A.	Loeke Larasati A.
Member	: Faried Utomo	Ardan Adiperdana
Member	: Muhammad Yusuf Ateh	Faried Utomo
Member	: Chrisna Pranoto	Bambang Ratmanto
Member	: Rasyid Darajat	Chrisna Pranoto

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1. GENERAL INFORMATION (continued)

h. Structure and Management (continued)

As of 31 December 2021 and 2020, Bank Mandiri's Integrated Governance Committee are as follows (continued):

	2021	2020
Member	: Independent Commissioner Bank Mantap ^{*)}	Independent Commissioner Bank Mantap ^{*)}
Member	: Independent Commissioner MAGI ^{*)}	Independent Commissioner MAGI ^{*)}
Member	: Independent Commissioner Mansek ^{*)}	Independent Commissioner Mansek ^{*)}
Member	: Independent Commissioner AMFS ^{*)}	Independent Commissioner AMFS ^{*)}
Member	: Independent Commissioner MTF ^{*)}	Independent Commissioner MTF ^{*)}
Member	: Independent Commissioner MUF ^{*)}	Independent Commissioner MUF ^{*)}
Member	: Independent Commissioner MCI ^{*)}	Independent Commissioner MCI ^{*)}
Member	: Independent Commissioner Inhealth ^{*)}	Independent Commissioner Inhealth ^{*)}
Member	: Independent Commissioner BSI ^{*)}	Independent Commissioner BSM ^{*)}
Member	: Sharia Supervisory Board from subsidiary ^{*)}	Sharia Supervisory Board from subsidiary ^{*)}

^{*)} Confirming the subsidiaries executives

As of 31 December 2021, the Chairman of the Internal Audit of Bank Mandiri is Danis Subyantoro and as of 31 December 2020, the Chairman of the Internal Audit of Bank Mandiri is Mustaslimah.

As of 31 December 2021 and 2020, Bank Mandiri's Corporate Secretary is Rudi As Aturridha.

The number of employees of Bank Mandiri on 31 December 2021 is 37,840 people (2020: 38,247 people, respectively (unaudited)).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statement of Bank and Its Subsidiaries ("Group") were completed and authorised for issuance by the Board of Directors on 27 January 2022.

The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards which comprised of the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants and Board of Shariah Accounting Standards of the Indonesian Institute of Accountants and the Capital Market Supervisory Agency and Financial Institution ("Bapepam-LK") regulation No. VIII.G.7 Attachment of the Chairman of Bapepam and LK's decree No. KEP-347/BL/2012 dated 25 June 2012, regarding Financial Statements Presentation and Disclosure for Issuer or Public Companies.

The principal accounting policies adopted in preparing the consolidated financial statement of the Bank and Subsidiaries are set out below:

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements have been prepared under the historical cost, except for financial assets classified as fair value through other comprehensive income, financial assets and liabilities measured at fair value through profit or loss and all derivative instruments which have been measured at fair value. The consolidated financial statement is prepared under the accrual basis of accounting, except for the consolidated statement of cash flows.

Consolidated statement of cash flows are prepared using the direct method by classifying cash flows in operating, investing and financing activities.

Items within Other Comprehensive Income are classified separately, between accounts which will be reclassified to Profit or Loss and will not be reclassified to Profit or Loss.

The financial statement of a Subsidiary engaged in sharia banking have been prepared based on with the Statement of Financial Accounting Standards (SFAS) No. 101 (Revised 2016), "Presentation of Financial Statements for Sharia Banking", SFAS No. 102 (Revised 2019) "Accounting for *Murabahah*", SFAS No. 104 (Revised 2016) "Accounting for *Istishna*", SFAS No. 105 "Accounting for *Mudharabah*", SFAS No. 106 "Accounting for *Musyarakah*", SFAS No. 107 (Revised 2016) "Accounting for *Ijarah*", SFAS No. 110 (Revised 2015) "Accounting for *Sukuk*", SFAS No. 111 "Accounting for *Wa'd*", SFAS No. 112 (2021) "Accounting for *Wakaf*" and other prevailing Statement of Financial Accounting Standards, as long as it does not contradict with Sharia principle on Accounting Guidelines for Indonesian Sharia Banking (PAPSI) (Revised 2013).

The preparation of financial statements in accordance with Indonesian Financial Accounting Standards requires the use of estimates and assumptions. It also requires management to make judgments in the process of applying the accounting policies of the Group. The area that is complex or requires a higher level of consideration or areas where assumptions and estimates could have a significant impact on the consolidated financial statements is disclosed in Note 3.

All figures in the consolidated financial statements, are rounded and presented in million rupiah ("Rp") unless otherwise stated.

Based on the pooling of interest method according to the Statement of Financial Accounting Standards ("SFAS") No. 38 (Revised 2012), "Business Combinations of Entities Under Common Control", the financial statements as of and for the years ended 31 December 2020 and 31 December 2019 are restated as if the business combination had occurred since the beginning of the period when the combining entities were under common control.

b. Changes in accounting policies

On 1 January 2021, there are new and revised or amendment towards several standards that are relevant to the consolidated financial statements which is effective for application from that date as follows:

- Amendments related to Interest Rate Benchmark Reform, which consists of Amendments to SFAS No. 71 "Financial Instruments", Amendment to SFAS No. 55 "Financial Instruments: Recognition and Measurement", Amendment to SFAS No. 60 "Financial Instruments: Disclosures", Amendment to SFAS No. 62 "Insurance Contracts" and Amendments to SFAS No. 73 "Leases".
- SFAS No. 110 (2020 Amendment) "Sukuk Accounting".
- SFAS No. 111 (2020 Amendment) "Wa'd Accounting".
- SFAS No. 112 "Wakaf Accounting".

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies (continued)

The impact of the adoption of the new standards and adjustments or amendments mentioned above is not material to the Group's consolidated financial statements.

Amendments to the Interest Rate Benchmark Reform allow entities to reflect the effects of transitions from benchmark interest rates, such as interbank offered rates (IBORs) to alternative benchmark bank rates without creating a significant accounting impact.

c. Financial instruments

A. Financial assets

The Group classified its financial assets in the following categories (a) financial assets measured at fair value through profit or loss, (b) financial assets measured at fair value through other comprehensive income, and (c) financial assets measured at amortised cost.

The Group has debt financial instruments and equity financial instruments. The Group further measures all equity investments at fair value. On initial recognition, the Group may make an irrevocable choice to present in other comprehensive income subsequent changes in the fair value of investments in equity instruments.

The Company used 2 (two) methods to classify its financial assets, which based on the Company's business model in managing the financial assets, and the contractual cash flow of the financial assets (solely payment of principal and interest (SPPI)).

SPPI Test

As a first step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured as Fair Value through Profit Loss (FVTPL).

Business model assessment

The Group determines its business model at the level that best reflects how it manages Company's of financial assets to achieve its business objective.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

A. Financial assets (continued)

Business model assessment (continued)

The Company's business model is not assessed by each instrument, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular the way those risks are managed;
- How business managers are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value, and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

(a) Financial assets measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless the business model test and the contractual cash flow test show that financial assets entering into classifications are measured at amortized cost or fair value through other comprehensive income.

This classification is intended for held for trading financial instruments or at the time of initial recognition has been determined by the Group to be measured at fair value through profit or loss.

A financial asset is classified as held for trading, if it has been acquired principally for the purpose of selling in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has a recent actual pattern of short-term profit-taking.

Financial assets classified at initial recognition as measured at fair value through profit or loss are held by the Subsidiary to cover its insurance liabilities which measure at fair value of the underlying assets. Financial instruments classified into this category are recognized at fair value on initial recognition, transaction costs are recognized directly in the consolidated statement of profit or loss and other comprehensive income. Gains and losses arising from changes in fair value, sale of financial instruments and interest income on financial instruments measured at fair value through profit or loss are recognized in the consolidated statement of profit or loss and other comprehensive income recorded as "net Income from fair value through profit or loss classification".

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c. Financial instruments (continued)

A. Financial assets (continued)

(b) Financial assets measured at fair value through other comprehensive income

Financial assets are managed in a business model which objectives will be fulfilled by obtaining contractual cash flows and selling financial assets and contractual requirements of financial assets which on a certain date increase the cash flow solely from the principal and interest payments (solely payments of principal and interest) of the amount owed.

At the initial recognition, debt instruments measured at fair value through other comprehensive income are recognized at the fair value plus the transaction costs and subsequently measured at fair value where the gain or loss from changes in fair value, gain or loss from the exchange rate, and impairment, are recognized as other comprehensive income. Dividend from equity is recognized in profit or loss.

Expected credit losses are recognized as an additions of other comprehensive income in the statement of financial position (not reducing the number of recorded financial assets in financial statements). Interest income is calculated using the effective interest rate method.

The Group further measures all equity investments at fair value. If group management has chosen to present fair value gains and losses on equity investments in other comprehensive income, there is no reclassification of fair value gains and losses to profit or loss upon derecognition of those investments. Dividends from equity instruments are recognized in profit or loss.

(c) Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is managed in a business model to obtain a contractual cash flow and the contractual arrangement of a financial asset at certain date to obtain cash flow solely from the principal and interest payments (solely payments of principal and interest) of the amount owed.

At initial recognition, the financial assets measured at amortized cost are recognized at the fair value plus the transaction costs and subsequently measured at amortized cost by using the effective interest rate.

Interest income from financial assets measured at amortized cost is recorded in the statement of profit and loss and other comprehensive income and is recognized as "interest income". When the decline in value occurs, the impairment loss is recognized as a deduction to the carrying amount of the financial asset and is recognized in the financial statements as "impairment loss".

Recognition

Banks use trade date accounting to record transactions in securities and government bonds.

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c. Financial instruments (continued)

B. Financial liabilities

The Group classifies its financial liabilities into the category of (a) financial liabilities at fair value through profit or loss and (b) financial liabilities measured at amortised cost.

(a) Financial liabilities at fair value through profit or loss

This category comprises of two sub-categories: financial liabilities classified as fair value through profit or loss and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

A financial liability is classified as fair value through profit or loss, if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments.

Gains and losses arising from changes in fair value of financial liabilities classified as fair value through profit or loss are included in the consolidated statement of profit or loss and other comprehensive income as income from fair value through profit or loss - net. Interest expense from financial liability classified as trading are recorded as income from fair value through profit or loss - net.

If the Group designated certain debt securities upon initial recognition as at fair value through profit or loss (fair value option), then this designation cannot be changed subsequently.

Changes of fair value related to financial liabilities designated at fair value through profit or loss are recognised in income from fair value through profit or loss - net. Interest expense from financial liabilities designated at fair value through profit or loss are recorded as income from fair value through profit or loss - net.

(b) Financial liabilities at amortised cost

The Group classifies all financial liabilities after initial recognition as measured at amortized cost, except:

1. Financial liabilities measured at fair value through profit or loss.
2. Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach is applied.
3. Financial guarantee contracts.
4. Commitment to providing loans at below market interest rates.
5. Contingent consideration recognized by the acquirer in the business combination.

At initial recognition, financial liabilities at amortised cost measured at fair value are deducted by transaction cost. After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest rate method. Effective interest rate amortisation is recognised as "Interest expense".

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c. Financial instruments (continued)

C. Derecognition

Derecognition of Financial Assets

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have expired or matured the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Group tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition).

Collateral that is submitted by the Group under the agreement of securities sold under agreements to repurchase and securities lending and borrowing transactions is not derecognised because the Group substantially has all the risks and benefits of the collateral, based on the requirement that the repurchase price has been determined at the beginning, so that the criteria for derecognition are not met.

Financial assets that are transferred to third parties but do not qualify for derecognition are presented in the consolidated statements of financial position as "Other assets - Receivables on securities and government bonds pledged as collateral", which the recipient has the right to sell or transfer back.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when the financial liabilities have expired because the obligations specified in the contract have been released, canceled or expired or if there is a substantial change in the terms of a financial liability, the financial liability contract before the change will be written off and the Group will recognize the new financial liability.

Write-offs

In the case of financial assets' write-off is a continuation of the financial assets' settlement by taking over collaterals, the written-off amount is approximately equal to the difference between the fair value of repossessed assets after taking into account the financial assets' cost of sales and carrying amount.

Financial assets can be written off when the allowance for impairment losses have been 100% established.

Full write-off is done to the financial assets' carrying amount by debiting the allowance for impairment losses.

D. Modification of Financial Assets Cash Flow

An assessment of whether a financial asset has been modified substantially or not substantially is carried out by a business unit whose authorized to modify or restructure financial assets, when the business unit performs modification or restructure of a financial asset.

Modifications to financial assets are considered substantial and the Group will cease to recognize the original financial assets when:

- a) the financial asset (or portion thereof) expires, that is, if the debtor is legally released from primary responsibility for the asset (or any portion thereof), either by legal process or by the creditor entering into a new credit contract (for example, the equity conversion option); or
- b) there is a currency conversion.

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c. Financial instruments (continued)

D. Modification of Financial Assets Cash Flow (continued)

The Group will measure the substantially and not substantially modified financial assets as follows:

- a) Substantial Modification of Financial Assets
1. When the contractual cashflow on a financial asset is renegotiated or modified (including when a credit is restructured) and the renegotiation or modification results in derecognition of the financial asset, therefore the Group will record the financial asset as a new / modified financial asset on the modification / negotiation date.
 2. The difference between the gross amount of the initial financial assets and the fair value of the modified assets recorded as profit or loss.
 3. Transaction income or costs incurred in connection with a modification event recognized as part of gain or loss on the modification.
 4. Next, Group assess whether new/modified financial assets are assets originating from impaired financial assets.
 5. Recognition of interest income on assets originating from financial assets is calculated based on an effective interest rate adjusted for credit risk (risk-adjusted effective interest rate) to discount the cash flows of modified financial assets.
- b) Non-Substantial Modification of Financial Assets
1. When the Group renegotiates or modifies contractual cash flows of financial assets (including when loans are restructured) that do not meet the criteria for substantial modification of financial assets above, the renegotiation or modification does not result in derecognition of the financial assets.
 2. The gross carrying amount of financial assets is computed at the net present value of modified or renegotiated contractual cash flows, discounted at the original effective interest rate.
 3. The Group then recognizes the gain or loss from the modification (i.e the change in the gross carrying amount of the financial asset) in the profit or loss.
 4. Transaction income or costs incurred in connection with a modification event are recognized as an adjustment to the carrying amount of the modified financial asset and amortized over the remaining term of the modified financial asset using the initial effective interest rate.

E. Reclassification of financial assets

Reclassification Requirements

The Group is allowed to reclassify the financial assets owned if the Group changes the business model of managing the financial assets and the Group is not allowed to reclassify the financial liabilities.

Changes in the business model should significantly impact the Group's operational activities such as acquiring, disposal or discontinued a line of business. In addition, the Group needs to prove the change of business model to external parties.

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c. Financial instruments (continued)

E. Reclassification of financial assets (continued)

Reclassification Requirements (continued)

The Group will reclassify all financial assets impacted by changes in the business model. The changes of the Group's business model must occur before the reclassification date.

The following are not considered as change in business model:

- a) the change of intention relates to certain financial assets (even in situations of significant changes in market conditions),
- b) temporary loss of certain markets for financial assets,
- c) the transfer of financial assets between parts of the Group and different business models.

Impact of Reclassification of Financial Assets

The impact of reclassification of financial asset on profit or loss or equity and its initial measurement is as follows:

Reclassification		Impact on Profit or Loss	Impact on Equity	Initial Carrying Value After Reclassification
From	To			
FVPL	Amortised Cost	-	-	1. Fair value at the reclassification date becomes its new gross carrying amount. 2. Effective interest rate is determined at the fair value of the asset at reclassification date.
	FVOCI	-	-	1. Financial assets is measured at fair value. 2. Effective interest rate is determined at the fair value of the asset at reclassification date.
Amortised Cost	FVPL	Difference in carrying amount before reclassification and fair value after reclassification	-	Fair value is measured at reclassification date.
	FVOCI	-	Difference in carrying amount before reclassification and fair value after reclassification	1. Fair value is measured at reclassification date. 2. Effective interest rate and expected credit loss is not adjusted.

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c. Financial instruments (continued)

E. Reclassification of financial assets (continued)

Impact of Reclassification of Financial Assets (continued)

The impact of reclassification of financial asset on profit or loss or equity and its initial measurement is as follows (continued):

Reclassification		Impact on Profit or Loss	Impact on Equity	Initial Carrying Value After Reclassification
From	To			
FVOCI	Amortised Cost	-	Cumulative gain or loss on OCI is adjusted against the fair value of the financial asset	1. Fair value at the reclassification date becomes its new gross carrying amount by added or deducted the previous cumulative gain or loss. 2. Effective interest rate and expected credit loss is not adjusted.
	FVPL	Cumulative gain or loss on OCI is reclassified to profit or loss	Financial assets is measured at fair value	

F. Classes of financial instruments

The Group classifies the financial instruments into classes that reflect the nature of information and take into account the characteristic of those financial instruments. The classification of financial instrument can be seen in the table below:

Classification		Class
Financial Assets	Financial assets measured at fair value through profit or loss (FVPL)	Marketable securities
		Government bonds
		Derivative receivables - non hedging related
		Loans
	Financial assets measured at fair value through other comprehensive income (FVOCI)	Marketable securities
		Government bonds
		Loans
		Investments in shares

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c. Financial instruments (continued)

F. Classes of financial instruments (continued)

The Group classifies the financial instruments into classes that reflect the nature of information and take into account the characteristic of those financial instruments. The classification of financial instrument can be seen in the table below (continued):

Classification		Class
Financial Assets	Financial assets measured at amortised cost (Amortised Cost)	Current accounts with Bank Indonesia
		Current accounts with other banks
		Placements with Bank Indonesia and other banks
		Other receivables - trade transaction
		Marketable securities
		Government bonds
		Securities purchased under agreements to resell
		Loans
		Acceptance receivables

The grouping of financial assets above is based on Classification and Measurement data as of 1 January 2020.

Classification		Class
Financial Liabilities	Financial liabilities measured at fair value through profit or loss	Derivative payables - non hedging related
	Financial liabilities measured at amortised cost	Demand deposits
		Saving deposits
		Time deposits
		Interbank call money
		Securities sold under agreements to repurchase
		Acceptance payables
		Debt securities issued
		Fund borrowings
		Subordinated loans
Guarantee deposits		

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c. Financial instruments (continued)

F. Classes of financial instruments (continued)

The impact of reclassification of financial asset on profit or loss or equity and its initial measurement is as follows (continued):

The grouping of financial assets above is based on Classification and Measurement data as of 1 January 2020. (continued)

Classification	Class
Off-balance sheet accounts	Unused loan facilities (committed)
	Irrevocable letters of credit
	Bank guarantees issued that meet the definition of a financial guarantee contract
	Standby letters of credit

G. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and an intention to settle on a net basis or realised the asset and settle the liability simultaneously. This means that the right to offset:

- a. Must not be contingent on a future event, and
- b. Must be legally enforceable in all of the following circumstances:
 - i. The normal course of business
 - ii. The event of default
 - iii. The event of insolvency or bankruptcy

H. Allowance for impairment losses of financial assets

The implementation of SFAS 71 "Financial Instruments" has changed the method of calculating impairment losses from the incurred loss approach in SFAS 55 "Financial Instruments: Recognition and Measurement" with the expected credit loss approach.

1. Scope of Impairment

- a) Financial Assets in other than those measured at fair value through profit or loss
 - 1) Impairment of financial assets at amortized cost is recognized as a deduction from the asset's carrying amount in the statement of financial position, and recognized in the income statement as "Allowance for Impairment Losses".
 - 2) Impairment of financial assets (excluding equity instruments) measured at fair value through other comprehensive income is recognized as an addition to other comprehensive income in the statement of financial position (not reducing the carrying amount of financial assets in the financial statements) as "Unrealized Gain or Loss", and recognized in the income statement as "Allowance for Impairment Losses".

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

The implementation of SFAS 71 "Financial Instruments" has changed the method of calculating impairment losses from the incurred loss approach in SFAS 55 "Financial Instruments: Recognition and Measurement" with the expected credit loss approach. (continued)

1. Scope of Impairment (continued)

b) Loan Commitments or Committed Unused Loan Facilities

- 1) Impairment of loan commitments is recognized as provision for the Bank's liability component which is recorded separately from the related loan assets as "Provision for Expected Credit Losses on Loan Commitments", unless the Bank cannot identify it separately.
- 2) In that case, the impairment of loan commitments and loan assets is recognized together as a deduction from the carrying amount of the assets in the statement of financial position.

c) Financial Guarantee Contract

Impairment of financial guarantee contracts is recognized as a provision under the Bank's liability component as "Provision for Expected Credit Losses on Financial Guarantee Contracts".

2. Periodic evaluation on impairment of financial assets

The Group assesses at each reporting date whether there is a significant increase in credit risk or objective evidence that a financial asset or group of financial assets is impaired.

The criteria that the Group uses to determine that there is objective evidence of impairment loss include:

- a) Significant financial difficulty of the issuer or obligor;
- b) A breach of contract, such as a default or delinquency in interest or principal payments;
- c) The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- d) There is a probability that the borrower will enter bankruptcy or other financial reorganisation;
- e) The disappearance of an active market for that financial asset because of financial difficulties; or
- f) Observable data indicates that there is a measurable decrease in the estimation.

The Group uses additional criteria to determine the quality of financial instrument assets in accordance with the Financial Services Authority Regulation (POJK) No. 40/POJK.03/2019 concerning Asset Quality Assessment for Commercial Banks.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

2. Periodic evaluation on impairment of financial assets (continued)

Furthermore, the Group classifies financial assets based on the evaluation results, which reflect the level of credit risk of the financial assets.

a) Stage 1

At the evaluation date of impairment, credit risk on financial instruments does not increase significantly since initial recognition, which can be proven by the occurrence of all of the following, namely:

- 1) there are no arrears for more than 30 days;
- 2) the financial instrument has a collectability rating of 1 or 2; and
- 3) not restructured (based on restructuring flag information in the system)

For this reason, the Group will measure the allowance for impairment losses for the financial instrument at the amount of an expected 12 months credit loss.

b) Stage 2

At the evaluation date, credit risk on financial instruments has increased significantly since initial recognition which can be proven by the occurrence of one of the following:

- 1) there are arrears between 31 days to 90 days;
- 2) the financial instrument has a collectability rating of 2; or
- 3) There was a restructuring of financial assets that did not result in the recognition of assets originating from impaired financial assets, which before restructuring the assets were at Stage 1 or 2.

At this stage, the Group will measure the allowance for impairment losses for the financial instrument at the amount of the expected credit losses over its lifetime.

c) Stage 3 (Default)

At the evaluation date, there is objective evidence that the financial asset is impaired which can be proven by the occurrence of one of the following 3 (three) things, namely:

- 1) there are arrears of more than 90 days;
- 2) the financial instrument has a collectability rating of 3, 4, or 5; or
- 3) there was a restructuring of financial assets that did not result in the recognition of assets originating from impaired financial assets, where prior to restructuring the assets were at stage 3.

The Group will measure the allowance for losses for financial instruments at this stage at the amount of the expected credit losses over their lifetime.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

2. Periodic evaluation on impairment of financial assets (continued)

d) Purchased or Originated Credit-Impaired Financial Asset (POCI)

1) The criteria for assets purchased as an impaired financial assets

A purchased financial asset is classified as an impaired financial asset if it meets the following criteria:

- a. loss of active market of financial assets; or
- b. purchase of financial assets at a very large discount or significant below par.

2) Criteria for assets originating from impaired financial assets

a. Financial assets that are modified/renegotiated resulting in derecognition of financial assets are classified as assets from impaired financial assets if they meet the following criteria:

1. waive on interest arrears including Scheduled Interest Arrears and Deferred Interest of 100% (one hundred percent); or
 2. loans are converted into temporary equity participation.
- b. At the reporting date, the Group recognizes only the cumulative changes in the lifetime expected credit losses from the initial recognition of the financial asset as an allowance for losses on financial assets purchased or resulting from impairment financial assets.
- c. At each reporting date, the Group recognizes in profit or loss the amount of changes in lifetime expected credit losses as an impairment gain or loss.
- d. If the financial assets prove based on facts or relevant information that the financial assets are improving, the Group will recognize in the income statement as a deduction for "Allowance for Impairment Losses".
- e. If the condition of the financial asset proves to be impaired, the Group will recognize it in the income statement as an addition to "Allowance for Impairment Losses".

The Group uses criteria to determine the category of financial assets that have impaired based on the grouping of the risk levels of financial assets above. Financial assets in stage 3 group and POCI are financial assets that have impaired.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method

The Group evaluates for impairment using the following methods:

a) Individual Method

1) Individual Criteria

The Group evaluates impairment individually when the Group has reasonable and supportable information to measure the lifetime expected credit losses on an individual instrument and the financial assets have the following criteria:

- a. financial assets per debtor with a cumulative outstanding amount of more than Rp25,000 (twenty five billion rupiah);
- b. loans for the Corporate, Institutional, Financial Institutions, Commercial, and SME Banking segments; and
- c. financial assets fall into the Stage 2 category as a result of a restructuring, Stage 3, or POCL.

The Group may also designate financial assets to be evaluated individually even though the said financial assets do not yet meet criteria for individual evaluation.

- 2) If a financial asset has objective evidence of impairment of a financial asset that is evaluated individually but there is no impairment loss, the financial asset is still classified as a financial asset that will be assessed for impairment individually. However, the Group establishes allowance for impairment losses on these financial assets based on the probability of default resulting from a collective evaluation of credit impairment.

3) Impairment Evaluation

Individual impairment evaluation is based on the concept of an estimated weighted probability of loss of financial assets. This concept uses the weighting of each of the 3 (three) scenarios, namely the optimistic scenario, the normal scenario, and the pessimistic scenario.

1. Optimistic

A scenario with the assumption that there is an increase or expansion in the economy which results in the strengthening of variable values such as increased economic growth or exchange rate appreciation.

2. Normal

The scenario that has the greatest chance of occurring compared to the other 2 (two) scenarios. The variable value in the baseline scenario is the projection result assuming economic movements without any extraordinary events, shocks or economic turmoil.

3. Pessimistic

Scenarios with the assumption that there is a weakening or contraction in the economy that results in weakening of variable values such as a decrease in economic growth or depreciation of the exchange rate.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method (continued)

The Group evaluates for impairment using the following methods (continued):

a) Individual Method (continued)

3) Impairment Evaluation (continued)

Each scenario provides a discounted present value of cash flows, where the cash flows are based on all available information with experienced credit judgment and reflect all information that takes into account various factors such as:

1. Financial strength and the debtor's ability to repayment capacity.
2. Type and amount of collateral.
3. Availability of warranty.
4. Customers' future business prospects.
5. Probability of collateral sale.
6. Historical losses.
7. Relevant macroeconomic factors.

The difference between the weighted probability and the total outstanding financial assets reflects the amount of the individual impairment loss.

The individual impairment evaluation method is based on 2 (two) concepts, namely the estimated amount of loss on financial assets and the estimated amount that can be recovered. The method used is discounted cash flow or the fair value of collateral method. The Bank uses the fair value of collateral method as future cash flows if it meets one of the following conditions:

1. Loans is collateral dependent, that is, if loans repayment originates only from collateral;
2. It is difficult to reliably determine the amount and timing of the estimated cash flow from loan principal and / or interest; and / or
3. Foreclosure of collateral is likely to occur and is supported by legal binding aspects of collateral.

b) Collective Method

1) Collective Criteria

The Bank assesses impairment collectively when the financial assets share the same risk characteristics of the financial assets which allows a significant increase in credit risk to be identified in a timely manner. The criteria for financial assets that are evaluated collectively are as follows:

- a. financial assets per debtor are non-performing financial assets or have days past due > 90 days and have a cumulative value of ≤ Rp25,000 (twenty five billion rupiah) for the Corporate, Institutional, Financial Institutions, Commercial, and SME Banking segments;

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method (continued)

The Group evaluates for impairment using the following methods (continued):

b) Collective Method (continued)

1) Collective Criteria (continued)

The Bank assesses impairment collectively when the financial assets share the risk characteristics of the financial assets with the aim of facilitating analysis designed to allow a significant increase in credit risk to be identified in a timely manner. The criteria for financial assets that are evaluated collectively are as follows (continued):

- b. performing financial assets or having days past due \leq 90 days and were not restructured for the Corporate, Institutional, Financial Institutions, Commercial, and SME Banking segments; and
- c. all loans in the Micro Banking and Consumer segments.

In general, all loan portfolios for which impairment evaluation is not calculated using the individual method will be evaluated using the collective method.

2) Impairment Evaluation

The evaluation of collective impairment is based on the concepts of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) which take into account past, current, and future information.

a. Probability of Default

The Bank uses the Basel, Vasicek, Roll Rate Transition Matrix, and other approaches in determining the PD value of each debtor.

The Basel method is carried out by determining the relationship between a debtor's PD with the internal characteristics of that debtor. The Basel model that has been obtained is used as the basis for determining the PD value of each debtor.

The Vasicek method is a method of determining PD using the asset correlation formula that has been determined by the Basel Committee.

The Roll Rate Transition Matrix method uses the historical transition bucket PD. PD buckets used in historical calculations are as follows:

- 1. Bucket 1: Current
- 2. Bucket 2: 1-30 days past due (DPD)
- 3. Bucket 3: 31-60 dpd
- 4. Bucket 4: 61-90 dpd
- 5. Bucket 5: >90 dpd

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method (continued)

b) Collective Method (continued)

2) Impairment Evaluation (continued)

a. Probability of Default (continued)

PD Forward-Looking Macro Adjustment is a method used to determine the forward looking PD value of both Basel and Roll rate approaches based on the historical relationship between the macro economy and the PD value of the Bank.

b. Loss Given Default

The Bank uses Basel and Historical methods in determining the LGD value of each debtor. LGD describes the nominal percentage of the facility that the Bank will not be able to recover against the default debtor. Regular LGD is calculated at 1-Recovery Rate. The recovery rate is calculated by considering the Time Value of Money from the recovery of the default obligation. The interest rate used to calculate the Time Value of Money from Recovery is the Effective Interest Rate (EIR).

The Basel method is carried out by determining the relationship between a debtor's LGD and the internal characteristics of the debtor concerned. The Basel model that has been obtained is used as the basis for determining the LGD value of each debtor.

Historical method is done by calculating the average value of LGD in the long term observation period in the respective segment.

Forward-Looking Macro Adjustment in LGD is a method used to determine the forward looking LGD value based on the historical relationship between macroeconomics and the Bank's LGD value. If there is no relationship between macroeconomics and the Bank's LGD value, the Bank may not use Forward-Looking in determining the LGD value.

c. Exposure at Default

In determining the EAD value of each debtor, the Bank uses the Basel method, Prepayment Rate, and Expected Lifetime. EAD describes the exposure that will be borne by the Bank if there is a debtor who defaults.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method (continued)

b) Collective Method (continued)

2) Impairment Evaluation (continued)

c. Exposure at Default (continued)

The Basel method in calculating EAD is carried out by determining the relationship between a debtor's EAD and the internal characteristics of the respective debtor.

The Prepayment Rate method is a method that studies the behavior of the debtor's payment rate that is bigger than the scheduled facility payment amount.

The Expected Lifetime method is a method that studies the behavior of the debtor's level of settlement (paid off or write off) compared to the facility settlement schedule.

d. Expected Credit Loss

In general, the formula for calculating collective ECL is the multiplication of Probability of Default, Loss Given Default, and Exposure at Default.

In calculating the amount of Collective Impairment, the Bank uses the loan carrying value which the impairment value is assessed collectively.

Calculation of Impairment is done for each stage according to the characteristics of the staging. The calculation method for each stage is as follows:

1. Stage 1: 12-months ECL
2. Stage 2: Lifetime ECL
3. Stage 3: Lifetime ECL

12-Months ECL is the calculation of the expected loss for the next 1 year.

ECL-Lifetime is the calculation of the expected loss which is calculated for the remaining tenor of the facility.

Every year in calculating the ECL uses the discount factor based on formula that the Group has formulated.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

3. Impairment Method (continued)

b) Collective Method (continued)

2) Impairment Evaluation (continued)

d. Expected Credit Loss (continued)

The probability weighted in the calculation of Impairment has been determined by the Group which includes the percentage of optimistic, normal, and pessimistic scenarios.

The total weighted of the estimated cash flow is a deduction from the carrying amount of the loans, where the difference will be the allowance for impairment on loans.

4. Interest income before and after impairment

Prior to impairment (Stage 1 & 2), interest income is calculated using the effective interest method, namely by applying an effective interest rate to the gross carrying amount of financial assets except for financial assets purchased or from impaired financial assets.

Interest income on impaired financial assets (Stage 3 or POCI) calculated by applying an effective interest rate on the net carrying amount of financial assets, namely the outstanding amount after deducting losses due to impairment for:

a) Financial Assets Purchased or Originated Credit-Impaired Financial Assets (POCI)

For these financial assets, the Group applies a risk-adjusted effective interest rate on the amortized cost of the financial assets since initial recognition.

b) Stage 3

For these financial assets, the Group applies an effective interest rate on the amortized cost of financial assets in the reporting period, which is the amount that has been reduced by any impairment losses.

Interest income is subsequently recognized based on of the interest rate used to discount future cash flows in measuring impairment losses or what is known as unwinding interest.

Impairment losses on earning assets of Subsidiary based on sharia

Allowance for impairment losses on *murabahah* receivable is calculated based on collective method according to SFAS 102 "Accounting for Murabahah" and ISA 102 "Impairment Loss for Murabahah Receivables"

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

(a) Financial assets carried at amortised cost (continued)

Allowance for possible losses on earning assets of Subsidiary based on sharia

1. Earning assets consist of current account and placements with Bank Indonesia in the form of Bank Indonesia Sharia Certificate (*Sertifikat Bank Indonesia Syariah* (SBIS)), Bank Indonesia Sharia Deposit Facility (*Fasilitas Bank Indonesia Syariah* (FASBIS)), Reverse Repo Receivables State Sharia Certificates (*Surat Berharga Syariah Negara* (SBSN)) BI, Term Deposit Foreign Currency Sharia BI, current accounts with other sharia banks, placement with other sharia banks, investment in marketable securities, temporary equity participation, *istishna* receivables, *ijarah* receivables, funds of *qardh*, *musyarakah* financing, *mudharabah* financing, *ijarah* assets, and commitments and contingencies with credit risk, such as bank guarantees, irrevocable letters of credit (LC) and standby letters of credit.

Allowance for impairment losses of earning assets and non-earning assets for commercial bank conducting business based on sharia principles is based on Financial Services Authority Regulation ("POJK") No. 19/POJK.03/2018 dated 20 September 2018 on "Asset Quality Assessment for Sharia Commercial Banks and Business Units", and POJK No. 12/POJK.03/2015 dated 21 August 2015 on "Prudential Principle Provisions for Sharia Banks and Sharia Business Units to Stimulate the National Economy".

The guidelines for the establishment of allowance for impairment losses on earning assets based on the aforementioned FSA's Regulation are as follows:

- a) General reserve, shall be no less than 1% of total earning assets classified as current, excluding Bank Indonesia Sharia Certificates and debt securities issued by the Government based on sharia principles, and part of earning assets guaranteed by government and cash collateral in the form of demand deposits, saving deposits, time deposits, guarantee deposits, and/or gold which are pledged and accompanied with the power of attorney to liquidate.
- b) Special reserve shall be at least:
 - 5% of earning assets classified as Special Mention after deducting collateral value;
 - 15% of earning assets classified as Substandard after deducting collateral value;
 - 50% of earning assets classified as Doubtful after deducting collateral value;
 - 100% of earning assets classified as Loss after deducting collateral value.
- c) The requirement to establish allowance for impairment losses shall not be applicable for earning assets under leasing transactions in the form of *ijarah* or *ijarah muntahiyah bittamlik*. The Subsidiary is required to depreciate/amortize the assets of *ijarah muntahiyah bittamlik*.

For marketable securities and placements to the bank, the quality rating is classified into 3 (three) classifications: current, substandard, and loss. Quality rating of equity investment is determined into 4 (four) categories: current, substandard, doubtful and loss.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

(a) Financial assets carried at amortised cost (continued)

Allowance for possible losses on earning assets of Subsidiary based on sharia (continued)

2. For *murabahah*, the Subsidiary evaluates whether there is an objective evidence that the financial assets or group of financial assets are impaired. The financial assets or group of financial assets are impaired and the impairment loss occurred only if there is an objective evidence regarding the impairment as a result of one or more events that occurred after initial recognition which impacts the estimated future cash flows that can be reliably estimated.

The allowance for impairment on *murabahah* is calculated using collective assessment according to SFAS No. 55, "Financial Instruments: Recognition and Measurement".

(b) Financial assets classified as available for sale

The Group assesses at each date of the consolidated statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. Refer to Note 2c.(H).(2) for the criteria of objective evidence of impairment.

A significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. If any such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in consolidated statement of profit or loss and other comprehensive income is removed from equity and recognised in the consolidated statement of profit or loss and other comprehensive income.

If, in a subsequent period, the fair value of a financial asset classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in consolidated statement of profit or loss and other comprehensive income, the impairment loss is reversed through the consolidated statement of profit or loss and other comprehensive income.

(c) Financial guarantee contracts and commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor defaulted to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other institutions on behalf of customers to secure loans and other banking facilities.

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c. Financial instruments (continued)

H. Allowance for impairment losses of financial assets (continued)

(c) Financial guarantee contracts and commitments (continued)

Financial guarantees are initially recognised in the consolidated financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at inception is likely to equal the premium received because all guarantees are agreed on arm's length terms. Subsequent to initial recognition, the bank's liabilities under such guarantees are measured at the higher amount between the initial amount, less amortisation of fees recognised, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is amortised over the period of guarantees using the straight-line method.

The Bank determines impairment losses on financial guarantee contracts that have credit risk based on the value that is higher between the amortised value (carrying value) and the present value of the liabilities that are expected to occur (when payment under the guarantee has become probable) or impairment losses are calculated based on historical loss data for a collective evaluation of impairment.

I. Investment in sukuk

Before the initial recognition, the Group determines the classification of investment in sukuk based on the Group's investment objective. Investment in sukuk can be measured as follows:

- Acquisition cost

If the investment is held within a business model that aims to collect contractual cash flows and there is a contractual requirement to determine the specific date of principal payments and/or the result. The acquisition cost for sukuk *ijarah* and sukuk *mudharabah* is included in the transaction cost. The difference between acquisition cost and nominal value is amortised using straight-line method during the period of the sukuk instrument.

- Measured at fair value through other comprehensive income

If the investment is held within a business model which its primary purpose is to obtain contractual cash flows and sell off sukuk and the contractual requirements determined by specific date of payment of principal and/or results. The acquisition cost of sukuk *ijarah* and sukuk *mudharabah* is included as transaction costs. The difference between the acquisition cost and nominal value is amortised on straight-line basis over the terms of sukuk. The changes in fair value are recognised in other comprehensive income. At the time of derecognition, the changes in fair value in other comprehensive income are reclassified to profit or loss as a reclassification adjustment.

- Measured at fair value through profit or loss

The acquisition cost of sukuk *ijarah* and sukuk *mudharabah* is measured at fair value through profit or loss excluding transaction costs. For investments in sukuk which are measured at fair value through profit or loss, the difference between the fair value and the carrying amount is recognised in profit or loss.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

J. Sukuk *mudharabah* issued

Sukuk *mudharabah* issued is recognised at nominal. Transaction costs are recognised as deferred expense and presented as “Other asset” and amortised using straight-line following the period of sukuk *mudharabah*.

K. Determination of fair value

Fair value is a market based measurement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction among market participants at the measurement date.

When there is no active market or the price of an identical financial instrument cannot be observed, the Group can measure fair value using valuation techniques according to the type of financial instrument.

The group can measure fair value, with the following hierarchy:

1. Input level 1, the quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
2. Input level 2, the input other than quoted price included in level 1 that can be observed for assets or liabilities, either directly or indirectly.
3. Input level 3, the unobservable input for an asset or liability.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability should be measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of financial instruments traded in active markets, such as marketable securities and government bonds, is determined based on quoted market prices at the statement of financial position date from credible sources such as quoted market prices from Bloomberg, Reuters or broker's quoted price. Investments in mutual fund units are stated at market value, in accordance with the net value of assets of the mutual funds at the consolidated statement of financial position date.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

K. Determination of fair value (continued)

A financial instrument is regarded as quoted in an active market, if quoted prices are readily and regularly available from an exchange, dealer, broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For marketable securities with no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which substantially has the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the marketable securities.

For government bond with no quoted market prices, a reasonable estimate of the fair value is determined using the internal model based on the present value of expected future cash flows using next-repricing method with deflator factor.

L. Interest Rate Benchmark Reform

For the measurement of financial instruments using amortised cost (financial assets of debt instruments classified as amortised cost and fair value through other comprehensive income, as well as financial liabilities measured at amortised cost), changes in the future contractual cash flows of those financial instruments occurs as a result of interest rate reform (change in the contractual benchmark interest rate from the previous LIBOR interest rate to an alternative benchmark interest rate) will change the effective interest rate of the financial instrument. The change in contractual cash flows does not affect the amortised cost of the financial instrument, and has no impact on profit or loss (practical expedient). Such practical expedient can be applied if and only if the following 2 (two) requirements are met:

1. The change in contractual cash flows is necessary as a direct result of the reform of benchmark interest rates; and
2. The alternative reference interest rate is economically equivalent to the previously used benchmark interest rate.

d. Principles of consolidation

The consolidated financial statements include the financial statement of Bank Mandiri and its Subsidiaries in which the majority shares are owned or controlled by Bank Mandiri.

Control is presumed to exist where the Bank is exposed, or has rights, to variable returns from its involvement with the Subsidiaries and has ability to use its power to affect its returns from its involvement with the Subsidiaries.

The Bank controls the Subsidiaries if and only if the Bank acquires these rights:

- a) Power over the Subsidiaries (has existing rights that give it the current ability to direct the relevant activities, that significantly affect the Subsidiaries' returns);
- b) Exposure, or rights, to variable returns from its involvement with the Subsidiaries;
- c) The ability to use its power over the Subsidiaries to affect the amount of the Bank's returns

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Principles of consolidation (continued)

In the consolidated financial statement of Bank Mandiri, all significant inter-company balances and transactions have been eliminated. Non-controlling interest of Bank in net income of Subsidiaries is presented as a deduction of consolidated net income in order to present the Bank's income. Non-controlling interest in net assets is presented as part of equity in the consolidated statement of financial position, except for non-controlling interest from mutual fund consolidation is presented as part of liabilities in the consolidated statement of financial position.

The consolidated financial statements are prepared using a consistent accounting policy for transactions and events in similar circumstances. The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the Subsidiaries, unless otherwise stated.

If the control on an entity is obtained or ends in the current year, the entity's net income is included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition of the control or until the date the control ceased.

Business combination transaction amongst entities under common control, in form of transfer of business conducted for the purpose of reorganisation of entities under common control, does not represent a change of ownership in terms of economic substance, therefore, there shall be no gain or loss recognised by the group as a whole and by individual entities within the group.

Since the business combination transaction amongst entities under common control does not cause any change in economic substance of ownership of the transferred business, therefore the transaction is recognised at book value using the pooling interest method.

Changes in the Bank's ownership interest in Subsidiaries that do not result in a loss of control are accounted for as an equity transaction, in this case a transaction with owners in their capacity as owners. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributable to the owners of the parent.

The entity that accepts/releases a business in a combination/separation of business amongst entities under common control, shall recognise the difference between benefits being transferred or received and the recorded amount of every business combination transaction as equity and present it under additional paid-in capital/share premium.

Based on SFAS No. 38 (Revised 2012), the elements of the financial statements of the combining entities, for the period in which the business combination of entities under common control occurred and for the comparative period presented, are presented in such a way as if the combination had occurred since the beginning of the period when the entities were under common control. The business combinations of entities under common control that occurred in 2021 are described in Note 69.

e. Foreign currency transactions and balances

Subsidiaries and overseas branches

Bank Mandiri maintains its accounting records in Indonesian Rupiah. For consolidation purposes, the financial statement of the overseas branches and overseas Subsidiaries of Bank Mandiri denominated in foreign currencies are translated into Rupiah based on the following bases:

- (1) Assets and liabilities, commitments and contingencies - using the Reuters spot rates at the consolidated statement of financial position date.
- (2) Revenues, expenses, income and losses - using the average middle rates during each month when the transaction occurs.
- (3) Shareholders' equity accounts - using historical rates on the date of transaction.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Foreign currency transactions and balances (continued)

Subsidiaries and overseas branches (continued)

- (4) Statement of cash flows - using the Reuters spot rates at the reporting date, except for income and loss statement balances which are translated using the average middle rates and shareholders' equity balances which are translated using historical rates.

The differences arising from the translation adjustment are presented as "Differences arising from translation of foreign currency financial statements" under the Shareholders' Equity section of the consolidated statement of financial position.

Transactions and balances in foreign currencies

Transactions in currencies other than Rupiah are recorded into Rupiah by using rates on the date of the transactions. At consolidated statement of financial position date, all foreign currencies monetary assets and liabilities are translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian Time) on 31 December 2021 and 2020. The resulting gains or losses are credited or charged to the current year's consolidated statement of profit or loss and other comprehensive income.

The exchange rates used against the Rupiah at the dates of the consolidated statement of financial position are as follows (amounts in full Rupiah):

	2021	2020
Great Britain Poundsterling 1/Rp	19,250.86	19,012.46
European Euro 1/Rp	16,112.46	17,234.43
United Stated Dollar 1/Rp	14,252.50	14,050.00
Japanese Yen 100/Rp	12,377.00	13,597.00
Australian Dollar 1/Rp	10,346.61	10,752.47
Hong Kong Dollar 1/Rp	1,828.03	1,812.30
Chinese Yuan 1/Rp	2,235.72	2,150.26
Singapore Dollar 1/Rp	10,554.67	10,606.18

Other foreign currencies are not disclosed as above since it is considered not material in the translation of transaction in foreign currencies of the Bank and Subsidiaries.

f. Transactions with related parties

The Bank and Subsidiaries enter into transactions with parties which are defined as related parties in accordance with SFAS No. 7 regarding "Related Party Disclosures" and Regulation of Bapepam and LK No. KEP-347/BL/2012, dated 25 June 2012 regarding "Financial Statements Presentation and Disclosure of Issuers or Public Companies".

A related party is a person or entity that is related to the entity that prepares its financial statements (reporting entity). The related parties are as follows:

- 1) A person who:
 - a) has control or joint control over the reporting entity;
 - b) has significant influence over the reporting entity; or
 - c) the key management personnel of the reporting entity or the parent of the reporting entity.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Transactions with related parties (continued)

A related party is a person or entity that is related to the entity that prepares its financial statements (reporting entity). The related parties are as follows (continued):

- 2) An entity is related to a reporting entity if any of the following:
 - a) The entity and the reporting entity are members of the same group;
 - b) An entity is an associate or joint venture of the entity;
 - c) Both entities are joint ventures from the same third party;
 - d) An 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 benefits of employee either from the reporting entity or an entity related to the reporting entity;
 - f) The entity is controlled or jointly controlled by a person identified as referred to in point 1); or
 - g) A person identified as referred to point 1) letter a) has significant influence over the entity or the entity's key management personnel;
 - h) The entity is controlled, jointly controlled or significantly influenced by the Government, namely the Minister of Finance or the local governments which are the shareholders of the entity.

- 3) Parties which are not related parties are as follows:
 - a) Two entities simply because they have the same director or key management personnel or because the key management personnel of one entity have significant influence over the other entity;
 - b) Two joint venturers simply because they share joint control of a joint venture;
 - c) Fund provider, trade unions, public service, and ministry and agencies of government that does not control, jointly control or significantly influence the reporting entity, solely in the execution of normal dealings with the entity;
 - d) Customers, suppliers, franchisor, distributor or general agent with whom an entity enter into transaction with significant volumes of business solely because economic dependence due to circumstances.

All significant transactions with related parties have been disclosed in Note 57.

g. Cash and cash equivalents

Cash (mainly consists of cash in custody and cash in ATMs) and cash equivalents consist of cash, current accounts with Bank Indonesia, current accounts with other banks and other short term liquid investments with original maturities of 3 (three) months or less since the date of acquisition.

h. Current accounts with Bank Indonesia and other banks

Current accounts with Bank Indonesia and other banks are classified as amortized cost. Refer to Note 2c for the accounting policy of amortized cost.

Before 1 January 2020, current accounts with Bank Indonesia and other banks were classified as loans and receivables. Refer to Note 2c for the accounting policy for loans and receivables.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Current accounts with Bank Indonesia and other banks (continued)

The Minimum Statutory Reserve

Fulfillment of Statutory Reserves (GWM) refers to Bank Indonesia Regulation (PBI) No.20/3/PBI/2018 dated 29 March 2018 concerning Statutory Reserves in Rupiah and Foreign Exchange for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units as amended 3 (three) times through PBI No.22/3/PBI/2020 dated 24 March 2020, PBI No.22/10/PBI/2020 dated 28 July 2020, and PBI No.23/16/PBI/ 2021 on 17 December 2021.

The PBI is explained by the Regulation of Members of the Board of Governors (PADG) No. 20/10/PADG/2018 dated 31 May 2018 concerning Minimum Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units as amended by 7 (seven) times through PADG No. 20/30/PADG/2018 dated 30 November 2018, PADG No. 21/14/PADG/2019 dated 26 June 2019, PADG No. 21/27/PADG/2019 dated 26 December 2019, PADG No. 22/2/PADG/2020 dated 10 March 2020, and PADG No. 22/10/PADG/2020 dated 29 April 2020, PADG No.22/19/PADG/2020 dated 29 July 2020, and PADG No.23/27/PADG/2021 dated 21 December 2021 which states that the GWM in rupiahs of Conventional Commercial Banks (CCB) is set at 3.5% (three point five percent) of CCB Third Party Funds (TPF) in rupiah during a certain reporting period which must be fulfilled daily in the amount of 0.5% (zero point five percent) and on average 3% (three percent). Fulfillment of Statutory Reserves in Rupiah for both BUK and Subsidiaries is calculated by comparing the position of the Rupiah Demand Deposit account balance at Bank Indonesia Real Time Gross Settlement (BI-RTGS) and Bank Indonesia Fast Payment (BI-Fast) funds with BUK Third Party Funds (TPF) in Rupiah during a certain reporting period.

However, there is an exception for the imposition of Statutory Reserves for BI-Fast participants who have provided BI-FAST funds, effective from 21 December 2021 until 2 January 2022. Calculation of the fulfillment of the Rupiah Statutory Reserves based on the balance of the Rupiah demand deposit account at BI-RTGS and BI-FAST funds is effective from 3 January 2022.

Meanwhile, GWM in Foreign Currency is set at 4% (four percent) of TPF CCB in foreign currencies during a certain reporting period, which must be fulfilled daily at 2% (two percent) and on average 2% (two percent). Statutory Reserves in foreign currencies for Subsidiaries conducting business with sharia principles is set at 1% (one percent) of Subsidiary's TPF in foreign currencies which must be fulfilled on a daily basis.

The regulation also regulates remuneration (previously known as current account services) for certain parts of fulfilling the Statutory Reserves obligation in Rupiah. The amount of a certain portion that is given remuneration is for meeting the Statutory Reserves obligation in Rupiah on a daily basis of 0% (zero percent) and for fulfilling the Statutory Reserves obligations in Rupiah on an average of 3% (three percent). The demand deposit service is provided with an interest rate of 0% (zero percent) per year for meeting the Statutory Reserves in Rupiah on a daily basis and 1.5% (one point five percent) per year for meeting the Statutory Reserves in Rupiah on average.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Current accounts with Bank Indonesia and other banks (continued)

Macroprudential Liquidity Buffer

Macroprudential Liquidity Ratio, will be mentioned as MLB is a minimum statutory reserve which should be maintain in Rupiah by conventional bank in terms of Securities under certain requirements and the amount will be determined by Bank Indonesia in certain percentage of Conventional Bank Third Party Fund in Rupiah. For Sharia Conventional Banking Macroprudential Liquidity buffer (PLM Sharia) is minimum statutory reserve which should be maintain by sharia commercial banking in terms of sharia securities under certain requirements and the amount will be determined by Bank Indonesia in certain percentage of sharia commercial bank's Third Party Fund in Rupiah.

The requirement of latest MLB refers to PBI No.20/4/PBI/2018 dated 29 March 2018 concerning *Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah* as amended 3 (three) times to PBI No.21/12/PBJ/2019 dated 25 November 2019, PBI No.22/17/PBI/2020 dated 30 September 2020, and PBI No.23/17/PBI/2021 dated 17 December 2021. The PBI is further explained through PADG No.21/22/PADG/2019 dated 28 November 2019, as amended 3 (three) times to PADG No.22/11/PADG/2020 dated 29 April 2020, PADG No.22/30/PADG/ 2020 dated 5 October 2020, and PADG No.23/7/PADG/2021 dated 26 April 2021, where the amount of MLB is determined at 6% (six percent) of TPF CCB in Rupiah and the amount of MLB for Subsidiaries who carry out business activities with the principle sharia is 4.5% (four point five percent) of Subsidiary TPF in Rupiah.

Macroprudential Intermediate Ratio

The Macroprudential Intermediation Ratio (RIM) was formerly known as the Loan to Funding Ratio (LFR). Based on PBI No.20/4/PBI/2018 dated 29 March 2018 concerning *Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah*, the term LFR changes to Macroprudential Intermediation Ratio (RIM) with the obligation to fulfill RIM's current account came into effect on 16 July 2018. The regulation has been amended 3 (three) times to become PBI No.21/12/PBI/2019 dated 25 November 2019, PBI No.23/17/PBI/2020 dated 30 September 2020, and PBI No.23/17/PBI/2021 dated 17 December 2021. The PBI is further explained through PADG No.21/22/PADG/2019 dated 28 November 2019, as amended 3 (three) times to PADG No. .22/11/PADG/2020 on 29 April 2020, PADG No.22/30/PADG/2020 on 5 October 2020, and PADG No.23/7/PADG/2021 on 26 April 2021.

Based on these Regulations, RIM is the ratio of the results of the comparison of:

- a. Loan to third party fund in Rupiah and Other currencies; and
- b. Corporate securities in Rupiah and other currencies which meet certain requirements over:
 - a. TPF bank in terms of current account, saving account, and deposits in rupiah and other currencies excluding interbank fund;
 - b. Issued securities by the bank in rupiah and other currencies which meet certain requirement for funding; and
 - c. Fund Borrowing in Rupiah and other currencies which met certain requirements that received by BUK for funding.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Current accounts with Bank Indonesia and other banks (continued)

Macroprudential Intermediate Ratio (continued)

Demand Deposits for compliance with MIR, hereinafter referred to as MIR Current Account, are the demand deposits balance in the Rupiah Demand Deposit Account at Bank Indonesia which must be maintained by the Bank. In the event that MIR falls within MIR's Target range, MIR's Current Account is set at 0% (zero percent) of TPF in rupiah. Meanwhile, if MIR is outside the range of MIR's Target, MIR's Giro is determined as the result of the multiplication of the Lower Disincentive Parameter or Upper Disincentive Parameter, the difference between MIR and MIR's Target, and TPF in rupiah.

The amounts and parameters used in fulfilling MIR Current Account are determined as follows:

- a. The lower limit of MIR's Target of 84% (eighty four percent);
- b. The upper limit of MIR's Target of 94% (ninety four percent);
- c. Minimum Capital Adequacy Requirement (CAR) Incentive of 14% (fourteen percent);
- d. The Lower Disincentive Parameters are defined as follows:
 1. in the amount of 0 (zero), if the Bank has:
 - a) the gross non-performing loan ratio is greater than or equal to 5% (five percent); or
 - b) CAR is less than or equal to Incentive CAR;
 2. amounting to 0.1 (zero point one), if the Bank has:
 - a) the gross non-performing loan ratio is less than 5% (five percent); and
 - b) CAR is greater than Incentive CAR and less than or equal to 19% (nineteen percent); and
 3. amounting to 0.15 (zero point one five), if the Bank has:
 - a) the gross non-performing loan ratio is less than 5% (five percent); and
 - b) CAR is greater than 19% (nineteen percent); and
- e. Top Disincentive Parameters are determined as follows:
 1. equal to 0 (zero), if the Bank has CAR greater than or equal to Incentive CAR; or
 2. amounting to 0.2 (zero point two), if the Bank has CAR smaller than Incentive CAR.

However, the stipulation of this provision will be carried out in stages to Banks with the following criteria:

- a. less than 75% (seventy five percent) valid from 1 May 2021 until 31 August 2021;
- b. less than 80% (eighty percent) valid from 1 September 2021 until 31 December 2021;
- c. less than 84% (eighty four percent) effective as of 1 January 2022; and
- d. by:
 - 1) 75% (seventy five percent) to less than 84% (eighty four percent) valid for the period from 1 May 2021 to 31 August 2021; and
 - 2) 80% (eighty percent) to less than 84% (eighty four percent) is valid for the period from 1 September 2021 to 31 December 2021, then a Lower Disincentive Parameter of 0 (zero) applies.

i. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks represent placements in the form of Bank Indonesia deposit facility, sharia FASBI (*Fasilitas Simpanan Bank Indonesia Syariah* (FASBIS)), interbank call money, sharia interbank call money, time deposits and others.

Placements with Bank Indonesia and other banks are stated at amortised cost using effective interest rate less any allowance for impairment losses.

In accordance with the Regulation of the Financial Services Authority (POJK) No. 40/POJK.03/2019 concerning the Quality Assessment of Commercial Banks, all forms of Placements with Bank Indonesia are determined to have current quality.

Placements with Bank Indonesia and other banks are classified as amortized cost. Refer to Note 2c for the accounting policy for amortized cost.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Marketable securities

Marketable securities consist of securities traded in the money market such as Certificates of Bank Indonesia (*Sertifikat Bank Indonesia* (SBI)), Sharia Certificates of Bank Indonesia (*Sertifikat Bank Indonesia Syariah* (SBIS)), Negotiable Certificates of Deposits, Medium Term Notes, Treasury Bills issued by government of other country and Government of Republic of Indonesia, export bills, securities traded on the capital market such as mutual fund units and securities traded on the stock exchanges such as shares of stocks and bonds including sharia corporate bonds.

Marketable securities are classified as financial assets at fair value through profit or loss, fair value at other comprehensive income, and at amortised cost. Refer to Note 2c for the accounting policy of financial assets at fair value through profit or loss, fair value through other comprehensive income, and at amortised cost.

Investments in mutual funds units are stated at market value, in accordance with the net value of assets of the mutual funds as at the date of the consolidated statement of financial position.

Marketable securities which are traded in organised financial markets, fair value is generally determined by reference to quoted market prices by the stock exchanges at the close of business on the consolidated statement of financial position date. For marketable securities with no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which substantially has the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the marketable securities. Any permanent impairment in the fair value of marketable securities classified as amortised cost and fair value through other comprehensive income is charged to current year's consolidated statement of profit or loss and other comprehensive income.

Reclassification of marketable securities from amortised cost to fair value through other comprehensive income classification is recorded at fair value. Unrealised gains or losses are recorded in the equity section and will be amortised up to the maturity date of the marketable securities using the effective interest rate method to consolidated statement of profit or loss and other comprehensive income.

k. Government bonds

Government bonds represent bonds issued by the Government of the Republic of Indonesia. Government bonds consist of Government Bonds from the recapitalisation program and government bonds purchased from the market.

Government bonds are classified as financial assets at fair value through profit or loss, fair value through other comprehensive income and at amortised cost. Refer to Note 2c for the accounting policy of financial assets at fair value through profit or loss, fair value through other comprehensive income and at amortised cost.

l. Other receivables - trade transactions

Other receivables - trade transactions represent receivables resulting from contracts for trade-related facilities given to customers, which will be reimbursed on maturity.

Other receivables - trade transactions classified as financial assets at amortised cost. Refer to Note 2c for the accounting policy of amortised cost.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Securities purchased/sold under resale/repurchase agreements

Securities purchased under agreements to resell are classified as financial assets at amortised cost. Refer to Note 2c for the accounting policy of amortised cost.

Securities purchased under agreements to resell are presented as assets in the consolidated statement of financial position at the agreed resale price less unamortised interest income and allowance for impairment losses. The difference between the purchase price and the agreed resale price is treated as deferred (unamortised) interest income and amortised as income over the period, commencing from the acquisition date to the resale date using the effective interest rate method.

Securities sold under agreements to repurchase are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

The Subsidiaries recognised the reverse repo sharia in accordance with SFAS No. 111 regarding to "Accounting Wa'd" which applied prospectively. At initial recognition, Subsidiaries classified sharia securities as measured at fair value through other comprehensive income. Gains or losses arising from changes in fair value are recognised in other comprehensive income.

n. Derivative receivables and derivative payables

All derivative instruments (including foreign currency transactions for funding and trading purposes) are recognised in the consolidated statement of financial position at their fair values. Fair value is determined based on market value using Reuters rate at reporting date or discounted cash flow method.

Derivative receivables are presented at the amount of unrealised gain from derivative contracts. Derivative payables are presented at the amount of unrealised loss from derivative contracts.

Gains or losses from derivative contracts are presented in the consolidated financial statements based on its purpose designated upon acquisition, as (1) fair value hedge, (2) cash flow hedge, (3) net investment in a foreign operation hedge, and (4) trading instruments as follows:

1. Gain or loss on a derivative contract designated and qualified as a fair value hedging instrument and the gain or loss arising from the changes in fair value of hedged assets and liabilities is recognised as gain or loss that can be set off one another during the same accounting period/year. Any difference representing hedge ineffectiveness is directly recognised as gain or loss in current year.
2. The effective portion arising from gain or loss of derivative contracts, designated as a cash flow hedge instruments is reported as other comprehensive income. The hedge ineffective portion is recognised as a gain or loss in the current year.
3. Gain or loss arising from derivative contract that is designated as a net investment hedge in a foreign operation is reported as other comprehensive income, as long as the transactions are effectively recognised as hedge transactions.
4. Gain or loss arising from derivative contract that is not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) is recognised as gain or loss in current year.

Derivative receivables are classified as financial assets at fair value through profit or loss, meanwhile derivative payables are classified as financial liabilities at fair value through profit or loss. Refer to Note 2c for the accounting policy of financial assets and liabilities at fair value through profit or loss.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Loans and sharia/financing

Loans represent agreement to provide cash or cash equivalent based on agreements with borrowers, whose borrowers are required to repay their debts with interest after a specified period, and matured trade finance facilities which have not been settled within 15 days.

Syndicated loans, direct financing and joint financing, and channeling loans are stated at their outstanding balances in proportion to the risks borne by the Bank and its Subsidiaries.

Included in loans are financing by PT Bank Syariah Mandiri (“BSM”), a Subsidiary, in the form of sharia receivables, sharia financing and funds of *Qardh*.

Brief explanation for each type of sharia financing is as follows:

Mudharabah financing is a co-operation for certain project between first party (*malik, shahibul mal* or Subsidiary) as owner of fund and second party (*amil, mudharib* or debtors) as fund manager and the profit sharing will be shared in accordance with percentage as stated in the agreement, meanwhile losses will be borne by the Subsidiary except if the second party does negligence, error or violate the agreement. *Mudharabah* financing is stated at the outstanding financing balance less allowance for possible losses.

Musyarakah financing is a co-operation between two or more parties in a certain business wherein each party provides a portion of fund on condition that the profit shall be shared based on the agreement, whereas losses shall be borne in accordance with the portion of the fund of each party. Permanent *musyarakah* financing is *musyarakah* in which the fund portion of each partner is stated explicitly in the contract and remains the same until the contract expires. Declining *musyarakah* (*musyarakah mutanaqisha*) financing is *musyarakah* in which the fund portion of the one of the partners will be transferred in several stages to the other partner, resulting in the declining of fund portion of the one of the partner, and at the end of contract, the other partner will become the sole owner of the business. *Musyarakah* financing is stated at the outstanding financing balance less allowance for possible losses.

Ijarah receivables are the financing on the availability of fund in relation to transfer the right to use and benefit of a good and service based on rental transaction which is not followed by transfer of the goods ownership to the lessee. *Ijarah muntahiyah bittamlik* is an agreement on the availability of fund in relation to transfer the right of use and benefit of a good or service based on rental transaction with an option to transfer the ownership of goods to the lessee. *Ijarah* receivables are recognised at due date at the amount of lease income that is not yet received and presented at its net realisable value, which is the outstanding balance of the receivables.

Murabahah contracts are the financing of goods by confirming purchase price to a buyer and the buyer pays it with a higher price as an agreed profit. *Murabahah* is the transaction of sales of goods by stating the cost and income (margin) that has been agreed by the seller and buyer.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Loans and sharia/financing (continued)

Murabahah financing is classified as financial assets under loans and receivables according to SFAS No. 55 "Financial Instruments: Recognition and Measurements".

Murabahah initially is stated at fair value plus transaction cost/directly attributable administration fee and additional acquisition cost to acquire those financial assets and after initial recognition, it is measured at amortised cost using the effective interest rate method less the allowance for impairment losses.

Murabahah is stated at the balance of the receivable less deferred margin and allowance for possible losses. The Subsidiary calculates the allowance for impairment loss according to the *murabahah* financing quality according to each of financing balance.

Istishna is the financing of goods in the form of manufacturing the ordered goods with the agreed criteria and specification by both of orderer or buyer (*Mustashni*) and manufacturer or seller (*Shani*). *Istishna* is presented based on the outstanding billings less allowance for possible losses.

Qardh is borrowings at the condition that the borrower should repay the loan at specified period of time. The Subsidiary will obtain a fee (*ujrah*) from this transaction, which is recognised upon receipt. *Qardh* included *Hawalah* and *Rahn* financing agreement. *Hawalah* is transfer of debts from debtors to other party (Subsidiary) which obligates to be borne or paid.

Rahn represents the pledge of goods or assets owned by the customer to the Subsidiary for an equivalent amount of money. Assets or goods pledged are appraised based on market value, less a certain deduction percentage. The Subsidiary will obtain a fee (*ujrah*), which is recognised upon receipt. *Qardh* are stated at its outstanding balance less allowance for possible losses.

Loans and sharia/financing are classified as financial assets in loans and receivables. Refer to Note 2c for the accounting policy of financial assets for loans and receivables.

Loan restructuring

Loan restructuring may involve a modification of the terms of the loans, conversion of loans into share/stock or other financial instruments and/or a combination of both.

Losses on loan restructurings due to modification of the terms of the loans are recognised as part of allowance for impairment losses only if the present value of total future cash receipts specified by the new terms of the loans including receipts designated as interest and loan principal, are less than the carrying amount of loans before restructuring.

For loan restructurings which involve a conversion of loans into share/stock or other financial instruments, a loss on loan restructuring is recognised as part of allowance for impairment losses if the fair value of the share or financial instruments received, deducted by estimated expenses to sell the share or other financial instruments, is less than the carrying amount of loans.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Loans and sharia/financing (continued)

Loan restructuring (continued)

The Bank formed internal regulation regarding the debtors that are eligible to be removed from the list of restructured loans, i.e. when the loan/debtor has met the following criterias:

- i. Credit quality has been categorised Current (Collectibility 1) according to the review results by three (3) pillars of based on credit quality of Bank Indonesia;
- ii. The interest rate charged on the current loan facility is the commercial interest rates to debtors in accordance with the relevant credit segments above the base lending rate;
- iii. There are no Deferred Delinquency Interest and Deferred Interest which were not yet collected.

p. Consumer financing receivables

The Subsidiary's consumer financing receivables are recognised initially at fair value, plus transaction costs and deducted by yield enhancing income that is directly attributable, and subsequently measured at amortised cost using the effective interest rate method.

The Subsidiary's consumer financing receivables are classified at amortised cost. Refer to Note 2c for the accounting policy of financial assets classified at amortised cost.

Early termination is treated as a cancellation of an existing contract and the resulting gain or loss is credited or charged to the current year's consolidated statement of profit or loss and other comprehensive income at the transaction date.

Credit restructuring can be done by transfer of financing, continue to finance, repay back, change the due date, change the tenor and/or increase the down payment.

Subsidiary's unearned consumer financing income is the difference between total installments to be received from customers and the total financing which is recognised as income over the term of the contract using effective interest rate.

Consumer financing receivables are stated net of joint financing receivables where joint financing providers bears credit risk in accordance with its portion (without recourse), unearned consumer financing income and allowance for impairment losses.

Joint financing receivables that are jointly financed with other parties, bears credit risk in accordance with their financing portion (without recourse) and presented on a net basis in the consolidated statement of financial position. Consumer financing income and interest expense related to joint financing without recourse are also presented on a net basis in the consolidated statement of profit or loss and other comprehensive income.

For joint financing without recourse, the Subsidiary has the right to set higher interest rates to customers than those as stated in the joint financing agreements with joint financing providers. The difference is recognised as revenue and disclosed as "Consumer financing income".

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Net investment finance leases

Net investment finance leases are classified at amortised cost. Refer to Note 2c to the accounting policy for at amortised cost.

The lessee has the option to purchase the leased asset at the end of the lease period at a price mutually agreed upon at the commencement of the agreement.

Early termination is treated as a cancellation of an existing contracts and the resulting gain or loss is recognised in the current year consolidated statement of profit or loss and other comprehensive income.

r. Fixed assets, leased assets and liabilities, and intangible assets

i. Fixed assets and software

On 1 April 2016, the Group changed their accounting policy relating to land from cost model into revaluation model. Subsequently, land is stated at fair value.

Appraisal of the land is carried out by a certified external independent appraiser. Assessment of these assets are conducted regularly to ensure that the fair value of the revaluated asset is not materially different from its carrying value.

If the fair value of the revalued asset change significantly, it is necessary to revalue on an annual basis, whereas if the fair value of the revalued asset does not change significantly, it is necessary to revalue at a minimum every 3 years.

The increase in the carrying value arising from the revaluation of land is recorded as "Difference arising from the revaluation of fixed assets" and is presented as "Other comprehensive income". Any impairment arising from the revaluation is recorded as expense of the current year. If the asset had a balance of "Difference arising from the revaluation of fixed assets" that is presented as "Other Comprehensive Income", then the impairment difference recorded is charged against "Difference arising from the revaluation of fixed assets" and the rest is recognised as expense of the current year.

Group conducted revaluation in year 2019, for accounting and tax purposes where the Group obtained approval from the tax authorities. The amount of taxes paid is recognised in other comprehensive income and accumulated in equity offset with the difference arising from the revaluation of fixed assets.

Fixed assets except for land is stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs that do not have future economic benefit are recognised in the consolidated statement of profit or loss and other comprehensive incomes as incurred. Software is recognised as intangible assets.

Depreciation and amortisation is calculated using the straight-line method over the estimated useful lives of fixed assets and intangible assets. The estimated useful lives and percentage of depreciation and amortization per annum are as follows:

	<u>Years</u>	<u>Percentage</u>
Buildings	20	5%
Furniture and fixtures, office equipment, computer and vehicles	4-5	20% - 25%
Software	5	20%

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Fixed assets, leased assets and liabilities, and intangible assets (continued)

i. Fixed assets and software (continued)

Fixed assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit or loss and other comprehensive income in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial year end.

Construction in progress is stated at cost and presented as part of fixed assets. Accumulated costs are reclassified to the appropriate fixed assets account when the assets are substantially complete and ready for their intended use.

In accordance with SFAS No. 16 (Revised 2011) regarding "Fixed Assets" and ISAK No. 25 regarding "Land Rights". The cost of land rights in the form of right to cultivate, right to build and use rights are recognised as fixed assets. The acquisition cost is the cost that are directly attributable to obtain land rights, including the cost of legal rights to the land when the land was first acquired.

Land rights in the form of right to cultivate, right to build and use rights are not amortised, unless there is evidence to indicate that the extension or renewal of land rights is likely to or definitely not obtained.

SFAS No. 48 (Revised 2014) regarding "Impairment of Assets" states that the carrying amounts of fixed assets are reviewed at each consolidated statement of financial position date to assess whether they are recorded in excess of their recoverable amounts. If the carrying value exceeds this estimated recoverable amount, assets are written down to their recoverable amount.

ii. Leased assets and liabilities

The Group implement SFAS 73 "Leased" since 1 January 2020

SFAS 73 implements new requirements or amendments in connection with lease accounting. This standard introduces significant changes to the lessee's accounting by eliminating the difference between operating and financing leases, and requires the recognition of use rights assets and the recognition of lease liabilities at inception for all leases, except for short-term leases and low-value asset leases. In contrast to lessee accounting, the requirements for lessor accounting are largely unchanged. The impact of the adoption of SFAS 73 on the Consolidated Financial Statements is described below.

a) The effect of the new definition of lease

The main change from the definition of a lease has to do with the concept of control. SFAS 73 determines whether a contract is, or contains a lease on the basis that the lessee has the right to control the use of the asset for a specified period of time in exchange for consideration. This is the difference in determining whether a contract is, or contains a lease based on SFAS 30, with the concept of risk and benefit.

The Group applies the definition of leases and related guidance applied in SFAS 73 to all contracts recorded or amended on 1 January 2020.

The Group uses a single discount rate for lease portfolios with similar characteristics.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Fixed assets, leased assets and liabilities, and intangible assets (continued)

ii. Leased assets and liabilities (continued)

b) The impact on the lessee's accounting

The Group applies a single recognition and measurement approach to all leases, except for short-term leases and low-value asset leases. The Group recognizes a lease obligation to make lease payments and use rights assets that represent the right to use the underlying asset.

The Group recognizes the use rights assets at the inception date of the lease. Use rights assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease obligations. Lease liabilities are the amount of lease payments accrued until the end of the lease term, discounted using the incremental loan interest rate. The cost of lease assets includes the amount of lease liability recognized, initial direct costs paid, recovery costs and lease payments made on or before the start date of the lease less lease incentives received. Use rights assets are depreciated using the straight-line method over the shorter period between the lease term and the estimated useful life of the asset, as follows:

- Building : 20 years
- Office machines : 5 years
- Computer hardware : 5 years
- Computer software : 5 years
- Office inventory : 5 years
- Inventory of official houses and mess : 5 years
- Motor vehicle : 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the lease payments reflect the exercise of the purchase option, depreciation is calculated using the estimated useful lives of the asset. Use rights assets are tested for impairment in accordance with SFAS 48 Impairment of Assets Value.

At the inception date of the lease, the Group recognizes lease liabilities at the present value of future lease payments to be made over the lease term. Lease payments include fixed payments (including substantially fixed payments) less lease incentive receivables, variable lease payments that are index or interest rate dependent, and the amount expected to be paid in a residual value guarantee. Lease payments also include the reasonable exercise price for the purchase option if it is determined to be made by the Group and the payment of a penalty to terminate the lease, if the lease term reflects the Group exercising the lease termination option. Variable lease payments that are not dependent on an index or interest rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental loan interest rate of the lessee at the inception date of the lease because the interest rate implicit in the lease cannot be determined. After the inception date of the lease, the amount of the lease liability is increased to reflect the increase in interest and less lease payments made. In addition, the carrying amount of the lease liability is remeasured if there are modifications, changes in the term of the lease, changes in lease payments, or changes in the valuation of the option to purchase the underlying asset.

Short-term leases with a duration of less than 12 months and leases of low value assets, as well as elements of such leases, partially or wholly do not apply the recognition principles prescribed by SFAS 73 will be treated the same as operating leases in SFAS 30. The Group will recognize the payment lease on a straight-line basis over the lease term in the consolidated statement of profit or loss and other comprehensive income. This expense is shown under general and administrative expenses in the income statement.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Fixed assets, leased assets and liabilities, and intangible assets (continued)

ii. Leased assets and liabilities (continued)

The implementation of SFAS 73 listing applies to all leases (except as stated earlier), as follows:

- a. Present right of use assets as part of property, plant and equipment and leased liabilities are presented as part of other liabilities in the consolidated statement of financial position, measured at the present value of future lease payments;
- b. Record the depreciation of right of use assets and the interest of lease liability in the consolidated statement of profit or loss and comprehensive income; and
- c. Separating the total payment into principal (presented in financing activities) and interest (presented in operating activities) in the consolidated statement of cash flows.

iii. Intangible assets

Intangible assets are recognised if, and only if its cost can be measured reliably and it is probable that expected future benefits that are attributable to it will flow to the Bank and Subsidiaries. Intangible assets consist of goodwill and computer software that are purchased by the Bank and Subsidiaries.

Software purchased by the Bank and subsidiaries is recorded at cost less accumulated amortization and accumulated impairment losses. Amortization method, estimated useful life and residual value are reviewed at end of reporting period and adjusted if necessary.

Refer to Note 2s for the accounting treatment of goodwill.

s. Investments in shares

Temporary investment is written-off from the consolidated statement of financial position if it is more than 5 years in accordance to the Financial Services Authority Regulation (POJK) No. 40/POJK.03/2019 concerning Quality Assessment of Commercial Banks.

Investments in shares under 20.00% and with no significant control are financial assets classified as fair value through other comprehensive income. Refer to Note 2c for the accounting policy for fair value through other comprehensive income

Investments in shares represent long-term investments in non-public-listed companies and temporary investments in debtor companies arising from conversion of loans to equity.

Goodwill is recognised when there is a difference between the acquisition cost and the Bank's portion of the fair value of identified assets and liabilities at the acquisition date. Goodwill is presented as other assets. The Bank conducts an assessment of goodwill impairment regularly.

t. Allowance for possible losses on non-earning assets

Non-earning assets of Bank Mandiri and the Subsidiaries consist of repossessed assets, abandoned properties, inter-office accounts and suspense accounts.

The Bank provides an allowance for impairment of repossessed assets and abandoned property equivalent to the difference between the carrying amount of the asset and the fair value less costs to sell. As for the inter-office account and suspense account, the allowance is equivalent to difference between the carrying value and the recovery value.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Acceptances receivables and payables

Acceptances receivables are classified as financial assets under loans and receivables category. Refer to Note 2c for the accounting policy of financial assets for financial assets at amortised cost.

Acceptance payables are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

v. Other assets

Other assets include accrued income for interest, provision and commissions, receivables, repossessed assets, abandoned properties, inter-office accounts and others.

Receivables consist of government bonds pledged by the Bank, mutual fund receivables from Subsidiaries and receivables from policy holders.

Repossessed assets represent assets acquired by Bank Mandiri and Subsidiaries, both from auction and non auction based on voluntary transfer by the debtor or based on debtor's approval to sell the collateral when the debtor could not fulfil their obligations to Bank Mandiri and Subsidiaries. Repossessed assets represent loan collateral that were taken over as part of loans settlement and presented in "Other Assets".

Abandoned properties represent Bank and Subsidiaries' fixed assets in the form of properties which were not used for Bank and Subsidiaries' business operational activity.

Repossessed assets and abandoned properties are presented at their net realizable values. Net realizable value is the fair value of the repossessed assets less estimated costs to sale the repossessed assets. Differences between the net realizable value and the proceeds from disposal of the repossessed assets are recognised as current year's gain or loss at the year of disposal.

Expenses for maintaining repossessed assets and abandoned properties are recognised in the current year's consolidated statement of profit or loss and other comprehensive income as incurred. Any permanent impairment loss that occurred will be charged to the current year's consolidated statement of profit or loss and other comprehensive income. Refer to Note 2t for changes in accounting policy to determine impairment losses on repossessed assets and abandoned properties.

w. Obligations due immediately

Obligations due immediately are recorded at the time the obligations occurred from customer or other banks. Obligations due immediately are classified as financial liabilities at amortised cost.

x. Deposits from customers

Deposits from customers are the funds placed by customers (excluding banks) with the Bank and Subsidiaries which operate in banking industry based on a fund deposit agreement. Included in this account are demand deposits, saving deposits, time deposits and other similar deposits.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Deposits from customers (continued)

Demand deposits represent deposits of customers that may be used as instruments of payment, and which may be withdrawn at any time by cheque, Automated Teller Machine card (ATM) or by overbooking through written transfer instruction (bilyet giro) or other orders of payment or transfers.

Saving deposits represent deposits of customers that may only be withdrawn over the counter and via ATMs or funds transfers by SMS Banking, Phone Banking and Internet Banking when certain agreed conditions are met, but which may not be withdrawn by cheque or other equivalent instruments.

Time deposits represent customers deposits that may only be withdrawn after a certain time based on the agreement between the depositor and the Bank. These are stated at amortised cost in the certificates between the Bank and the holders of time deposits.

Included in demand deposits are *wadiah* demand deposits and saving deposits. *Wadiah* demand deposits can be used as payment instruments and can be withdrawn any time using cheque and written transfer instruction (bilyet giro). *Wadiah* demand deposits and saving deposits earn bonus based on Subsidiary's policy. *Wadiah* saving and demand deposits are stated at the Subsidiary's liability amount.

Deposits from customers are classified as financial liabilities at amortised cost. Incremental costs directly attributable to acquisition of deposits from customers are included in the amount of deposits and amortised over the expected life of the deposits. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

y. Deposits from other banks

Deposits from other banks represent liabilities to local and overseas banks, in the form of demand deposits, saving deposits, interbank call money with original maturities of 90 days or less, time deposits and negotiable certificate of deposits. Deposits from other banks are recorded as liability to other banks.

Included in the deposits from other banks are sharia deposits in form of *wadiah* deposits, and Interbank Certificates *Mudharabah* Investment (Sertifikat Investasi *Mudharabah* Antarbank (SIMA)).

Deposits from other banks are classified as financial liabilities at amortised cost. Incremental costs directly attributable to acquisition of deposits from other banks are included in the amount of deposits and amortised over the expected life of the deposits. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

z. Insurance contract

Insurance contracts is a contract under which the insurer accepts significant insurance risk from the policyholders. Significant insurance risk is defined as the possibility of paying significantly more benefit to the policyholder upon the occurrence of insured event compared to the minimum benefit payable in a scenario where the insured event does not occur. Scenarios considered are those with commercial substance.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Insurance contract (continued)

The Subsidiaries issue insurance contracts that accepted significant insurance risk from the policyholders. The Subsidiary defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event of at least 10% more than the benefits payable if the insured event did not occur. When an insurance contract does not have significant insurance risk, it is classified as investment contracts.

The Subsidiaries issues insurance contracts for traditional insurance product and investment-linked insurance product. Both of these products have significant insurance risk.

The Subsidiaries's products are divided into the following main categories:

- Traditional non-participating life insurance, provide protection to cover the risk of death, accident, critical illness, and health of the insured. The basic sum assured will be paid upon the occurrence of the risks covered.
- Unit-linked, is the insurance product with single and regular premium payment which is linked to investment products, and provides a combined benefit of protection and investment.

Once a contract has been classified as an insurance contract, no reclassification is subsequently performed unless the terms of the agreement are later amended. All insurance products issued by the Subsidiary has significant insurance risk.

The Subsidiary unbundles the deposit component of unit-linked contract as required by SFAS No. 62 when both the following conditions are met:

- The Subsidiary can measure separately the "deposit" component (including any embedded surrender option, i.e. without taking into account the "insurance" component);
- The Subsidiary's accounting policies do not otherwise require to recognise all obligations and rights arising from the "deposit" component.

The Subsidiary does not separate the deposit component because only one of the above conditions is met.

Liability adequacy test

Liability adequacy testing is performed at reporting date for contract individually or group of products determined in accordance with the Subsidiary's method of acquiring, servicing and measuring the profitability of its insurance contracts.

For life insurance, the liabilities to policyholder in particular the liabilities for future claim is tested to determine whether they are sufficient to cover all related future cash out flow including all guaranteed benefit and guaranteed additional benefit, non-guaranteed participation benefit feature (if any), all expenses for policies issuance and maintenance, as well as reflecting the future cash inflow, i.e. future premium receipt. The liabilities are calculated based on discounted cash flow basis for all related cash flows i.e. both of cash outflows and cash inflows as mentioned above using a set of most recent best estimate assumptions set by the Subsidiary's appointed actuary, included discount rate assumptions, mortality/morbidity assumptions, lapsed assumptions, expense assumptions and inflation assumptions as well as margin for adverse deviation assumptions. Subsidiary operates in life insurance use Gross Premium Reserve with best estimate and margin for adverse deviation therefore liability adequacy test is not required.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Insurance contract (continued)

Reinsurance

The Subsidiaries reinsure a portion of its risk with reinsurance companies. The amount of premium paid or portion of premium from prospective reinsurance transactions is recognised over the reinsurance contract in proportion with the protection received.

Reinsurance assets include balances expected to be recovered from reinsurance companies for ceded liability for future policy benefits, ceded estimated claim liabilities and ceded unearned premiums. Recovery amount from reinsurers are estimated in a manner consistent with the liability associated with the reinsured policy.

Subsidiaries presents separately reinsurance asset of future policy benefit liabilities, unearned premium, and estimated claim liabilities.

If a reinsurance asset is impaired, the Subsidiaries deducted the carrying amount accordingly and recognises that impairment loss in the consolidated statement of profit or loss and other comprehensive income. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Subsidiary may not receive all amounts due to it under the terms of the contract, and the impact on the amounts that the Subsidiary will receive from the reinsurer can be reliably measured.

Liability for future policy benefits

The liabilities for future policy benefits represent the present value of estimated future policy benefits to be paid to policyholders or their heirs less present value of estimated future premiums to be received from the policyholders and recognised consistently with the recognition of premium income. The liabilities for future policy benefits are determined and computed based on certain formula by the Subsidiary's actuary.

The Subsidiaries calculate the liability for future policy benefits using Gross Premium Reserve method that reflect the present value of estimated payments throughout the guaranteed benefits including all the embedded options available, the estimated present value of all handling costs incurred and also considering the future premium receipt.

Increase/(decrease) in liabilities for future policy benefits is recognised in the current year's consolidated statement of profit or loss and other comprehensive income.

The liability to unit-linked policyholders is recognised at the time the funds received are converted into units, net of related expenses and will increase or decrease in accordance with effective net asset value.

Funds received from customers for non-sharia unit-linked products are reported as gross premium income in the consolidated statement of profit or loss and other comprehensive income. Liabilities to unit-linked policyholders are recognised in the consolidated statement of financial position computed based on unearned premium reserves using daily method from insurance cost of mortality risk plus reserves for the accumulated invested fund of unit-linked policyholders.

Any interest, gain or loss due to increases or decreases in market value of investments are recorded as income or expense, with a corresponding recognition of increase or decrease in liability to unit-linked policyholders in the statement of profit or loss and other comprehensive income and liability to unit-linked policyholders in the consolidated statement of financial position.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Insurance contract (continued)

Liability for future policy benefits (continued)

Funds received from customers for sharia unit-linked products is recognised as liabilities to unit-linked policyholders in the consolidated statement of financial position for the amount received net of the portion representing the Subsidiary fees in managing the unit-linked product income.

Unexpired Risk Reserve

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the insurance contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums). The liability is based on assumptions as to mortality, persistency, maintenance expense and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

aa. Debt securities issued

Debt securities issued by the Bank and its Subsidiaries, including bonds, subordinated notes, medium term notes and travelers' cheques, are initially measured at fair value plus directly attributable transaction costs. Subsequently, transactions costs are amortised using the effective interest rate up to the maturity of debt securities issued.

Debt securities issued are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

ab. Fund borrowings

Fund borrowings represent funds received from other banks, Bank Indonesia or other parties with the obligation of repayment in accordance with the requirements of the loan agreement.

Fund borrowings are initially measured at fair value minus directly attributable transaction costs. Fund borrowings are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

ac. Subordinated loans and marketable securities

Subordinated loans and marketable securities are initially measured at fair value minus directly attributable transaction costs. Subsequently, transactions costs are amortised using the effective interest rate up to the maturity of subordinated loans and marketable securities.

Subordinated loans and marketable securities are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ad. Income tax

Bank Mandiri and Subsidiaries apply SFAS No. 46 (Revised 2014) regarding "Income Tax" which requires Bank Mandiri and Subsidiaries to account for the current and future recovery (settlement) of the carrying amount of assets (liabilities) that are recognised in the consolidated statement of financial position; and transactions and other events of the current period.

The tax expense comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group's management periodically evaluates the implementation of prevailing tax regulations especially those that are subject to further interpretation on its implementation, including evaluation on tax assessment letters received from tax authorities. Where appropriate the Bank establishes provisions based on the amounts expected to be paid to the tax authorities.

Bank Mandiri and Subsidiaries applies the balance sheet liability method to determine income tax expense. Under the balance sheet liability method, deferred tax assets and liabilities are recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated statement of financial position at each reporting date. This method also requires the recognition of future tax benefits, to the extent that realisation of such benefits is probable.

Deferred tax assets are recognised only to the extent that is probable that future taxable income will be sufficient against which the temporary differences can be utilised.

Deferred tax is calculated using tax rates enacted or substantively applied to the period during which the asset is realised or the liability is settled. The changes to the carrying value of deferred tax assets and liabilities due to the changes of tax rates are charged in the current year, except for transactions which previously have been directly charged or credited to equity.

Amendments to taxation obligations are recorded when an assessment is received or, if appealed against, when the result of the appeal is determined. Management provides provision for future tax liability at the estimated amount that will be payable to the tax office if there is a probable tax exposure, based on management's assessment as of the date of consolidated statement of financial position. Assumptions and estimation used in the calculation of provision may involve element of uncertainty.

The estimated corporate income tax of Bank Mandiri and Subsidiaries is calculated for each company as a separate legal entity. Current tax assets and current tax liabilities for different legal entities cannot be set-off in the consolidated financial statements. Corporate tax payables and other tax payables of Bank Mandiri and Subsidiaries are presented as taxes payable in the consolidated statement of financial position.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ae. Temporary *syirkah* funds

Temporary *syirkah* funds represent investment received by a Subsidiary. The Subsidiary has the right to manage and invest funds in accordance with either the Subsidiary's policy or restriction set by the depositors with the agreed profit sharing.

Relationship between the Subsidiary and the owner of temporary *syirkah* funds are based on partnership *mudharabah muthlaqah*, *mudharabah muqayyadah* or *musyarakah*. The examples of temporary *syirkah* funds are investment funds received from *mudharabah muthlaqah*, *mudharabah muqayyadah* and other similar accounts.

- 1) *Mudharabah muthlaqah* represents *mudharabah* in which the fund owner (*shahibul maal*) entrusts to fund manager (*mudharib*/Subsidiary) in managing its investment.
- 2) *Mudharabah muqayyadah* represents *mudharabah* in which the fund owner sets restrictions against fund manager regarding, among others, the place, the means and/or the object of investment.

Temporary *syirkah* funds cannot be classified as liability because the Subsidiary does not have any liability to return the fund to the owners, except for losses due to the Subsidiary's management negligence or misrepresentation. On the other hand, temporary *syirkah* funds also cannot be classified as equity, because of the existence of maturity period and the depositors do not have the same rights as the shareholders, such as voting rights and the rights of realised gain from current asset and other non-investment accounts.

Temporary *syirkah* funds represent one of the consolidated statement of financial position accounts which is in accordance with sharia principle that provide right to the Subsidiary to manage fund, including to combine the funds with the other funds.

The owner of temporary *syirkah* funds receive parts of profit in accordance with the agreement and receive loss based on the proportion to the total funds. The profit distribution of temporary *syirkah* funds might be based on profit sharing or revenue sharing concept.

af. Interest and sharia income and expense

(i) Conventional

Interest income and expense for all interest-bearing financial instruments are recognised as "interest income" and "interest expense" in the consolidated statement of profit or loss and other comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of financial assets and liabilities and allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all commissions, provision and other fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

af. Interest and sharia income and expense (continued)

(i) Conventional (continued)

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised on the non-impaired portion of the impaired financial assets using the rate of interest used to discount the future cash flows for measuring the impairment loss.

(ii) Sharia income

Included in interest income and expense are sharia income and expense with sharia principle. The Subsidiary's income as a fund manager (*mudharib*) consists of income from *murabahah* and *istishna* transactions, income from *ijarah* (leasing), income from profit sharing of *mudharabah* and *musyarakah* financing and other main operating income.

Murabahah income through deferred payment or installment is recognised during the period of the contract based on effective rate of return method (annuity).

According to SFAS No. 102 (Revised 2019), *murabahah* income which includes deferred margin and administrative income are recognised as income using the effective rate of return method, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial assets and includes any fees or incremental costs that are directly attributable to the assets and are an integral part of the effective financing rate.

Income from *istishna* is recognised using the percentage of completion or full completion method.

Income from *ijarah* is recognised proportionally during the contract period.

Profit sharing for passive partner in *musyarakah* is recognised in the period when the right arise in accordance with the agreed sharing ratio.

Profit sharing income from *mudharabah* is recognised in the period when the right arise in accordance with agreed sharing ratio and the recognition based on projection of income is not allowed.

Any payment from non performing debtors recognised is recognised as the repayment cost or loan/financing. Excess payment over the cost or loan/financing recognised as income when cash received. Especially for *ijarah* transactions, any payment from non performing debtors recognised as the settlement.

Third parties' share on the return of temporary *syirkah* funds represent fund owners' share of the profit of Subsidiary derived from managing of such funds under *mudharabah mutlaqah*, *mudharabah muqayyadah* and *mudharabah musyarakah* principles. The profit sharing is determined on the earned income.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

af. Interest and sharia income and expense (continued)

(iii) Third parties' share on return of temporary *syirkah* funds

Distribution of profit sharing is based on profit sharing principle which is calculated from the Subsidiary's gross profit margin.

Total margin income and profit sharing on financing and other productive assets will be distributed to the fund owner and subsidiary, calculated proportionally according to the allocation of fund owner and subsidiary that were used in the financing and other productive assets.

Further, margin income and profit sharing on financing facilities and other earning assets are distributed to fund owners and depositor as *shahibul maal* and the Subsidiary as *mudharib* based on a predetermined profit sharing with *nisbah* portion. Margin income and profit sharing from financing facilities and other earning assets using the Subsidiary's funds, are entirely shared for the Subsidiary, including income from the Subsidiary's fee-based transactions.

ag. Premium income and claims expenses

Premium income received from short-term insurance contracts is recognised as revenue over the period of risk coverage in proportion to the amounts of insurance protection provided. Premiums from long-term contracts are recognised as revenue when the policy is due.

Premiums received before the due date of the respective policies are reported as policyholders' deposits in the consolidated statement of financial position.

Claims and benefits consist of settled claims, claims that are still in process of completion and estimates of claims incurred but not yet reported (IBNR). Claims and benefits are recognised as expenses when the liabilities to cover claims are incurred. Claim recoveries from reinsurance companies are recognised and recorded as deduction from claims expenses consistent in the same period with the claim expenses recognition.

Total claims in process, including claims incurred but not yet reported, are stated at estimated amounts determined based on the actuarial technical insurance calculations. Changes in estimated claims liabilities as a result of further evaluation and the difference between estimated claims and paid claims are recognised as addition to or deduction from expenses in the period the changes occurred.

ah. Fees and commissions income

Fees and commissions income and transaction costs that are directly attributable to lending, consumer financing activities and investment in lease financing, are recognised as a part/(deduction) of outstanding loan and consumer financing receivables and will be recognised as interest income by amortisation using effective interest rate method.

The directly attributable unamortised fees and commissions balances relating to loans, consumer financing receivables and investment in lease financing which is settled prior to maturity are recognised upon settlement date of such loans, consumer financing and investment in lease financing.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ah. Fees and commissions income (continued)

Other fees and commissions income which are not directly related to lending activities or a specific period are recognised as revenue on the transaction date.

ai. Employee benefits

Pension liability

Bank Mandiri established a defined contribution pension plan covering substantially all of its eligible employees from 1 August 1999 and also defined benefit pension plans, which were derived from each of the Merged Banks' pension plan. This program is funded through payment to pension fund's management as defined in the regular actuarial calculation.

Bank Mandiri and Subsidiaries' pension liability has been calculated by comparing the benefit that will be received by an employee at normal pension age from the Pension Plans with the benefit as stipulated under the Labor Law No. 13/2003 which has been updated using the Job Creation Act No. 11/2020 based on the Collective Labor Agreement which was renewed at the end of 2021 after deducting accumulated employee contributions and the results of its investments. If the pension benefit from the Pension Plans is less than the benefit as required by the Job Creation Act No. 11/2020, the Bank and Subsidiaries will have to pay such shortage.

The pension plan based on the Job Creation Act is a defined benefit plan because the labor law requires a certain formula to calculate the minimum pension benefit. A defined contribution plan is a pension plan that defines an amount of pension contribution based on pension Fund Regulation and all contribution including investment return are recorded in its account's member as pension benefit as stated in Pension Fund Law No. 11 year 1992 dated 20 April 1992 regarding Pension Fund.

The pension liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method on a regular basis for periods not exceeding one year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discounting rate zero coupon bond that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The accumulated unrecognised actuarial gains or losses incurred are recognised as "Other Comprehensive Income" and is presented in the equity section. Past service cost is directly charged to profit or loss.

The post-employment benefits expense recognised during the current year consists of service cost in profit or loss, net interest on the net defined benefit liability in profit and loss or re-measurement of the net defined benefit liabilities in other comprehensive income.

Net interest on the net defined benefit liabilities is the interest income component of plan assets, interest expense of defined benefit liabilities and interest on the effect of asset ceiling.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ai. Employee benefits (continued)

Pension liability (continued)

Remeasurements of the net defined benefit liability consists of:

- Actuarial gains and losses;
- Return on plan assets, excluding amount included in net interest on the net defined benefit liability; and
- Any change in effect of the asset ceiling, excluding amount including in net interest on the net defined benefit liability.

Actuarial gains and losses may arise from the adjustments made based on the experience and changes in actuarial assumption.

Other long-term employment benefit obligations

Other long-term employment benefit obligations consist of paid leave and service awards.

The entitlement of these benefits is provided to the employees until reaching the retirement age and the completion of a minimum service period. The costs estimation for these benefits are accrued over the period of employment calculated using similar methodology used for defined benefit pension plans but simplified. These obligations are calculated annually by independent qualified actuaries.

Tantien distribution

Bank Mandiri records tantien on an accrual basis and charges it to the consolidated statement of profit or loss and other comprehensive income during the year.

aj. Earnings per share

Earnings per share is calculated by dividing the consolidated net profit at end of year with the weighted average number of shares issued and fully paid-in during the year.

The weighted-average number of outstanding shares used in computing basic and diluted earnings per share as of 31 December 2021 is 46,631,266,666 shares and as of 31 December 2020 are 46,641,736,666 shares.

ak. Operating segment

An operating segment is a component of an entity:

- (a) that is involved in business activities to generate income and expenses (include income and expenses relating to the transactions with other components from the same entity);
- (b) whose operating results are reviewed regularly by chief decision maker for decision making on allocation of resources and performance evaluation on works; and
- (c) for which separate financial information is available.

In accordance with SFAS No. 5 regarding "Operating Segment", the Group presents operating segment based on internal reports that are presented to the decision-maker operational activities. The decision maker is the Board of Directors.

Segment Information as of 31 December 2021 onwards presented in accordance with the Board of Directors Decree No. KEP.DIR/014/2020 dated 25 February 2020 on Organizational Structure, the operating segments are divided into the following business segments: Corporate Banking, Commercial Banking, Institutional, Retail Banking (including Wealth), Treasury & International Banking, Head Office, Sharia Subsidiary; Subsidiary - Insurance and Other Subsidiaries.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ak. Operating segment (continued)

A geographical segment represents a component of the Bank and its Subsidiaries that provides services in different economic environment and has a different risk and reward compared to others operating in different economic environment. Geographical segments are divided into Indonesia, Asia (Singapore, Malaysia, Hong Kong, Timor Leste and Shanghai), Western Europe (England) and Cayman Islands.

al. Social and Environmental Responsibility

Based on PER05/MBU/04/2021, the term PKBL (Partnership and Community Development Program) no longer used and chaged to TJSL (Social & Environmental Responsibility). Fund allocation for partnership program and community development program are no longer allocated from retained earning approved by General Shareholders Meeting instead, it is accrued and charged directly to the current year consolidated statement of profit or loss and other comprehensive income.

am. Treasury shares

Treasury shares are share capital that is acquired and owned back from previously issued by the Bank. Treasury shares are stated at the amount paid, including directly attributable additional costs (less income tax) and as a deduction from equity until the shares are canceled or reissued. When the shares are subsequently sold back, the amount received, less the related transaction surcharge and the related income tax effect, is presented in equity.

an. Business combination of common control entities

The transaction of business combination between subsidiary, PT Bank Syariah Mandiri, with PT Bank BRIsyariah Tbk's and PT Bank BNI Syariah (BNIS) is a business combination between entities under common control. Business combination transaction between entities under common control, in the form of business transfer including transfer of the related assets and liabilities in relation to the restructuring of entities under the same group, do not constitute a change of ownership in terms of economics susbtance. Therefore, the transaction is recognised at carrying value based on the pooling of the interest method. The difference between the total consideration received and the carrying amount of investment is recorded under equity and presented as a component of additional paid in capital.

In the stand-alone financial information of the parent entity, the Bank records its investment value in the new entity at cost using the predecessor value, where the investment is recorded at book value.

3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Several estimates and assumptions are required in the preparation of the consolidated financial statements in which management judgment is required in determining the methodology in the valuation of assets and liabilities.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with Statement of Financial Accounting Standard are the best estimates undertaken in accordance with the applicable standards. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

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3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Although these estimates and assumptions are based on management's best knowledge of current events and activities, actual results may differ from those estimates and assumptions.

Key sources of estimation uncertainty

a. Allowances for impairment losses of financial assets

Evaluation of impairment losses on financial assets carried at amortised cost and debt securities classified as available for sale are described in Note 2c.

Allowance for impairment losses related to a specific counterparty as part of the entire allowance for impairment losses are established for receivables that are individually evaluated for impairment based on management's best estimate of the present value of cash flows expected to be received. In calculating the allowance for impairment losses, management considers of the financial condition of the counterparty and the net realizable value of the collateral received. Each impaired asset is evaluated, and its settlement strategy and estimation of cash flows considered recoverable are independently approved by the Credit Risk Management Unit.

Collectively assessed impairment allowances cover credit losses inherent in portfolios with similar economic characteristics when there is objective evidence to suggest the impairments are exist within the portfolio, but the individual impaired items cannot yet be identified. In determining the need to establish allowance for collective impairment, management considers factors such as credit quality, size of portfolio, credit concentrations, and economic factors. In estimating the required allowance, the assumptions made to determine default and loss model and to determine the required input parameters which are based on historical experience and current economic conditions. The accuracy of this allowance depends on how precise the estimated future cash flows to determine the individual allowance and the model assumptions and parameters used in determining collective allowance.

b. Determining fair values of financial instruments

In determining the fair value for financial assets and financial liabilities for which there is no observable market price, the Group uses the valuation techniques as described in Note 2c for financial instruments that are traded infrequently and limited quailable price, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks.

c. Pension programs

Pension programs are determined based on actuarial valuation. The actuarial valuation use assumptions such as discount rate, expected rate of return on investments, future salary increases, mortality rate, resignation rate and others (refer to Note 2ai and 52). Any changes in those assumptions will impact the liability balance of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year, which is zero coupon bond that should be used to determine the present value of estimated future cash outflows expected to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds denominated in similar currency with payments that will be made and have terms to maturity approximating the terms of the related employee benefit liability. Other key assumptions for pension obligations are determined based in part on current market conditions.

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3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key sources of estimation uncertainty (continued)

d. Insurance liabilities on insurance contracts

Technical reserves of Subsidiaries which recorded in the consolidated statement of financial position as part of "Other liabilities" are calculated based on actuarial calculation using certain actuarial assumptions which are the best estimate assumption and margin for any adverse deviations. Included in the technical reserves are liability for future policy benefits, estimated claim liabilities, unearned premium income, and liability to policyholders.

e. Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, as long as it is likely that taxable income will be available so that the temporary differences can be utilised. Significant estimates by management are required in determining the amount of deferred tax assets that can be recognised, based on utilisation and the level of taxable income and future tax planning strategies. The Bank does not take into account some of the benefits of deferred tax assets as management believes that deferred tax assets will not be recoverable in the future.

f. Depreciation and estimated useful life of fixed assets

Cost of acquisition of fixed assets are depreciated using the straight-line method based on their estimated economic useful life. Bank's management estimates the useful lives of the assets between 4 (four) to 20 (twenty) years.

Changes in the level of usage and technological developments could affect the economic useful lives and residual value of assets, and therefore future depreciation charges may be revised.

The carrying value of the Bank's fixed assets is disclosed in Note 18.

g. Impairment of non-financial assets

Bank Mandiri and its subsidiaries assess impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying value of non-financial assets cannot be recovered. Important factors that could cause impairment of non-financial assets are as follows:

- a) Performance is not achieved significantly against expectations of historical or projected operating results in the future;
- b) A significant change in the way the use of the asset or the overall business strategy; and
- c) Industry or economic trends are significantly negative.

The Management of the Bank and its Subsidiaries recognize an impairment loss if the carrying amount of the asset exceeds its recoverable amount. Recoverable amount is the higher value between the fair value minus costs of disposal and the value in use of the asset (or cash-generating unit). Recoverable amount is estimated for individual assets or, if not possible, for the cash-generating unit in which the asset forming part of the unit.

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3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key sources of estimation uncertainty (continued)

h. Revaluations of land

The Group engaged independent valuation specialists to assess fair value of revalued land. Lands were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as location and condition of land.

i. Determine the contract term with options for extension and termination of the contract - the Group as lessee

The Group determines the lease term as the term of the lease that cannot be canceled, together with the period covered by the option to extend the lease if it is determined to be exercised, or any period covered by the option to terminate the lease, if it is reasonably reasonable not to do so.

The Group has several lease contracts that include options for extension and termination of the lease terms. The Group applies its judgment in evaluating whether it is certain to exercise the option to extend or terminate the lease. This is done by considering all relevant facts and circumstances that provide economic incentives to extend or terminate the lease. After the commencement date, the Group reassesses the lease term, if there is a significant event or change in circumstances which is under its control and affects whether the lessee is certain enough to exercise the option to extend or terminate the lease.

Significant accounting judgements

Accounting judgements that are important in applying accounting policies of the Bank and its Subsidiaries include:

a. Going concern

The Management of the Bank and its Subsidiaries has assessed the ability of the Bank and its Subsidiaries to continue its business and believes that the Bank and Subsidiaries have the resources to continue their business in the future. In addition, management is not aware of any material uncertainties that may cause significant doubt on the ability of the Bank and Subsidiaries to maintain its viability. Therefore, the consolidated financial statements have been prepared on the basis of a going concern.

b. Classification of financial assets and liabilities

The Management of the Bank and its Subsidiaries determine the classification of certain assets and liabilities as financial assets and financial liabilities by considering whether the definitions set under SFAS No. 71 have been fulfilled since 1 January 2020. Accordingly, financial assets and financial liabilities are recognised in accordance with the accounting policy of the Bank and its Subsidiaries as disclosed in Note 2.c.E.

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4. CURRENT ACCOUNTS WITH BANK INDONESIA

	2021	2020
Rupiah	90,441,613	45,052,632
United States Dollar (Note 63B.(iv))	8,581,879	7,186,047
	99,023,492	52,238,679

As of 31 December 2021 and 2020, the Bank's Minimum Statutory Reserve (GWM) in Rupiah and Foreign Currencies and Macroprudential Liquidity Buffer (PLM) are as follows:

	2021	2020
Rupiah		
Primary Minimum Statutory Reserve ^{*)}	3.50%	3.00%
(i) Daily Minimum Statutory Reserve	0.50%	0.00%
(ii) Average Minimum Statutory Reserve	3.00%	3.00%
Macroprudential Liquidity Buffer	6.00%	6.00%
Foreign currencies		
Primary Minimum Statutory Reserve	4.00%	4.00%
(i) Daily Minimum Statutory Reserve	2.00%	2.00%
(ii) Average Minimum Statutory Reserve	2.00%	2.00%

^{*)} Bank provide funds for economic activities in the form of export, import, small medium enterprise (UMKM), and/or economic activities in other priority sectors determined by Bank Indonesia, so that the Bank gets incentives in the form of allowance for reserve requirements as at 31 December 2020. Minimum Statutory Reserves in Rupiah that must be met by the Bank on 31 December 2020 which previously had to be met by the Bank was 3.50% with a daily requirement of 0.50% and an average of 3.00% to be 3.00% with a daily requirement of 0.00% and Average GWM 3.00%.

As of 31 December 2021 and 2020, the Bank has fulfilled the ratio as mentioned above. The Statutory Reserves Ratio for Rupiah and foreign currencies accounts and Macroprudential Liquidity Buffer Ratio (Bank Mandiri only), are as follows:

	2021	2020
Rupiah		
Primary Minimum Statutory Reserve	3.97%	3.50%
(i) Daily Minimum Statutory Reserve ^{*)}	0.50%	0.00%
(ii) Average Minimum Statutory Reserve	3.47%	3.50%
Macroprudential Liquidity Buffer	27.57%	23.50%
Foreign currencies		
Primary Minimum Statutory Reserve	4.10%	4.10%
(i) Daily Minimum Statutory Reserve ^{**)}	2.00%	2.00%
(ii) Average Minimum Statutory Reserve	2.10%	2.10%

^{*)} Realization of daily rupiah reserve requirement as of 31 December 2021 and 2020 were 6.88% and 5.27%.

^{**)} Realization of daily foreign currencies requirement as of 31 December 2021 and 2020 were 4.10% and 4.10%.

As of 31 December 2021 and 31 December 2020, the Bank is obliged to fulfill the Current Account RIM of 1.17% and Nil, respectively.

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5. CURRENT ACCOUNTS WITH OTHER BANKS

a. By currency, related parties and third parties:

	<u>2021</u>	<u>2020</u>
Rupiah		
Related parties (Note 57)	192,850	798,994
Third parties	533,934	1,143,251
Total	<u>726,784</u>	<u>1,942,245</u>
Foreign currencies		
Related parties (Note 57)	63,458	1,080,761
Third parties	24,651,419	23,476,066
Total (Note 63B.(iv))	<u>24,714,877</u>	<u>24,556,827</u>
Total	<u>25,441,661</u>	<u>26,499,072</u>
Less: allowance for impairment losses	(24,043)	(77,112)
Net	<u>25,417,618</u>	<u>26,421,960</u>

Included in foreign currencies are mainly Great Britain Poundsterling, United States Dollar, European Euro, Japanese Yen, Australian Dollar, Hong Kong Dollar, Chinese Yuan and Singapore Dollar.

Movements on current account with other bank classified as amortised cost for the year ended 31 December 2021 and 2020:

	31 December 2021				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Sharia¹⁾</u>	<u>Total</u>
Beginning balance	18,163,987	-	3,079	8,332,006	26,499,072
Remeasurement of net carrying amount	5,592,845	-	-	(7,105,065)	(1,512,220)
New financial assets originated or purchased	458,160	-	-	146,701	604,861
Financial assets derecognised	(245,307)	-	-	(3)	(245,310)
Total increase/(decrease) during the year	5,805,698	-	-	(6,958,367)	(1,152,669)
Written-off financial assets	-	-	(3,079)	-	(3,079)
Others	83,449	-	-	14,888	98,337
Ending balance	<u>24,053,134</u>	<u>-</u>	<u>-</u>	<u>1,388,527</u>	<u>25,441,661</u>

¹⁾ Not Implement SFAS 71 "Financial Instrument"

	31 December 2020				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Sharia¹⁾</u>	<u>Total</u>
Beginning balance	10,732,951	-	3,290	2,329,386	13,065,627
Remeasurement of net carrying amount	8,938,606	-	(522)	5,460,175	14,398,259
New financial assets originated or purchased	3,216,156	-	-	521,361	3,737,517
Financial assets derecognised	(4,783,964)	-	-	(402)	(4,784,366)
Total increase/(decrease) during the year	7,370,798	-	(522)	5,981,134	13,351,410
Others	60,238	-	311	21,486	82,035
Ending balance	<u>18,163,987</u>	<u>-</u>	<u>3,079</u>	<u>8,332,006</u>	<u>26,499,072</u>

¹⁾ Not Implement SFAS 71 "Financial Instrument"

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b. By Bank Indonesia's collectibility:

	2021	2020
Rupiah		
Current	726,784	1,942,245
Foreign currencies		
Current	24,714,877	24,553,748
Loss	-	3,079
Total (Note 63B.(iv))	24,714,877	24,556,827
	25,441,661	26,499,072
Less: allowance for impairment losses	(24,043)	(77,112)
Net	25,417,618	26,421,960

c. The average interest rate (yield) per annum:

	2021	2020
Rupiah	0.01%	0.01%
Foreign currencies	0.16%	0.50%

d. Movements of allowance for impairment losses on current accounts with other banks are as follows:

	2021	2020
Beginning balance	77,112	7,698
Initial Implementation of SFAS 71 (Note 68)	-	4,865
(Reversal)/allowance during the year (Note 46)	(51,094)	63,990
Write-off ^{*)}	(3,079)	-
Others ^{*)}	1,104	559
Ending balance	24,043	77,112

^{*)} Included effect of foreign currency translation.

^{**)} On 29 April 2021, write-off has carried out for debtors from financial institutions (in liquidation) - refer to Note 6.

	31 December 2021				
	Stage 1	Stage 2	Stage 3	Sharia ^{*)}	Total
Beginning balance	5,640	-	3,079	68,393	77,112
Net remeasurement of losses allowance	1,078	-	-	(52,029)	(50,951)
New financial assets originated or purchased	2,985	-	-	-	2,985
Financial assets derecognised	(3,128)	-	-	-	(3,128)
Total (reversal)/allowance during the year	935	-	-	(52,029)	(51,094)
Written-off financial assets	-	-	(3,079)	-	(3,079)
Others	231	-	-	873	1,104
Ending balance	6,806	-	-	17,237	24,043

^{*)} Not implement SFAS 71 "Financial Instrument"

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

- d. Movements of allowance for impairment losses on current accounts with other banks are as follows (continued):

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	-	-	3,290	4,408	7,698
Impact of initial implementation of SFAS 71 (Note 68)	4,865	-	-	-	4,865
Beginning balance SFAS 71	4,865	-	3,290	4,408	12,563
Net remeasurement of losses allowance	2,099	-	(522)	64,017	65,594
New financial assets originated or purchased	1,174	-	-	-	1,174
Financial assets derecognised	(2,778)	-	-	-	(2,778)
Total allowance/(reversal) during the year	495	-	(522)	64,017	63,990
Others	280	-	311	(32)	559
Ending balance	5,640	-	3,079	68,393	77,112

¹⁾ Not implement SFAS 71 "Financial Instrument"

Management believes that the allowance for impairment losses on current accounts with other banks is adequate.

- e. Information in respect of classification of "non-impaired" and "impaired" are disclosed in Note 63A.

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

- a. By type, currency, maturity and Bank Indonesia's collectibility:

	31 December 2021			
	Maturity	Current	Loss	Total
Rupiah				
Bank Indonesia	< 1 month	9,200,000	-	9,200,000
Call money	< 1 month	1,365,000	-	1,365,000
Time Deposits	< 1 month	682,420	-	682,420
	≥ 1 month ≤ 3 months	306,330	-	306,330
	> 3 months ≤ 6 months	3,500	-	3,500
	> 6 months ≤ 12 months	34,500	-	34,500
Total		11,591,750	-	11,591,750
Foreign currencies				
Bank Indonesia	< 1 month	18,528,250	-	18,528,250
	≥ 1 month ≤ 3 months	11,544,525	-	11,544,525
Call money	< 1 month	3,278,076	-	3,278,076
Fixed Term Placement	< 1 month	1,813,514	-	1,813,514
	≥ 1 months ≤ 3 months	78,250	-	78,250
	> 3 months ≤ 6 months	513,376	-	513,376
	> 12 months ≤ 36 months	547	-	547
	> 36 months	450	-	450
Time Deposits	< 1 month	327,871	-	327,871
	≥ 1 months ≤ 3 months	35,962	-	35,962
	≥ 3 month ≤ 6 months	72,620	-	72,620
Total (Note 63B.(iv))		36,193,441	-	36,193,441
Less: allowance for impairment losses				47,785,191 (1,675)
Net				47,783,516

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By type, currency, maturity and Bank Indonesia's collectability (continued):

31 December 2020				
	Maturity	Current	Loss	Total
Rupiah				
Bank Indonesia	< 1 month	37,167,489	-	37,167,489
Call money	< 1 month	1,780,000	-	1,780,000
Time Deposits	< 1 month	948,299	-	948,299
	≥ 1 month ≤ 3 months	321,800	-	321,800
	> 3 months ≤ 6 months	18,000	-	18,000
	> 6 months ≤ 12 months	20,000	-	20,000
Total		40,255,588	-	40,255,588
Foreign currencies				
Bank Indonesia	< 1 month	30,348,000	-	30,348,000
	≥ 1 month ≤ 3 months	140,500	-	140,500
Call money	< 1 month	8,322,517	-	8,322,517
	> 36 months	-	43,573	43,573
Fixed Term Placement	< 1 month	2,737,010	-	2,737,010
	> 3 months ≤ 6 months	205,863	-	205,863
	> 36 months	-	1,004	1,004
Time Deposits	< 1 month	281,000	-	281,000
	≥ 1 month ≤ 3 months	35,350	-	35,350
	> 3 months ≤ 6 months	71,230	-	71,230
	> 12 months ≤ 36 months	146	-	146
	> 36 months	838	-	838
Total (Note 63B.(iv))		42,142,454	44,577	42,187,031
Less: allowance for impairment losses				82,442,619 (46,772)
Net				82,395,847

Movements on Placement with Bank Indonesia and Other Banks classified as amortised cost for 31 December 2021 and 2020:

31 December 2021				
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	82,398,042	-	44,577	82,442,619
Remeasurement of net carrying amount	(1,951,083)	-	-	(1,951,083)
Financial assets derecognised	313,352,337	-	-	313,352,337
New financial assets originated or purchased	(346,231,301)	-	-	(346,231,301)
Total (decrease)/increase during the year	(34,830,047)	-	-	(34,830,047)
Written-off financial assets	-	-	(44,577)	(44,577)
Others	217,196	-	-	217,196
Ending balance	47,785,191	-	-	47,785,191

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By type, currency, maturity and Bank Indonesia's collectability (continued):

Movements on Placement with Bank Indonesia and Other Banks classified as amortised cost for 31 December 2021 and 2020 (continued):

	31 December 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	44,445,999	-	47,675	44,493,674
Remeasurement of net carrying amount	2,137,932	-	(7,605)	2,130,327
Financial assets derecognised	(335,642,316)	-	-	(335,642,316)
New financial assets originated or purchased	370,555,672	-	-	370,555,672
Total increase/(decrease) during the year	37,051,288	-	(7,605)	37,043,683
Others	900,755	-	4,507	905,262
Ending balance	82,398,042	-	44,577	82,442,619

b. By related parties and third parties:

	2021	2020
Rupiah		
Related parties (Note 57)	563,630	1,062,799
Third parties	11,028,120	39,192,789
Total	11,591,750	40,255,588
Foreign currencies		
Related parties (Note 57)	1,817,524	2,069,790
Third Parties	34,375,917	40,117,241
Total (Notes 63B.(iv))	36,193,441	42,187,031
	47,785,191	82,442,619
Less: allowance for impairment losses	(1,675)	(46,772)
Net	47,783,516	82,395,847

c. By counterparty:

	2021	2020
Rupiah		
Deposit Facility		
Bank Indonesia	9,200,000	37,167,489
Call Money		
The Bank of Tokyo-Mitsubishi UFJ, Ltd	300,000	-
PT Bank Pembangunan Daerah Jawa Timur	210,000	400,000
PT Bank Pembangunan Daerah Aceh Syariah	200,000	150,000
PT Bank Pembangunan Daerah Bali Denpasar	100,000	150,000
PT Bank Pembangunan Daerah Sumatera Selatan	100,000	120,000
Others	455,000	960,000
	1,365,000	1,780,000

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

c. By counterparty (continued):

	2021	2020
Time Deposits		
PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat	255,600	35,000
PT Bank Tabungan Negara (Persero) Tbk	237,900	405,500
PT BRI Agroniaga	193,700	230,800
PT Bank Rakyat Indonesia (Persero) Tbk	112,530	78,000
Others	227,020	558,799
	<u>1,026,750</u>	<u>1,308,099</u>
Total	<u>11,591,750</u>	<u>40,255,588</u>
Foreign currencies		
United State Dollar		
Term Deposit Valas Bank Indonesia	30,072,775	30,488,500
Call Money		
Bank of New York	1,426,675	602,043
Wells Fargo	1,623,360	4,111,030
The Hongkong and Shanghai Bank Corporation USA	156,778	327,365
Others	71,263	3,282,080
	<u>3,278,076</u>	<u>8,322,518</u>
Fixed Term		
PT Bank Negara Indonesia (Persero) Tbk	1,068,938	764,320
PT Bank Rakyat Indonesia (Persero) Tbk	427,575	848,620
Wells Fargo	249,419	139,798
Others	112,455	985,257
	<u>1,858,387</u>	<u>2,737,995</u>
Time Deposits		
PT Bank Rakyat Indonesia (Persero) Tbk	321,012	316,350
PT Bank Net Syariah	115,441	71,230
	<u>436,453</u>	<u>387,580</u>
	<u>35,645,691</u>	<u>41,936,593</u>

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

c. By counterparty (continued):

	2021	2020
Foreign currencies (continued)		
Chinese Yuan		
Fixed Term		
Bank of China	257,108	205,862
Standard Chartered Bank	290,642	-
	<u>547,750</u>	<u>205,862</u>
Others		
Call Money	-	43,572
Fixed Term	-	1,004
	<u>-</u>	<u>44,576</u>
Total	<u>36,193,441</u>	<u>42,187,031</u>
Total counterparty placements	47,785,191	82,442,619
Less: allowance for impairment losses	(1,675)	(46,772)
Net	<u>47,783,516</u>	<u>82,395,847</u>

d. Average interest rate (yield) per annum:

	2021	2020
Rupiah	1.10%	2.09%
Foreign currencies	0.07%	0.29%

e. Movements of allowance for impairment losses on placements with other banks:

	2021	2020
Beginning balance	46,772	47,675
Initial Implementation of SFAS 71 (Note 68)	-	2,960
Reversal during the year (Note 46)	(825)	(8,952)
Written-off financial assets ^{*)}	(44,577)	-
Others ^{*)}	305	5,089
Ending balance	<u>1,675</u>	<u>46,772</u>

^{*)} Including effect of foreign currency translation.

^{**)} On 29 April 2021, write-off has carried out for debtors from financial institutions (in liquidation)

	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	2,195	-	44,577	46,772
Net remeasurement of losses allowance	42	-	-	42
New financial assets originated or purchased	44,745	-	-	44,745
Financial assets derecognised	(45,612)	-	-	(45,612)
	<u>(825)</u>	<u>-</u>	<u>-</u>	<u>(825)</u>
Total reversal during the year	-	-	(44,577)	(44,577)
Written-off financial assets	-	-	-	-
Others	305	-	-	305
Ending balance	<u>1,675</u>	<u>-</u>	<u>-</u>	<u>1,675</u>

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

e. Movements of allowance for impairment losses on placements with other banks (continued):

	31 December 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	-	-	47,675	47,675
Impact of initial implementation of SFAS 71 (Note 68)	2,960	-	-	2,960
Beginning balance SFAS 71	2,960	-	47,675	50,635
Net remeasurement of losses allowance	(44)	-	(7,605)	(7,649)
New financial assets originated or purchased	97	-	-	97
Financial assets derecognised	(1,400)	-	-	(1,400)
Total reversal during the year	(1,347)	-	(7,605)	(8,952)
Others	582	-	4,507	5,089
Ending balance	2,195	-	44,577	46,772

Management believes that the allowance for impairment losses on placements with Bank Indonesia and other banks is adequate.

- f. Information in respect of classification of “non-impaired” and “impaired” is disclosed in Note 63A.
- g. Bank Mandiri has a placement with a financial institution (in liquidation), which has been classified as loss or “impaired”. Bank Mandiri’s claims that have been approved by the Trustee based on the creditors meeting on 5 November 2009 amounted to EUR16,395,092 (full amount) for the placement. On 10 March 2010, 24 November 2010, 6 September 2012, 23 January 2014 and 11 September 2020 the Trustee has paid a portion of the claims (interim distribution) to Bank Mandiri, after a net-off with the balance of demand deposit, interbank call money and L/C UPAS payable of the Subsidiary to the financial institution, the balance of Bank Mandiri’s placement with the financial institution (in liquidation) as of 31 December 2020 were EUR2,586,472 (full amount). For these placements with financial institutions (under liquidation), Bank Mandiri has provided an allowance for impairment losses of 100% of the outstanding balance. On 29 April 2021, Bank Mandiri has written off (other than write-off of billing right) on placements with financial institutions (under liquidation) so that in the financial statements as of 31 December 2021, it has been recorded as an extracomptable account in the administrative account.
- h. As of 31 December 2021 and 2020, placements with a balance of USD70,000 (full amount) were pledged for fund borrowings from other banks (Note 36e).

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7. MARKETABLE SECURITIES

a. By purpose, related parties and third parties:

	2021	2020
Marketable securities		
Related parties (Note 57):		
Fair value through profit or loss	5,914,237	1,245,587
Fair value through other comprehensive income	9,427,277	8,603,253
Amortised cost	5,289,107	5,600,700
At cost ^{*)}	1,198,895	2,520,435
	<u>21,829,516</u>	<u>17,969,975</u>
Third parties:		
Fair value through profit or loss	6,248,727	6,967,283
Fair value through other comprehensive income	11,892,357	10,096,774
Amortised cost	3,241,827	2,977,555
At cost ^{*)}	27,301,104	25,862,956
	<u>48,684,015</u>	<u>45,904,568</u>
Investments in unit-link contracts ^{**)}		
Related parties (Note 57):		
Fair value through profit or loss	8,723,309	9,116,532
Third parties:		
Fair value through profit or loss	18,598,435	17,242,604
	<u>27,321,744</u>	<u>26,359,136</u>
Total	<u>97,835,275</u>	<u>90,233,679</u>
Add/(Less):		
Unamortised discounts	1,444	(2,207)
Unrealised gain on increase in fair value of marketable securities	366,455	483,464
Allowance for impairment losses	(99,504)	(144,863)
	<u>268,395</u>	<u>336,394</u>
Net	<u>98,103,670</u>	<u>90,570,073</u>

^{*)} Marketable securities owned by Subsidiaries.

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

Movements on marketable securities classified as amortised cost for 31 December 2021 and 2020:

	31 December 2021				
	Stage 1	Stage 2	Stage 3	Sharia ^{*)}	Total
Amortised cost					
Beginning balance	8,450,466	125,583	-	28,383,391	36,959,440
Remeasurement	(348,231)	-	-	38,000	(310,231)
New purchased financial assets	2,512,129	233,087	-	8,704,974	11,450,190
Matured or sold of financial assets	(3,033,175)	(235,345)	-	(8,588,439)	(11,856,959)
Total increase/(decrease) during the year	(869,277)	(2,258)	-	154,535	(717,000)
Others	827,864	-	-	(37,927)	789,937
Ending balance	<u>8,409,053</u>	<u>123,325</u>	<u>-</u>	<u>28,499,999</u>	<u>37,032,377</u>

^{*)} Not implement SFAS 71

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7. MARKETABLE SECURITIES (continued)

a. By purpose, related parties and third parties (continued):

Movements on marketable securities classified as amortised cost for 31 December 2021 and 2020 (continued):

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Syariah ¹⁾	Total
Amortised cost					
Beginning balance	7,965,552	68,195	2,147	13,875,809	21,911,703
Remeasurement	(31,838)	-	-	-	(31,838)
New purchased financial assets	3,826,832	149,949	-	26,916,575	30,893,356
Matured or sold of financial assets	(3,219,580)	(92,561)	(2,147)	(12,110,405)	(15,424,693)
Total increase/(decrease) during the year	575,414	57,388	(2,147)	14,806,170	15,436,825
Others	(90,500)	-	-	(298,588)	(389,088)
Ending balance	8,450,466	125,583	-	28,383,391	36,959,440

¹⁾ Not implement SFAS 71

Movements on marketable securities classified as fair value through other comprehensive income (all securities classified as fair value through other comprehensive income are stage 1) for 31 December 2021 and 2020:

	31 December 2021	
	Carrying amount	Expected Credit loss ¹⁾
Fair value through other comprehensive income		
Beginning balance	19,147,497	10,683
Remeasurement	(2,175,953)	2,391
New purchased financial assets	9,657,853	2,198
Matured or sold financial assets	(4,862,291)	(773)
Increase from changes in fair value	(101,046)	-
Ending balance	21,666,060	14,499

¹⁾ Allowance for impairment losses on securities classified as fair value through other comprehensive income stated on other comprehensive income due to the carrying amount disclosed at fair value

	31 December 2020	
	Carrying amount	Expected Credit loss ¹⁾
Fair value through other comprehensive income		
Beginning balance	19,901,176	14,437
Remeasurement	93,671	(4,519)
New purchased financial assets	3,162,221	1,593
Matured or sold financial assets	(4,321,387)	(828)
Increase from changes in fair value	311,816	-
Ending balance	19,147,497	10,683

¹⁾ Allowance for impairment losses on securities classified as fair value through other comprehensive income stated on other comprehensive income due to the carrying amount disclosed at fair value

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7. MARKETABLE SECURITIES (continued)

b. By type, currency and Bank Indonesia's collectibility:

	31 December 2021						
	Cost/ nominal value/ fair value ¹⁾	Unamortised premiums/ (discounts)	Unrealised gains/ (losses)	Fair value/at cost/amortised cost ²⁾			Total
				Current	Substandard	Loss	
Rupiah							
Fair value through profit or loss							
<u>Marketable securities</u>							
Bonds	5,578,825	-	17,136	5,595,961	-	-	5,595,961
Investments in mutual fund units	361,683	-	-	361,683	-	-	361,683
Certificates of Bank Indonesia	3,100,000	-	999	3,100,999	-	-	3,100,999
Shares	315,113	-	-	315,113	-	-	315,113
Negotiable certificate of deposit	145,561	-	1,820	147,381	-	-	147,381
Export bills, asset-backed security and others ³⁾	26,147	-	(2,800)	23,347	-	-	23,347
	<u>9,527,329</u>	<u>-</u>	<u>17,155</u>	<u>9,544,484</u>	<u>-</u>	<u>-</u>	<u>9,544,484</u>
<u>Investments in unit-link contracts⁴⁾</u>							
Shares	20,259,934	-	-	20,259,934	-	-	20,259,934
Investments in mutual fund units	917,404	-	-	917,404	-	-	917,404
Bonds	49,709	-	-	49,709	-	-	49,709
	<u>21,227,047</u>	<u>-</u>	<u>-</u>	<u>21,227,047</u>	<u>-</u>	<u>-</u>	<u>21,227,047</u>
	<u>30,754,376</u>	<u>-</u>	<u>17,155</u>	<u>30,771,531</u>	<u>-</u>	<u>-</u>	<u>30,771,531</u>
Fair value through other comprehensive income							
Investments in mutual fund units	10,241,316	-	85,703	10,327,019	-	-	10,327,019
Bonds	4,804,691	-	153,984	4,958,675	-	-	4,958,675
Export bills, asset-backed security and others	70,578	-	1,390	71,968	-	-	71,968
	<u>15,116,585</u>	<u>-</u>	<u>241,077</u>	<u>15,357,662</u>	<u>-</u>	<u>-</u>	<u>15,357,662</u>
Amortised cost							
Bonds	5,672,638	30	-	5,672,668	-	-	5,672,668
Export bills, asset-backed security and others	891,664	-	-	891,664	-	-	891,664
Medium Term Notes	245,000	-	-	245,000	-	-	245,000
Negotiable certificate of deposit	40,000	(1,550)	-	38,450	-	-	38,450
	<u>6,849,302</u>	<u>(1,520)</u>	<u>-</u>	<u>6,847,782</u>	<u>-</u>	<u>-</u>	<u>6,847,782</u>
At cost ⁵⁾							
Export bills, asset-backed security and others	157,074	-	-	157,074	-	-	157,074
Sharia Corporate bonds	1,406,600	-	-	1,406,600	-	-	1,406,600
Sukuk BI	26,935,011	-	-	26,935,011	-	-	26,935,011
	<u>28,498,685</u>	<u>-</u>	<u>-</u>	<u>28,498,685</u>	<u>-</u>	<u>-</u>	<u>28,498,685</u>
Total	<u>81,218,948</u>	<u>(1,520)</u>	<u>258,232</u>	<u>81,475,660</u>	<u>-</u>	<u>-</u>	<u>81,475,660</u>

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7. MARKETABLE SECURITIES (continued)

b. By type, currency and Bank Indonesia's collectability (continued):

	31 December 2021						
	Cost/ nominal value/ fair value ¹⁾	Unamortised premiums/ (discounts)	Unrealised gains/ (losses)	Fair value/at cost/amortised cost ²⁾			
				Current	Substandard	Loss	Total
Foreign currencies							
Fair value through profit or loss							
<u>Marketable securities</u>							
Bonds	143,568	-	316	143,884	-	-	143,884
Treasury bills	1,779,972	-	2,773	1,782,745	-	-	1,782,745
Certificates of Bank Indonesia	712,095	-	(214)	711,881	-	-	711,881
	<u>2,635,635</u>	<u>-</u>	<u>2,875</u>	<u>2,638,510</u>	<u>-</u>	<u>-</u>	<u>2,638,510</u>
<u>Investments in unit-link contracts³⁾</u>							
Investments in mutual fund units	6,094,697	-	-	6,094,697	-	-	6,094,697
	<u>8,730,332</u>	<u>-</u>	<u>2,875</u>	<u>8,733,207</u>	<u>-</u>	<u>-</u>	<u>8,733,207</u>
Fair value through other comprehensive income							
Bonds	5,511,132	-	90,484	5,601,616	-	-	5,601,616
Treasury bills	691,917	-	14,864	706,781	-	-	706,781
	<u>6,203,049</u>	<u>-</u>	<u>105,348</u>	<u>6,308,397</u>	<u>-</u>	<u>-</u>	<u>6,308,397</u>
Amortised cost							
Export bills	1,414,472	-	-	1,414,332	140	-	1,414,472
Bonds	267,160	2,964	-	270,124	-	-	270,124
	<u>1,681,632</u>	<u>2,964</u>	<u>-</u>	<u>1,684,456</u>	<u>140</u>	<u>-</u>	<u>1,684,596</u>
At cost ⁴⁾							
Export bills, asset-backed security and others	1,314	-	-	1,314	-	-	1,314
	<u>1,314</u>	<u>-</u>	<u>-</u>	<u>1,314</u>	<u>-</u>	<u>-</u>	<u>1,314</u>
Total (Note 63B.(iv))	<u>16,616,327</u>	<u>2,964</u>	<u>108,223</u>	<u>16,727,374</u>	<u>140</u>	<u>-</u>	<u>16,727,514</u>
	<u>97,835,275</u>	<u>1,444</u>	<u>366,455</u>	<u>98,203,034</u>	<u>140</u>	<u>-</u>	<u>98,203,174</u>
Less: allowance for impairment losses							(99,504)
Net							<u>98,103,670</u>

¹⁾ Marketable securities classified as amortized cost are stated at nominal value. Unit-linked investments are investments owned by policyholders in Subsidiary unit-linked contracts which are presented at fair value.

²⁾ Marketable securities classified at amortised cost are presented at amortised cost.

³⁾ Marketable securities owned by Subsidiaries.

These consolidated financial statements are originally issued in the Indonesian language.

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7. MARKETABLE SECURITIES (continued)

b. By type, currency and Bank Indonesia's collectibility (continued):

	31 December 2020						
	Cost/ nominal value/ fair value ¹⁾	Unamortised premiums/ (discounts)	Unrealised gains/ (losses)	Fair value/at cost/amortised cost ²⁾			Total
				Current	Substandard	Loss	
Rupiah							
Fair value through profit or loss							
<u>Marketable securities</u>							
Bonds	1,086,623	-	16,310	1,102,933	-	-	1,102,933
Investments in mutual fund units	303,431	-	-	303,431	-	-	303,431
Certificates of Bank Indonesia	300,000	-	1,041	301,041	-	-	301,041
Shares	313,038	-	-	313,038	-	-	313,038
Negotiable certificate of deposit	928,259	-	18,348	946,607	-	-	946,607
Export bills, asset-backed security and others ³⁾	26,148	-	(1,425)	24,723	-	-	24,723
	2,957,499	-	34,274	2,991,773	-	-	2,991,773
<u>Investments in unit-link contracts ⁴⁾</u>							
Shares	21,787,074	-	-	21,787,074	-	-	21,787,074
Investments in mutual fund units	550,776	-	-	550,776	-	-	550,776
Bonds	2,027	-	-	2,027	-	-	2,027
	22,339,877	-	-	22,339,877	-	-	22,339,877
	25,297,376	-	34,274	25,331,650	-	-	25,331,650
Fair value through other comprehensive income							
Investments in mutual fund units	3,716,158	-	31,385	3,747,543	-	-	3,747,543
Bonds	4,867,542	-	119,756	4,987,298	-	-	4,987,298
Share	920	-	-	920	-	-	920
Export bills, asset-backed security and others ³⁾	158,374	-	3,056	161,430	-	-	161,430
	8,742,994	-	154,197	8,897,191	-	-	8,897,191
Amortised cost							
Bonds	6,560,620	36	-	6,560,656	-	-	6,560,656
Medium Term Notes	245,000	-	-	245,000	-	-	245,000
Export bills, asset-backed security and others ³⁾	745,756	-	-	745,756	-	-	745,756
Investment in the mutual fund units	245,000	-	-	245,000	-	-	245,000
	7,796,376	36	-	7,796,412	-	-	7,796,412
At cost ⁵⁾							
Sharia Corporate bonds	2,863,600	-	-	2,863,600	-	-	2,863,600
Sukuk BI	25,440,356	-	-	25,440,356	-	-	25,440,356
Export bills	79,435	-	-	79,435	-	-	79,435
	28,383,391	-	-	28,383,391	-	-	28,383,391
Total	70,220,137	36	188,471	70,408,644	-	-	70,408,644
Foreign currencies							
Fair value through profit or loss							
<u>Marketable securities</u>							
Bonds							
Treasury bills	758,241	-	1,357	759,598	-	-	759,598
Certificates of Bank Indonesia	4,497,130	-	362	4,497,492	-	-	4,497,492
	5,255,371	-	1,719	5,257,090	-	-	5,257,090
<u>Investments in unit-link contracts ⁴⁾</u>							
Investments in mutual fund units	4,019,259	-	-	4,019,259	-	-	4,019,259
Fair value through other comprehensive income							
Bonds	4,928,231	-	235,044	5,163,275	-	-	5,163,275
Treasury bills	1,776,762	-	64,815	1,841,577	-	-	1,841,577
Investment in the mutual fund units	3,252,040	-	(6,585)	3,245,455	-	-	3,245,455
	9,957,033	-	293,274	10,250,307	-	-	10,250,307
Amortised cost							
Bonds	154,551	(2,243)	-	152,308	-	-	152,308
Export bills	627,328	-	-	627,328	-	-	627,328
	781,879	(2,243)	-	779,636	-	-	779,636
Total (Note 63B.(iv))	20,013,542	(2,243)	294,993	20,306,292	-	-	20,306,292
	90,233,679	(2,207)	483,464	90,714,936	-	-	90,714,936
Less: allowance for impairment losses							(144,863)
Net							90,570,073

¹⁾ There is a reclassification of marketable securities in the form of asset backed Securities from the held to maturity in SFAS 55 became measured at fair value through profit or loss as a result of the implementation SFAS 71 amounted to Rp25,000 with fair values of Rp26,148 and Rp24,723 on 1 January 2020 and 31 December 2020.

²⁾ Marketable securities classified at amortised cost presented at nominal value. Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.

³⁾ Marketable securities classified at amortised cost are presented at amortised cost.

⁴⁾ Marketable securities owned by Subsidiary

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7. MARKETABLE SECURITIES (continued)

c. By maturity:

	2021	2020
<u>Marketable securities</u>		
Rupiah		
No maturity date	871,578	617,390
< 1 year	41,371,165	32,144,915
> 1 < 5 years	12,042,954	12,995,432
> 5 < 10 years	5,617,643	2,122,523
> 10 years	88,559	-
Total	59,991,899	47,880,260
Foreign currencies		
< 1 year	4,773,298	6,735,652
> 1 < 5 years	5,314,432	5,738,341
> 5 < 10 years	426,714	3,504,101
> 10 years	7,188	16,189
Total	10,521,632	15,994,283
<u>Investments in unit-link ^{*)}</u>		
Rupiah		
No maturity date	21,177,338	22,337,850
< 1 year	2,023	
> 1 < 5 years	24,678	2,027
> 5 < 10 tahun	23,008	
Total	21,227,047	22,339,877
Foreign currencies		
No maturity date	6,094,697	4,019,259
Total	27,321,744	26,359,136
	97,835,275	90,233,679
Add/(less):		
Unamortised discounts	1,444	(2,207)
Unrealised gain on increase in fair value of marketable securities	366,455	483,464
Allowance for impairment losses	(99,504)	(144,863)
	268,395	336,394
Net	98,103,670	90,570,073

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

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7. MARKETABLE SECURITIES (continued)

d. By issuer:

	2021	2020
<u>Marketable securities</u>		
Corporate	26,077,853	23,928,420
Banks	5,585,018	6,062,995
Central Bank	31,031,787	30,237,486
Government	7,818,873	3,645,642
	<u>70,513,531</u>	<u>63,874,543</u>
<u>Investments in unit-link contracts ^{*)}</u>		
Corporate	18,499,871	18,128,006
Bank	8,821,873	8,231,130
	<u>27,321,744</u>	<u>26,359,136</u>
Total	<u>97,835,275</u>	<u>90,233,679</u>
Add/(less):		
Unamortised discounts	1,444	(2,207)
Unrealised gain on increase in fair value of marketable securities	366,455	483,464
Allowance for impairment losses	(99,504)	(144,863)
	<u>268,395</u>	<u>336,394</u>
Net	<u>98,103,670</u>	<u>90,570,073</u>

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

e. Details of bonds by rating:

	Rating Agencies	Rating ^{*)}		Fair value/at cost/amortised cost	
		2021	2020	2021	2020
Rupiah					
Fair value through profit or loss					
<u>Marketable securities</u>					
Bonds					
Government Treasury Bills ^{**)}	-	-	-	5,507,356	861,358
PT Jasa Marga (Persero) Tbk	Pefindo	idAA-	idAA-	-	-
Others	Various	-	-	111,951	266,298
				<u>5,619,307</u>	<u>1,127,656</u>
<u>Investasi pada unit-link ^{***)}</u>					
Obligasi					
PT Timah Tbk	Pefindo	idA	idA	49,709	2,027
				<u>5,669,016</u>	<u>1,129,683</u>

^{*)} Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Peningkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

^{**)} No rating

^{***)} Investments in unit-link contracts are investments owned by policyholder of Subsidiary's unit link contracts which are presented at fair value.

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7. MARKETABLE SECURITIES (continued)

	Rating Agencies	Rating ¹⁾		Fair value/at cost/amortised cost	
		2021	2020	2021	2020
Rupiah (continued)					
Fair value through other comprehensive income					
<u>Marketable securities</u>					
Bonds					
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	idAAA	1,157,604	1,146,412
PT Bank Rakyat Indonesia (Persero) Tbk	Pefindo	idAAA	idAAA	555,023	710,661
PT Hutama Karya (Persero)	Pefindo	idAAA(gg)	idAAA(gg)	345,035	328,168
PT Astra Sedaya Finance	Pefindo	idAAA	idAA+	10,305	10,276
PT Wijaya Karya (Persero) Tbk	Pefindo	idA	idAA+	40,490	44,971
PT Bank OCBC NISP Tbk	Pefindo	idAAA	idAAA	-	200,786
PT Telkom Indonesia (Persero) Tbk	Pefindo	idAAA	idAAA	256,884	260,769
Perum Pegadaian	Pefindo	idAAA	idAAA	281,069	244,526
PT Bank Tabungan Negara (Persero) Tbk	Pefindo	idAA+	idAA+	246,596	242,862
Others	Various	Various	Various	2,147,900	1,959,297
				5,040,906	5,148,728
Amortised cost					
<u>Marketable securities</u>					
Bonds					
PT Hutama Karya (Persero)	Pefindo	idAAA(gg)	idAAA(gg)	730,030	730,036
PT Sarana Multi Infrastruktur (Persero)	Pefindo	idAAA	idAAA	449,000	449,000
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	idAAA	-	460,000
PT Bank OCBC NISP Tbk	Pefindo	idAAA	idAAA	-	105,000
PT Tunas Baru Lampung Tbk	Fitch Ratings	B+	-	426,000	426,000
Others	Various	Various	Various	4,206,229	4,562,570
				5,811,259	6,732,606
At cost²⁾					
<u>Marketable securities</u>					
Obligasi Syariah					
Perusahaan PT Sarana Multi Infrastruktur (Persero)	Pefindo	idAAA _(sy)	idAAA _(sy)	515,000	865,000
Medco Power Indonesia	Pefindo	idA _(sy)	idA _(sy)	140,600	140,600
Others	Various	Various	Various	751,000	2,863,600
				1,406,600	3,869,200
Total				17,927,781	16,880,217

¹⁾ Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Pemeringkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

²⁾ No rating

³⁾ Investments in unit-link contracts are investments owned by policyholder of Subsidiary's unit link contracts which are presented at fair value.

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7. MARKETABLE SECURITIES (continued)

e. Details of bonds by rating (continued):

	Rating Agencies	Rating ¹⁾		Fair value/at cost/amortised cost	
		2021	2020	2021	2020
Foreign currencies					
Fair value through profit and loss					
<u>Marketable Securities</u>					
Bonds					
Others	Various	-	-	143,885	-
				<u>143,885</u>	<u>-</u>
Fair value through other comprehensive income					
<u>Marketable securities</u>					
Bonds					
PT Pertamina (Persero)	Moody's	Baa2	Baa2	4,247,177	4,032,544
PT Perusahaan Listrik Negara (Persero)	Moody's	Baa2	Baa2	7,093	208,057
PT Bank Rakyat Indonesia (Persero) Tbk.	Moody's	Baa2	Baa3	521,842	434,703
PT Bank Negara Indonesia (Persero) Tbk.	Moody's	idAAA	-	39,301	-
Others	Various	-	-	786,204	487,971
				<u>5,601,617</u>	<u>5,163,275</u>
Amortised cost					
<u>Marketable securities</u>					
Bonds					
PT Pelindo (Persero)	Moody's	Baa3	Baa3	70,093	68,739
PT Pertamina (Persero)	Moody's	Baa2	Baa3	42,843	42,478
PT Bank Negara Indonesia (Persero) Tbk.	Moody's	Baa2	-	31,813	-
Others	Various	-	-	125,374	41,091
				<u>270,123</u>	<u>152,308</u>
Total				<u>6,015,625</u>	<u>5,315,583</u>

¹⁾ Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies, such as Pemeringkat Efek Indonesia (Pefindo), Standard and Poor's, Moody's and Fitch Ratings.

²⁾ Marketable securities owned by Subsidiary.

f. Average interest rate (yield) per annum:

	2021	2020
Rupiah	7.50%	8.47%
Foreign currencies	6.85%	7.32%

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7. MARKETABLE SECURITIES (continued)

g. Movements of allowance for impairment losses on marketable securities:

	2021	2020
Beginning balance	144,863	77,518
Initial implementation of SFAS 71 (Note 68)	-	40,540
Allowance/(reversal) during the year (Note 46)	7,158	68,669
Others ^{*)}	(52,517)	(41,864)
Balance at end of year	99,504	144,863

^{*)} Including effect of foreign currency translation.

^{**)} Audited balance.

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	Stage 1	Stage 2	Stage 3	Sharia^{*)}	Total
Beginning balance	58,617	61,388	-	24,858	144,863
Net remeasurement of losses allowance	23,662	4,951	115	(6,783)	21,945
New financial assets originated or purchased	7,481	38,412	-	-	45,893
Financial asset derecognised	(10,432)	(50,248)	-	-	(60,680)
Total allowance/(reversal) during the year	20,711	(6,885)	115	(6,783)	7,158
Others	(52,517)	-	-	-	(52,517)
Ending balance	26,811	54,503	115	18,075	99,504

^{*)} Not implement SFAS 71

31 December 2020

	Stage 1	Stage 2	Stage 3	Sharia^{*)}	Total
Beginning balance	33,815	2,660	10	41,033	77,518
Impact of initial implementation of SFAS 71 (Note 68)	21,294	18,487	759	-	40,540
Beginning balance SFAS 71	55,109	21,147	769	41,033	118,058
Net remeasurement of losses allowance	(2,521)	5	-	(16,241)	(18,756)
New financial assets originated or purchased	50,125	97,506	-	-	147,631
Financial asset derecognised	(17,458)	(41,979)	(769)	-	(60,206)
Total allowance/(reversal) during the year	30,146	55,532	(769)	(16,240)	68,669
Others	(26,638)	(15,291)	-	65	(41,864)
Ending balance	58,671	61,388	-	24,858	144,863

^{*)} Not implement SFAS 71

Management believes that the allowance for impairment losses on marketable securities is adequate.

h. Information in respect of classification of “non-impaired” and “impaired” is disclosed in Note 63A.

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7. MARKETABLE SECURITIES (continued)

- i. Investment in mutual fund of the Bank measured at fair value through other comprehensive income on 31 December 2021 and classified as available for sale on 31 December 2021 and 2020:

	2021	2020
Protected Mutual Fund Syailendra Capital Fund 45	1,440,125	-
Protected Mutual Fund Trimegah 21	1,008,274	-
Protected Mutual Fund BNI AM Sunflower	1,007,537	-
Protected Mutual Fund Panin 17	993,486	993,776
Protected Mutual Fund BNP Paribas Selaras VI	991,995	991,973
Protected Mutual Fund Manulife II	758,190	-
Protected Mutual Fund BNI AM Proteksi Magnifera	752,149	-
Mutual Fund Danareksa Protecting 79	709,660	-
Protected Mutual Fund BMI Indo Proteksi Sinergi 1	501,316	-
Protected Mutual Fund BNP Paribas Selaras V	501,218	501,222
Protected Mutual Fund Bahana Centrum Protected Fund 2021	495,331	-
Protected Mutual Fund Bahana Centrum Protected Fund 2022	492,152	-
Mutual Fund Trimegah Protected XI	480,802	472,215
Mutual Fund Syailendra USD 3	-	2,480,485
Mutual Fund Trimegah VI	-	788,357
Mutual Fund Syailendra USD 2	-	764,970
	10,132,235	6,992,998

- j. As of 31 December 2021 and 2020, marketable securities with total nominal amount of USD1,000,000 and USD1,000,000 (full amount) were sold under repurchase agreements (Note 28), respectively.

8. GOVERNMENT BONDS

This account consists of bonds issued by Government of the Republic of Indonesia which are obtained by the Group from primary and secondary markets as of 31 December 2021 and 2020, with details as follows:

	2021	2020
Related party (Note 57)		
<u>Government bonds</u>		
Fair value through profit or loss	7,608,317	7,896,258
Fair value through other comprehensive income****)	129,432,300	102,786,203
Amortised cost	115,507,886	39,423,359
At cost*)	33,592,148	27,684,591
<u>Investments in unit-link contracts **)</u>		
Fair value through profit or loss	2,914,123	953,434
	289,054,774	178,743,845

*) Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk"

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

****) Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

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8. GOVERNMENT BONDS (continued)

a. By maturity

The government bonds, by remaining period of maturity, are as follows:

	2021	2020
Rupiah		
Fair value through profit or loss		
<u>Government bonds</u>		
Less than 1 year	426,613	1,031,081
1 - 5 years	3,673,479	3,081,678
5 - 10 years	2,104,962	2,556,512
Over 10 years	939,955	1,084,179
	<u>7,145,009</u>	<u>7,753,450</u>
<u>Investments in unit-link**)</u>		
Less than 1 year	40,241	39,697
1 - 5 years	1,430,666	244,255
5 - 10 years	1,218,595	345,070
Over 10 years	224,621	324,412
	<u>2,914,123</u>	<u>953,434</u>
	<u>10,059,132</u>	<u>8,706,884</u>
Fair value through other comprehensive income***)		
Less than 1 year	2,162,226	8,935,398
1 - 5 years	39,875,209	44,449,863
5 - 10 years	33,511,916	19,246,128
Over 10 years	17,517,105	5,590,838
	<u>93,066,456</u>	<u>78,222,227</u>
Amortised cost		
Less than 1 year	6,560,651	141,603
1 - 5 years	31,702,136	28,987,406
5 - 10 years	33,500,719	8,325,518
Over 10 years	29,420,595	371,822
	<u>101,184,101</u>	<u>37,826,349</u>
At cost*)		
Less than 1 year	2,604,017	6,516,684
1 - 5 years	27,477,755	19,302,191
5 - 10 years	1,772,739	116,076
Over 10 years	965,739	1,152,869
	<u>32,820,250</u>	<u>27,087,820</u>
Total	<u>237,129,939</u>	<u>151,843,280</u>

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

***) Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

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8. GOVERNMENT BONDS (continued)

a. By maturity (continued)

The government bonds, by remaining period of maturity, are as follows (continued):

	2021	2020
Foreign currencies		
Fair value through profit or loss		
Less than 1 year	429,723	1,284
1 - 5 years	2,962	35,647
5 - 10 years	26,788	104,108
Over 10 years	3,835	1,769
	463,308	142,808
Fair value through other comprehensive income		
Less than 1 year	4,305,933	3,231,394
1 - 5 years	12,262,879	15,268,145
5 - 10 Years	17,973,494	6,064,437
Over 10 years	1,823,538	-
	36,365,844	24,563,976
Amortised cost		
Less than 1 year	99,818	70,587
1 - 5 years	4,014,876	1,171,365
5 - 10 years	10,209,091	355,058
	14,323,785	1,597,010
At cost ^{*)}		
Less than 1 year	453,860	87,411
1 - 5 years	318,038	509,360
	771,898	596,771
Total (Note 63B (iv))	51,924,835	26,900,565
	289,054,774	178,743,845

^{*)} Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk"

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

^{***)} Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

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8. GOVERNMENT BONDS (continued)

b. By type

		31 December 2021				
		Nominal/ cost/ amortised cost	Interest rates per annum	Fair value	Maturity dates	Frequency of interest payment
Rupiah						
Fair value through profit or loss						
<u>Government bonds</u>						
Fixed rate bonds	6,713,844	2.97% - 12.90%	7,145,009	15/01/2022 - 15/08/2051	1 and 6 months	
<u>Investments in unit-link contracts^{*)}</u>						
Fixed rate bonds	2,914,123	5.45% - 11.00%	2,914,123	15/01/2022 - 05/04/2040	6 months	
Fair value through other comprehensive income^{***)}						
Fixed rate bonds	87,106,896	4.38% - 12.90%	93,066,456	15/01/2022 - 15/02/2044	1, 3 and 6 months	
Foreign Currencies						
Fair value through profit or loss						
<u>Government bonds</u>						
Fixed rate bonds	459,002	2.30% - 5.47%	463,308	07/03/2022 - 12/03/2051	6 months and 9 months	
Fair value through other comprehensive income						
Fixed rate bonds	34,114,056	1.55% - 5.88%	36,365,844	08/01/2022 - 12/03/2051	6 months and 12 months	

^{*)} Investments in unit-link contracts are investments owned by policyholders of Subsidiary's unit-link contracts which are presented at fair value.
^{***)} Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.

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8. GOVERNMENT BONDS (continued)

b. By type (continued)

31 December 2021				
	Nominal/ cost/ amortised cost	Interest rates per annum	Maturity dates	Frequency of interest payment
Rupiah				
Amortised cost				
Fixed rate bonds	101,184,101	0.08% - 11.75%	15/01/2022 - 15/06/2042	6 months
At cost¹⁾				
Fixed rate bonds	32,820,250	3.97% - 7.59%	15/01/2022 - 15/04/2043	6 months
Foreign currencies				
Amortised cost				
Fixed rate bonds	14,323,785	2.15% - 5.88%	25/04/2022 - 28/07/2031	6 months
At cost¹⁾				
Fixed rate bonds	771,898	1.09% - 2.25%	29/03/2022 - 23/06/2025	6 months

¹⁾ Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk"

31 December 2020					
	Nominal/ cost/ amortised cost	Interest rates per annum	Fair value	Maturity dates	Frequency of interest payment
Rupiah					
Fair value through profit or loss					
Government bonds					
Fixed rate bonds	7,323,500	5.45% - 12.90%	7,753,450	15/10/2020 - 15/5/2048	1 and 6 months
Investments in unit-link contracts^{**)}					
Fixed rate bonds	953,434	5.45% - 11.00%	953,434	10/3/2020 - 15/4/2039	6 months
Fair value through other comprehensive income^{***)}					
Fixed rate bonds	72,513,628	5.45% - 12.90%	78,222,227	15/09/2020 - 15/5/2044	1, 3 and 6 months

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

^{***) Including sukuk, project-based sukuk and retail bonds which are classified as at fair value through other comprehensive income.}

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8. GOVERNMENT BONDS (continued)

b. By type (continued)

31 December 2020					
	Nominal/ cost/ amortised cost	Interest rates per annum	Fair value	Maturity dates	Frequency of interest payment
Foreign Currencies					
Fair value through profit or loss					
<u>Government bonds</u>					
Fixed rate bonds	123,781	2.85% - 5.88%	142,808	08/01/2022 - 17/01/2042	6 and 9 months
Fair value through other comprehensive income					
Fixed rate bonds	22,615,933	0.65% - 5.88%	24,563,976	08/06/2020 - 14/02/2030	6 and 9 months

31 December 2020				
	Nominal/ cost/ amortised cost	Interest rates per annum	Maturity dates	Frequency of interest payment
Rupiah				
Amortised cost				
Fixed rate bonds	37,826,349	5.45% - 11.75%	15/07/2021 - 15/5/2037	6 months
At cost⁷⁾				
Fixed rate bonds	8,473,523	5.45% - 8.75%	10/03/2021 - 15/10/2025	6 months
Foreign currencies				
Amortised cost				
Fixed rate bonds	1,597,010	0.90% - 5.88%	26/04/2020 - 08/01/2026	6 months
At cost⁷⁾				
Fixed rate bonds	596,771	3.40%	29/03/2022	6 months

⁷⁾ Government bonds owned by Subsidiary are classified based on SFAS No. 110 "Accounting for Sukuk"

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8. GOVERNMENT BONDS (continued)

c. Other information

As of 31 December 2021, Government Bonds with total nominal amount of USD369,660,000 (full amount) and Rp636,268 (2020: USD57,000,000 (full amount) and Rp746,268) were sold under repurchase agreements (Note 28).

As of 31 December 2021, Government Bonds with total nominal amount of Rp3,236,072 and USD127,940,000 (full amount) (2020: Rp3,236,072 and USD127,940,000 (full amount)) are being pledged as collateral for fund borrowings from other banks (Note 36c).

As of 31 December 2021 and 2020 Bank Indonesia's collectibility for government bonds is current.

9. OTHER RECEIVABLES - TRADE TRANSACTIONS

a. By type, currency, related parties and third parties:

	2021	2020
Rupiah		
Related parties (Note 57)		
Usance L/C payable at sight	487,720	334,180
Others	11,479,073	13,085,177
	<u>11,966,793</u>	<u>13,419,357</u>
Third parties		
Usance L/C payable at sight	824,553	547,587
Others	6,407,899	7,481,908
	<u>7,232,452</u>	<u>8,029,495</u>
Total	<u>19,199,245</u>	<u>21,448,852</u>
Foreign currencies		
Related parties (Note 57)		
Usance L/C payable at sight	1,051,103	477,695
Others	49,503	119,082
	<u>1,100,606</u>	<u>596,777</u>
Third parties		
Usance L/C payable at sight	1,845,182	604,896
Others	7,153,235	7,345,339
	<u>8,998,417</u>	<u>7,950,235</u>
Total (Note 63B.(iv))	<u>10,099,023</u>	<u>8,547,012</u>
	29,298,268	29,995,864
Less: allowance for impairment losses	(1,480,721)	(1,687,776)
Net	<u>27,817,547</u>	<u>28,308,088</u>

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9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)

a. By type, currency, related parties and third parties (continued):

Movements in carrying amount of other receivables - trade transactions classified as amortised cost upon stages for the year ended 31 December 2021 and 2020:

	31 December 2021				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Amortised cost					
Beginning balance	26,443,786	2,372,339	1,135,659	44,080	29,995,864
Transfer to lifetime other receivables - unimpaired (stage 2)	(57,244)	57,244	-	-	-
Total beginning balance after transfer	26,386,542	2,429,583	1,135,659	44,080	29,995,864
Remeasurement of net carrying amount	39,079	725	14,068	-	53,872
New financial assets originated or purchased	68,341,116	5,004,680	60,165	37,173	73,443,134
Financial assets derecognised	(68,031,753)	(5,776,719)	(59,390)	-	(73,867,862)
Total increase/(decrease) during the year	348,442	(771,314)	14,843	37,173	(370,856)
Others	(43,241)	(327,439)	43,940	-	(326,740)
Ending balance	26,691,743	1,330,830	1,194,442	81,253	29,298,268

¹⁾ Not implement SFAS 71

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Amortised cost					
Beginning balance	28,831,891	316,214	1,223,517	44,080	30,415,702
Transfer to lifetime other receivables - unimpaired (stage 2)	(2,168)	2,168	-	-	-
Total beginning balance after transfer	28,829,723	318,382	1,223,517	44,080	30,415,702
Remeasurement of net carrying amount	429,998	58,548	(54,713)	-	433,833
New financial assets originated or purchased	66,639,528	4,727,929	37,002	-	71,404,459
Financial assets derecognised	(69,457,690)	(2,794,186)	(140,930)	-	(72,392,806)
Total increase/(decrease) during the year	(2,388,164)	1,992,291	(158,641)	-	(554,514)
Others	2,227	17,586	114,863	-	134,676
Ending balance	26,443,786	2,328,259	1,179,739	44,080	29,995,864

¹⁾ Not implement SFAS 71

b. By Bank Indonesia's collectibility:

	2021	2020
Current	26,954,783	28,788,120
Special mention	1,149,043	28,005
Substandard	14,273	13,638
Doubtful	1,180,169	1,166,101
Total	29,298,268	29,995,864
Less: allowance for impairment losses	(1,480,721)	(1,687,776)
Net	27,817,547	28,308,088

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9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)

c. By maturity:

	2021	2020
Rupiah		
Less than 1 month	3,909,708	4,717,213
1 - 3 months	7,409,600	10,107,618
3 - 6 months	6,761,894	6,098,493
6 - 12 months	928,020	335,505
Over 12 months	190,023	190,023
Total	19,199,245	21,448,852
Foreign currencies		
Less than 1 month	2,117,907	2,312,582
1 - 3 months	4,542,421	3,623,066
3 - 6 months	2,357,708	1,547,260
6 - 12 months	90,841	88,026
Over 12 months	990,146	976,078
Total (Note 63B.(iv))	10,099,023	8,547,012
	29,298,268	29,995,864
Less: allowance for impairment losses	(1,480,721)	(1,687,776)
Net	27,817,547	28,308,088

d. Movements of allowance for impairment losses on other receivables - trade transactions:

	2021	2020
Beginning balance	1,687,776	1,311,591
Initial implementation of SFAS 71 (Note 68)	-	82,151
Allowance/(reversal) during the year (Note 46)	(278,153)	224,254
Others ^{*)}	71,098	69,780
Ending balance	1,480,721	1,687,776

^{*)} Included the effect of foreign currency translation.

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9. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)

d. Movements of allowance for impairment losses on other receivables - trade transactions (continued):

	31 December 2021				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	55,129	452,908	1,135,659	44,080	1,687,776
Transfer to:					
Lifetime expected credit losses - unimpaired (stage 2)	(362)	362	-	-	-
Total beginning balance after transfer	54,767	453,270	1,135,659	44,080	1,687,776
Net remeasurement of losses allowance	(37,258)	(5,757)	(6,768)	(993)	(50,776)
New financial assets originated or purchased	137,947	483,302	60,140	-	681,389
Financial assets derecognised	(102,860)	(746,516)	(59,390)	-	(908,766)
Total allowance/(reversal) during the year	(2,171)	(268,971)	(6,018)	(993)	(278,153)
Others	3,652	1,304	64,801	1,341	71,098
Ending balance	56,248	185,603	1,194,442	44,428	1,480,721

¹⁾ Not implement SFAS 71

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	69,323	58,631	1,139,557	44,080	1,311,591
Impact of initial implementation of SFAS 71 (Note 68)	(17,438)	62,567	37,022	-	82,151
Beginning balance SFAS 71	51,885	121,198	1,176,579	44,080	1,393,742
Transfer to:					
Lifetime expected credit losses - unimpaired (stage 2)	(365)	365	-	-	-
Total beginning balance after transfer	51,520	121,563	1,176,579	44,080	1,393,742
Net remeasurement of losses allowance	(24,420)	(60,268)	(2,647)	-	(87,335)
New financial assets originated or purchased	196,567	821,564	25,996	-	1,044,127
Financial assets derecognised	(169,692)	(483,143)	(79,703)	-	(732,538)
Total allowance/(reversal) during the year	2,455	278,153	(56,354)	-	224,254
Others	1,154	9,112	59,514	-	69,780
Ending balance	55,129	408,828	1,179,739	44,080	1,687,776

¹⁾ Not implement SFAS 71

Management believes that the allowance for impairment losses on other receivables - trade transactions is adequate.

e. Information in respect of classification of “unimpaired” and “impaired” is disclosed in Note 63A.

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10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL

a. Securities purchased under agreements to resell

31 December 2021					
Type of securities	Starting date	Maturity date	Resale amount	Unamortised interest	Carrying amount
Related parties					
Rupiah					
Bond FR0086	27/12/2021	03/01/2022	483,435	93	483,342
Bond FR0090	28/12/2021	04/01/2022	1,401,288	408	1,400,880
Bond FR0086	29/12/2021	05/01/2022	967,108	374	966,734
			2,851,831	875	2,850,956
Third parties					
Rupiah					
Bond FR0056	27/12/2021	03/01/2022	3,141,464	611	3,140,853
Bond FR0076	30/12/2021	03/01/2022	300,725	48	300,677
Bond FR0082	28/12/2021	03/01/2022	187,442	31	187,411
Bond FR0086	30/12/2021	03/01/2022	241,444	38	241,406
Bond FR0090	30/12/2021	03/01/2022	454,099	72	454,027
Bond VR0043	27/12/2021	03/01/2022	675,882	132	675,750
Bond FR0080	28/12/2021	04/01/2022	250,304	72	250,232
Bond FR0080	31/12/2021	04/01/2022	101,394	24	101,370
Bond FR0086	30/12/2021	04/01/2022	91,502	22	91,480
Bond FR0087	28/12/2021	04/01/2022	774,948	226	774,722
Bond VR0034	28/12/2021	04/01/2022	2,714,729	659	2,714,070
Bond VR0038	28/12/2021	04/01/2022	431,002	125	430,877
Bond VR0042	29/12/2021	05/01/2022	1,771,383	689	1,770,694
Bond VR0062	29/12/2021	05/01/2022	3,445,729	1,338	3,444,391
Bond FR0070	30/12/2021	06/01/2022	2,817,893	1,370	2,816,523
Bond FR0077	31/12/2021	07/01/2022	2,020,097	1,178	2,018,919
Bond VR0050	31/12/2021	07/01/2022	1,029,370	508	1,028,862
Bond FR0091	10/12/2021	07/01/2022	237,491	79	237,412
Bond VR0057	15/12/2021	12/01/2022	185,655	140	185,515
Bond VR0047	27/12/2021	03/01/2022	935,426	-	935,426
Bond VR0061	29/12/2021	12/01/2022	371,200	279	370,921
Bond FR0065	29/12/2021	26/01/2022	376,812	726	376,086
Bond VR0035	29/12/2021	05/01/2022	1,310,091	255	1,309,836
Bond VR0046	30/12/2021	06/01/2022	570,600	166	570,434
Bond ORI016	07/12/2021	04/02/2022	10	-	10
Share	20/09/2021	19/03/2022	523	-	523
Share	18/10/2021	18/03/2022	1,444	2	1,442
Share	01/11/2021	27/10/2022	15,216	11	15,205
Share	10/11/2021	27/10/2022	20,246	14	20,232
Share	11/11/2021	10/05/2022	282	-	282
Share	22/11/2021	03/03/2022	204	-	204
Share	10/12/2021	08/06/2022	252	-	252
			24,474,859	8,815	24,466,044
Total			27,326,690	9,690	27,317,000

31 December 2020					
Type of securities	Starting date	Maturity date	Resale amount	Unamortised interest	Carrying amount
Third parties					
Rupiah					
Bond FR0043	29/12/2020	05/01/2021	2,003,840	835	2,003,005
Bond FR0070	28/12/2020	04/01/2021	1,976,940	617	1,976,323
Bond FR0070	28/12/2020	04/01/2021	1,966,196	614	1,965,582
Bond FR0070	28/12/2020	04/01/2021	1,955,451	610	1,954,841
Bond FR0070	28/12/2020	04/01/2021	1,944,707	607	1,944,100
Bond FR0053	29/12/2020	05/01/2021	1,868,444	778	1,867,666
Bond FR0081	29/12/2020	05/01/2021	1,833,490	763	1,832,727
Bond FR0081	29/12/2020	05/01/2021	1,828,467	762	1,827,705
Bond FR0063	28/12/2020	04/01/2021	1,822,231	569	1,821,662

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10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (continued)

a. Securities purchased under agreements to resell (continued)

31 December 2020 (continued)					
Type of securities	Starting date	Maturity date	Resale amount	Unamortised interest	Carrying amount
Third parties (continued)					
Rupiah (continued)					
Bond FR0081	29/12/2020	05/01/2021	1,823,443	759	1,822,684
Bond FR0081	29/12/2020	05/01/2021	1,818,420	757	1,817,663
Bond FR0081	29/12/2020	05/01/2021	1,813,397	755	1,812,642
Bond FR0044	29/12/2020	05/01/2021	1,775,585	739	1,774,846
Bond VR0046	30/12/2020	06/01/2021	1,773,962	923	1,773,039
Bond VR0046	30/12/2020	06/01/2021	1,769,167	920	1,768,247
Bond VR0050	30/12/2020	06/01/2021	1,761,758	917	1,760,841
Bond FR0043	29/12/2020	05/01/2021	1,752,603	730	1,751,873
Bond VR0062	30/12/2020	06/01/2021	1,746,065	909	1,745,156
Bond VR0062	30/12/2020	06/01/2021	1,741,307	906	1,740,401
Bond VR0062	30/12/2020	06/01/2021	1,736,550	904	1,735,646
Bond FR0081	29/12/2020	05/01/2021	1,733,025	722	1,732,303
Bond VR0062	30/12/2020	06/01/2021	1,731,792	901	1,730,891
Bond VR0062	30/12/2020	06/01/2021	1,727,034	898	1,726,136
Bond FR0071	28/12/2020	25/01/2021	1,162,769	2,737	1,160,032
Bond SPN256-010421	29/12/2020	05/01/2021	1,122,271	467	1,121,804
Bond FR0082	30/12/2020	27/01/2021	1,049,208	2,675	1,046,533
Bond FR0082	30/12/2020	27/01/2021	1,049,216	2,683	1,046,533
Bond FR0077	28/12/2020	04/01/2021	899,412	281	899,131
Bond SPN255-040321	29/12/2020	05/01/2021	624,286	260	624,026
Bond FR0078	30/11/2020	04/01/2021	546,750	162	546,588
Bond FR0072	08/12/2020	09/03/2021	544,188	3,613	540,575
Bond FR0073	27/11/2020	04/01/2021	452,367	134	452,233
Bond FR0068	14/12/2020	11/01/2021	337,328	334	336,994
Bond FR0078	07/12/2020	04/01/2021	328,285	97	328,188
Bond VR0062	30/12/2020	06/01/2021	323,522	169	323,353
Bond FR0082	04/12/2020	04/01/2021	307,961	92	307,869
Bond VR0037	08/12/2020	05/01/2021	305,181	31	305,150
Bond FR0078	28/12/2020	25/01/2021	294,476	695	293,781
Bond FR0088	02/12/2020	04/01/2021	287,583	-	287,583
Bond FR0081	29/12/2020	05/01/2021	272,330	113	272,217
Bond FR0082	14/12/2020	11/01/2021	252,992	175	252,817
Bond FR0083	30/09/2020	04/01/2021	250,184	79	250,105
Bond FR0053	29/12/2020	05/01/2021	238,055	99	237,956
Bond FR0071	02/12/2020	04/01/2021	230,071	68	230,003
Bond FR0065	04/12/2020	04/01/2021	205,304	-	205,304
Bond FR0080	30/12/2020	31/03/2021	214,098	1,883	212,215
Bond FR0080	30/12/2020	31/03/2021	214,103	1,888	212,215
Bond FR0080	30/12/2020	31/03/2021	214,082	1,868	212,214
Bond FR0080	30/12/2020	31/03/2021	214,087	1,873	212,214
Bond FR0080	30/12/2020	31/03/2021	214,092	1,878	212,214
Bond FR0078	04/09/2020	04/06/2021	109,552	1,797	107,755
Bond FR0078	04/09/2020	04/06/2021	109,536	1,788	107,748
Bond FR0078	04/09/2020	04/06/2021	109,512	1,775	107,737
Bond FR0082	11/12/2020	08/01/2021	104,293	72	104,221
Bond VR0036	04/09/2020	05/03/2021	97,081	653	96,428
Bond VR0036	04/09/2020	05/03/2021	97,071	650	96,421
Bond VR0036	04/09/2020	05/03/2021	97,062	647	96,415
Bond FR0057	04/09/2020	03/09/2021	90,893	2,379	88,514
Bond FR0054	08/12/2020	05/01/2021	78,689	31	78,658
Bond FR0078	04/09/2020	04/06/2021	65,258	1,084	64,174
Bond FR0076	25/11/2020	24/02/2021	48,923	262	48,661
Bond FR0080	12/06/2020	12/03/2021	48,330	415	47,915
Bond FR0080	02/12/2020	03/03/2021	17,247	104	17,143
Bond FR0076	25/11/2020	24/02/2021	13,699	74	13,625
Bond VR0036	04/09/2020	05/03/2021	3,237	22	3,215
Total			55,148,458	54,002	55,094,456

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10. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (continued)

a. Securities purchased under agreements to resell (continued)

Changes in carrying amount of securities purchased under agreements to resell classified as amortised cost upon stage 1 for the year ended 31 December 2021:

	31 December 2021		
	Gross Carrying Amount	Allowance for impairment losses	Total
Amortised cost			
Beginning balace	55,094,456	-	55,094,456
New purchased financial assets	95,120,614	-	95,120,614
Matured or sold of financial assets	(122,898,070)	-	(122,898,070)
Ending balance	27,317,000	-	27,317,000
	31 December 2020		
	Gross Carrying Amount	Allowance for impairment losses	Total
Amortised cost			
Beginning balace	1,955,363	-	1,955,363
New purchased financial assets	123,485,698	-	123,485,698
Matured or sold of financial assets	(70,346,605)	-	(70,346,605)
Ending balance	55,094,456	-	55,094,456

b. By Bank Indonesia's collectibility:

	2021	2020
Current	27,317,000	55,094,456

As of 31 December 2021 and 2020, there was no impairment therefore the allowance for impairment losses on securities purchased under agreements to resell was not provided.

c. Information in respect of classification of "non-impaired" and "impaired" is disclosed in Note 63A.

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11. DERIVATIVE RECEIVABLES AND PAYABLES

As of 31 December 2021, the summary of derivative transactions is as follows:

Transactions	Notional amount (absolute Rupiah equivalent)	31 December 2021	
		Fair value	
		Derivative receivables	Derivative payables
Related parties (Note 57)			
<u>Foreign currencies related</u>			
1. Forward - buy			
United States Dollar	72,075	-	709
2. Swap - buy			
United States Dollar	8,463,937	56,757	-
3. Swap - sell			
United States Dollar	5,719,799	-	8,543
4. Swap - buy			
United States Dollar	3,166,511	6,968	680
<u>Interest rate related</u>			
1. Swap - interest rate			
United States Dollar	2,532,881	96,691	-
Total related parties		160,416	9,932
Third parties			
<u>Foreign currencies related</u>			
1. Forward - buy			
United States Dollar	7,804,045	3,277	34,821
Others	2,604,461	20,848	4,205
2. Forward - sell			
United States Dollar	4,207,627	36,604	1,232
Others	2,962,125	17,201	11,415
3. Swap - buy			
United States Dollar	11,306,499	148	238,402
Others	2,246,181	1,103	718
4. Swap - sell			
United States Dollar	54,359,380	608,983	22,197
Others	3,930,571	31,172	15,056
5. Option - buy			
United States Dollar	486,856	7,274	-
Others	81,676	67,356	-
6. Option - sell			
Others	529,735	4,942	2,807
<u>Interest rate related</u>			
1. Swap - interest rate			
United States Dollar	50,190,796	419,954	514,792
Others	15,550,547	290,560	163,174
Total third parties		1,509,422	1,008,819
Total		1,669,838	1,018,751

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11. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

As of 31 December 2020, the summary of derivative transactions is as follows:

Transactions	Notional amount (absolute Rupiah equivalent)	31 December 2020	
		Fair value	
		Derivative receivables	Derivative payables
Related parties (Note 57)			
<u>Foreign currencies related</u>			
1. Forward - buy			
United States Dollar	8,096,136	162,845	-
Other	17,608	-	69
2. Swap - buy			
United States Dollar	3,116,855	-	131,058
3. Swap - Sell			
United States Dollar	2,910,483	28,341	-
<u>Interest rate related</u>			
1. Swap - interest rate			
United States Dollar	-	8,790	-
Total related parties		199,976	131,127
Third parties			
<u>Foreign currencies related</u>			
1. Forward - buy			
United States Dollar	11,931,805	-	182,733
Others	1,121,944	9,015	4,505
2. Forward - sell			
United States Dollar	7,529,567	99,693	10,556
Others	833,466	2,781	-
3. Swap - buy			
United States Dollar	12,793,263	14	223,643
Others	386,463	3,025	-
4. Swap - sell			
United States Dollar	49,714,951	1,139,297	-
Others	2,643,389	434	33,400
5. Option - buy			
United States Dollar	398,751	3,231	-
Others	1,483,190	78,949	9,705
6. Option - sell			
United States Dollar	702,500	22,690	-
Others	81,676	58,324	-
<u>Interest rate related</u>			
1. Swap - interest rate			
United States Dollar	-	939,049	893,164
Others	-	22,469	81,673
Total third parties		2,378,971	1,439,379
Total		2,578,947	1,570,506

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11. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

As of 31 December 2021 and 2020, the Subsidiary has cross currency and interest rate swap contract which meet the criteria and effectively applied as cashflow hedge. The losses from fair value changes related to effective portion of cashflow hedge are recognised as other comprehensive income.

As of 31 December 2021 and 2020, the Bank Indonesia collectability for derivative receivables is current.

12. LOANS AND SHARIA/FINANCING

A. Details of loans and sharia/financing:

a. By currency, related parties and third parties:

	2021	2020
Rupiah		
Related parties (Note 57)	146,389,466	158,722,724
Third parties	697,251,465	643,369,327
Total	843,640,931	802,092,051
Foreign currencies		
Related parties (Note 57)	40,414,180	29,532,488
Third parties	142,169,716	110,443,148
Total (Note 63B.(iv))	182,583,896	139,975,636
	1,026,224,827	942,067,687
Less: allowance for impairment losses	(68,588,680)	(65,016,458)
Net	957,636,147	877,051,229

b.1 By type:

	31 December 2021		
	Non-impaired ^(*)	Impaired ^(*)	Total
Rupiah			
Working capital	235,768,900	22,538,392	258,307,292
Investment	214,271,863	11,279,719	225,551,582
Consumer	218,736,999	11,038,714	229,775,713
Government Program	60,831,277	1,041,109	61,872,386
Syndicated	32,803,338	1,237,250	34,040,588
Employees	27,160,696	158,728	27,319,424
Export	6,664,584	109,362	6,773,946
Total	796,237,657	47,403,274	843,640,931

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12. LOANS AND SHARIA/FINANCING (continued)

A. Details of loans and sharia loan financing (continued):

b.1 By type (continued):

	31 December 2021 (continued)		
	Non-impaired^{*)}	Impaired^{*)}	Total
Foreign currencies			
Investment	88,863,100	649,996	89,513,096
Syndicated	51,173,023	395,573	51,568,596
Working capital	30,357,968	4,127,013	34,484,981
Export	5,004,147	-	5,004,147
Consumer	2,013,076	-	2,013,076
Total (Note 63B.(iv))	177,411,314	5,172,582	182,583,896
	973,648,971	52,575,856 ¹⁾	1,026,224,827
Less: allowance for impairment losses	(42,627,976)	(25,960,704) ²⁾	(68,588,680)
Net	931,020,995	26,615,152³⁾	957,636,147

^{*)} Include in category "impaired portfolio" are loans classified as stage 3 in accordance with SFAS 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual and collective assessment of Subsidiary engaged in sharia banking amounted to Rp28,826,130 with allowance for impairment losses amounted to Rp5,799,257 which is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2)).

^{**)} Including loan of Subsidiary engaged in sharia banking in which allowance for impairment losses is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019).

1) Loans evaluated by using individual and collective assessment are amounted to Rp22,270,964 and Rp30,304,892, respectively.

2) Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp18,765,736 and Rp7,194,968, respectively.

3) Loans - net evaluated by using individual and collective assessment are amounted to Rp3,505,228 and Rp23,109,924, respectively.

	31 December 2020		
	Non-impaired^{*)}	Impaired^{*)}	Total
Rupiah			
Working capital	244,886,408	23,220,388	268,106,796
Investment	192,109,015	13,510,451	205,619,466
Consumer	200,700,832	12,664,688	213,365,520
Government Program	42,857,222	105,792	42,963,014
Syndicated	40,124,482	1,308,430	41,432,912
Employees	24,945,876	393,131	25,339,007
Export	4,945,528	319,808	5,265,336
Total	750,569,363	51,522,688	802,092,051
Foreign currencies			
Investment	60,243,114	524,533	60,767,647
Syndicated	48,894,903	456,812	49,351,715
Working capital	17,739,042	4,263,014	22,002,056
Export	5,736,687	236	5,736,923
Consumer	2,117,030	265	2,117,295
Total (Note 63B.(iv))	134,730,776	5,244,860	139,975,636
	885,300,139	56,767,548 ¹⁾	942,067,687
Less: allowance for impairment losses	(38,160,198)	(26,856,260) ²⁾	(65,016,458)
Net	847,139,941	29,911,288³⁾	877,051,229

^{*)} Include in category "impaired portfolio" are loans classified as stage 3 in accordance with SFAS 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual and collective assessment of Subsidiary engaged in sharia banking amounted to Rp31,012,727 with allowance for impairment losses amounted to Rp4,642,271 which is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2)).

^{**)} Including loan of Subsidiary engaged in sharia banking in which allowance for impairment losses is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019).

1) Loans evaluated by using individual and collective assessment are amounted to Rp24,355,242 and Rp32,412,306, respectively.

2) Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp20,675,744 and Rp6,180,516, respectively.

3) Loans - net evaluated by using individual and collective assessment are amounted to Rp3,679,498 and Rp26,231,790, respectively.

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12. LOANS AND SHARIA/FINANCING (continued)

A. Details of loans and sharia loan financing (continued):

b.2 By type and Bank Indonesia's collectibility:

31 December 2021						
	Current	Special mention	Sub- standard	Doubtful	Loss	Total
Rupiah						
Working capital	229,540,130	14,183,849	1,605,081	2,838,417	10,139,815	258,307,292
Investment	212,664,404	8,687,259	728,477	701,239	2,770,203	225,551,582
Consumer	218,914,141	7,109,211	998,505	1,202,669	1,551,187	229,775,713
Government program	60,302,910	1,090,303	128,785	147,942	202,446	61,872,386
Syndicated	33,678,421	362,167	-	-	-	34,040,588
Employees	27,194,596	112,714	995	857	10,262	27,319,424
Export	6,619,084	48,999	8,967	-	96,896	6,773,946
Total	788,913,686	31,594,502	3,470,810	4,891,124	14,770,809	843,640,931
Foreign currencies						
Investment	82,553,941	6,437,881	-	-	521,274	89,513,096
Syndicated	51,173,023	-	164,192	231,307	74	51,568,596
Working capital	24,610,069	5,784,450	-	521,430	3,569,032	34,484,981
Export	4,994,060	10,087	-	-	-	5,004,147
Consumer	2,012,773	303	-	-	-	2,013,076
Total (Note 63B.(iv))	165,343,866	12,232,721	164,192	752,737	4,090,380	182,583,896
	954,257,552	43,827,223	3,635,002	5,643,861	18,861,189	1,026,224,827
Less: allowance for impairment losses	(25,707,531)	(19,531,376)	(2,335,108)	(4,031,250)	(16,983,415)	(68,588,680)
Net	928,550,021	24,295,847	1,299,894	1,612,611	1,877,774	957,636,147
31 December 2020						
	Current	Special mention	Sub- standard	Doubtful	Loss	Total
Rupiah						
Working capital	238,699,771	12,784,283	1,919,669	468,052	14,235,021	268,106,796
Investment	190,661,852	11,327,528	705,657	78,336	2,846,093	205,619,466
Consumer	202,207,108	7,463,355	720,520	840,540	2,133,997	213,365,520
Government program	42,227,317	654,469	19,202	23,054	38,972	42,963,014
Syndicated	41,432,912	-	-	-	-	41,432,912
Employees	24,917,874	358,658	21,523	6,461	34,491	25,339,007
Export	4,855,711	91,331	94,917	4,314	219,063	5,265,336
Total	745,002,545	32,679,624	3,481,488	1,420,757	19,507,637	802,092,051
Foreign currencies						
Investment	53,610,552	6,822,678	3,313	-	331,104	60,767,647
Syndicated	48,894,903	-	164,466	243,495	48,851	49,351,715
Working capital	16,560,777	1,204,410	23,677	-	4,213,192	22,002,056
Export	5,730,579	6,108	-	-	236	5,736,923
Consumer	2,117,030	-	-	-	265	2,117,295
Total (Note 63B.(iv))	126,913,841	8,033,196	191,456	243,495	4,593,648	139,975,636
	871,916,386	40,712,820	3,672,944	1,664,252	24,101,285	942,067,687
Less: allowance for impairment losses	(24,343,638)	(16,173,787)	(2,404,722)	(1,070,573)	(21,023,738)	(65,016,458)
Net	847,572,748	24,539,033	1,268,222	593,679	3,077,547	877,051,229

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12. LOANS AND SHARIA/FINANCING (continued)

A. Details of loans and sharia/financing (continued):

c.1 By economic sector:

	31 December 2021		
	Non-impaired ^{**})	Impaired ^{*)}	Total
Rupiah			
Trading, restaurant and hotel	114,220,846	8,262,399	122,483,245
Manufacturing	84,573,243	10,262,481	94,835,724
Agriculture	107,609,905	3,001,168	110,611,073
Business services	77,963,167	4,746,721	82,709,888
Construction	69,342,375	5,198,811	74,541,186
Transportation, warehouse and communication	47,859,416	4,194,128	52,053,544
Social services	19,837,075	81,582	19,918,657
Electricity, gas and water	16,059,711	96,692	16,156,403
Mining	9,039,175	97,061	9,136,236
Others	249,732,744	11,462,231	261,194,975
Total	796,237,657	47,403,274	843,640,931
Foreign currencies			
Mining	54,037,165	3,195,882	57,233,047
Manufacturing	45,729,003	1,221,041	46,950,044
Electricity, gas and water	23,100,164	395,499	23,495,663
Social services	16,684,530	-	16,684,530
Trading, restaurant and hotel	10,934,209	84,663	11,018,872
Transportation, warehouse and communication	11,489,086	210,170	11,699,256
Agriculture	7,119,915	65,327	7,185,242
Business services	5,589,540	-	5,589,540
Construction	411,632	-	411,632
Others	2,316,070	-	2,316,070
Total (Note 63B.(iv))	177,411,314	5,172,582	182,583,896
	973,648,971	52,575,856 ¹⁾	1,026,224,827
Less: allowance for impairment losses	(42,627,976)	(25,960,704) ²⁾	(68,588,680)
Net	931,020,995	26,615,152³⁾	957,636,147

^{*)} Included in "impaired portfolio" are loans classified as stage 3 in accordance with SFAS 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual and collective assessment of Subsidiary engaged in sharia banking amounted to Rp28,826,130 with allowance for impairment losses amounted to Rp5,799,257 which is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2)).

^{**)} Including loan of Subsidiary engaged in sharia banking in which allowance for impairment losses is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019).

¹⁾ Loans evaluated by using individual and collective assessment are amounted to Rp22,270,964 and Rp30,304,892, respectively.

²⁾ Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp18,765,736 and Rp7,194,968, respectively.

³⁾ Loans - net evaluated by using individual and collective assessment are amounted to Rp3,505,228 and Rp23,109,924, respectively.

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12. LOANS AND SHARIA/FINANCING (continued)

A. Details of loans and sharia/financing (continued):

c.1 By economic sector (continued):

	31 December 2020		
	Non-impaired ^{**}	Impaired ^{*)}	Total
Rupiah			
Trading, restaurant and hotel	109,558,576	9,286,564	118,845,140
Manufacturing	87,202,939	13,778,806	100,981,745
Agriculture	89,328,247	4,160,887	93,489,134
Business services	73,971,032	4,982,959	78,953,991
Construction	66,553,656	1,742,161	68,295,817
Transportation, warehouse and communication	45,423,730	3,367,409	48,791,139
Social services	20,782,133	213,047	20,995,180
Electricity, gas and water	19,599,063	261,360	19,860,423
Mining	5,837,669	162,016	5,999,685
Others	232,312,318	13,567,479	245,879,797
Total	750,569,363	51,522,688	802,092,051
Foreign currencies			
Mining	38,048,869	3,292,649	41,341,518
Manufacturing	35,580,125	1,116,986	36,697,111
Electricity, gas and water	16,074,173	408,956	16,483,129
Social services	13,488,728	-	13,488,728
Trading, restaurant and hotel	9,575,473	80,785	9,656,258
Transportation, warehouse and communication	8,502,565	247,998	8,750,563
Agriculture	6,355,615	-	6,355,615
Business services	4,513,452	90,696	4,604,148
Construction	72,486	-	72,486
Others	2,519,290	6,790	2,526,080
Total (Note 63B.(iv))	134,730,776	5,244,860	139,975,636
	885,300,139	56,767,548¹⁾	942,067,687
Less: allowance for impairment losses	(38,160,198)	(26,856,260) ²⁾	(65,016,458)
Net	847,139,941	29,911,288³⁾	877,051,229

^{*)} Included in "impaired portfolio" are loans classified as stage 3 in accordance with SFAS 71 "Financial Instrument", loans with non performing loan collectibility and loans evaluated by using individual and collective assessment of Subsidiary engaged in sharia banking amounted to Rp31,012,727 with allowance for impairment losses amounted to Rp4,642,271 which is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019) (Note 2c.(H).(2)).

^{**)} Including loan of Subsidiary engaged in sharia banking in which allowance for impairment losses is calculated based on Bank Indonesia Regulation and SFAS No. 102 (Revised 2019).

1) Loans evaluated by using individual and collective assessment are amounted to Rp24,355,242 and Rp32,412,306, respectively.

2) Allowance for impairment losses calculated by using individual and collective assessment are amounted to Rp20,675,744 and Rp6,180,516, respectively.

3) Loans - net evaluated by using individual and collective assessment are amounted to Rp3,679,498 dan Rp26,231,790, respectively.

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12. LOANS AND SHARIA/FINANCING (continued)

A. Details of loans and sharia/financing (continued):

c.2 By economic sector and Bank Indonesia's collectibility:

	31 December 2021					Total
	Current	Special mention	Sub- standard	Doubtful	Loss	
Rupiah						
Trading, restaurant, and hotel	113,793,530	4,372,934	691,923	484,869	3,139,989	122,483,245
Manufacturing	77,818,360	7,444,406	1,054,010	2,262,668	6,256,280	94,835,724
Agriculture	108,515,411	1,134,078	514,469	112,349	334,766	110,611,073
Business service	78,387,615	3,092,583	78,346	62,496	1,088,848	82,709,888
Construction	70,683,148	2,820,754	68,951	703,923	264,410	74,541,186
Transportation, warehousing and communications	45,375,897	4,584,695	22,825	19,072	2,051,055	52,053,544
Social service	19,555,718	294,486	16,984	25,223	26,246	19,918,657
Electricity, gas and water	15,593,625	552,540	934	571	8,733	16,156,403
Mining	9,018,116	75,954	18,001	12,352	11,813	9,136,236
Others	250,172,266	7,222,072	1,004,367	1,207,601	1,588,669	261,194,975
Total	788,913,686	31,594,502	3,470,810	4,891,124	14,770,809	843,640,931
Foreign currencies						
Mining	53,867,738	171,852	-	-	3,193,457	57,233,047
Manufacturing	35,555,543	10,173,460	-	521,430	699,611	46,950,044
Electricity, gas and water	23,100,164	-	164,192	231,307	-	23,495,663
Social service	16,684,530	-	-	-	-	16,684,530
Trading, restaurant, and hotel	10,824,999	111,924	-	-	81,949	11,018,872
Transportation, warehousing and communications	10,210,683	1,438,537	-	-	50,036	11,699,256
Agriculture	5,589,540	-	-	-	-	5,589,540
Business service	7,119,915	-	-	-	65,327	7,185,242
Construction	74,987	336,645	-	-	-	411,632
Others	2,315,767	303	-	-	-	2,316,070
Total (Note 63B.(iv))	165,343,866	12,232,721	164,192	752,737	4,090,380	182,583,896
	954,257,552	43,827,223	3,635,002	5,643,861	18,861,189	1,026,224,827
Less: allowance for impairment losses	(25,707,531)	(19,531,376)	(2,335,108)	(4,031,250)	(16,983,415)	(68,588,680)
Net	928,550,021	24,295,847	1,299,894	1,612,611	1,877,774	957,636,147

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12. LOANS AND SHARIA/FINANCING(continued)

A. Details of loans and sharia/financing (continued):

c.2 By economic sector and Bank Indonesia's collectibility (continued):

	31 December 2020					
	Current	Special mention	Sub- standard	Doubtful	Loss	Total
Rupiah						
Trading, restaurant, and hotel	110,567,547	3,399,927	844,721	200,625	3,832,320	118,845,140
Manufacturing	78,233,490	9,967,540	1,397,727	40,916	11,342,072	100,981,745
Agriculture	91,006,238	2,167,096	73,170	82,730	159,900	93,489,134
Business service	74,891,006	3,297,717	219,032	151,408	394,828	78,953,991
Construction	65,499,436	2,496,364	24,462	8,708	266,847	68,295,817
Transportation, warehousing and communications	45,337,927	2,410,925	30,436	39,696	972,155	48,791,139
Social service	20,462,618	327,010	20,044	20,179	165,329	20,995,180
Electricity, gas and water	19,149,642	557,865	340	450	152,126	19,860,423
Mining	5,802,187	121,193	57,603	356	18,346	5,999,685
Others	234,052,454	7,933,987	813,953	875,689	2,203,714	245,879,797
Total	745,002,545	32,679,624	3,481,488	1,420,757	19,507,637	802,092,051
Foreign currencies						
Mining	37,695,023	353,845	3,313	-	3,289,337	41,341,518
Manufacturing	29,083,310	6,496,815	-	-	1,116,986	36,697,111
Electricity, gas and water	16,075,168	-	164,466	243,495	-	16,483,129
Social service	13,488,728	-	-	-	-	13,488,728
Trading, restaurant, and hotel	9,462,804	112,669	-	-	80,785	9,656,258
Transportation, warehousing and communications	7,682,163	1,010,985	-	-	57,415	8,750,563
Agriculture	6,355,615	-	-	-	-	6,355,615
Business service	4,479,254	58,882	17,235	-	48,777	4,604,148
Construction	72,486	-	-	-	-	72,486
Others	2,519,290	-	6,442	-	348	2,526,080
Total (Note 63B.(iv))	126,913,841	8,033,196	191,456	243,495	4,593,648	139,975,636
	871,916,386	40,712,820	3,672,944	1,664,252	24,101,285	942,067,687
Less: allowance for impairment losses	(24,343,638)	(16,173,787)	(2,404,722)	(1,070,573)	(21,023,738)	(65,016,458)
Net	847,572,748	24,539,033	1,268,222	593,679	3,077,547	877,051,229

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12. LOANS AND SHARIA/FINANCING(continued)

A. Details of loans and sharia/financing (continued):

d. By period:

	2021	2020
Rupiah		
Less than 1 year	111,164,383	100,473,642
1 - 2 years	31,876,301	69,068,820
2 - 5 years	180,936,645	162,376,111
Over 5 years	519,663,602	470,173,478
Total	843,640,931	802,092,051
Foreign currencies		
Less than 1 year	20,029,081	14,363,226
1 - 2 years	7,095,663	11,891,208
2 - 5 years	58,962,334	24,507,470
Over 5 years	96,496,818	89,213,732
Total (Note 63B.(iv))	182,583,896	139,975,636
	1,026,224,827	942,067,687
Less: allowance for impairment losses	(68,588,680)	(65,016,458)
Net	957,636,147	877,051,229

The ratio of non-performing loans of Bank Mandiri and its Subsidiaries on a gross basis (before deducted with the allowance for impairment losses) as of 31 December 2021 dan 2020 were 2.72% and 3.10%, respectively (the ratios for Bank Mandiri only were 2.81% and 3.29% as of 31 December 2021 and 2020, respectively), while the ratio of non-performing loans of Bank Mandiri and its Subsidiaries on a net basis as of 31 December 2021 and 2020 were 0.48% and 0.53%, respectively (the ratios for Bank Mandiri only were 0.41% and 0.43%, as of 31 December 2021 and 2020, respectively). The balance of non-performing loans of Bank Mandiri and its Subsidiaries include consumer financing receivables and net investment finance leases of the Subsidiary.

The calculation of non-performing loans ratio for Bank Mandiri and its Subsidiaries as of 31 December 2021 and 2020 are in accordance with Financial Services Authority Circular Letter No. 43/SEOJK.03/2016 dated 28 September 2016 regarding Transparency and Publication of Conventional Commercial Bank Reports, last modified with Financial Services Authority Circular Letter No. 9/SEOJK.03/2020 dated 30 June 2020 is calculated from the loan amount, excluding loan to other banks amounted to Rp6,725,372 and Rp9,875,197 as of 31 December 2021 and 2020, respectively.

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12. LOANS AND SHARIA/FINANCING(continued)

A. Details of loans and sharia/financing (continued):

e. Based on SFAS 71:

Movements in carrying amount of loans and sharia receivables/financing classified as amortised cost by stage for the year ended 31 December 2021 and 2020:

	31 December 2021				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Amortised cost					
Beginning balance	680,539,146	80,628,622	25,754,822	155,145,097	942,067,687
Transfer to 12 months expected credit losses (stage 1)	5,318,333	(3,885,303)	(1,433,030)	-	-
Transfer to lifetime expected credit losses - unimpaired (stage 2)	(23,096,865)	23,590,304	(493,439)	-	-
Transfer to lifetime expected credit losses - impaired (stage 3)	(3,292,089)	(12,017,225)	15,309,314	-	-
Total beginning balance after transfer	659,468,525	88,316,398	39,137,667	155,145,097	942,067,687
Remeasurement of net carrying amount	(72,477,226)	(2,576,132)	(683,546)	-	(75,736,904)
New financial assets originated or purchased	469,410,515	19,240,230	1,807,955	171,838,595	662,297,295
Financial assets derecognised	(311,139,787)	(17,750,523)	(3,403,240)	(154,212,249)	(486,505,799)
Written-off financial assets	(93,859)	(211,064)	(13,109,109)	(2,483,420)	(15,897,452)
Total increase/(decrease) during the year	85,699,643	(1,297,489)	(15,387,940)	15,142,926	84,157,140
Ending balance	745,168,168	87,018,909	23,749,727	170,288,023	1,026,224,827

¹⁾ Not implement SFAS 71

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Amortised cost					
Beginning balance	721,165,932	70,115,244	19,380,286	133,378,553	944,040,015
Transfer to 12 months expected credit losses (stage 1)	7,196,722	(5,141,874)	(2,054,848)	-	-
Transfer to lifetime expected credit losses - unimpaired (stage 2)	(30,953,463)	31,691,164	(737,701)	-	-
Transfer to lifetime expected credit losses - impaired (stage 3)	(4,573,725)	(15,624,696)	20,198,421	-	-
Total beginning balance after transfer	692,835,466	81,039,838	36,786,158	133,378,553	944,040,015
Remeasurement of net carrying amount	(73,626,776)	(2,593,573)	(912,142)	-	(77,132,491)
New financial assets originated or purchased	383,880,472	10,543,662	1,793,370	65,340,508	461,558,012
Financial assets derecognised	(322,518,714)	(8,307,853)	(2,231,844)	(41,967,925)	(375,026,336)
Written-off financial assets	(31,302)	(53,452)	(9,680,720)	(1,606,039)	(11,371,513)
Total increase/(decrease) during the year	(12,296,320)	(411,216)	(11,031,336)	21,766,544	(1,972,328)
Ending balance	680,539,146	80,628,622	25,754,822	155,145,097	942,067,687

¹⁾ Not implement SFAS 71

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12. LOANS AND SHARIA/FINANCING (continued)

B. Other significant information related to loans and sharia/financing:

- a. Included in loans are sharia receivables/financing granted by Subsidiaries amounted to Rp170,288,023 and Rp155,145,097 as of 31 December 2021 and 2020, respectively which consist of:

	2021	2020
Receivables from <i>murabahah</i> and <i>istishna</i>	101,685,919	89,844,727
<i>Musyarakah</i> financing	57,554,436	53,348,533
Other sharia financing	11,047,668	11,951,837
Total	170,288,023	155,145,097
Less: allowance for impairment losses	(7,376,974)	(6,030,491)
Net	162,911,049	149,114,606

- b. Average interest rates (yield) and range of profit sharing per annum are as follows:

	2021	2020
Average interest rates (yield) per annum:		
Rupiah	8.23%	8.74%
Foreign currencies	3.33%	4.04%
Range of profit sharing per annum:		
Receivables from <i>murabahah</i> and <i>istishna</i>	1.56% - 76.07%	1.06% - 14.94%
<i>Musyarakah</i> financing	2.34% - 10.55%	2.18% - 11.94%
Other sharia financing	0.84% - 54.06%	0.78% - 19.35%

- c. Loan collaterals

Loans are generally secured by pledged collateral, bond with powers of attorney in respect of the rights to sell, time deposits or other collateral acceptable by Bank Mandiri and its Subsidiaries. Deposits from customers and deposits from other banks that were pledged as cash collateral for loans and blocked for other purposes as of 31 December 2021 and 2020 amounted to Rp51,812,961 and Rp46,122,688, respectively (Notes 21c, 22c, 23e, 24c and 26d).

- d. Government program loans

Government program loans consist of investment loans, permanent working capital loans, working capital loans and KPR Sejahtera FLPP (*Liquidity Facility of House Financing*) which can be partially and/or fully funded by the Government.

During 2020, Bank participated in granting loan to support Government for National Economic Recovery Program "PEN" based on PMK No. 104/PMK.05/2020 dated 6 August 2020 and PMK No. 71/PMK.08/2020 dated 23 June 2020. The loan is guaranteed by Government through PT Jaminan Kredit Indonesia, PT Asuransi Kredit Indonesia and Lembaga Penjamin Ekspor Indonesia.

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12. LOANS AND SHARIA/FINANCING (continued)

B. Other significant information related to loans and sharia/financing (continued):

d. Government program loans (continued)

In order to accelerate National Economic Recovery Program, based on Ministry of Finance Regulation Number 70/PMK.05/2020, Government place their funds in Banks, which PT Bank Mandiri (Persero) Tbk. is one of the banks, in time deposit with 3 months tenor contract amounted to Rp10,000,000 on 25 June 2020. The Government Fund has been distributed in form of loan amounted to Rp39,043,255 until maturity date of time deposit on 25 September 2020 and the funds was returned to Government.

Based on PT Bank Mandiri (Persero) Tbk.'s evaluation and proposal, and in accordance to PMK No. 104/PMK.05/2020, the Government placed their funds in PT Bank Mandiri (Persero) Tbk. in form of time deposit with placement period of 110 days, amounted to Rp15,000,000 on 25 September 2020, and the funds has been distributed in form of loan with accumulative amounted of Rp66,638,884 until maturity date of time deposit on 13 January 2021. The Governments placement batch II has ended and the fund was returned to Government on 13 January 2021.

The Bank also participated in distribution of interest subsidy from the Government to Small Medium Enterprise (SME) debtors and Non-KUR debtors. As of 31 December 2021, bill to the Government for the additional program of KUR interest subsidy in connection with the implementation rule of the Coordinating Minister of Economy No. 03/2021 with a total realization of Rp1,046.2 billion of the total bill of Rp1,156.8 billion which was billed and received partially. In the first stage, the Bank received the realization of additional financing for KUR interest subsidy of Rp158.5 billion and had been distributed to debtors account in the amount of Rp157.5 billion to 671,645 debtors. As for the second stage, the Bank received Rp887.7 billion on 30 December 2021, which is currently still in the process of being distributed to debtors.

Collection of PEN and Non-KUR interest subsidy program from the Government in 2021 in relation with the implementation PMK 150/2021, with a total realization of Rp146 billion from a total bill of Rp146 billion, and has been distributed to debtor accounts of Rp123.7 billion for 220,774 debtors.

e. Syndicated loans

Syndicated loans represent loans granted to debtors through joint financing agreements with other banks. The total percentage share of Bank Mandiri as lead arranger in syndicated loans as of 31 December 2021 and 2020, are ranging from 1.31% to 99.66% and 2.43% to 95.20% (unaudited), respectively, of the total syndicated loans. While the percentage of Bank Mandiri's share if only as a syndicated member as of 31 December 2021 and 2020 are ranging from 8.27% to 62.50% and 1.41% to 75.00% (unaudited) respectively, of the total syndicated loans.

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12. LOANS AND SHARIA/FINANCING (continued)

B. Other significant information related to loans and sharia/financing (continued):

f. Restructured loans

Below are the types and amounts of restructured loans as of 31 December 2021 and 2020:

	2021	2020
Extension of loan maturity dates	81,200,440	79,684,116
Extension of loan maturity dates and reduction of interest rates	958,523	11,368,474
Extension of loan maturity dates and other restructuring schemes ⁾	83,955,023	99,378,140
Total	166,113,986	190,430,730

⁾ Other restructuring schemes mainly involve reduction of interest rates, rescheduling of unpaid interest and extension of repayment periods for unpaid interest.

Below are the amount of restructured loans based on collectibility:

	2021	2020
Current	105,800,091	133,866,112
Special mention	36,574,501	33,703,404
Substandard	2,712,605	2,719,631
Doubtful	4,606,557	744,011
Loss	16,420,232	19,397,572
Total	166,113,986	190,430,730

Total restructured loans under non-performing loans (NPL) category as of 31 December 2021 and 2020 are amounted to Rp23,739,394 and Rp22,861,215, respectively.

The bank has restructured credit for debtors affected by the Covid-19 pandemic in accordance with POJK No. 11/POJK.03/2020 "National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of the 2019 Coronavirus Disease" dated March 13, 2020 as amended by POJK No. 48/POJK.03/2020 concerning "National Economic Stimulus as a Countercyclical Policy Impact of the Spread of the 2019 Coronavirus Disease" dated 1 December 2020. As of 31 December 2021 and 2020, the balances for the Covid-19 restructuring credit were Rp87,898,653 and Rp116,791,253, respectively.

g. Loans to related parties

Total loans to related parties and its percentage to the total consolidated assets are disclosed in Note 57.

Loans to related parties include loans to Bank Mandiri key employees. The loans to Bank Mandiri key employees consist of interest-bearing amounted to 4.30% per annum which are intended for the acquisition of vehicles and/or houses, and are repayable within 1 (one) to 15 (fifteen) years through monthly payroll deductions.

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12. LOANS AND SHARIA/FINANCING (continued)

B. Other significant information related to loans and sharia/financing (continued):

h. Legal Lending Limit (LLL)

As of 31 December 2021 and 2020, there are no breach or violation of Legal Lending Limit (LLL) to third parties and related parties as required by Bank Indonesia regulations.

i. Bank Mandiri has several channeling loan agreements with several international financial institutions (Note 62).

j. Movements of allowance for impairment losses on loans and sharia/financing:

	2021	2020
Beginning balance ¹⁾	65,016,458	31,794,908
Initial Implementation of SFAS 71 (Note 68)	-	22,459,928
Allowance during the year (Note 46)	19,792,827	22,203,469
Write-offs ²⁾	(15,897,453)	(11,371,513)
Others ³⁾	(323,152)	(70,334)
Ending balance³⁾	68,588,680	65,016,458

*) Including written back and conversion of written-off loans, effect of foreign currency translation and implication from interest income recognised on the non-impaired portion of the impaired loans (Note 41)

- 1) Beginning balance as of 31 December 2021 and 2020 is amounted to Rp44,106,031 and Rp20,665,853, respectively, which were calculated using individual assessment and Rp20,910,427 and Rp11,129,055, respectively, which were calculated using collective assessment.
- 2) Write-off as of 31 December 2021 and 2020 is amounted to Rp8,203,396 and Rp3,324,994, respectively, which are calculated using individual assessment and Rp7,694,057 and Rp8,046,519, respectively, which are calculated using collective assessment.
- 3) Ending balance as of 31 December 2021 and 2020, is amounted to Rp46,023,479 and Rp44,106,031, respectively, which were calculated using individual assessment and Rp22,565,201 and Rp20,910,427, respectively, which were calculated using collective assessment.

	31 December 2021				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	11,560,490	25,211,487	22,213,991	3,285,135	62,271,103
Impact of initial implementation of SFAS 71 (Note 68)	-	-	-	2,745,355	2,745,355
Beginning balance of SFAS 71	11,560,490	25,211,487	22,213,991	6,030,490	65,016,458
Transfer to:					
- 12 months expected credit losses (stage 1)	990,619	(447,085)	(543,534)	-	-
- Lifetime expected credit losses - unimpaired (stage 2)	(1,189,710)	1,488,691	(298,981)	-	-
- Lifetime expected credit losses - impaired (stage 3)	(224,546)	(4,484,995)	4,709,541	-	-
Total beginning balance after transfer	11,136,853	21,768,098	26,081,017	6,030,490	65,016,458
Net remeasurement of losses allowance	(1,915,048)	5,015,022	8,542,019	-	11,641,993
New financial assets originated or purchased	4,424,069	8,787,782	1,707,657	3,824,936	18,744,444
Financial assets derecognised	(1,711,529)	(6,056,694)	(2,825,387)	-	(10,593,610)
Total allowance/(reversal) during the year	797,492	7,746,110	7,424,289	3,824,936	19,792,827
Write-off assets	(93,860)	(211,064)	(13,109,109)	(2,483,420)	(15,897,453)
Unwinding interest	-	-	(318,042)	-	(318,042)
Others	(48,063)	22,139	15,846	4,968	(5,110)
Ending balance	11,792,422	29,325,283	20,094,001	7,376,974	68,588,680

¹⁾ Not implement SFAS 71

²⁾ Using audited opening balance

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12. LOANS AND SHARIA/FINANCING (continued)

B. Other significant information related to loans and sharia/financing (continued):

j. Movements of allowance for impairment losses on loans and sharia/financing (continued):

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	5,414,842	10,226,544	12,379,656	3,773,865	31,794,907
Impact of initial implementation of SFAS71 (Note 68)	5,896,563	13,036,489	3,526,876	-	22,459,928
Beginning balance of SFAS 71	11,311,405	23,263,033	15,906,532	3,773,865	54,254,835
Transfer to:					
- 12 months expected credit losses (stage 1)	817,656	(446,313)	(371,343)	-	-
- Lifetime expected credit losses - unimpaired (stage 2)	(833,506)	1,141,057	(307,551)	-	-
- Lifetime expected credit losses - impaired (stage 3)	(138,935)	(5,413,390)	5,552,325	-	-
Total beginning balance after transfer	11,156,620	18,544,387	20,779,963	3,773,865	54,254,835
Net remeasurement of losses allowance	(986,467)	5,318,779	11,405,328	3,858,610	19,596,250
New financial assets originated or purchased	2,922,482	3,396,900	1,275,033	-	7,594,415
Financial assets derecognised	(1,531,593)	(2,176,856)	(1,278,747)	-	(4,987,196)
Total allowance/(reversal) during the year	404,422	6,538,823	11,401,614	3,858,610	22,203,469
Write-off assets	(31,303)	(53,452)	(9,680,719)	(1,606,039)	(11,371,513)
Unwinding interest	-	-	(413,839)	-	(413,839)
Others	30,751	181,729	126,971	4,055	343,506
Ending balance	11,560,490	25,211,487	22,213,990	6,030,491	65,016,458

¹⁾ Not implement SFAS 71

Management believes that the allowance for impairment losses on loans and sharia/financing is adequate.

k. Summary of non-performing loans based on economic sector and the minimum allowance for impairment losses are as follows:

	Non-performing loans (based on Bank Indonesia regulation)	
	2021	2020
Rupiah		
Manufacturing	9,572,958	12,780,715
Trading, restaurant and hotel	4,316,781	4,877,666
Transportation, warehousing and communications	2,092,952	1,042,287
Business services	1,229,690	765,268
Construction	1,037,284	300,017
Agriculture	961,584	315,800
Social services	68,453	205,552
Electricity, gas and water	10,238	152,916
Mining	42,166	76,305
Others	3,800,637	3,893,356
	23,132,743	24,409,882
Foreign currencies		
Mining	3,193,457	3,292,650
Manufacturing	1,221,041	1,116,986
Electricity, gas and water	395,499	407,961
Trading, restaurant and hotel	81,949	80,785
Business services	65,327	66,012
Transportation, warehousing and communications	50,036	57,415
Others	-	6,790
	5,007,309	5,028,599
Total	28,140,052	29,438,481

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12. LOANS AND SHARIA/FINANCING (continued)

B. Other significant information related to loans and sharia/financing (continued):

- k. Summary of non-performing loans based on economic sector and the minimum allowance for impairment losses are as follows (continued):

Total minimum allowance for impairment losses based on Bank Indonesia regulation are as follows:

	Minimum allowance for impairment losses	
	2021	2020
Rupiah		
Manufacturing	7,545,716	11,572,189
Trading, restaurant and hotel	3,486,212	4,059,341
Transportation, warehousing and communication	2,064,015	996,568
Business services	1,131,848	503,387
Constructions	626,714	274,870
Social services	41,405	178,425
Agriculture	468,111	212,241
Electricity, gas and water	9,159	152,402
Mining	20,689	27,164
Others	2,343,124	2,763,652
	<u>17,736,993</u>	<u>20,740,239</u>
Foreign currencies		
Manufacturing	3,193,457	3,289,834
Mining	960,326	1,116,986
Electricity, gas and water	140,282	146,418
Business services	81,949	80,785
Transportation, warehousing and communications	50,036	57,415
Trading, restaurant and hotel	65,327	51,362
Others	-	1,314
	<u>4,491,377</u>	<u>4,744,114</u>
Total	<u>22,228,370</u>	<u>25,484,353</u>

i. Write-off of "Loss" category loans

For the year ended 31 December 2021 and 2020, Bank Mandiri written-off loans in the "loss" category amounted to Rp12,899,675 and Rp9,650,970 (Bank Mandiri only), respectively. The criteria for loan write-offs are as follows:

- a. Loan facility has been classified as loss;
- b. Loan facility has been provided with 100.00% (one hundred percent) provision from the loan principal;
- c. Collection and recovery efforts have been performed, but the result is unsuccessful;
- d. The debtors' business has no prospect or performance is bad or they do not have the loan repayment ability; and
- e. The write-offs are performed for all loan obligations, including non-cash loan facilities, and the write-offs shall not be written-off partially.

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12. LOANS AND SHARIA/FINANCING (continued)

B. Other significant information related to loans and sharia/financing (continued):

- m. Written-off loans are recorded in extra-comptable, The Bank continues pursuing for collection of the written-off loans, These loans are not reflected in the consolidated statement of financial position, A summary of movements of extra-comptable loans for the year ended 31 December 2021 and 2020 are as follows (Bank Mandiri only):

	2021	2020
Beginning balance	78,553,882	71,960,790
Write-offs	12,899,675	9,650,970
Cash recoveries from write-off loans	(4,702,642)	(3,685,550)
Others ^{*)}	573,096	627,672
Ending balance	87,324,011	78,553,882

^{*)} Represents effect of foreign currency translation, writeback of assets and others

- n. Loans channelled by Bank Mandiri through direct financing (executing) to multifinance company and joint financing mechanism as of 31 December 2021 and 2020 amounted to Rp7,997,634 and Rp6,743,818, respectively.

- o. The carrying amount of loans and sharia loan/receivables at amortised cost are as follows:

	2021	2020
Loans (Note 12A)	1,026,224,827	942,067,687
Accrued interest receivables	3,136,522	3,074,997
Deferred income (directly attributable) (Note 35)	(833,403)	(610,500)
Allowance for impairment losses (Note 12A and 12B.j)	(68,588,680)	(65,016,458)
Total	959,939,266	879,515,726

13. CONSUMER FINANCING RECEIVABLES

- a. Details of Subsidiary's consumer financing receivables are as follows:

	2021	2020
Consumer financing receivables - gross		
Direct financing - Rupiah	62,944,093	59,941,148
Less:		
Joint financing (without recourse)		
Rupiah		
Related parties	(29,194,628)	(29,306,415)
Consumer financing receivables - gross	33,749,465	30,634,733

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13. CONSUMER FINANCING RECEIVABLES (continued)

a. Details of Subsidiary's consumer financing receivables are as follows (continued):

	2021	2020
Less:		
Unearned income on consumer financing		
Direct financing		
Rupiah		
Third parties	(17,687,136)	(14,841,677)
Less:		
Joint financing (without recourse) - gross		
Rupiah		
Related parties	3,045,993	3,285,352
Unearned income on consumer financing	(14,641,143)	(11,556,325)
Total	19,108,322	19,078,408
Less: allowance for impairment losses	(475,015)	(428,509)
Net	18,633,307	18,649,899

Installments of consumer financing receivables - gross as of 31 December 2021 and 2020 which will be received from customers based on the maturity dates are as follows:

	2021	2020
<u>Year</u>		
2020	-	23,108,675
2021	25,615,756	17,643,447
2022	19,134,154	11,678,766
2023	15,884,078	7,157,741
2024 and later	2,310,105	352,519
Total	62,944,093	59,941,148

On 4 November 2016, Subsidiary and the Bank entered into a Consumer Financing Asset Purchase Agreement with a total financing facility of Rp1,630,000 in accordance with the Joint Financing Agreement, which the Subsidiary bears credit risk in accordance with its financing portion (without recourse), this Agreement has been extended to 31 March 2022, with total facility amounted to Rp10,400,000.

The agreement was amended several times, the latest amendment dated 13 April 2021, which increases of facility amounted to Rp24,000,000 with the portion of joint financing facility at minimum of 1.00% from the Subsidiary and a maximum of 99.00% from joint financing providers. This agreement has been extended to 28 February 2022.

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13. CONSUMER FINANCING RECEIVABLES (continued)

- a. Details of Subsidiary's consumer financing receivables are as follows (continued):

Financing period for contracts disbursed by the Subsidiary on motor vehicles ranges from 12 - 84 months.

Included in consumer financing receivables transactions are related parties transactions amounted to Rp7,287 and Rp6,867 as of 31 December 2021 and 2020, respectively (refer to Note 57).

Changes in carrying amount of consumer financing receivables classified as amortised upon stages for the year ended 31 December 2021 and 2020:

	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Amortised cost				
Beginning balance	17,453,289	1,440,324	184,795	19,078,408
Transfer to 12 months expected credit losses (stage 1)	270,708	(235,166)	(35,542)	-
Transfer to lifetime loans - unimpaired (stage 2)	(1,584,865)	1,610,204	(25,339)	-
Transfer to loans - impaired (stage 3)	(442,688)	(454,200)	896,888	-
Total beginning balance after transfer	15,696,444	2,361,162	1,020,802	19,078,408
Remeasurement of net carrying amount	(7,335,231)	(371,356)	(72,177)	(7,778,764)
New financial assets originated or purchased	12,605,687	143,860	65,033	12,814,580
Financial assets derecognised	(2,815,335)	(1,371,877)	75,615	(4,111,597)
Written-off financial assets	(11,709)	(85,663)	(796,933)	(894,305)
Total increase/(decrease) during the year	2,443,412	(1,685,036)	(728,462)	29,914
Ending balance	18,139,856	676,126	292,340	19,108,322
	31 December 2020			
	Stage 1	Stage 2	Stage 3	Total
Amortised cost				
Beginning balance	17,963,483	384,616	217,607	18,565,706
Transfer to 12 months expected credit losses (stage 1)	394,350	(310,633)	(83,717)	-
Transfer to lifetime loans - unimpaired (stage 2)	(1,415,471)	1,448,262	(32,791)	-
Transfer to Loans - Impaired (stage 3)	(386,928)	(623,248)	1,010,176	-
Total beginning balance after transfer	16,555,434	898,997	1,111,275	18,565,706
Remeasurement of net carrying amount	(6,606,437)	946,846	57,064	(5,602,527)
New financial assets originated or purchased	15,895,715	226,299	40,773	16,162,787
Financial assets derecognised	(8,251,891)	(568,453)	(313,950)	(9,134,294)
Written-off financial assets	(139,532)	(63,365)	(710,367)	(913,264)
Total increase/(decrease) during the year	897,855	541,327	(926,480)	512,702
Ending balance	17,453,289	1,440,324	184,795	19,078,408

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13. CONSUMER FINANCING RECEIVABLES (continued)

- b. Details of consumer financing receivables by Bank Indonesia's collectibility as of 31 December 2021 and 2020 are as follows:

	2021	2020
Current	17,688,127	17,453,288
Special mention	1,177,810	1,440,325
Substandard	85,366	64,187
Doubtful	134,532	82,526
Loss	22,487	38,082
Total	19,108,322	19,078,408
Less: allowance for impairment losses	(475,015)	(428,509)
Net	18,633,307	18,649,899

- c. Average of effective interest rate charged to consumer for the year ended 31 December 2021 and 2020 are as follows:

	2021	2020
Car	14.68%	15.85%
Motorcycle	26.49%	25.34%

- d. Movements of allowance for impairment losses on consumer financing receivables are as follows:

	2021	2020
Beginning balance	428,509	354,618
Initial Implementation of SFAS 71 (Note 68)	-	(30,573)
Allowance during the year (Note 46)	832,853	904,826
Cash recoveries from write-offs consumer financing receivables	137,384	110,083
Write-offs	(894,305)	(913,264)
Others	(29,426)	2,819
Ending balance	475,015	428,509

	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	279,463	70,305	78,741	428,509
Transfer to:				
- 12 months expected credit losses (stage 1)	24,174	(17,571)	(6,603)	-
- Lifetime expected credit losses - unimpaired (stage 2)	(25,426)	35,533	(10,107)	-
- Lifetime expected credit losses - impaired (stage 3)	(8,112)	(25,595)	33,707	-
Total beginning balance after transfer	270,099	62,672	95,738	428,509
Net remeasurement of losses allowance	(16,279)	147,233	759,126	890,080
New financial assets originated or purchased	117,652	30,434	20,725	168,811
Financial assets derecognised	(59,555)	(50,978)	(115,505)	(226,038)
Total allowance/(reversal) during the year	41,818	126,689	664,346	832,853
Written-off financial assets	(11,709)	(85,663)	(796,933)	(894,305)
Cash recoveries from write-offs consumer financing receivables	-	-	137,384	137,384
Others	2,046	(14,091)	(17,381)	(29,426)
Ending balance	302,254	89,607	83,154	475,015

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13. CONSUMER FINANCING RECEIVABLES (continued)

	31 December 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	226,927	67,547	60,144	354,618
Impact of initial implementation of SFAS 71 (Note 68)	(28,651)	(18,393)	16,471	(30,573)
Beginning balance SFAS 71	198,276	49,154	76,615	324,045
Transfer to:				
- 12 months expected credit losses (stage 1)	6,109	(4,793)	(1,316)	-
- Lifetime expected credit losses - unimpaired (stage 2)	(8,096)	9,800	(1,704)	-
- Lifetime expected credit losses - impaired (stage 3)	(3,523)	(21,566)	25,089	-
Total beginning balance after transfer	192,766	32,595	98,684	324,045
Net remeasurement of losses allowance	124,773	83,271	582,037	790,081
New financial assets originated or purchased	136,064	27,302	11,419	174,785
Financial assets derecognised	(34,608)	(9,498)	(15,934)	(60,040)
Total allowance/(reversal) during the year	226,229	101,075	577,522	904,826
Written-off financial assets	(139,532)	(63,365)	(710,367)	(913,264)
Cash recoveries from write-offs consumer financing receivables	-	-	110,083	110,083
Others	-	-	2,819	2,819
Ending balance	279,463	70,305	78,741	428,509

Management believes that the allowance for impairment losses on consumer financing receivables is adequate.

- e. Information in respect of classification of “non-impaired” and “impaired” is disclosed in Note 63A.
- f. Consumer financing receivables pledged as collateral for debt securities issued as of 31 December 2021 and 2020 are Rp2,374,488 and Rp1,467,703, respectively (Note 30).
- g. Consumer financing receivables pledged as collateral for fund borrowing as of 31 December 2021 and 2020 are Rp9,153,951 and Rp8,748,731, respectively (Note 36f).
- h. As a collateral to the customer financing receivables, the Subsidiaries received Vehicles Ownership Certificate (*Bukti Kepemilikan Kendaraan Bermotor* or “BPKB”) from its customer for every vehicle financed by the Subsidiaries.

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14. NET INVESTMENT FINANCE LEASES

a. Details of Subsidiary's net investment finance leases are as follows:

	2021	2020
Net investment finance leases		
Rupiah		
Third parties		
Gross lease financing receivables	5,968,822	5,537,799
Finance lease receivables jointly funded other parties without recourse - gross	(455,806)	(1,385,466)
Guaranteed residual value	2,026,548	1,719,975
Deferred lease income	(689,243)	(570,911)
Security deposit	(2,026,548)	(1,719,975)
Total net investment finance leases	4,823,773	3,581,422
Less: allowance for impairment losses	(129,967)	(58,955)
Net	4,693,806	3,522,467

Financing period for contracts disbursed by the Subsidiary on motor vehicles ranges between 12 - 60 months.

Based on maturity date, details of finance leases receivables are as follows:

	2021	2020
<u>Year</u>		
2021	-	2,915,784
2022	3,065,818	1,797,285
2023	1,903,792	668,236
> 2024	999,212	156,494
	5,968,822	5,537,799
Finance lease receivables jointly funded by other parties without recourse - gross	(455,806)	(1,385,466)
Guaranteed residual value, deferred lease income and security deposit	(689,243)	(570,911)
Finance leases receivable	4,823,773	3,581,422

Movements in carrying amount of finance leases receivable classified as amortised cost upon stages for the year ended 31 December 2021 and 2020:

	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Amortised cost				
Beginning balance	3,372,382	178,953	30,087	3,581,422
Transfer to 12 months expected credit losses (stage 1)	41,537	(36,669)	(4,868)	-
Transfer to lifetime loans - unimpaired (stage 2)	(225,844)	226,204	(360)	-
Transfer to lifetime loans - impaired (stage 3)	(23,479)	(24,694)	48,173	-
Total beginning balance after transfer	3,164,596	343,794	73,032	3,581,422

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14. NET INVESTMENT FINANCE LEASES (continued)

a. Details of Subsidiary's net investment finance leases are as follows (continued):

Movements in carrying amount of finance leases receivable classified as amortised cost upon stages for the year ended 31 December 2021 and 2020 (continued):

31 December 2021 (continued)				
	Stage 1	Stage 2	Stage 3	Total
Remeasurement of net carrying amount	(1,433,950)	(8,620)	5,108	(1,437,462)
New financial assets originated or purchased	4,017,668	2,758	133	4,020,559
Financial assets derecognised	(1,059,829)	(226,713)	(20,067)	(1,306,609)
Write-offs	-	-	(34,137)	(34,137)
Total increase/(decrease) during the year	1,523,889	(232,575)	(48,963)	1,242,351
Ending balance	4,688,485	111,219	24,069	4,823,773
31 December 2020				
	Stage 1	Stage 2	Stage 3	Total
Amortised cost				
Beginning balance	2,919,646	108,230	27,195	3,055,071
Transfer to 12 months expected credit losses (stage 1)	79,742	(69,362)	(10,380)	-
Transfer to lifetime loans - unimpaired (stage 2)	(249,980)	254,337	(4,357)	-
Transfer to lifetime loans - impaired (stage 3)	(50,847)	(62,778)	113,625	-
Total beginning balance after transfer	2,698,561	230,427	126,083	3,055,071
Remeasurement of net carrying amount	(1,874,887)	49,277	23,094	(1,802,516)
New financial assets originated or purchased	3,753,512	9,948	272	3,763,732
Financial assets derecognised	(1,204,804)	(110,699)	(78,419)	(1,393,922)
Write-offs	-	-	(40,943)	(40,943)
Total increase/(decrease) during the year	673,821	(51,474)	(95,996)	526,351
Ending balance	3,372,382	178,953	30,087	3,581,422

b. Details of net investment finance leases by Bank Indonesia's collectibility as of 31 December 2021 and 2020 are as follows:

	2021	2020
Current	4,595,122	3,372,383
Special mention	204,582	178,952
Substandard	6,225	26,048
Doubtful	17,844	2,058
Loss	-	1,981
Total	4,823,773	3,581,422
Less: allowance for impairment losses	(129,967)	(58,955)
Net	4,693,806	3,522,467

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14. NET INVESTMENT FINANCE LEASES (continued)

- c. Average of effective interest rate charged to consumer for the year ended 31 December 2021 and 2020, are as follows:

	2021	2020
Car	14.80%	14.29%
Heavy equipment	12.30%	12.41%
Machine	11.76%	12.35%

- d. Movements of allowance for impairment losses on net investment finance leases are as follows:

	2021	2020
Beginning balance	58,955	7,982
Initial Implementation of SFAS 71 (Note 68)	-	51,465
Allowance during the year (Note 46)	51,248	31,716
Cash recoveries from write-offs finance leases	53,901	8,735
Write-offs	(34,137)	(40,943)
Ending balance	129,967	58,955

	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	25,716	22,965	10,274	58,955
Transfer to:				
- 12 months expected credit losses (stage 1)	4,428	(4,060)	(368)	-
- Lifetime expected credit losses - unimpaired (stage 2)	(5,847)	7,048	(1,201)	-
- Lifetime expected credit losses - impaired (stage 3)	(277)	(2,189)	2,466	-
Total beginning balance after transfer	24,020	23,764	11,171	58,955
Net remeasurement of losses allowance	32,445	3,663	19,517	55,625
New financial assets originated or purchased	24,742	14,201	1,541	40,484
Financial assets derecognised	(14,616)	(18,780)	(11,465)	(44,861)
Total allowance/(reversal) during the year	42,571	(916)	9,593	51,248
Cash recoveries from write-offs finance leases	37,507	(3,727)	20,121	53,901
Written-off financial assets	(6)	(63)	(34,068)	(34,137)
Ending balance	104,092	19,058	6,817	129,967

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14. NET INVESTMENT FINANCE LEASES (continued)

- d. Movements of allowance for impairment losses on net investment finance leases are as follows (continued):

	31 December 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	5,603	1,870	509	7,982
Impact of initial implementation of SFAS 71 (Note 68)	24,678	13,527	13,260	51,465
Beginning balance of SFAS 71	30,281	15,397	13,769	59,447
Transfer to:				
- 12 months expected credit losses (stage 1)	15,186	(13,975)	(1,211)	-
- Lifetime expected credit losses - unimpaired (stage 2)	(6,738)	8,246	(1,508)	-
- Lifetime expected credit losses - impaired (stage 3)	(1,918)	(16,321)	18,239	-
Total beginning balance after transfer	36,811	(6,653)	29,289	59,447
Net remeasurement of losses allowance	(22,279)	46,728	36,685	61,134
New financial assets originated or purchased	20,963	1,775	33	22,771
Financial assets derecognised	(9,457)	(18,351)	(24,381)	(52,189)
Total allowance/(reversal) during the year	(10,773)	30,152	12,337	31,716
Cash recoveries from write-offs finance leases	-	-	8,735	8,735
Written-off financial assets	(322)	(534)	(40,087)	(40,943)
Ending balance	25,716	22,965	10,274	58,955

Management believes that the allowance for impairment losses on net investment finance lease is adequate.

- e. Information in respect of classification of “not impaired” and “impaired” is disclosed in Note 63A.
- f. Net investment finance leases pledged as collateral for debt securities issued as of 31 December 2021 and 2020 amounted to Rp924,823 and Rp1,042,047, respectively (Note 30).
- g. Net investment finance lease pledged as collateral for fund borrowings as of 31 December 2021 and 2020 amounted to Rp824,459 and Rp977,460, respectively (Note 36f).

15. ACCEPTANCE RECEIVABLES

- a. By currency, related parties and third parties:

	2021	2020
Rupiah		
Receivables from other banks		
Related parties (Note 57)	312,318	171,458
Third parties	436,221	319,075
	748,539	490,533
Receivables from debtors		
Related parties (Note 57)	1,343,598	606,170
Third parties	2,520,581	5,476,626
	3,864,179	6,082,796
Total	4,612,718	6,573,329

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15. ACCEPTANCE RECEIVABLES (continued)

a. By currency, related parties and third parties (continued):

	2021	2020
Foreign currencies		
Receivables from other banks		
Related parties (Note 57)	1,568	4,411
Third parties	540,263	165,523
	541,831	169,934
Receivables from debtors		
Related parties (Note 57)	1,030,976	276,890
Third parties	4,087,919	3,212,702
	5,118,895	3,489,592
Total (Note 63B.(iv))	5,660,726	3,659,526
	10,273,444	10,232,855
Less: allowance for impairment losses	(196,693)	(123,609)
Net	10,076,751	10,109,246

Movements in carrying amount of acceptance receivable classified as amortised cost upon stages for the year ended 31 December 2021 and 2020:

	31 December 2021				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Amortised cost					
Beginning balance	9,500,196	518,678	1,391	212,590	10,232,855
Transfer to 12 months expected credit losses (stage 1)	-	-	-	-	-
Total beginning balance after transfer	9,500,196	518,678	1,391	212,590	10,232,855
Remeasurement of net carrying amount	(319)	2,954	-	(168,152)	(165,517)
New financial assets originated or purchased	25,972,362	3,027,743	4,909	-	29,005,014
Financial assets derecognised	(26,531,655)	(2,142,892)	(4,476)	-	(28,679,023)
Others	(9,611)	(110,274)	-	-	(119,885)
Total increase/(decrease) during the year	(569,223)	777,531	433	(168,152)	40,589
Ending balance	8,930,973	1,296,209	1,824	44,438	10,273,444

¹⁾ Not implement SFAS 71

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Amortised cost					
Beginning balance	9,482,157	499,706	73,849	224,127	10,279,839
Transfer to 12 months expected credit losses (stage 1)	-	-	-	-	-
Total beginning balance after transfer	9,482,157	499,706	73,849	224,127	10,279,839
Remeasurement of net carrying amount	120,551	(197)	(372)	(11,537)	108,445
New financial assets originated or purchased	24,060,577	1,254,476	1,826	-	25,316,879
Financial assets derecognised	(24,164,848)	(1,242,694)	(74,284)	-	(25,481,826)
Others	1,759	7,387	372	-	9,518
Total increase/(decrease) during the year	18,039	18,972	(72,458)	(11,537)	(46,984)
Ending balance	9,500,196	518,678	1,391	212,590	10,232,855

¹⁾ Not implement SFAS 71

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15. ACCEPTANCE RECEIVABLES (continued)

b. By maturity:

	2021	2020
Rupiah		
Less than 1 month	1,607,182	2,042,192
1 - 3 months	1,607,065	1,475,350
3 - 6 months	1,398,471	3,055,461
6 - 12 months	-	326
Total	4,612,718	6,573,329
Foreign currencies		
Less than 1 month	2,434,725	1,490,487
1 - 3 months	2,282,704	1,724,291
3 - 6 months	744,007	439,595
6 - 12 months	170,785	5,153
Over 12 months	28,505	-
Total (Note 63B.(iv))	5,660,726	3,659,526
	10,273,444	10,232,855
Less: allowance for impairment losses	(196,693)	(123,609)
Net	10,076,751	10,109,246

c. By Bank Indonesia's collectibility:

	2021	2020
Current	9,512,519	10,190,110
Special mention	759,101	41,354
Substandard	1,824	1,391
	10,273,444	10,232,855
Less: allowance for impairment losses	(196,693)	(123,609)
Net	10,076,751	10,109,246
	2021	2020
Beginning balance	123,609	221,804
Initial implementation of SFAS 71 (Note 68)	-	32,819
Reversal during the year (Note 46)	73,877	(142,687)
Others ⁷⁾	(793)	11,673
Ending balance	196,693	123,609

⁷⁾ Including effect of foreign currency translation.

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15. ACCEPTANCE RECEIVABLES (continued)

d. Movements of allowance for impairment losses on acceptance receivables:

	31 December 2021				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	28,346	91,321	1,391	2,551	123,609
Transfer to:					
12 months expected credit losses (stage 1)	-	-	-	-	-
Total beginning balance after transfer	28,346	91,321	1,391	2,551	123,609
Remeasurement of net carrying amount	(11,950)	2,514	7	(933)	(10,362)
New financial assets originated or purchased	43,771	369,050	4,744	-	417,565
Financial assets derecognised	(44,106)	(284,908)	(4,312)	-	(333,326)
Total allowance/(reversal) during the year	(12,285)	86,656	439	(933)	73,877
Others	(65)	(722)	(6)	-	(793)
Ending balance	15,996	177,255	1,824	1,618	196,693

¹⁾ Not implement SFAS 71

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	56,544	131,461	31,439	2,360	221,804
Impact of initial implementation of SFAS 71 (Note 68)	(23,843)	45,240	11,422	-	32,819
Beginning balance of SFAS 71	32,701	176,701	42,861	2,360	254,623
Transfer to:					
12 months expected credit losses (stage 1)	-	-	-	-	-
Total beginning balance after transfer	32,701	176,701	42,861	2,360	254,623
Remeasurement of net carrying amount	(15,918)	(10,244)	(456)	180	(26,438)
New financial assets originated or purchased	57,071	331,028	1,597	-	389,696
Financial assets derecognised	(47,663)	(415,215)	(43,067)	-	(505,945)
Total allowance/(reversal) during the year	(6,510)	(94,431)	(41,926)	180	(142,687)
Others	2,155	9,051	456	11	11,673
Ending balance	28,346	91,321	1,391	2,551	123,609

¹⁾ Not implement SFAS 71

Management believes that the allowance for impairment losses on acceptance receivables is adequate.

e. Information in respect to classification of “non-impaired” and “impaired” is disclosed in Note 63A.

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16. INVESTMENTS IN SHARES

a. The detail of investments in shares are as follows:

	2021	2020
Investments in shares		
Related Parties (Note 57)	1,784,229	1,799,313
Third Parties	662,759	465,323
Total	2,446,988	2,264,636
Less: allowance for impairment losses	(14,595)	(14,619)
Net	2,432,393	2,250,017

The detail of investments in shares as of 31 December 2021 are as follows

Investee Companies	Nature of Business	Percentage of Ownership	Carrying Amount
Fair value method:			
PT Fintek Karya Nusantara	Fintech Lending	15.88%	1,697,394
PT Amarthia Mikro Fintek	Fintech Lending	9.10%	155,304
Sleekr	HR dan Accounting Platform	4.74%	110,602
Privy Id	Digital Service	9.85%	81,754
Cashlez	Mobile Point of Sale	8.25%	31,806
Investree	Fintech Landing	2.34%	98,350
Iseller	Digital Service	13.35%	76,461
PT Bukalapak.com	e-Commerce	0.07%	22,895
Koinworks	Fintech Lending	3.05%	31,367
Others (each less than Rp20,000)	Various	0.01% - 17.50%	49,045
Metode biaya dan ekuitas:			
PT Djakarta Lloyd (Persero)	Shipping Line	17.67%	32,067
PT Mandiri AXA General Insurance (MAGI)	General Insurance	20.00%	51,770
Others (each less than Rp20,000)	Various	0.00015% - 10%	8,173
			2,446,988
Less: allowance for impairment losses			(14,595)
Net			2,432,393

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16. INVESTMENTS IN SHARES (continued)

a. The detail of investments in shares are as follows (continued):

The detail of investments in shares as of 31 December 2020 are as follows:

Investee Companies	Nature of Business	Percentage of Ownership	Carrying Amount
Fair value method:			
PT Fintek Karya Nusantara	Fintech Lending	16.32%	1,697,395
PT Amarthia Mikro Fintek Sleekr	Fintech Lending HR dan Accounting Platform	8.19%	114,334
Privy Id	Digital Service	5.00%	80,279
Cashlez	Digital Service	9.91%	46,960
Investree	Mobile Point of Sale	8.25%	55,136
Iseller	Fintech Landing	2.34%	92,840
Others (each less than Rp20,000)	Digital Service	12.00%	21,773
Others (each less than Rp20,000)	Various	0.01% - 17.50%	48,829
Cost and equity method:			
PT Djakarta Lloyd (Persero)	Shipping Line	17.67%	32,813
PT Mandiri AXA General Insurance (MAGI)	General Insurance	20.00%	66,104
Others (each less than Rp20,000)	Various	0.00015% - 10%	8,173
			2,264,636
Less: allowance for impairment losses			(14,619)
Net			2,250,017

b. Investments in shares by Bank Indonesia's collectibility:

	2021	2020
Current	2,361,086	2,163,679
Substandard	83,837	98,918
Loss	2,065	2,039
	2,446,988	2,264,636
Less: allowance for impairment losses	(14,595)	(14,619)
Net	2,432,393	2,250,017

c. Movements of allowance for impairment losses on investments in shares:

	2021	2020
Beginning balance	14,619	12,919
Allowance during the year (Note 46)	461	10,026
Write Off	-	(7,698)
Others ^{*)}	(485)	(628)
Ending balance	14,595	14,619

^{*)} Including effect of foreign currency translation

Management believes that the allowance for impairment losses on investments in shares are adequate.

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17. PREPAID EXPENSES

	2021	2020
Prepaid rent	266,692	201,338
Building maintenance	390,477	449,342
Premi assurance cost	130,972	110,269
Others	682,110	865,486
Total	1,470,251	1,626,435

Prepaid rent mostly consists of rentals on buildings which are used as the Group branch's offices and official residence across Indonesia.

18. FIXED ASSETS

a. The details of fixed assets were as follows:

	31 December 2021				
	Beginning Balance	Additions ^{*)}	Deductions	Reclassifications	Ending Balance ^{*)}
At cost/revaluation value					
Direct ownership					
Land	35,565,416	95,997	-	41,596	35,703,009
Building	8,349,186	240,343	-	155,097	8,744,626
Furniture and fixtures, office equipment and computer	13,709,539	503,096	(317,567)	146,148	14,041,216
Vehicles	210,467	4,357	(1,801)	17,725	230,748
Construction in progress	2,828,541	1,351,628	(830)	(380,304)	3,799,035
	60,663,149	2,195,421	(320,198)	(19,738)	62,518,634
Right of use assets	3,659,339	1,631,045	(325,489)	19,738	4,984,633
	64,322,488	3,826,466	(645,687)	-	67,503,267
Accumulated depreciation (Note 51)					
Direct ownership					
Building	3,113,604	446,808	-	(5,775)	3,554,637
Furniture and fixtures, office equipment and computer	11,273,759	897,843	(316,370)	23	11,855,255
Vehicles	169,654	17,793	(1,801)	-	185,646
	14,557,017	1,362,444	(318,171)	(5,752)	15,595,538
Right of use assets	1,458,628	1,401,951	(103,394)	5,752	2,762,937
	16,015,645	2,764,395	(421,565)	-	18,358,475
Net book value					
Direct ownership					
Land					35,703,009
Building					5,189,989
Furniture and fixtures, office equipment and computer					2,185,961
Vehicles					45,102
Construction in progress					3,799,035
					46,923,096
Right of use assets					2,221,696
					49,144,792

^{*)} Including revaluation of fixed assets and reclassification of abandoned properties.

^{**)} As of 31 December 2021 there was a revaluation of fixed assets of amounted to Rp31,138,472 which from the Bank amounted to Rp30,706,364 and Subsidiaries amounted to Rp432,108.

^{***)} Including the impact of the merger of subsidiaries.

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18. FIXED ASSETS (continued)

a. The details of fixed assets were as follows (continued):

	31 December 2020				
	Beginning Balance ^{***)}	Additions ^{*)}	Deductions	Reclassifications	Ending Balance ^{*)}
At cost/revaluation value					
Direct ownership					
Land	34,996,896	716,366	(270,242)	234,350	35,677,370
Building	7,513,349	312,028	(89,223)	580,323	8,316,477
Furniture and fixtures, office equipment and computer	13,320,971	319,076	(788,603)	778,846	13,630,290
Vehicles	194,580	8,519	(16,038)	23,405	210,466
Construction in progress	2,991,493	1,454,173	(196)	(1,616,924)	2,828,546
	59,017,289	2,810,162	(1,164,302)	-	60,663,149
Right of use assets	2,454,370	1,247,819	(42,850)	-	3,659,339
	61,471,659	4,057,981	(1,207,152)	-	64,322,488
Accumulated depreciation (Note 51)					
Direct ownership					
Building	2,720,756	441,947	(48,704)	(393)	3,113,606
Furniture and fixtures, office equipment and computer	10,701,716	1,129,665	(545,548)	393	11,286,226
Vehicles	154,496	17,338	(14,649)	-	157,185
	13,576,968	1,588,950	(608,901)	-	14,557,017
Right of use assets	-	1,489,628	(31,000)	-	1,458,628
	13,576,968	3,078,578	(639,901)	-	16,015,645
Net book value					
Direct ownership					
Land					35,677,370
Building					5,202,871
Furniture and fixtures, office equipment and computer					2,344,064
Vehicles					53,281
Construction in progress					2,828,546
					46,106,132
Right of use assets					2,200,711
					48,306,843

*) Including revaluation of fixed assets and reclassification of abandoned properties.

**) As of 31 December 2020 there was a revaluation of fixed assets of amount to Rp31,111,098 which from the Bank amounted to Rp30,706,364 and Subsidiaries amounted to Rp404,734.

***) Including the impact of the merger of subsidiaries.

Construction in progress as of 31 December 2021 and 2020 are as follows:

	2021	2020
Buildings	3,038,889	2,162,487
Computers and other hardware that have not been installed	387,875	277,961
Land	264,427	281,310
Office equipment and inventory	98,566	83,749
Vehicles	5,587	19,139
Others	3,691	3,900
	3,799,035	2,826,546

The estimated percentage of completion of construction in progress as of 31 December 2021 and 2020 for computers and other hardware that have not been installed was ranging between 22.00% - 85.00% and 5.00% - 95.00%, respectively.

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18. FIXED ASSETS (continued)

a. The details of fixed assets were as follows (continued):

Right of use assets as of 31 December 2021 are as follows:

	Balance 1 January 2021	Additions	Deductions	Reclassifications	Balance 31 December 2021
At cost					
Building	3,058,761	1,232,650	(262,993)	19,738	4,048,156
Furniture and fixtures, office equipment and computer	20,947	8,136	-	-	29,083
Vehicles	579,631	390,259	(62,496)	-	907,394
	<u>3,659,339</u>	<u>1,631,045</u>	<u>(325,489)</u>	<u>19,738</u>	<u>4,984,633</u>
Accumulated depreciation					
Building	1,212,916	1,155,481	(80,346)	5,752	2,293,803
Furniture and fixtures, office equipment and computer	5,526	6,844	-	-	12,370
Vehicles	240,186	239,626	(23,048)	-	456,764
	<u>1,458,628</u>	<u>1,401,951</u>	<u>(103,394)</u>	<u>5,752</u>	<u>2,762,937</u>
Net book value					
Building					1,754,353
Furniture and fixtures, office equipment and computer					16,713
Vehicles					450,630
					<u><u>2,221,696</u></u>

The table below shows the right of use expenses in consolidated statement of profit or loss:

	31 December 2021		
	Depreciation of Right of use assets	Interest expenses of leased liabilities	Expenses relating to short term lease
Building	1,155,481	36,111	16,015
Furniture and fixture, office equipment and computer	6,844	708	15
Vehicles	239,626	26,408	-
Total recognized in consolidated statement of profit or loss	<u><u>1,401,951</u></u>	<u><u>63,227</u></u>	<u><u>16,030</u></u>

Right of use assets as of 31 December 2020 are as follows:

	Balance 1 January 2020	Addition	Deductions	Balance 31 December 2020
At cost				
Building	2,054,842	1,059,032	(36,664)	3,077,210
Furniture and fixture, office equipment and computer	-	21,555	-	21,555
Vehicles	399,527	167,233	(6,186)	560,574
	<u>2,454,369</u>	<u>1,247,820</u>	<u>(42,850)</u>	<u>3,659,339</u>

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18. FIXED ASSETS (continued)

a. The details of fixed assets were as follows (continued):

Right of use assets as of 31 December 2020 are as follows (continued):

	Balance 1 January 2020	Addition	Deductions	Balance 31 December 2020
Accumulated depreciation				
Building	-	1,244,167	(27,569)	1,216,598
Furniture and fixtures, office equipment and computer	-	5,530	-	5,530
Vehicles	-	239,931	(3,431)	236,500
	-	1,489,628	(31,000)	1,458,628
Net book value				
Building				1,860,611
Furniture and fixture, office equipment and computer				16,025
Vehicles				324,075
				2,200,711

The table below shows the right of use expenses in consolidated statement of profit or loss:

	31 December 2020		
	Depreciation of Right of use assets	Interest expenses of leased liabilities	Expenses relating to short term lease
Building	1,244,167	20,592	18,797
Furniture and fixture, office equipment and computer	5,530	1,931	5,015
Vehicles	239,931	28,551	4,168
Total recognized in consolidated statement of profit or loss	1,489,628	51,074	27,980

Bank entered into rental agreement for a number of assets include vehicle, office house, offices, ATM spaces, and others. The average lease term is 2 (two) years.

Bank also has a number lease with leases terms 12 months or less and the underlying asset has low value. Bank applied the exception for the short term leases and low value leases.

b. Others

- On 28 December 2018, the Bank and PT Wijaya Karya Bangunan Gedung, Tbk has signed the agreement in relation to Build, Operate and Transfer for asset on Jl Proklamasi No. 31 Jakarta for 30 years period in order to optimize the strategic assets of Bank Mandiri by prioritizing the cooperation through BUMN synergy.

Bank Mandiri had an Agreement on Build, Operate and Transfer ("BOT Agreement") with PT Duta Anggada Realty Tbk. ("Duta Anggada") based on the Deed No. 105 regarding BOT Agreement dated 24 May 1991, as amended by the Deed No. 70 Addendum I on BOT Agreement dated 14 June 1991 and No. 65 Addendum II on BOT agreement dated 21 December 2011. The agreement, among others, managed the development of two tower of 27 floors of offices by Duta Anggada, which the land is owned by Bank Mandiri. The term of the management of Tower 1 and Tower 2 by Duta Anggada ended on 15 May 2014 and 15 May 2016, respectively.

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18. FIXED ASSETS (continued)

b. Others (continued)

On 19 May 2014, the Bank and Duta Anggada has signed the agreement to transfer Tower 1 building to Bank Mandiri in Deed No. 43 dated 19 May 2014 regarding Temporary Utilization Agreement, in which Duta Anggada is entitled to operate the Tower 1 building up to 15 May 2016, along with the right and obligation of each party.

On 11 May 2016, the Bank has signed transfer agreement of Menara Mandiri 2 and its management of Menara Mandiri 1 from PT Duta Anggada Realty Tbk. to PT Bank Mandiri (Persero) Tbk. Currently, building management of Menara Mandiri 1 and Menara Mandiri 2 is performed by PT Bumi Daya Plaza in the form of Temporary Utilization Agreement from 2016 until 2021.

2. Revaluation

Revaluation year 2015 - 2016

Based on Minister of Finance of the Republic of Indonesia Regulation (Peraturan Menteri Keuangan (PMK)) No. PMK/191 dated 15 October 2015, with the first amendment through the Minister of Finance Regulation No. 233/PMK.03/2015 dated 21 December 2015 and the second amendment of the Minister of Finance Regulation No. 29/PMK.03/2016 19 February 2016. The Group has assigned registered independent appraisers to assess (revalue) its fixed asset (land).

The valuations of land are performed by the external independent appraisers, Public Appraiser Company (Kantor Jasa Penilai Publik (KJPP)) Amin, Nirwan, Alfiantori and Partners (ANA) and KJPP Muttaqin, Bambang, Purwanto, Rozak, Uswatun and Partners (MBPRU). Appraisals are performed based on the Concept and General Principles of Appraisers article 17 in Indonesian Appraisal Standards year 2015.

In the fair value measurement of the land, the KJPP takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The valuation method used by the KJPP are market approach and cost approach.

Based on the Assessment Report of the KJPP MBPRU dated 21 December 2015 (Subsidiaries) and 11 April 2016 (Bank) and KJPP ANA dated 13 April 2016 (Bank), the value of fixed assets and its increase are as follows:

Fixed assets	Fair value	Book value	Increase in value (before tax)
Land	28,822,150	2,880,116	25,942,034

To determine the fair value, KJPP ANA and KJPP MBPRU use the assessment methodology from Market Approach SPI 2015-KPUP 17 with direct comparison methodology.

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18. FIXED ASSETS (continued)

b. Others (continued)

2. Revaluation (continued)

Revaluation year 2015 - 2016 (continued)

The results of revaluation of fixed assets of the Bank were approved by the Directorate General of Taxes (DGT) through the Head of Regional Office Large Tax payer through Decree No. KEP-418/WPJ.19/2016 dated 25 May 2016. The results of revaluation of fixed assets of subsidiary were approved by the DGT on 8 January 2016.

Revaluation year 2019

In 2019, Bank has performed land revaluation. The valuation of land was performed by external independent appraisers of the Office of Public Appraisal Services (KJPP) Yanuar Bey and Partners and KJPP Iwan Bachron and Partners. The assessment was performed in accordance with and subject to the provisions of the General Assessment Concepts and principles point 17 in the Indonesian Appraisal Standard (SPI) of year 2018.

In the fair value measurement of the land, the KJPP takes into account the market participants' ability to generate economic benefits to the highest and best use of the assets or by selling assets to other market participants would use the asset on the highest and best use condition. The valuation methods used by KJPP are the market approach, income approach and cost approach.

Based on the Appraisal Report of KJPP Yanuar Bey on 8 July 2019 and KJPP Iwan Bachron on 9 August 2019, the value of fixed assets and its value increase are as follows:

<u>Fixed assets</u>	<u>Fair value</u>	<u>Book value</u>	<u>Increase in value (before tax)</u>
Land	33,596,578	29,725,630	3,870,948

To determine the fair value, KJPP Yanuar Bey and KJPP Iwan Bachron used the market approach methodology SPI 2018-KPUP 15.2 using direct comparison method.

3. Assessment in the fair value of assets owned by the Bank on 31 December 2021 and 2020 uses revaluation method for lands and sales value of taxable object for buildings. As of 31 December 2021, the revaluation value of land and sales value of taxable object of buildings owned by the Bank was Rp 35,717,550 and Rp4,914,320, respectively. As of 31 December 2020, the revaluation value of land and sales value of taxable object of buildings owned by the Bank was Rp34,540,996 and Rp4,870,858, respectively. On 27 October 2020, there is an abandoned property that has been reclassified as fixed assets. The assets are in the form of land and buildings located on Jl. Bandarharjo Semarang. The bank carried out a revaluation of the land which had a book value of Rp266 and a revaluation value of Rp3,594, according to the results of the assessment of KJPP Amin Nirwan Alfiantori and Partners. Asset revaluation causes an increase in the value of fixed assets and the net difference in revaluation of fixed assets in equity of Rp3,328 (the difference between book value and revaluation value).

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18. FIXED ASSETS (continued)

b. Others (continued)

4. The value of land based on cost model as of 31 December 2021 and 2020 amounted to Rp4,579,078 and Rp3,429,898, respectively.

The table below presents non-financial instruments recognised at fair value based on the hierarchy used by the Bank to determine and disclose the fair value of non-financial instruments:

- (i) Level 1: Quoted prices on active markets for identical assets or liabilities;
 (ii) Level 2: Valuation technique in which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
 (iii) Level 3: Valuation techniques in which all inputs which have a significant effect on the recorded fair value that cannot be observed from market data.

	31 December 2021			Fair Value
	Level 1	Level 2	Level 3	
Land	-	35,717,550	-	35,717,550

	31 December 2020			Fair Value
	Level 1	Level 2	Level 3	
Land	-	34,540,996	-	34,540,996

The fair value of Land for level 2 is calculated using the comparison of market price approach and estimation of income and expenses generated by the asset. The market price of the land that most closely adjusted for differences in the primary attributes such as asset size, location and usage of assets. The most significant input in this assessment approach is the assumption of the price per meter.

5. Land rights acquired through Leasehold Certificate (“HGB”) that can be renewed will expire between 2020 until 2042. Based on past experience, the Group believes that they can extend the HGB.
6. As of 31 December 2021, the Bank has insured its fixed assets (excluding land rights, construction in progress and the leased property) to cover potential losses against fire, theft and natural disaster to PT Estika Jasa Tama, PT Asuransi Astra Buana, PT Asuransi Wahana Tata and PT Caraka Mulia, entirety are third parties, and PT Asuransi Jasa Indonesia (Persero), PT Mandiri AXA General Insurance, PT Asuransi Jasaraharja Putera, PT Asuransi Tugu Pratama Indonesia PT Asuransi Staco Mandiri, PT Krida Upaya Tunggal and PT Asuransi Kredit Indonesia, all of these insurance companies are related parties, with total insured amount approximately Rp16,396,152 (31 December 2020: Rp17,114,905). Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.
7. The fixed assets that have been fully depreciated but still in use by the Bank consist of several things such as office machine, printing office equipment and housing.
8. Management believes that there is no impairment on fixed assets as of 31 December 2021 and 2020.

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19. INTANGIBLE ASSETS

	2021	2020
Software ^{*)}	4,276,631	3,698,639
Goodwill	787,466	787,466
Yokke brand assets	47,662	59,334
	5,111,759	4,545,439

^{*)} Net of amortisation of Rp5,511,330 and Rp4,735,341, respectively as of 31 December 2021 and 2020.

Software is amortised over its useful lives, which is 5 years (refer to Note 2.r.i).

As of 31 December 2020, included in intangible assets is the Yokke brand asset from its subsidiary, PT Mandiri Capital Indonesia (MCI) worth Rp47,662 and Rp59,334. This asset was recorded by MCI on 1 January 2020 with economic useful life of 7 years. This asset is amortized using the straight-line method.

As of 31 December 2021 and 2020, included in the software balance are construction in progress for software amounted to Rp2,632,746 and Rp1,561,041, respectively. The estimated percentage of completion of software as of 31 December 2021 was ranging between 5.00% - 85.00% (2020: 5.00% - 95.00%).

Goodwill arises from the difference between the cost of acquisition with the fair value of Subsidiaries assets acquired. Goodwill is assessed regularly for impairment. As of 31 December 2021 and 2020, there are no impairment of goodwill.

20. OTHER ASSETS

	2021	2020
Rupiah		
Accrued income	6,329,696	5,279,429
Receivables from government bonds pledged as collateral	3,301,088	3,343,608
Receivables from customer transactions	1,575,714	3,118,480
Receivables from transactions related to ATM and credit card	584,539	541,906
<i>Ijarah</i> assets	801,197	1,470,669
Receivables from policyholders	275,582	223,548
Receivables from mutual fund	463,702	238,968
Repossessed assets - net of accumulated losses amounted Rp950,846 and Rp55,608 as of 31 December 2021 and 2020	1,171,451	1,283,601
Abandoned properties - net of allowance for decrease in net realizable value amounted Rp85,989 and Rp86,687 as of 31 December 2021 and 2020, respectively	86,221	101,766
Others	6,469,359	4,375,277
Total	21,058,549	19,977,252

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20. OTHER ASSETS (continued)

	2021	2020
Foreign currencies		
Receivables from government bonds pledged as collateral (Note 63B.(iv))	1,942,626	1,987,344
Accrued income (Note 63B.(iv))	1,202,405	778,726
<i>Ijarah</i> assets	1,568	23,542
Receivables from customer transactions (Note 63B.(iv))	12,425	25,639
Receivables from policyholders (Note 63B.(iv))	8	8
Receivables from transactions related to ATM and credit card (Note 63B.(iv))	1,852	1,792
Others	1,318,959	1,902,993
Total	4,479,843	4,720,044
	25,538,392	24,697,296
Less: allowance for other impairment losses	(1,690,929)	(1,645,915)
Net	23,847,463	23,051,381

Accrued income consist of interest accrued from the placement, marketable securities, government bonds, loans and fees and commissions.

Receivables from customer transactions mainly consist of receivables arising from securities transactions of Bank's Subsidiaries. As of 31 December 2021 and 2020, included in receivables from customer transactions is an impaired portfolio amounted to Rp4,652 and Rp9,888, respectively.

Receivables from mutual fund is related to receivable from securities portfolio transactions of unit-link contracts in Subsidiary's mutual fund.

Receivables related to ATM and credit card transactions consist of receivable arising from ATM transactions within ATM Bersama, Prima and Link network as well as receivables from Visa, Master Card and JCB as a result of credit card transactions.

Receivables from government bonds pledged as collateral represent repo to maturity transactions with third parties, where Bank Mandiri has transferred VR0031 with total value Rp600,000, ROI 23NN with nominal value of USD37,000,000 (full amount), ROI 24 with nominal value of USD40,940,000 (full amount) and ROI 25 with nominal value of USD50,000,000 (full amount) and recorded receivables equivalent to the market value of VR0031, ROI 23NN, ROI 24 and ROI 25 (Note 36e). The receivables will be settled at net basis with settlement of Bank's liabilities to the counterparty amounted to Rp600,000 which due on 25 July 2020, USD58,810,428 (full amount) due on 15 November 2020, USD24,926,000 (full amount) due on 11 January 2023, USD31,270,000 (full amount) due on 15 January 2024 and USD34,782,000 (full amount) due on 15 January 2025.

Bank Mandiri also had transferred FR0031 with total value amounted to Rp1,000,000, FR0061 with total value Rp1,462,572 and FR0063 with nominal value of Rp1,773,500 and recorded equivalent to the market value of it receivables. On the maturity date of repo to maturity, Bank Mandiri would transfer its liabilities to the counterparty and receive in cash the amount equivalent to face value and coupon at maturity date from the counterparty (Note 36e).

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20. OTHER ASSETS (continued)

Receivables from policyholders represent receivables from the Subsidiary's to its policyholders related to premium of non unit-link products.

As of 31 December 2021, receivables from sales of marketable securities are receivables from sale of marketable securities with maturity date on 6 July 2021.

Others mainly consist of inter-office accounts, various form of receivables from transaction with third parties, including clearing transactions and others.

Movement of allowance for other impairment losses of other assets are as follows:

	<u>2021</u>	<u>2020</u>
Beginning balance	1,645,915	1,573,205
Allowance during the year (Note 47)	253,215	98,145
Others ^{*)}	(208,201)	(25,435)
Ending balance	<u>1,690,929</u>	<u>1,645,915</u>

^{*)} Including effect of foreign currency translation.

Management believes that the allowance for other impairment is adequate.

21. DEPOSITS FROM CUSTOMERS - DEMAND DEPOSITS AND WADIAH DEMAND DEPOSITS

a. By currencies, related parties and third parties:

	<u>2021</u>	<u>2020</u>
Rupiah		
Related parties (Note 57)	85,483,182	72,843,892
Third parties	203,640,556	156,094,991
Total	<u>289,123,738</u>	<u>228,938,883</u>
Foreign currencies		
Related parties (Note 57)	26,223,092	17,054,522
Third parties	84,444,481	68,404,073
Total (Note 63B.(iv))	<u>110,667,573</u>	<u>85,458,595</u>
	<u>399,791,311</u>	<u>314,397,478</u>

Included in demand deposits were *wadiah* deposits amounted to Rp22,411,614 and Rp30,822,613 as of 31 December 2021 and 2020, respectively.

b. Average interest rates (cost of funds) and range of profit sharing per annum:

Average interest rates (cost of funds) per annum:

	<u>2021</u>	<u>2020</u>
Rupiah	2.04%	2.37%
Foreign currencies	0.29%	0.78%

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21. DEPOSITS FROM CUSTOMERS - DEMAND DEPOSITS AND WADIAH DEMAND DEPOSITS
 (continued)

- b. Average interest rates (cost of funds) and range of profit sharing per annum (continued):

Range of profit sharing per annum on *wadiah* deposits:

	2021	2020
Rupiah	0.28 - 4.85%	0.36 - 0.40%
Foreign currencies	0.00 - 0.29%	0.09 - 0.25%

- c. As of 31 December 2021 and 2020, demand deposits pledged as collateral and blocked for bank guarantees, loans and trade finance facilities (irrevocable letters of credits) and other purposes were amounted to Rp12,391,163 and Rp8,998,608, respectively (Notes 12B.c and 31e).

22. DEPOSITS FROM CUSTOMERS - SAVING DEPOSITS AND WADIAH SAVING DEPOSITS

- a. By currencies, type, related parties and third parties:

	2021	2020
Rupiah		
Related parties (Note 57)		
Mandiri Saving Deposits	2,863,310	1,975,225
Third parties		
Mandiri Saving Deposits	385,556,414	341,606,104
Hajj Mandiri Saving Deposits	249,017	266,557
Total	388,668,741	343,847,886
Foreign currencies		
Related parties (Note 57)		
Mandiri Saving Deposits	2,627,740	1,853,342
Third parties		
Mandiri Saving Deposits	31,018,064	27,320,682
Total (Note 63B.(iv))	33,645,804	29,174,024
	422,314,545	373,021,910

Included in saving deposits were *wadiah* deposits amounted to Rp34,836,276 and Rp29,580,970 as of 31 December 2021 and 2020, respectively.

- b. Average interest rates (*cost of funds*) per annum:

	2021	2020
Rupiah	0.82%	1.03%
Foreign currencies	0.22%	0.38%

- c. As of 31 December 2021 and 2020, total saving deposits pledged as collateral and blocked for loans and other purposes were amounted to Rp12,136,069 and Rp11,826,183, respectively (Note 12B.c).

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23. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS

a. By currencies, related parties and third parties:

	2021	2020
Rupiah		
Related parties (Note 57)	31,367,945	47,092,156
Third parties	230,690,729	231,494,565
Total	262,058,674	278,586,721
Foreign currencies		
Related parties (Note 57)	2,100,046	1,467,365
Third parties	29,014,137	27,727,194
Total (Note 63B.(iv))	31,114,183	29,194,559
	293,172,857	307,781,280

b. By maturity date:

	2021	2020
Rupiah		
1 month	131,797,168	106,872,345
3 months	100,634,489	145,822,832
6 months	18,999,183	15,015,942
12 months	10,527,130	10,422,656
Over 12 months	100,704	452,946
Total	262,058,674	278,586,721
Foreign currencies		
1 month	16,068,648	15,493,463
3 months	4,842,231	7,903,035
6 months	8,642,070	3,855,876
12 months	1,154,839	1,753,497
Over 12 months	406,395	188,688
Total (Note 63B.(iv))	31,114,183	29,194,559
	293,172,857	307,781,280

c. By remaining period to maturity date:

	2021	2020
Rupiah		
Less than 1 month	156,190,367	152,088,037
1 - 3 months	78,436,550	110,827,702
3 - 6 months	18,911,189	9,968,118
6 - 12 months	7,544,260	5,140,093
Over 12 months	976,308	562,771
Total	262,058,674	278,586,721

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23. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS (continued)

c. By remaining period to maturity date (continued):

	2021	2020
Foreign currencies		
Less than 1 month	17,332,401	18,985,584
1 - 3 months	8,251,006	6,590,139
3 - 6 months	4,842,983	2,682,428
6 - 12 months	658,687	806,000
Over 12 months	29,106	130,408
Total (Note 63B.(iv))	31,114,183	29,194,559
	293,172,857	307,781,280

d. Average interest rates (cost of funds) per annum:

	2021	2020
Rupiah	2.99%	5.01%
Foreign currencies	0.48%	1.56%

e. As of 31 December 2021 and 2020, total time deposits pledged as collateral and blocked for loans and other purposes were amounted to Rp34,901,344 and Rp31,418,129, respectively (Note 12B.c).

24. DEPOSITS FROM OTHER BANKS - DEMAND DEPOSITS, WADIAH DEMAND DEPOSITS AND SAVING DEPOSITS

a. By currency, related parties and third parties:

	2021	2020
Demand deposits and <i>wadiah</i> demand deposits		
Related parties (Note 57)		
Rupiah	3,246	3,751
Foreign currencies (Note 63B.(iv))	48,692	44,195
	51,938	47,946
Third parties		
Rupiah	1,257,846	1,082,953
Foreign currencies (Note 63B.(iv))	2,304,069	1,360,277
	3,561,915	2,443,230
Total	3,613,853	2,491,176
Saving deposits		
Related parties (Note 57)		
Rupiah	1,084	-
	1,084	-

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24. DEPOSITS FROM OTHER BANKS - DEMAND DEPOSITS, WADIAH DEMAND DEPOSITS AND SAVING DEPOSITS (continued)

a. By currency, related parties and third parties (continued):

	2021	2020
Saving deposits		
Third parties		
Rupiah	1,645,066	1,697,971
Foreign currencies (Note 63B.(iv))	13	13
	1,645,079	1,697,984
	1,646,163	1,697,984
	5,260,016	4,189,160

Included in deposits from other banks - demand deposits are *wadiah* deposits amounted to Rp110,858 and Rp128,326, as of 31 December 2021 and 2020, respectively.

b. Average interest rates (cost of funds) and profit sharing per annum:

	2021	2020
Average interest rates (cost of funds) per annum:		
Demand deposits and <i>wadiah</i> demand deposits		
Rupiah	2.04%	2.37%
Foreign currencies	0.29%	0.78%
Saving deposits		
Rupiah	0.82%	1.03%
Foreign currencies	0.22%	0.38%
Range of profit sharing per annum on <i>wadiah</i> demand deposits:		
Rupiah	0.75% - 0.79%	0.72% - 0.79%

c. As of 31 December 2021 and 2020, total demand deposits, *wadiah* demand deposits and saving deposits from other banks pledged as collateral on loans and bank guarantees were amounted to Rp88,908 and Rp8,472, respectively (Notes 12B.c and 31e).

25. DEPOSITS FROM OTHER BANKS - INTERBANK CALL MONEY

a. By currencies:

	2021	2020
Third Parties:		
Rupiah	100,000	-
Foreign currencies (Notes 63B.(iv))	4,909,885	655,829
	5,009,885	655,829

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25. DEPOSITS FROM OTHER BANKS - INTERBANK CALL MONEY (continued)

b. By remaining period to maturity date:

	2021	2020
Rupiah		
Less than 1 month	100,000	-
Total	100,000	-
Foreign currencies		
More than 1 month	-	365,544
Over 1 month	4,909,885	290,285
Total (Note 63B.(iv))	4,909,885	655,829
	5,009,885	655,829

c. Average interest rates (cost of funds) per annum:

	2021	2020
Rupiah	3.05%	4.21%
Foreign currencies	0.70%	0.69%

26. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS

a. By currency:

	2021	2020
Rupiah		
Related parties (Note 57)	-	500,000
Third parties	535,141	925,306
	535,141	1,425,306
Foreign currencies		
Third parties (Note 63B.(iv))	1,995,350	1,120,930
	2,530,491	2,546,236

b. By period:

	2021	2020
Rupiah		
1 month	329,389	1,180,565
3 months	157,251	210,740
6 months	14,450	1,450
12 months	34,051	32,551
Total	535,141	1,425,306

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26. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS (continued)

b. By period (continued):

	2021	2020
Foreign currencies		
1 month	-	204,474
3 months	641,362	421,500
6 months	712,625	126,450
12 months	213,789	87,506
More than 12 months	427,574	281,000
Total (Note 63B.(iv))	1,995,350	1,120,930
	2,530,491	2,546,236

c. Average interest rates (cost of funds) per annum:

	2021	2020
Rupiah	2.99%	5.01%
Foreign currencies	0.48%	1.56%

d. As of 31 December 2021 and 2020, time deposits from other banks pledged as collateral on loans amounted Rp97,200 and Rp62,201, respectively (Note 12B.c).

27. LIABILITY TO UNIT-LINK HOLDERS

This account represents Subsidiary's liabilities to unit-link holders placed in unit-link investment, with details as follows:

	2021	2020
Non-Sharia	29,827,229	26,848,672
Sharia	830,341	1,001,864
	30,657,570	27,850,536

Underlying assets of the above policyholders' investment in unit-link contracts are financial assets mainly consist of cash, marketable securities and government bonds. As of 31 December 2021 and 2020, the investment of policyholders were recorded based on each type of the underlying financial assets in the consolidated statement of financial position.

Included in the unit-link policyholders' investments in are policyholders' fund in foreign currency as of 31 December 2021 and 2020, amounted to USD430,563,390 (full amount) and USD312,246,401 (full amount), respectively.

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27. LIABILITY TO UNIT-LINK HOLDERS (continued)

The details of non-sharia unit-link investments based on the type of contracts are as follows:

	2021	2020
Dynamic money	14,772,259	15,331,987
Attractive money	2,966,150	3,840,183
Mandiri Golden Offshore	2,234,609	2,058,913
Equity Fund Offshore	2,435,409	1,775,954
Progressive money	1,775,013	1,948,740
Excellent equity	511,159	623,076
Secure money	1,121,635	144,008
Balance Fund Offshore	470,511	386,471
Mandiri Equity Money	375,263	86,438
Protected money	123,644	175,918
Fixed money	193,496	119,131
Active money	118,270	144,078
Money market	128,838	85,035
Mandiri Flexible Equity Offshore	80,757	61,620
Prime equity	2,457,422	19,721
Mandiri Global Offshore	18,759	20,225
Mandiri Multi Asset Balanced Offshore	32,322	27,174
Money Market CS	11,713	-
	29,827,229	26,848,672

Dynamic money

This is an equity fund with underlying exposures in stocks listed in Indonesia Stock Exchange and money market instruments through mutual fund Schroder *Dana Prestasi Dinamis*.

Attractive money

This is an equity fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments through mutual fund *Mandiri Saham Atraktif*.

Mandiri Golden Offshore

Equity-based mutual funds with underlying exposures of equity traded in offshore market.

Progressive money

This is a balanced fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments through mutual fund Schroder *Dana Campuran Progresif*.

Equity Fund Offshore

Equity-based mutual funds from foreign markets managed by Subsidiary.

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27. LIABILITY TO UNIT-LINK HOLDERS (continued)

Excellent equity

This is an equity fund with underlying exposures in small cap equities (exclude top 20, largest capitalisation shares) listed in Indonesia Stock Exchange and money market instruments through mutual fund Mandiri Dynamic Equity.

Balance Fund Offshore

Mutual funds whose composition is a mixture of equity and bonds from foreign markets managed by Subsidiary.

Protected money

This is a placement of funds based on combination with investments in stocks and bonds listed in the Indonesia Stock Exchange and money market instruments with maturities less than 1 year.

Active money

This is a balanced fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments through mutual fund *Mandiri Aktif*.

Secure money

Secure Money Rupiah is a placement of funds with underlying exposures in fixed income securities listed in Indonesia Stock Exchange and money market instruments through mutual fund Schroder *Dana Obligasi Mantap*. Placement of funds in USD has underlying exposures in fixed income securities listed in Indonesia Stock Exchange as well as foreign stock exchanges and money market instruments through mutual fund *Investa Dana Dollar Mandiri*.

Fixed money

This is a fixed income fund with underlying exposures in Indonesian Government Bonds and money market instruments through mutual fund Mandiri *Investa Dana Obligasi II*.

Mandiri Equity Money

Fund placements with LQ45 domestic equity investment instruments through the LQ45 Mandiri Index mutual fund managed by Mandiri Investment Management.

Money Market

Placement of money market fund with underlying exposures in money market instrument including time deposits and fixed income securities listed in Indonesia Stock Exchange through mutual fund Mandiri *Investa Pasar Uang*.

Mandiri Flexible Equity Offshore

Balanced fund with underlying exposures in Equity and Money Market in foreign markets.

Mandiri Multi Asset Balanced Offshore

Balanced fund with underlying exposure in Equity, Fixed Income and Money Market in Foreign Markets.

Mandiri Global Offshore

Balanced fund with underlying exposures in Equity and Money Market in Foreign Markets.

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27. LIABILITY TO UNIT-LINK HOLDERS (continued)

Prime Equity

Placement of funds based on combination with the investment in stocks listed in Indonesia Stock Exchange and money market instruments through mutual fund AXA *Maestro Saham*.

Money Market CS

This is a fixed income fund with underlying exposures in money market instrument, especially for term deposits based on sharia principles.

The details of sharia unit-link investments based on the type of contracts are as follows:

	2021	2020
Attractive Money Sharia	542,315	739,275
Active Money Sharia	175,939	169,683
Amanah Equity Sharia	59,972	60,766
Advanced Commodity Sharia	24,422	26,397
Amanah Fixed Income	23,671	4,503
Amanah Money Market Sharia	4,022	1,240
Total	830,341	1,001,864

Attractive Money Sharia

This is an equity fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through mutual fund Mandiri *Saham Syariah Atraktif*.

Active Money Sharia

This is a balanced fund with underlying exposures in stocks and bonds listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through mutual fund Mandiri *Berimbang Syariah Aktif*.

Amanah Equity Sharia

This is an equity fund with underlying exposures in stocks listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through mutual fund *BNP Paribas Pesona Amanah*.

Advanced Commodity Sharia

This is an equity fund with underlying exposures mainly in commodity and commodity - related stocks that listed in Indonesia Stock Exchange and money market instruments in accordance with sharia principle through mutual fund *Mandiri Komoditas Syariah Plus*.

Amanah Fixed Income

Sharia mutual fund with underlying exposures of Sukuk and Sharia Government Bonds.

Amanah Money Market Sharia

A Fixed Income Mutual Fund with underlying exposures of Sharia Money Market and Sharia Fixed Income Marketable Securities.

These consolidated financial statements are originally issued in the Indonesian language.

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28. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

31 December 2021						
Securities	Nominal value	Start date	Maturity date	Buy back value	Unamortised interest expense	Net value
Foreign currencies						
Third Parties						
FR0063	636,268	13/02/2019	14/02/2022	474,324	1,875	472,449
Bond US71567RAS58	456,080	14/12/2021	13/12/2024	398,712	21,745	376,967
Bond US71567RAM88	356,313	14/12/2021	13/12/2024	357,429	19,494	337,935
Bond US455780CY00	292,176	14/12/2021	13/12/2024	252,609	13,776	238,833
Bond INDON-280731	285,050	20/12/2021	20/12/2024	247,202	12,758	234,444
Bond KUWIB-200322	213,788	13/12/2021	18/03/2022	195,916	936	194,980
Bond US455780CQ75	213,788	14/12/2021	13/12/2024	194,394	10,602	183,792
Bond INDOIS-290327	185,283	13/12/2021	13/12/2024	185,685	9,729	175,956
Bond US455780CV60	210,224	14/12/2021	13/12/2024	177,704	9,692	168,012
Bond INDON-170138	114,020	27/07/2021	25/05/2022	157,628	434	157,194
Bond KSA-170430	142,525	15/12/2021	13/12/2024	157,702	7,875	149,827
Bond QATAR-140329	142,525	15/12/2021	13/12/2024	153,509	7,666	145,843
Bond INDON-080126	142,525	13/12/2021	13/12/2024	145,986	7,650	138,336
Bond INDOIS-290326	142,525	15/12/2021	13/12/2024	144,214	7,201	137,013
Bond INDOIS-280525	114,020	26/07/2021	26/01/2022	124,098	184	123,914
Bond INDOIS-200229	114,020	27/07/2021	25/05/2022	120,755	332	120,423
Bond INDON-121035	71,263	27/07/2021	25/05/2022	105,233	290	104,943
Bond INDON-110128	99,768	13/12/2021	13/12/2024	98,003	5,135	92,868
Bond INDON-170237	71,263	27/07/2021	25/05/2022	91,944	253	91,691
Bond INDON-120331	99,768	27/07/2021	25/05/2022	88,651	244	88,407
Bond KSA-020233	99,768	13/12/2021	13/12/2024	93,031	4,874	88,157
Bond INDOIS-230630	85,515	27/07/2021	25/05/2022	79,869	220	79,649
Bond INDON-151030	71,263	27/07/2021	25/05/2022	72,861	201	72,660
Bond QATAR-160430	71,263	20/12/2021	20/12/2024	76,590	3,953	72,637
Bond QATAR-160425	71,263	15/12/2021	13/12/2024	72,122	3,601	68,521
Bond ADGB-111022	71,263	13/12/2021	10/10/2022	66,545	997	65,548
Bond US455780CK06	71,263	14/12/2021	13/12/2024	67,062	3,657	63,405
Bond INDOIS-211122	71,263	13/12/2021	18/11/2022	63,282	1,068	62,214
Bond INDON-150124	57,010	13/12/2021	26/01/2022	62,086	22	62,064
Bond INDON-150125	57,010	26/07/2021	26/01/2022	61,049	90	60,959
Bond INDON-280731	71,263	15/12/2021	13/12/2024	63,708	3,181	60,527
Bond INDOIS-090626	71,263	15/12/2021	13/12/2024	63,645	3,179	60,466
Bond INDON-171023	57,010	13/12/2021	26/01/2022	60,170	21	60,149
Bond INDOIS-090626	71,263	20/12/2021	20/12/2024	61,634	3,181	58,453
Bond INDOIS-200824	42,758	26/07/2021	26/01/2022	45,797	68	45,729
Bond INDOIS-280525	42,758	27/07/2021	25/05/2022	43,377	120	43,257
Bond ROI-100924	57,010	06/03/2019	07/03/2022	41,408	-	41,408
Bond INDON-080127	42,758	15/12/2021	13/12/2024	43,379	2,166	41,213
Bond INDON-151030	42,758	13/12/2021	13/12/2024	43,231	2,265	40,966
Bond INDOIS-010328	42,758	20/12/2021	20/12/2024	42,365	2,186	40,179
Bond US455780CQ75	42,758	14/12/2021	13/12/2024	38,879	2,121	36,758
Bond INDOIS-090631	42,758	13/12/2021	13/12/2024	38,693	2,028	36,665
Bond INDON-280731	42,758	20/12/2021	20/12/2024	37,080	1,913	35,167
Bond INDOIS-290327	28,505	26/07/2021	26/01/2022	31,353	46	31,307
Bond ROI-290326	42,758	06/03/2019	07/03/2022	31,088	-	31,088
Bond INDOIS-100924	28,505	26/07/2021	26/01/2022	30,887	45	30,842
Bond INDON-171023	28,505	13/12/2021	26/01/2022	30,085	11	30,074
Bond KUWIB-200327	28,505	13/12/2021	13/12/2024	29,895	1,567	28,328
Bond INDOIS-010328	28,505	15/12/2021	13/12/2024	29,137	1,455	27,682
Bond INDON-240428	28,505	13/12/2021	13/12/2024	28,677	1,503	27,174
Bond INDON-140230	28,505	27/07/2021	25/05/2022	27,184	75	27,109
Bond INDON-171023	28,505	13/12/2021	16/10/2023	27,317	897	26,420
Bond INDON-140230	28,505	13/12/2021	13/12/2024	26,830	1,406	25,424
Bond INDOIS-230630	24,229	13/12/2021	13/12/2024	22,706	1,190	21,516
Bond US71567RAM88	21,949	14/12/2021	13/12/2024	22,018	1,201	20,817
Bond INDOIS-090631	16,675	13/12/2021	26/01/2022	16,303	6	16,297
Bond INDON-150125	14,253	27/07/2021	25/05/2022	14,229	39	14,190
Bond INDOIS-200229	14,253	13/12/2021	13/12/2024	14,800	776	14,024
Bond ADGB-300924	14,253	13/12/2021	27/09/2024	13,875	679	13,196
Bond PERTM-030522	14,253	06/03/2019	07/03/2022	11,932	-	11,932
Total foreign currencies (Note 63B.(iv))	5,919,114			5,617,877	189,879	5,427,998
Total	5,919,114			5,617,877	189,879	5,427,998

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28. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE (continued)

31 December 2020						
Securities	Nominal value	Start date	Maturity date	Buy back value	Unamortised interest expense	Net value
Rupiah						
Third Parties						
PBS021	110,000	01/04/2020	31/03/2021	113,067	1,310	111,757
Total Rupiah	110,000			113,067	1,310	111,757
Foreign currencies						
Third Parties						
FR0063	636,268	13/02/2019	14/02/2022	467,584	17,182	450,402
Bond INDOIS-010328	224,800	05/05/2020	29/04/2021	221,090	1,269	219,821
Bond INDOIS-290327	140,500	05/05/2020	29/04/2021	136,284	782	135,502
Bond INDOIS-290322	126,450	17/11/2020	29/04/2021	125,781	330	125,451
Bond INDOIS-280525	84,300	05/05/2020	29/04/2021	84,128	483	83,645
Bond INDON-140230	56,200	05/05/2020	29/04/2021	51,262	294	50,968
Bond INDON-050521	42,150	17/11/2020	29/04/2021	41,363	109	41,254
Bond ROI-100924	56,200	06/03/2019	07/03/2022	40,820	-	40,820
Bond ROI-290326	42,150	06/03/2019	07/03/2022	30,646	-	30,646
Bond INDON-250422	28,100	17/11/2020	29/04/2021	28,113	74	28,039
Bond PERTM-030522	14,050	06/03/2019	07/03/2022	11,763	-	11,763
Total foreign currencies (Note 63B.(iv))	1,451,168			1,238,834	20,523	1,218,311
Total	1,561,168			1,351,901	21,833	1,330,068

29. ACCEPTANCE PAYABLES

a. By currency, related parties and third parties:

	2021	2020
Rupiah		
Payables to other banks		
Related parties (Note 57)	576,316	1,672,935
Third parties	3,209,975	4,358,996
Payables to debtors		
Related parties (Note 57)	260,656	146,312
Third parties	565,771	395,086
Total	4,612,718	6,573,329
Foreign currencies		
Payables to other banks		
Third parties	5,118,895	3,489,592
Payables to debtors		
Related parties (Note 57)	46,417	9,815
Third parties	495,414	160,119
Total (Note 63B.(iv))	5,660,726	3,659,526
	10,273,444	10,232,855

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29. ACCEPTANCE PAYABLES (continued)

b. By maturity:

	2021	2020
Rupiah		
Less than 1 month	1,607,182	2,042,192
1 - 3 months	1,607,065	1,475,350
3 - 6 months	1,398,471	3,055,461
6 - 12 months	-	326
Total	<u>4,612,718</u>	<u>6,573,329</u>
Foreign currencies		
Less than 1 month	2,434,725	1,490,487
1 - 3 months	2,282,704	1,724,291
3 - 6 months	744,007	439,595
6 - 12 months	170,785	5,153
More than 12 month	28,505	-
Total (Note 63B.(iv))	<u>5,660,726</u>	<u>3,659,526</u>
	<u>10,273,444</u>	<u>10,232,855</u>

30. DEBT SECURITIES ISSUED

	2021	2020
Rupiah		
Related parties (Note 57)		
Bonds	9,367,000	10,033,100
Subordinated notes sharia <i>mudharabah</i>	381,000	301,000
	<u>9,748,000</u>	<u>10,334,100</u>
Third parties		
Bonds	12,440,850	10,264,900
Subordinated notes sharia <i>mudharabah</i>	994,000	1,074,000
Mandiri travelers' cheques	64,503	65,086
	<u>13,499,353</u>	<u>11,403,986</u>
	<u>23,247,353</u>	<u>21,738,086</u>
Foreign currencies (Note 63B.(iv))		
Third parties		
Bonds	21,962,700	17,444,678
	<u>45,210,053</u>	<u>39,182,764</u>
Less: unamortised debt issuance cost	<u>(71,711)</u>	<u>(71,291)</u>
Net	<u>45,138,342</u>	<u>39,111,473</u>

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30. DEBT SECURITIES ISSUED (continued)

Bonds

Rupiah

Bank Mandiri

On 12 May 2020, Bank Mandiri issued Continuing Bond II Bank Mandiri Phase I 2020 (“Continuing Bond II Phase I”) with total nominal value Rp1,000,000, which consist of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	350,000	7.75%	12 May 2025
Series B	650,000	8.30%	12 May 2027

Continuing Bond II Phase I is offered at 100% (one hundred percent) of the principal amount of bonds. The interest is paid on quarterly basis with the first interest payment was made on 12 August 2020, while the last interest payment and due date of the bonds principal will be on 12 May 2025 for Series A and 12 May 2027 for Series B which is also the due date of the principal of bonds. The payments of the bonds will be fully paid on the due date. The trustee of the bond issuance of Continuing Bond II Phase I is PT Bank Permata Tbk.

As of 31 December 2021 and 2020 based on Pefindo’s rating, the Continuing Bonds II Phase I was rated idAAA (triple A).

On 21 September 2018, Bank Mandiri issued Continuing Bond I Bank Mandiri Phase III 2018 (“Continuing Bond I Phase III”) with total nominal value Rp3,000,000 as below:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Continuing Bond I Phase III	3,000,000	8.50%	21 September 2023

Continuing Bond I Phase III is offered at 100% (one hundred percent) of the principal amount of bonds. The Interest is paid on quarterly basis with the first interest payment was made on 21 December 2018, while the last interest payment and due date of the bonds principal on 21 September 2023 which is also the due date of the principal amount of bonds. The payment of the bonds will be fully paid on the due date. The trustee of the Continuing Bond I Phase III issuance is PT Bank Permata Tbk.

On 15 June 2017, Bank Mandiri issued Continuing Bond I Bank Mandiri Phase II 2017 (“Continuing Bond I Phase II”) with total nominal value of Rp6,000,000, which consist of 4 (four) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	1,000,000	8.00%	15 June 2022
Series B	3,000,000	8.50%	15 June 2024
Series C	1,000,000	8.65%	15 June 2027
Series D	1,000,000	7.80%	15 June 2020

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Rupiah (continued)

Bank Mandiri (continued)

Continuing Bond I Phase II Series A, Series B and Series C are offered at 100% (one hundred percent) of the principal amount of the bonds. The interest of the bond is paid on quarterly basis, with the first payment made on 15 September 2017 while the last interest payment date of the interest and due date of the bonds principal on 15 June 2022 for Series A, 15 June 2024 for Series B, and 15 June 2027 for Series C which falls due at the maturity of each series of the bond. Continuing Bond I Phase II Series D are offered without interest at a bid price of 79.3146% (seventy nine point three one four six percent) of the bonds, which due on 15 June 2020. The payments of the bonds will be fully paid on the due date. The trustee of the Continuing Bonds I Phase II issuance is PT Bank Tabungan Negara (Persero) Tbk.

On 30 September 2016, Bank Mandiri issued Continuing Bonds I Bank Mandiri Phase I 2016 ("Continuing Bonds I Phase I") with total nominal value of Rp5,000,000 which consist of 3 (three) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	1,100,000	7.95%	30 September 2021
Series B	1,500,000	8.50%	30 September 2023
Series C	2,400,000	8.65%	30 September 2026

The interest of Continuing Bonds I Phase I is paid on quarterly basis, with the first interest payment was made on 30 December 2016 while the last interest payment and due date of the bonds' principal will fall on 30 September 2021 for series A; 30 September 2023 for series B; and 30 September 2026 for series C. The Trustee for Continuing Bonds I Phase I is PT Bank Tabungan Negara (Persero) Tbk.

During the validity periods of the Bonds and prior to the repayment of the bonds, Bank Mandiri has to comply to: (i) maintain the overall Bank's soundness level as regulated by FSA; (ii) maintain the Bank's soundness level at a minimum in the composite level 3 (three) which is categorised as "Fair", according to internal assessment based upon on Bank Indonesia's regulation; (iii) obtain and comply with permits and approvals (from the Government and other parties) and ensure the Bank complies to Indonesia's rules and regulations.

Bank Mandiri, without a written approval from the Trustee will not: (i) reducing the Bank's issued and fully paid up capital except such a reduction is conducted based on regulations from the Government of Indonesia or Bank Indonesia; (ii) changing in its main business; (iii) conducting merger, consolidation, or acquisitions which led to the dissolution of Bank Mandiri.

The bonds are not guaranteed by special collateral, not guaranteed referred and in accordance with to Article 1131 and Article 1132 of the Indonesian Civil Law, all the assets of the Bank, either moving objects and objects that are not moving, present or future, shall be regarded as securities for the Bank's agreements including those bonds.

As of 31 December 2021 and 2020 the Pefindo's rating of Continuing Bonds I Phase III, II and Phase I is idAAA (triple A).

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Foreign Currency

On 19 April 2021, Bank Mandiri issued the third Euro Medium Term Notes (EMTN), namely Bank Mandiri Sustainability Bond 2021, with total nominal value of USD300,000,000 (full amount) on the Singapore Exchange (SGX) as follows

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Euro Medium Term Notes	USD300,000,000	2.00%	19 April 2026

Bank Mandiri Sustainability Bonds 2021 are offered at a value of 98.913% (ninety eight point nine one three percent) of the principal amount of the bonds. Bond interest is paid every semester, with the first interest payment being made on 19 October 2021, while the last interest payment is at the same time the bond maturity is on 19 April 2026 which is also the principal repayment date of the bonds, the trustee of the issuance of EMTN is Bank of New York Mellon, the proceeds from the issuance of the Sustainability Bonds will be used to finance or refinance projects or activities that are environmentally and socially sound, in accordance with with the criteria set out in Bank Mandiri's Sustainability Bond Framework.

As of 31 December 2021, EMTN's ratings are Baa2 (Moody's) and BBB- (Fitch).

On 13 May 2020 Bank Mandiri issued Euro Medium Term Notes (EMTN) with total nominal value of USD500,000,000 (full amount) on the Singapore Exchange (SGX) as follow:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Euro Medium Term Notes	USD500,000,000	4.75%	13 May 2025

Euro Medium Term Notes (EMTN) is offered at 99.255% (ninety nine point two five five percent) of the principal amount of bonds. The Interest is paid on semi-annual basis with the first interest payment was made on 13 November 2020, while the last interest payment and due date of the bonds principal on 13 May 2025 which is also the due date of the principal amount of bonds. The trustee of the bond issuance is Bank of New York Mellon.

As of 31 December 2021, EMTN is rated Baa2 (Moody's) and BBB- (Fitch)

On 11 April 2019 Bank Mandiri issued Euro Medium Term Notes (EMTN) with total nominal value of USD750,000,000 (full amount) on the Singapore Exchange (SGX) as follow:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Euro Medium Term Notes	USD750,000,000	3.75%	11 April 2024

Euro Medium Term Notes is offered at 98.998% (ninety eight point nine nine eight percent) of the principal amount of bonds. The Interest is paid on semi-annual basis with the first interest payment was made on 11 October 2019, while the last interest payment and due date of the bonds principal on 11 April 2024 which is also the due date of the principal amount of bonds. The trustee of the bond issuance is Bank of New York Mellon.

As of 31 December 2021 and 2020, EMTN is rated Baa2 (Moody's) and BBB- (Fitch).

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Rupiah

Subsidiaries

On 29 April 2021, the Subsidiary (Bank Mandiri Taspen) issued and registered the Continuing Bonds I Phase II 2021 to the Indonesia Stock Exchange with a nominal value of Rp2,000,000 consisting of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	800,000	6.50%	29 April 2024
Series B	1,200,000	7.25%	29 April 2026

Bond interest is paid quarterly, with the first interest payment for each series will be made on 29 July 2021 while the last interest payment as well as the maturity of the bonds will be on 29 April 2024 for Series A and 28 April 2026 for Series B.

The trustee of the issuance of the Continuing Bonds I Phase II in 2021 is PT Bank Permata Tbk. As of 31 December 2021 and 31 December 2020, the rating for the Continuing Bonds I Phase II of Bank Mantap in 2021 according to PT Fitch Rating Indonesia is AA (idn) (double A).

On 18 November 2019, The Subsidiary (Bank Mandiri Taspen) issued and registered the Continuing Bond I Phase I 2019 to Indonesia Stock Exchange with total nominal value of Rp1,000,000 in which comprised of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	700,000	7.90%	26 November 2022
Series B	300,000	8.20%	26 November 2024

Bonds interest were paid on quarterly basis, with the first interest payment was made on 26 February 2020, while the last interest payment and maturity of the bonds on 26 November 2022 for Series A and 26 November 2024 for Series B which also the due date for principal repayment of each bond.

Trustee for Continuing Bond I Phase I Bank Mantap on 2019 is PT Bank Permata Tbk., as of 31 December 2021 and 2020, Continuing Bond I Phase I Bank Mantap 2019 is rated AA (idn) by PT Fitch Rating Indonesia.

On 12 July 2017, the Subsidiary (Bank Mandiri Taspen) issued and registered the Bond I Bank Mantap year 2017 to Indonesia Stock Exchange with total nominal value of Rp2,000,000 in which comprised of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	1,500,000	8.50%	11 July 2020
Series B	500,000	8.75%	11 July 2022

Bonds interest were paid on quarterly basis, with the first interest payment was made on 11 October 2017, while the last interest payment and maturity of the bonds on 11 July 2020 for Series A and 11 July 2022 for Series B that also the due date for principal repayment for each bond. In July 2020, Series A of the Bonds I has matured.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Rupiah (continued)

Subsidiaries (continued)

Trustee for Bond I Bank Mantap on 2017 is PT Bank Tabungan Negara (Persero) Tbk. On 31 December 2021 and 2020, rating of Bond I Bank Mantap on 2017 according to PT Fitch Rating Indonesia is AA (idn) (double A).

During the validity period of the Bonds and prior to the repayment of the bonds, Bank Mandiri has to comply to: (i) maintain the overall Bank's soundness level as regulated by FSA; (ii) maintain the Bank's soundness level at a minimum in the composite level 3 (three) which is categorised as "Fair", according to internal assessment based upon on Bank Indonesia's regulation; (iii) obtain and comply with permits and approvals (from the Government and other parties) and ensure the Bank complies to Indonesia's rules and regulations.

Without written approval from Trustee, the Bank will not be able to: (i) decrease equity investment unless there are new regulations from government or Bank Indonesia; (ii) change its nature of business; (iii) do the merger, consolidation, acquisition with other entities which results in Bank's discontinued operation.

On 26 July 2019, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds IV Mandiri Tunas Finance Phase II Year 2019 ("Continuing Bonds IV Phase II") to the Indonesia Stock Exchange with total nominal value of Rp2,000,000 which consist of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	1,342,000	9.40%	26 July 2022
Series B	658,000	9.50%	26 July 2024

The trustee for Continuing Bonds IV Phase II is PT Bank Rakyat Indonesia (Persero) Tbk.

On 8 January 2019, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds IV Mandiri Tunas Finance Phase I Year 2019 ("Continuing Bonds IV Phase I") to the Indonesia Stock Exchange with total nominal value of Rp1,000,000 which consist of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	800,000	9.40%	8 January 2022
Series B	200,000	9.75%	8 January 2024

The trustee for Continuing Bonds IV Phase I is PT Bank Rakyat Indonesia (Persero) Tbk.

The trustee agreement provide several negative covenants to the Subsidiary, including, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio at the maximum of 10:1. Moreover, during the validity period of the bonds, the Subsidiary shall not conducting merger unless under similar business, selling or transferring assets to other parties, either all or most, over 50%, except for Subsidiary's normal course of business.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Rupiah (continued)

Subsidiaries (continued)

As of 31 December 2021 and 2020 based on Pefindo's rating, the Continuing Bonds IV Phase II and I was rated idAA+ (double A plus).

On 6 June 2017, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds III Mandiri Tunas Finance Phase II 2017 ("Continuing Bonds III Phase II") to the Indonesia Stock Exchange with total nominal value of Rp850,000 which consist of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	610,000	8.50%	6 June 2020
Series B	240,000	8.85%	6 June 2022

The trustee of the issuance of the Continuing Bonds III Phase II is PT Bank Mega Tbk. On 6 June 2020, Series A of the Continuing Bonds III Phase II has matured.

On 7 October 2016, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds III Mandiri Tunas Finance Phase I 2016 ("Continuing Bonds III Phase I") to the Indonesia Stock Exchange with total nominal value of Rp500,000 which consist of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	400,000	8.20%	7 October 2019
Series B	100,000	8.55%	7 October 2021

The trustee of the issuance of the Continuing Bonds III Phase I is PT Bank Mega Tbk. On 7 October 2019, Series A of the Continuing Bonds III Phase I has matured.

The trustee agreement provide several negative covenants to the Subsidiary, including, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio at the maximum of 10:1. Moreover, during the validity period of the bonds, the Subsidiary shall not conducting merger unless under similar business, selling or transferring assets to other parties, either all or most, over 50%, except for Subsidiary's normal course of business.

As of 31 December 2021 and 2020, based on Pefindo's rating, the Continuing Bonds III Phase II and I was rated idAA+ (double A plus).

On 1 June 2016, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds II Mandiri Tunas Finance Phase II 2016 ("Continuing Bonds II Phase II") to the Indonesia Stock Exchange with total nominal value of Rp1,400,000, which comprise of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	720,000	8.95%	1 June 2019
Series B	680,000	9.25%	1 June 2021

The trustee of the issuance of the Continuing Bonds II Phase II is PT Bank Mega Tbk. On 1 June 2019, Series A of the Continuing Bonds II Phase II has matured and on 1 June 2021, Series B of the Continuing Bonds II Phase II has matured.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Rupiah (continued)

Subsidiaries (continued)

As of 31 December 2021 and 2020, based on Pefindo's rating, the Continuing Bonds II Phase II was rated idAA+ (double A plus).

On 18 December 2015, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds II Phase I 2015 ("Continuing Bonds II Phase I") to the Indonesia Stock Exchange with total nominal value of Rp600,000, which consist of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	500,000	10.20%	18 December 2018
Series B	100,000	10.80%	18 December 2020

The trustee of the issuance of the Continuing Bonds II Phase I is PT Bank Mega Tbk. On 18 December 2018, Series A of the Continuing Bonds II Phase I has matured and on 18 December 2020, Series B of the Continuing Bonds II Phase I has matured.

The trustee agreement provide several negative covenants to the Subsidiary, including, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio at the maximum of 10:1. Moreover, during the validity period of the bonds, the Subsidiary shall not conducting merger unless under similar business, selling or transferring assets to other parties, either all or most, over 50%, except for Subsidiary's normal course of business.

The Continuing Bonds II Phase I Series B based on Pefindo's rating as of 31 December 2021 and 2020 are rated idAA+ (double A plus).

Continuing Bond III Phase II Series A at principal value amounted to at Rp610,000, Continuing Bond III Phase I Series A at principal value amounted to Rp400,000, Continuing Bond II Phase II Series A amounted to Rp720,000 and Series B amounted Rp680,000 Continuing Bond II Phase I Series A at principal value amounted to Rp500,000 and Series B amounted to Rp 100,000 was fully paid on due date.

On 13 August 2020, the Subsidiary (PT Mandiri Tunas Finance) issued and registered Continuing Bonds V Mandiri Tunas Finance Phase I 2020 ("Continuing Bonds II Phase I") to the Indonesia Stock Exchange with total nominal value of Rp858.000 which comprises of 2 (two) series:

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	472,000	8.00%	13 August 2023
Series B	386,000	8.60%	13 August 2025

The trustee for Continuing Bonds V Phase I issuance is PT Bank Rakyat Indonesia (Persero) Tbk.

The trustee agreement provide several negative covenants to the Subsidiary, including, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio at the maximum of 10:1. Moreover, during the validity period of the bonds, the Subsidiary shall not conducting merger unless under similar business, selling or transferring assets to other parties, either all or most, over 50%, except for Subsidiary's normal course of business.

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30. DEBT SECURITIES ISSUED (continued)

Bonds (continued)

Rupiah (continued)

Subsidiaries (continued)

The Continuing Bonds V Phase I according to Pefindo as of 31 December 2021 and 31 December 2020 is idAA+ (double A plus).

On 20 May 2021, the Subsidiary (PT Mandiri Tunas Finance) issued and registered the Mandiri Tunas Finance the Continuing Bonds V Phase II Year 2021 ("Continuing Bonds V Phase II") to the Indonesia Stock Exchange with a nominal value of Rp1,400,850 consisting of 2 (two) series.

<u>Bonds</u>	<u>Nominal value</u>	<u>Fixed interest rate per annum</u>	<u>Maturity date</u>
Series A	915,150	7.00%	20 May 2024
Series B	485,700	7.65%	20 May 2026

The trustee of the issuance of the Continuing Bonds V Phase II is PT Bank Rakyat Indonesia (Persero) Tbk.

In the trustee agreement, the Subsidiaries stipulate several restrictions that must be met, including providing fiduciary guarantees in the form of consumer financing receivables and the ratio of total loan to equity does not exceed a ratio of 10:1. In addition, as long as the principal of the bonds has not been repaid, the Subsidiaries are not allowed to, among others, conduct business combinations unless carried out in the same line of business and sell or transfer more than 50% of the Subsidiary's assets except for the daily business activities of the Subsidiaries.

The Continuing Bonds V Phase II according to Pefindo as of 31 December 2021 and 31 December 2020 is idAA+ (double A plus).

As of 31 December 2021, all securities issued by PT Mandiri Tunas Finance are secured by consumer financing receivables amounting to Rp2,374,488 (31 December 2020: Rp1,467,703) (Note 13f) and net investment in finance leases amounting to Rp 924,823 (31 December 2020: Rp1,042,047) (Note 14f).

Subordinated notes sharia *mudharabah*

On 22 December 2016, the Subsidiary, Bank Syariah Indonesia (formerly issued by PT Bank Syariah Mandiri) has issued subordinated sukuk *mudharabah* ("sukuk *mudharabah*") BSM 2016 with total nominal value of Rp375,000. Sukuk *Mudharabah* are long term securities debt tenor 7 years with the following terms and conditions as follow:

- Profit sharing is calculated by multiplying at the revenue-sharing portion of the *mudharabah* sukuk holders and revenue which can be shared and based on the available last-quarter unaudited financial statements and approved by BSM's Directors not later than 10 (ten) days before the due date of the profit sharing.
- The profit sharing was generated from the revenue of BSM's portfolio in Rupiah (blended) amounted to 7 (seven) times of sukuk *mudharabah* Funds denominated in rupiah which held by the issuer, which generated from one (1) quarter as stated in BSM's unaudited financial statements.
- The *Nisbah* of the sukuk *mudharabah* holders' is 27.07% per annum of the profit sharing which is paid on quarterly basis.

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30. DEBT SECURITIES ISSUED (continued)

Subordinated notes sharia *mudharabah* (continued)

Sukuk *mudharabah* is not guaranteed by special collateral nor guaranteed by the Republic of Indonesia or other third parties and is not included in the Bank guarantee program implemented by Bank Indonesia or other guarantee institution in accordance to the prevailing law and regulation article 17 paragraph (1) letter f of FSA's Regulation No. 21/POJK.03/2014 dated 18 November 2014 concerning the Minimum Capital Requirement for Sharia Banks. Sukuk *mudharabah* are subordinated Subsidiary's liability.

During the validity period of sukuk *mudharabah* and before the redemption of all of principal and profit sharing, BSM is obliged to: (i) maintain the CAR (Capital Adequacy Ratio) at minimum 12% (twelve percent); (ii) ensure sukuk *mudharabah* holders at maximum 50 (fifty) investors; (iii) submit to the trustee as follows: the financial statements (audited) at maximum the 4th month after the date of financial statements, quarterly financial statements (unaudited) at maximum the 1st month after the date of financial statements, the financial statements which used to calculate the profit sharing and BSM's soundness rating report and self-assessment of Good Corporate Governance implementation to the FSA.

BSM without written approval from the monitoring agent will not do the following: (i) reduce the issued and paid-in capital; (ii) undergo a change in its main business; (iii) undergo a merger, consolidation, reorganization, except such changes are in accordance with regulations from the Government of Indonesia or Bank Indonesia; (iv) conduct a merger, consolidation, acquisition with another entity that will result in the dissolution of BSM.

Acting as the trustee of the *mudharabah* sukuk is PT Bank Mandiri (Persero) Tbk. As of 31 December 2021 and 31 December 2020, the rating for the *mudharabah* sukuk according to Pefindo is idAA-(sy) (double A minus sharia).

On 17 November 2016, the subsidiary, PT Bank Syariah Indonesia (formerly issued by PT Bank Rakyat Indonesia Syariah), issued Subordinated Sukuk *Mudharabah* I Year 2016 amounting to Rp 1,000,000 and issued at 100.00% of its nominal value using the revenue sharing method on the Indonesia Stock Exchange. The ratio of sukuk holders is 80.2%, which is calculated from gross cash revenue, which is indicated at 11.85%. Profit sharing is paid every 3 (three) months and will mature on 16 November 2023. This Subordinated *Mudharabah* I Sukuk is rated A+(idn) by Fitch at the time of issuance.

The proceeds from the issuance of the Subordinated Sukuk *Mudharabah* I will be fully utilized to strengthen the capital structure in order to support business development activities in the form of financing distribution. This Subordinated *Mudharabah* Sukuk I is not guaranteed by special collateral, including not guaranteed by the Republic of Indonesia or other third parties and is not included in the bank guarantee program implemented by the Deposit Insurance Corporation or other guarantee institutions.

Acting as the trustee for the Subordinated Sukuk *Mudharabah* I is PT Bank Negara Indonesia (Persero) Tbk.

Bank Mandiri and the subsidiaries have paid the interest of debt securities issued in accordance to schedule interest payment during the years ended 31 December 2021 and 2020.

During the years ended 31 December 2021 and 2020, Bank Mandiri and the subsidiaries have fulfilled the requirements as set out in the agreement of issued debt securities issued.

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31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

a. Transactions of commitments are as follows:

	2021	2020
Rupiah		
Bank guarantees issued (Note 55)	61,992,172	58,276,889
Unused loan facilities ^{*)}	58,310,230	58,012,366
Outstanding irrevocable letters of credit (Note 55)	4,835,217	4,887,277
Standby letters of credit (Note 55)	2,211,569	2,036,517
Total	127,349,188	123,213,049
Foreign currencies		
Bank guarantees issued (Note 55)	40,399,367	40,428,249
Unused loan facilities ^{*)}	34,973,923	20,486,279
Outstanding irrevocable letters of credit (Note 55)	14,469,772	10,574,372
Standby letters of credit (Note 55)	15,486,342	8,451,800
Total	105,329,404	79,940,700
	232,678,592	203,153,749

^{*)} Include unused committed and uncommitted credit card facilities

Movements in carrying amount of commitments and contingencies classified as amortised cost upon stage for the year ended 31 December 2021 and 2020:

	31 December 2021				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance ²⁾	191,864,509	8,966,291	266,094	2,056,855	203,153,749
Transfer to:					
- 12 months expected credit losses	89,786	(57,802)	(31,984)	-	-
- Lifetime expected credit losses - Unimpaired	(9,572,086)	9,573,648	(1,562)	-	-
- Lifetime expected credit losses - Impaired	(19,316)	(107,601)	126,917	-	-
Total beginning balance after transfer	182,362,893	18,374,536	359,465	2,056,855	203,153,749
Remeasurement of net carrying amount	(1,311,853)	(6,889,249)	6,256	-	(8,194,846)
New commitments and contingencies originated or purchased	174,969,085	8,237,977	47,482	849,220	184,103,764
Commitments and contingencies derecognised	(132,641,155)	(12,419,841)	(141,612)	(1,181,467)	(146,384,075)
Total increase/(decrease) during the year	41,016,077	(11,071,113)	(87,874)	(332,247)	29,524,843
Ending balance	223,378,970	7,303,423	271,591	1,724,608	232,678,592

¹⁾ Not implement SFAS 71

²⁾ Including the unused credit facilities for credit cards amounting to Rp32,830,431

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31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

- a. Transactions of commitments and contingencies in the ordinary course of business of Bank Mandiri and its Subsidiaries activities that have credit risk are as follows (continued):

Movements in carrying amount of commitments and contingencies classified as amortised cost upon stage for the year ended 31 December 2021 and 2020 (continued):

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance ²⁾	206,242,757	6,379,892	71,326	1,900,128	214,594,103
Transfer to:					
- 12 months expected credit losses	104,769	(77,010)	(27,759)	-	-
- Lifetime expected credit losses - unimpaired	(2,980,452)	2,982,745	(2,293)	-	-
- Lifetime expected credit losses - impaired	(19,815)	(213,167)	232,982	-	-
Total beginning balance after transfer	203,347,259	9,072,460	274,256	1,900,128	214,594,103
Remeasurement of net carrying amount	3,646,005	3,556	(38,734)	-	3,610,827
New commitments and contingencies originated or purchased	102,999,615	7,089,739	93,562	1,402,031	111,584,947
Commitments and contingencies derecognised	(118,128,370)	(7,199,464)	(62,990)	(1,245,304)	(126,636,128)
Total increase/(decrease) during the year	(11,482,750)	(106,169)	(8,162)	156,727	(11,440,354)
Ending balance	191,864,509	8,966,291	266,094	2,056,855	203,153,749

¹⁾ Not implement SFAS 71

²⁾ Including the unused credit facilities for credit cards amounting to Rp36,174,255

- b. By Bank Indonesia's collectibility:

	2021	2020
Current	225,231,799	200,149,950
Special mention	7,176,479	2,729,569
Substandard	50,522	22,648
Doubtful	5,242	4,285
Loss	214,550	247,297
Total	232,678,592	203,153,749
Less: allowance for impairment losses	(2,295,241)	(3,475,979)
Commitments and contingencies - net	230,383,351	199,677,770

- c. Movements of allowance for impairment losses on commitments and contingencies:

	2021	2020
Beginning balance	3,475,979	388,751
Initial implementation of SFAS 71 (Note 68)	-	1,844,775
Allowance during the year	(1,162,993)	1,223,263
Others ^{*)}	(17,745)	19,190
Ending balance	2,295,241	3,475,979

^{*)} Included the effect of foreign currencies translation.

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31. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

c. Movements of allowance for impairment losses on commitments and contingencies (continued):

	31 December 2021				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	733,783	2,543,225	178,647	20,324	3,475,979
Impact of initial implementation of SFAS71 (Note 68)	-	-	-	-	-
Beginning balance of SFAS 71	733,783	2,543,225	178,647	20,324	3,475,979
Transfer to:					
- 12 months expected credit losses	7,185	(2,440)	(4,745)	-	-
- Lifetime expected credit losses - unimpaired	(53,048)	53,388	(340)	-	-
- Lifetime expected credit losses impaired	(2,158)	(48,984)	51,142	-	-
Total beginning balance after transfer	685,762	2,545,189	224,704	20,324	3,475,979
Remeasurement of net carrying amount	(170,566)	644,281	(3,720)	(3,173)	466,822
New financial assets originated or purchased	431,441	2,837,645	28,144	-	3,297,230
Financial assets derecognised	(160,787)	(4,708,988)	(57,270)	-	(4,927,045)
Total allowance/(reversal) during the year	100,088	(1,227,062)	(32,846)	(3,173)	(1,162,993)
Others	(9,290)	(8,498)	-	43	(17,745)
Ending balance	776,560	1,309,629	191,858	17,194	2,295,241

¹⁾ Not implement SFAS 71

	31 December 2020				
	Stage 1	Stage 2	Stage 3	Sharia ¹⁾	Total
Beginning balance	14,889	333,296	21,114	19,452	388,751
Impact of initial implementation of SFAS71 (Note 68)	750,599	1,081,158	13,018	-	1,844,775
Beginning balance of SFAS 71	765,488	1,414,454	34,132	19,452	2,233,526
Transfer to:					
- 12 months expected credit losses	21,822	(17,739)	(4,083)	-	-
- Lifetime expected credit losses - unimpaired	(12,327)	12,481	(154)	-	-
- Lifetime expected credit losses impaired	(3,984)	(73,961)	77,945	-	-
Total beginning balance after transfer	770,999	1,335,235	107,840	19,452	2,233,526
Remeasurement of net carrying amount	(39,411)	833,671	90,810	812	885,882
New financial assets originated or purchased	246,723	2,447,114	25,310	-	2,719,147
Financial assets derecognised	(254,676)	(2,081,777)	(45,313)	-	(2,381,766)
Total allowance/(reversal) during the year	(47,364)	1,199,008	70,807	812	1,223,263
Others	10,148	8,982	-	60	19,190
Ending balance	733,783	2,543,225	178,647	20,324	3,475,979

¹⁾ Not implement SFAS 71

Management believes that the allowance for impairment losses on commitments and contingencies is adequate.

d. Information in respect of classification of “unimpaired” and “impaired” is disclosed in Note 63A.

e. Deposits from customers and deposits from other banks pledged as collateral for bank guarantee and irrevocable letters of credit as of 31 December 2021 and 2020 were amounted to Rp7,801,723 and Rp6,190,905, respectively (Notes 21c and 24c).

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32. ACCRUED EXPENSES

	2021	2020
Interest expense	1,305,064	1,560,798
Fixed asset and software procurement	1,795,996	1,312,901
Promotions	1,147,018	634,752
Outsourcing expenses	238,571	169,556
Employee related costs: training, uniform, recreation and others	44,845	84,344
Professional service costs	698,397	43,871
Others	1,296,598	1,942,183
Total	6,526,489	5,748,405

Included in the fixed asset and software procurement are payables to vendors related with operational and maintenance activities for buildings, equipments, software, ATM machines and Group Information Technology System.

Others consists of accrued expenses related to fees to be paid to FSA and Group's operational activities, such as data communication costs and costs of electricity, water and gas.

33. TAXATION

a. Prepaid taxes

	2021	2020
Bank Mandiri	1,888,518	2,083,970
Subsidiaries	185,207	94,788
Total	2,073,725	2,178,758

b. Taxes payable

	2021	2020
Current income taxes payable		
Bank Mandiri	1,028,122	549,493
Subsidiaries	579,535	269,896
Total	1,607,657	819,389
Others income taxes payable		
Bank Mandiri		
Income Tax		
Article 25	334,430	178,860
Article 21	137,418	120,190
Article 4 (2)	200,845	245,381
Others	191,047	170,520
	863,740	714,951
Subsidiaries	391,319	524,874
	1,255,059	1,239,825
Total	2,862,716	2,059,214

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33. TAXATION (continued)

c. Tax expense/(benefit)

	2021	2020
Tax expense - current:		
Bank Mandiri		
Current year	7,436,303	3,934,648
Prior year	-	175,592
Subsidiaries	1,809,312	1,522,413
	<u>9,245,615</u>	<u>5,632,653</u>
Tax expense/(benefit) - deferred:		
Bank Mandiri	(1,125,311)	729,905
Subsidiaries	(312,980)	(369,081)
	<u>(1,438,291)</u>	<u>360,824</u>
Total	<u>7,807,324</u>	<u>5,993,477</u>

As explained in Note 2ad, income tax for Bank Mandiri and its Subsidiaries are calculated for each company as a separate legal entity.

d. Tax expense - current

The reconciliation between income before tax as shown in consolidated statement of profit or loss and other comprehensive income and income tax calculation and the related estimate of the current tax expense for Bank Mandiri and its Subsidiaries are as follows:

	2021	2020
Consolidated income before tax expense and non-controlling interests	38,358,421	24,392,405
Less:		
Income before tax expense of Subsidiaries - after elimination	(9,255,281)	(8,046,485)
Impact of changes in recording investment from equity method to cost method	2,618,003	2,649,542
	<u>31,721,143</u>	<u>18,995,462</u>
Income before tax expense and non-controlling interest - Bank Mandiri only	31,721,143	18,995,462
Add/(deduct) permanent differences:		
Non-deductible expenses/(non-taxable income)	1,968,288	755,852
Others	39,516	2,251
Add/(deduct) temporary differences:		
Allowance for impairment losses on loans and write-offs	4,298,300	(163,304)
Allowance for impairment losses on financial assets other than loans	(221,630)	55,160
Provision for post-employment benefit expense, provisions for bonuses, leave and holiday (THR) entitlements	2,675,184	(268,423)

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33. TAXATION (continued)

d. Tax expense - current (continued)

The reconciliation between income before tax as shown in the consolidated statement of comprehensive income and income tax calculation and the related estimate of the current tax expense for Bank Mandiri and its Subsidiaries are as follows (continued):

	2021	2020
Add/(deduct) temporary differences (continued):		
Allowance for estimated losses arising from legal cases	(7,553)	(37,973)
Provision for estimated losses on commitments contingencies	(1,307,266)	1,368,950
Provision for foreclosed collateral losses	(694)	-
Depreciation of fixed assets	(55,448)	17,480
Unrealised losses/gains on decrease/increase in fair value of marketable securities and government bonds - fair value through profit or loss	29,295	(16,498)
Allowance for possible losses of abandoned Properties	(698)	(283)
Estimated taxable income	<u>39,138,437</u>	<u>20,708,674</u>
Estimated tax expense - current		
Bank Mandiri only		
Tax expense - current: current year	7,436,303	3,934,648
Tax expense - current: prior year	-	175,592
Subsidiaries	<u>1,809,312</u>	<u>1,522,413</u>
Total	<u>9,245,615</u>	<u>5,632,653</u>

Tax on Bank Mandiri and Subsidiaries (Group)'s profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits on the consolidated entities are follows:

	2021	2020
Consolidated income before tax expense and noncontrolling interest	38,358,421	24,392,405
Tax calculated at applicable tax rates	8,063,178	5,379,365
Income tax effect of:		
Bank Mandiri		
Income not subject to tax and final tax	(163,444)	(193,559)
Expenses not deductible for tax purposes	537,419	370,533
Prior year tax audit result	-	175,592
Estimated taxable income	<u>373,975</u>	<u>352,566</u>
Subsidiaries	<u>(629,829)</u>	<u>261,546</u>
Total tax effect	<u>(255,854)</u>	<u>614,112</u>
Income tax expense	<u>7,807,324</u>	<u>5,993,477</u>

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33. TAXATION (continued)

d. Tax expense - current (continued)

According to the taxation laws of Indonesia, Bank Mandiri and Subsidiaries submit the Annual Corporate Income Tax Returns to the tax office on the basis of self assessment. The Directorate General of Taxation may assess or amend taxes within 5 (five) years from time when the tax becomes due.

Starting from 2009, Bank Mandiri has recognised written-off loans as deduction of gross profit by fulfilling the three requirements stipulated in UU No. 36 Year 2008 and Regulation of the Minister of Finance No. 105/PMK.03/2009 dated 10 June 2009, which was amended by Regulation of the Minister of Finance No. 57/PMK.03/2010 dated 9 March 2010 and Regulation of the Minister of Finance No. 207/PMK.010/2015 dated 20 November 2015.

Based on Law No. 36 of 2008 regarding Income Tax, Law No. 2 of 2020 dated 18 May 2020 regarding State Financial Policy and Financial System Stability for Handling the 2019 Corona Virus Disease (Covid-19) Pandemic and/or In Facing Threats That Endanger the National Economy and /or Financial System Stability ("Law Number 2 Year 2020"), Government Regulation No. 29 of 2020 dated 10 June 2020 regarding Income Tax Facilities in the Context of Handling Corona Virus Disease (Covid-19) and Government Regulation No. 30 of 2020 dated 18 June 2020 regarding Reduction of Income Tax Rates for Domestic Corporate Taxpayers in the Form of a Public Company, regulates the adjustment of income tax rates for domestic corporate taxpayers and permanent establishments in the form of a reduction in rates of Article 17 paragraph (1) letter b Law regarding Income Tax to be 22% (twenty two percent) which applies in Fiscal Year 2020 and Fiscal Year 2021 and at 20% (twenty percent) which applies in Fiscal Year 2022. Domestic tax payers in the form of a public companies with the total number of paid-up shares traded on the stock exchange in Indonesia are at least 40% (forty percent) and meet certain requirements, may obtain a rate of 3% (three percent) lower than the highest existing income tax rate.

Based on the Regulation of the Minister of Finance of the Republic of Indonesia Number 123/PMK.03/2020 dated 1 September 2020 concerning forms and procedure for submitting reports and taxpayers registration in the context of fulfilling the requirements for the lower income tax rate for domestic payers in the form of public companies taxpayers must submit a monthly report on share ownership of the issuer or public company and recapitulation that has been reported by the securities administration Bureau and share ownership of related parties reports as part of the annual income tax return for each fiscal year.

Based on Certificate No.DE/II/2022-1225 dated 11 January 2022 regarding the Monthly Report of Share Ownership of Issuers or Public Companies and the reported Recapitulation (Form Attachment to POJK No.10/POJK 04/2020) from PT Datindo Entrycom (Securities Administrative Bureau or BAE), which is submitted to Bank Mandiri, where BAE declares that Bank Mandiri has complied with the provisions of Article 3 of Government Regulation of the Republic of Indonesia No. 30 of 2020 dated 18 June 2020 concerning Reduction of Income Tax Rates for Domestic Entity Taxpayers in the Form of a Public Company.

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33. TAXATION (continued)

d. Tax expense - current (continued)

The Bank believes that they can fulfill the requirements to obtain an income tax rate reduction facility for the year ended 31 December 2021 in accordance with UU No. 2 Year 2020 above, so for Bank Mandiri's corporate income tax for the year ended on 31 December 2021 is calculated using the 19% tax rate and the Bank has also adjusted the use of the tax rate for the calculation of deferred tax on 31 December 2021.

e. Deferred tax assets - net

Deferred tax arises from temporary differences between book value based on commercial and tax are as follows:

	31 December 2021			Ending balance
	Beginning balance	Credited/ (charged) to profit or loss	Charged to equity	
Bank Mandiri				
Deferred tax assets:				
Allowance for impairment losses	4,899,113	1,171,376	-	6,070,489
Provisions for post-employment benefit expense, provision for bonuses, leave and holiday (THR) entitlements	1,074,312	508,285	(51,641)	1,530,956
Loans write-off until 2008	534,854	(278,396)	-	256,458
Allowance for impairment losses on financial assets other than loans	718,466	(20,903)	-	697,563
Estimated losses on commitments and contingencies	329,011	(248,381)	-	80,630
Allowance for estimated losses arising from legal cases	24,973	(1,435)	-	23,538
Allowance for possible losses on abandoned properties	16,471	(133)	-	16,338
Allowance for possible losses on repossessed asset	9,890	(133)	-	9,757
Accumulated losses arising from differences in net realizable value of repossessed assets	1,871	-	-	1,871
Deferred tax assets	7,608,961	1,130,280	(51,641)	8,687,600
Deferred tax liabilities:				
Unrealised gain/(loss) from increase/(decrease) in fair value of marketable securities and government bonds - fair value through other comprehensive income	(13,555)	5,566	-	(7,989)
Unrealised gains from increase in fair value of marketable securities and government bonds - fair value through profit or loss	(785,632)	-	675,919	(109,713)
Net book value of fixed assets	(112,107)	(10,535)	-	(122,642)
Deferred tax assets - Bank Mandiri only	6,697,667	1,125,311	624,278	8,447,256
Deferred tax assets - Subsidiaries	1,398,202	312,980	196,356	1,907,538
Total consolidated deferred tax assets - net	8,095,869	1,438,291	820,634	10,354,794

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33. TAXATION (continued)

e. Deferred tax assets - net (continued)

	31 December 2020				
	Beginning Balance	Impact of Beginning of SFAS 71 (charged to retained earnings on 1 January 2020)	Credited/ (charged) to profit or loss	Charged to equity	Ending Balance
Bank Mandiri					
Deferred tax assets:					
Allowance for impairment losses	1,004,659	4,486,975	(592,521)	-	4,899,113
Provisions for post-employment benefit expense, provision for bonuses, leave and holiday (THR) entitlements	1,282,639	-	(122,896)	(85,431)	1,074,312
Loans write-off until 2008	821,309	-	(286,455)	-	534,854
Allowance for impairment losses on financial assets other than loans	364,489	403,081	(49,104)	-	718,466
Estimated losses on commitments and contingencies	72,538	-	256,474	-	329,012
Allowance for estimated losses arising from legal cases	33,882	-	(8,909)	-	24,973
Allowance for possible losses on abandoned properties	17,394	-	(923)	-	16,471
Allowance for possible losses on repossessed asset	10,412	-	(522)	-	9,890
Accumulated losses arising from differences in net realizable value of repossessed assets	1,968	-	(98)	-	1,870
Deferred tax assets	3,609,290	4,890,056	(804,954)	(85,431)	7,608,961
Deferred tax liabilities:					
Unrealised gain/(loss) from increase/(decrease) in fair value of marketable securities and government bonds - fair value through other comprehensive income	(126,186)	-	-	(659,446)	(785,632)
Unrealised gains from increase/decrease in fair value of marketable securities and government bonds - fair value through profit or loss	(10,969)	-	(2,586)	-	(13,555)
Net book value of fixed assets	(121,503)	-	9,396	-	(112,107)
Deferred tax assets - Bank Mandiri only	3,350,632	4,890,056	(798,144)	(744,877)	6,697,667
Deferred tax assets - Subsidiaries	1,023,089	11,530	369,941	(6,358)	1,398,202
Total consolidated deferred tax assets - net	4,373,721	4,901,586	(428,203)	(751,235)	8,095,869

Deferred tax assets are calculated using applicable tax rate or substantially enacted tax rate at consolidated statement of financial position dates.

Management believes that it is possible that future taxable income will be available to be utilised against the temporary difference, which results in deferred tax assets.

f. Tax assessment letter

Fiscal year 2015

According to the tax audit result by Tax office, on 26 November 2019, Bank received Underpayment Tax Assessment Letter (SKPKB) of Corporate Income Tax for fiscal year 2015 amounted to Rp918,160 (including penalties) which accepted by Bank only amounted to Rp201,197 and recorded as current tax expense - prior year in the current year consolidated statement of profit or loss. On 5 December 2019, the Bank has paid all of the underpayment and will submit an objection letter on the SKPKB of Corporate Tax Expense amounted to Rp716,962 to the Tax Office on 20 February 2020

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33. TAXATION (continued)

f. Tax assessment letter (continued)

Fiscal year 2015 (continued)

On 26 November 2019, Bank also obtained Underpayment Tax Assessment Letter (SKPKB) for income tax article 21, 23, and 4(2) amounted to Rp28,255 (including penalties) and Value Added Tax (VAT) and *Surat Tagihan Pajak* (STP) amounted to Rp247,544 (including penalties) for the 2015 fiscal year. On 5 December 2019, the Bank has paid the entire SKPKB. Bank will not file an objection to SKPKB PPh Article 21, PPh Article 23 and PPh Article 4 paragraph (2) amounting to Rp28,255 and has submitted an objection letter to the SKPKB VAT amounting to Rp247,544 to the Tax Office on 20 February 2020.

The total payment for the SKPKB that was not approved above amounting to Rp964,507 where the Bank has filed an objection, is recorded as prepaid tax on 31 December 2021 and 2020.

On 26 January 2021, the Bank has received the decision on the objection to Corporate Income Tax for the 2015 fiscal year, which reduces the amount of tax in the objection letter from Rp716,962 to Rp544,853. The Bank also received the decision on the VAT objection for the 2015 fiscal year, which reduced the amount of tax in the objection letter from Rp247,544 to Rp221,199. The Bank does not agree with the objection decision and has submitted an appeal to the Tax Court on 16 April 2021. As of the date of these consolidated financial statements, the appeal process at the Tax Court is still ongoing.

Fiscal year 2016

Based on the result of the tax audit by the Tax Office on 17 November 2020. The Bank has received an Underpayment Tax Assessment (SKPKB) on Corporate Income tax for the 2016 fiscal year amounted to Rp1,293,817 (including fines), which was accepted by the Bank for only Rp175,592 and recorded as current tax expense - prior year in the 2020 consolidated statement of profit or loss. On 27 November 2020, Bank has paid all SKPKB Corporate Income Tax and will submit an objection letter to the SKPKB for disagreed amounting to Rp1,118,225 to the Office Taxes not later than 16 February 2021.

On 17 November 2020, Bank also received SKPKB on Income Tax Article 21 amounted to Rp31,492 and Value Added Tax (VAT) also the tax collection letter (STP) amounted to Rp128,766 (including penalties) for the 2016 fiscal year. On 27 November 2020, Bank has paid all the SKPKB, and will not submit an objection to SKPKB Article 21 amounted to Rp31,492 and SKPKB VAT amounted to Rp128,766. All underpayments are charged to the 2020 consolidated statement of profit or loss.

The total payment for the SKPKB that was not approved above amounting to Rp1,118,225 where the Bank filed an objection, which was recorded as prepaid tax on 30 September 2021 and 31 December 2020. The Bank has submitted an objection letter to the SKPKB for Corporate Income Tax which was not approved amounting to Rp1,118,225 to Tax Office on 10 February 2021. As of the date of these consolidated financial statements, the objection process is still ongoing.

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34. EMPLOYEE BENEFIT LIABILITIES

	2021	2020
Provision for post-employment benefit (Note 52)	3,299,809	4,173,998
Provisions for bonuses, leave and holiday entitlements	7,905,737	4,145,151
Total	11,205,546	8,319,149

Provision for post-employment benefit such as pension fund and other long term remuneration are in accordance with the Bank and Subsidiaries' policy which are calculated using actuarial calculation.

35. OTHER LIABILITIES

	2021	2020
Rupiah		
Liability to policy holders	5,834,564	5,594,318
Payable to customers	1,014,266	2,111,000
Liability related to ATM and credit card transactions	1,660,959	1,894,912
Customers transfer transactions	6,152	37,691
Deferred income (not directly attributable)	729,534	743,213
Deferred income (directly attributable)	837,177	610,500
Guarantee deposits	483,611	612,283
Lease liabilities	988,818	629,158
Liabilities related to unit-link	689,839	390,148
Others	9,186,770	8,379,049
Total	21,431,690	21,002,272
Foreign currencies		
Customers transfer transactions	2,275,219	2,517,371
Deferred income (not directly attributable)	277,385	454,282
Guarantee deposits	209,577	153,105
Lease liabilities	57,461	69,120
Others	1,025,268	2,124,010
Total (Note 63B.(iv))	3,844,910	5,317,888
	25,276,600	26,320,160

Liabilities to policyholders consist of liabilities of the Subsidiaries (PT AXA Mandiri Financial Services and PT Asuransi Jiwa Inhealth Indonesia) as follows:

	2021	2020
Future policy benefits from non unit-link products	4,468,429	4,478,517
Estimated claim liabilities	596,666	242,591
Unearned premiums	467,523	401,348
Claim payables	301,946	471,862
Total	5,834,564	5,594,318

Customer transaction payables mostly consist of payables arising from securities trading transactions of Subsidiaries.

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35. OTHER LIABILITIES (continued)

Liability related to ATM and credit card transactions consist of liabilities from ATM transactions within ATM *Bersama*, ATM Link and ATM Prima and liabilities to Visa and Master Card and JCB for credit card transactions.

Liabilities related to unit-link represents unit-link liabilities to third parties and liabilities to unit-link fund holders of subsidiary (AXA Mandiri Financial Services).

Customers transfer transactions represent transfer funds in various currencies that need to be settled from or to customers accounts.

The guarantee deposit is a guarantee of cash deposited by customers from export, import transaction and issuance of bank guarantees.

Other liabilities related to UPAS transaction is a liability to the issuing bank in foreign currency in relation to UPAS receivable to importers.

Directly attributed unearned income consists of income from provisions/commissions of loans which directly attributable to unamortised loan granted.

Payable from purchase of marketable securities represent payable arising from securities's purchase transaction which have been paid on 6 July 2021 for 30 June 2021.

Non directly attributed unearned income consists of deferred fees/commissions that are not directly related to the unamortised loan granted.

The disclosure of lease liabilities as of 31 December 2021 are as follows:

Underlying assets	Beginning balance on 1 January 2021	Additions of lease liabilities	Interest expense on lease liabilities	Payments of lease liabilities	Balance on 31 December 2021
Vehicles	314,075	388,585	26,408	(267,852)	461,216
Building - Official residence	8,800	10,325	288	(9,725)	9,688
Building - Office building	357,312	478,727	35,823	(251,569)	620,293
Furniture and fixture, office equipment and computer	16,310	7,166	708	(5,875)	18,309
Total	696,497	884,803	63,227	(535,021)	1,109,506

Other liabilities related to leases by period:

	31 December 2021
Short term	198,299
Long term	847,980
Total	1,046,279

Analysis of the maturities of other liabilities related to leases as follows:

	31 December 2021
1 year	201,710
2 years	282,801
3 years	253,390
4 years	27,353
5 years	281,025
Lease payment	1,046,279

Others mainly consist of interoffice accounts and liabilities related to trade transactions, deposit and transaction remains to be settled.

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36. FUND BORROWINGS

	2021	2020
Rupiah		
Related Party		
(f) Others (Note 57)	194,097	325,181
Third parties		
(a) Ministry of Public Work and Housing (Kemenpupera)	868,286	639,629
(f) Others	10,947,034	10,617,848
Total	12,009,417	11,582,658
Foreign currencies		
Related party		
(b) Direct off-shore loans (Note 57)	-	843,000
Third parties		
(b) Direct off-shore loans	14,335,554	17,051,036
(d) Trade financing facilities	20,518,183	17,676,906
(c) Bilateral loans	570,100	562,000
(e) Repo to Maturity	3,787,639	3,733,824
(f) Others	178,047	1,361,265
Total (Note 63B.(iv))	39,389,523	41,228,031
	51,398,940	52,810,689

(a) Ministry of Public Work and Housing (Kemenpupera)

This account represents Liquidity Facility of Housing Financing (*Fasilitas Likuiditas Pembiayaan Perumahan*) (FLPP) with financing sharing of 70.00% from *Kementerian Pekerjaan Umum dan Perumahan Rakyat* and 30.00% from Bank Mandiri in accordance to mutual agreement with *Kementerian Perumahan Rakyat* No. 07/SKB/M/2012 and PT Bank Mandiri (Persero) Tbk. No. DIR.MOU/003/2012 on 15 February 2012 about amendment of mutual agreement between *Kementerian Perumahan Rakyat* No. 13/SKB/DP/2011 and PT Bank Mandiri (Persero) Tbk. No. DIR.MOU/015/2011 about distribution of Liquidity Facility of Housing Financing (FLPP) for the provision of housing through Home Ownership Financing. The Mutual Agreement was followed up by Operational Mutual Agreement between *Badan Layanan Umum Pusat Pembiayaan Perumahan Kementerian Perumahan Rakyat* Republic of Indonesia year 2012, that has been renewed in 2017 with Operational Mutual Agreement No.HK.02.03-Sg.DL/67/2017 and No. DIR.PKS/119/2017 on 21 December 2017 about funding FLPP Funds for home ownership for Low-Income Communities (MBR) and there is a change in composition of the financing to become 90% funds from Kemenpupera and 10% funds from PT Bank Mandiri (Persero) Tbk.

In 2017 there was a change of funding sharing composition to become 75% from PPDPK Kemenpupera and 25% from PT Bank Mandiri (Persero) Tbk. based on Operational Mutual Agreement No. 51/PKS/Sg/2018 and DIR.PKS/45/2018 about distribution of Liquidity Facility of House Financing (FLPP) funds through home credit for Low-income Community on 14 August 2018, updated with the Operational Cooperation Agreement No. 118/PKS/Sg/2018 and No. DIR.PKS/60/2018 date 21 December 2018 concerning the Distribution of FLPP Funds for home ownership for Low-Income Communities (MBR).

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36. FUND BORROWINGS (continued)

(a) Ministry of Public Work and Housing (Kemenpupera) (continued)

In 2019 the Operational Cooperation Agreement between PPDPP Kemenpupera and PT Bank Mandiri (Persero) Tbk through operational agreement No. 59/PKS/Sg/2019 and DIR.PKS/55/2019 about FLPP through Loan/House Financing/Sharia House Financing for Low-Income Communities has been renewed on 19 December 2019.

In 2020 there was a change in the FLPP distribution quota based on the Addendum to the Operational Cooperation Agreement with No. 02/ADD.PKS.Sg/2020 & Dir.PKS/07/2020 concerning Distribution of Liquidity Facility Funds for Ownership of Prosperous Homes/Sharia Welfare Houses for Low-Income Communities on April 01, 2020.

Subsequently, an agreement was renewed between the Ministry of Public Works and Public Housing No. 29/MoU/Dp/2020 with PT Bank Mandiri (Persero) Tbk No. DIR.MOU/19/2020 dated 17 December 2020 concerning Distribution of Subsidized Home Ownership Loans for Low-Income Communities. The joint agreement was followed up with a Cooperation Agreement between the Center for Management of Housing Financing Funds, Ministry of Public Works and Public Housing of the Republic of Indonesia No. 39/PK.Pg.2020 with PT Bank Mandiri (Persero) Tbk No.DIR.PKS/48/2020 dated 18 December 2020 concerning Distribution of Liquidity Facility Funds for Housing Financing through Credit/Financing for Welfare Home Ownership for Low-Income Communities.

Outstanding balance as of 31 December 2021 and 2020 were Rp868,286 and Rp639,629, respectively. These facilities are subject to a certain rate by the Government. The period of loan and repayment schedule are maximum of 240 months (20 years). Refunds (principal and interest instalment) to Kemenpupera are carried out no later than 10th of each month.

(b) Direct off-shore loans

The details of direct off-shore loans are as follows:

	2021	2020
Foreign currencies		
Related party:		
Bank Rakyat Indonesia, New York	-	843,000
Third Parties		
China Development Bank, China		
- Tranche A	5,311,731	6,542,549
- Tranche B	2,214,605	2,729,270
United Overseas Bank Limited, Singapore	4,275,750	2,810,000
MUFG Bank Ltd. Singapore	-	1,405,000
Sumitomo Mitsui Banking Corporation, Singapore	1,425,094	1,400,576
Bank of America, N.A. Hongkong Branch	-	1,053,750
DZ Bank AG, Singapore	712,284	700,112
Taipei Fubon, Singapore	355,713	350,254
Agence Française de Développement, France	40,377	59,525
Total	14,335,554	17,894,036

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

Bank Rakyat Indonesia, New York

31 December 2021						
Type	Arranger	Maturity date	Interest rate per annum	Nominal amount		
				Foreign currency (full amount)	Rupiah equivalent	
Bilateral Loan	Bank Rakyat Indonesia, New York	11 February 2021	LIBOR (3 months) + certain margin	-	-	
				-	-	
				-	-	
31 December 2020						
Type	Arranger	Maturity date	Interest rate per annum	Nominal amount		
				Foreign currency (full amount)	Rupiah equivalent	
Bilateral Loan	Bank Rakyat Indonesia, New York	20 January 2021	LIBOR (3 months) + certain margin	60,000,000	843,000	
				60,000,000	843,000	

On 2 October 2019, and the latest on 29 June 2020 Bank Mandiri obtained loan facility without collateral from Bank Rakyat Indonesia, New York amounted to USD55,000,000 (full amount) and USD60,000,000 (full amount) with the interest rate of LIBOR 3 (three) months plus certain margin.

The loan facilities have a tenor less than 1 (one year) and will be due on 29 June 2020 and 20 January 2021.

On 23 February 2021, Bank Mandiri obtained a loan facility from Bank Rakyat Indonesia, New York in the amount of USD 50,000,000 with an interest rate of 3 (three) months LIBOR plus a certain margin and will mature on 11 February 2022. In June 2021, this loan facility was reclassified to Interbank Call Money and the balance on this loan became RpNil.

China Development Bank, China

31 December 2021						
Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Tranche A (USD Currency)	China Development Bank, China	15 September 2025	120	LIBOR (6 months) + certain margin	373,333,333	5,320,934
Less:						
Unamortised issuance costs					(645,690)	(9,203)
					372,687,643	5,311,731
Tranche B (USD Currency)	China Development Bank, China	15 September 2025	120	LIBOR (6 months) + certain margin	155,403,149	2,214,883
Less:						
Unamortised issuance costs					(19,511)	(278)
					155,383,638	2,214,605

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

China Development Bank, China (continued)

31 December 2020						
Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Tranche A (USD Currency)	China Development Bank, China	16 September 2025	120	LIBOR (6 months) + certain margin	466,666,667	6,556,667
Less: Unamortised issuance costs					(1,004,859)	(14,118)
					465,661,808	6,542,549
Tranche B (CNY Currency)	China Development Bank, China	15 September 2025	120	SHIBOR (6 months) + certain margin	1,272,280,000	2,735,733
Less: Unamortised issuance costs					(3,005,750)	(6,463)
					1,269,274,250	2,729,270

On 16 September 2015, Bank Mandiri signed a long-term loan facility without collateral loan agreement with China Development Bank (CDB).

The loan consists of 2 (two) facilities, which Tranche A Facility is a direct loan from CDB denominated in USD with a total facility of USD700,000,000 (full amount) which will be matured in 10 (ten) years since the agreement date with an interest rate of LIBOR 6 (six) months plus a certain margin and Tranche B is a direct loans denominated in CNY with a total facility of CNY1,908,420,000 (full amount) maturing in 10 (ten) years since the agreement date with SHIBOR interest rate of 6 (six) months plus a certain margin.

On 16 March 2021, Tranche B was converted into a loan in USD with a total amount of USD194,288,681 (full amount) with an interest rate of 6 (six) months LIBOR plus a certain margin. There is no change in the maturity of the facility for this conversion.

United Overseas Bank Limited, Singapore

31 December 2021						
Type	Arranger	Maturity date	Interest rate per annum	Nominal amount		
				Foreign currency (full amount)	Rupiah equivalent	
Bilateral loan	United Overseas Bank Limited, Singapore	29 April 2022	LIBOR (3 months) + certain margin	100,000,000	1,425,250	
Bilateral loan	United Overseas Bank Limited, Singapore	2 July 2021	LIBOR (3 months) + certain margin	100,000,000	1,425,250	
Bilateral loan	United Overseas Bank Limited, Singapore	31 September 2022	LIBOR (3 months) + certain margin	100,000,000	1,425,250	
					300,000,000	4,275,750

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

United Overseas Bank Limited, Singapore (continued)

31 December 2020					
Type	Arranger	Maturity date	Interest rate per annum	Nominal amount	
				Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	United Overseas Bank Limited, Singapore	2 July 2021	LIBOR (3 months) + certain margin	100,000,000	1,405,000
Bilateral loan	United Overseas Bank Limited, Singapore	23 March 2021	LIBOR (3 months) + certain margin	100,000,000	1,405,000
				200,000,000	2,810,000

Bank Mandiri obtained loan facility without collateral from United Overseas Bank Limited, Singapore amounted to USD100,000,000 (full amount), respectively, with the interest rate of LIBOR 3 (three) months plus certain margin. The loan facilities have a tenor less than 1 (one year) and will be due on 23 March 2021, 2 July 2021 and 29 April 2022, 30 September 2022.

MUFG Bank, LTD., Singapore

31 December 2020					
Type	Arranger	Maturity date	Interest rate per annum	Nominal amount	
				Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	MUFG Bank, LTD., Singapore	19 March 2021	LIBOR (3 months) + certain margin	100,000,000	1,405,000

On 27 March 2020, Bank Mandiri obtained an unsecured loan facility from MUFG Bank, LTD., Singapore amounting to USD100,000,000 (full amount) with a tenor of less than 1 (one) year. Bank Mandiri has made a drawdown of USD100,000,000 (full amount) on 27 March 2020. This loan facility has matured on 19 March 2021. This facility has been repaid at maturity.

Sumitomo Mitsui Banking Corporation, Singapore

31 December 2021						
Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Sumitomo Mitsui Banking Corporation, Singapore	11 March 2022	36	LIBOR (3 months) + certain margin	100,000,000	1,425,250
Less:						
Unamortised issuance costs					(10,914)	(156)
					99,989,086	1,425,094

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

Sumitomo Mitsui Banking Corporation, Singapore (continued)

31 December 2020

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Sumitomo Mitsui Banking Corporation, Singapore	11 March 2022	36	LIBOR (3 months) + certain margin	100,000,000	1,405,000
Less:						
Unamortised issuance costs					(314,851)	(4,424)
					99,685,149	1,400,576

On 5 March 2019, Bank Mandiri obtained loan facility from Sumitomo Mitsui Banking Corporation, Singapore (SMBC) amounted to USD150,000,000 (full amount) with the interest rate of LIBOR 3 (three) months plus certain margin.

This loan facility have a tenor of 3 (three) years maturing on 11 March 2022. Bank Mandiri made withdrawal from these loan facilities amounted to USD150,000,000 (full amount) on 12 March 2019.

On 10 June 2019, SMBC as a facility agent have sent a form of transfer certificate which stated SMBC have transferred loan of Bank Mandiri to DZ Bank AG, Singapore branch. This transferred loan is effective per 12 June 2019.

Bank of America, N.A, Hongkong

31 December 2020

Type	Arranger	Maturity date	Interest rate per annum	Nominal amount		
				Foreign currency (full amount)	Rupiah equivalent	
Bilateral loan	Bank of America, Hongkong	20 January 2021	LIBOR (3 months) + certain margin	25,000,000	351,250	
Bilateral loan	Bank of America, Hongkong	8 March 2021	LIBOR (3 months) + certain margin	50,000,000	702,500	
					75,000,000	1,053,750

On 31 January 2020 and 18 March 2020, Bank Mandiri obtained unsecured loan facilities from Bank of America, Hong Kong amounting to USD25,000,000 and USD50,000,000 (full amount) with an interest rate of 3 (three) months LIBOR plus a certain margin. This loan facility has a tenor of less than 1 (one) year and will be matured on 20 January 2021 and 8 March 2021. This facility has been repaid at maturity.

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

DZ Bank AG, Singapore

31 December 2021						
Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	DZ Bank AG, Singapore	11 March 2022	33	LIBOR (3 months) + certain margin	50,000,000	712,625
Less:						
Unamortised issuance costs					(23,929)	(341)
					49,976,071	712,284
31 December 2020						
Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	DZ Bank AG, Singapore	11 March 2022	33	LIBOR (3 months) + certain margin	50,000,000	702,500
Less:						
Unamortised issuance costs					(169,982)	(2,388)
					49,830,018	700,112

Effective per 12 June 2019, Bank Mandiri has outstanding of loan facility from DZ Bank AG, Singapore Branch amounted to USD50,000,000 which transferred from some portion of its facility from Sumitomo Mitsui Banking Corporation, Singapore (SMBC). This loan facility will be matured on 11 March 2022.

Taipei Fubon, Singapore

31 December 2021						
Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Taipei Fubon Commercial Bank Co. Ltd	14 July 2023	36	LIBOR (3 months) + certain margin	25,000,000	356,313
Less:						
Unamortised issuance costs					(42,068)	(600)
					24,957,932	355,713
31 December 2020						
Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Taipei Fubon Commercial Bank Co. Ltd	14 July 2023	36	LIBOR (3 months) + certain margin	25,000,000	351,250
Less:						
Unamortised issuance costs					(70,876)	(996)
					24,929,124	350,254

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36. FUND BORROWINGS (continued)

(b) Direct off-shore loans (continued)

Taipei Fubon, Singapore (continued)

On 14 July 2020, Bank Mandiri obtained a loan facility from Taipei Fubon Commercial Bank Co. Ltd - Singapore Branch amounting to USD25,000,000 (full amount) with interest at LIBOR 3 (three) months plus a certain margin. This loan facility has a tenor of 3 (three) years and will be matured on 14 July 2023.

Bank Mandiri made a drawdown of USD25,000,000 (full amount) on 30 July 2020.

Agence Française de Développement, France

31 December 2021

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Agence Française de Développement, France	30 September 2023	114	LIBOR (6 months) + certain margin	2,857,143	40,722
Less:						
Unamortised issuance costs					(24,196)	(345)
					2,832,947	40,377

31 December 2020

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					Foreign currency (full amount)	Rupiah equivalent
Bilateral loan	Agence Française de Développement, France	30 September 2023	114	LIBOR (6 months) + certain margin	4,285,714	60,214
Less:						
Unamortised issuance costs					(49,024)	(689)
					4,236,690	59,525

On 8 November 2013, Bank Mandiri signed a new second loan facility agreement or second line of credit with Agence Française de Développement (AFD) amounted to USD100,000,000 (full amount) to assist the financing for projects related to climate change and energy efficiency. This long term facility has a tenor of 5 to 10 years (including grace period) with an interest rate at 6-months LIBOR plus a certain margin. As part of the loan agreement, Bank Mandiri and AFD will finance a training program aimed at building the capacity of the Bank Independent especially on the topics of climate change and energy efficiency.

On 25 March 2014, the Bank drawdown the loan amounted to USD10,000,000 (full amount), which will be matured on 30 September 2023. The drawdown of the above facilities are intended to fulfill the fund requirement to finance the environmental friendly projects in Bank Mandiri.

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36. FUND BORROWINGS (continued)

(c) Bilateral loans

The details of bilateral loans are as follows:

	2021	2020
Foreign currencies		
Citibank, N.A. - Indonesia Branch	570,100	562,000
	570,100	562,000

Citibank N.A. Indonesia Branch

31 December 2021

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					USD (full amount)	Rupiah equivalent
Bilateral loan	Citibank, N.A. Indonesia Branch	3 January 2022	36	LIBOR (3 months) + certain margin	40,000,000	570,100

31 December 2020

Type	Arranger	Maturity date	Tenor (months)	Interest rate per annum	Nominal amount	
					USD (full amount)	Rupiah equivalent
Bilateral loan	Citibank, N.A. Indonesia Branch	3 January 2022	36	LIBOR (3 months) + certain margin	40,000,000	562,000

On 2 January 2019, Bank Mandiri obtained loan facility from Citibank, N.A. Indonesia Branch amounted to USD40,000,000 (full amount) with interest rate of LIBOR 3 (three) months plus a certain margin.

This loan facility has a tenor of 3 (three) years and will be matured on 3 January 2022. Bank Mandiri had withdrawn on the loan facility amounted to USD40,000,000 (full amount) on 3 January 2019.

This loan was secured by (Note 8c):

	Nominal amount	
	2021	2020
ROI 28 ^{*)}	28,000,000	28,000,000
ROI 27 ^{*)}	25,000,000	25,000,000

^{*)} In USD (full amount)

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36. FUND BORROWINGS (continued)

(d) Trade financing facilities (bankers' acceptance)

Trade financing facilities represent short-term borrowings with tenors ranging between 30 days to 365 days and bears interest at LIBOR or SIBOR plus a certain margin. The balance as of 31 December 2021 and 2020 are as follows:

	2021	2020
United Overseas Bank Limited, Singapore	3,795,143	5,008,539
DBS Bank, Singapore	-	1,768,895
CO Bank US, Amerika Serikat	3,278,074	2,529,000
Sumitomo Mitsui Banking Corporation, Singapore	2,726,906	2,455,519
Citibank NA, Hong Kong	783,888	1,098,710
Wells Fargo Bank, Singapore	2,889,588	2,401,707
Bank of Montreal	-	1,039,054
CTBC Bank Co. Ltd	194,975	120,830
Bank of America, N.A, Singapore	1,120,246	627,178
The Bank of New York Mellon, Singapore	2,123,480	375,978
Bank of America, N.A, Hongkong	755,383	251,496
MUFG Bank Ltd., Singapore	2,850,500	-
Total	20,518,183	17,676,906

(e) Repo to Maturity

Foreign Currency

On 9 April 2020, Bank Mandiri entered into borrowing transaction of USD74,999,965 (full amount) through the cross currency repo to maturity scheme with JP Morgan Chase Bank, N.A. - Jakarta Branch. Furthermore, on 21 July 2020, a novation was carried out for the borrowing from JP Morgan Chase Bank, N.A - Jakarta Branch to JP Morgan Securities Asia Pte Ltd (JPMSA). Bank Mandiri transferred Rupiah-denominated government bonds FR0061 and recognized a cash value claim from FR0061 to JPMSA. This borrowing facility has a tenor of 2 (two) years which will mature according to the maturity date of FR0061, which is 15 May 2022. On the maturity date, JPMSA submits the cash value (IDR) to Bank Mandiri according to the face value of the underlying plus the last coupon of the underlying, and Bank Mandiri will send a cash value (USD) to JPMSA equal to the loan amount plus the last interest payment on the borrowing.

On 6 May 2020, Bank Mandiri entered into borrowing transaction of USD99,774,646 through the cross currency repo to maturity scheme with Standard Chartered Bank - Jakarta Branch (SCB). In this repo to maturity transactions, Bank Mandiri transferred government bonds FR063 to SCB. Upon the transfer of government bonds FR063, Bank Mandiri recognised receivables at the amount of cash value of FR063 to SCB. This loan facility has a tenor of 3 (three) years which will be matured at the same date of to maturity of FR063 at 15 May 2023. On the maturity date, SCB submit cash value (IDR) to Bank Mandiri at the amount of underlying face value plus the last underlying coupon, and Bank Mandiri will send the cash value (USD) to SCB at the borrowing amount plus the last borrowing interest payment.

On 25 May 2018, Bank Mandiri entered into borrowing transaction amounted to USD24,926,000, USD31,270,000 and USD34,782,000 through repo to maturity scheme with Nomura Singapore Limited (NSL). In this repo to maturity transactions, Bank Mandiri transferred government bonds ROI 23NN, ROI 24 and ROI 25 to NSL. Upon the transfer of government bonds ROI 23NN, ROI 24 and ROI 25, Bank Mandiri recognised receivables at the amount of cash value of ROI 23NN, ROI 24, and ROI 25 to NSL. This loan facilities have 5 (five), 6 (six) and 7 (seven) years tenor and will be due in at the same date of the maturity date of ROI23 NN, ROI 24 and ROI 25 on 11 January 2023, 15 January 2024 and 15 January 2025. On the maturity date, the settlement of the transaction will be at net basis between borrowing and receivables of Bank Mandiri and NSL.

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36. FUND BORROWINGS (continued)

(e) Repo to Maturity (continued)

Foreign Currency (continued)

This loan facilities from NSL have guaranteed by placement amounted to USD70,000 (full amount), respectively (2020: USD70,000 (full amount)) (Notes 6h).

(f) Others

	2021	2020
Rupiah		
Related parties		
PT Bank Negara Indonesia (Persero) Tbk.	194,097	225,181
PT Bank Rakyat Indonesia (Persero) Tbk.	-	100,000
	194,097	325,181
Third parties		
PT Bank Pan Indonesia Tbk.	2,107,089	2,174,043
PT Bank Central Asia Tbk.	2,292,755	1,136,683
PT Bank DKI	372,935	280,387
PT Bank Maybank Indonesia Tbk.	420,472	430,926
PT Bank KEB Hana Indonesia	360,800	263,415
PT Bank OCBC NISP Tbk	-	271,397
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.	33,325	166,486
PT Bank Permata Tbk.	295,691	470,035
PT Bank UOB Indonesia	-	307,593
PT Bank HSBC Indonesia	-	100,000
PT Bank Resona Perdania	26,369	59,628
PT Bank BPD DIY	13,847	44,325
PT Bank CIMB Niaga Tbk.	116,596	229,566
PT Bank BCA Syariah	245,201	98,056
PT Bank Danamon Indonesia Tbk.	1,761,612	1,684,383
PT Bank QNB Indonesia	507,380	374,309
PT Bank Central Asia Tbk. - Onshore Syndication	1,436,201	2,277,778
Bank Chinatrust	200,000	200,000
PT Bank Danamon Syariah	36,389	48,838
PT Bank Mega	540,471	-
PT Bank Victoria International Tbk	150,000	-
PT Bank Jtrust	29,901	-
	10,947,034	10,617,848
Total	11,141,131	10,943,029
Foreign currencies		
Third parties		
MUFG Bank Ltd., Jakarta Branch	-	680,722
PT Bank Mizuho Indonesia	58,901	292,668
Bank of China Limited, Jakarta Branch	-	187,875
PT Bank ANZ Indonesia	-	200,000
The Development Bank of Singapore Limited	119,146	-
Total	178,047	1,361,265
	11,319,178	12,304,294

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah

PT Bank Negara Indonesia (Persero) Tbk.

On 9 October 2018, the Subsidiary (PT Mandiri Utama Finance) obtained a working capital loan facility from PT Bank Negara Indonesia (Persero) Tbk ("BNI") with a maximum loan limit of Rp250,000, which bears interest rate of 8.75% - 9.50%. The facility is a revolving working capital loan. The period of withdrawal of loan facilities is up to 9 October 2019 and has been extended in 4 October 2019, therefore the maturity date will be 8 October 2021.

As of 31 December 2021 and 2020, outstanding borrowings from BNI amounted to Rp194,097 and Rp225,181, respectively.

In the loan agreement, the Company is obliged to meet financial requirements such as:

- a) Minimum current ratio is 1x.
- b) Maximum Debt to Equity Ratio is 9x.
- c) Maximum 5% NPL 90 up Gross.

PT Bank Rakyat Indonesia (Persero) Tbk.

On 9 November 2018, the Subsidiary (PT Mandiri Utama Finance) obtained a working capital loan facility from PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") with a maximum loan limit of Rp300,000. The facility is a revolving working capital loan, and mature in 12 months after the contract is signed and have extended up to 9 November 2020 with interest rates according to the bank's treasury recommendation and ranging between 7.75% - 9.50%. This facility which has matured, has been extended until 9 November 2021. This facility has been repaid at maturity.

As of 31 December 2021 and 2020, outstanding borrowings from Bank BRI amounted to RpNil and Rp100,000, respectively.

Under the loan agreement, the Subsidiary (PT Mandiri Utama Finance) is required to meet financial requirements if it distributes dividends such as:

- a) Maximum gearing ratio 9x.
- b) Maximum 5% of Non-Performing Financing (gross)

PT Bank Pan Indonesia Tbk.

On 12 November 2012 and the latest amendment on 10 July 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Pan Indonesia Tbk. (Panin) signed a loan agreement which Panin provide several non revolving term loan facilities with a total limit of Rp4,200,000 and bears a fixed interest rate. These facilities have various maturity dates ranging from January 2020 until September 2025.

On 26 May 2017, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Pan Indonesia Tbk. (Panin) signed a loan agreement which Panin provides non revolving working capital facilities with total limit of Rp400,000 and non revolving money market line facility with a limit of Rp100,000. These facilities bears an 9.00% - 9.75% of interest rate of the drawdown for the working capital facility and market interest rates of the drawdown for the money market line facility. The working capital facility mature on 31 December 2021.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Pan Indonesia Tbk. (continued)

On 21 March 2018, the Subsidiary (PT Mandiri Utama Finance) obtained an extra non revolving working capital loan facility amounted to Rp1,000,000, this facility is subject to interest rate of 8.5% - 9% at the time of withdrawal, the facility is due on 21 August 2022.

On 15 April 2019, the Subsidiary (PT Mandiri Utama Finance) obtained additional of non revolving working capital loan facility amounted to Rp500,000 and bears at 9.00% - 9.75% interest rate at drawdown, additional of money market line facility amounted to Rp200,000 and revolving current account facility amounted to Rp50,000. Money market line facility and current account facility bear interest rate ranging of 9% - 10% at the time of withdrawal. Both facility will be matured on 15 April 2020. and have been temporarily extended, so that the two facilities will be matured on 26 August 2020. Facility that matured on 26 August 2020, have been extended until 26 May 2021 and have been extended again until 26 August 2021.

On 4 December 2020, the subsidiary (PT Mandiri Utama Finance) obtained an extra non revolving working capital loan facility amounted to Rp500,000, this facility is subject to interest rate of 8.25% at the time withdrawal, the facility is due on December 2024.

On 25 August 2021, the Subsidiary (PT Mandiri Utama Finance) received an additional non-revolving Working Capital Credit facility of Rp500,000, as well as additional Money Market Line Facility which become Rp250,000. The Working Capital Credit facility bears an interest rate of 7.25% at the time of withdrawal with withdrawal allowances until February 2022. Meanwhile, the Money Market Line credit facility bears a benchmark interest rate, with the withdrawal allowance due in August 2022.

As of 31 December 2021 and 2020, outstanding borrowings from Panin was amounted to Rp2,107,089 and Rp2,174,043, respectively.

PT Bank Central Asia Tbk.

On 7 March 2001, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Central Asia Tbk. (BCA) signed a loan agreement which BCA provides a revolving overdraft facility and bears a floating interest rate. This agreement had been amended based on latest agreement signed on 24 March 2011 with additional facility up to Rp55,000 and latest amendment of this facility was on 8 March 2016. This facility will be matured on 12 March 2020.

On 11 June 2013 and last on 30 March 2015, the Subsidiary (PT Mandiri Tunas Finance) and BCA signed a loan agreement whereby BCA provides a money market facility with a revolving limit of Rp300,000 and bears a floating interest rate. This agreement has been amended by signing an agreement on 24 March 2017 whereby the money market facility is switched to a non-revolving term loan and bears a fixed interest rate of 9.50%. These facilities have various maturity dates ranging from July 2020 to August 2020.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Central Asia Tbk. (continued)

On 8 March 2016 and the latest on 26 February 2019, the Subsidiary (PT Mandiri Tunas Finance) and BCA signed loan agreement that BCA provides several non revolving term loan facilities with total limit up to Rp2,500,000 and bears at 8.75% - 10.25% of various fixed interest rate. This facility will be matured ranging from February 2020 to March 2024.

On 18 December 2019, the Subsidiary (PT Mandiri Tunas Finance) and BCA signed a syndicated loan agreement with a limit of Rp1,000,000 and Rp1,500,000 as a non revolving facilities and bear 7.16% and 6.90% of interest rate, respectively. First and second drawdown made on 21 July 2020 and 14 October 2020. This facility will be matured on 21 July 2023 and 14 October 2023.

As of 31 December 2021 and 2020, loans from BCA -Onshore Syndication amounted to Rp1,436,201 and Rp2,277,778, respectively.

As of 31 December 2021 and 2020, outstanding borrowings from BCA amounted to Rp2,292,755 and Rp1,136,683, respectively.

PT Bank DKI

On 17 September 2013 and the latest updated on 3 May 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank DKI (Bank DKI) signed a loan agreement and Bank DKI provides several non revolving term loan with total facility amounted to Rp700,000 and subject to a various fixed rate of interest and ranging between 8.50% - 9.15%. These facilities have various maturity dates which ranging between January 2020 until August 2022.

On 8 June 2018, the Subsidiary (PT Mandiri Utama Finance) and Bank DKI signed a revolving loan agreement of money market line amounted to of Rp100,000 which bears to market interest rate at the time of withdrawal, and non revolving executing working capital amounted to Rp300,000 and bears interest rate of 8.75%. The money market line facility has been matured on 8 June 2019 and paid on maturity, while executing working capital loan will be matured on 8 December 2021 and has been extended until 28 August 2022.

As of 31 December 2021 and 2020, outstanding borrowings from Bank DKI was amounted to Rp372,935 and Rp280,387, respectively.

PT Bank Maybank Indonesia Tbk.

On 21 December 2017, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Maybank Indonesia Tbk. (Maybank) signed a non revolving loan agreement with total term loan facility up to Rp500,000 and bears 8.50% of fixed interest rate. This facility will be matured on 12 March 2021. This facility has been repaid at maturity.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Maybank Indonesia Tbk. (continued)

On 10 May 2019, the Subsidiary (PT Mandiri Utama Finance) obtained money market line loan facility and term loan facility from PT Bank Maybank Indonesia Tbk (Maybank) with total maximum limit up to Rp100,000 and bears interest rate on withdrawal date, and money market line facility amounted to Rp600,000 and bears 9.50% of fixed interest rate. This is a revolving loan facility and will be matured on 10 May 2020 and 54 months after signing the credit for the Term Loan Facility.

The money market line facility which has matured on 10 May 2020, has been extended until 10 May 2021. The facility which has matured has been extended again until 10 May 2024.

On 6 September 2021, there was an extension of the Money Market Loan facility from PT Bank Maybank Indonesia Tbk ("Maybank") with a maximum credit limit of Rp100,000,000,000,000 each with an interest rate determined at the time of withdrawal of a revolving loan. which is not bound and leeway until September 2022. Then the company obtained an additional Term Loan Facility amounting to Rp 200,000,000,000,- with an interest rate of 7.75%. The Money Market Line facility will mature 54 months from the signing of the credit.

As of 31 December 2021 and 2020, outstanding borrowings from Maybank was amounted to Rp420,472 and Rp430,926, respectively.

PT Bank KEB Hana Indonesia

On 19 March 2015 and the latest updated on 3 September 2018, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank KEB Indonesia Hana (KEB Hana) signed a loan agreement where KEB Hana provides several non revolving term loan facilities with a total facility up to Rp400,000 and bears 9.50% of fixed interest rate. These facilities have maturity dated on 19 February 2022.

On 13 July 2017 the Subsidiary (PT Mandiri Utama Finance) and PT Bank KEB Hana Indonesia (Bank Hana) signed a loan agreement where Bank Hana provides non revolving working capital facility with a total limit of Rp200,000 and bears 9.00% of fixed interest rate. The facility will be matured on 7 September 2020.

On 8 February 2018, the Subsidiary (PT Mandiri Utama Finance) and Bank Hana signed a loan agreement that Bank Hana provides additional non revolving working capital loan facility up to Rp200,000 with 9.00% of interest rate. This facility has matured on 8 July 2021.

On 21 August 2019, the Subsidiary (PT Mandiri Utama Finance) and Bank Hana signed a loan agreement that Bank Hana provides additional of non revolving working capital facility with maximum limit up to Rp100,000 and bears 9.50% of interest rate. This facility will be matured on January 2023.

As of 31 December 2021 and 2020, outstanding borrowings from Bank Hana amounted to Rp360,800 and Rp263,415, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank OCBC NISP Tbk

On 29 March 2018, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank OCBC NISP (OCBC) signed a loan agreement that OCBC provides revolving demand loan/market money line with total limit up to Rp200,000 and bears floating interest rate and non revolving term loan with total limit up to Rp575,000 and bears 9.75% of fixed interest rate. This facility have a various maturity and ranging from November 2020 to May 2022.

On 31 December 2021 and 2020, outstanding borrowings from PT Bank OCBC NISP amounted to RpNil and Rp271,397, respectively.

PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.

On 22 April 2014 and the latest updated on 14 February 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk. (BJB) signed a loan agreement which BJB provides several non revolving term loan facilities with total limit amounted to Rp1,000,000 and subject to a various fixed rate of interest and ranging between 8.75% - 9.50%. This facility has a various maturity on March 2022.

On 29 December 2020, the Subsidiary (PT Mandiri Sekuritas) and PT Bank Pembangunan Daerah Jawa Barat and Banten Tbk. (BJB) signed a credit agreement and obtained a credit facility of Rp250,000 and is valid for the next 12 months.

As of 31 December 2021 and 2020, outstanding borrowings from BJB amounted to Rp33,325 and Rp166,486, respectively.

PT Bank Permata Tbk.

On 15 November 2017, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Permata Tbk. (Bank Permata) signed a loan agreement where Bank Permata provides a non revolving working capital facility with total limit amounted to Rp200,000 bears 9.00% of interest rate at drawdown, and revolving money market line facility with total limit Rp100,000 which bears an interest rate ranging between 7.00% - 7.25%. These facilities matured on 14 November 2018.

On 13 December 2018, the Subsidiary (PT Mandiri Utama Finance) and Bank Permata signed a loan agreement that Bank Permata provides non revolving working capital facility with maximum limit up to Rp300,000 and bears 9.00% of interest rate and extend money market line loan facility. Those facility matured on 15 November 2019.

The money market line credit facility that matures on 15 November 2019 has been extended so that the maturity date of the facility becomes 15 November 2020 and has been extended again until 15 November 2021.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank Permata Tbk. (continued)

On 25 November 2020, the Subsidiary (PT Mandiri Utama Finance) and Bank Permata signed an additional credit agreement whereby Bank Permata provides a non-revolving Working Capital Credit facility with a maximum credit of Rp250,000 and interest rate of 8.75 %. The facility will mature on 14 February 2022.

As of 31 December 2021 and 2020, outstanding borrowings from Bank Permata amounted to Rp295,691 and Rp470,035, respectively.

MUFG Bank Ltd., Jakarta Branch

On 11 February 2016, the Subsidiary (PT Mandiri Tunas Finance) and Bank of Tokyo Mitsubishi UFJ (BTMU) signed a loan agreement that BTMU provides revolving uncommitted short-term loan/money market line facility with total limit up to Rp695,050 and bears 6.21% of floating interest rate at drawdown. This facility have will be matured on 11 February 2020. This facility has been paid on maturity.

On 26 March 2021, the Subsidiary and BTMU entered into a revolving loan agreement with a total limit of Rp728,600. This facility has matured on 26 April 2021.

As of 31 December 2021 and 2020, outstanding borrowings from Bank of Tokyo Mitsubishi UFJ amounted to RpNil and RpNil, respectively.

PT Bank UOB Indonesia

On 21 November 2017, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank UOB Indonesia (Bank UOB) signed a loan agreement which Bank UOB provides non revolving term loan facility with total facility up to Rp300,000 and bears 8.40% of fixed interest fixed rate and revolving loan facility with total facility up to Rp300,000 and bears 6.40% of floating interest rate at drawdown. These facilities have various maturity date a ranging from November 2020 to March 2021. This facility has been extended until its maturity date is 22 April 2021 and has been extended again until 24 November 2021. This facility has been repaid at maturity.

As of 31 December 2021 and 2020, outstanding borrowings from Bank UOB amounted to RpNil and Rp307,593, respectively.

PT Bank HSBC Indonesia

On 23 October 2000 and the latest updated on 31 July 2019, The Subsidiary (PT Mandiri Tunas Finance) and PT Bank HSBC Indonesia (Bank HSBC) signed a loan agreement that Bank HSBC provides revolving working capital loan facility with total facility up to Rp150,000 and bears 6.25% of floating interest rate at drawdown and a revolving money market line facility of Rp100,000 and bears 4.75% floating interest rate at drowdown. These facilities will be matured on 10 July 2020. The money market line facility which has matured on 10 July 2020, has been extended again and matured on 15 January 2021. This facility has been repaid at maturity.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank HSBC Indonesia (continued)

On 23 February 2011, the Subsidiary (PT Mandiri Sekuritas) and PT Bank HSBC Indonesia (Bank HSBC) renewed their short-term financing facility agreement. Based on the latest amendment to the agreement dated 20 May 2019, HSBC currently provides a short-term funding facility of Rp200,000.

As of 31 December 2021 and 2020, outstanding borrowings from Bank HSBC Indonesia amounted to RpNil and Rp100,000, respectively.

PT Bank Resona Perdania

On 3 September 2019, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Resona Perdania (Bank Resona) signed a loan agreement that Bank Resona provides working capital facility amounted to Rp100,000 and bears 8.83% of interest rate. These facility will be matured on 26 August 2023.

As of 31 December 2021 and 2020, outstanding borrowings from PT Bank Resona amounted to Rp26,369 and Rp59,628, respectively.

PT Bank BPD DIY

On 30 April 2019, the Subsidiary (PT Mandiri Utama Finance) and BPD DIY signed a loan agreement that Bank BPD DIY provides additional non revolving working capital loan facility with maximum limit up to Rp100,000 and bears 9.50% of interest rate at drawdown. This loan facility will be matured on May 2022.

As of 31 December 2021 and 2020, outstanding borrowings from BDP DIY amounted to Rp13,847 and Rp44,325, respectively.

PT Bank CIMB Niaga Tbk.

On 21 November 2017, the Subsidiary (PT Mandiri Utama Finance) and PT Bank CIMB Niaga Tbk. (Bank CIMB Niaga) signed a loan agreement that Bank CIMB Niaga provides non revolving working capital loan facility with total limit up to Rp200,000 with 9% of interest rate at drawdown. This facility will be matured on March 2021.

On 19 February 2020, the Subsidiary (PT Mandiri Utama Finance) and PT Bank CIMB Niaga Tbk. (Bank CIMB Niaga) signed a loan agreement that Bank CIMB Niaga provides non revolving term loan facility with total limit up to Rp300,000 with 8.25% of interest rate at drawdown. This facility will be matured on February 2023.

As of 31 December 2021 and 2020, loans from Bank CIMB Niaga amounted to Rp116,596 and Rp229,566, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank BCA Syariah

On 20 May 2019, the Subsidiary (PT Mandiri Utama Finance) obtained non revolving Working Capital Loan facility to Syariah financing from PT Bank BCA Syariah (BCAS) with total limit up to Rp100,000 and bears 9.50% of interest rate. This facility will be matured on May 2020.

On 18 November 2020, the Subsidiary (PT Mandiri Utama Finance) obtained an additional working capital credit loan facility with total amounted Rp200,000 with an interest rate of 9.00% that received from PT Bank BCA Syariah. The facility will be matured in May 2024.

As of 31 December 2021 and 2020, outstanding borrowings from PT Bank BCA Syariah amounted to Rp245,201 and Rp98,056, respectively.

PT Bank Danamon Indonesia Tbk.

On 20 May 2010, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Danamon Indonesia Tbk. (Danamon) signed a loan agreement which Danamon provides revolving term loan facility up to Rp852,000 which bears 8.75% - 9.00% of fixed interest rate and working capital loan facility up to Rp150,000 bears and bears 6.70% of floating interest rate at drawdown. These facilities have various maturity dates which are ranging from June 2020 to September 2020.

On 26 September 2019, the Subsidiary (PT Mandiri Tunas Finance) received an additional revolving working capital loan facility from PT Bank Danamon Indonesia Tbk. (Danamon) so that the total working capital loan facility is Rp150,000 with an interest rate of 4.85% at the time of drawdown and matures on 22 January 2021, additional non-revolving term loan facilities of Rp500,000 and Rp300,000 with an interest rate of 7.60% on drawdown and will be matured on 2 April 2023 and 23 June 2023.

On 20 November 2020, the Subsidiary (PT Mandiri Tunas Finance) received an additional non-revolving term loan facility from PT Bank Danamon Indonesia Tbk. (Danamon) amounting to Rp500,000 with an interest rate of 6.80% on withdrawal and will be matured on 23 December 2023.

On 30 December 2019, the Subsidiary (PT Mandiri Utama Finance) and Bank Danamon signed a loan agreement that Danamon provides non revolving term loan facility and revolving working capital facility with each maximum limit up to Rp350,000 and Rp100,000 and bear 9% of interest rate of term loan facility and 8% of interest rate of working capital facility. The term of withdrawal of Term Loan facility and working capital are 12 months since the facility have been signed. The term loan facility has been extended until 31 August 2021.

On 5 November 2020, the Subsidiary (PT Mandiri Utama Finance) obtained a Sharia Term Loan facility from Danamon with a maximum credit limit of Rp50,000 each with an interest rate of 8.75%. This facility will mature in December 2023.

As of 31 December 2021 and 2020, outstanding borrowings from Danamon Indonesia amounted to Rp1,761,612 and Rp1,684,383, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

PT Bank QNB Indonesia

On 4 July 2019, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank QNB Indonesia (QNB) signed a loan agreement which Bank QNB provides fixed loan facility amounted to Rp500.000 is non revolving and bears a fixed market interest rate bears 7.8% at the withdrawal date. This facility was matured on 12 March 2023.

As of 31 December 2021 and 2020, outstanding borrowings from Mizuho amounted to equivalent Rp507,380 and Rp374,309, respectively.

PT Bank Danamon Indonesia Tbk - Unit Usaha Syariah

On 5 November 2020, the Subsidiary (PT Mandiri Utama Finance) obtained a Sharia term loan facility from PT Bank Danamon Indonesia Tbk - Sharia Business Unit with a maximum credit limit of Rp50,000 each with an interest rate of 8.75%. The facility will be matured in November 2024.

As of 31 December 2021 and 2020, the loans from Danamon Syariah amounted to Rp39,503 and Rp48,838, respectively.

PT Bank Chinatrust Indonesia

On 7 December 2020, the Subsidiary (PT Mandiri Utama Finance) obtained a revolving money market line loan facility from PT Bank Chinatrust Indonesia (Chinatrust) amounting to Rp200,000 with an interest rate of 4.75% upon withdrawal. The facility will be matured on 15 January 2021.

As of 31 December 2021 and 2020, the loans from Chinatrust amounted to RpNil and Rp200,000, respectively.

PT Bank Mega

On 25 February 2021, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Mega Tbk. (Mega) signed a credit agreement whereby Mega provided a non-revolving working capital credit facility with a maximum credit of Rp1,000,000 and bears an interest rate of 8.75%. The facility will mature on 25 February 2025.

As of 31 December 2021 and 2020, loans from PT Bank Mega amounted to Rp540,471 and RpNil, respectively.

PT Bank Jtrust

On 1 December 2021, the Subsidiary (PT Mandiri Utama Finance) and PT Bank Jtrust Indonesia Tbk ("Jtrust") signed a non-revolving working capital loan agreement with a maximum credit limit of Rp100,000,000,000 with an interest rate of 7.75%. with a maximum loan tenor of 48 months from the date of withdrawal and the credit facility withdrawal period is until 1 December 2022.

As of 31 December 2021 and 2020, the loan from PT Bank Jtrust amounted to Rp29,901 and RpNil, respectively.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Rupiah (continued)

Standard Chartered Bank

On 12 July 2005, the Subsidiary (PT Mandiri Sekuritas) and Standard Chartered Bank (SCB) signed a credit agreement. This agreement was last amended wherein the Subsidiary obtained a short-term credit facility amounting to Rp225,000. This facility is automatically extended annually if there is no change in the agreement clause. Based on the terms of the agreement, the interest on this facility is 1% above the term funding rate per year from SCB. This facility has been repaid on 1 April 2021.

As of 31 December 2021 and 2020, the loan from Standchart amounted to RpNil and RpNil, respectively.

PT Bank Victoria International Tbk

On 20 June 2019, the Subsidiary (PT Mandiri Sekuritas) and PT Bank Victoria International Tbk (Victoria) signed a credit agreement. Victoria provides an uncommitted credit facility of Rp100,000. This agreement has been extended until 26 June 2021 and the credit facility becomes Rp200,000. The interest rate on the applicable facility is adjusted to the interest rate at the time the credit facility is drawn down. This loan facility has matured.

On 23 June 2021, the Subsidiary (PT Mandiri Utama Finance) obtained a Money Market Line loan facility from PT Bank Victoria Internasional, Tbk (Victoria) with a maximum credit limit of Rp150,000 with an interest rate following the prevailing market interest rate. The facility will mature on 23 June 2022.

As of 31 December 2021 and 2020, the loan from Victoria amounted to Rp150,000 and RpNil, respectively.

Foreign currencies

MUFG Bank Ltd., Jakarta Branch

On 19 July 2017 and the latest updated on 26 April 2018, the Subsidiary (PT Mandiri Tunas Finance) and MUFG Bank Ltd (MUFG) signed a loan agreement which MUFG provides several non revolving syndication loan facilities in USD and JPY with total limit of Rp5,122,908 and bears fixed interest rate ranging 7.23% - 9.85%. These facilities have various maturity date from September 2020 to December 2021. This facility has been repaid at maturity.

As of 31 December 2021 and 2020, outstanding borrowings from MUFG amounted to equivalent RpNil and Rp680,722, respectively.

The syndicated agreement requires certain financial conditions:

- a. The Subsidiary will ensure that the total gross money does not exceed 10 times (or if it is less than the level determined by the Indonesian Financial Services Authority) on the Net Value of tangible goods for each financial year and semester of the financial year.
- b. The Subsidiary will ensure that the total gross debt does not exceed 90 percent of net receivables for each financial year and semester of the financial year.
- c. The Subsidiary will ensure that its non-performing loans do not exceed three percent of the total receivables for each financial year and semester of the following year.

PT Bank Mizuho Indonesia

On 29 June 2018, the Subsidiary (PT Mandiri Tunas Finance) and PT Bank Mizuho Indonesia (Mizuho) signed a loan agreement that Mizuho provides non revolving term loan facility with total limit up to Rp697,750 which withdrawn on 7 February 2019 and bears to 8.60% of interest rate. Those facility will be matured on 7 February 2022.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Foreign currencies (continued)

PT Bank Mizuho Indonesia (continued)

As of 31 December 2021 and 2020, outstanding borrowings from Mizuho amounted to Rp58,901 and Rp292,668, respectively.

Bank of China Limited, Jakarta Branch

On 29 March 2018 the Subsidiary (PT Mandiri Tunas Finance) and PT Bank of China (BOC) signed a loan agreement where BOC provide a term loan facility with a total limit equivalent to Rp575,000 at drawdown which is non-revolving and bears interest rate of 9.25%. The facility will be matured on 24 December 2021. This facility has been repaid at maturity.

As of 31 December 2021 and 2020, outstanding borrowings from PT Bank of China amounted to RpNil and Rp187.875, respectively.

PT Bank ANZ Indonesia

On 11 October 2018 the Subsidiary (PT Mandiri Tunas Finance) and PT Bank ANZ Indonesia (ANZ) entered into a revolving working capital loan agreement with the equivalent of Rp217,215 and bears an interest rate of 4.00%. This facility will be matured on 11 October 2019.

The working capital facility, which matured on 10 July 2020, has been extended again until 14 January 2021. This facility have now matured and been fully paid.

As of 31 December 2021 and 2020, the loan from ANZ amounted to the equivalent of RpNil and Rp200,000, respectively.

The Development Bank of Singapore Limited

On 6 March 2019, the Subsidiary (PT Mandiri Sekuritas) and DBS Bank Ltd. (DBS) signed a working capital loan facility agreement amounted to USD5,000,000 (full amount) and bears fixed interest rate of 3.24% and 3.14% at withdrawals. This facility has withdrawn on December 2019 and have no maturity date. The facility will be matured when the Subsidiary or DBS decided to terminate the agreement.

On 20 March 2020, the Subsidiary (PT Mandiri Sekuritas) and DBS signed an additional working capital credit facility amounted to USD7,500,000 (full amount) with fixed interest rate of 3.24% at the time drawdown.

As of 31 December 2021 and 2020, outstanding borrowings from DBS amounted to Rp119,146 and RpNil, respectively.

Loans received by PT Mandiri Tunas Finance and PT Mandiri Utama Finance are secured by consumer financing receivables amounting to Rp9,153,951 as of 31 December 2021 (2020: Rp8,748,731) (Note 13g) and net investment in finance leases amounting to Rp824,459 as of 31 December 2021 (2020: Rp977,460) (Note 14g).

The loan facilities from several banks and syndicated banks require Subsidiaries to provide written notices in terms of dividend distribution, changes in capital and shareholders, changes in the composition of the board of directors and commissioners, changes in the main business, investments and obtaining new loans from other banks.

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36. FUND BORROWINGS (continued)

(f) Others (continued)

Foreign currencies (continued)

The Development Bank of Singapore Limited (continued)

In the loan agreement, the Subsidiaries are also required to meet financial requirements such as the ratio of total interest payable to equity not exceeding a ratio of 10:1 and other reporting obligations.

Bank Mandiri and its Subsidiaries have made interest payments on loans received according to the interest payment schedule for the years ended 31 December 2021 and 2020.

During the period ended 31 December 2021 and 2020, Bank Mandiri and its Subsidiaries have complied with the terms and conditions set forth in the loan agreement received.

37. SUBORDINATED LOANS AND MARKETABLE SECURITIES

By type and currency:

	2021	2020
Rupiah		
Medium Term Notes Subordinated I Bank Mandiri		
Related parties (Note 57)	94,750	107,750
Third parties	405,250	392,250
Total	500,000	500,000
Foreign currencies		
Two-Step Loans (TSL)		
Third parties		
Asian Development Bank (ADB) (Note 63B.(iv))	137,606	151,623
	637,606	651,623
Less: unamortised issuance cost	(463)	(657)
Net	637,143	650,966

Medium Term Notes Subordination I Bank Mandiri

In order to strengthen the capital structure and long-term funding structure, as well as to support the credit expansion, on 31 July 2018, Bank Mandiri issued Subordinated Medium Term Notes I Bank Mandiri 2018 (the "Subordinated MTN I") amounted to Rp500,000. On 31 December 2021, the unamortised issuance cost of Subordinated MTN I amounted to Rp463.

Subordinated MTN I has 5 (five) years in terms and will be matured on 31 July 2023, in which issued scriptless with a fixed rate of 8.50% per annum. The Trustee of the issuance of Subordinated MTN I is PT Bank Permata Tbk.

Interest of Subordinated MTN I is paid on quarterly basis, starting from 31 October 2018 whilst the last interest payment, in which also the maturity date and the repayment of the principal of Subordinated MTN, is on 31 July 2023, which is also the principal repayment date MTN. The principal of MTN will be fully repaid on the maturity date.

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37. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

Medium Term Notes Subordination I Bank Mandiri (continued)

Subordinated MTN I can be treated as supplementary capital components (Tier 2) according to the approval from FSA through letter No. S-109/PB.31/2018 dated 20 September 2018.

Prior to fully repay the amount outstanding of the MTN, Bank Mandiri is obliged to: (i) maintain at all times soundness financial condition in accordance to FSA regulation; (ii) maintain a minimum level of soundness composite rating of 3 (three) which is categorised as "fair", according to internal assessment based on FSA regulation and/or Bank Indonesia; (iii) obtain to comply with all requirements and exercise all necessary things to keep the authority, license and approval (from government or other authorities) comply with requirement in accordance to Republic of Indonesia's law.

Bank Mandiri without written permission from Trustee shall not: (i) reduce registered capital, issued capital and paid-up capital, except required by the government, authorised by the Authorities or Bank Indonesia; (ii) change the core business; (iii) perform merger, dissolution and/or taken over by other entity which lead to dissolution of Bank Mandiri.

Subordinated MTN I is not guaranteed by a special collateral, except guarantee which refer to Article 1131 and 1132 of Indonesian civil law (*UU Hukum Perdata*) which is cover all the Bank's either moving objects and objects that are not moving, present or future.

There was no breach of the Trustee restrictions agreement on Subordinated MTN I during the year ended on 31 December 2021.

As of 31 December 2021, rating of MTN Subordinated I based on Pefindo was idAA (double A).

Two-step loans - Asian Development Bank

This account represents a credit facility from Asian Development Bank (ADB) to the Government of the Republic of Indonesia, through the Ministry of Finance of the Republic of Indonesia, which are relent to participating banks to finance several projects in Indonesia. The detail of this facility is as follows:

Credit Facility	Purpose	Repayment Period
ADB 1327 - INO (SF)	Funding Micro Credit Project (PKM).	15 January 2005 - 15 July 2029 with 1 st installment on 15 January 2005.

The details of credit facilities from ADB are as follows:

	2021	2020
ADB Loan 1327 - INO (SF)	137,606	151,623

The Minister of Finance through its letter No. S-596/MK.6/2004 dated 12 July 2004, has approved the transfer of management of Micro Credit Project (PKM) of ADB loans No. 1327 - INO (SF) from Bank Indonesia to Bank Mandiri. With that approval, an amendment was made on the channeling loan agreement No. SLA-805/DP3/1995 dated 27 April 1995, which was revised by amendment No. AMA-287/SLA-805/DP3/2003 dated 22 April 2003, between the Republic of Indonesia and Bank Indonesia to the Republic of Indonesia and PT Bank Mandiri (Persero) Tbk., with amendment No. AMA-298/SLA-805/DP3/2004 dated 16 July 2004.

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37. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

Two-step loans - Asian Development Bank (continued)

The ADB loans for Micro Credit Projects was granted in SDR (Special Drawing Rights) currency in amount of SDR15,872,600.44 (full amount) which required Bank Mandiri to repay in SDR currency to the Government in 50 (fifty) prorate semi-annual installments every 15 January and 15 July with the first installment paid on 15 January 2005 and will end on 15 July 2029. The ADB loans are subject to a service charge of 1.50% per annum which is charged on every 15 January and 15 July every year starting from its drawdown.

38. TEMPORARY SYIRKAH FUNDS

Temporary *Syirkah* funds consists of:

a. Deposits from Customers

1) Demand Deposits

	2021	2020
Rupiah		
Related parties (Notes 57)		
Demand deposits -		
restricted investment	1	39,968
Demand deposits -		
<i>mudharabah musyarakah</i>	4,100,326	3,146,253
	<u>4,100,327</u>	<u>3,186,221</u>
Third parties		
Demand deposits - restricted and		
unrestricted investment		
<i>mudharabah musyarakah</i>	8,840,949	1,765,169
Demand deposits <i>mudharabah musyarakah</i>	1,030	2,439
	<u>8,841,979</u>	<u>1,767,608</u>
Foreign currency		
Related parties (Notes 57)		
Demand deposits - restricted and		
unrestricted investment		
<i>mudharabah musyarakah</i>	287	1,665
	<u>287</u>	<u>1,665</u>
Third parties		
Demand deposits - restricted and		
unrestricted investment		
<i>mudharabah musyarakah</i>	338,726	392,390
	<u>338,726</u>	<u>392,390</u>
	<u>13,281,319</u>	<u>5,347,884</u>

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38. TEMPORARY SYIRKAH FUNDS (continued)

Temporary *Syirkah* funds consists of (continued):

a. Deposits from Customers (continued)

1) Demand Deposits (continued)

The demand deposits - restricted investment are deposit from third parties which will receive return from Subsidiary's restricted investment based on the agreed share (*nisbah*) of the Subsidiary's revenue.

2) Saving Deposits

a. Based on type:

	2021	2020
Related parties (Note 57)		
Saving deposits - restricted investment	95,220	95,424
<i>Mudharabah</i> saving deposits - unrestricted investment		
BSI saving deposits	73,382	58,796
<i>Mudharabah Institusi</i> saving deposits	122,497	8,026
<i>Berencana</i> BSI saving deposits	192	135
<i>Mabrur</i> saving deposits	675	523
<i>Investa Cendekia</i> saving deposits	330	230
	292,296	163,134
Third parties		
Saving deposits - restricted investment	871,011	661,585
<i>Mudharabah</i> saving deposits - unrestricted investment		
BSI saving deposits	51,269,198	50,314,403
<i>Mabrur</i> saving deposits	8,921,714	5,125,416
<i>Mudharabah Institusi</i> saving deposits	1,484,714	955,778
Retirement saving deposits	974,694	706,677
<i>Investa Cendekia</i> saving deposits	574,926	413,463
<i>Berencana</i> BSI saving deposits	149,636	144,794
<i>Qurban</i> saving deposits	177	144
	64,246,070	58,322,260
Total	64,538,366	58,485,394

The saving deposits - restricted investment represent deposit from third parties which will receive return from Subsidiary's restricted investment based on the agreed share (*nisbah*) of the Subsidiary's revenue.

The *Mudharabah* saving deposits - unrestricted investment represent third parties' deposits which will receive return from Subsidiary's investment based on the agreed share (*nisbah*) of the Subsidiary's revenue.

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38. TEMPORARY SYIRKAH FUNDS (continued)

Temporary *Syirkah* funds consists of (continued):

a. Deposits from Customers (continued)

2) Saving Deposits (continued)

- b. Ranging of the annual profit sharing ratio (*nisbah*) for *Mudharabah* saving deposits - unrestricted investment:

	2021	2020
Profit sharing ratio (<i>nisbah</i>)	0.09% - 4.23%	0.05% - 4.75%
3) <i>Mudharabah</i> Time Deposit - unrestricted investment		
	2021	2020
Rupiah		
Related parties (Note 57)	6,820,968	12,861,763
Third parties	87,436,234	67,428,414
Total	94,257,202	80,290,177
Foreign currency		
Related parties (Note 57)	21,709	11,051
Third parties	3,798,810	5,304,567
Total	3,820,519	5,315,618
	98,077,721	85,605,795
b. Deposits from Other Banks		
	2021	2020
Third parties		
<i>Mudharabah</i> demand deposits - unrestricted investment	37,308	22,568
<i>Mudharabah</i> saving deposits - unrestricted investment	564,124	523,540
<i>Mudharabah</i> time deposits - unrestricted investment	408,771	374,336
Total	1,010,203	920,444

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38. TEMPORARY SYIRKAH FUNDS (continued)

Temporary *Syirkah* funds consists of (continued):

c. Other significant information related to the time deposits for deposits from customers and deposits from other banks

1) By contract period:

	2021	2020
Rupiah		
1 month	53,388,394	35,771,217
3 months	22,305,615	14,839,382
6 months	6,811,178	11,303,124
12 months	12,160,786	18,750,790
Total	<u>94,665,973</u>	<u>80,664,513</u>
Foreign currency		
1 month	3,245,092	4,308,313
3 months	246,225	477,598
6 months	119,010	123,421
12 months	210,192	406,286
Total	<u>3,820,519</u>	<u>5,315,618</u>
	<u>98,486,492</u>	<u>85,980,131</u>

2) By remaining period until maturity date:

	2021	2020
Rupiah		
Less than 1 month	58,336,322	53,075,613
1 - 3 months	23,251,086	16,191,921
3 - 6 months	6,088,543	4,321,149
6 - 12 months	6,990,022	7,075,830
Total	<u>94,665,973</u>	<u>80,664,513</u>
Foreign currency		
Less than 1 month	3,307,495	4,566,658
1 - 3 months	286,078	501,012
3 - 6 months	100,872	107,470
6 - 12 months	126,074	140,478
Total	<u>3,820,519</u>	<u>5,315,618</u>
	<u>98,486,492</u>	<u>85,980,131</u>

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38. TEMPORARY SYIRKAH FUNDS (continued)

Temporary *Syirkah* funds consists of (continued):

- c. Other significant information related to the time deposits for deposits from customers and deposits from other banks (continued)

- 2) By remaining period until maturity date (continued):

Mudharabah time deposits represent third parties' deposits which received a profit sharing return from the Subsidiary's income over utilisation of its fund based on an agreed profit sharing ratio (*nisbah*) arranged in *Mudharabah Muthlaqah* agreement.

- 3) Ranging of the Annual Profit Sharing Ratio (*nisbah*) for *Mudharabah* Time Deposits:

	2021	2020
Rupiah	0.09% - 4.70%	1.69% - 5.64%
Foreign currency	0.09% - 0.28%	0.38% - 1.57%

- 4) *Mudharabah* time deposits with *Mudharabah Muthlaqah* agreement that is pledged as collateral for receivables and financing amounted to Rp919,584 and Rp2,264,618 as of 31 December 2021 and 2020, respectively.

39. NONCONTROLLING INTERESTS IN NET ASSETS OF CONSOLIDATED SUBSIDIARIES

This account represents noncontrolling interests in net assets of consolidated Subsidiaries are as follows:

	2021	2020
PT Bank Syariah Indonesia	12,269,334	10,665,012
PT Bank Mandiri Taspen	1,923,469	1,636,380
PT AXA Mandiri Financial Services	1,482,868	1,465,910
PT Mandiri Tunas Finance	1,173,150	1,037,657
PT Mandiri Utama Finance	304,713	255,327
PT Asuransi Jiwa InHealth Indonesia	270,433	257,299
PT Mandiri Sekuritas	378	340
PT Mandiri Capital Indonesia	325	218
Total	17,424,670	15,318,143

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40. SHARE CAPITAL

a. Authorised, Issued and Fully Paid Capital

The Bank's authorised, issued and fully paid capital as of 31 December 2021 and 2020, respectively, are as follows:

31 December 2021				
	Number of shares	Nominal value per Share (full amount)	Share value (full amount)	Percentage of ownership
Authorised Capital				
Share series A Dwiwarna	1	250	250	0.00 %
Common shares series B	63,999,999,999	250	15,999,999,999,750	100.00%
Total Authorised Capital	64,000,000,000		16,000,000,000,000	100.00%
Issued and Fully Paid Capital				
Share series A Dwiwarna	1	250	250	0.00%
Common Shares Series B				
Republic of Indonesia	24,266,666,666	250	6,066,666,666,500	52.00%
Indonesia Investment Authority	3,733,333,333	250	933,333,333,250	8.00%
Board of Commissioners:				
Ronald Silaban	333,800	250	83,450,000	0.00%
Arief Budimanta	176,900	250	44,225,000	0.00%
Faried Utomo	176,900	250	44,225,000	0.00%
Nawal Nely	176,900	250	44,225,000	0.00%
Board of Director:				
Darmawan Junaidi	1,564,300	250	391,075,000	0.00%
Alexandra Askandar	2,121,700	250	530,425,000	0.00%
Ahmad Siddik Badruddin	2,900,800	250	725,200,000	0.00%
Agus Dwi Handaya	1,635,200	250	408,800,000	0.00%
Panji Irawan	1,565,200	250	391,300,000	0.00%
Riduan	1,401,500	250	350,375,000	0.00%
Aquarius Rudianto	651,800	250	162,950,000	0.00%
Toni Eko Boy Subari	141,900	250	35,475,000	0.00%
Susana Indah K. Indriati	291,800	250	72,950,000	0.00%
Rohan Hafas	83,400	250	20,850,000	0.00%
Sigit Prastowo	83,400	250	20,850,000	0.00%
Public (less than 5%)	18,617,961,166	250	4,654,490,291,500	39.90%
	46,631,266,666		11,657,816,666,500	99.92%
Treasury shares (Note 1f)	35,400,000	250	8,850,000,000	0.08%
	46,666,666,666		11,666,666,666,500	100%
31 December 2020				
	Number of shares	Nominal value per Share (full amount)	Share value (full amount)	Percentage of ownership
Authorised Capital				
Share series A Dwiwarna	1	250	250	0.00 %
Common shares series B	63,999,999,999	250	15,999,999,999,750	100.00%
Total Authorised Capital	64,000,000,000		16,000,000,000,000	100.00%
Issued and Fully Paid Capital				
Share series A Dwiwarna	1	250	250	0,00%
Common Shares Series B				
Republic of Indonesia	27,999,999,999	250	6,999,999,999,750	60,00%
Board of Commissioners:				
Ardan Adiperdana	695,900	250	173,975,000	0,00%
Ronald Silaban	128,900	250	32,225,000	0,00%
Board of Director:				
Darmawan Junaidi	1,319,500	250	329,875,000	0,00%
Alexandra Askandar	1,543,600	250	385,900,000	0,01%
Ahmad Siddik Badruddin	2,470,700	250	617,675,000	0,01%
Rico Usthavia Frans	1,474,100	250	368,525,000	0,00%
Agus Dwi Handaya	1,250,100	250	312,525,000	0,00%
Panji Irawan	1,135,100	250	283,775,000	0,00%
Riduan	935,400	250	233,850,000	0,00%
Aquarius Rudianto	280,500	250	70,125,000	0,00%
Toni Eko Boy Subari	58,500	250	14,625,000	0,00%
Susana Indah K. Indriati	118,400	250	29,600,000	0,00%
Public (less than 5%)	18,619,855,966	250	4,654,963,991,500	39,90%
	46,631,266,666		11,657,816,666,500	99,92%
Treasury shares (Note 1f)	35,400,000	250	8,850,000,000	0,08%
	46,666,666,666		11,666,666,666,500	100,00%

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40. SHARE CAPITAL (continued)

a. Authorised, Issued and Fully Paid Capital (continued)

As of 31 December 2018, there was a change of ownership of the stock owned by the Board of Commissioners of Bank Mandiri, where the ownership of shares in the prior year was nil. The share ownership was related to the implementation of FSA regulation No. 45/POJK.03/2015, about the application of corporate governance in granting of remuneration for commercial banks, where as member of Directors and Non Independent Board of Commissioners of are entitled to variable remuneration in form of Bank's share for 2017 financial performance.

Shares owned by the Board of Commissioners and Board of Directors For the year ended 31 December 2021 and 2020 respectively, amounted to 13,305,500 shares and 11,410,700 shares, or 0.02% and 0.01% of the total number of authorised shares.

The determination of issued and fully paid capital amounted to Rp4,000,000 by the Government of the Republic of Indonesia at the date of establishment of Bank Mandiri was carried out as follows:

1. Cash payment through Bank Indonesia amounted to Rp1,600,004.
2. Placements in shares recorded as investments in shares of the Merged Banks amounted to Rp599,999 each or totaling Rp2,399,996, through the transfer of shares of the Government of the Republic of Indonesia in each of the Merged Banks to Bank Mandiri, as resolved during the respective Extraordinary General Shareholders' Meetings of the Merged Banks. Based on the agreement ("*inbreng*") notarised by Notarial Deed No. 9 of Notary Sutjipto, S.H. dated 2 October 1998, Bank Mandiri and the Government of the Republic of Indonesia agreed to transfer those shares as payment for new shares to be issued by Bank Mandiri.

Based on the amendments to the Articles of Association of Bank Mandiri by virtue of Notarial Deed No. 98 of Notary Sutjipto, S.H. dated 24 July 1999, the shareholders resolved to increase the paid-in capital (share capital) of Bank Mandiri from Rp4,000,000 to Rp4,251,000 to be entirely paid by the Government of the Republic of Indonesia. The increase of Rp251,000 was a conversion from additional paid-in capital to share capital as a result of an excess from recapitalisation bonds issued under the First Recapitalisation Program as per Government Regulation No. 52 year 1999.

Based on the Extraordinary General Meeting of Shareholders resolution dated 29 May 2003, which was documented in Notarial Deed No. 142 of Notary Sutjipto, S.H., dated 29 May 2003, the shareholders approved these following matters:

- (i) Execution of Initial Public Offering.
- (ii) Changes in capital structure of Bank Mandiri.
- (iii) Changes in articles of association of Bank Mandiri.

In relation to the shareholders decision to change the capital structure, Bank Mandiri increased its issued and fully paid capital to Rp10,000,000 and split the share price (stock split) from Rp1,000,000 (full amount) per share to Rp500 (full amount) per share. Accordingly, the number of authorised shares increased from 16,000,000 shares to 32,000,000,000 shares, and the number of issued and fully paid shares increased from 10,000,000 shares with a nominal value of Rp1,000,000 (full amount) to 20,000,000,000 shares with a nominal value of Rp500 (full amount) which consists of 1 Dwiwarna share Series A and 19,999,999,999 Common shares Series B which owned by the Republic of Indonesia.

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40. SHARE CAPITAL (continued)

a. Authorised, Issued and Fully Paid Capital (continued)

In relation to the change in capital structure of Bank Mandiri, the Extraordinary General Meeting of Shareholders also approved the allocation on part of recapitalisation fund amounted to Rp168,801,315 as share premium.

The changes of capital structure that mentioned above became effective started from 23 May 2003, with the conditional requirement that the Bank should conduct a quasi-reorganisation before the end of 2003 as required in the Extraordinary General Meeting of Shareholders.

The Dwiwarna share Series A represents a share owned by the Republic of Indonesia, which is not transferrable. It provides the Republic of Indonesia with the privileges where General Meeting of Shareholders can make decision only if the Dwiwarna Series A Shareholders attend and approve certain agendas.

The agenda of General Meeting of Shareholders where the shareholder of Dwiwarna Series A are mandatory to attend and approve are:

1. Increases in capital.
2. Appointment and termination of the Boards of Directors and Commissioners.
3. Amendment of the Articles of Association.
4. Mergers, acquisitions and takeovers.
5. Dissolution and liquidation.

The changes in the capital structure were based on the Minutes of Meeting regarding the amendment of the Articles of Association (Pernyataan Keputusan Rapat Perubahan Anggaran Dasar) of PT Bank Mandiri (Persero) as notarised by Sutjipto, S.H. No. 2 dated 1 June 2003. The amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia through Decision Letter No. C-12783.HT.01.04.TH.2003 dated 6 June 2003 and announced in Appendix No. 6590 of State Gazette of the Republic of Indonesia No. 63 dated 8 August 2003.

The increase in issued and fully paid capital of Bank Mandiri from Rp4,251,000 to Rp10,000,000 was made through the following:

1. Partial return of fully paid capital of Rp251,000 to the Government as a part of the return of excess recapitalisation fund of Rp1,412,000 which was retained by Bank Mandiri, and an increase in paid-in capital amounted to Rp1,000,000 from the capitalisation of reserves, based on Government Regulation No. 26 year 2003 dated 29 May 2003, regarding the Conversion of the Investment of the Republic of Indonesia into the Paid-in Capital of PT Bank Mandiri (Persero), and Decree of the Ministry of State-Owned Enterprises, as the Bank's shareholders', No. KEP-154/M-MBU/2002 dated 29 October 2002.
2. Increase in fully paid capital of Rp5,000,000 from the additional paid-in capital based on the Decree of the Ministry of Finance of the Republic of Indonesia ("KMK RI") No. 227/202.02/2003 dated 23 May 2003 regarding "The Final Amount and Implementation of the Government's Rights Arising from the Additional Share of the Government of the Republic of Indonesia in PT Bank Mandiri (Persero) in Relation to the Commercial Banking Recapitalisation Program".

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40. SHARE CAPITAL (continued)

a. Authorised, Issued and Fully Paid Capital (continued)

Management Stock Option Plan

Based on the Extraordinary General Meeting of Shareholders held on 29 May 2003, which was notarised by Notary Sutjipto, S.H., in Notarial Deed No. 142 dated 29 May 2003, the shareholders' agreed on employee stock ownership plan through an Employee Stock Allocation ("ESA") Program (ESA) and a Management Stock Option Plan ("MSOP"). The ESA program consists of a Share Plan Bonus and a Share Purchase at Discount program. MSOP is designated for Directors and Senior Management at certain levels and based on certain criteria. All costs and discounts related to the ESA program are recognised by the Bank through allocation of reserves. The management and execution of the ESA and MSOP programs are performed by the Board of Directors, while the supervision is performed by the Board of Commissioners.

On 14 July 2003, the Government of the Republic of Indonesia divested 4,000,000,000 shares representing 20.00% of its ownership in Bank Mandiri through an Initial Public Offering (IPO).

As a follow up action on the Government of Republic of Indonesia Regulation No. 27/2003 dated 2 June 2003, which approved the divestment of the Government ownership in Bank Mandiri of up to 30.00%, and based on a decision of *Tim Kebijakan Privatisasi Badan Usaha Milik Negara* No. Kep-05/TKP/01/2004 dated 19 January 2004, the Government of the Republic of Indonesia divested an additional 10.00% of ownership interest in Bank Mandiri or 2,000,000,000 shares of Common Shares of B Series on 11 March 2004 through private placement.

On 14 July 2003, the date of the IPO, through MSOP Stage 1, the Bank issued 378,583,785 share options for the management with an exercise price of Rp742.50 (full amount) per share and a nominal value of Rp500 (full amount) per share. The share options are recorded in the Shareholders' Equity account - Share Options at fair value amounted to Rp69.71 (full amount) per share options. MSOP Stage 1 has been exercised in total 375,365,957 shares, thereby increasing the total issued and fully paid capital by Rp187,683, share premium by Rp117,193. MSOP stage 1 could be exercised until 13 July 2008 based on Announcement of Indonesia Stock Exchange (formerly Jakarta Stock Exchange) No. Peng-262/BEJ.PJS/P/07-2004 dated 14 July 2004.

The Annual General Meeting of Shareholders on 16 May 2005 approved MSOP Stage 2 amounted to 312,000,000 share options. The exercise price for each share is Rp1,190.50 (full amount) to be exercised in the first year and Rp2,493 (full amount) to be exercised in the second year and the following year. The nominal value per share is Rp500 (full amount). The Bank recorded MSOP Stage 2 in the shareholders' equity account - Share Options with fair value amounted to Rp642.28 (full amount) per share options. MSOP Stage 2 has been exercised in total 311,713,697 shares thereby increasing the total issued and fully paid capital by Rp155,857 and share premium by Rp425,233. The fifth period (the last period) to exercise the MSOP Stage 2 conversion option right start from 4 May 2010 during 30 trading days as published in the Announcement of the Indonesia Stock Exchange (formerly Jakarta Stock Exchange) No. Peng-97/BEJ-PSJ/P/02-2007 dated 2 February 2007. The un-exercised MSOP Stage 2 stock option was 286,303 shares or amounted to Rp184 that has expired and recorded as additional paid-in capital/share premium.

The Annual General Meeting of Shareholders on 22 May 2006 approved MSOP Stage 3 amounted to 309,416,215 share options. The General Shareholders Meeting also delegated an authority to the Board of Commissioners to determine the execution and monitoring policy of MSOP Stage 3 including the options implementation and report it in the next annual general shareholders' meeting.

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40. SHARE CAPITAL (continued)

a. Authorised, Issued and Fully Paid Capital (continued)

Management Stock Option Plan (continued)

The exercise price for each share in the MSOP Stage 3 is Rp1,495.08 (full amount) with nominal value of Rp500 (full amount) per share. The Bank recorded MSOP Stage 3 as part of the shareholders' equity account at fair value amounted to Rp593.89 (full amount) per share option. The total option that has been exercised in MSOP Stage 3 was 309,415,088 shares thereby increasing the total issued and fully paid capital by Rp154,707 and share premium by Rp491,651. The execution period of MSOP Stage 3 ended in February 2011, before the commencement Bank Mandiri pre-emptive rights trading dated 14 February 2011 until 21 February 2011. The un-exercised MSOP Stage 3 stock option was 1,127 shares or amounted to Rp4 that has expired and recorded as additional paid-in capital/share premium.

On 27 December 2010, Bank Mandiri submitted a first registration to FSA (formerly Capital Market Supervisory Board and Financial Institution (Bapepam and LK)) in relation to the Limited Public Offering (LPO) to the Bank's shareholders in respect to the issuance of pre-emptive rights ("Rights") of 2,336,838,591 shares series B. The Limited Public Offering has been approved by the Board of Commissioners through its letter dated 29 April 2010. The Bank has submitted the notification letter regarding the Limited Public Offering to Bank Indonesia through its letter dated 17 September 2010. The Limited Public Offering has been enacted through the Indonesian Government Regulation No. 75 of 2010 dated 20 November 2010.

LPO has been approved by Bapepam and LK through its letter No. S-807/BL/2011 dated 27 January 2011, and the LPO has become effective after obtaining approval in the Extraordinary General Shareholders Meeting held on 28 January 2011.

The pre-emptive rights of 2,336,838,591 shares were traded during the period of 14-21 February 2011 with an exercise price of Rp5,000 (full amount) per share which resulted in an additional of issued and paid-up capital amounted to Rp1,168,420.

Based on the Extraordinary Annual Meeting held on 21 August 2017, shareholders of Bank Mandiri approved to split Bank Mandiri's stock from Rp500 (full amount) per share to Rp250 (full amount) per share which made Bank Mandiri's equity amounted to 46,666,666,666 shares consist of 1 share series A Dwiwarna and 46,666,666,665 common share series B. There are no changes for Bank Mandiri's authorised, issued and fully paid capital which caused by the stock split. The stock split effective started from 13 September 2017.

b. Additional Paid-In Capital/Share Premium

The additional paid-in capital/shares premium as of 31 December 2021 amounted to Rp17,643,264 and 31 December 2020 of Rp17,316,192 from the Limited Public Offering (LPO), the Recapitalization Program (Note 1c) and the sale of Bank Mandiri's shareholdings in UGM and BDP as well as the merger Bank Syariah Mandiri (BSM), Bank Rakyat Indonesia Syariah (BRIS) and Bank Negara Indonesia Syariah (BNIS) became Bank Syariah Indonesia (BSI). The shares premium amounted to Rp17,535,764 including premium from the PUT (Note 40a) amounting to Rp10,515,774 before deducting the costs related to the PUT amounting to Rp274,078. The additional premium for shares in 2013 amounting to Rp113,817 in the consolidated financial statements (Rp273,932 in the financial statements of the Parent Entity) came from the transfer of ownership of Bank Mandiri's shares in UGM and BDP to entities under common control, i.e. the difference between the selling price and the carrying amount of the investment in the consolidated financial statements. The additional shares premium of Rp327,072 from the merger of BSM, BRIS and BNIS into BSI can be seen in Note 69.

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40. SHARE CAPITAL (continued)

b. Additional Paid-In Capital/Share Premium (continued)

The difference between selling price and book value of shares recorded as share premium in Parent Entity and consolidated financial statements are amounted to Rp273,932 and Rp113,817, respectively.

Based on the results of a due diligence review conducted on behalf of the Government dated 31 December 1999 and Management Contract (IMPA) dated 8 April 2000, it was decided that there was an excess on recapitalisation amounted to Rp4,069,000. The Bank has refunded Rp2,657,000 of Government Recapitalisation Bonds to the Government on 7 July 2000 pursuant to the Management Contract. The remaining balance of Rp1,412,000 was refunded to the Government on 25 April 2003 based on approval from the shareholders during its meeting on 29 October 2002 and the Ministry of State-Owned Enterprises Decision Letter No. KEP-154/M-MBU/2002 dated 29 October 2002.

The refund for above excess of recapitalisation amounted to Rp1,412,000 includes a portion of issued and fully paid capital of Rp251,000.

On 23 May 2003, the Minister of Finance of the Republic of Indonesia issued Decree (KMK-RI) No. 227/KMK.02/2003 dated 23 May 2003, which was amended by KMK-RI No. 420/KMK.02/2003 dated 30 September 2003, which provides further guidance on Government Regulations No. 52 year 1999 and No. 97 year 1999 regarding the final additional Government participation in Bank Mandiri's capital.

The following are the matters decided under the KMK-RI:

- a. The final Bank Mandiri recapitalisation amount is Rp173,801,315;
- b. The recapitalisation fund of Rp5,000,000 is converted into 5,000,000 new shares issued by Bank Mandiri with a nominal value of Rp1,000,000 (full amount) per share;
- c. The remaining recapitalisation fund amount of Rp168,801,315 is recorded as share premium within the capital structure of Bank Mandiri.

Through quasi-reorganisation, the Bank's accumulated losses as of 30 April 2003 amounted to Rp162,874,901 were eliminated against additional paid-in capital/share premium.

c. Distribution of net income

Based on the Annual General Shareholders' Meeting held on 15 March 2021 and 19 February 2020, the shareholders approved the distribution of the 2020 and 2019 net income as follows:

	2020	2019
Dividends	10,271,552	16,489,280
Retained Earnings Unappropriated	6,847,701	10,992,853
	17,119,253	27,482,133
Dividend per share (full amount)	220.27	353.34

Dividends from 2020 net income amounted to Rp10,271,552 were paid on 12 April 2021 and dividends from 2019 net income amounted to Rp16,489,280 were paid on 20 March 2020. Payment of dividends were recorded in the consolidated statement of changes in equity at the year the payment was made.

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40. SHARE CAPITAL (continued)

d. Treasury Stock

The Bank buyback its shares which was triggered by a slowdown and economic pressure both regionally and nationally, among others, was caused by the COVID-19 outbreak. Furthermore, the condition of stock trading on the Indonesia Stock Exchange from the beginning of 2020 to 9 March 2020 experienced significant pressure as indicated by a decrease in the Composite Stock Price Index (IHSG) of 18.46%. Furthermore, in order to provide an economic stimulus and reduce the impact of a significantly fluctuating market, Financial Service Authority issued SEOJK No. 3/SEOJK.04/2020, to ease Issuers or Public Companies to carry out corporate action to buy back shares without violating applicable laws and regulations. This is one of the considerations for the Bank to carry out the buy back process.

For this share's buyback, the Bank also refers to FSA Regulation No. 2/POJK.04/2013 regarding the buyback shares issued by issuers or public companies in market conditions that fluctuate significantly ("POJK No. 2/POJK.04/2013"). FSA Circular Letter No. 3/SEOJK.04/2020 regarding other conditions as market conditions with significant fluctuation in the implementation of share buybacks issued by issuers or public companies ("SEOJK No. 3/SEOJK.04/2020").

The buyback of the shares were carried out in stages for a period of 3 (three) months starting from 20 March 2020 to 19 June 2020, where the buyback transaction were carried out through the Indonesia Stock Exchange. As of 31 December 2021, the Bank has bought back 35,400,000 (full amount) shares with a total acquisition value of Rp150,895 which are recorded as treasury shares, which are a deduction of equity.

Until the period ended 31 December 2021, the Bank has not yet disposed the treasury shares.

e. Transfer of part of the Series B shares owned by the Republic of Indonesia to the Indonesia Investment Authority

Based on Government Regulation of the Republic of Indonesia No. 111 of 2021 concerning the Addition of the State Equity Participation of the Republic of Indonesia into the Capital of the Investment Management Institution, it has been stipulated that the addition of the state's equity participation to the Investment Management Institution (in this case the Indonesia Investment Authority). The additional shares participation comes from the transfer of part of the series B shares owned by the Republic of Indonesia to the Company.

Furthermore, according to the Notary Deed No. 32 dated 23 December 2021 regarding the Agreement on the Transfer of Rights to the Shares of the Republic of Indonesia in the Company (Persero) PT Bank Mandiri (Persero) Tbk to and in the context of the addition of the State Equity Participation of the Republic of Indonesia into the Capital of the Investment Management Institution, made by Fathiah Helmi SH, the transfer of part of the series B shares belonging to the Republic of Indonesia in the Company to the Indonesia Investment Authority has been effective after the signing of the Deed on 23 December 2021.

The transfer of part of the series B shares owned by the Republic of Indonesia in the Company to the Indonesia Investment Authority in the amount of 3,733,333,333 shares or 8%, so that the series B shares owned by the Republic of Indonesia in the Company became 24,266,666,666 shares or 52%.

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41. INTEREST INCOME AND SHARIA INCOME

Interest income and sharia income are as follow:

	<u>2021</u>	<u>2020</u>
<u>Interest income</u>		
Loans	62,086,638	63,732,880
Government bonds	11,418,890	8,853,570
Consumer financing income	3,918,965	2,980,134
Marketable securities	3,823,529	3,410,975
Placements with Bank Indonesia and other banks	702,141	1,511,853
Others	1,083,782	1,142,862
	83,033,945	81,632,274
<u>Sharia income</u>		
<i>Murabahah and Istishna</i> income	10,184,237	9,126,423
<i>Musyarakah</i> income	4,237,160	4,347,511
<i>Mudharabah</i> income	218,525	305,576
<i>Ijarah</i> income	75,219	204,443
	14,715,141	13,983,953
Total	97,749,086	95,616,227

Included in interest income from loans is interest income recognised on the non-impaired portion of the impaired loans (time value unwinding) for the year ended 31 December 2021 and 2020 amounted to Rp318,042 and Rp413,839 and fees and commissions income directly attributable to lending activities amortised using effective interest rate method for the year ended 31 December 2021 and 2020 amounted to Rp2,558,587 and Rp2,749,781, respectively.

As of 31 December 2021 and 2020 included in interest income and sharia income was income from transaction with related parties on government bonds and treasury bills amounted to Rp11,418,890 and Rp8,853,570, respectively (refer to Note 57).

42. INTEREST EXPENSE AND SHARIA EXPENSE

Interest expense and sharia expense are incurred on the following:

	<u>2021</u>	<u>2020</u>
<u>Interest expense</u>		
Time deposits	8,216,845	15,097,476
Demand deposits	4,917,786	4,676,832
Saving deposits	2,806,246	3,126,866
Debt securities issued	2,452,537	2,403,431
Fund borrowings	2,031,983	2,915,060
Subordinated loans and marketable securities	2,127	2,222
Others	13,983	718
	20,441,507	28,222,605
<u>Sharia expense</u>		
<i>Mudharabah deposits</i>	3,457,121	3,761,308
<i>Mudharabah saving deposits</i>	620,876	652,061
<i>Musyarakah - mudharabah musyarakah</i>	115,088	388,856
<i>Restricted Investments</i>	50,902	49,444
Certificate of interbank <i>mudharabah</i> investment	1,098	21,148
	4,245,085	4,872,817
	24,686,592	33,095,422

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42. INTEREST EXPENSE AND SHARIA EXPENSE (continued)

Included in interest expense and sharia expense are interest expense from related parties transactions related to interest expense of fund borrowing for the year ended 31 December 2021 and 2020 amounted to Rp25,636 and Rp17,290 (Note 57).

43. PROVISION AND COMMISSION INCOME

	2021	2020
E-Channel transaction	3,150,491	2,589,619
Loans	2,530,678	2,250,881
Deposits transaction	2,423,119	2,308,546
Marketable securities	1,977,427	1,262,071
Credit card	1,788,977	1,693,250
Trade transaction	1,281,711	1,187,915
Bancassurance	526,541	398,551
Remittances, clearing and collection	288,078	279,500
Custodian and Trustee	204,363	163,754
Others	1,237,308	1,315,993
	15,408,693	13,450,080

44. INCOME FROM FAIR VALUE THROUGH PROFIT OR LOSS CLASSIFICATION - NET

	2021	2020
Interest income	575,964	603,997
Unrealised gain from increase in fair value - net	(73,610)	187,399
Gain from derivatives transactions - net	2,918,235	4,319,479
Gain from sales - net	517,294	434,464
Total	3,937,883	5,545,339

45. OTHER OPERATING INCOME - OTHERS

	2021	2020
Recoveries from write-offs loans and sharia loan/financing	5,640,980	4,577,479
Income from mutual fund dividend	316,715	327,232
Income from penalty	393,981	325,868
Income from loan written off	198,265	131,482
Safety deposit box	39,791	39,614
Stamp duty income	28,901	26,237
Unrealised gain from equity participation	103,374	1,371,976
Others	2,959,437	2,799,090
Total	9,681,444	9,598,978

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46. ALLOWANCE FOR IMPAIRMENT LOSSES

	2021	2020
(Allowance)/reversal for provision of impairment losses on:		
Current accounts with other banks (Note 5d)	51,094	(63,990)
Placements with other banks (Note 6e)	825	8,952
Marketable securities (Note 7g)	(7,158)	(68,669)
Other receivables - trade transactions (Note 9d)	278,153	(224,254)
Loans (Note 12B.j)	(19,792,827)	(22,203,469)
Consumer financing receivables (Note 13d)	(832,853)	(904,826)
Net investment finance leases (Note 14d)	(51,248)	(31,716)
Acceptance receivables (Note 15c)	(73,877)	142,687
Investments in shares (Note 16c)	(461)	(10,026)
Total	(20,428,352)	(23,355,311)

47. (PROVISION FOR)/REVERSAL OF OTHER ALLOWANCES

	2021	2020
(Allowance)/reversal provision for:		
Estimated losses arising from legal cases	7,453	38,465
Losses from operational risk - internal fraud	(8,006)	(33,660)
Losses from operational risk - external fraud	(19,121)	(166,215)
Fines/penalty	(284)	(14,769)
Losses from operational risk - business activity disruption and system failure	(353)	(1,510)
Losses from operational risk - management execution, delivering and processing	(3,484)	(435)
Losses from operational risk - damage to physical assets	-	(60)
Losses from operational risk - clients, products & business practices	(35)	-
Estimated losses arising from fraud cases	(898)	196
Other assets (Note 20)	(253,214)	(98,145)
Total	(277,942)	(276,133)

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48. UNREALISED GAINS FROM INCREASE IN FAIR VALUE OF POLICYHOLDERS INVESTMENT IN UNIT-LINK CONTRACTS

	2021	2020
Changes in fair value of policyholders' investment and increase/(decrease) in liability in unit-link contracts	2,824	12,487
Change in fair value of policyholders' investment	(741,345)	(479,249)
Increase in liability in unit-link contracts	741,345	479,249
Total	2,824	12,487

49. GAIN ON SALE OF MARKETABLE SECURITIES AND GOVERNMENT BONDS

	2021	2020
Marketable securities	1,005,861	291,650
Government bonds	2,236,539	707,376
Total	3,242,400	999,026

50. SALARIES AND EMPLOYEE BENEFITS

	2021	2020
Salaries, wages, pension and tax allowances	13,806,946	12,458,034
Religious holidays allowance, leave and related entitlements	2,041,614	1,998,369
Employee benefits in kind	1,700,042	1,251,647
Training and education	340,484	310,429
Provision for post-employment benefit expenses	(371,589)	536,656
Provision of tantiem	356,710	283,270
Bonuses and others	4,802,905	2,855,572
Total	22,677,112	19,693,977

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50. SALARIES AND EMPLOYEE BENEFITS (continued)

Total gross salaries and allowances, bonus and tantiem, long-term employment benefits of the Boards of Commissioners, Directors, Audit Committee and Risk Monitoring, Sharia Supervisory Board and Senior Executive Vice President and Senior Vice President (Bank and Subsidiaries) are amounted to Rp1,376,923 and Rp1,474,543 (Note 57) for the year ended 31 December 2021 and 2020, respectively, as follows:

	Years ended 31 December 2021			
	Salaries and allowance	Bonus and tantiem	Long-term employment benefits	Total
The Board of Commissioners	73,446	110,808	5,170	189,424
Directors	214,788	313,384	22,726	550,898
Audit Committee and Risk Monitoring Committee	6,819	-	39	6,858
Sharia Supervisory Board	2,472	442	1	2,915
Senior Executive Vice Presidents and Senior Vice President	425,379	174,918	26,531	626,828
Total	722,904	599,552	54,467	1,376,923

	Years ended 31 December 2020			
	Salaries and allowance	Bonus and tantiem	Long-term employment benefits	Total
The Board of Commissioners	64,630	116,525	5,783	186,938
Directors	197,756	371,448	22,863	592,067
Audit Committee and Risk Monitoring Committee	6,454	-	34	6,488
Sharia Supervisory Board	2,374	304	1	2,679
Senior Executive Vice Presidents and Senior Vice President	422,444	235,797	28,130	686,371
Total	693,658	724,074	56,811	1,474,543

51. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Professional fees	4,469,373	4,185,457
Goods/services provided by third parties	2,123,027	2,333,880
Repairs and maintenance	1,863,203	1,396,956
Depreciation of right of use assets (Note 18a)	1,401,951	1,489,629
Promotion	1,390,826	1,392,679
Depreciation of fixed assets (Note 18a)	1,362,443	1,588,948
Communication	1,350,667	1,289,080
Rent	954,629	1,000,307
Amortisation of intangible assets	793,554	855,114
Office supplies	672,144	638,548
Electricity, water and gas	605,459	645,978
Transportations	412,802	401,882
Insurance expenses	162,141	172,215
Interest expense on lease liability (Note 18a)	63,227	51,074
Traveling expenses	68,436	73,411
Others	1,825,817	1,357,673
Net	19,519,699	18,872,831

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51. GENERAL AND ADMINISTRATIVE EXPENSES (continued)

For the year ended 31 December 2021 and 2020, promotions expenses include the reward/prize expenses of third party funds amounted to Rp62,527 and Rp55,886, respectively.

52. PENSION PLAN AND SEVERANCE PAY

Under the Bank's policy, in addition to salaries, employees are entitled to allowances and benefits, such as religious holiday allowance, medical reimbursements, death allowance, leave allowance, functional allowance for certain levels, pension plan for permanent employees, incentives based on employee's and the Bank's performance and post-employment benefits in accordance with prevailing Labor Law.

Pension Plan

Bank Mandiri has five pension plans in the form of Employer Pension Plans (DPPK) as follows:

- a. One defined contribution pension fund, *Dana Pensiun Pemberi Kerja Program Pensiun Iuran Pasti* (DPPK-PPIP) or Bank Mandiri Pension Fund (*Dana Pensiun Bank Mandiri* (DPBM)) which was established on 1 August 1999 based on Board of Directors's resolution No. 004/KEP.DIR/1999 dated 26 April 1999 regarding Pension Plan of Bank Mandiri's pension fund. Regulation established by Bank Mandiri pension fund were approved by the Minister of Finance of the Republic of Indonesia through its Decision Letter No. KEP/300/KM.017/1999 dated 14 July 1999 and was published in Supplement of the State Gazette of the Republic of Indonesia No. 62 dated 3 August 1999.

The Pension Plan of Bank Mandiri's pension fund has been amended several times to comply with prevailing law, as follow:

1. Based on the resolution of Board of Directors of Bank Mandiri No. 068/KEP.DIR/2005 dated 28 June 2005, the Pension Plan of Bank Mandiri's Pension Fund was amended to increase the pension benefits for the members who already deceased, disable and changed in retirement age of the members. The amended pension plan has been approved by Ministry of Finance through its letter No. KEP-213/KM.5/2005 dated 22 July 2005 and published in supplement of the State Gazette of Republic Indonesia No. 77 dated 27 September 2005.
2. Based on the resolution of Board of Directors of Bank Mandiri No. KEP.DIR/415A/2016 dated 7 December 2016, the Pension Plan of Bank Mandiri's Pension Fund was amended to adjust the retirement age of the employees based on amendment of Collective Labor Agreement for period 2015 - 2017 and prevailing policy in PT Bank Mandiri (Persero) Tbk. The amended pension plan has been approved by Financial Services Authority (FSA) No. KEP-24/NB.1/2017 dated 17 May 2017 and published in Supplement of the State Gazzate of Republic of Indonesia No. 60 dated 28 July 2017.
3. Based on the Resolution Board of Directors No. KEP.DIR/005/2018 dated 28 February 2018, the Pension Plan of Bank Mandiri's Pension Fund was amended to comply with FSA Regulation No. 5/POJK.05/2017 regarding Contribution, Pension Benefits and Other Benefits provided by the Pension Fund. The amended Pension Plan has been approved by FSA through its Decision Letter No. KEP-125/NB.11/2018 dated 12 March 2018.

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension Plan (continued)

4. Based on the Resolution Board of Directors No. KEP.DIR/046/2020 dated 11 May 2020, adjustments were made to the Pension Fund Regulation of the Bank Mandiri Pension Fund in order to adjust the Financial Services Authority Regulation Number 5/POJK.05/2018 regarding Periodic Reports. POJK Number 15/POJK.05/2019 regarding Pension Fund Governance. POJK Number 14/POJK.05/2020 regarding Countercyclical Policy for Impact of Corona Virus Disease 2019 Spread for Non-Bank Financial Services Institutions. POJK No. 24/POJK.05/2019 regarding Business Plan of Non-Bank Financial Service Institutions. The Pension Plan has been approved by Financial Service Authority through its Decision Letter Number KEP-43/NB.1/2020 dated 18 May 2020.

The pension contribution is recorded for each members, which jointly borne by the employer and the members:

1. The member is obliged to contribute 5% (five per hundred) of basic pension income.
2. The employer is obliged to contribute 10% (ten per hundred) of basic pension income.

The Bank Mandiri's pension funds invest their financial resources in time deposits and deposits on call at Bank Mandiri. Balance on time deposits and deposit on call as of 31 December 2021 and 2020 amounted to Rp10,200 and RpNil, respectively. The interest rate of the deposits are the same with interest rate for third party time deposits.

For the year ended 31 December 2021 and 2020, Bank has paid pension contribution of Rp507,805 and Rp496,157, respectively.

- b. Four employer's pension funds provide defined benefits program (DPPK-PPMP), which from the merger of 4 (four) legacy banks, namely:
 1. Dana Pensiun Bank Mandiri One (Bank Bumi Daya),
 2. Dana Pensiun Bank Mandiri Two (Bank Dagang Negara),
 3. Dana Pensiun Bank Mandiri Three (Bank Exim) and
 4. Dana Pensiun Bank Mandiri Four (Bank Pembangunan Indonesia),

The members of the pension funds are employees from legacy bank with working period of three years or more at the merger date which were active employees, ex employees (resigned but did not transfer his/her right to other pension fund) and retired members.

The pension plans for each pension funds have been approved by Minister of Finance of the Republic of Indonesia through letter No. KEP-394/KM.017/1999, No. KEP-395/KM.017/1999, No. KEP-396/KM.017/1999 and No. KEP-397/KM.017/1999 all dated 15 November 1999. Based on shareholder's approval No. S-923/M-MBU/2003 dated 6 March 2003, Bank Mandiri has adjusted the pension benefits of each of the Pension Fund One to Pension Fund Four. The plan decision has been stated in the Pension Fund Plan (PDP) and have been approved by the Minister of Finance through letter No. KEP/115/KM.6/2003 for PDP Pension Fund Bank Mandiri One, No. KEP/116/KM.6/2003 for Bank Mandiri Pension Fund Two, No. KEP/117/KM.6/2003 for Bank Mandiri Pension Fund Three and No. KEP/118/KM.6/2003 for Bank Mandiri Pension Fund Four, all dated 31 March 2003.

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension Plan (continued)

The pension plan of Pension Fund Bank Mandiri One, Pension Fund Bank Mandiri Two, Pension Fund Bank Mandiri Three and Pension Fund Bank Mandiri Four have been amended several times to follow the prevailing law, which were:

1. Based on resolution of General Meeting of Shareholders (GMS) on 28 May 2007, Bank Mandiri increase the pension benefits of each Pension Funds. The increase in pension benefits were included in each pension benefits plan of the Pension Funds and have been approved by Ministry of Finance through letter No. KEP-144/KM.10/2007 (Pension Fund One); No. KEP-145/KM.10/2007 (Pension Fund Two); No. KEP-146/KM.10/2007 (Pension Fund Three) and No. KEP-147/KM.10/2007 (Pension Fund Four), all dated 20 July 2007.
2. Based on resolution of General Meeting of Shareholders (GMS) on 17 May 2010, Bank Mandiri increase the pension benefits of each Pension Funds. The increase in pension benefits were included in each pension benefits plan of the Pension Funds and have been approved by Ministry of Finance through letter No. KEP-441/KM.10/2010 (Pension Fund One); No. KEP-442/KM.10/2010 (Pension Fund Two); No. KEP-443/KM.10/2010 (Pension Fund Three) and No. KEP-444/KM.10/2010 (Pension Fund Four), all dated 10 August 2010.
3. Based on resolution of General Meeting of Shareholders (GMS) on 23 May 2011, Bank Mandiri increase the pension benefits of each Pension Funds. The increase in pension benefits were included in each pension benefits plan of the Pension Funds and have been approved by Ministry of Finance through letter No. KEP-588/KM.10/2011 (Pension Fund One); No. KEP-589/KM.10/2011 (Pension Fund Two); No. KEP-590/KM.10/2011 (Pension Fund Three) and No. KEP-591/KM.10/2011 (Pension Fund Four), all dated 20 July 2011.
4. Based on resolution of General Meeting of Shareholders (GMS) on 2 April 2013, Bank Mandiri increase the pension benefits of each Pension Funds. The increase in pension benefits were included in each pension benefits plan of the Pension Funds and have been approved by Board of Commisioners of Financial Services Authority through letter No. KEP-349/NB.1/2013 (Pension Fund One); No. KEP-350/NB.1/2013 (Pension Fund Two); No. KEP-351/NB.1/2013 (Pension Fund Three) and No. KEP-352/NB.1/2013 (Pension Fund Four), all dated 14 June 2013.

The GMS also approved additional other benefit and delegate an authority to Board of Commisioners to decide the increase of pension benefit and other benefits as long as it was in line with prevailing regulation which were after the increase of benefits or other benefit, the Adequacy of Funds Ratio (RKD) of Pension Funds One to Four were minimum at 115%.

5. Based on resolution of Board of Commisioners (BoC) of Bank Mandiri's meeting on 2 July 2014, Bank Mandiri provided other benefit for all pension fund and have been approved by Board of Commisioners of Financial Services Authority through letter No. KEP-1773/NB.1/2014 (Pension Fund One), No. KEP-1774/NB.1/2014 (Pension Fund Two), No. KEP-1775/NB.1/2014 (Pension Fund Three) and No. KEP-1776/NB.1/2014 (Pension Fund Four), all dated 17 July 2014.

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension Plan (continued)

6. Based on resolution of Board of Commissioners (BOC) of Bank Mandiri's meeting on 3 June 2015, Bank Mandiri provided other benefit for all pension fund and have been approved by Board of Commissioners of Financial Services Authority through letter No. KEP-525/NB.1/2015 (Pension Fund One), No. KEP-526/NB.1/2015 (Pension Fund Two), No. KEP-527/NB.1/2015 (Pension Fund Three) and No. KEP-528/NB.1/2015 (Pension Fund Four), all dated 29 June 2015.
7. Based on resolution of General Meeting of Shareholders (GMS) dated 21 March 2016, it was approved to change the minimum Ratio of Adequacy of Funds (RKD) for all Pension Fund One to Pension Fund Four, from initial of 115% to become 105%, and delegation authority to Board of Commissioners (BoC) to take decision on increase of pension benefits or other benefits as long as in accordance with prevailing regulation therefore after increase of pension benefits of other benefits, it should comply with minimum requirements:
 - a. The ratio of Adequacy of Funds (RKD) after increase in pension benefit and or other benefits minimum at 105% based on mortality table set by the Founder.
 - b. Still in surplus and would not trigger obligation for additional contribution or accounting obligation under SFAS 24.
8. Based on resolution of Board of Commissioners (BOC) of Bank Mandiri's meeting on 22 June 2016, Bank Mandiri provided increase in Pension Fund Three and provided other benefits to all pension funds and have been approved by Board of Commissioners of Financial Services Authority through letter No. KEP-40/NB.1/2016 (Pension Fund One), No. KEP-41/NB.1/2016 (Pension Fund Two), No. KEP-42/NB.1/2016 (Pension Fund Three) and No. KEP-43/NB.1/2016 (Pension Fund Four), all dated 29 June 2016.
9. Based on resolution of Board of Directors No. KEP.DIR/415B/2016 (Pension Fund One), No. KEP.DIR/415C/2016 (Pension Fund Two), No. KEP.DIR/415D/2016 (Pension Fund Three) and No. KEP.DIR/415E/2016 (Pension Fund Four), all dated 7 December 2016 there were additional of clauses to the Pension Fund Plan of Pension Fund One to Pension Fund Four, as approved by Annual General Shareholders Meeting of Founder on 2 April 2013 and on 21 March 2016 regarding change of RKD to become 105%. The Pension Fund Plans have been approved by Board of Commissioners of Financial Services Authorities through letters No. KEP-81/NB.1/2016 (Pension Fund One), No. KEP-80/NB.1/2016 (Pension Fund Two), No. KEP-79/NB.1/2016 (Pension Fund Three) and No. KEP-78/NB.1/2016 (Pension Fund Four), all dated 23 December 2016.
10. Based on resolution of Board of Commissioners (BoC) of Bank Mandiri's meeting on 3 May 2017, Bank Mandiri increase the Pension Benefit and provided other benefit in form of additional benefits to all pension fund and have been approved by Board of Commissioners of Financial Services Authority through letter No. KEP-30/NB.1/2017 (Pension Fund One), No. KEP-31/NB.1/2017 (Pension Fund Two), No. KEP-32/NB.1/2017 (Pension Fund Three) and No. KEP-33/NB.1/2017 (Pension Fund Four), all dated 9 June 2017.

With respect to the adjustment to the Pension Fund's Plan in form of increasement of Pension Benefit and Provision of other benefit to each Pension Fund, this also to align the Pension Fund's Plan with FSA regulation No. 5/POJK.05/2017 dated 1 March 2017, regarding Contribution, Pension Benefits and Other Benefits provided by the Pension Funds.

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension Plan (continued)

11. Based on resolution of Board of Commissioner (BoC) of Bank Mandiri's meeting on 28 March 2018, BoC approved provision of other benefit in form of additional benefit to all Pension Funds. This decision to provide other benefit in form of additional benefit were included in each Pension Funds Plan and have been approved by FSA through letter No. KEP-22/NB.1/2018 (Pension Fund One), No. KEP-23/NB.1/2018 (Pension Fund Two), No. KEP-24/NB.1/2018 (Pension Fund Three), No. KEP-25/NB.1/2018 (Pension Fund One), all dated 16 April 2018.
12. Based on resolution of Board of Commissioner (BoC) of Bank Mandiri's meeting on 20 March 2019, BoC approved provision of other benefit in form of additional benefit to all Pension Funds. This decision to provide other benefit in form of additional benefit were included in each Pension Funds Plan and have been approved by FSA through letter No. KEP-10/NB.1/2019 (Pension Fund One), No. KEP-11/NB.1/2019 (Pension Fund Two), No. KEP-12/NB.1/2019 (Pension Fund Three), No. KEP-13/NB.1/2019 (Pension Fund Four), all dated 16 April 2019.
13. Based on resolution of Board of Commissioners (BOC) of Bank Mandiri's meeting on 12 March 2020, Bank Mandiri approved provided increase in Pension Fund One and provided other benefits to all pension funds and have been approved by Board of Commissioners of Financial Services Authority ("FSA") through letter No. KEP-21/NB.1/2020 (Pension Fund One), No. KEP-22/NB.1/2020 (Pension Fund Two), No. KEP-23 /NB.1/2020 (Pension Fund Three) and No. KEP-24/NB.1/2020 (Pension Fund Four), all dated 2 April 2020.
14. Based on the Meeting of the Board of Commissioners of Bank Mandiri on 10 March 2021, the Board of Commissioners agreed to provide Other Benefits in the form of Additional Benefits to the Bank Mandiri One Pension Fund, the Bank Mandiri Two Pension Fund and the Bank Mandiri Four Pension Fund. The decision to provide Other Benefits in the form of Additional Benefits is stated in the respective Pension Fund Regulations.

The amendment to the Pension Fund Regulation is at the same time adjusting to the provisions of the Indonesian Financial Services Authority Regulation Number: 60 /POJK.05/2020 concerning Amendment to the Financial Services Authority Regulation Number 5/POJK.05/2017 concerning Contributions, Pension Benefits and Other Benefits Organized by the Fund Pension based on the Decree of the Board of Directors of Bank Mandiri No. KEP.DIR/020/2021 (DPBM One), KEP.DIR/021/2021 (DPBM Two), KEP.DIR/022/2021 (DPBM Three) and KEP.DIR/023/2021 (DPBM Four) all dated 22 March 2021 and has received approval from the Board of Commissioners of the Financial Services Authority through Decree No. KEP- 29 /NB.1/2021 (DPBM One); No. KEP-30/NB.1/2021 (DPBM Two); No.KEP-245/NB.11/2021 (DPBM Tiga) and No. KEP-31/NB.1/2021 (DPBM Four) entirely dated 19 April 2021.

The actuarial calculation on pension benefits liability for Bank only as of 31 December 2021 and 2020 were based on estimated actuarial calculation for the year ended 31 December 2021 and 2020 as stated in report of Kantor Konsultan Aktuaria Enny Diah Awal dated 3 January 2022 and 8 January 2021 with method of "Projected Unit Credit".

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension Plan (continued)

The assumptions used for the year ended 31 December 2021 and 2020 are as follows:

	DPBMS	DPBMD	DPBMT	DPBME
Discount rate	6.80% (2020: 6.90% per annum)	6.80% (2020: 6.90% per annum)	6.80% (2020: 6.90% per annum)	6.80% (2020: 6.90% per annum)
Expected rate of return on pension plan assets	9.50% per annum	9.50% per annum	9.50% per annum	9.50% per annum
Working period used	As of 31 July 1999	As of 31 July 1999	As of 31 July 1999	As of 31 July 1999
Pensionable salary (PhDP) used	Basic Salary x Index registered on 31 July 1999, which adjusted on 31 December 2002	Basic Salary + Other Benefits registered on 31 July 1999, which adjusted on 31 December 2002	(Basic Salary + Family Allowance) x Expensive allowance for branches registered on 31 July 1999, which adjusted on 31 December 2002	Basic Salary registered on 31 July 1999, which adjusted on 31 December 2002
Expected rates of PhDP increase	Nil	Nil	Nil	Nil
Mortality Rate Table	80% UN 2010 Male	80% UN 2010 Male	80% UN 2010 Male	80% UN 2010 Male
Turnover rate	Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%	Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%	Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%	Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%
Disability rate	10.00% of mortality rate	10.00% of mortality rate	10.00% of mortality rate	10.00% of mortality rate
Actuarial method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Normal retirement age	48 years to 56 years depending on the grades	56 years for all grades	56 years for all grades	56 years for all grades
Expected rate of pension benefit increase	Nil	Nil	Nil	2.00% per year
Tax rates - average	3.00% of benefit	3.00% of benefit	3.00% of benefit	3.00% of benefit

The projected benefit obligations and fair value of plan assets as of 31 December 2021, based on independent actuarial report, are as follows:

	DPBMS	DPBMD	DPBMT	DPBME
Projected benefit obligations	(1,391,911)	(1,555,396)	(648,544)	(483,878)
Fair value of plan assets	1,530,656	1,592,830	653,055	654,604
Funded Status	138,745	37,434	4,511	170,726
Asset ceiling ¹⁾	(138,745)	(37,434)	(4,511)	(170,726)
Pension Plan Program Assets recognised in consolidated statement of financial position ²⁾	-	-	-	-

¹⁾ There are no unrecognised accumulated actuarial loss-net nor unrecognised past service cost and there are no present value of available future refunds or reductions of future contributions.

²⁾ There are no plan assets recognised in the consolidated statement of financial position because the requirements under SFAS No. 24 regarding "Employee Benefits" are not fulfilled.

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension Plan (continued)

The projected benefit obligations and fair value of plan assets as of 31 December 2020, based on independent actuarial report, are as follows:

	DPBMS	DPBMD	DPBMT	DPBME
Projected benefit obligations	(1,383,842)	(1,623,228)	(695,560)	(500,659)
Fair value of plan assets	1,550,395	1,656,802	690,411	649,195
Funded Status	166,553	33,574	(5,149)	148,536
Asset ceiling ^{*)}	(166,553)	(33,574)	5,149	(148,536)
Pension Plan Program Assets recognised in consolidated statement of financial position ^{**)}	-	-	-	-

^{*)} There are no unrecognised accumulated actuarial loss-net nor unrecognised past service cost and there are no present value of available future refunds or reductions of future contributions.

^{**)} There are no plan assets recognised in the consolidated statement of financial position because the requirements under SFAS No. 24 regarding "Employee Benefits" are not fulfilled.

The composition of plan assets from Pension Fund for the year ended 31 December 2021 and 2020 are as follows:

31 December 2021				
	DPBMS	DPBMD	DPBMT	DPBME
Deposit	8%	10%	2%	26%
Bonds	36%	41%	19%	26%
Direct placement	8%	19%	30%	3%
Land and building	24%	4%	28%	5%
Shares	2%	2%	1%	1%
Treasury Bills	21%	23%	17%	38%
Others	1%	1%	3%	1%
Total	100%	100%	100%	100%
31 December 2020				
	DPBMS	DPBMD	DPBMT	DPBME
Deposit	9%	9%	4%	9%
Bonds	35%	42%	21%	30%
Direct placement	7%	18%	27%	38%
Land and building	21%	3%	28%	5%
Shares	7%	3%	0%	1%
Treasury Bills	20%	22%	16%	15%
Others	1%	3%	4%	2%
Total	100%	100%	100%	100%

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension plan (continued)

Employment Law and Bank Mandiri Collective Labor Agreement

Bank Mandiri has implemented an accounting policy for employment benefits SFAS 24 to recognise provision for employee service entitlements. As of 31 December 2021 and 2020, Bank Mandiri recognised a provision for employee services entitlements in accordance with Labor Law No. 13/2003 amounted to Rp3,237,028 and Rp4,106,307 (including compensation benefits of Rp8,240 for resigned employees which have not yet been paid and excluded from actuarial calculation) based on the estimated post employment benefit in the independent actuarial reports (Note 34).

Provision for employee service entitlements as of 31 December 2021 and 2020 are estimated using the employees service entitlements calculation for the year ended 31 December 2021 and 2020 as included in the independent actuarial report of Kantor Konsultan Aktuaria dated 3 January 2022 and 8 January 2021, respectively. The assumptions used by the actuary for the year ended 31 December 2021 and 2020 are as follows:

- a. Discount rate is 7.4% per annum (2020: 7.6%)
- b. Expected rate of annual salary increase is 6.0% - 8.0% per annum.
- c. Mortality rate table used is Indonesia Mortality 2019.
- d. Turnover rate : Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%.
- e. Actuarial method is projected unit credit method.
- f. Normal retirement age between 36 to 56 years according to the grades.
- g. Disability rate is 10% of death probability at each age.

The amounts recognised in the statement of financial position are determined based on independent actuarial report as follows (Bank Mandiri only):

	2021	2020
Provision for post employment benefits presented in statement of financial position	1,920,311	2,811,930

The movement in present value of obligation over the year is as follows (Bank Mandiri only):

	2021	2020
Beginning balance of present value of obligation	2,811,930	2,984,609
Current service cost	276,943	266,135
Severance pay	22,191	11,339
Interest cost	207,040	234,521
Prior service cost	(961,059)	-
Benefit paid	(175,433)	(178,583)
Actuarial (gain)/losses	(261,301)	(506,091)
Ending balance of present value of obligation	1,920,311	2,811,930

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension plan (continued)

Employment Law and Bank Mandiri Collective Labor Agreement (continued)

The amounts recognised in the statement of profit or loss and other comprehensive income based on independent actuarial report are as follows (Bank Mandiri only):

	2021	2020
Current service cost	299,134	277,474
Interest cost	207,040	234,521
Prior service cost	(961,059)	-
Cost of pension benefits	(454,885)	511,995

Reconciliations of provision for post employment benefits are as follows:

	2021	2020
Bank Mandiri		
Beginning balance of provision for post employment benefits	2,811,930	2,984,609
Expenses during the year	(454,885)	511,995
Payments of benefits	(175,433)	(178,583)
Recognition of actuarial (gains)/losses in other comprehensive income	(261,301)	(506,091)
Provision for post employment benefits (Bank Mandiri only)	1,920,311	2,811,930
Subsidiaries		
Provision for post employment benefits	1,308,477	1,286,137
Total provision for post employment benefits (Note 34)	3,228,788^{*)}	4,098,067^{*)}

^{*)} As of 31 December 2021 and 2020, the amount does not include unpaid severance for resigned employees amounted to Rp8,240, which was excluded from actuarial computation.

The present value of funded benefit obligations, fair value of plan assets and the surplus on the program for the last five years, which are (Bank Mandiri only):

	31 December				
	2021	2020	2019	2018	2017
Present value of defined benefit obligations	1,920,311	2,811,930	2,984,609	2,988,260	3,512,601
Fair value of plan assets	-	-	-	-	-
Deficit in the plan	1,920,311	2,811,930	2,984,609	2,988,260	3,512,601
Experience adjustments on plan liabilities	309,589	228,319	330,750	389,056	(89,944)
Experience adjustments on asset program	-	-	-	-	-

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension plan (continued)

Pension Appreciation

Bank Mandiri provides pension appreciation programs to employees who enter normal retirement age (age 56). This program is valid for employees who have entered their ten years of working service. The present value for provision of pension appreciation program as of 31 December 2021 and 2020 based on an actuarial calculation amounted Rp62,781 and Rp67,691 (Notes 34).

The assumptions used for the period ending 31 December 2021 and 2020 are as follows:

- a. Discount rate : 7.40% (2020: 7.50%)
- b. Gold price : Rp932,000 (2020: Rp975,000 (full amount))
- c. Increment rate of gold price : 8.00%
- d. Mortality rate table used is Indonesia Mortality 2019.
- h. Disability rate is 10% of death probability at each age.
- i. Turnover rate : Age 23 - 29 = 10.00% Age 30 - Normal Retirement Age = 3.50% decreasing linearly up to 0.00%
- g. Normal retirement age between 36 to 56 years according to the grades.
- h. Actuarial method used is projected unit credit method

The movement in present value of obligation over the year is as follows (Bank Mandiri only):

	2021	2020
Beginning balance of present value of obligation	67,691	59,187
Expenses during the year	11,078	(1,887)
Payments of benefits	(5,492)	(5,204)
Actuarial (gain)/loss through other comprehensive income	(10,496)	15,595
Ending balance of present value of obligation (Note 34)	62,781	67,691

The amounts recognised in the statement of profit or loss and other comprehensive income based on independent actuarial report are as follows (Bank Mandiri only):

	2021	2020
Current service cost	6,207	7,290
Interest cost	4,871	4,300
Past service cost	-	(13,477)
Cost of pension appreciation	11,078	(1,887)

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Pension Appreciation (continued)

Reconciliation of PVDBO:

31 December 2021						
	DPBMS	DPBMD	DPBMT	DPBME	UUK No. 13/2003	Pension Appreciation
Beginning balances of PVDBO	1,383,842	1,623,228	695,561	500,659	2,811,930	67,691
Current service cost	-	-	-	-	276,943	6,207
Interest cost of PVDBO	89,128	105,947	45,566	32,504	207,040	4,871
Past service cost	-	-	-	-	(961,059)	-
Severance pay	-	-	-	-	22,191	-
Benefit payments from plan assets	(184,248)	(175,528)	(70,365)	(59,186)	(175,433)	(5,492)
Actuarial (gain)/losses from PVDBO:						
Losses on change of assumption in economic	8,835	10,574	4,429	3,734	48,288	402
(Gain)/losses on experience adjustment	94,356	(8,823)	(26,645)	6,167	(309,589)	(10,898)
Ending balances of PVDBO	1,391,911	1,555,396	648,544	483,878	1,920,311	62,781

31 December 2020						
	DPBMS	DPBMD	DPBMT	DPBME	UUK No. 13/2003	Pension Appreciation
Beginning balances of PVDBO	1,369,078	1,618,288	695,760	475,040	2,984,609	59,187
Current service cost	-	-	-	-	266,135	7,290
Interest cost of PVDBO	95,634	64,405	49,360	33,440	234,521	4,300
Past service cost	-	-	-	-	-	(13,477)
Severance pay	-	-	-	-	11,339	-
Benefit payments from plan assets	(187,934)	(183,280)	(75,254)	(58,336)	(178,583)	(5,204)
Actuarial (gain)/losses from PVDBO:						
Losses on change of assumption in economic	52,204	65,275	30,642	23,015	(277,772)	974
(Gain)/losses on experience adjustment	54,860	58,540	(4,947)	27,500	(228,319)	14,621
Ending balances of PVDBO	1,383,842	1,623,228	695,561	500,659	2,811,930	67,691

Reconciliation of plan assets:

31 December 2021				
	DPBMS	DPBMD	DPBMT	DPBME
Beginning fair value of plan assets	1,550,395	1,656,802	690,411	649,195
Benefit payments from plan assets	(184,249)	(175,529)	(70,365)	(59,186)
Interest Income in plan assets	100,621	108,263	45,211	42,752
Result of plan assets (exclude interest income)	63,889	3,294	(12,202)	21,843
Ending fair value plan assets	1,530,656	1,592,830	653,055	654,604

31 December 2020				
	DPBMS	DPBMD	DPBMT	DPBME
Beginning fair value of plan assets	1,606,734	1,675,488	751,528	533,980
Benefit payments from plan assets	(187,934)	(183,280)	(75,255)	(58,336)
Interest Income in plan assets	113,458	66,819	53,543	37,861
Result of plan assets (exclude interest income)	18,137	97,775	(39,405)	135,690
Ending fair value plan assets	1,550,395	1,656,802	690,411	649,195

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Movements in other comprehensive income:

Movements in other comprehensive income for the Bank only for the year ended 31 December 2021 and 2020 as follows:

	31 December 2021					
	DPBMS	DPBMD	DPBMT	DPBME	UUK No. 13/2003	Pension Appreciation
Accumulated of actuarial gains/(losses) on beginning year	-	-	-	-	1,274,482	(7,655)
Actuarial losses of the current year	-	-	-	-	261,300	10,496
Accumulated of actuarial gains on ending year	-	-	-	-	1,535,782	2,841

	31 December 2020					
	DPBMS	DPBMD	DPBMT	DPBME	UUK No. 13/2003	Pension Appreciation
Accumulated of actuarial gains/(losses) on beginning year	-	-	-	-	768,391	7,940
Actuarial losses of the current year	-	-	-	-	506,091	(15,595)
Accumulated of actuarial gains on ending year	-	-	-	-	1,274,482	(7,655)

Employee benefits liabilities maturing on 31 December 2021 and 2020 related to UUK No. 13/2003 are as follows:

	2021	2020
Year 1	243,463	300,504
Year 2	277,729	300,549
Year 3	308,369	339,230
Year 4	365,128	395,125
Year 5	450,149	446,321
Year 6 and others	6,883,709	7,908,747
Total	8,528,547	9,690,476

The average duration of the defined benefit obligation is 10.81 years and 10.90 years and the defined contribution obligation is 16.24 years and 16.50 years as of 31 December 2021 and 2020, respectively.

Provision for actuarial calculation on employee pension benefits for Subsidiaries as of 31 December 2021 and 2020 were based on estimated actuarial calculation for the year ended 31 December 2021 and 2020, respectively.

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52. PENSION PLAN AND SEVERANCE PAY (continued)

Provision for employee service entitlements of Subsidiaries as of 31 December 2021 and 2020 were calculated by an independent actuary as included in the independent actuarial report as follows:

Subsidiaries	Independent Actuary	2021	2020
PT Bank Syariah Indonesia	Steven & Mouritz Actuarial Consultant Office (2020 : PT Dayamandiri Dharmakonsilindo)	10 January 2022	30 November 2020
PT Mandiri Sekuritas	Steven & Mouritz Actuarial Consultant Office (2020 : PT Dayamandiri Dharmakonsilindo)	31 December 2021	4 January 2021
PT Bank Mandiri Taspen	Nandi and Utama Actuarial Consultant Office (2020 : PT Jasa Aktuaris Praptasentosa Guna Jasa)	5 January 2022	8 January 2021
PT Mandiri Tunas Finance	Steven & Mouritz Actuarial Consultant Office (2020 : PT Dayamandiri Dharmakonsilindo)	3 January 2022	2 January 2021
PT AXA Mandiri Financial Services	Steven & Mouritz Actuarial Consultant Office (2020 : PT Dayamandiri Dharmakonsilindo)	10 January 2022	10 January 2021
PT Asuransi Jiwa InHealth Indonesia	Nurichwan Actuarial Consulting Office (2020 : PT Sigma Prima Solusindo)	31 December 2021	4 January 2021
PT Mandiri Utama Finance Indonesia	Bambang Sudrajad Actuarial Consultant Office (2020 : PT Kompujasa Aktuarial)	31 December 2021	31 December 2020

The sensitivity of the defined benefit obligation to changes in actuarial assumptions are as follows (Bank Mandiri only) (unaudited):

	2021	2020
Changes of assumptions:		
1% increase in discount rate	(1,712,675)	(2,489,120)
1% decrease in discount rate	2,246,548	3,286,384

53. OTHER OPERATING EXPENSES - OTHERS - NET

	2021	2020
Insurance premiums on third party funds guarantee program	2,388,224	2,173,277
Fees and commissions expenses	550,640	654,062
Bancassurance fee	506,918	359,889
Fees related to credit card and ATM transaction	410,367	491,326
Insurance sales force compensation	170,943	277,046
Group insurance commissions	166,854	145,988
Fees from RTGS, remittance and clearing transactions	45,088	57,898
Others	2,704,322	1,803,942
	6,943,356	5,963,428

54. NON-OPERATING (EXPENSE)/INCOME - NET

	2021	2020
(Loss)/gain on sale of fixed assets	(114,086)	9,918
Others - net	32,304	127,000
Net	(81,782)	136,918

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55. COMMITMENTS AND CONTINGENCIES

The following accounts represent accounts which are recorded as off-balance sheet:

	2021	2020
COMMITMENTS		
Commitment payables:		
Unused loan facilities ^{*)}		
Related parties (Note 57)	(84,010,917)	(60,726,765)
Third parties	(109,300,267)	(109,474,136)
	(193,311,184)	(170,200,901)
Outstanding irrevocable letters of credit (Note 31):		
Related parties (Note 57)	(9,307,478)	(7,224,901)
Third parties	(9,997,511)	(8,236,748)
	(19,304,989)	(15,461,649)
Commitment payables - net	(212,616,173)	(185,662,550)
CONTINGENCIES		
Contingent receivables:		
Guarantees received from other banks	27,557,087	30,351,192
Interest receivable on non-performing assets	13,278,668	12,453,774
Others	32,729	32,729
	40,868,484	42,837,695
Contingent payables:		
Guarantees issued in the form of:		
Bank guarantees (Note 31):		
Related parties (Note 57)	(23,633,414)	(19,745,870)
Third parties	(78,758,125)	(78,959,268)
	(102,391,539)	(98,705,138)
Standby letters of credit (Note 31)		
Related parties (Note 57)	(12,239,512)	(6,208,229)
Third parties	(5,458,399)	(4,280,088)
	(17,697,911)	(10,488,317)
Others	(1,561,169)	(1,484,051)
Total	(121,650,619)	(110,677,506)
Contingent payables - net	(80,782,135)	(67,839,811)
	(293,398,308)	(253,502,361)

^{*)} Include unused committed and uncommitted credit card facilities

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56. FOREIGN CURRENCY TRANSACTIONS

The fair value of forward and cross currency swap transactions are presented as derivative receivables/payables in the consolidated statement of financial position (Note 11),

Details of outstanding buy and sell foreign currency spot transactions (Bank Mandiri only) as of 31 December 2021 and 2020 are as follows:

31 December 2021				
Original Currency	Spot - Buy		Spot - Sell	
	Original currency (full amount)	Rupiah equivalent	Original currency (full amount)	Rupiah equivalent
United States Dollar	71,440,000	1,018,198	113,175,000	1,613,027
Others ^{*)}		186,190		1,042,428
		1,204,388		2,655,455
31 December 2020				
Original Currency	Spot - Buy		Spot - Sell	
	Original currency (full amount)	Rupiah equivalent	Original currency (full amount)	Rupiah equivalent
United States Dollar	7,000,000	98,350	89,186,232	1,253,067
Others ^{*)}		-		838,735
		98,350		2,091,802

*) Consist of various currencies,

57. RELATED PARTY TRANSACTIONS

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties:

• **Related party relationship as the controlling shareholder:**

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

• **Related parties relationship by ownership and/or management:**

No.	Related parties	Nature of 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 a founder
4.	Dana Pensiun Bank Mandiri 1	Bank Mandiri as a founder
5.	Dana Pensiun Bank Mandiri 2	Bank Mandiri as a founder
6.	Dana Pensiun Bank Mandiri 3	Bank Mandiri as a founder
7.	Dana Pensiun Bank Mandiri 4	Bank Mandiri as a 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

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship by ownership and/or management (continued):**

No.	Related parties	Nature of relationship
12.	PT Asuransi Staco Mandiri (formerly PT Asuransi Staco Jasapratama)	Controlled by Dana Pensiun Bank Mandiri 2
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.	Koperasi Kesehatan Pegawai dan Pensiunan Bank Mandiri (Mandiri Healthcare)	Significantly influenced by Bank Mandiri

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

• **Related parties relationship with government related entities**

No.	Related parties	Nature of relationship
1.	PT Abipraya Nusantara Energi	Subsidiary of State Owned Enterprise
2.	PT Abuki Jaya Stainless	Subsidiary of State Owned Enterprise
3.	PT Adhi Commuter Properti	Subsidiary of State Owned Enterprise
4.	PT Adhi Persada Beton	Subsidiary of State Owned Enterprise
5.	PT Adhi Persada Gedung	Subsidiary of State Owned Enterprise
6.	PT Adhi Persada Properti	Subsidiary of State Owned Enterprise
7.	PT Administrasi Medika	Subsidiary of State Owned Enterprise
8.	PT Aero Globe Indonesia	Subsidiary of State Owned Enterprise
9.	PT Aero Systems Indonesia	Subsidiary of State Owned Enterprise
10.	PT Aero Wisata	Subsidiary of State Owned Enterprise
11.	PT Aerofood Indonesia	Subsidiary of State Owned Enterprise
12.	PT Aerojasa Cargo	Subsidiary of State Owned Enterprise
13.	PT Aerojasa Perkasa	Subsidiary of State Owned Enterprise
14.	PT AeroTRANS Service Indonesia	Subsidiary of State Owned Enterprise
15.	PT Agro Sinergi Nusantara	Subsidiary of State Owned Enterprise
16.	PT Akses Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
17.	PT Alam Lestari Nusantara	Subsidiary of State Owned Enterprise
18.	PT Alur Pelayaran Barat Surabaya	Subsidiary of State Owned Enterprise
19.	PT Aneka Jasa Grhadika	Subsidiary of State Owned Enterprise
20.	PT Aneka Tambang	Subsidiary of State Owned Enterprise
21.	PT Angkasa Pura Aviasi	Subsidiary of State Owned Enterprise
22.	PT Angkasa Pura Hotel	Subsidiary of State Owned Enterprise
23.	PT Angkasa Pura Kargo	Subsidiary of State Owned Enterprise
24.	PT Angkasa Pura Logistik	Subsidiary of State Owned Enterprise
25.	PT Angkasa Pura Propertindo	Subsidiary of State Owned Enterprise
26.	PT Angkasa Pura Property	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
27.	PT Angkasa Pura Retail	Subsidiary of State Owned Enterprise
28.	PT Angkasa Pura Solusi	Subsidiary of State Owned Enterprise
29.	PT Angkasa Pura Solusi Integra	Subsidiary of State Owned Enterprise
30.	PT Angkasa Pura Supports	Subsidiary of State Owned Enterprise
31.	PT Anpa International Ltd (Qq PT Akuel Asia Pulse Pte Ltd)	Subsidiary of State Owned Enterprise
32.	PT Antam Energi Indonesia	Subsidiary of State Owned Enterprise
33.	PT Antam Niterra Haltim	Subsidiary of State Owned Enterprise
34.	PT Antam Resourcindo	Subsidiary of State Owned Enterprise
35.	PT Artha Daya Coalindo	Subsidiary of State Owned Enterprise
36.	PT Arthindokarya Sejahtera	Subsidiary of State Owned Enterprise
37.	PT Askrindo Mitra Utama (formerly PT Usayasa Utama)	Subsidiary of State Owned Enterprise
38.	PT Asuransi Berdikari	Subsidiary of State Owned Enterprise
39.	PT Asuransi BRI Life	Subsidiary of State Owned Enterprise
40.	PT Asuransi Jasa Raharja Putera	Subsidiary of State Owned Enterprise
41.	PT Asuransi Jiwa Taspen	Subsidiary of State Owned Enterprise
42.	PT Asuransi Jiwa Tugu Mandiri (AJTM)	Subsidiary of State Owned Enterprise
43.	PT Asuransi Samsung Tugu	Subsidiary of State Owned Enterprise
44.	PT Asuransi Tokio Marine Indonesia	Subsidiary of State Owned Enterprise
45.	PT Badak Arun Solusi (formerly PT Patra Teknik)	Subsidiary of State Owned Enterprise
46.	PT Bahana Artha Ventura	Subsidiary of State Owned Enterprise
47.	PT Bahana Securities	Subsidiary of State Owned Enterprise
48.	PT Bahana TCW Investment Management	Subsidiary of State Owned Enterprise
49.	PT Bakti Timah Solusi Medika	Subsidiary of State Owned Enterprise
50.	PT Balai Lelang Artha Gasia	Subsidiary of State Owned Enterprise
51.	PT Balebat Dedikasi Prima	Subsidiary of State Owned Enterprise
52.	PT Bali Griya Shanti	Subsidiary of State Owned Enterprise
53.	PT Baturaja Multi Usaha	Subsidiary of State Owned Enterprise
54.	PT Belitung Intipermai	Subsidiary of State Owned Enterprise
55.	PT Berdikari Logistik Indonesia	Subsidiary of State Owned Enterprise
56.	PT Berkah Kawasan Manyar Sejahtera	Subsidiary of State Owned Enterprise
57.	PT Berkah Multi Cargo	Subsidiary of State Owned Enterprise
58.	PT Berlian Jasa Terminal Indonesia	Subsidiary of State Owned Enterprise
59.	PT Berlian Manyar Sejahtera	Subsidiary of State Owned Enterprise
60.	PT Bhineka Wana	Subsidiary of State Owned Enterprise
61.	PT Bhumi Visatanda Tour & Travel	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
62.	PT Bima Sepaja Abadi	Subsidiary of State Owned Enterprise
63.	PT BNI Asset Management	Subsidiary of State Owned Enterprise
64.	PT BNI Life Insurance	Subsidiary of State Owned Enterprise
65.	PT BNI Sekuritas	Subsidiary of State Owned Enterprise
66.	PT Borneo Alumina Indonesia	Subsidiary of State Owned Enterprise
67.	PT Borneo Edo International	Subsidiary of State Owned Enterprise
68.	PT BPR Rizky Barokah	Subsidiary of State Owned Enterprise
69.	PT Brantas Adya Surya Energi	Subsidiary of State Owned Enterprise
70.	PT Brantas Cakrawala Energi	Subsidiary of State Owned Enterprise
71.	PT Brantas Energi	Subsidiary of State Owned Enterprise
72.	PT Brantas Energi Mandiri	Subsidiary of State Owned Enterprise
73.	PT Brantas Hidro Energi	Subsidiary of State Owned Enterprise
74.	PT Brantas Mahalona Energi	Subsidiary of State Owned Enterprise
75.	PT Brantas Nipajaya Energi	Subsidiary of State Owned Enterprise
76.	PT Brantas Prospek Energi	Subsidiary of State Owned Enterprise
77.	PT Brantas Prospek Enjineering	Subsidiary of State Owned Enterprise
78.	PT Brantas Prospek Mandiri	Subsidiary of State Owned Enterprise
79.	PT BRI Agroniaga	Subsidiary of State Owned Enterprise
80.	PT BRI Multifinance Indonesia	Subsidiary of State Owned Enterprise
81.	PT Bromo Steel Indonesia	Subsidiary of State Owned Enterprise
82.	PT Bukit Asam	Subsidiary of State Owned Enterprise
83.	PT Bukit Asam Banko	Subsidiary of State Owned Enterprise
84.	PT Bukit Asam Medika	Subsidiary of State Owned Enterprise
85.	PT Bukit Asam Prima	Subsidiary of State Owned Enterprise
86.	PT Bukit Energi Investama	Subsidiary of State Owned Enterprise
87.	PT Bukit Energi Service Terpadu	Subsidiary of State Owned Enterprise
88.	PT Bukit Multi Investama	Subsidiary of State Owned Enterprise
89.	PT Bukit Multi Properti	Subsidiary of State Owned Enterprise
90.	PT Bumi Sawindo Permai	Subsidiary of State Owned Enterprise
91.	PT Cibaliung Sumber Daya	Subsidiary of State Owned Enterprise
92.	PT Cibitung Tanjung Priok Port Tollways	Subsidiary of State Owned Enterprise
93.	PT Cinere Serpong Jaya	Subsidiary of State Owned Enterprise
94.	PT Citilink Indonesia	Subsidiary of State Owned Enterprise
95.	PT Citra Bhakti Margatama Persada	Subsidiary of State Owned Enterprise
96.	PT Citra Lautan Teduh	Subsidiary of State Owned Enterprise
97.	PT Citra Lintas Angkasa	Subsidiary of State Owned Enterprise
98.	PT Citra Sari Makmur	Subsidiary of State Owned Enterprise
99.	PT Citra Tobindo Sukses Perkasa	Subsidiary of State Owned Enterprise
100.	PT Cimangging Cibitung Tollways	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
101.	PT Clariant Kujang Catalysts	Subsidiary of State Owned Enterprise
102.	PT Cogindo Dayabersama	Subsidiary of State Owned Enterprise
103.	PT Crompton Prima Switchgear Indonesia	Subsidiary of State Owned Enterprise
104.	PT Cut Meutia Medika Nusantara	Subsidiary of State Owned Enterprise
105.	PT Dalle Energy Batam (DEB)	Subsidiary of State Owned Enterprise
106.	PT Danareksa Capital	Subsidiary of State Owned Enterprise
107.	PT Danareksa Finance	Subsidiary of State Owned Enterprise
108.	PT Danareksa Sekuritas	Subsidiary of State Owned Enterprise
109.	PT Dasaplast Nusantara	Subsidiary of State Owned Enterprise
110.	PT Dayamitra Telekomunikasi	Subsidiary of State Owned Enterprise
111.	PT Dok & Perkapalan Air Kantung	Subsidiary of State Owned Enterprise
112.	PT Dok & Perkapalan Kodja Bahari	Subsidiary of State Owned Enterprise
113.	PT Dok & Perkapalan Waiame	Subsidiary of State Owned Enterprise
114.	PT Donggi Senoro LNG	Subsidiary of State Owned Enterprise
115.	PT Dwimitra Enggang Khatulistiwa	Subsidiary of State Owned Enterprise
116.	PT Electronic Data Interchange Indonesia	Subsidiary of State Owned Enterprise
117.	PT Elnusa Fabrikasi Konstruksi	Subsidiary of State Owned Enterprise
118.	PT Elnusa Geosains Indonesia	Subsidiary of State Owned Enterprise
119.	PT Elnusa Oilfield Service	Subsidiary of State Owned Enterprise
120.	PT Elnusa Petrofin	Subsidiary of State Owned Enterprise
121.	PT Elnusa Tbk	Subsidiary of State Owned Enterprise
122.	PT Elnusa Trans Samudera	Subsidiary of State Owned Enterprise
123.	PT Eltran Indonesia	Subsidiary of State Owned Enterprise
124.	PT Energi Agro Nusantara	Subsidiary of State Owned Enterprise
125.	PT Energi Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
126.	PT Equiport Inti Indonesia	Subsidiary of State Owned Enterprise
127.	PT Farmalab Indoutama	Subsidiary of State Owned Enterprise
128.	PT Feni Haltim	Subsidiary of State Owned Enterprise
129.	PT Finnet Indonesia	Subsidiary of State Owned Enterprise
130.	PT Fintek Karya Nusantara	Subsidiary of State Owned Enterprise
131.	PT Freeport Indonesia	Subsidiary of State Owned Enterprise
132.	PT Gadang Hidro Energi	Subsidiary of State Owned Enterprise
133.	PT GAG Nikel	Subsidiary of State Owned Enterprise
134.	PT Gagas Energi Indonesia	Subsidiary of State Owned Enterprise
135.	PT Gapura Angkasa	Subsidiary of State Owned Enterprise
136.	PT Garuda Maintenance Facility Aero Asia	Subsidiary of State Owned Enterprise
137.	PT Gema Hutani Lestari	Subsidiary of State Owned Enterprise
138.	PT Geo Dipa Energi	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
139.	PT GIEB Indonesia	Subsidiary of State Owned Enterprise
140.	PT GIH Indonesia	Subsidiary of State Owned Enterprise
141.	PT Gitanusa Sarana Niaga	Subsidiary of State Owned Enterprise
142.	PT Graha Investama Bersama	Subsidiary of State Owned Enterprise
143.	PT Graha Niaga Tata Utama	Subsidiary of State Owned Enterprise
144.	PT Graha Sarana Duta	Subsidiary of State Owned Enterprise
145.	PT Graha Yasa Selaras	Subsidiary of State Owned Enterprise
146.	PT Gresik Cipta Sejahtera	Subsidiary of State Owned Enterprise
147.	PT Griyaton Indonesia	Subsidiary of State Owned Enterprise
148.	PT Gunung Gajah Abadi	Subsidiary of State Owned Enterprise
149.	PT Gunung Kendaik	Subsidiary of State Owned Enterprise
150.	PT Hakaaston	Subsidiary of State Owned Enterprise
151.	PT Haleyora Power	Subsidiary of State Owned Enterprise
152.	PT Haleyora Powerindo	Subsidiary of State Owned Enterprise
153.	PT Hasta Kreasi Mandiri	Subsidiary of State Owned Enterprise
154.	PT HK Infrastruktur	Subsidiary of State Owned Enterprise
155.	PT HK Realtindo	Subsidiary of State Owned Enterprise
156.	PT Hutama Prima	Subsidiary of State Owned Enterprise
157.	PT Hutama Marga Waskita	Subsidiary of State Owned Enterprise
158.	PT Hutansanggaran Labanan Lestari	Subsidiary of State Owned Enterprise
159.	PT Igaras	Subsidiary of State Owned Enterprise
160.	PT Indo Japan Steel Center	Subsidiary of State Owned Enterprise
161.	PT Indo Ridlatama Power	Subsidiary of State Owned Enterprise
162.	PT Indofarma Global Medika	Subsidiary of State Owned Enterprise
163.	PT Indometal London Ltd	Subsidiary of State Owned Enterprise
164.	PT Indonesia Air & Marine Supply	Subsidiary of State Owned Enterprise
165.	PT Indonesia Chemical Alumina	Subsidiary of State Owned Enterprise
166.	PT Indonesia Coal Resources	Subsidiary of State Owned Enterprise
167.	PT Indonesia Comnets Plus	Subsidiary of State Owned Enterprise
168.	PT Indonesia Kendaraan Terminal	Subsidiary of State Owned Enterprise
169.	PT Indonesia Power	Subsidiary of State Owned Enterprise
170.	PT Indonusa Telemedia	Subsidiary of State Owned Enterprise
171.	PT Indopelita Aircraft Service	Subsidiary of State Owned Enterprise
172.	PT Industri Karet Nusantara	Subsidiary of State Owned Enterprise
173.	PT Industri Kemasan Semen Gresik	Subsidiary of State Owned Enterprise
174.	PT Industri Nabati Lestari (PT Sinar Oleo Nusantara)	Subsidiary of State Owned Enterprise
175.	PT Infomedia Nusantara	Subsidiary of State Owned Enterprise
176.	PT Infomedia Solusi Humanika	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
177.	PT Infrastruktur Telekomunikasi Indonesia	Subsidiary of State Owned Enterprise
178.	PT Inhutani I	Subsidiary of State Owned Enterprise
179.	PT Inhutani II	Subsidiary of State Owned Enterprise
180.	PT Inhutani III	Subsidiary of State Owned Enterprise
181.	PT Inhutani IV	Subsidiary of State Owned Enterprise
182.	PT Inhutani V	Subsidiary of State Owned Enterprise
183.	PT INKA Multi Solusi	Subsidiary of State Owned Enterprise
184.	PT Integrasi Logistik Cipta Solusi	Subsidiary of State Owned Enterprise
185.	PT International Mineral Capital	Subsidiary of State Owned Enterprise
186.	PT Inti Bagas Perkasa	Subsidiary of State Owned Enterprise
187.	PT Inti Global Optical Comm	Subsidiary of State Owned Enterprise
188.	PT IPC Terminal Petikemas	Subsidiary of State Owned Enterprise
189.	PT ITCI Kayan Hutani	Subsidiary of State Owned Enterprise
190.	PT Jababeka PP Properti	Subsidiary of State Owned Enterprise
191.	PT Jakarta Industrial Estate Pulogadung	Subsidiary of State Owned Enterprise
192.	PT Jakarta International Container Terminal	Subsidiary of State Owned Enterprise
193.	PT Jakarta Trans Metropolitan	Subsidiary of State Owned Enterprise
194.	PT Jalantol Lingkarluar Jakarta	Subsidiary of State Owned Enterprise
195.	PT Jalin Pembayaran Nusantara	Subsidiary of State Owned Enterprise
196.	PT Jambi Prima Coal	Subsidiary of State Owned Enterprise
197.	PT Jasa Armada Indonesia	Subsidiary of State Owned Enterprise
198.	PT Jasa Marga Bali Tol	Subsidiary of State Owned Enterprise
199.	PT Jasa Marga Balikpapan Samarinda	Subsidiary of State Owned Enterprise
200.	PT Jasa Marga Gempol Pasuruan	Subsidiary of State Owned Enterprise
201.	PT Jasa Marga Jalanlayang Cikampek	Subsidiary of State Owned Enterprise
202.	PT Jasa Marga Japek Selatan (JJS)	Subsidiary of State Owned Enterprise
203.	PT Jasa Marga Kualanamu Tol	Subsidiary of State Owned Enterprise
204.	PT Jasa Marga Kunciran Cengkareng	Subsidiary of State Owned Enterprise
205.	PT Jasa Marga Manado Bitung	Subsidiary of State Owned Enterprise
206.	PT Jasa Marga Pandaan Malang	Subsidiary of State Owned Enterprise
207.	PT Jasa Marga Pandaan Tol	Subsidiary of State Owned Enterprise
208.	PT Jasa Marga Probolinggo Banyuwangi	Subsidiary of State Owned Enterprise
209.	PT Jasa Marga Properti	Subsidiary of State Owned Enterprise
210.	PT Jasa Marga Semarang Batang	Subsidiary of State Owned Enterprise
211.	PT Jasa Marga Ngawi Kertosono Kediri	Subsidiary of State Owned Enterprise
212.	PT Jasa Marga Surabaya Mojokerto	Subsidiary of State Owned Enterprise
213.	PT Jasa Marga Solo Ngawi	Subsidiary of State Owned Enterprise
214.	PT Jasa Marga Tollroad Maintenance	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
215.	PT Jasa Marga Tollroad Operator (JMTO)	Subsidiary of State Owned Enterprise
216.	PT Jasa Marga Transjawa Tol (JTT)	Subsidiary of State Owned Enterprise
217.	PT Jasa Peralatan Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
218.	PT Jasa Prima Logistik Bulog	Subsidiary of State Owned Enterprise
219.	PT Jawa Satu Power	Subsidiary of State Owned Enterprise
220.	PT KAI Commuter Jabodetabek	Subsidiary of State Owned Enterprise
221.	PT Kalimantan Jawa Gas	Subsidiary of State Owned Enterprise
222.	PT KA Properti Manajemen	Subsidiary of State Owned Enterprise
223.	PT Kalimantan Medika Nusantara	Subsidiary of State Owned Enterprise
224.	PT Kaltim Daya Mandiri	Subsidiary of State Owned Enterprise
225.	PT Kaltim Industrial Estate	Subsidiary of State Owned Enterprise
226.	PT Kaltim Jasa Sekuriti	Subsidiary of State Owned Enterprise
227.	PT Kaltim Jordan Abadi	Subsidiary of State Owned Enterprise
228.	PT Kaltim Kariangau Terminal	Subsidiary of State Owned Enterprise
229.	PT Karya Citra Nusantara	Subsidiary of State Owned Enterprise
230.	PT Kawasan Industri Gresik	Subsidiary of State Owned Enterprise
231.	PT Kawasan Industri Kujang Cikampek	Subsidiary of State Owned Enterprise
232.	PT Kereta Api Logistik	Subsidiary of State Owned Enterprise
233.	PT Kereta Api Pariwisata	Subsidiary of State Owned Enterprise
234.	PT Kerismas Witikco Makmur (PT Kerismas)	Subsidiary of State Owned Enterprise
235.	PT Kertas Padalarang	Subsidiary of State Owned Enterprise
236.	PT Kharisma Pemasaran Bersama Logistik	Subsidiary of State Owned Enterprise
237.	PT Kharisma Pemasaran Bersama Nusantara	Subsidiary of State Owned Enterprise
238.	PT KHI Pipe Industries	Subsidiary of State Owned Enterprise
239.	PT Kimia Farma Apotek	Subsidiary of State Owned Enterprise
240.	PT Kimia Farma Diagnostika	Subsidiary of State Owned Enterprise
241.	PT Kimia Farma Sungwun Pharmacopia	Subsidiary of State Owned Enterprise
242.	PT Kimia Farma Trading & Distribution	Subsidiary of State Owned Enterprise
243.	PT Kliring Perdagangan Berjangka Indonesia	Subsidiary of State Owned Enterprise
244.	PT Koba Tin	Subsidiary of State Owned Enterprise
245.	PT Kodja Terramarin	Subsidiary of State Owned Enterprise
246.	PT Komipo Pembangunan Jawa Bali	Subsidiary of State Owned Enterprise
247.	PT Krakatau Argo Logistics	Subsidiary of State Owned Enterprise
248.	PT Krakatau Bandar Samudra	Subsidiary of State Owned Enterprise
249.	PT Krakatau Blue Water	Subsidiary of State Owned Enterprise
250.	PT Krakatau Daedong Machinery	Subsidiary of State Owned Enterprise
251.	PT Krakatau Daya Listrik	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
252.	PT Krakatau Engineering	Subsidiary of State Owned Enterprise
253.	PT Krakatau Golden Lime	Subsidiary of State Owned Enterprise
254.	PT Krakatau Industrial Estate Cilegon	Subsidiary of State Owned Enterprise
255.	PT Krakatau Information Technology	Subsidiary of State Owned Enterprise
256.	PT Krakatau Jasa Logistik	Subsidiary of State Owned Enterprise
257.	PT Krakatau Medika	Subsidiary of State Owned Enterprise
258.	PT Krakatau Nasional Resources	Subsidiary of State Owned Enterprise
259.	PT Krakatau Niaga Indonesia	Subsidiary of State Owned Enterprise
260.	PT Krakatau Nippon Steel Sumikin	Subsidiary of State Owned Enterprise
261.	PT Krakatau Osaka Steel	Subsidiary of State Owned Enterprise
262.	PT Krakatau Posco	Subsidiary of State Owned Enterprise
263.	PT Krakatau Prima Dharma Sentana	Subsidiary of State Owned Enterprise
264.	PT Krakatau Samator	Subsidiary of State Owned Enterprise
265.	PT Krakatau Semen Indonesia	Subsidiary of State Owned Enterprise
266.	PT Krakatau Tirta Industri	Subsidiary of State Owned Enterprise
267.	PT Krakatau Wajatama	Subsidiary of State Owned Enterprise
268.	PT Krakatau Wajatama Osaka Steel Marketing	Subsidiary of State Owned Enterprise
269.	PT Kresna Kusuma Dyandra Marga	Subsidiary of State Owned Enterprise
270.	PT Kujang Tatar Persada	Subsidiary of State Owned Enterprise
271.	PT Kujang Tirta Sarana	Subsidiary of State Owned Enterprise
272.	PT Lamong Energi Indonesia	Subsidiary of State Owned Enterprise
273.	PT Lamong Nusantara Gas	Subsidiary of State Owned Enterprise
274.	PT Laras Astra Kartika	Subsidiary of State Owned Enterprise
275.	PT LEN Railway Systems	Subsidiary of State Owned Enterprise
276.	PT LEN Telekomunikasi Indonesia	Subsidiary of State Owned Enterprise
277.	PT Limbong Hidro Energi	Subsidiary of State Owned Enterprise
278.	PT Madu Baru	Subsidiary of State Owned Enterprise
279.	PT Mardec Nusa Riau	Subsidiary of State Owned Enterprise
280.	PT Marga Lingkar Jakarta	Subsidiary of State Owned Enterprise
281.	PT Marga Sarana Jabar	Subsidiary of State Owned Enterprise
282.	PT Marga Trans Nusantara	Subsidiary of State Owned Enterprise
283.	PT Mega Citra Utama	Subsidiary of State Owned Enterprise
284.	PT Mega Eltra	Subsidiary of State Owned Enterprise
285.	PT Melon Indonesia	Subsidiary of State Owned Enterprise
286.	PT Menara Antam Sejahtera (MAS)	Subsidiary of State Owned Enterprise
287.	PT Menara Maritim Indonesia	Subsidiary of State Owned Enterprise
288.	PT Meratus Jaya Iron & Steel	Subsidiary of State Owned Enterprise
289.	PT Merpati Training Center	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
290.	PT Metra Digital Investama	Subsidiary of State Owned Enterprise
291.	PT Metra Digital Media	Subsidiary of State Owned Enterprise
292.	PT Metra Plasa	Subsidiary of State Owned Enterprise
293.	PT MetraNet	Subsidiary of State Owned Enterprise
294.	PT Minahasa Brantas Energi	Subsidiary of State Owned Enterprise
295.	PT Mirtasari Hotel Development	Subsidiary of State Owned Enterprise
296.	PT Mitra Cipta Polasarana	Subsidiary of State Owned Enterprise
297.	PT Mitra Dagang Madani	Subsidiary of State Owned Enterprise
298.	PT Mitra Energi Batam (MEB)	Subsidiary of State Owned Enterprise
299.	PT Mitra Hasrat Bersama (MHB)	Subsidiary of State Owned Enterprise
300.	PT Mitra Karya Prima	Subsidiary of State Owned Enterprise
301.	PT Mitra Kerinci	Subsidiary of State Owned Enterprise
302.	PT Mitra Proteksi Madani	Subsidiary of State Owned Enterprise
303.	PT Mitra Rajawali Banjarn	Subsidiary of State Owned Enterprise
304.	PT Mitra Tekno Madani	Subsidiary of State Owned Enterprise
305.	PT Mitra Tour & Travel	Subsidiary of State Owned Enterprise
306.	PT Mitrasraya Adhijasa	Subsidiary of State Owned Enterprise
307.	PT Mitratani Dua Tujuh	Subsidiary of State Owned Enterprise
308.	PT Muba Daya Pratama	Subsidiary of State Owned Enterprise
309.	PT Multi Nitrotama Kimia (MNK)	Subsidiary of State Owned Enterprise
310.	PT Multi Terminal Indonesia	Subsidiary of State Owned Enterprise
311.	PT Multimedia Nusantara	Subsidiary of State Owned Enterprise
312.	PT New Priok Container Terminal One	Subsidiary of State Owned Enterprise
313.	PT Nikel Halmahera Timur (NHT)	Subsidiary of State Owned Enterprise
314.	PT Nindya Beton	Subsidiary of State Owned Enterprise
315.	PT Nindya Karya	Subsidiary of State Owned Enterprise
316.	PT Nusa Karya Arindo	Subsidiary of State Owned Enterprise
317.	PT Nusantara Batulicin	Subsidiary of State Owned Enterprise
318.	PT Nusantara Medika Utama	Subsidiary of State Owned Enterprise
319.	PT Nusantara Regas	Subsidiary of State Owned Enterprise
320.	PT Nusantara Sukses Investasi	Subsidiary of State Owned Enterprise
321.	PT Nusantara Terminal Services	Subsidiary of State Owned Enterprise
322.	PT Nusantara Turbin dan Propulsi	Subsidiary of State Owned Enterprise
323.	PT Nutech Integrasi	Subsidiary of State Owned Enterprise
324.	PT Optima Nusa Tujuh	Subsidiary of State Owned Enterprise
325.	PT Pal Marine Service	Subsidiary of State Owned Enterprise
326.	PT Palawi Risorsis	Subsidiary of State Owned Enterprise
327.	PT Pann Pembiayaan Maritim	Subsidiary of State Owned Enterprise
328.	PT Patra Drilling Contractor	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
329.	PT Patra Jasa	Subsidiary of State Owned Enterprise
330.	PT Patra Logistik	Subsidiary of State Owned Enterprise
331.	PT Patra Nusa Data	Subsidiary of State Owned Enterprise
332.	PT Patra Trading	Subsidiary of State Owned Enterprise
333.	PT PBM Adhiguna Putera	Subsidiary of State Owned Enterprise
334.	PT Pefindo Biro Kredit	Subsidiary of State Owned Enterprise
335.	PT Pegadaian Galeri Dua Empat	Subsidiary of State Owned Enterprise
336.	PT Pejagan Pemalang Tol	Subsidiary of State Owned Enterprise
337.	PT Pekanbaru Permai Propertindo	Subsidiary of State Owned Enterprise
338.	PT Pelabuhan Bukit Prima	Subsidiary of State Owned Enterprise
339.	PT Pelabuhan Tanjung Priok	Subsidiary of State Owned Enterprise
340.	PT Pelat Timah Nusantara Tbk (PT Latinusa)	Subsidiary of State Owned Enterprise
341.	PT Pelayanan Energi Batam	Subsidiary of State Owned Enterprise
342.	PT Pelayaran Bahtera Adiguna	Subsidiary of State Owned Enterprise
343.	PT Pefindo Energi Logistik	Subsidiary of State Owned Enterprise
344.	PT Pelindo Husada Citra (PT Rumah Sakit Primasatya Husada Citra)	Subsidiary of State Owned Enterprise
345.	PT Pelindo Marine Service	Subsidiary of State Owned Enterprise
346.	PT Pelindo Properti Indonesia	Subsidiary of State Owned Enterprise
347.	PT Pelita Air Service	Subsidiary of State Owned Enterprise
348.	PT Pelita Indonesia Djaya Corporation	Subsidiary of State Owned Enterprise
349.	PT Pemalang Batang Toll Road	Subsidiary of State Owned Enterprise
350.	PT Pembangunan Jawa Bali	Subsidiary of State Owned Enterprise
351.	PT Pendawa Lestari Perkasa	Subsidiary of State Owned Enterprise
352.	PT Pendidikan Maritim dan Logistik Indonesia	Subsidiary of State Owned Enterprise
353.	PT Pengembang Pelabuhan Indonesia	Subsidiary of State Owned Enterprise
354.	PT Pengerukan Indonesia (Rukindo)	Subsidiary of State Owned Enterprise
355.	PT Perta Daya Gas	Subsidiary of State Owned Enterprise
356.	PT Perhutani Anugerah Kimia	Subsidiary of State Owned Enterprise
357.	PT Perjaya Bravo Energi	Subsidiary of State Owned Enterprise
358.	PT Perkebunan Agrintara (PA)	Subsidiary of State Owned Enterprise
359.	PT Perkebunan Mitra Ogan	Subsidiary of State Owned Enterprise
360.	PT Perkebunan Nusantara I	Subsidiary of State Owned Enterprise
361.	PT Perkebunan Nusantara II	Subsidiary of State Owned Enterprise
362.	PT Perkebunan Nusantara IV	Subsidiary of State Owned Enterprise
363.	PT Perkebunan Nusantara IX	Subsidiary of State Owned Enterprise
364.	PT Perkebunan Nusantara V	Subsidiary of State Owned Enterprise
365.	PT Perkebunan Nusantara VI	Subsidiary of State Owned Enterprise
366.	PT Perkebunan Nusantara VII	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
367.	PT Perkebunan Nusantara VIII	Subsidiary of State Owned Enterprise
368.	PT Perkebunan Nusantara X	Subsidiary of State Owned Enterprise
369.	PT Perkebunan Nusantara XI	Subsidiary of State Owned Enterprise
370.	PT Perkebunan Nusantara XII	Subsidiary of State Owned Enterprise
371.	PT Perkebunan Nusantara XIII	Subsidiary of State Owned Enterprise
372.	PT Perkebunan Nusantara XIV	Subsidiary of State Owned Enterprise
373.	PT Permata Graha Nusantara	Subsidiary of State Owned Enterprise
374.	PT Permodalan Nasional Madani	Subsidiary of State Owned Enterprise
375.	PT Permodalan Nasional Madani Venture Capital	Subsidiary of State Owned Enterprise
376.	PT Peroksida Indonesia Pratama	Subsidiary of State Owned Enterprise
377.	PT Perta Arun Gas	Subsidiary of State Owned Enterprise
378.	PT Pertamina Bina Medika	Subsidiary of State Owned Enterprise
379.	PT Pertamina Pedeve Indonesia (formerly PT Pertamina Dana Ventura)	Subsidiary of State Owned Enterprise
380.	PT Pertamina Drilling Services Indonesia	Subsidiary of State Owned Enterprise
381.	PT Pertamina East Natuna	Subsidiary of State Owned Enterprise
382.	PT Pertamina EP	Subsidiary of State Owned Enterprise
383.	PT Pertamina Gas	Subsidiary of State Owned Enterprise
384.	PT Pertamina Geothermal Energy	Subsidiary of State Owned Enterprise
385.	PT Pertamina Hulu Energi	Subsidiary of State Owned Enterprise
386.	PT Pertamina Hulu Indonesia	Subsidiary of State Owned Enterprise
387.	PT Pertamina Hulu Mahakam	Subsidiary of State Owned Enterprise
388.	PT Pertamina Hulu Sanga Sanga	Subsidiary of State Owned Enterprise
389.	PT Pertamina Internasional Eksplorasi dan Produksi	Subsidiary of State Owned Enterprise
390.	PT Pertamina International Shipping	Subsidiary of State Owned Enterprise
391.	PT Pertamina International Timor SA	Subsidiary of State Owned Enterprise
392.	PT Pertamina Lubricants	Subsidiary of State Owned Enterprise
393.	PT Pertamina Patra Niaga	Subsidiary of State Owned Enterprise
394.	PT Pertamina Power Indonesia	Subsidiary of State Owned Enterprise
395.	PT Pertamina Retail	Subsidiary of State Owned Enterprise
396.	PT Pertamina Training & Consulting	Subsidiary of State Owned Enterprise
397.	PT Pertamina Trans Kontinental	Subsidiary of State Owned Enterprise
398.	Perum Pegadaian	Subsidiary of State Owned Enterprise
399.	PT Peruri Digital Security	Subsidiary of State Owned Enterprise
400.	PT Peruri Properti	Subsidiary of State Owned Enterprise
401.	PT Perusahaan Gas Negara	Subsidiary of State Owned Enterprise
402.	PT Pesonna Indonesia Jaya	Subsidiary of State Owned Enterprise
403.	PT Pesonna Optima Jasa	Subsidiary of State Owned Enterprise
404.	PT Peteka Karya Gapura	Subsidiary of State Owned Enterprise
405.	PT Peteka Karya Jala	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
406.	PT Peteka Karya Samudera	Subsidiary of State Owned Enterprise
407.	PT Peteka Karya Tirta	Subsidiary of State Owned Enterprise
408.	PT Petro Jordan Abadi	Subsidiary of State Owned Enterprise
409.	PT Petrokimia Gresik	Subsidiary of State Owned Enterprise
410.	PT Petrokimia Kayaku	Subsidiary of State Owned Enterprise
411.	PT Petrokopindo Cipta Selaras	Subsidiary of State Owned Enterprise
412.	PT Petronika	Subsidiary of State Owned Enterprise
413.	PT Petrosida Gresik	Subsidiary of State Owned Enterprise
414.	PT PG Rajawali I	Subsidiary of State Owned Enterprise
415.	PT PG Rajawali II	Subsidiary of State Owned Enterprise
416.	PT PGAS Solution	Subsidiary of State Owned Enterprise
417.	PT PGAS Telekomunikasi Nusantara	Subsidiary of State Owned Enterprise
418.	PT PGN LNG Indonesia	Subsidiary of State Owned Enterprise
419.	PT Phapros Tbk	Subsidiary of State Owned Enterprise
420.	PT PHE Abar	Subsidiary of State Owned Enterprise
421.	PT PHE Metana Kalimantan B	Subsidiary of State Owned Enterprise
422.	PT PHE Metana Sumatera 5	Subsidiary of State Owned Enterprise
423.	PT PHE ONWJ	Subsidiary of State Owned Enterprise
424.	PT PHE OSES Ltd	Subsidiary of State Owned Enterprise
425.	PT PHE Semai II	Subsidiary of State Owned Enterprise
426.	PT PHE West Madura Offshore	Subsidiary of State Owned Enterprise
427.	PT PINS Indonesia	Subsidiary of State Owned Enterprise
428.	PT PJB Investasi	Subsidiary of State Owned Enterprise
429.	PT PJB Services	Subsidiary of State Owned Enterprise
430.	PT PLN Batam	Subsidiary of State Owned Enterprise
431.	PT PLNBB Niaga	Subsidiary of State Owned Enterprise
432.	PT PLN Batubara	Subsidiary of State Owned Enterprise
433.	PT PLN Enjinering	Subsidiary of State Owned Enterprise
434.	PT PLN Tarakan	Subsidiary of State Owned Enterprise
435.	PT PNM Investment Management	Subsidiary of State Owned Enterprise
436.	PT Portek Indonesia	Subsidiary of State Owned Enterprise
437.	PT Pos Logistik Indonesia	Subsidiary of State Owned Enterprise
438.	PT Pos Properti Indonesia	Subsidiary of State Owned Enterprise
439.	PT PP Energi	Subsidiary of State Owned Enterprise
440.	PT PP Infrastruktur	Subsidiary of State Owned Enterprise
441.	PT PP Presisi (formerly PT PP Peralatan)	Subsidiary of State Owned Enterprise
442.	PT PP Properti	Subsidiary of State Owned Enterprise
443.	PT PP Properti Jababeka Residen	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
444.	PT PP Urban (formerly PT PP Pracetak)	Subsidiary of State Owned Enterprise
445.	PT PPA Finance	Subsidiary of State Owned Enterprise
446.	PT PPA Kapital	Subsidiary of State Owned Enterprise
447.	PT Pratama Mitra Sejati	Subsidiary of State Owned Enterprise
448.	PT Pratama Persada Airbone	Subsidiary of State Owned Enterprise
449.	PT Prima Armada raya	Subsidiary of State Owned Enterprise
450.	PT Prima Citra Nutrindo	Subsidiary of State Owned Enterprise
451.	PT Prima Husada Cipta Medan	Subsidiary of State Owned Enterprise
452.	PT Prima Indonesia Logistik	Subsidiary of State Owned Enterprise
453.	PT Prima Layanan Niaga Suku Cadang	Subsidiary of State Owned Enterprise
454.	PT Prima Medica Nusantara	Subsidiary of State Owned Enterprise
455.	PT Prima Multi Terminal	Subsidiary of State Owned Enterprise
456.	PT Prima Pengembangan Kawasan	Subsidiary of State Owned Enterprise
457.	PT Prima Power Nusantara	Subsidiary of State Owned Enterprise
458.	PT Prima Terminal Peti Kemas	Subsidiary of State Owned Enterprise
459.	PT Propernas Griya Utama	Subsidiary of State Owned Enterprise
460.	PT Pupuk Agro Nusantara	Subsidiary of State Owned Enterprise
461.	PT Pupuk Indonesia Energi	Subsidiary of State Owned Enterprise
462.	PT Pupuk Indonesia Logistik	Subsidiary of State Owned Enterprise
463.	PT Pupuk Indonesia Pangan	Subsidiary of State Owned Enterprise
464.	PT Pupuk Iskandar Muda	Subsidiary of State Owned Enterprise
465.	PT Pupuk Kalimantan Timur	Subsidiary of State Owned Enterprise
466.	PT Pupuk Kujang	Subsidiary of State Owned Enterprise
467.	PT Pupuk Sriwidjaja Palembang	Subsidiary of State Owned Enterprise
468.	PT Purantara Mitra Angkasa Dua	Subsidiary of State Owned Enterprise
469.	PT Puspertino	Subsidiary of State Owned Enterprise
470.	PT Pusri Agro Lestari	Subsidiary of State Owned Enterprise
471.	PT Putra Indo Tenaga	Subsidiary of State Owned Enterprise
472.	PT Railink	Subsidiary of State Owned Enterprise
473.	PT Rajawali Citramass	Subsidiary of State Owned Enterprise
474.	PT Rajawali Nusindo	Subsidiary of State Owned Enterprise
475.	PT Rajawali Tanjungsari Enjiniring	Subsidiary of State Owned Enterprise
476.	PT Rantepao Hidro Energi	Subsidiary of State Owned Enterprise
477.	PT Ratah Timber	Subsidiary of State Owned Enterprise
478.	PT Reasuransi Nasional Indonesia	Subsidiary of State Owned Enterprise
479.	PT Recon Sarana Utama	Subsidiary of State Owned Enterprise
480.	PT Rekadaya Elektriika	Subsidiary of State Owned Enterprise
481.	PT Rekadaya Elektriika Consult	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
482.	PT Rekaindo Global Jasa	Subsidiary of State Owned Enterprise
483.	PT Rekayasa Cakrawala Resources	Subsidiary of State Owned Enterprise
484.	PT Rekayasa Engineering	Subsidiary of State Owned Enterprise
485.	PT Rekayasa Industri (PT Rekind)	Subsidiary of State Owned Enterprise
486.	PT Rekind Daya Mamuju	Subsidiary of State Owned Enterprise
487.	PT Reska Multi Usaha	Subsidiary of State Owned Enterprise
488.	PT Riset Perkebunan Nusantara	Subsidiary of State Owned Enterprise
489.	PT Rolas Nusantara Mandiri	Subsidiary of State Owned Enterprise
490.	PT Rolas Nusantara Medika	Subsidiary of State Owned Enterprise
491.	PT Rolas Nusantara Tambang	Subsidiary of State Owned Enterprise
492.	PT Rumah Sakit Bhakti Timah	Subsidiary of State Owned Enterprise
493.	PT Rumah Sakit Pelabuhan	Subsidiary of State Owned Enterprise
494.	PT Rumah Sakit Pelni	Subsidiary of State Owned Enterprise
495.	PT Sabre Travel Network Indonesia (formerly ADSI)	Subsidiary of State Owned Enterprise
496.	PT Sahung Brantas Energi	Subsidiary of State Owned Enterprise
497.	PT Saka Energi Bangkanai Barat	Subsidiary of State Owned Enterprise
498.	PT Saka Energi Indonesia	Subsidiary of State Owned Enterprise
499.	PT Saka Pangkah LLC	Subsidiary of State Owned Enterprise
500.	PT Sarana Aceh Ventura	Subsidiary of State Owned Enterprise
501.	PT Sarana Agro Nusantara	Subsidiary of State Owned Enterprise
502.	PT Sarana Bandar Logistik	Subsidiary of State Owned Enterprise
503.	PT Sarana Bandar Nasional	Subsidiary of State Owned Enterprise
504.	PT Sarana Bengkulu Ventura	Subsidiary of State Owned Enterprise
505.	PT Sarana Jabar Ventura	Subsidiary of State Owned Enterprise
506.	PT Sarana Jakarta Ventura	Subsidiary of State Owned Enterprise
507.	PT Sarana Jambi Ventura	Subsidiary of State Owned Enterprise
508.	PT Sarana Jateng Ventura	Subsidiary of State Owned Enterprise
509.	PT Sarana Jatim Ventura	Subsidiary of State Owned Enterprise
510.	PT Sarana Kalbar Ventura	Subsidiary of State Owned Enterprise
511.	PT Sarana Kalsel Ventura	Subsidiary of State Owned Enterprise
512.	PT Sarana Kaltim Ventura	Subsidiary of State Owned Enterprise
513.	PT Sarana Papua Ventura	Subsidiary of State Owned Enterprise
514.	PT Sarana Riau Ventura	Subsidiary of State Owned Enterprise
515.	PT Sarana Sulsel Ventura	Subsidiary of State Owned Enterprise
516.	PT Sarana Sulut Ventura	Subsidiary of State Owned Enterprise
517.	PT Sarana Surakarta Ventura	Subsidiary of State Owned Enterprise
518.	PT Sari Arthamas (Sari Pacific Hotel)	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
519.	PT Sari Valuta Asing	Subsidiary of State Owned Enterprise
520.	PT Satria Bahana Sarana	Subsidiary of State Owned Enterprise
521.	PT Segara Indocheh	Subsidiary of State Owned Enterprise
522.	PT Semen Gresik	Subsidiary of State Owned Enterprise
523.	PT Semen Indonesia Aceh	Subsidiary of State Owned Enterprise
524.	PT Semen Indonesia Beton (formerly PT SGG Prima Beton)	Subsidiary of State Owned Enterprise
525.	PT Semen Indonesia Distributor (formerly PT Waru Abadi)	Subsidiary of State Owned Enterprise
526.	PT Semen Indonesia International	Subsidiary of State Owned Enterprise
527.	PT Semen Indonesia Logistik (formerly PT Varia Usaha)	Subsidiary of State Owned Enterprise
528.	PT Semen Kupang Indonesia	Subsidiary of State Owned Enterprise
529.	PT Semen Padang	Subsidiary of State Owned Enterprise
530.	PT Semen Tonasa	Subsidiary of State Owned Enterprise
531.	PT Semesta Marga Raya	Subsidiary of State Owned Enterprise
532.	PT Senggigi Pratama Internasional	Subsidiary of State Owned Enterprise
533.	PT Sentul PP Properti	Subsidiary of State Owned Enterprise
534.	PT Sepatim Batamtama	Subsidiary of State Owned Enterprise
535.	PT Sepoetih Daya Prima	Subsidiary of State Owned Enterprise
536.	PT Sinergi Mitra Investama (formerly PT SGG Energi Prima)	Subsidiary of State Owned Enterprise
537.	PT Sigma Cipta Caraka	Subsidiary of State Owned Enterprise
538.	PT Sigma Cipta Utama	Subsidiary of State Owned Enterprise
539.	PT Sigma Utama	Subsidiary of State Owned Enterprise
540.	PT Sinergi Informatika Semen Indonesia	Subsidiary of State Owned Enterprise
541.	PT Sinergi Investasi Properti	Subsidiary of State Owned Enterprise
542.	PT Sinergi Perkebunan Nusantara (SPN)	Subsidiary of State Owned Enterprise
543.	PT Sinkona Indonesia Lestari	Subsidiary of State Owned Enterprise
544.	PT Sintas Kurama Perdana	Subsidiary of State Owned Enterprise
545.	PT Solusi Bangun Andalas	Subsidiary of State Owned Enterprise
546.	PT Solusi Bangun Beton	Subsidiary of State Owned Enterprise
547.	PT Solusi Bangun Indonesia	Subsidiary of State Owned Enterprise
548.	PT Solusi Energy Nusantara	Subsidiary of State Owned Enterprise
549.	PT Sri Pamela Medika Nusantara	Subsidiary of State Owned Enterprise
550.	PT Sriwijaya Markmore Persada	Subsidiary of State Owned Enterprise
551.	PT Sucofindo Advisory Utama	Subsidiary of State Owned Enterprise
552.	PT Sucofindo Episi	Subsidiary of State Owned Enterprise
553.	PT Sumber Segara Primadaya (S2P)	Subsidiary of State Owned Enterprise
554.	PT Sumberdaya Arindo	Subsidiary of State Owned Enterprise
555.	PT Surabaya Industrial Estate Rungkut (SIER)	Subsidiary of State Owned Enterprise
556.	PT Surveyor Carbon Consulting Indonesia	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
557.	PT Surya Energi Indotama	Subsidiary of State Owned Enterprise
558.	PT Swadaya Graha	Subsidiary of State Owned Enterprise
559.	PT Tanjung Alam Jaya	Subsidiary of State Owned Enterprise
560.	PT Telekomunikasi Indonesia International	Subsidiary of State Owned Enterprise
561.	PT Telekomunikasi Selular	Subsidiary of State Owned Enterprise
562.	PT Telemedia Dinamika Sarana	Subsidiary of State Owned Enterprise
563.	PT Telkom Akses	Subsidiary of State Owned Enterprise
564.	PT Telkom Landmark Tower	Subsidiary of State Owned Enterprise
565.	PT Telkom Satelit Indonesia (formerly PT Patra Telekomunikasi Indonesia)	Subsidiary of State Owned Enterprise
566.	PT Terminal Peti Kemas Surabaya	Subsidiary of State Owned Enterprise
567.	PT Terminal Teluk Lamong	Subsidiary of State Owned Enterprise
568.	PT Tiar Daya Hidro	Subsidiary of State Owned Enterprise
569.	PT Tiga Mutiara Nusantara (TMN)	Subsidiary of State Owned Enterprise
570.	PT Timah	Subsidiary of State Owned Enterprise
571.	PT Timah Agro Manunggal	Subsidiary of State Owned Enterprise
572.	PT Timah Industri	Subsidiary of State Owned Enterprise
573.	PT Timah Investasi Mineral	Subsidiary of State Owned Enterprise
574.	PT Timah Karya Persada Properti (formerly PT Timah Adhi Wijaya)	Subsidiary of State Owned Enterprise
575.	PT Tiphone Mobile Indonesia Tbk	Subsidiary of State Owned Enterprise
576.	PT Tracon Industri	Subsidiary of State Owned Enterprise
577.	PT Trans Jabar Tol	Subsidiary of State Owned Enterprise
578.	PT Transjawa Paspro Jalan Tol	Subsidiary of State Owned Enterprise
579.	PT Trans Marga Jateng	Subsidiary of State Owned Enterprise
580.	PT Transportasi Gas Indonesia	Subsidiary of State Owned Enterprise
581.	PT Tri Sari Veem	Subsidiary of State Owned Enterprise
582.	PT Truba Bara Banyu Enim	Subsidiary of State Owned Enterprise
583.	PT Tugu Insurance Company Ltd Hongkong	Subsidiary of State Owned Enterprise
584.	PT Tugu Pratama Indonesia	Subsidiary of State Owned Enterprise
585.	PT Tugu Pratama Interindo	Subsidiary of State Owned Enterprise
586.	PT Tugu Reasuransi Indonesia	Subsidiary of State Owned Enterprise
587.	PT United Tractors Semen Gresik	Subsidiary of State Owned Enterprise
588.	PT Varia Usaha Bahari	Subsidiary of State Owned Enterprise
589.	PT Varia Usaha Beton	Subsidiary of State Owned Enterprise
590.	PT Varia Usaha Dharma Segara	Subsidiary of State Owned Enterprise
591.	PT Varia Usaha Lintas Segara	Subsidiary of State Owned Enterprise
592.	PT Waskita Beton Precast Tbk	Subsidiary of State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
593.	PT Waskita Bumi Wira	Subsidiary of State Owned Enterprise
594.	PT Waskita Fim Perkasa Realti	Subsidiary of State Owned Enterprise
595.	PT Waskita Karya Energi	Subsidiary of State Owned Enterprise
596.	PT Waskita Karya Realty	Subsidiary of State Owned Enterprise
597.	PT Waskita Sangir Energi	Subsidiary of State Owned Enterprise
598.	PT Waskita Toll Road	Subsidiary of State Owned Enterprise
599.	PT Waskita Wado Energi	Subsidiary of State Owned Enterprise
600.	PT Widar Mandripa Nusantara	Subsidiary of State Owned Enterprise
601.	PT Wijaya Karya Aspal	Subsidiary of State Owned Enterprise
602.	PT Wijaya Karya Bangunan Gedung	Subsidiary of State Owned Enterprise
603.	PT Wijaya Karya Beton	Subsidiary of State Owned Enterprise
604.	PT Wijaya Karya Bitumen	Subsidiary of State Owned Enterprise
605.	PT Wijaya Karya Industri dan Konstruksi	Subsidiary of State Owned Enterprise
606.	PT Wijaya Karya Komponen Beton	Subsidiary of State Owned Enterprise
607.	PT Wijaya Karya Krakatau Beton	Subsidiary of State Owned Enterprise
608.	PT Wijaya Karya Pracetak Gedung	Subsidiary of State Owned Enterprise
609.	PT Wijaya Karya Realty	Subsidiary of State Owned Enterprise
610.	PT Wijaya Karya Realty Minor Development	Subsidiary of State Owned Enterprise
611.	PT Wijaya Karya Rekayasa Konstruksi	Subsidiary of State Owned Enterprise
612.	PT Wisma Seratus Sejahtera	Subsidiary of State Owned Enterprise
613.	PT Yasa Industri Nusantara	Subsidiary of State Owned Enterprise
614.	Saka Indonesia Pangkah BV	Subsidiary of State Owned Enterprise
615.	Timah International Investment Pte Ltd	Subsidiary of State Owned Enterprise
616.	PT Asuransi Jasa Raharja	State Owned Enterprise
617.	Perum BULOG	State Owned Enterprise
618.	Perum DAMRI	State Owned Enterprise
619.	Perum Jaminan Kredit Indonesia (Jamkrindo)	State Owned Enterprise
620.	Perum Jasa Tirta I	State Owned Enterprise
621.	Perum Jasa Tirta II	State Owned Enterprise
622.	Perum Lembaga Penyelenggara Pelayanan Navigasi Penerbangan Indonesia (Perum LPPNPI)	State Owned Enterprise
623.	Perum LKBN Antara	State Owned Enterprise
624.	Perum Pengangkutan Djakarta (PPD)	State Owned Enterprise
625.	Perum Percetakan Negara Republik Indonesia	State Owned Enterprise
626.	Perum Percetakan Uang Republik Indonesia (Perum PERURI)	State Owned Enterprise
627.	Perum Perhutani	State Owned Enterprise
628.	Perum Perikanan Indonesia (Perum PERINDO)	State Owned Enterprise
629.	Perum Perumnas	State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities** (continued):

No.	Related parties	Nature of relationship
630.	Perum Produksi Film Negara	State Owned Enterprise
631.	PT Adhi Karya (Persero) Tbk	State Owned Enterprise
632.	PT Amarta Karya	State Owned Enterprise
633.	PT Angkasa Pura I (Persero)	State Owned Enterprise
634.	PT Angkasa Pura II (Persero)	State Owned Enterprise
635.	PT ASABRI	State Owned Enterprise
636.	PT ASDP Indonesia Ferry	State Owned Enterprise
637.	PT Asuransi Jasa Indonesia	State Owned Enterprise
638.	PT Asuransi Jiwasraya	State Owned Enterprise
639.	PT Asuransi Kredit Indonesia (PT Askrindo)	State Owned Enterprise
640.	PT Bahana Pembinaan Usaha Indonesia	State Owned Enterprise
641.	PT Balai Pustaka	State Owned Enterprise
642.	PT Bank Negara Indonesia (Persero) Tbk.	State Owned Enterprise
643.	PT Bank Rakyat Indonesia (Persero) Tbk.	State Owned Enterprise
644.	PT Bank Tabungan Negara (Persero) Tbk.	State Owned Enterprise
645.	PT Barata Indonesia	State Owned Enterprise
646.	PT Berdikari	State Owned Enterprise
647.	PT Bhandha Ghara Rekza	State Owned Enterprise
648.	PT Bina Karya	State Owned Enterprise
649.	PT Bio Farma	State Owned Enterprise
650.	PT Biro Klasifikasi Indonesia	State Owned Enterprise
651.	PT Boma Bisma Indra	State Owned Enterprise
652.	PT Brantas Abipraya	State Owned Enterprise
653.	PT Dahana	State Owned Enterprise
654.	PT Danareksa	State Owned Enterprise
655.	PT Dirgantara Indonesia	State Owned Enterprise
656.	PT Djakarta Lloyd	State Owned Enterprise
657.	PT Dok & Perkapalan Surabaya	State Owned Enterprise
658.	PT Energy Management Indonesia	State Owned Enterprise
659.	PT Garam	State Owned Enterprise
660.	PT Garuda Indonesia	State Owned Enterprise
661.	PT Hotel Indonesia Natour	State Owned Enterprise
662.	PT Utama Karya	State Owned Enterprise
663.	PT Iglas	State Owned Enterprise
664.	PT Indah Karya	State Owned Enterprise
665.	PT Indofarma	State Owned Enterprise
666.	PT Indonesia Asahan Aluminium (INALUM)	State Owned Enterprise
667.	PT Indra Karya	State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

<u>No.</u>	<u>Related parties</u>	<u>Nature of relationship</u>
668.	PT Industri Kapal Indonesia	State Owned Enterprise
669.	PT Industri Kereta Api (INKA)	State Owned Enterprise
670.	PT Industri Nuklir Indonesia	State Owned Enterprise
671.	PT Industri Sandang Nusantara	State Owned Enterprise
672.	PT Industri Telekomunikasi Indonesia (INTI)	State Owned Enterprise
673.	PT Istaka Karya	State Owned Enterprise
674.	PT Jasa Marga Tbk	State Owned Enterprise
675.	PT Kawasan Berikat Nusantara	State Owned Enterprise
676.	PT Kawasan Industri Makasar	State Owned Enterprise
677.	PT Kawasan Industri Medan	State Owned Enterprise
678.	PT Kawasan Industri Wijayakusuma	State Owned Enterprise
679.	PT Kereta Api Indonesia	State Owned Enterprise
680.	PT Kertas Kraft Aceh	State Owned Enterprise
681.	PT Kertas Leces	State Owned Enterprise
682.	PT Kimia Farma Tbk	State Owned Enterprise
683.	PT Kliring Berjangka Indonesia	State Owned Enterprise
684.	PT Krakatau Steel Tbk	State Owned Enterprise
685.	PT Len Industri	State Owned Enterprise
686.	PT Merpati Nusantara Airlines	State Owned Enterprise
687.	PT PAL Indonesia	State Owned Enterprise
688.	PT Pengembangan Armada Niaga Nasional (Persero)	State Owned Enterprise
689.	PT Pelabuhan Indonesia I	State Owned Enterprise
690.	PT Pelabuhan Indonesia II	State Owned Enterprise
691.	PT Pelabuhan Indonesia III	State Owned Enterprise
692.	PT Pelabuhan Indonesia IV	State Owned Enterprise
693.	PT Pelayaran Nasional Indonesia (PT PELNI)	State Owned Enterprise
694.	PT Pembangunan Perumahan	State Owned Enterprise
695.	PT Pengembangan Pariwisata Indonesia	State Owned Enterprise
696.	PT Pengusahaan Daerah Industri Pulau Batam	State Owned Enterprise
697.	PT Perikanan Nusantara	State Owned Enterprise
698.	PT Perkebunan Nusantara III	State Owned Enterprise
699.	PT Pertamina	State Owned Enterprise
700.	PT Pertani	State Owned Enterprise
701.	PT Perusahaan Listrik Negara	State Owned Enterprise
702.	PT Perusahaan Pengelola Aset	State Owned Enterprise
703.	PT Perusahaan Perdagangan Indonesia	State Owned Enterprise
704.	PT Pindad	State Owned Enterprise

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57. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, Bank Mandiri entered into certain significant transactions with the following related parties (continued):

• **Related parties relationship with government related entities (continued):**

No.	Related parties	Nature of relationship
705.	PT Pos Indonesia	State Owned Enterprise
706.	PT Primmisima	State Owned Enterprise
707.	PT Pupuk Indonesia Holding Company	State Owned Enterprise
708.	PT Rajawali Nusantara Indonesia	State Owned Enterprise
709.	PT Reasuransi Indonesia Utama	State Owned Enterprise
710.	PT Sang Hyang Seri	State Owned Enterprise
711.	PT Sarinah	State Owned Enterprise
712.	PT Semen Baturaja	State Owned Enterprise
713.	PT Semen Indonesia	State Owned Enterprise
714.	PT Semen Kupang	State Owned Enterprise
715.	PT Sucofindo	State Owned Enterprise
716.	PT Survai Udara Panas	State Owned Enterprise
717.	PT Surveyor Indonesia	State Owned Enterprise
718.	PT Taman Wisata Candi Borobudur, Prambanan & Ratu Boko	State Owned Enterprise
719.	PT Taspen	State Owned Enterprise
720.	PT Telekomunikasi Indonesia (PT Telkom)	State Owned Enterprise
721.	PT Varuna Tirta Prakasya	State Owned Enterprise
722.	PT Virama Karya	State Owned Enterprise
723.	PT Waskita Karya	State Owned Enterprise
724.	PT Wijaya Karya	State Owned Enterprise
725.	PT Yodya Karya	State Owned Enterprise
726.	BPJS Kesehatan	Social Security Institution
727.	BPJS Ketenagakerjaan	Social Security Institution
728.	PT Indonesia Infrastruktur Finance	Financial Institution
729.	PT Penjaminan Infrastruktur Indonesia	Financial Institution
730.	PT Sarana Multi Infrastruktur	Financial Institution
731.	PT Sarana Multigriya Finansial	Financial Institution
732.	Lembaga Pembiayaan Ekspor Indonesia	Financial Institution

Nature of transactions with government related entities are current accounts with other bank, placements with other banks, marketable securities, government bonds, other receivables - trade transaction, derivative receivables, loans, consumer financing receivables, acceptance receivables, derivative payables, deposit from customers, deposits from other bank, acceptance payables, liabilities on securities sold under agreements to repurchase, debt securities issued, fund borrowings, subordinated loans and subordinated debt, unused loan facility, bank guarantees, irrevocable letters of credit and standby letters of credit.

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57. RELATED PARTY TRANSACTIONS (continued)

• **Related parties relationship with government related entities** (continued):

In the ordinary course of its business, the Group also purchases or pays for services, such as telecommunication expense, utility expense and other expenses to government related entities.

• **Transactions with management and key personnel of Bank Mandiri**

Total gross salaries and allowances, bonus and tantiem, long-term employment benefits of the Boards of Commissioners, Directors, Audit Committee and Risk Monitoring, Sharia Supervisory Board and Senior Executive Vice President and Senior Vice President (Note 50) for the year ended 31 December 2021 and 2020 amounted to Rp1,376,923 and Rp1,474,543 or 2.80% and 3.31% of total consolidated operating expenses - others, respectively.

Details of significant transactions with related parties as of 31 December 2021 and 2020, are as follows:

	2021	2020
Assets		
Current accounts with other banks (Note 5a)	256,308	1,879,755
Placements with Bank Indonesia and other banks (Note 6b)	2,381,154	3,132,589
Marketable securities (Note 7a)	30,552,825	26,860,359
Government bonds (Note 8)	289,054,774	178,743,845
Other receivables - trade transactions (Note 9a)	13,067,399	14,016,134
Derivative receivables (Note 11)	160,416	199,976
Loans (Note 12A.a)	186,803,646	188,255,212
Consumer financing receivables (Note 13a)	7,287	6,867
Acceptance receivables (Note 15a)	2,688,460	1,058,929
Investments in shares (Note 16a)	1,784,229	1,799,313
Total assets with related parties	<u>526,756,498</u>	<u>415,952,979</u>
Total consolidated assets	<u>1,725,611,128</u>	<u>1,541,991,931</u>
Percentage of total assets with related parties to total consolidated assets	<u>30.53%</u>	<u>26.98%</u>

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57. RELATED PARTY TRANSACTIONS (continued)

Details of significant transactions with related parties as of 31 December 2021 and 2020, are as follows (continued):

	2021	2020
<u>Liabilities</u>		
Deposits from customers		
Demand deposits and <i>wadiah</i> demand deposits (Note 21a)	111,706,274	89,898,414
Saving deposits and <i>wadiah</i> saving deposit (Note 22a)	5,491,050	3,828,567
Time deposits (Note 23a)	33,467,991	48,559,521
Deposits from other banks		
Demand deposits, <i>wadiah</i> demand deposit and saving deposits (Note 24a)	53,022	47,946
Time deposits (Note 26a)	-	500,000
Derivative payables (Note 11)	9,932	131,127
Acceptance payables (Note 29a)	883,389	1,829,062
Debt securities issued (Note 30)	9,748,000	10,334,100
Fund borrowings (Note 36)	194,097	1,168,181
Subordinated loans and marketable securities (Note 37)	94,750	107,750
Total liabilities with related parties	161,666,670	156,404,668
Total consolidated liabilities	1,326,624,995	1,186,905,378
Percentage of total liabilities with related parties to total consolidated liabilities	12.19%	13.18%
Temporary <i>syirkah</i> funds (Note 38)	11,235,587	16,223,834
Percentage to total temporary <i>syirkah</i> funds	6.35%	10.79%
	2021	2020
<u>Statement of profit or loss and other comprehensive income</u>		
Interest income from government bonds and treasury bills (Note 41)	11,418,890	8,853,570
Percentage to interest income and sharia Income	11.68%	9.26%
Interest expense from fund borrowings	25,636	17,290
Percentage to interest expense and sharia expense	0.10%	0.05%
	2021	2020
Commitments and contingencies (Note 55)		
Unused loan facilities	84,010,917	60,726,765
Outstanding irrevocable letters of credit	9,307,478	7,224,901
Guarantees issued in the form of bank guarantee	23,633,414	19,745,870
Guarantees issued in the form of Standby letters of credit	12,239,512	6,208,229
Total commitments and contingencies for related parties	129,191,321	93,905,765
Total consolidated commitments and contingencies - net	293,398,308	253,502,361
Percentages of total commitments and contingencies with related parties to consolidated assets	44.03%	37.04%

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58. SEGMENT INFORMATION

The Group has presented its operating segments in a manner consistent with the internal reporting provided for operational decision making (refer to Note 2ak).

The following describes the operations in each reportable segments as of 31 December 2021 and 2020:

- Corporate Banking : including loans, customer deposits and other transactions belong to corporate customers, including state-owned and private enterprises.
- Commercial Banking : including loans to medium scale and automotive sector, customer deposits and other transactions belong to commercial custom.
- Government Institutional : including loans, costumer deposits and other transactions belong to government entities and pension plan of state-owned enterprises.
- Retail Banking (consists of consumer/individual segment and micro & business and wealth segment) : including loans granted to business entities or individuals with micro-scale to small, products or other services such as deposits, payment transactions and other transactions belong to micro and small customers also consumer finance loans, including mortgage loans, credit cards and other products and services such as deposits, payment transactions and other transactions belong to individual customers.
- Treasury & International Banking : treasury segment associated with treasury activities of the Bank include foreign exchange, money market, fixed income, international banking business, capital markets and supervision of the Overseas Branches.
- Head Office : mainly managing the assets and liabilities of the Group other than those managed by other operating segments including accepting the cost allocation for the provision of the centralizing services to other segments as well as income/costs that are not allocated to other segments reporting.
- Subsidiary - Sharia : including all transactions conducted by a Subsidiary engaged in sharia banking.
- Subsidiaries - Insurance : including all transactions conducted by Subsidiaries engaged in life insurance, health insurance and general insurance.
- Subsidiary - other than sharia and insurance : including all transactions of Subsidiaries engaged in consumer finance, remittance services, securities and banking.

These consolidated financial statements are originally issued in the Indonesian language.

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58. SEGMENT INFORMATION (continued)

Description	31 December 2021 ¹⁾										
	Corporate Banking	Commercial Banking	Government Institutional	Retail Banking	Treasury & International Banking	Head Office	Subsidiary - sharia	Subsidiaries - insurance	Subsidiaries - other than insurance and sharia	Adjustment and Elimination ²⁾	Total
Consolidated statement of profit or loss and other comprehensive income											
Interest and sharia income ³⁾	27,564,975	15,158,590	4,726,092	62,793,037	13,343,519	(185,415)	17,808,431	352,200	8,468,020	(52,280,365)	97,749,086
Interest and sharia expense ³⁾	(14,066,189)	(7,125,948)	(2,606,234)	(24,489,098)	(3,189,355)	(181,557)	(4,245,083)	-	(3,281,615)	34,498,489	(24,686,592)
Net interest and sharia income	13,498,786	8,032,642	2,119,858	38,303,939	10,154,164	(366,972)	13,563,348	352,200	5,186,405	(17,781,876)	73,062,494
Net premium income	-	-	-	-	-	-	-	2,079,654	-	(291,721)	1,787,933
Net interest and sharia and premium income	13,498,786	8,032,642	2,119,858	38,303,939	10,154,164	(366,972)	13,563,347	2,431,854	5,186,405	(18,073,597)	74,850,427
Other operating income:											
Other fees and commission	1,856,655	704,869	429,182	6,148,435	389,498	2,736,205	2,097,016	-	1,723,325	(676,492)	15,408,693
Other	354,754	120,629	20,453	3,831,275	6,012,411	(655,411)	1,151,140	1,330,688	2,070,249	(616,861)	13,619,327
Total	2,211,409	825,498	449,635	9,979,710	6,401,909	2,080,794	3,248,156	1,330,688	3,793,574	(1,293,353)	29,028,020
Reversal of/(allowance for) impairment losses on financial assets and others	(4,357,508)	(4,535,901)	(6,848)	(6,197,113)	114,346	1,034,804	(3,788,303)	-	(1,806,778)	-	(19,543,301)
Unrealised gains/(losses) from increase/(decrease) in fair value of policy holders' investment in unit-link contracts	-	-	-	-	-	-	-	2,824	-	-	2,824
Gain on sale of marketable securities and government bonds	-	-	-	-	-	3,167,800	-	19,132	55,468	-	3,242,400
Other operating expenses:											
Salaries and employee benefit	(167,028)	(285,879)	(7,810)	(2,312,321)	(130,296)	(12,284,788)	(4,491,775)	(505,472)	(2,783,465)	291,721	(22,677,113)
General and administrative expense	(76,190)	(76,423)	(147,555)	(1,564,294)	(115,234)	(11,324,251)	(3,646,123)	(811,508)	(1,758,120)	-	(19,519,698)
Other	(372,184)	(174,723)	(168,907)	(1,414,565)	(351,113)	(2,519,647)	(882,726)	(1,130,436)	(612,605)	683,550	(6,943,356)
Total	(615,402)	(537,025)	(324,272)	(5,291,180)	(596,643)	(26,128,686)	(9,020,624)	(2,447,416)	(5,154,190)	975,271	(49,140,167)
Non-operating income/(expense) - net	-	-	-	-	-	85,275	(43,145)	-	(123,912)	-	(81,782)
Tax expense	-	-	-	-	-	(6,310,992)	(932,318)	(166,719)	(397,292)	-	(7,807,321)
Net income	10,737,285	3,785,214	2,238,373	36,795,356	16,073,776	(26,437,977)	3,027,114	1,170,363	1,553,275	(18,391,679)	30,551,099
Net income attributable to:											
Non controlling interest											2,522,942
Parent Entity											28,028,157
Consolidated statement of financial position											
Loans - gross	333,836	24,981,302	29,721	356,397,592	6,610	446,364,803	170,288,023	-	31,715,874	(3,892,934)	1,026,224,827
Total assets	345,368,707	150,636,981	30,646,740	275,629,698	298,353,997	275,824,979	265,289,081	43,598,487	79,948,139	(18,780,148)	1,725,611,128
Demand deposits and wadiah demand deposits	(173,563,471)	(65,553,114)	(44,265,271)	(89,643,757)	(4,641,769)	(769,021)	(22,411,614)	-	(377,051)	1,433,757	(399,791,311)
Saving deposits and wadiah saving deposits	(9,012,168)	(10,378,976)	(913,213)	(360,351,355)	(220,714)	-	(34,836,276)	-	(6,601,843)	-	(422,314,545)
Time deposits	(37,197,993)	(32,054,078)	(27,920,977)	(164,857,962)	(4,486,281)	(467,153)	-	-	(27,375,072)	1,186,658	(293,172,858)
Total deposit from customers	(219,773,632)	(107,986,168)	(73,099,461)	(614,853,074)	(9,348,764)	(1,236,174)	(57,247,890)	-	(34,353,965)	2,620,415	(1,115,278,713)
Total liabilities	(226,341,072)	(110,409,147)	(73,925,871)	(616,479,180)	(22,316,618)	(116,339,135)	(63,261,476)	(39,203,806)	(66,892,728)	8,576,796	(1,326,592,237)

¹⁾ In accordance with operating segments of Bank Mandiri (Note 2ak).

²⁾ Include component of internal transfer pricing among operating segments.

³⁾ Include elimination of internal transfer pricing or reclassification among operating segments and elimination for Subsidiaries.

These consolidated financial statements are originally issued in the Indonesian language.

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58. SEGMENT INFORMATION (continued)

Description	31 December 2020 ¹⁾										
	Corporate Banking	Commercial Banking	Government Institutional	Retail Banking	Treasury & International Banking	Head Office	Subsidiary - sharia	Subsidiaries - insurance	Subsidiaries - other than insurance and sharia	Adjustment and Elimination ²⁾	Total
Consolidated statement of profit or loss and other comprehensive income											
Interest and sharia income ³⁾	29,626,240	15,379,461	6,117,208	63,457,813	12,188,773	170,765	16,929,591	399,571	6,677,337	(55,330,532)	95,616,227
Interest and sharia expense ³⁾	(20,510,964)	(10,035,551)	(4,303,694)	(30,489,152)	(4,712,202)	(121,248)	(4,872,818)	-	(3,422,929)	45,373,136	(33,095,422)
Net interest and sharia income	9,115,276	5,343,910	1,813,514	32,968,661	7,476,571	49,517	12,056,773	399,571	3,254,408	(9,957,396)	62,520,805
Net premium income	-	-	-	-	-	-	-	1,847,604	-	(333,889)	1,513,715
Net interest and sharia and premium income	9,115,276	5,343,910	1,813,514	32,968,661	7,476,571	49,517	12,056,773	2,247,175	3,254,408	(10,291,285)	64,034,520
Other operating income:											
Other fees and commission	1,720,944	523,493	313,678	5,766,754	368,551	2,223,338	1,997,441	-	1,042,468	(506,587)	13,450,080
Other	715,998	155,794	34,308	3,610,703	4,634,194	1,055,694	1,093,100	1,339,085	3,245,628	(740,187)	15,144,317
Total	2,436,942	679,287	347,986	9,377,457	5,002,745	3,279,032	3,090,541	1,339,085	4,288,096	(1,246,774)	28,594,397
Reversal of/(allowance for) impairment losses on financial assets and others	(3,964,359)	(5,189,375)	230,057	(8,896,630)	(79,821)	(1,510,786)	(3,934,837)	-	(1,352,065)	(156,891)	(24,854,707)
Unrealised gains/(losses) from increase/(decrease) in fair value of policy holders' investment in unit-link contracts	-	-	-	-	-	-	-	12,487	-	-	12,487
Gain on sale of marketable securities and government bonds	-	-	-	-	-	945,801	-	8,222	45,003	-	999,026
Other operating expenses:											
Salaries and employee benefit	(160,129)	(293,755)	(91,955)	(2,440,166)	(130,794)	(10,048,388)	(4,091,033)	(492,300)	(2,279,346)	333,889	(19,693,977)
General and administrative expense	(83,500)	(86,903)	(150,778)	(2,454,719)	(154,689)	(10,403,538)	(3,282,305)	(813,571)	(1,442,828)	-	(18,872,831)
Other	(1,370,120)	(677,782)	(363,535)	(16,661,962)	(337,784)	15,216,576	(826,158)	(1,092,374)	(364,461)	514,172	(5,963,428)
Total	(1,613,749)	(1,058,440)	(606,268)	(21,556,847)	(623,267)	(5,235,350)	(8,199,496)	(2,398,245)	(4,086,635)	848,061	(44,530,236)
Non-operating income/(expense) - net	-	-	-	-	-	220,994	(7,786)	-	(76,290)	-	136,918
Tax expense	-	-	-	-	-	(4,840,144)	(817,548)	(147,815)	(187,970)	-	(5,993,477)
Net income	5,974,110	(224,618)	1,785,289	11,892,641	11,776,228	(7,090,936)	2,187,646	1,060,909	1,884,547	(10,846,889)	18,398,928
Net income attributable to:											
Non controlling interest											1,599,413
Parent Entity											16,799,515
Consolidated statement of financial position											
Loans - gross	309,632,987	156,501,772	24,577,377	262,713,556	8,620,596	1,557,127	155,145,098	-	25,902,446	(2,583,272)	942,067,687
Total assets	322,800,047	135,172,905	25,593,355	255,575,245	235,229,615	234,674,272	239,581,526	39,791,921	68,204,436	(14,658,755)	1,541,964,567
Demand deposits and wadiah demand deposits	(120,560,259)	(47,216,651)	(42,933,853)	(68,831,715)	(4,443,589)	-	(30,822,613)	-	(165,287)	576,489	(314,397,478)
Saving deposits and wadiah saving deposits	(7,086,785)	(8,177,198)	(1,216,337)	(322,109,076)	(109,541)	-	(29,580,970)	-	(4,742,003)	-	(373,021,910)
Time deposits	(36,003,987)	(27,365,141)	(50,424,994)	(167,943,498)	(4,533,682)	-	-	-	(22,735,448)	1,225,470	(307,781,280)
Total deposit from customers	(163,651,031)	(82,758,990)	(94,575,184)	(558,884,289)	(9,086,812)	-	(60,403,583)	-	(27,642,738)	1,801,959	(995,200,668)
Total liabilities	(170,890,842)	(85,055,589)	(95,147,753)	(560,828,662)	(17,178,819)	(104,237,568)	(67,415,362)	(35,497,520)	(56,809,925)	6,156,658	(1,186,905,382)

¹⁾ In accordance with operating segments of Bank Mandiri (Note 2ak).

²⁾ Include component of internal transfer pricing among operating segments.

³⁾ Include elimination of internal transfer pricing or reclassification among operating segments and elimination for Subsidiaries.

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58. SEGMENT INFORMATION (continued)

Geographical segment

The principal operations of the Group is managed in Indonesia, Asia (Singapore, Hong Kong, Timor Leste, Shanghai, Malaysia), Western Europe (England) and Cayman Islands, Information concerning the geographical segments of the Group is set out in the table below:

Information on geographical segment for the year ended 31 December 2021:

	Indonesia	Asia	West Europe	Cayman Islands	Consolidated
Consolidated statement of profit or loss and other comprehensive income					
Interest and sharia income	96,003,722	1,334,294	63,674	347,396	97,749,086
Interest and sharia expense	(24,376,643)	(254,431)	(12,169)	(43,349)	(24,686,592)
Net interest and sharia income	71,627,079	1,079,863	51,505	304,047	73,062,494
Net premium income	1,787,933	-	-	-	1,787,933
Net interest and sharia and premium income	73,415,012	1,079,863	51,505	304,047	74,850,427
Other operating income:					
Others fees and commissions	15,013,086	306,658	-	88,949	15,408,693
Others	13,525,155	74,095	5,772	14,305	13,619,327
Total	28,538,241	380,753	5,772	103,254	29,028,020
(Allowance for)/reversal of impairment losses on financial assets and others	(19,377,138)	(164,948)	(1,758)	543	(19,543,301)
Unrealised gains/(losses) from increase/(decrease) in fair value of marketable securities, government bonds, and policyholders' investment in unit-link contracts	2,824	-	-	-	2,824
Gain on sale of marketable securities and government bonds	3,038,319	124,616	-	79,465	3,242,400
Other operating expenses:					
Salaries and employee benefit	(22,469,860)	(169,969)	(26,572)	(10,711)	(22,677,112)
General, administrative expenses and others	(26,291,010)	(128,906)	(20,872)	(22,267)	(26,463,055)
Total	(48,760,870)	(298,875)	(47,444)	(32,978)	(49,140,167)
Non operating income/ (expense) - net	(45,805)	(13,466)	-	(22,511)	(81,782)
Tax expense	(7,617,031)	(188,978)	(1,315)	-	(7,807,324)
Net income	29,193,549	918,965	6,760	431,820	30,551,094
Net income attributable to:					
Noncontrolling interest	-	-	-	-	2,522,942
Parent Entity	-	-	-	-	28,028,155
Consolidated statement of financial position					
Loans	971,712,526	37,339,840	364,793	16,807,668	1,026,224,827
Total assets	1,639,987,831	59,681,920	2,613,274	23,328,103	1,725,611,128
Demand deposits and <i>wadiah</i> demand deposits	(393,446,628)	(6,118,604)	(226,079)	-	(399,791,311)
Saving deposits and <i>wadiah</i> saving deposits	(419,563,405)	(2,751,140)	-	-	(422,314,545)
Time deposits	(291,915,172)	(1,257,685)	-	-	(293,172,857)
Total deposit from customers	(1,104,925,205)	(10,127,429)	(226,079)	-	(1,115,278,713)
Total liabilities	(1,241,791,774)	(59,613,445)	(1,862,916)	(23,324,102)	(1,326,592,237)

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58. SEGMENT INFORMATION (continued)

Geographical segment (continued)

Information on geographical segment for the year ended 31 December 2020:

	Indonesia	Asia	West Europe	Cayman Islands	Consolidated
Consolidated statement of profit or loss and other comprehensive income					
Interest and sharia income	93,819,850	1,404,667	71,796	319,914	95,616,227
Interest and sharia expense	(32,505,937)	(508,284)	(20,449)	(60,752)	(33,095,422)
Net interest and sharia income	61,313,913	896,383	51,347	259,162	62,520,805
Net premium income	1,513,715	-	-	-	1,513,715
Net interest and sharia and premium income	62,827,628	896,383	51,347	259,162	64,034,520
Other operating income:					
Others fees and commissions	13,172,849	244,123	-	33,108	13,450,080
Others	14,853,769	159,239	5,127	126,182	15,144,317
Total	28,026,618	403,362	5,127	159,290	28,594,397
(Allowance for)/reversal of impairment losses on financial assets and others	(24,885,589)	(70,526)	939	100,469	(24,854,707)
Unrealised gains/(losses) from increase/(decrease) in fair value of marketable securities, government bonds, and policyholders' investment in unit-link contracts	12,487	-	-	-	12,487
Gain on sale of marketable securities and government bonds	886,200	102,717	-	10,109	999,026
Other operating expenses:					
Salaries and employee benefit	(19,468,806)	(186,744)	(29,710)	(8,717)	(19,693,977)
General, administrative expenses and others	(24,655,079)	(139,520)	(20,834)	(20,826)	(24,836,259)
Total	(44,123,885)	(326,264)	(50,544)	(29,543)	(44,530,236)
Non operating income/ (expense) - net	100,086	57,443	-	(20,611)	136,918
Tax expense	(5,840,272)	(151,548)	(1,657)	-	(5,993,477)
Net income	17,003,273	911,567	5,212	478,876	18,398,928
Net income attributable to:					
Noncontrolling interest	-	-	-	-	1,599,413
Parent Entity	-	-	-	-	16,799,515
Consolidated statement of financial position					
Loans	902,865,673	31,629,367	240,030	7,332,617	942,067,687
Total assets	1,478,868,577	48,460,937	2,178,249	12,456,804	1,541,964,567
Demand deposits and wadiah demand deposits	(310,157,009)	(4,179,019)	(61,450)	-	(314,397,478)
Saving deposits and wadiah saving deposits	(370,542,398)	(2,479,512)	-	-	(373,021,910)
Time deposits	(306,246,981)	(1,534,299)	-	-	(307,781,280)
Total deposit from customers	(986,946,388)	(8,192,830)	(61,450)	-	(995,200,668)
Total liabilities	(1,124,878,228)	(48,228,651)	(1,432,004)	(12,366,499)	(1,186,905,382)

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59. CAPITAL ADEQUACY RATIO

Capital risk management

Bank Mandiri's capital policy is prudently complied with the regulatory capital requirement, diversifying its capital resources to anticipate long-term strategic plans and efficiently allocate capital to business segments that have the potential to provide an optimal risk-return profile, including placement and investment in Subsidiaries in order to meet stakeholder's expectations including investors and regulators.

Bank Mandiri ensures it has sufficient capital to meet credit risk, market risk and operational risk, both in supporting business growth in normal conditions and anticipating stress conditions.

The Capital Adequacy Ratio (CAR) calculated in accordance with FSA's Regulation No. 34/POJK.03/2016 dated 22 September 2016 on Amendments to the FSA's Regulation No. 11/POJK.03/2016 regarding the Minimum Capital Requirement for Commercial Banks.

For the calculation of Risk Weighted Assets, Bank uses Basel II Standardised Approach¹ for Credit Risk and has included External Rating component. In addition, the Bank has gradually carried out a simulation using Internal Ratings-Based Approach. For Market Risk, the Bank uses Basel II Standardised Measurement Method² and internally uses Value at Risk. For Operational Risk, the Bank refers to Basel II Basic Indicator Approach³.

The calculation result of Risk Weighted Assets (Credit, Operational and Market) and Capital Adequacy Ratio (CAR) as of 31 December 2021 and 2020 (Bank Mandiri only) are as follows:

	2021	2020
Capital:		
Core capital	165,492,705	155,646,179
Supplementary capital	9,764,189	9,011,176
Total capital for credit risk, operational risk and market risk	175,256,894	164,657,355
Risk-Weighted Assets for credit	757,497,030	688,150,152
Risk-Weighted Assets for operational	130,682,428	128,716,464
Risk-Weighted Assets for market	5,849,789	10,594,562
Total Risk-Weighted Assets for credit, operational and market risk	894,029,247	827,461,178

1 Referring to SE OJK No. 42/SEOJK.03/2016 regarding Guidelines for Calculation of Risk-Weighted Assets ("RWA") for Credit Risk by Using a Standard Approach, SE OJK No. 48/SEOJK.03/2017 regarding Guidelines for Calculation of Net Receivables for Derivative Transactions in Calculation of Risk Weighted Assets for Credit Risk Using the Standard Approach and SE OJK Approach No. 11/SEOJK.03/2018 regarding Amendments to SEOJK No. 42/SEOJK.03/2016 regarding Guidelines for Calculation of RWA for Credit Risk by Using a Standard Approach.

2 Referring to SE OJK No. 38/SEOJK.03/2016 regarding Guidelines for Using Standard Methods in Calculating Minimum Capital Requirements for Commercial Banks to Calculate Market Risk.

3 Referring to SE OJK No. 24/SEOJK.03/2016 regarding Risk-Weighted Assets Calculation for Operational Risk by Using a Basic Indicator Approach.

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59. CAPITAL ADEQUACY RATIO (continued)

Capital risk management (continued)

	2021	2020
CAR for core capital	18.51%	18.81%
CAR for credit risk	23.14%	23.93%
CAR for credit risk and operational risk	19.73%	20.16%
CAR for credit risk and market risk	22.96%	23.56%
CAR for credit risk, operational risk and market risk	19.60%	19.90%
Minimum CAR core capital	6.00%	6.00%
Minimum CAR based on risk profile ⁴	9.75%	9.83%

The Bank's capital adequacy ratio on a consolidated basis as of 31 December 2021 and 2020 including credit, operational and market risk are 19.56% and 19.58%, respectively, taking into account credit and operational risk are 19.67% and 19.81%, respectively.

60. NON-PERFORMING EARNING ASSETS RATIO, ALLOWANCE FOR IMPAIRMENT LOSSES ON EARNING ASSETS FULFILLMENT RATIO, MICRO AND SMALL BUSINESS LOANS RATIO AND LEGAL LENDING LIMIT

Non-performing earning assets to total earning assets ratio (including Off-Balance Sheet) as of 31 December 2021 and 2020 (Bank Mandiri only) are 1.60% and 1.87%, respectively. For Non-Performing Loan (NPL) ratio refer to Note 12.A.d.

The ratio of total allowance for impairment losses on earning assets provided by Bank Mandiri as of 31 December 2021 and 2020 compared to the minimum allowance for impairment losses on earning assets under the guidelines prescribed by Bank Indonesia as of 31 December 2021 and 2020 are 191.14% and 178.93%, respectively.

The ratio of small-scale and micro business loans to total loans provided by Bank Mandiri for the year ended as of 31 December 2021 and 2020 are 8.82% and 7.18%, respectively.

Regarding the Legal Lending Limit (LLL) as of 31 December 2021 and 2020, the Bank did not violate and exceed the LLL regulation for related parties and third parties. LLL is calculated in accordance with Bank Indonesia's Regulation No. 7/3/PBI/2005 dated 20 January 2005 regarding Legal Lending Limit for Commercial Bank as amended in Bank Indonesia Regulation No. 8/13/PBI/2006 dated 5 October 2006.

⁴ The minimum CAR for the main risks of Tier 1 and additional risks of Tier 2 (capital add-on) is based on the Internal Capital Adequacy Assessment Process (ICAAP) method.

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61. CUSTODIAN SERVICES AND TRUST OPERATIONS

Custodian services

Bank Mandiri started providing custodian services since 1995, The operating license for custodian services was renewed by Capital Market and Financial Institutions Supervisory Board based on Decree No. KEP.01/PM/Kstd/1999 dated 4 October 1999. Bank Mandiri's Custodian, which is the part of International Banking and Financial Institution Group, provides a full range of custodian services as follows:

- a. Settlement and handling services for script and scripless trading transactions;
- b. Safekeeping and administration of marketable securities and other valuable assets;
- c. Corporate action services which starting from administrating the safe keeping of customer's ownership right on marketable securities until that right become effective in the customer's account;
- d. Proxy services for its customers' in General Meeting of Shareholders and General Meeting of Bondholders;
- e. Reporting and information submission related to the customers' marketable securities and/or other valuable assets which is kept and administred by Bank Mandiri's custodian.

In order to fulfill the investors' needs in investing on various marketable securities instruments, Bank Mandiri's Custodian facilitate it through provisions of various services as follow:

- a. General custodian which provide services for investors who are investing in capital market or money market in Indonesia.
- b. Local custodian for American Depository Receipts (ADR) and Global Depository Receipts (GDR) which is needed by the investors to convert the companies' shares which are listed in local and overseas stock exchange (dual/multi listing).
- c. Sub-Registry which provide services for investors that conduct transaction and investment in Government Bonds (either in form of Bonds or Treasury Bills) and Bank Indonesia Certificates (Sertifikat Bank Indonesia (SBI)).
- d. Custodian for mutual funds and discretionary fund issued and managed by investment manager;
- e. Custodian of Euroclear for customer who is conducting investment and settlement of securities transactions registered at the in Euroclear Operations Centre, Brussels, Bank Mandiri's Custodian is a direct member of Euroclear.
- f. Securities lending and borrowing as services for customers who want to maximise their investment return by lending their securities to securities companies through intermediary and guarantee of PT Kliring Penjaminan Efek Indonesia (PT KPEI).
- g. Custodian for Exchange Traded Fund (ETF) which issued and managed by an investment manager where the unit of participation will be traded on stock exchange.
- h. Custodian for Asset Backed Securities (*Efek Beragun Aset (EBA)*) in the form of collective investment contract (*Kontrak Investasi Kolektif (KIK)*) which was issued by the investment manager and custodian bank in relation to asset securitisation transactions owned by banks or other financial institutions.

As of 31 December 2021 and 2020, Bank Mandiri's Custodian has 11,147 and 7,850 customers, respectively, which consist of pension funds, insurance companies, banks, institution, securities companies, mutual funds, other institution/legal entity and individual customer. Total portfolio by currencies as of 31 December 2021 are amounted to Rp700,155,646, USD2,365,655,270 (full amount), and EUR1,942,344 (full amount), and as of 31 December 2020 are amounted to Rp578,894,001, USD2,041,556,439 (full amount), and EUR441,100 (full amount) (unaudited). Assets kept in custodian services activities are not included in the consolidated financial statement of Bank Mandiri and its Subsidiaries.

Bank Mandiri has insured the customer's portfolio kept in custodians against potential losses arising from safekeeping and transfer of securities in accordance with the Financial Services Authority's regulation.

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61. CUSTODIAN SERVICES AND TRUST OPERATIONS (continued)

Trustee Agent Operations

Bank Mandiri been providing Trustee Agent Operations Services since 1983, The operating license for trust services was renewed and re-registered in Decree of Capital Market and Financial Institutions Supervisory Board based on Decree No. 17/STTD-WA/PM/1999 dated 27 October 1999. The type of services are as follows:

- a. Trustee agent for bonds and MTN issuance
- b. Escrow agent
- c. Paying agent
- d. Initial Public Offering/IPO (receiving bank)
- e. Security agent

As 31 December 2021, Bank Mandiri as the Trustee manage 89 customers with the total value of bonds and MTN issued based on currency amounted Rp81,495,779 and for the year ended 31 December 2020 managed 104 customers with the total value of bonds and MTN issued amounted Rp98,653,275.

Both Bank Mandiri's trustee operations and custodian services have received quality certification ISO 9001:2015.

Trust services

Bank's trust service is the custodian services of customer's assets portfolio (the settlor) based on a written agreement between the Bank Mandiri as the trustee and customer's for the benefits of beneficiary.

Bank Mandiri has obtained the license principle and confirmation letter for the trust services based on Bank Indonesia's Letter No. 15/30/DPB1/PB1-1 dated 26 April 2013 and No. 15/32/DPB1/PB1-1 dated 28 August 2013.

Functions of Bank Mandiri Trust Service are:

- a. Paying agent is the activity of receiving and transferring money and/or funds, as well as recording cash in and cash out for and on behalf of the customer (the settlor).
- b. Investment agent is the activity of placing, converting and administering the placement of funds for and on behalf of the customer (the settlor).

Bank Mandiri's Trust Service include manage customers from various segments, including oil and gas company, corporate and commercial, as well as non-profit organization customers for the distribution of gas sales proceeds, company sales/acquisitions, and pooling of funds for foreign aid and others.

62. CHANNELING LOANS

Channeling loans based on sources of funds and economic sectors are as follows:

	2021	2020
Government:		
Agriculture	186,103	240,178
Manufacturing	14,543	954
	200,646	241,132

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62. CHANNELING LOANS (continued)

Bank Mandiri has been appointed to administer the loans received by the Government of the Republic of Indonesia through several existing schemes as follows:

1. Channeling loans from the Ministry of Finance in various currencies from several bilateral and multilateral financial institutions to finance Government projects through State Owned Enterprises, Region Owned Enterprises and Regional Government, such as: Asian Development Bank, Banque Français & Credit National, Barclays, BNP Paribas, BNP Paribas & CAI Belgium, Calyon & BNP Paribas, CDC NES, Export Finance and Insurance Corporation (EFIC) Australia, IDA, International Bank for Reconstruction and Development, Japan Bank for International Cooperation, Kreditanstalt Fur Wiederaufbau, Netherlands Urban Sector Loan & De Nederlandse Inveseringsbank voor Ontwikkelingslanden NV, Swiss Government, RDI - KI, Spain, UB Denmark, US Export Import Bank and Overseas Economic Cooperation Fund. However, based on the Regulation of the Minister of Finance No. 40/PMK.05/2015 dated 6 March 2015, stated starting from 1 October 2015 the administration of overseas loans are managed by the Ministry of Finance, except loans in the form of BI Project Aid.
2. Channeling loans from former of PIR Plantations to farmers for community plantation development which includes the Nucleus Estate Smallholder (NES) ADB project, Special PIR and Local PIR. Bank Mandiri as the administrator for the repayment of receivables to PIR Plantation Farmers, whereas the Ministry of Finance is managing the repayment of receivables to farmers and the Ministry of Agriculture is managing the technical execution of the PIR Plantation Project. The distribution of PIRBUN loans has stopped.
3. Channeling loans of Industrial Plantation Forest Reforestation (DR HTI) from the Ministry of Environment and Forestry (KLHK). Since 1999, the Ministry of Environment and Forestry has stopped distributing the Reforestation Loans for Industrial Plantation Forests, therefore the DRHTI loans which currently managed by PT Bank Mandiri (Persero) Tbk are existing DRHTI Loans which were inherited from ex legacy Bank.

Channeling loans are not presented in the consolidated statement of financial position since the credit risk are not borne by the Bank and its Subsidiaries. In accordance to the agreement mentioned above, Bank Mandiri is responsible to collect from the debtors and made payments to the Government not only the principal, but also the interest and other charges including manage loan documentation. As compensation, Bank Mandiri receives banking fee which varies from 0.50% - 2%.

63. RISK MANAGEMENT

Bank Mandiri implements independent risk management and according to FSA's, Bank Indonesia's regulation and international banking best practices. Bank Mandiri adopts the Enterprise Risk Management (ERM) concept as comprehensive and integrated risk management strategy which is customised with the Bank's business and operational needs. ERM implementation provides value added benefits to the Bank's and its stakeholders.

ERM is a risk management process embedded in business strategies and operations that are integrated in the Bank's daily business decision making processes. With ERM, the Bank establishes a systematic and comprehensive risk management framework (credit risk, market risk and operational risk) by connecting the capital management and business processes with the risks in holistic approach. In addition, ERM also applies integrated risk management for the Subsidiaries, to maximise the effectiveness of supervision and value creation to the Bank based on FSA's Regulation No. 17/POJK.03/2014 regarding implementation of integrated risk management for financial conglomerates which are appropriate for the whole financial industries.

The Bank's risk management framework is based on FSA's Regulation No. 18/POJK.03/2016 regarding Risk Management Implementation for Commercial Banks. The Bank's risk management framework is included in Risk Management Policy (KMNR), which consists of various policies to support risk management function as a business enabler for business growth within the corridor of prudential principle by adopting the ideal risk management processes (identification - measurement - monitoring - risk control) at all organisation levels.

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63. RISK MANAGEMENT (continued)

As part of the ERM process, Bank Mandiri applies a Risk Appetite Statement (RAS). RAS represents, type and level of risk that the Bank is able to take/face within its risk capacity in order to achieve business objectives. The application of RAS is also synchronised with monitoring of Bank Mandiri's Recovery Plan indicators (refer to POJK No. 14/POJK.03/2017 regarding Bank Systemic Recovery Plans). The Bank Mandiri Risk Appetite Statement is as follows:

Dimensions	Statement
Rentability	Maintain a stable and sustainable profit in accordance with the level of risk taken
Capital	Maintain capital in accordance with regulatory and internal requirements
Liquidity and Funding	<ul style="list-style-type: none"> ▪ Maintaining a strong liquidity position under a variety of stressful conditions ▪ Maintain stable and well-diversified funding
Credit Risk	<ul style="list-style-type: none"> ▪ Maintain portfolio quality and credit concentration according to the Bank's appetite ▪ Maintain credit costs at optimum levels
Market Risk	Maintain market risk exposure arising from both trading book and banking book activities within the level of appetite set by management.
Operational Risk	Intolerance to external fraud, internal fraud and issues related to IT systems and data confidentiality
Legal & Compliance Risks	Intolerance for violation of regulatory compliance (which results in sanctions/fines)
Legal Risk	Maintain potential losses due to lawsuits at a low level
Reputation Risk	Maintain the Bank's reputation through reliable products and services

All risks that faced by the Bank are measured and monitored on regular basis through internal measurement method quarterly risk profile report and semiannually Bank's soundness report in order to describe all the embedded risks in the Bank's business activities, including consolidated Subsidiaries risks.

Active supervision by the Board of Directors and the Board of Commissioners on risk management activities, directly and indirectly, is implemented through the establishment of committees at the level of the Board of Commissioners which are Risk Monitoring Committee, Integrated Governance Committee, Remuneration and Nomination Committee and Audit Committee. The Executive Committee under the supervision of the Board of Directors consists of Asset & Liability Committee (ALCO), Risk Management & Credit Policy Committee (RMPC), Integrated Risk Management Committee (IRC), Capital & Subsidiaries Committee (CSC), Business Committee, Information Technology & Digital Banking Committee (ITC), Human Capital Policy Committee (HCPC), Policy & Procedure Committee (PPC) and Credit Committee.

From 9 Executive Committees supervised under Board of Directors, 4 committees directly involved with risk management, i.e RMPC, IRC, ALCO and PPC. All functions and key responsibilities are as follows:

1. Risk Management & Credit Policy Committee (RMPC)
Discuss and recommends loan regulation as well as monitoring risk profile and all risks related to the Bank.
2. Integrated Risk Committee (IRC)
Provide recommendation to the Board of Directors in order to develop integrated risk management regulations and revised or refined the standards for integrated risk management based on the results of evaluation process. Bank Mandiri as present entity has formed IRC committee as an application of PJOK No. 17/PJOK.03/2014 about integrated risk management for financial Group. Member of IRC includes Boards of Directors of parent entity and Subsidiaries.

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63. RISK MANAGEMENT (continued)

All functions and key responsibilities are as follows (continued):

3. **Asset & Liabilities Committee (ALCO)**
Manages Bank's strategic management of asset and liabilities, interest rate, liquidity and other areas related to the asset and liability management of the Bank. Furthermore, ALCO has function and responsibility to monitor risk indicator and financial Bank which state in the recovery plan and also recommend recovery plan activation in which this indicator has crossed the line.
4. **Policy & Procedure Committee (PPC)**
Manages synchronization regulation and operational procedures to be in line with the Bank's regulation.

Committees formed under Board of Commissioners including Risk Monitoring Committee, Integrated Governance Committee and Audit Committee, which have task and responsibility to review and evaluate the policy and implementation of Bank's risk management, as well as providing inputs and recommendations to the Board of Commissioners for their monitoring of rules.

At operational level, the Directorate of risk management together with business units are responsible to manage 10 risks faced by the Bank and Subsidiaries, also discuss and propose a guidance for risk management, The organization structure of risk management consist of Risk Taking Unit and Independent Risk Management Unit. Risk Taking Unit who run the four eye principles which are Wholesale Risk and Retail Risk Independent Risk Management Unit who responsible directly to Risk Management Director, which are Credit Portfolio Risk Group, Market Risk Group, Operational Risk Group, and Policy & Procedure Group.

A. Credit risk

The Bank's credit risk management is mainly focused to improve the balance between prudent loan expansion and prudent loan management to prevent quality impairment (downgrading) to Non Performing Loan (NPL) category and to optimise capital utilisation by identifying business unit, segment, product, region which contributes to value added for the Bank.

The process of managing Bank Mandiri's credit for the wholesale segment begins with setting targets the market through the Portfolio Guidelines which establish Industry Classification (attractive, neutral, selective) and the appropriate industry limits, and select and filter target customers through Industry Acceptance Criteria and Name Clearance, to produce quality debtor pipelines. The next process is to conduct a credit risk assessment using a series of credit risk tools (credit risk rating, spreadsheets, CPA, NAK, etc,) which are then decided by the Authorized Person to Approve Credit (through Credit Committee Meetings) with the four-eyes principle which involve the Business Unit and Credit Risk Management Unit independently.

The four-eye principle mechanism is carried out by the Credit Committee according to the limit of authority, where the credit termination process is carried out through the Credit Committee Meeting mechanism. The authority holder of credit decision as a member of the Credit Committee has high competence, ability and integrity so that the credit distribution process is carried out objectively, comprehensively and carefully. To monitor the performance of the authority holder in making credit decisions, the Bank has developed a monitoring database system for the authority holder. With this system, the Bank can monitor the amount and quality of loans that have been decided by the Authority Holders, so that the performance of the Authority Holders of Credit Decisions can be known at any time.

After the credit disbursement process, credit risk and the potential for debtor failure must always be monitored and detected early (Early Warning Signals), among others by using ALERT (watchlist) tools and if a debtor becomes problematic then an account strategy needs to be done including its collection, recovery and restructuring activities.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

For the retail segment, because the nature it is a mass market, then the credit process is carried out more automatically by using a credit risk scorecard, with reference to each Risk Acceptance Criteria for each products, as well as processing through an automated work-flow (loan factory).

The monitoring process is carried out in a portfolio manner through the Portfolio Quality Review, which can be continued with the collection and recovery process for the problematic portion of the portfolio.

To anticipate the deterioration of macroeconomic conditions, a what-if analysis is conducted wholesale and retail portfolios through stress testing using certain several macroeconomics scenarios.

In distributing the credit, Bank Mandiri always prioritize the principle of prudence by placing the credit analysis function which is carried out by independent business units and credit risk units, Bank Mandiri always focus on prudent principal using credit policy which managing end to end credit risks, Operationally, the policy is formalised in Credit Standards Procedures (SPK) and products manual.

To manage concentration risk on debtor level, Bank Mandiri consistently monitor Legal Lending Limit (LLL). In general, loan processing and credit risk management in Bank Mandiri had been performed end to end and integrated with Business Unit, Credit Operation Unit and Credit Risk Management Unit.

The Bank periodically reviews and updates its policies and procedures for credit in general, credit procedure by business segment and tools risk management. These policies and procedures are intended to provide a comprehensive credit risk management guideline for identification, measurement and mitigation of credit risks in the end to end loan acceptance process, start from determine market target, credit analysis, approval, documentation, credit withdrawal, monitoring and settlement process for non-performing/restructuring loans.

To improve the Bank's social role and care for the environmental risk and as an implementation of Good Corporate Governance (GCG), Bank Mandiri has set up a Guideline for Technical Analysis of Environmental and Social in granting of credit which is used as a reference in analysing environmental risk in a credit analysis. This Guideline is in line with Bank Indonesia's Regulation regarding the Quality of Asset Assessment on Commercial Bank regulating that the assessment prospect link with debtor in taking care the environment. Moreover, in order to environment preservation, Bank has already established sustainable financial action plan which stated in FSA's regulation regarding sustainable financial implementation for financial services institution, Issuers, and Public Companies.

In principle, credit risk management is implemented at transactional and portfolio levels. At the transactional level, the Bank has implemented the four-eye principle, which each loan approval involves Business Unit and Credit Risk Management Unit which work independently to achieve objective credit decision. The four-eye principles are executed by Credit Committee according to the authority limit and the loan approval process conducted through Credit Committee Meeting mechanism. Executive Business Officer and Executive Credit Officer as the Credit Committee member, must be highly competent as well as has strong capability and high integrity so that the loan granting process can be performed objectively, comprehensively and prudently. To monitor the performance of the credit authorization holders in approving the loans, the Bank has developed a monitoring database system for the credit authorization holder. By using this system, the Bank can monitor the amount and quality of the loans approved by the credit authorization holders, so that the performance of the Executive Business Officer and Executive Credit Officer can be monitored from time to time.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

To mitigate credit risk per debtor, Credit Committee sets loan structure for every debtor including appropriate covenants, which align with debtor's needs and conditions, to ensure loan granting is effective and meet the interest of the Bank and debtor. Guidelines for determining the structure of collateral regarding to credit risk mitigation policy has been regulated in detail according to the SPK (Credit Standard Procedures) for each segment.

Collateral type that can be accepted by the Bank includes moving objects (including cash, receivables, inventories, machine, and marketable securities), objects that are not moving (including land, building, and machine), and personal/corporate guarantee. To guarantee the credit facility, the Bank prioritize collateral in the form of fixed assets such as land or land and building. Bank uses value of collateral based on appraisal value by internal appraiser (Credit Operation Unit) and external appraiser who are business partner of the Bank or non business partner but approved by authorised person in business unit or credit recovery unit.

The criteria of collateral adequacy coverage (unaudited) for each segment are divided as follows:

Segment	Collateral	Minimum Coverage Amount ^{*)}
Wholesale	Funded project	100% - 150% of credit limit
	Inventory	
	Receivable	
	Fixed Asset	
	Land or land and property	
	Other collateral accepted by the Bank	
Retail	Fixed asset	100% - 200% of credit limit
	Inventory	
	Receivable	
	Land or land and property	
	Other collateral accepted by the Bank	

^{*)} Collateral coverage amount is determined by type and limit of credit facility, type and value of collateral and evaluation of debtor.

Collateral can be replaced as long as the new collateral fulfills marketability aspect and collateral value adequacy criteria, If debtors failed to pay off their loan, the collateral will be liquidated as a second way out to ensure credit recovery.

Bank Mandiri has a Rating System known as BMRS (Bank Mandiri Rating System). In addition, Bank Mandiri also has a different Credit Scoring for each segment, consisting of: SME Scoring, Micro Scoring, and Consumer Scoring.

BMRS that has been developed by the Bank consists of a Rating System for the Corporate Banking segment, a Rating System for the Wholesale SME segment, a Rating System for Project Finance and a Rating System for Financial Institutions – Banks.

By using Rating System for Financial Institutions-Banks, Bank can identify and measure risk level of Bank's Counterpart which can be tolerated in granting Credit Line facilities.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

To improve the measurement of transactional risk for the Overseas Offices, currently BMRS has been implemented in Overseas Office. To support the development of Rating and Scoring model, the Bank has a guideline for the development of Credit Rating and Credit Scoring model, which is a complete guidance for the Bank in developing credit rating and credit scoring model. In addition, to monitor the performance of credit rating and credit scoring model, the Bank conducts a review on the scoring and rating results performed by Business Units. In addition, the Bank already has a guidance to form probability of default (PD) model to support implementation of internal rating based approach. In order to monitor the performance of rating and scoring managed in the database, report of credit scoring review and rating review outlook are prepared periodically.

The models that have been developed by the Bank, both the credit and non-credit risk model, are validated internally by Model Validator, which is an independent and separate unit from the model development unit, This is performed to ensure the quality and model validity. Other than validity, another thing that is applied in risk model management is the implementation of model governance management (Risk Model Management) through Inventory Model, risk level assessment model by using model risk index, Model Control through validation process which is first-time validation or on-going validation.

Currently the Bank is in the process of developing and enhancing further the internal rating and internal scoring to be in line with Advanced Internal Rating Based Approach (A-IRB Approach), which with development of Basel II Risk Parametas model Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) for wholesale, retail and consumer segment. This also serves as preparation of model of components for Expected Credit Loss for implementation of IFRS 9 (SFAS 71) for impairment calculation.

Aside from Credit Rating and Scoring, another tools used by the Bank is the loan monitoring system, which uses to identify debtors who potentially experience difficulty in repaying their loan. The Bank conducts early warning analysis called ALERT Tools (early warning analysis) for all Corporate and Commercial debtors with collectibility 1 and 2 on quarterly basis. Based on the analysis, the Bank determines account strategy and action plan to prevent NPL.

In assessing and monitoring credit quality, Bank Mandiri always refers to Bank Indonesia regulation by prioritizing prudential principles by reviewing business prospects, as well as assessing the debtors performance and repayment ability. Credit monitoring on large corporate and middle corporate segments are performed at debtor level through Loan Monitoring System (ALERT System) that has been integrated into the IPS system. Loan monitoring system includes two functions, namely as an early detection tool through analysis of Watch List (Early Warning Analysis) and collectibility review based on 3 pillars. Loan Monitoring System is a standardised, structured and comprehensive method of debtor's performance monitoring, therefore action plan can be done immediately to prevent the deterioration of debtor credit quality.

Monitoring process is performed at the minimum on quarterly basis to identify any debtor who potentially experiencing difficulties to meet their obligations. Meanwhile, monitoring process on retail segments (SME, micro and consumer segment) is performed at portfolio level through portfolio analysis from various aspects as outlined in credit risk report.

As prevention (early warning signal), Bank Mandiri also performs simulation and stress testing on portfolio on regular basis to identify changing of portfolio quality by segment or industry, whereas the result will become a guidance for Bank Mandiri in monitoring the specific sector or debtor that potentially experiencing deterioration of quality more closely to prevent unexpected events.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

At portfolio level, risk management uses the active portfolio management approach which proactively maintain the portfolio diversification at optimum level with risk exposure at risk appetite determined by the Bank. In practice, the Bank uses Loan Portfolio Guideline (LPG) tools which consist of industry classification, industry acceptance criteria and industry limit.

Industry Classification (IC) classifies industrial sectors into 4 categories based on the prospects and the corresponding risks. The Bank uses IC in determining the industry market target in order to grow in prospective sectors and avoid sectors that have high risk. Industry Acceptance Criteria (IAC) is a basic criteria (quantitative and qualitative) which become a key success factors in certain industrial sector, The Bank uses IAC in determining targeted customers. Meanwhile, Industry Limit (IL) is used to determines maximum exposure limit for a particular industrial sector to avoid concentration risk.

Through LPG, the Bank proactively prioritizes industrial sectors that provide added value economically and selects the best companies or individuals in each of these industrial sectors (winner players) to become targeted customers. With this proactive approach, the Bank is expected to be able to maintain a healthy credit portfolio from profitable companies engaged in prospective industries. This proactive approach also avoids the risk of concentration in a certain industry or certain debtors, because the Bank is actively limiting exposure through limit policies (industry limits on a portfolio basis and limits per debtor).

LPG is determined on an annual basis and reviewed semi-annually, or if there are changes in macroeconomic conditions or internal credit portfolios that affect sectoral performance (including significant changes in commodity prices, economic conditions, and credit quality). This is intended so that LPG is always relevant to current conditions and has a predictive value at an acceptable level.

To support targeted customers and quality pipelines, the Bank has also implemented an integrated Pipeline Management System as a tool for reviewing and monitoring pipeline processing progress.

As part of its active portfolio management, the Bank always monitors the development of credit risk portfolio by calculating the credit risk profile which reflects the inherent risk and the effectiveness of the risk control system. Therefore, the Bank can take preventive action and risk mitigation in both individual and portfolio level.

To monitor quality and test the elasticity of portfolio quality (NPL and yield) to changes in economic variables which can affect the Bank's capital adequacy, the Bank regularly and at ad hoc basis conducts a stress test on the credit portfolio by large debtors group, business segment, industry and products based on various scenarios.

With this stress test, Bank will be able to understand the possibility of negative impact to the business performance of Bank Mandiri, as well as earlier anticipate and take actions to manage the portfolio and identify the most optimal solution for short-term and long-term strategies therefore quality of the Bank's portfolio and capital adequacy can be well maintained.

To comply with FSA Regulation 14/POJK.03/2017 regarding Recovery Plans for Systemic Banks, Article 31 of POJK, Bank Mandiri as a Systemic Bank (Domestic Systemically Important Bank) is required to update its Recovery Plans to overcome possible financial stress and report to FSA no later than the end of November each year. In 2021, Bank Mandiri has updated the Recovery Plan which has been approved at the Board of Directors Meeting dated 15 November 2021.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

In order to continuously develop the quality of human resources in risk management, the Bank has risk management academy which issued several risk management modules, both tailored to improve knowledge and skills as well as to generally increase employee risk awareness.

Credit Risk Management in Pandemic COVID-19 Condition

In order to support the Government's efforts to maintain economic stability, the Bank has create a credit restructuring policy for debtors affected by COVID-19 that is aligned with the dynamics of policies and regulations issued by the regulator.

The policy has set criteria for debtors and business sectors affected by COVID-19 which can be restructured by referring to POJK No.17/POJK.03/2021 (regarding the second amendment to POJK No. 11/POJK.03/2020) and the Bank's internal policy.

In addition, decision making is carried out on the basis of the four eyes principle involving the Business Unit/Credit Recovery Unit and the Risk Unit to maintain the principle of prudence. The Bank has prepared a restructuring scheme with the following mechanisms:

- a. Granting of grace period for postponement of interest and / or principal payments
- b. Can be given a tenor extension or a change in installments

The restructuring pattern imposed on Debtors refers to POJK No.40/POJK.03/2019 Concerning Asset Quality Assessment of Commercial Banks Chapter VI Credit Restructuring and is adjusted to the conditions of each Debtor.

In practice, the Bank prepares Risk Acceptance Criteria (RAC) for debtors to be restructured by COVID-19 in order to avoid moral hazard and minimize credit risk, guided by the following regulations:

- a) Regulation of the Ministry of Finance of the Republic of Indonesia No.71/PMK.08/2020 (PMK 71/2020) concerning Procedures for Government Guarantees Through Guaranteed Business Entities Designated for the Implementation of the National Economic Recovery Program (valid until 30 November 2021);
- b) Regulation of the Ministry of Finance of the Republic of Indonesia No.104/PMK.05/2020 (PMK 104/2020) concerning Placement of Funds for the Implementation of the National Economic Recovery Program (PEN), including the mechanism for Placement of State Money in Commercial Banks (still valid, but placement of state money has been returned to the state as of the maturity date of 13 January 2021);
- c) Financial Services Authority Regulation No.17/POJK.03/2021 (POJK 17/2021) regarding the Second Amendment to Financial Services Authority Regulation Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy Impact of the Spread of Coronavirus Disease 2019 (valid until 31 March 2023);
- d) Regulation of the Ministry of Finance of the Republic of Indonesia No.32/PMK.08/2021 (as an amendment to 98/PMK.08/2020 concerning Procedures for Government Guarantees for Corporate Business Actors through a Designated Guarantee Business Entity for the Implementation of the National Economic Recovery Program) (valid until 17 December 2021);
- e) Regulation of the Minister of Finance of the Republic of Indonesia No.150/PMK.05/2021 concerning Procedures for Providing Interest Subsidy/Margin Subsidy in order to Support the Implementation of the National Economic Recovery Program (valid until 31 December 2021 but collection is still ongoing);
- f) Regulation of the Coordinating Minister for Economic Affairs of the Republic of Indonesia No. 03 of 2021 (PerMenKo 03/2021) concerning the Fourth Amendment to the Regulation of the Coordinating Minister for the Economy Number 6 of 2020 concerning Special Treatment for People's Business Credit Recipients Affected by the 2019 Corona Virus Disease Pandemic (valid until 31 December 2021 but collection is still ongoing);

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

Credit Risk Management in Pandemic COVID-19 Condition (continued)

In addition to referring to regulations, in its implementation, Bank Mandiri always follows good governance principle (GCG)

With the implementation of this policy, it is hoped that Bank debtors who are affected by COVID-19 can be helped and the quality of the Bank's portfolio can be maintained properly.

In connection with the ongoing condition of the COVID-19 Pandemic, the Bank made a number of adjustments to the credit monitoring process and mechanism, both for debtors as an entity and as a portfolio. A number of adjustments were made so that the monitoring results can always provide early warning signals and determine risk mitigation to be effective in maintaining credit quality during the pandemic period.

Adjustments to the credit monitoring mechanism are carried out through:

1. Watchlist analysis of all debtors, especially debtor entities that are in the business sector affected by COVID-19 with reference to POJK 17/2021 (as the second amendment of POJK No. 11/2020) and the Bank's internal regulations. The output watchlist for debtors that have the potential to experience a decline in performance is accompanied by an action plan that is monitored for its implementation on an ongoing basis.
2. Control of credit disbursement towards debtors who are experiencing credit restructuring (especially those through the POJK National Economic Stimulus POJK 17/2021 (as the second amendment of POJK 11/2020)) so that the restructuring objectives can be achieved effectively.
3. Stress testing scenarios involving aspects of the COVID-19 pandemic as a support for judgmental decision making.
4. Implementation of post facto review of restructuring debtors affected by Covid-19 to avoid moral hazard and minimize the risk of inappropriate restructuring.

The Bank always conducts reviews on the implementation of the credit distribution and monitoring mechanism in the midst of the COVID-19 Pandemic so that adjustments can be made at the first opportunity when conditions change in the COVID-19 Pandemic by referring to government regulations and the applicable regulator.

Regarding the debtor restructuring scheme, the Bank made a number of adjustments to the provisions of the credit restructuring process by referring to POJK 17/2021 (as the second amendment of No. POJK 11/2020) and internal policies related to providing economic stimulus for debtors affected by the spread of COVID-19. The adjustment of restructuring provisions through economic stimuli stimulus includes: criteria for affected debtors, business sectors affected by COVID-19, restructuring mechanisms and schemes, decision-making authority, determination of credit quality, monitoring, reporting to regulators and accounting journals.

It is hoped that adjustments to the provisions of the credit restructuring process affected by COVID-19 are expected to be able to help Bank debtors and the quality of the Bank's credit portfolio is always well maintained.

Regarding the condition of COVID-19 which may indirectly have implications for the risk measurement model used in the Bank, and as part of the implementation of the Risk Management Model to ensure the accuracy of model predictions, the Model Validator and Model Developer jointly carry out the Stock Opname Model. The main objective of the Stock Opname Model is to review the model's performance by backtesting the model during the COVID-19 period. Backtesting is carried out primarily for credit risk models including Rating/Scoring Model, Basel Model and Macro PD, The results of the review of the Stock Opname Model process will then produce the short term and long term action plans needed to minimize the impact of COVID-19 on the accuracy of predictions from the model.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(i) Maximum exposure to credit risk before considering collateral held and other credit supports

Maximum credit risk exposures on financial assets are presented net after allowance for impairment losses without considering collateral and other credit supports as of 31 December 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Current Account with Bank Indonesia	99,023,492	52,238,679
Current Account with Other Banks	25,417,618	26,421,960
Placement with Bank Indonesia and other banks	47,783,516	82,395,487
Marketable securities ^{**})		
Government		
Fair value through profit or loss	7,005,959	1,620,956
Fair value through other comprehensive income	737,553	1,877,509
Amortized cost	20,000	20,000
At cost	90,000	233,602
Non-government		
Fair value through profit or loss	5,177,035	6,627,802
Fair value through other comprehensive income	20,924,493	17,269,068
Amortized cost	8,433,014	8,436,963
At cost	28,393,872	28,125,037
Government bonds ^{***})		
Fair value through profit or loss	7,608,317	7,896,258
Fair value through other comprehensive income	129,432,300	102,786,203
Amortized cost	115,507,886	39,423,359
At cost	33,592,148	27,684,591
Other receivables - trade transactions	27,817,547	28,308,088
Securities purchased under agreements to resell	27,317,000	55,094,456
Derivatives receivables	1,669,838	2,578,947
Loans and sharia/financing ^{*)}		
Corporate	347,660,589	325,716,019
Commercial	143,919,496	125,715,924
Retail	303,145,012	276,504,680
Sharia	162,911,050	149,114,606
Consumer financing receivables	18,633,307	18,649,899
Net investment finance leases	4,693,806	3,522,467
Acceptance receivables	10,076,751	10,109,246

^{*)} Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**)} Excluding marketable securities which are the investment from the Subsidiaries' policyholder's unit-link which has no credit risk exposure.

^{***)} Excluding government bonds which are the investment from the Subsidiaries' policyholder's unit-link which has no credit risk exposure.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Maximum credit risk exposures on financial assets are presented net after allowance for impairment losses without considering collateral and other credit supports as of 31 December 2021 and 2020 are as follows (continued):

	2021	2020
Other assets		
Accrued income	7,532,101	6,058,155
Receivables from customer transactions	1,577,312	3,130,963
Receivables from transactions related to ATM and credit card	586,391	543,698
Receivables from policyholders	275,590	223,556
Receivables from government bonds pledged as collateral	5,243,714	5,330,952
	1,592,206,707	1,413,659,490

Credit risk exposures relating to administrative accounts net after allowance for impairment losses as of 31 December 2021 and 2020 are as follows:

	2021	2020
Bank guarantees issued	100,511,291	96,892,302
Unused loan facilities ⁷⁾	93,017,492	78,188,869
Outstanding irrevocable letters of credit	19,194,560	15,372,458
Standby letter of credit	17,660,008	9,224,141
	230,383,351	199,677,770

⁷⁾ Include unused committed and uncommitted credit card facilities

The above table represents the maximum financial assets exposure on credit risk for Bank Mandiri and Subsidiaries as of 31 December 2021 and 2020, without taking into account any collateral held or other credit support. For financial assets in the consolidated statement of financial position, the exposures set out above are based on carrying amounts as reported in the consolidated financial statements.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure

a) Geographical sectors

The following table breaks down Bank Mandiri's and Subsidiaries' credit exposure at their gross amounts (without taking into account any allowance for impairment losses, collateral held or other credit support), as categorised by geographical region as of 31 December 2021 and 2020. In the following table, Bank Mandiri and Subsidiaries have allocated exposures based on the geographical area where the transactions are recorded.

	31 December 2021					Total
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others ^{****)}	
Current accounts with Bank Indonesia	99,023,492	-	-	-	-	99,023,492
Current accounts with other banks	20,250,780	10	566	-	5,190,305	25,441,661
Placement with Bank Indonesia and other banks	41,197,191	475,000	75,000	140,000	5,898,000	47,785,191
Marketable securities ^{*)}						
Government						
Fair value through profit or loss	5,507,356	-	-	-	1,498,603	7,005,959
Fair value through OCI	30,772	-	-	-	706,781	737,553
Amortized cost	20,000	-	-	-	-	20,000
At cost	90,000	-	-	-	-	90,000
Non Government						
Fair value through profit or loss	4,465,154	-	-	-	711,881	5,177,035
Fair value through OCI	19,761,165	-	-	-	1,167,341	20,928,506
Amortized cost	8,026,414	-	-	-	485,964	8,512,378
At cost	28,409,999	-	-	-	-	28,409,999
Government Bonds ^{***)}						
Fair value through profit or loss	7,608,317	-	-	-	-	7,608,317
Fair value through OCI	129,432,300	-	-	-	-	129,432,300
Amortized cost	115,507,886	-	-	-	-	115,507,886
At cost	33,592,148	-	-	-	-	33,592,148
Other receivables-trade transactions	28,258,687	-	-	-	1,039,581	29,298,268
Securities purchased under agreements to resell	27,317,000	-	-	-	-	27,317,000
Derivatives receivables	1,637,695	-	-	-	32,143	1,669,838
Loans ^{*)}						
Corporate	265,627,242	33,490,048	6,324,174	12,416,251	52,009,771	369,867,486
Commercial	119,131,310	31,348,839	14,937,059	2,832,610	2,277,858	170,527,676
Retail	205,995,358	55,322,290	22,506,178	25,006,263	6,711,552	315,541,641
Sharia	104,931,127	40,410,850	11,222,771	8,771,555	4,951,721	170,288,024
Consumer financing receivables	12,527,591	2,948,525	1,799,312	1,737,524	95,371	19,108,323
Net investment						
finance leases	4,622,267	97,725	69,746	20,964	13,071	4,823,773
Acceptance receivables	10,097,823	-	-	-	175,621	10,273,444
Other assets						
Accrued Income						
Receivables from customer transactions	1,416,232	105,733	27,994	35,512	2,668	1,588,139
Receivables from transactions related to ATM and credit card	586,391	-	-	-	-	586,391
Receivables to policyholders	275,590	-	-	-	-	275,590
Receivables from sales of marketable securities	6,558,529	396,884	120,569	147,164	308,955	7,532,101
Bonds pledged as collateral	5,243,714	-	-	-	-	5,243,714
	1,307,149,530	164,595,904	57,083,369	51,107,843	83,277,187	1,663,213,833

^{*)} Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**)} Excluding securities which are the investment of the Subsidiary's unit-link policyholders with no credit risk.

^{***)} Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

^{****)} Others include portfolios in Papua and overseas branches.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

a) Geographical sectors (continued)

	31 December 2020					Total
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others ^{****)}	
Current accounts with Bank Indonesia	52,238,679	-	-	-	-	52,238,679
Current accounts with other banks	20,956,246	10	566	-	5,542,250	26,499,072
Placement with Bank Indonesia and other banks	69,976,868	370,000	250,000	40,000	11,805,751	82,442,619
Marketable securities ^{*)}						
Government						
Fair value through profit or loss	803,441	-	-	-	817,515	1,620,956
Fair value through OCI	35,932	-	-	-	1,841,577	1,877,509
Amortized cost	20,000	-	-	-	-	20,000
At cost	233,602	-	-	-	-	233,602
Non Government						
Fair value through profit or loss	6,627,907	-	-	-	-	6,627,907
Fair value through OCI	16,248,703	-	-	-	1,021,286	17,269,989
Amortized cost	8,346,161	-	-	-	209,887	8,556,048
At cost	28,149,789	-	-	-	-	28,149,789
Government Bonds ^{****)}						
Fair value through profit or loss	7,896,258	-	-	-	-	7,896,258
Fair value through OCI	102,786,203	-	-	-	-	102,786,203
Amortized cost	39,423,359	-	-	-	-	39,423,359
At cost	27,684,591	-	-	-	-	27,684,591
Other receivables-trade transactions	29,772,858	-	-	-	223,006	29,995,864
Securities purchased under agreements to resell	55,094,456	-	-	-	-	55,094,456
Derivatives receivables	2,485,526	-	-	-	93,421	2,578,947
Loans ^{*)}						
Corporate	251,235,104	43,754,932	5,725,053	4,985,406	38,547,798	344,248,293
Commercial	109,975,182	31,925,534	8,920,323	2,884,405	592,630	154,298,074
Retail	192,906,825	49,047,848	18,870,693	21,726,225	5,824,632	288,376,223
Sharia	97,065,463	36,476,066	10,146,309	7,237,445	4,219,814	155,145,097
Consumer financing receivables	12,275,984	3,087,617	1,814,963	1,812,379	87,465	19,078,408
Net investment						
finance leases	3,463,274	54,302	39,862	16,834	7,150	3,581,422
Acceptance receivables	10,077,146	-	-	-	155,709	10,232,855
Other assets						
Accrued Income	5,160,632	404,170	113,740	136,400	243,213	6,058,155
Receivables from customer transactions	2,977,359	106,438	24,901	33,022	2,399	3,144,119
Receivables from transactions related to ATM and credit card	543,698	-	-	-	-	543,698
Receivables to policyholders	223,556	-	-	-	-	223,556
Bonds pledged as collateral	5,330,952	-	-	-	-	5,330,952
	1,160,015,754	165,226,917	45,906,410	38,872,116	71,235,503	1,481,256,700

^{*)} Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**)} Excluding securities which are the investment of the Subsidiary's unit-link policyholders with no credit risk.

^{***)} Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

^{****)} Others include portfolios in Papua and overseas branches.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

a) Geographical sectors (continued)

Credit risk exposure relating to administrative accounts are as follows:

	31 December 2021					Total
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others ^{*)}	
Administrative accounts						
Bank guarantees issued	100,661,833	328,496	24,501	40,995	1,335,714	102,391,539
Unused loan facilities ^{*)}	50,549,427	7,974,219	802,732	562,458	33,395,317	93,284,153
Outstanding irrevocable letters of credit	18,358,591	-	-	-	946,398	19,304,989
Standby letter of credit	16,822,193	6,952	-	-	868,766	17,697,911
	186,392,044	8,309,667	827,233	603,453	36,546,195	232,678,592

^{*)} Include unused committed and uncommitted credit card facilities

	31 December 2020					Total
	Jawa and Bali	Sumatera	Kalimantan	Sulawesi	Others ^{*)}	
Administrative accounts						
Bank guarantees issued	95,491,634	452,782	37,770	56,855	2,666,097	98,705,138
Unused loan facilities ^{*)}	53,198,776	5,709,768	760,017	426,485	18,403,599	78,498,645
Outstanding irrevocable letters of credit	14,672,963	-	-	-	788,686	15,461,649
Standby letter of credit	9,587,044	-	-	-	901,273	10,488,317
	172,950,417	6,162,550	797,787	483,340	22,759,655	203,153,749

^{*)} Include unused committed and uncommitted credit card facilities

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

b) Industry sectors

The following table describe Bank's credit exposure at gross amounts (without taking into account any allowance for impairment losses, collateral held or other credit support), as categorised by industry sectors as of 31 December 2021 and 2020.

	31 December 2021						
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others ^(****)	Total
Current accounts with Bank Indonesia	-	99,023,492	-	-	-	-	99,023,492
Current accounts with other banks	-	25,441,661	-	-	-	-	25,441,661
Placement with Bank Indonesia and other banks	-	47,785,191	-	-	-	-	47,785,191
Marketable securities ^(*)							
Government							
Fair value through profit or loss	7,005,959	-	-	-	-	-	7,005,959
Fair value through other comprehensive income	737,553	-	-	-	-	-	737,553
Amortized cost	20,000	-	-	-	-	-	20,000
At cost	90,000	-	-	-	-	-	90,000
Non Government							
Fair value through profit or loss	-	4,866,276	75,784	14	56,396	178,565	5,177,035
Fair value through other comprehensive income	-	10,696,668	811,771	139,691	1,808,452	7,471,924	20,928,506
Amortized cost	-	2,702,146	1,667,768	713,222	2,289,759	1,139,483	8,512,378
At cost	-	27,710,399	350,000	85,000	25,000	239,600	28,409,999
Government Bonds ^(**)							
Fair value through profit or loss	7,608,317	-	-	-	-	-	7,608,317
Fair value through other comprehensive income	129,432,300	-	-	-	-	-	129,432,300
Amortized cost	115,507,886	-	-	-	-	-	115,507,886
At cost	33,592,148	-	-	-	-	-	33,592,148
Other receivables-trade transactions	-	3,114,809	3,850,861	6,636,323	-	15,696,275	29,298,268
Securities purchased under resale agreements	-	10,394,443	-	-	38,150	16,884,407	27,317,000
Derivatives receivables	-	1,137,068	-	-	-	532,770	1,669,838
Loans ^(*)							
Corporate	23,735,316	5,115,566	78,385,459	33,617,787	45,257,661	183,755,697	369,867,486
Commercial	-	1,396,041	45,057,978	40,923,994	23,203,256	59,946,407	170,527,676
Retail	3,485	85,429	8,557,322	31,049,609	25,334,701	250,511,095	315,541,641
Sharia	9,090,302	4,854,734	9,647,640	10,610,265	16,344,273	119,740,810	170,288,024
Consumer financing receivables	86,649	63,202	222,549	50,066	402,905	18,282,951	19,108,322
Net investment finance leases	30,758	6,525	216,620	136,686	659,461	3,773,723	4,823,773
Acceptance receivables	-	1,424,075	3,232,677	54,476	-	5,562,216	10,273,444
Other assets							
Accrued income	2,439,475	1,778,567	229,930	188,155	239,052	2,656,922	7,532,101
Receivables from customer transactions	-	364,912	-	-	-	1,223,227	1,588,139
Receivables from transactions related to ATM and credit card	-	-	-	-	-	586,391	586,391
Receivables to policyholders	-	275,590	-	-	-	-	275,590
Receivables from Government Bonds pledged as collateral	-	5,243,714	-	-	-	-	5,243,714
	329,380,148	253,480,508	152,306,359	124,205,288	115,659,066	688,182,463	1,663,213,832

^(*) Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^(**) Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

^(***) Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

^(****) Others including trading, restaurant and hotel, mining, transportation, warehousing, construction, gas and water, and social services.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

b) Industry sectors (continued)

	31 December 2020						Total
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others ^(****)	
Current accounts with Bank Indonesia	-	52,238,679	-	-	-	-	52,238,679
Current accounts with other banks	-	26,499,072	-	-	-	-	26,499,072
Placement with Bank Indonesia and other banks	-	82,442,619	-	-	-	-	82,442,619
Marketable securities ^(*)							
Government							
Fair value through profit or loss	1,620,956	-	-	-	-	-	1,620,956
Fair value through other comprehensive income	1,877,509	-	-	-	-	-	1,877,509
Amortized cost	20,000	-	-	-	-	-	20,000
At cost	233,602	-	-	-	-	-	233,602
Non Government							
Fair value through profit or loss	-	6,225,559	93,632	53	286,297	22,366	6,627,907
Fair value through other comprehensive income	-	10,753,656	124,683	127,031	1,984,057	4,280,562	17,269,989
Amortized cost	-	2,737,937	1,623,885	467,091	2,561,774	1,165,361	8,556,048
At cost	-	27,042,189	640,000	85,000	143,000	239,600	28,149,789
Government Bonds ^(**)							
Fair value through profit or loss	7,896,258	-	-	-	-	-	7,896,258
Fair value through other comprehensive income	102,786,203	-	-	-	-	-	102,786,203
Amortized cost	39,423,359	-	-	-	-	-	39,423,359
At cost	27,684,591	-	-	-	-	-	27,684,591
Other receivables-trade transactions	-	2,503,486	2,932,992	13,148,896	-	11,410,490	29,995,864
Securities purchased under resale agreements	-	1,050,855	-	-	-	54,043,601	55,094,456
Derivatives receivables	-	1,658,141	-	-	-	920,806	2,578,947
Loans ^(*)							
Corporate	19,296,149	8,390,130	71,426,475	35,156,941	40,640,721	169,337,877	344,248,293
Commercial	-	1,157,013	47,333,942	32,037,068	17,371,113	56,398,938	154,298,074
Retail	-	44,852	7,244,848	22,970,727	20,206,011	237,909,785	288,376,223
Sharia	7,975	6,058,598	9,771,878	9,680,252	14,534,557	115,091,837	155,145,097
Consumer financing receivables	131,520	57,737	325,327	25,491	527,886	18,010,447	19,078,408
Net investment finance leases	43,072	8,053	165,668	125,405	587,335	2,651,889	3,581,422
Acceptance receivables	-	905,960	4,236,583	127,166	-	4,963,146	10,232,855
Other assets							
Accrued income	1,327,888	1,476,966	220,377	186,964	317,448	2,528,512	6,058,155
Receivables from customer transactions	-	433,750	-	-	-	2,710,369	3,144,119
Receivables from transactions related to ATM and credit card	-	-	-	-	-	543,698	543,698
Receivables to policyholders	-	223,556	-	-	-	-	223,556
Receivables from Government Bonds pledged as collateral	-	5,330,952	-	-	-	-	5,330,952
	202,349,082	237,239,760	146,140,290	114,138,085	99,160,199	682,229,284	1,481,256,700

^(*) Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^(**) Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

^(***) Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

^(****) Others including trading, restaurant and hotel, mining, transportation, warehousing, construction, gas and water, and social services.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- b) Industry sectors (continued)

Credit risk exposure relating to administrative accounts items are as follows:

	31 December 2021						Net
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others ^{*)}	
Administrative accounts							
Bank guarantees issued	5,098	27,638,333	24,888,976	346,517	461,239	49,051,376	102,391,539
Unused loan facilities ^{*)}	2,325,243	15,375,856	12,641,560	4,474,948	18,207,641	40,258,905	93,284,153
Outstanding irrevocable letters of credit	254,203	737,341	3,367,056	500,811	1,093,862	13,351,716	19,304,989
Standby letter of credit	-	27,196	6,708,024	170,000	1,187,125	9,605,566	17,697,911
	2,584,544	43,778,726	47,605,616	5,492,276	20,949,867	112,267,563	232,678,592

	31 December 2020						Net
	Government	Financial institution/ Bank	Manufacturing	Agriculture	Business services	Others ^{*)}	
Administrative accounts							
Bank guarantees issued	17,983	30,744,973	21,739,897	259,653	444,240	45,498,392	98,705,138
Unused loan facilities ^{*)}	14,155,222	4,668,981	6,082,729	2,958,657	4,063	50,628,993	78,498,645
Outstanding irrevocable letters of credit	23,778	136,133	1,694,376	256,144	1,457,381	11,893,837	15,461,649
Standby letter of credit	-	13,072	3,112,625	435,550	3,066,778	3,860,292	10,488,317
	14,196,983	35,563,159	32,629,627	3,910,004	4,972,462	111,881,514	203,153,749

*) Include unused committed and uncommitted credit card facilities

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63. RISK MANAGEMENT (continued)

A. Credit Risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

c) Credit quality of financial assets

As of 31 December 2021 and 2020, exposure to credit risk on financial assets are as follows:

	31 December 2021					Net
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision	
Current account with Bank Indonesia	99,023,492	-	-	99,023,492	-	99,023,492
Current account with other bank	25,441,661	-	-	25,441,661	(24,043)	25,417,618
Placement with Bank Indonesia and others bank	47,785,191	-	-	47,785,191	(1,675)	47,783,516
Marketable securities ^{*)}						
Government						
Fair value through profit or loss	7,005,959	-	-	7,005,959	-	7,005,959
Fair value through other comprehensive income	737,553	-	-	737,553	-	737,553
Amortized cost	20,000	-	-	20,000	-	20,000
At cost	90,000	-	-	90,000	-	90,000
Non-government						
Fair value through profit or loss	5,177,035	-	-	5,177,035	-	5,177,035
Fair value through other comprehensive income	20,928,506	-	-	20,928,506	(4,013)	20,924,493
Amortized cost	8,512,238	-	140	8,512,378	(79,364)	8,433,014
At cost	28,409,999	-	-	28,409,999	(16,127)	28,393,872
Government Bonds ^{***)}						
Fair value through profit or loss	7,608,317	-	-	7,608,317	-	7,608,317
Fair value through other comprehensive income	129,432,300	-	-	129,432,300	-	129,432,300
Amortized cost	115,507,886	-	-	115,507,886	-	115,507,886
At cost	33,592,148	-	-	33,592,148	-	33,592,148
Other receivables						
trade transactions	23,804,291	4,299,535	1,194,442	29,298,268	(1,480,721)	27,817,547
Securities purchased under resale agreements	27,317,000	-	-	27,317,000	-	27,317,000
Derivatives receivables	1,669,838	-	-	1,669,838	-	1,669,838
Loans ⁾						
Corporate	364,712,906	775,628	4,378,952	369,867,486	(22,206,897)	347,660,589
Commercial	149,860,058	5,423,188	15,244,430	170,527,676	(26,608,180)	143,919,496
Retail	304,864,211	6,551,086	4,126,344	315,541,641	(12,396,629)	303,145,012
Sharia	140,393,006	1,068,888	28,826,130	170,288,024	(7,376,974)	162,911,050
Consumer financing receivables	17,688,127	1,177,810	242,385	19,108,322	(475,015)	18,633,307
Net Investment finance leases	4,595,122	204,582	24,069	4,823,773	(129,967)	4,693,806
Acceptance receivables	10,271,620	-	1,824	10,273,444	(196,693)	10,076,751
Other assets						
Accrued income	7,532,101	-	-	7,532,101	-	7,532,101
Receivables from customer transactions	1,583,487	-	4,652	1,588,139	(10,827)	1,577,312
Receivables from transactions related to ATM and credit card	586,391	-	-	586,391	-	586,391
Receivable to policyholders	275,590	-	-	275,590	-	275,590
Receivables from Government						
Bonds pledged as collateral	5,243,714	-	-	5,243,714	-	5,243,714
	1,589,669,747	19,500,717	54,043,368	1,663,213,832	(71,007,125)	1,592,206,707

⁾ Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{*)} Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

^{***)} Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

As of 31 December 2021 and 2020, exposure to credit risk on financial assets are as follows (continued):

	31 December 2020					Net
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision	
Current account with Bank Indonesia	52,238,679	-	-	52,238,679	-	52,238,679
Current account with other bank	26,495,993	-	3,079	26,499,072	(77,112)	26,421,960
Placement with Bank Indonesia and others bank	82,398,042	-	44,577	82,442,619	(46,772)	82,395,847
Marketable securities ^{*)}						
Government						
Fair value through profit or loss	1,620,956	-	-	1,620,956	-	1,620,956
Fair value through other comprehensive income	1,877,509	-	-	1,877,509	-	1,877,509
Amortized cost	20,000	-	-	20,000	-	20,000
At cost	233,602	-	-	233,602	-	233,602
Non-government						
Fair value through profit or loss	6,627,907	-	-	6,627,907	(105)	6,627,802
Fair value through other comprehensive income	17,269,989	-	-	17,269,989	(921)	17,269,068
Amortized cost	8,556,048	-	-	8,556,048	(119,085)	8,436,963
At cost	28,149,789	-	-	28,149,789	(24,752)	28,125,037
Government Bonds ^{**)}						
Fair value through profit or loss	7,896,258	-	-	7,896,258	-	7,896,258
Fair value through other comprehensive income	102,786,203	-	-	102,786,203	-	102,786,203
Amortized cost	39,423,359	-	-	39,423,359	-	39,423,359
At cost	27,684,591	-	-	27,684,591	-	27,684,591
Other receivables						
trade transactions	25,541,491	3,274,634	1,179,739	29,995,864	(1,687,776)	28,308,088
Securities purchased under resale agreements	55,094,456	-	-	55,094,456	-	55,094,456
Derivatives receivables	2,578,947	-	-	2,578,947	-	2,578,947
Loans ^{*)}						
Corporate	330,609,957	9,470,200	4,168,136	344,248,293	(18,532,274)	325,716,019
Commercial	117,213,482	19,246,040	17,838,552	154,298,074	(28,582,150)	125,715,924
Retail	276,336,164	8,291,926	3,748,133	288,376,223	(11,871,543)	276,504,680
Sharia	122,619,070	1,513,300	31,012,727	155,145,097	(6,030,491)	149,114,606
Consumer financing receivables	17,453,288	1,440,325	184,795	19,078,408	(428,509)	18,649,899
Net Investment finance leases	3,372,382	178,953	30,087	3,581,422	(58,955)	3,522,467
Acceptance receivables	10,231,463	-	1,392	10,232,855	(123,609)	10,109,246
Other assets						
Accrued income	6,058,155	-	-	6,058,155	-	6,058,155
Receivables from customer transactions	3,134,231	-	9,888	3,144,119	(13,156)	3,130,963
Receivables from transactions related to ATM and credit card	543,698	-	-	543,698	-	543,698
Receivable to policyholders	223,556	-	-	223,556	-	223,556
Receivables from Government						
Bonds pledged as collateral	5,330,952	-	-	5,330,952	-	5,330,952
	1,379,620,217	43,415,378	58,221,105	1,481,256,700	(67,597,210)	1,413,659,490

^{*)} Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

^{**)} Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

^{***)} Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

As of 31 December 2021 and 2020, exposure to credit risk on administrative accounts are as follows:

	31 December 2021					Net
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision	
Administrative accounts						
Bank guarantees issued	102,144,676	-	246,863	102,391,539	(1,880,248)	100,511,291
Unused loan facilities ^{*)}	92,561,211	700,764	22,178	93,284,153	(266,661)	93,017,492
Outstanding irrevocable letters of credit	19,302,439	-	2,550	19,304,989	(110,429)	19,194,560
Standby letter of credit	17,697,911	-	-	17,697,911	(37,903)	17,660,008
	231,706,237	700,764	271,591	232,678,592	(2,295,241)	230,383,351
	31 December 2020					
	Neither past due nor impaired	Past due but not impaired	Impaired	Total	Impairment provision	Net
Administrative accounts						
Bank guarantees issued	98,515,927	-	189,211	98,705,138	(1,812,836)	96,892,302
Unused loan facilities ^{*)}	77,855,815	568,276	74,554	78,498,645	(309,776)	78,188,869
Outstanding irrevocable letters of credit	15,459,320	-	2,329	15,461,649	(89,191)	15,372,458
Standby letter of credit	10,488,317	-	-	10,488,317	(1,264,176)	9,224,141
	202,319,379	568,276	266,094	203,153,749	(3,475,979)	199,677,770

*) Include unused committed and uncommitted credit card facilities

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

As of 31 December 2021 and 2020, details of the quality of financial assets that are neither past due or nor impaired based on internal ratings are as follows:

	31 December 2021		
	Not under Monitoring ¹⁾	Under monitoring ²⁾	Total
Assets			
Current accounts with Bank Indonesia	99,023,492	-	99,023,492
Current accounts with other banks	25,441,661	-	25,441,661
Placement with Bank Indonesia and other banks	47,785,191	-	47,785,191
Marketable securities ³⁾			
Government			
Fair value through profit or loss	7,005,959	-	7,005,959
Fair value through other comprehensive income	737,553	-	737,553
Amortized cost	20,000	-	20,000
At cost	90,000	-	90,000
Non Government			
Fair value through profit or loss	5,177,035	-	5,177,035
Fair value through other comprehensive income	20,928,506	-	20,928,506
Amortized cost	8,209,928	302,310	8,512,238
At cost	28,409,999	-	28,409,999
Government Bonds ⁴⁾			
Fair value through profit or loss	7,608,317	-	7,608,317
Fair value through other comprehensive income	129,432,300	-	129,432,300
Amortized cost	115,507,886	-	115,507,886
At cost	33,592,148	-	33,592,148
Other receivables-trade transactions	11,763,464	12,040,827	23,804,291
Securities purchased under agreements to resell	27,317,000	-	27,317,000
Derivatives receivables	1,669,838	-	1,669,838
Loans ⁵⁾			
Corporate	216,273,240	148,439,666	364,712,906
Commercial	127,283,867	22,576,191	149,860,058
Retail	301,271,125	3,593,086	304,864,211
Sharia	140,393,006	-	140,393,006
Consumer financing receivables	17,688,127	-	17,688,127
Net Investment finance leases	4,595,122	-	4,595,122
Acceptance receivables	6,461,263	3,810,357	10,271,620
Other assets			
Accrued income	7,532,101	-	7,532,101
Receivables from customer transactions	1,583,487	-	1,583,487
Receivables from transactions			
related to ATM and credit card	586,391	-	586,391
Receivables to policyholders	275,590	-	275,590
Receivables from Government Bonds pledged as collateral	5,243,714	-	5,243,714
	1,398,907,310	190,762,437	1,589,669,748

¹⁾ Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

²⁾ Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

³⁾ Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

As of 31 December 2021 and 2020, details of the quality of financial assets that are neither past due or nor impaired based on internal ratings are as follows (continued):

	31 December 2020		
	Not under Monitoring ¹⁾	Under monitoring ²⁾	Total
Assets			
Current accounts with Bank Indonesia	52,238,679	-	52,238,679
Current accounts with other banks	26,495,993	-	26,495,993
Placement with Bank Indonesia and other banks	82,398,042	-	82,398,042
Marketable securities ³⁾			
Government			
Fair value through profit or loss	1,620,956	-	1,620,956
Fair value through other comprehensive income	1,877,509	-	1,877,509
Amortized cost	20,000	-	20,000
At cost	233,602	-	233,602
Non Government			
Fair value through profit or loss	6,627,907	-	6,627,907
Fair value through other comprehensive income	17,269,989	-	17,269,989
Amortized cost	8,229,524	326,524	8,556,048
At cost	28,149,789	-	28,149,789
Government Bonds ⁴⁾			
Fair value through profit or loss	7,896,258	-	7,896,258
Fair value through other comprehensive income	102,786,203	-	102,786,203
Amortized cost	39,423,359	-	39,423,359
At cost	27,684,591	-	27,684,591
Other receivables-trade transactions	9,740,337	15,801,154	25,541,491
Securities purchased under agreements to resell	55,094,456	-	55,094,456
Derivatives receivables	2,578,947	-	2,578,947
Loans ⁵⁾			
Corporate	165,997,927	164,612,030	330,609,957
Commercial	58,489,360	58,724,122	117,213,482
Retail	267,818,713	8,517,451	276,336,164
Sharia	122,619,070	-	122,619,070
Consumer financing receivables	17,453,288	-	17,453,288
Net Investment finance leases	3,372,382	-	3,372,382
Acceptance receivables	7,393,618	2,837,845	10,231,463
Other assets			
Accrued income	6,058,155	-	6,058,155
Receivables from customer transactions	3,134,231	-	3,134,231
Receivables from transactions			
related to ATM and credit card	543,698	-	543,698
Receivables to policyholders	223,556	-	223,556
Receivables from Government Bonds pledged as collateral	5,330,952	-	5,330,952
	1,128,801,091	250,819,126	1,379,620,217

¹⁾ Segments of risk management are classified into Corporate, Commercial, Retail and Sharia.

²⁾ Excluding marketable securities from investment from the Subsidiary's unit-link policyholder's with no credit risk.

³⁾ Excluding government bonds from investments from Subsidiary's unit-link policyholders with no credit risk.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

As of 31 December 2021 and 2020, details of the credit quality of administrative accounts that are neither past due nor impaired based on internal ratings are as follows:

	31 December 2021		
	Not under monitoring ¹⁾	Under monitoring ²⁾	Total
Administrative accounts			
Bank guarantees issued	68,390,769	33,753,907	102,144,676
Unused loan facilities ¹⁾	86,148,087	6,413,124	92,561,211
Outstanding irrevocable letters of credit	11,227,269	8,075,170	19,302,439
Standby letters of credit	17,169,581	528,330	17,697,911
	182,935,706	48,770,531	231,706,237

*) Include unused committed and uncommitted credit card facilities.

	31 December 2020		
	Not under monitoring ¹⁾	Under monitoring ²⁾	Total
Administrative accounts			
Bank guarantees issued	62,837,071	35,242,061	98,079,132
Unused loan facilities ¹⁾	67,559,568	10,296,247	77,855,815
Outstanding irrevocable letters of credit	7,104,254	8,338,788	15,443,042
Standby letters of credit	7,058,544	3,415,773	10,474,317
	144,559,437	57,292,869	201,852,306

*) Include unused committed and uncommitted credit card facilities.

The credit quality of financial assets that are neither past due nor impaired is explained as follows:

- 1) Not under monitoring, there is no doubt on the recovery of the financial assets.
- 2) Under monitoring.

Bank Mandiri:

There are certain considerations in relation to the debtor's ability in repaying the loan at maturity date. However, up to 31 December 2021 and 2020, there was no late payment in terms of principal installment as well as interest at maturity date. This amount includes credit exposure on marketable securities (export bills), other receivables - trade transactions and acceptance receivables with Bank Indonesia's collectibility at two (special mention) but with no overdue as of 31 December 2021 and 2020.

Subsidiaries:

Financial assets which have experienced past due in the past but no overdue as of 31 December 2021 and 2020.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

- (i) Maximum exposure to credit risk before considering collateral held and other credit supports (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

c) Credit quality of financial assets (continued)

Aging analysis of financial assets that were past due, but not impaired as of 31 December 2021 and 2020 are as follows:

	31 December 2021			
	1 - 30 days	31 - 60 days	61 - 90 days	Total
Assets				
Other receivables -				
trade transactions	4,299,535	-	-	4,299,535
Loans				
Corporate	775,628	-	-	775,628
Commercial	1,862,675	1,329,884	2,230,629	5,423,188
Retail	3,296,280	1,909,180	1,345,626	6,551,086
Sharia	1,064,224	2,303	2,361	1,068,888
Consumer financing receivables	777,084	237,677	163,049	1,177,810
Net investment finance leases	93,364	95,671	15,547	204,582
	12,168,790	3,574,715	3,757,212	19,500,721
	31 December 2020			
	1 - 30 days	31 - 60 days	61 - 90 days	Total
Assets				
Other receivables -				
trade transactions	3,274,634	-	-	3,274,634
Loans				
Corporate	9,470,200	-	-	9,470,200
Commercial	16,958,809	1,355,686	931,545	19,246,040
Retail	5,294,496	1,970,558	1,026,872	8,291,926
Sharia	1,507,490	3,581	2,229	1,513,300
Consumer financing receivables	1,071,544	261,604	107,177	1,440,325
Net investment finance leases	77,612	65,708	35,633	178,953
	37,654,785	3,657,137	2,103,456	43,415,378

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(ii) Loans

The gross amount of impaired loans, along with the provision for impairment, by class of asset as of 31 December 2021 and 2020, are summarised in the tables below:

	31 December 2021 ¹⁾				
	Corporate	Commercial	Retail	Sharia	Total
Impaired (assessed individually)					
Gross amount	4,378,878	14,854,763	552,277	2,700,187	22,486,105
Allowance for impairment losses	(4,109,214)	(13,092,721)	(388,842)	(1,174,959)	(18,765,736)
Carrying amount	269,664	1,762,042	163,435	1,525,228	3,720,369
Impaired (assessed collectively)					
Gross amount	74	389,667	3,574,067	26,125,943	30,089,751
Allowance for impairment losses	(60)	(355,320)	(2,215,290)	(4,624,298)	(7,194,968)
Carrying amount	14	34,347	1,358,777	21,501,645	22,894,783
Total gross amount	4,378,952	15,244,430	4,126,344	28,826,130	52,575,856
Allowance for impairment losses	(4,109,274)	(13,448,041)	(2,604,132)	(5,799,257)	(25,960,704)
Total carrying amount	269,678	1,796,389	1,522,212	23,026,873	26,615,152

¹⁾ Segment of Risk Management are classified into Corporate, Commercial, Retail and Sharia.

²⁾ Represents restructured and non performing debtors which categorized as stage 3 in accordance with SFAS 71 "Financial Instruments" and loans with collectability of non-performing loans and loans that are calculated individually provided by a subsidiary engaged in Sharia Banking amounting to Rp28,826,130 with allowance for losses impairment amounting to Rp5,799,257.

	31 December 2020 ¹⁾				
	Corporate	Commercial	Retail	Sharia	Total
Impaired (assessed individually)					
Gross amount	4,167,980	17,219,210	236,869	2,731,183	24,355,242
Allowance for impairment losses	(3,675,190)	(15,577,895)	(208,841)	(1,213,818)	(20,675,744)
Carrying amount	492,790	1,641,315	28,028	1,517,365	3,679,498
Impaired (assessed collectively)					
Gross amount	156	619,342	3,511,264	28,281,544	32,412,306
Allowance for impairment losses	(135)	(536,290)	(2,215,638)	(3,428,453)	(6,180,516)
Carrying amount	21	83,052	1,295,626	24,853,091	26,231,790
Total gross amount	4,168,136	17,838,552	3,748,133	31,012,727	56,767,548
Allowance for impairment losses	(3,675,325)	(16,114,185)	(2,424,479)	(4,642,271)	(26,856,260)
Total carrying amount	492,811	1,724,367	1,323,654	26,370,456	29,911,288

¹⁾ Segment of Risk Management are classified into Corporate, Commercial, Retail and Sharia.

²⁾ Represents restructured and non-performing debtor which had been categorized as stage 3 in accordance with SFAS 71 "Financial Instruments" and non-performing loans and individually calculated loans provided by Subsidiaries engaged in sharia banking amounting to Rp31,012,727 with allowance for impairment losses amounting to Rp4,642,271.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(iii) Current accounts with other banks

	31 December 2021		
	Non-impaired ¹⁾	Impaired	Total
Rupiah	726,783	-	726,783
Foreign currencies	24,714,878	-	24,714,878
Total	25,441,661	-	25,441,661
Less: allowance for impairment losses	(24,043)	-	(24,043)
Net	25,417,618	-	25,417,618
	31 December 2020		
	Non-impaired ¹⁾	Impaired	Total
Rupiah	1,942,245	-	1,942,245
Foreign currencies	24,553,748	3,079	24,556,827
Total	26,495,993	3,079	26,499,072
Less: allowance for impairment losses	(74,033)	(3,079)	(77,112)
Net	26,421,960	-	26,421,960

¹⁾ Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation,

(iv) Placement with Bank Indonesia and other banks

	31 December 2021		
	Non-impaired ¹⁾	Impaired	Total
Rupiah			
Bank Indonesia	9,200,000	-	9,200,000
Call money	1,365,000	-	1,365,000
Time deposits	1,026,750	-	1,026,750
	11,591,750	-	11,591,750
Foreign currencies			
Bank Indonesia	30,072,775	-	30,072,775
Call money	3,278,076	-	3,278,076
Placement "Fixed Term"	2,406,137	-	2,406,137
Time deposits	436,453	-	436,453
	36,193,441	-	36,193,441
Total	47,785,191	-	47,785,191
Less: allowance for impairment losses	(1,675)	-	(1,675)
Net	47,783,516	-	47,783,516

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(iv) Placement with Bank Indonesia and other banks (continued)

	31 December 2020		
	Non-impaired ¹⁾	Impaired	Total
Rupiah			
Bank Indonesia	37,167,489	-	37,167,489
Call money	1,780,000	-	1,780,000
Time deposits	1,308,099	-	1,308,099
	<u>40,255,588</u>	<u>-</u>	<u>40,255,588</u>
Foreign currencies			
Bank Indonesia	30,488,500	-	30,488,500
Call money	8,322,517	43,573	8,366,090
Placement "Fixed Term"	2,942,873	1,004	2,943,877
Time deposits	388,564	-	388,564
	<u>42,142,454</u>	<u>44,577</u>	<u>42,187,031</u>
Total	82,398,042	44,577	82,442,619
Less: allowance for impairment losses	(2,195)	(44,577)	(46,772)
Net	<u>82,395,847</u>	<u>-</u>	<u>82,395,487</u>

¹⁾ Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

(v) Marketable securities

	31 December 2021		
	Non-impaired ¹⁾	Impaired ²⁾	Total
Government			
Rupiah			
Sharia corporation bonds	90,000	-	90,000
Bonds	5,558,127	-	5,558,127
Export bills	-	-	-
	<u>5,648,127</u>	<u>-</u>	<u>5,648,127</u>
Foreign currencies			
Treasury bills	2,205,385	-	2,205,385
Total	7,853,512	-	7,853,512
Non-government			
Rupiah			
Investments in mutual fund	10,688,702	-	10,688,702
Certificates of Bank Indonesia and Sharia	30,036,010	-	30,036,010
Bonds	10,903,081	-	10,903,081
Medium term notes	245,000	-	245,000
Sharia corporation bonds	1,316,600	-	1,316,600
Negotiable certificate of deposit	185,831	-	185,831
Shares	315,113	-	315,113
Export bills	910,147	-	910,147
Total	<u>54,600,484</u>	<u>-</u>	<u>54,600,484</u>

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(v) Marketable securities (continued)

	31 December 2021		
	Non-impaired ^{*)}	Impaired ^{**)}	Total
Foreign currencies			
Certificates of Bank Indonesia	711,881	-	711,881
Investments in mutual fund	-	-	-
Bonds	6,015,625	-	6,015,625
Treasury bills	284,141	-	284,141
Export bills	1,415,647	140	1,415,787
Total	8,427,294	140	8,427,434
Total	63,027,778	140	63,027,918
	70,881,290	140	70,881,430
Less: allowance for impairment losses	(99,389)	(115)	(99,504)
Net	70,781,901	25	70,781,926
	31 December 2020		
	Non-impaired ^{*)}	Impaired ^{**)}	Total
Government			
Rupiah			
Sharia corporation bonds	92,000	-	92,000
Bonds	897,306	-	897,306
Export bills	31,602	-	31,602
Total	1,020,908	-	1,020,908
Foreign currencies			
Treasury bills	2,601,175	-	2,601,175
Total	3,622,083	-	3,622,083
Non-government			
Rupiah			
Investments in mutual fund	4,295,974	-	4,295,974
Certificates of Bank Indonesia and Sharia	3,841,098	-	3,841,098
Sukuk Bank Indonesia	12,206,645	-	12,206,645
Bonds	11,733,595	-	11,733,595
Medium term notes	245,000	-	245,000
Sharia corporation bonds	1,838,601	-	1,838,601
Negotiable certificate of deposit	946,607	-	946,607
Shares	313,958	-	313,958
Export bills	952,248	-	952,248
Total	36,373,726	-	36,373,726
Foreign currencies			
Certificates of Bank Indonesia	4,497,492	-	4,497,492
Investments in mutual fund	3,245,455	-	3,245,455
Bonds	5,315,583	-	5,315,583
Export bills	627,328	-	627,328
Total	13,685,858	-	13,685,858
Total	50,059,584	-	50,059,584
	53,681,667	-	53,681,667
Less: allowance for impairment losses	(140,033)	-	(140,033)
Net	53,541,634	-	53,541,634

^{*)} Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

^{**)} Excluding marketable securities which are the investment from the Subsidiary's unit-link policyholders with no credit risk exposure.

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(vi) Other receivables - trade transactions

	31 December 2021		
	Non-impaired ^{*)}	Impaired	Total
Rupiah			
Usance L/C payable at sight	1,298,000	14,273	1,312,273
Others	17,696,948	190,024	17,886,972
Total	18,994,948	204,297	19,199,245
Foreign currencies			
Usance L/C payable at sight	2,896,285	-	2,896,285
Others	6,212,593	990,145	7,202,738
Total	9,108,878	990,145	10,099,023
	28,103,826	1,194,442	29,298,268
Less: allowance for impairment losses	(286,279)	(1,194,442)	(1,480,721)
Net	27,817,547	-	27,817,547
	31 December 2020		
	Non-impaired ^{*)}	Impaired	Total
Rupiah			
Usance L/C payable at sight	868,129	13,638	881,767
Others	20,377,062	190,023	20,567,085
Total	21,245,191	203,661	21,448,852
Foreign currencies			
Usance L/C payable at sight	1,082,591	-	1,082,591
Others	6,488,343	976,078	7,464,421
Total	7,570,934	976,078	8,547,012
	28,816,125	1,179,739	29,995,864
Less: allowance for impairment losses	(508,037)	(1,179,739)	(1,687,776)
Net	28,308,088	-	28,308,088

^{*)} Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

(vii) Acceptance receivables

	31 December 2021		
	Non-impaired	Impaired	Total
Rupiah	4,610,894	1,824	4,612,718
Foreign currencies	5,660,726	-	5,660,726
	10,271,620	1,824	10,273,444
Less: allowance for impairment losses	(194,869)	(1,824)	(196,693)
Net	10,076,751	-	10,076,751
	31 December 2020		
	Non-impaired	Impaired	Total
Rupiah	6,571,938	1,391	6,573,329
Foreign currencies	3,659,526	-	3,659,526
	10,231,464	1,391	10,232,855
Less: allowance for impairment losses	(122,218)	(1,391)	(123,609)
Net	10,109,246	-	10,109,246

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(viii) Consumer financing receivables

	31 December 2021		
	Non-impaired	Impaired	Total
Rupiah	18,865,937	242,385	19,108,322
Less: allowance for impairment losses	(406,064)	(68,951)	(475,015)
Net	18,459,873	173,434	18,633,307

	31 December 2020		
	Non-impaired	Impaired	Total
Rupiah	18,893,613	184,795	19,078,408
Less: allowance for impairment losses	(349,768)	(78,741)	(428,509)
Net	18,543,845	106,054	18,649,899

(ix) Securities purchased under agreements to resell

	31 December 2021		
	Non-impaired	Impaired	Total
Rupiah			
Securities purchased under agreements to resell	27,317,000	-	27,317,000

	31 December 2020		
	Non-impaired	Impaired	Total
Rupiah			
Securities purchased under agreements to resell	55,094,456	-	55,094,456

(x) Net investment finance leases

	31 December 2021		
	Non-impaired	Impaired	Total
Rupiah	4,799,704	24,069	4,823,773
Less: allowance for impairment losses	(123,148)	(6,819)	(129,967)
Net	4,676,556	17,250	4,693,806

	31 December 2020		
	Non-impaired	Impaired	Total
Rupiah	3,551,335	30,087	3,581,422
Less: allowance for impairment losses	(48,681)	(10,274)	(58,955)
Net	3,502,654	19,813	3,522,467

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63. RISK MANAGEMENT (continued)

A. Credit risk (continued)

(xi) Estimated losses on commitments and contingencies

	31 December 2021		
	Non-impaired ^{*)}	Impaired	Total
Rupiah			
Bank guarantees issued	61,753,753	238,419	61,992,172
Unused loan facilities ^{**)}	58,299,708	10,522	58,310,230
Outstanding irrevocable letters of credit	4,832,667	2,550	4,835,217
Standby letters of credit	2,211,569	-	2,211,569
Total	127,097,697	251,491	127,349,188
Foreign currencies			
Bank guarantees issued	40,390,923	8,444	40,399,367
Unused loan facilities ^{**)}	34,962,267	11,656	34,973,923
Outstanding irrevocable letters of credit	14,469,772	-	14,469,772
Standby letters of credit	15,486,342	-	15,486,342
Total	105,309,304	20,100	105,329,404
	232,407,001	271,591	232,678,592
Less: allowance for impairment losses	(2,103,383)	(191,858)	(2,295,241)
Net	230,303,618	79,733	230,383,351

^{*)} Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

^{**)} Including balance amounted to Rp7,075,361 which is classified as "special mention" and the calculation of provision for impairment losses is collectively assessed based on Bank Indonesia Regulation amounted to Rp2,103,383.

^{***)} Include unused committed and uncommitted credit card facilities.

	31 December 2020		
	Non-impaired ^{*)}	Impaired	Total
Rupiah			
Bank guarantees issued	58,076,213	200,676	58,276,889
Unused loan facilities ^{**)}	57,938,578	73,788	58,012,366
Outstanding irrevocable letters of credit	4,884,948	2,329	4,887,277
Standby letters of credit	2,036,517	-	2,036,517
Total	122,936,256	276,793	123,213,049
Foreign currencies			
Bank guarantees issued	40,427,815	434	40,428,249
Unused loan facilities ^{**)}	20,485,513	766	20,486,279
Outstanding irrevocable letters of credit	10,574,372	-	10,574,372
Standby letters of credit	8,451,800	-	8,451,800
Total	79,938,500	1,200	79,940,700
	202,875,756	277,993	203,153,749
Less: allowance for impairment losses	(3,297,331)	(178,648)	(3,475,979)
Net	199,578,425	99,345	199,677,770

^{*)} Including financial assets of Subsidiary engaged in sharia banking which are assessed based on Bank Indonesia Regulation.

^{**)} Including balance amounted to Rp2,728,277 which is classified as "special mention" and the calculation of provision for impairment losses is collectively assessed based on Bank Indonesia Regulation amounted to Rp3,297,332.

^{***)} Include unused committed and uncommitted credit card facilities.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk

(i) Liquidity risk management

Liquidity risk represents the Bank's inability to fulfill all financial liabilities when they become due from its financing cash flows and/or high quality liquid assets that can be pledged, without negatively impacting the Bank's activities and financial condition.

The Bank's liquidity risk is measured through several indicators, which include primary statutory reserve ratio in Bank Indonesia (GWM ratio) and cash, Macroprudential Liquidity Reserve (PLM), liquidity reserve, Macroprudential Intermediation Ratio (RIM), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and dependency on large customer deposits.

GWM is a minimum deposits required to be maintained by the Bank in the form of current accounts with Bank Indonesia or marketable securities in which the amount is determined by Bank Indonesia based on certain percentage from total deposits from customers, Macroprudential Liquidity Reserve (PLM) is an ownership percentage in Rupiah marketable securities which can be used in open market operations i.e, SBI, SDBI and SBN.

As of 31 December 2021 (Bank Only), the Bank maintained Rupiah primary statutory reserve of 3.97% from total outstanding deposit from customers denominated in Rupiah in accordance with the regulated limit, while for RIM ratio is 1.17% and PLM ratio of 27.57% from the outstanding deposit from customer denominated in Rupiah. Meanwhile for the foreign currency, the Bank maintained average foreign exchange statutory deposits at 4.10% from the outstanding deposits from customer denominated in foreign currency in accordance with the regulated limit.

Liquidity reserve is the Bank's liquidity on top of primary reserve as liquidity statutory reserve to anticipate unscheduled liquidity needs. In managing the liquidity reserve, Bank has liquidity reserve limit in the form of safety level limit, which represents the Bank's liquidity reserve projection for one following month. As of 31 December 2021, the liquidity reserve balance is above the safety level.

RIM is a ratio of loans and qualified marketable securities owned by the Bank to the customer deposits, qualified debt securities issued by the Bank and qualified borrowing received by the Bank, As of 31 December 2021, the Bank's RIM is 78.35%.

Liquidity Coverage Ratio (LCR) is a ratio between High Quality Liquid Assets (HQLA) with the estimation of total net cash outflow for the next 30 (thirty) days under a crisis scenario, LCR is used to improve the short-term liquidity of the Bank under a crisis conditions. As of 31 December 2021, the Bank's LCR is 200.56%.

Net Stable Funding Ratio (NSFR) is a ratio of the available stable funding to required stable funding. As of 31 December 2021, the Bank's NSFR is 126.20%.

The Bank uses liquidity gap methodology to project its liquidity conditions for the future, Liquidity gap is basically a maturity mismatch between components of assets and liabilities (including off-balance sheet), which are classified into time bucket based on their contractual maturity or behavioral maturity. As of 31 December 2021, the Bank's liquidity forecast up to next 12 months is at a surplus position. Even in the surplus position for the next 12 months, the Bank always prepares for alternative funding to anticipate tight liquidity in the market or the liquidity is not as expected.

To determine the impact of changes in market factors and internal factors under extreme conditions (crisis) to the liquidity, the Bank conducts stress testing of liquidity risk on a regular basis. The results of stress-testing performed was presented to the Management. The stress-testing result showed that the Bank will be able to survive under liquidity crisis conditions.

Even the stress testing result showed liquidity risk is well managed, Bank has Liquidity Contingency Plan (LCP) which cover funding strategy and pricing strategy including money market borrowing, repo, bilateral borrowing, FX swap and wholesale funding. In LCP, determination of liquidity situations and funding strategies have considered external and internal conditions.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

To anticipate liquidity risks due to volatility of global economic condition, Bank Mandiri monitors external indicators, including 1-week JIBOR, BI 7-days RR, 10-years SUN Yield, Rupiah Banking Liquidity Outstanding, Composite Stock Price Index (IHSG), Rate Interbank Call Money, 10-years UST Yield, USD/IDR Exchange Rate, Indonesia's 5-years Credit Default Swap (CDS), and the current market informations.

The maturity profile as of 31 December 2021 and 2020 are based on the remaining period from these dates. Historically, there were a large portion of deposits to be renewed upon maturity. In addition, if there is a need for liquidity, Government Bonds (at fair value through profit or loss and fair value through other comprehensive income) can be exercised by utilizing as collateral in interbank market.

The maturity profile of financial assets and liabilities presented using discounted cash flows method are as follows:

31 December 2021								
Description	Total	No Maturity Contract	≤ 1 month	> 1 month - ≤ 3 months	> 3 months - ≤ 6 months	> 6 months - ≤ 12 months	> 1 year - ≤ 3 years	> 3 years
Assets								
Current accounts with Bank Indonesia	99,023,492	-	99,023,492	-	-	-	-	-
Current accounts with other banks - gross	25,441,661	-	25,441,661	-	-	-	-	-
Placement with Bank Indonesia and other banks	47,785,191	-	35,195,130	11,965,068	589,496	34,500	547	450
Marketable securities - gross	98,203,174	28,143,612	26,229,680	10,158,046	5,765,813	4,053,941	9,180,127	14,671,955
Government bonds	289,054,774	-	3,231,403	3,618,710	7,599,574	-	64,034,259	207,937,434
Other receivables-trade transactions - gross	29,298,268	-	6,027,615	11,952,021	9,119,602	1,018,861	-	1,180,169
Securities purchased under resale agreements - gross	27,317,000	-	27,278,850	2,179	534	35,437	-	-
Derivative receivables - gross	1,669,838	-	285,756	491,696	102,620	63,853	611,850	114,063
Loans - gross	1,026,224,827	-	56,201,129	46,264,036	44,813,537	61,799,419	192,826,536	624,320,170
Consumer financing receivables-gross	19,108,322	-	502,008	1,044,767	1,432,104	2,802,860	6,454,827	6,871,756
Net Investment finance leases - gross	4,823,773	-	235,624	453,068	650,804	1,129,446	2,264,520	90,311
Acceptance receivables - gross	10,273,444	-	4,041,907	3,889,769	2,142,478	170,785	28,505	-
Other asset - gross ¹⁾	15,225,935	275,590	6,701,843	258,749	374,056	610,935	1,110,009	5,894,753
	1,693,449,699	28,419,202	290,396,098	90,098,109	72,590,618	74,353,431	276,511,180	861,081,061
Allowance for impairment Losses	(71,007,125)	-	-	-	-	-	-	-
Total	1,622,442,574	-	-	-	-	-	-	-
Liabilities								
Deposits from customers								
Demand deposits	399,791,311	-	399,791,311	-	-	-	-	-
Savings deposits	422,314,545	-	422,314,545	-	-	-	-	-
Time deposits	293,172,857	-	173,522,768	86,687,556	23,754,172	8,202,947	1,005,414	-
Deposits from other banks								
Demand and saving deposits	5,260,016	-	5,260,016	-	-	-	-	-
Interbank call money	5,009,885	-	100,000	2,024,959	323,649	2,561,277	-	-
Time deposits	2,530,491	-	669,538	1,181,889	147,375	389,163	142,526	-
Securities sold under agreements to repurchase	5,427,998	-	461,335	751,857	799,523	127,762	2,846,641	440,880
Derivatives liabilities	1,018,751	-	82,801	224,762	17,873	110,140	463,699	119,476
Acceptance liabilities	10,273,444	-	4,041,907	3,889,769	2,142,478	170,785	28,505	-
Debt securities issued	45,138,342	-	864,503	-	1,239,913	2,493,510	22,818,912	17,721,504
Accrued expenses	6,526,489	-	5,709,742	-	-	816,747	-	-
Other liabilities ²⁾	4,716,639	301,946	2,675,225	693,188	-	-	1,046,280	-
Fund borrowings	51,398,940	-	1,898,989	6,366,922	11,808,128	14,735,444	7,306,701	9,282,756
Subordinates loans and marketable securities	637,143	-	-	-	8,600	8,600	533,935	86,008
	1,253,216,851	301,946	1,017,392,680	101,820,902	40,241,711	29,616,375	36,192,613	27,650,624
Maturity gap	440,232,848	28,117,256	(726,996,582)	(11,722,793)	32,348,907	44,737,056	240,318,567	833,430,437
Net positions, net of allowance for impairment losses	369,225,723	-	-	-	-	-	-	-

¹⁾ Other assets consists of accrued income, receivables from government bonds pledged as collateral, receivables from customer transactions, receivables from transaction related to ATM and credit card, and receivables from policyholder.

²⁾ Other liabilities consists of customers transfer transaction, liabilities related to ATM and credit card transactions, guarantee deposits, lease liabilities, other liabilities related to UPAS transactions and claim payables.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

The maturity profile of financial assets and liabilities presented using discounted cash flows method are as follows (continued):

31 December 2020									
Description	Total	No Maturity Contract	≤ 1 month	> 1 month - ≤ 3 months	> 3 months - ≤ 6 months	> 6 months - ≤ 12 months	> 1 year - ≤ 3 years	> 3 years	
Assets									
Current accounts with Bank Indonesia	52,238,679	-	52,238,679	-	-	-	-	-	-
Current accounts with other banks - gross	26,499,072	-	26,495,993	-	-	-	-	3,079	
Placement with Bank Indonesia and other banks	82,442,619	-	81,584,316	497,650	295,093	20,000	146	45,414	
Marketable securities - gross	90,714,936	26,974,497	18,296,642	6,658,763	7,236,810	6,741,018	13,719,240	11,087,966	
Government bonds	178,743,845	-	23,053	1,039,022	13,761,705	5,231,358	58,523,645	100,165,062	
Other receivables-trade transactions – gross	29,995,864	-	7,029,795	13,730,684	7,645,753	423,531	-	1,166,101	
Securities purchased under resale agreements - gross	55,094,456	-	52,597,058	2,021,470	387,414	88,514	-	-	
Derivative receivables - gross	2,578,947	-	808,961	430,578	239,126	262,137	594,660	243,485	
Loans - gross	942,067,687	-	62,249,986	45,404,277	43,900,382	69,435,271	159,091,967	561,985,804	
Consumer financing receivables-gross	19,078,408	-	466,122	1,071,580	1,531,932	2,717,580	6,928,527	6,362,667	
Net Investment finance leases - gross	3,581,422	-	165,707	323,022	513,545	883,430	1,594,509	101,209	
Acceptance receivables - gross	10,232,855	-	3,532,678	3,199,641	3,495,056	5,480	-	-	
Other asset - gross ^{*)}	15,300,480	223,556	6,746,905	150,055	158,870	271,138	774,162	6,975,794	
	1,508,569,270	27,198,053	312,235,895	74,526,742	79,165,686	86,079,457	241,226,856	688,136,581	
Allowance for impairment Losses	(67,620,433)								
Total	1,440,948,837								
Liabilities									
Deposits from customers									
Demand deposits	314,397,478	-	314,397,478	-	-	-	-	-	
Savings deposits	373,021,910	-	373,021,910	-	-	-	-	-	
Time deposits	307,781,280	-	171,073,621	117,417,841	12,650,546	5,946,093	693,179	-	
Deposits from other banks									
Demand and saving deposits	4,189,160	-	4,189,160	-	-	-	-	-	
Interbank call money	655,829	-	365,544	161,270	129,015	-	-	-	
Time deposits	2,546,236	-	1,296,718	708,312	299,106	242,100	-	-	
Securities sold under agreements to repurchase	1,330,068	-	-	111,757	684,680	-	533,631	-	
Derivatives liabilities	1,570,506	-	262,812	179,467	34,242	272,923	636,808	184,254	
Acceptance liabilities	10,232,855	-	3,532,678	3,199,641	3,495,056	5,480	-	-	
Debt securities issued	39,111,473	-	65,086	-	679,758	1,194,896	10,470,945	26,700,788	
Accrued expenses	5,748,405	-	5,032,198	-	-	716,207	-	-	
Other liabilities ^{**)}	5,013,891	242,591	4,005,912	765,388	-	-	-	-	
Fund borrowings	52,810,689	-	3,687,229	10,568,591	7,061,095	7,153,309	11,957,235	12,383,230	
Subordinates loans and marketable securities	650,966	-	8,423	-	-	8,423	33,691	600,429	
	1,119,060,746	242,591	880,938,769	133,112,267	25,033,498	15,539,431	24,325,489	39,868,701	
Maturity gap	389,508,524	26,955,462	(568,702,874)	(58,585,525)	54,132,188	70,540,026	216,901,367	648,267,880	
Net positions, net of allowance for impairment losses	321,888,091								

^{*)} Other assets consists of accrued income, receivables from government bonds pledged as collateral, receivables from customer transactions, receivables from transaction related to ATM and credit card, and receivables from policyholder.

^{**)} Other liabilities consists of customers transfer transaction, liabilities related to ATM and credit card transactions, guarantee deposits, lease liabilities, other liabilities related to UPAS transactions and claim payables.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

The following maturity table provides information regarding contractual maturities of financial liabilities based on undiscounted cash flows as of 31 December 2021 and 2020 as follows:

31 December 2021								
Description	Total	No Maturity Contract	≤ 1 month	> 1 month - ≤ 3 months	> 3 months - ≤ 6 months	> 6 months - ≤ 12 months	> 1 year - ≤ 3 years	> 3 years
Liabilities								
Deposit from customers								
Demand deposits	400,228,270	-	400,228,270	-	-	-	-	-
Saving deposits	422,474,651	-	422,413,788	13,203	13,065	19,511	9,611	5,473
Time deposits	294,167,273	-	177,774,936	85,972,760	21,210,971	7,964,141	1,244,465	-
Deposits from other banks								
Demand and saving deposits	5,262,887	-	5,262,887	-	-	-	-	-
Interbank call money	5,049,576	-	106,424	2,036,145	335,602	2,571,405	-	-
Time deposits	2,549,561	-	677,579	1,183,149	149,554	394,559	144,720	-
Securities sold under agreements to repurchase	5,617,877	-	461,828	670,240	886,159	129,827	3,004,952	464,871
Derivative payables	987,437	-	81,493	325,520	66,562	263,909	249,953	-
Acceptance payables	10,273,444	-	4,041,907	3,889,769	2,142,478	170,785	28,505	-
Debt securities issued	50,121,353	-	939,703	313,531	1,638,606	3,345,519	23,793,621	20,090,373
Accrued expenses	6,526,489	-	5,709,742	-	-	816,747	-	-
Other liabilities	4,716,639	301,946	2,675,225	693,188	-	-	1,046,280	-
Fund borrowings	55,201,399	-	2,450,889	10,462,056	10,333,041	6,937,665	11,119,645	13,898,103
Subordinated loans and marketable securities	723,734	-	3,710	7,421	19,731	30,862	566,370	95,640
Total	1,263,900,590	301,946	1,022,828,381	105,566,982	36,795,769	22,644,930	41,208,122	34,554,460
31 December 2020								
Description	Total	No Maturity Contract	≤ 1 month	> 1 month - ≤ 3 months	> 3 months - ≤ 6 months	> 6 months - ≤ 12 months	> 1 year - ≤ 3 years	> 3 years
Liabilities								
Deposit from customers								
Demand deposits	314,776,257	-	314,776,257	-	-	-	-	-
Saving deposits	373,285,438	-	373,237,147	11,526	9,490	14,954	7,613	4,708
Time deposits	309,623,088	-	171,859,090	118,155,695	12,855,802	6,048,901	703,600	-
Deposits from other banks								
Demand and saving deposits	4,193,161	-	4,193,161	-	-	-	-	-
Interbank call money	659,891	-	367,407	162,543	129,941	-	-	-
Time deposits	2,002,245	-	737,402	709,452	309,404	245,987	-	-
Securities sold under agreements to repurchase	1,351,901	-	-	113,067	688,021	-	550,813	-
Derivative payables	1,960,034	-	299,094	271,759	94,156	493,495	658,513	143,017
Acceptance payables	10,232,855	-	3,535,931	3,199,642	3,491,802	5,480	-	-
Debt securities issued	47,827,651	-	65,086	418,400	1,497,767	2,203,681	13,108,669	30,534,048
Accrued expenses	5,748,405	-	5,032,198	-	-	716,207	-	-
Other liabilities	5,013,891	242,591	4,005,912	765,388	-	-	-	-
Fund borrowings	54,789,802	-	4,502,362	10,251,439	7,207,076	7,056,770	12,528,210	13,243,945
Subordinated loans and marketable securities	783,861	-	12,149	7,453	11,180	30,782	108,980	613,317
Total	1,132,248,480	242,591	882,623,196	134,066,364	26,294,639	16,816,257	27,666,398	44,539,035

The following maturity table provides information regarding contractual maturities of administrative accounts based on undiscounted cash flows as of 31 December 2021 and 2020 as follows:

31 December 2021								
Description	Total	No Maturity Contract	≤ 1 month	> 1 month - ≤ 3 months	> 3 months - ≤ 6 months	> 6 months - ≤ 12 months	> 1 year - ≤ 3 years	> 3 years
Administrative accounts								
Bank guarantees issued	102,391,539	-	102,391,539	-	-	-	-	-
Unused loan facilities ^{*)}	93,284,153	-	93,284,153	-	-	-	-	-
Outstanding irrevocable letters of credit	19,304,989	-	5,041,154	9,129,762	1,409,630	2,176,407	1,548,036	-
Standby letter of credit	17,697,911	-	17,697,911	-	-	-	-	-
Total	232,678,592	-	218,414,757	9,129,762	1,409,630	2,176,407	1,548,036	-

*) Include unused committed and uncommitted credit card facilities

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(i) Liquidity risk management (continued)

The following maturity table provides information regarding contractual maturities of administrative accounts based on undiscounted cash flows as of 31 December 2021 and 2020 as follows (continued):

31 December 2020								
Description	Total	No Maturity Contract	≤1 month	>1 month - ≤3 months	>3 months - ≤6 months	>6 months - ≤12 months	> 1 year - ≤3 years	>3 years
Administrative accounts								
Bank guarantees issued	98,705,138	-	98,705,138	-	-	-	-	-
Unused loan facilities ^{*)}	78,498,645	-	78,498,645	-	-	-	-	-
Outstanding irrevocable letters of credit	15,461,649	-	2,576,185	5,630,900	2,388,900	1,949,166	2,025,090	891,408
Standby letter of credit	10,488,317	-	10,488,317	-	-	-	-	-
	203,153,749	-	190,268,285	5,630,900	2,388,900	1,949,166	2,025,090	891,408

*) Include unused committed and uncommitted credit card facilities

(ii) Interest rate risk management on banking book portfolio

Market risk is the risk of balance sheet position and administrative accounts, including derivative transactions, resulted from changes in market conditions, including changes in option price risk.

Managing market risk on banking book is performed by optimising the structure of the Bank's statement of financial position to obtain maximum yield of return at acceptable risk level to the Bank. The monitoring of market risk on banking book is performed by setting a limit which is refer to the regulator requirements and the internal policies, which are monitored on a weekly and monthly basis by the Market Risk Management Unit.

The sources of banking book's interest rate risk are repricing risk (repricing mismatch between asset and liability components), basis risk (usage of different interest rate reference), yield curve risk (changes in shape and slope of the yield curve) and the option risk (loan repayment or redeem of deposit before maturity). The Bank uses the repricing gap and performs sensitivity analysis to obtain the projected Net Interest Income (NII).

a. Sensitivity of net interest income

The table below shows the sensitivity of net income for the next 1 year to interest rate movement of interest bearing assets and liabilities of Bank Mandiri as of 31 December 2021 and 2020 (Bank Mandiri only) as follows:

	Increased by 400 bps	Decreased by 400 bps
31 December 2021		
Increase/(decrease) net interest income (Rp billion)	(280.82)	(4,716.96)
	Increased by 400 bps	Decreased by 400 bps
31 December 2020		
Increase/(decrease) net interest income (Rp billion)	3,088.36	(5,328.19)

The above projections assumed that all other variables are held constant at reporting date.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(ii) Interest rate risk management on banking book portfolio (continued)

b. Sensitivity of interest income from available for sale marketable securities

The table below shows the sensitivity of Bank Mandiri's interest income from available for sale marketable securities to movement of interest rates as of 31 December 2021 and 2020 (Bank only) as follows:

	Increased by 400 bps	Decreased by 400 bps
31 December 2021		
Increase/(decrease) interest income (Rp billion)	168.69	(165.15)
	Increased by 400 bps	Decreased by 400 bps
31 December 2020		
Increase/(decrease) interest income (Rp billion)	261.61	(259.41)

The above projections assumed that all other variables are held constant at reporting date.

The sensitivities of interest income from available for sale marketable securities do not incorporate hedging and actions that Bank Mandiri would take to mitigate the impact of this interest rate risk. In practice, Bank Mandiri proactively seeks to mitigate the effect of prospective interest movements.

c. Bank Mandiri's exposure to interest rate risk (repricing gap)

The tables below summarise Bank Mandiri's financial asset and liabilities at carrying amounts categorised by earlier of contractual repricing date or maturity dates:

	31 December 2021 ¹⁾										
	Interest bearing								Over 5 years	Non interest bearing	Total
	Less than or equal to 1 month	Over 1 month but not more than 3 months	Over 3 months but not more than 1 year	Over 1 year but not more than 2 years	Over 2 years but not more than 3 years	Over 3 years but not more than 4 years	Over 4 years but not more than 5 years	Over 5 years			
Current accounts with Bank Indonesia	-	-	-	-	-	-	-	-	-	99,023,492	99,023,492
Current accounts with other banks	23,717,872	-	-	-	-	-	-	-	-	1,723,789	25,441,661
Placements with Bank Indonesia and other banks	25,134,683	13,294,368	(2,000)	-	-	-	-	-	-	9,358,140	47,785,191
Marketable securities	3,973,736	5,257,262	6,752,657	6,966,387	1,771,940	4,372,054	3,751,096	5,972,929	59,385,113	98,203,174	
Government bonds	1,178,340	2,553,430	9,986,320	21,824,029	20,202,698	19,516,094	29,162,000	147,109,400	37,522,463	289,054,774	
Other receivables - trade transactions	6,027,614	11,934,778	10,118,533	-	-	-	-	1,136,090	81,253	29,298,268	
Securities purchased under resale agreements	27,278,849	2,179	534	35,438	-	-	-	-	-	27,317,000	
Derivative receivables	22,945	97,382	45,238	276,508	251,068	16,035	24,198	41,810	894,654	1,669,838	
Loans	146,728,122	389,624,278	158,170,703	47,670,813	25,604,561	11,379,202	6,121,986	70,637,153	170,288,009	1,026,224,827	
Consumer financing receivables	686,223	1,420,696	5,521,156	5,502,277	3,827,059	1,689,535	460,381	996	-	19,108,322	
Net investment finance leases	237,780	457,455	1,782,714	1,537,986	739,630	64,935	3,273	-	-	4,823,773	
Acceptance receivables	-	-	-	-	-	-	-	-	10,273,444	10,273,444	
Other assets	6,701,843	258,749	374,056	610,935	1,110,009	5,894,753	-	-	275,590	15,225,935	
	241,688,007	424,900,577	192,749,911	84,424,373	53,506,965	42,932,608	39,522,934	224,898,378	388,825,947	1,693,449,699	
Deposits from customers											
Demand deposits and wadiah demand deposits	172,542,709	5,770,056	25,965,252	34,620,336	34,620,336	34,620,336	34,620,336	34,620,336	22,411,614	399,791,311	
Saving deposits and wadiah saving deposits	95,433,819	8,238,090	37,044,570	49,355,478	49,352,782	49,351,398	49,350,271	49,351,860	34,836,276	422,314,545	
Time deposits	182,032,603	80,647,557	29,511,439	981,255	3	-	-	-	-	293,172,857	
Deposits from other banks											
Demand and saving deposits	1,596,237	99,939	449,727	599,635	599,635	599,635	599,635	599,635	115,938	5,260,016	
Interbank call money	100,000	457,184	4,452,701	-	-	-	-	-	-	5,009,885	
Time deposits	673,118	1,178,156	536,692	-	142,525	-	-	-	-	2,530,491	
Securities sold under agreements to repurchase	461,293	667,838	1,700,986	26,418	2,571,463	-	-	-	-	5,427,998	
Derivative payables	-	20,672	81,067	286,777	169,975	55,827	6,765	33,735	363,934	1,018,752	
Acceptance payables	-	-	-	-	-	-	-	-	10,273,444	10,273,444	
Debt securities issued	800,000	-	3,036,588	5,641,268	16,195,466	8,124,545	8,314,965	1,650,510	1,375,000	45,138,342	
Accrued expenses	3,142,950	10,258,285	28,493,117	5,088,818	3,093,149	454,981	-	867,640	-	51,398,940	
Other liabilities	-	-	-	-	-	-	-	-	6,526,489	6,526,489	
Fund borrowings	-	-	-	-	-	-	-	637,143	-	637,143	
Subordinated loans and marketable securities	2,675,225	693,188	-	-	1,046,280	-	-	-	301,946	4,716,639	
	459,457,954	108,030,965	131,272,139	96,599,985	107,791,615	93,206,722	92,891,972	87,760,859	76,204,641	1,253,216,852	
Total interest repricing gap	(217,769,947)	316,869,612	61,477,773	(12,175,612)	(54,284,650)	(50,274,114)	(53,369,038)	137,137,519	312,621,306	440,232,847	

¹⁾ There was a change in the calculation following SEOJK regarding Interest Rate Risk in Banking Book (IRRBB) No. 12/SEOJK.03/2018 dated 21 August 2018.

²⁾ Represent receivables/and financing from subsidiary engaged in sharia business which earn margin and profit sharing.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(ii) Interest rate risk management (continued)

c. Bank Mandiri's exposure to interest rate risk (repricing gap) (continued)

The tables below summarise Bank Mandiri's financial asset and liabilities at carrying amounts categorised by earlier of contractual repricing date or maturity dates (continued):

	31 December 2020 ¹⁾									
	Interest bearing									
	Less than or equal to 1 month	Over 1 month but not more than 3 months	Over 3 months but not more than 1 year	Over 1 year but not more than 2 years	Over 2 years but not more than 3 years	Over 3 years but not more than 4 years	Over 4 years but not more than 5 years	Over 5 years	Non interest bearing	Total
Current accounts with Bank Indonesia	-	-	-	-	-	-	-	-	52,238,679	52,238,679
Current accounts with other banks	18,166,851	215	-	-	-	-	-	-	8,332,006	26,499,072
Placements with Bank Indonesia and other banks	78,885,066	567,650	315,093	-	146	394	444	44,576	2,629,250	82,442,619
Marketable securities	12,480,487	4,897,522	11,036,090	5,706,188	7,858,051	1,352,835	4,030,839	5,704,292	37,167,375	90,233,679
Government bonds	-	4,347,781	12,729,825	21,541,491	28,948,695	23,766,836	23,986,147	44,369,852	19,053,218	178,743,845
Other receivables - trade transactions	7,029,795	13,730,684	8,069,284	-	-	-	-	1,122,022	44,079	29,995,864
Securities purchased under resale agreements	52,597,058	2,021,470	475,928	-	-	-	-	-	-	55,094,456
Derivative receivables	-	14,448	191,802	54,119	547,959	92,833	4,944	-	1,672,842	2,578,947
Loans	123,318,930	353,420,411	158,146,353	42,562,299	27,057,436	11,076,905	4,519,760	66,820,563	155,145,030	942,067,687
Consumer financing receivables	622,421	1,391,233	5,299,883	5,551,270	3,752,335	1,932,101	526,350	2,815	-	19,078,408
Net investment finance leases	165,705	323,022	1,396,976	1,162,346	432,164	97,128	4,081	-	-	3,581,422
Acceptance receivables-	-	-	-	-	-	-	-	10,232,854	10,232,854	-
Other assets	-	-	-	-	-	-	-	15,300,480	-	15,300,480
	293,266,313	380,714,436	197,661,234	76,577,713	68,596,786	38,319,032	33,072,565	133,364,600	286,515,334	1,508,088,013
Deposits from customers										
Demand deposits and wadiah demand deposits	70,531,775	6,001,214	27,005,462	36,007,282	36,007,282	36,007,282	36,007,282	36,007,282	30,822,617	314,397,478
Saving deposits and wadiah saving deposits	86,504,781	7,247,804	32,587,695	43,423,191	43,419,758	43,419,311	43,418,724	43,419,676	29,580,969	373,021,909
Time deposits	167,995,290	119,908,351	19,479,093	398,546	-	-	-	-	-	307,781,280
Deposits from other banks										
Demand and saving deposits	681,929	94,555	425,496	567,327	567,327	567,327	567,327	567,327	173,113	4,211,728
Interbank call money	655,829	-	-	-	-	-	-	-	-	655,829
Time deposits	288,346	1,004,929	597,962	-	-	-	-	655,000	2,546,237	-
Securities sold under agreements to repurchase	-	111,757	684,680	-	533,631	-	-	-	-	1,330,068
Derivative payables	-	14,331	242,068	61,890	543,523	92,081	4,904	-	611,709	1,570,506
Acceptance payables	-	-	-	-	-	-	-	-	10,232,854	10,232,854
Debt securities issued	-	-	1,874,969	4,530,265	7,343,035	14,622,668	7,715,062	1,650,473	1,375,000	39,111,472
Fund borrowings	1,427,426	16,956,652	27,668,730	3,204,665	2,399,057	940,691	-	213,468	-	52,810,689
Accrued expenses	-	-	-	-	-	-	-	-	5,748,405	5,748,405
Subordinated loans and marketable securities	-	-	-	-	-	-	-	650,966	-	650,966
Other liabilities	4,005,912	765,388	-	-	-	-	-	-	242,591	5,013,891
	332,091,288	152,104,981	110,566,155	88,193,166	90,813,613	95,649,360	87,713,299	82,509,192	79,442,258	1,119,083,312
Total interest repricing gap	(38,824,975)	228,609,455	87,095,079	(11,615,453)	(22,216,827)	(57,330,328)	(54,640,734)	50,855,408	207,073,076	389,004,701

¹⁾ There was a change in the calculation following SEOJK regarding Interest Rate Risk in Banking Book (IRRBB) No. 12/SEOJK.03/2018 dated 21 August 2018.
²⁾ Represent receivables/and financing from subsidiary engaged in sharia business which earn margin and profit sharing.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(ii) Interest rate risk management (continued)

To assess the impact of changes in interest rates and exchange rates at extreme conditions (crisis) to earnings and capital, the Bank conducts stress testing on the market risk of banking book regularly.

(iii) Pricing management

The Bank implements pricing policy for loans or deposit products, The pricing policy is one of the Bank's strategy to maximise Net Interest Margin (NIM) and to support the Bank to dominate the market share by considering the competition condition.

The Bank consistently manages to apply the strategy as market leader in terms of fund pricing. However, considering the liquidity conditions and funding needs, the Bank may implement an aggressive strategy (greater than major competitors) or defensive (equal to or smaller than major competitors).

In determine interest rates, the Bank implements risk-based pricing by providing a range of interest rate of loan to customers based on credit risk level. In order to minimize interest rate risk, the loan interest rate is adjusted with interest rate from cost of funds. Other than cost of funds, loan interest rates are determined with consideration to overhead costs, credit risk premiums and profit margins as well as taking into account the Bank's competitiveness with its major competitors, Interest rates for loan can be either a floating or a fixed rate for certain tenors.

(iv) Foreign exchange risk management

Exchange rate risk represents potential loss arising from unfavourable exchange rate movements in the market when the Bank has an open position. The Bank applies a proper foreign exchange risk management to avoid loss arising from exchange rate changes or volatility. Exchange rate risk arises from foreign exchange currency transactions with customer or counterparty which leads to an open position in foreign currency or structural positions in foreign currencies due to capital investment. The Bank manages exchange rate risk by monitoring and managing the Net Open Position (NOP) in accordance with internal limits and the regulation of Bank Indonesia.

The calculation of the net open position as of 31 December 2021 and 2020 is based on Bank Indonesia's Regulation No. 12/10/PBI/2010 dated 1 July 2010 which amended by Bank Indonesia's Regulation No. 17/5/PBI/2015 dated on 29 May 2015 regarding removal implementation NOP 30 minutes. In accordance with Bank Indonesia Regulation, the overall Net Open Position ratio is the sum of the absolute amount from the net difference between assets and liabilities for each foreign currency on statement of financial position which presented in Rupiah add with the net difference between receivables and payables of commitments and contingencies for each foreign currency recorded in administrative which presented stated in Rupiah. The net open position for the statement of financial position is the net difference between total assets and liabilities for each foreign currency which presented in Rupiah. As of 20 March 2020 in accordance with BI Letter No. 22/53/DPPK/Srt/B, Domestic Non-Deliverable Forward (DNDF) transactions are included in the NOP calculation.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

a. Net open position

Net open position of Bank Mandiri by currencies (expressed in Rupiah) as of 31 December 2021 as follows:

Currency	Assets	Liabilities	Net open position
OVERALL (STATEMENT OF FINANCIAL POSITION AND ADMINISTRATIVE ACCOUNTS)^{*)}			
United States Dollar	390,139,052	384,002,544	6,136,508
European Euro	10,959,904	11,180,573	220,669
Singapore Dollar	2,934,634	2,878,508	56,126
Japanese Yen	1,454,087	738,274	715,813
Australian Dollar	231,714	251,803	20,089
Great Britain Poundsterling	189,993	391,148	201,155
Hong Kong Dollar	121,667	126,092	4,425
Others	4,326,645	4,228,432	129,347
Total			<u>7,484,132</u>
STATEMENT OF FINANCIAL POSITION			
United State Dollar	299,288,176	248,643,136	50,645,040
European Euro	6,808,529	4,720,717	2,087,812
Singapore Dollar	2,124,120	2,373,758	(249,638)
Japanese Yen	226,541	240,740	(14,199)
Australian Dollar	676,269	656,971	19,298
Great Britain Poundsterling	141,866	129,358	12,508
Hong Kong Dollar	120,242	92,000	28,242
Others	4,316,662	4,025,465	291,197
Total			<u>52,820,260</u>
Total Tier I and Tier II Capital			
less investments in Subsidiaries (Note 59)			<u>175,256,894</u>
NOP ratio (statement of financial position)			30.14%
NOP ratio (overall)			4.27%

Net Open Position ratio as of 31 December 2021 if calculated using November 2021 capital as follows:

November 2021 Capital	172,609,282
NOP ratio (Statement of financial position)	30.60%
NOP ratio (overall) ^{*)}	4.34%

^{*)} Represents total absolute amount of difference between assets and liabilities from other foreign currencies.

^{**)} Represents total amount of difference between assets and liabilities from other foreign currencies.

^{***)} The calculation of Bank's net open position is based on Bank Indonesia's regulation No. 12/10/PBI/2010 dated 1 July 2010 and Bank Indonesia's regulation No.17/5/PBI/2015 dated 29 May 2015 regarding the 4th amendment of Bank Indonesia's regulation No. 5/13/PBI/2003 regarding net open position for Commercial Banks. Under the regulation, starting on 1 July 2010, the Bank is only required to keep the net open position of a maximum of 20% of total capital.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

a. Net open position (continued)

Net open position of Bank Mandiri by currencies (expressed in Rupiah) as of 31 December 2020 as follows:

Currency	Assets	Liabilities	Net open position
OVERALL (STATEMENT OF FINANCIAL POSITION AND ADMINISTRATIVE ACCOUNTS)^{****}			
United States Dollar	304,988,957	306,042,354	1,053,397
European Euro	7,130,736	7,340,293	209,557
Singapore Dollar	2,023,733	1,949,667	74,066
Japanese Yen	393,846	395,857	2,011
Australian Dollar	708,317	696,579	11,738
Great Britain Poundsterling	215,068	251,511	36,443
Hong Kong Dollar	88,138	98,601	10,463
Others	5,300,495	5,277,969	106,854 ^{*)}
Total			1,504,529
STATEMENT OF FINANCIAL POSITION			
United State Dollar	233,299,662	197,050,680	36,248,982
European Euro	5,837,059	2,934,610	2,902,449
Singapore Dollar	1,806,292	1,949,667	(143,375)
Japanese Yen	384,013	395,245	(11,232)
Australian Dollar	708,317	214,974	493,343
Great Britain Poundsterling	205,562	181,762	23,800
Hong Kong Dollar	88,138	56,455	31,683
Others	4,898,455	5,002,107	(103,652) ^{**)}
Total			39,441,998
Total Tier I and Tier II Capital less investments in Subsidiaries (Note 59)			164,657,355
NOP ratio (statement of financial position)			23.95%
NOP ratio (overall)			0.91%
Net Open Position ratio as of 31 December 2020 if calculated using November 2020 capital as follows:			
November 2020 Capital			164,540,478
NOP ratio (Statement of financial position)			23.97%
NOP ratio (overall) ^{****)}			0.91%

^{*)} Represents total absolute amount of difference between assets and liabilities from other foreign currencies.

^{**)} Represents total amount of difference between assets and liabilities from other foreign currencies.

^{****)} The calculation of Bank's net open position is based on Bank Indonesia's regulation No. 12/10/PBI/2010 dated 1 July 2010 and Bank Indonesia's regulation No.17/5/PBI/2015 dated 29 May 2015 regarding the 4th amendment of Bank Indonesia's regulation No. 5/13/PBI/2003 regarding net open position for Commercial Banks. Under the regulation, starting on 1 July 2010, the Bank is only required to keep the net open position of a maximum of 20% of total capital.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

b. Bank Mandiri exposure to foreign currency exchange rate risk

The table below summaries the Group's exposure of foreign currency exchange rate risk as of 31 December 2021 and 2020, Included in the table are the Group's financial instruments at carrying amount, categorised by currencies.

	31 December 2021								Total
	United States Dollar	European Euro	Singapore Dollar	Japanese Yen	Australian Dollar	Hong Kong Dollar	Great Britain Pound-sterling	Others	
Assets									
Cash	1,041,090	92,785	260,590	57,726	28,405	16,675	23,250	172,914	1,693,435
Current accounts with Bank Indonesia	8,581,879	-	-	-	-	-	-	-	8,581,879
Current accounts with other banks	19,500,348	2,061,244	813,029	571,900	193,010	83,663	137,155	1,354,528	24,714,877
Placement with Bank Indonesia and other banks	35,645,690	-	-	-	-	-	-	547,751	36,193,441
Marketable securities	15,922,022	3,923	686,543	1,631	-	-	-	113,395	16,727,514
Government bonds	49,744,313	2,180,522	-	-	-	-	-	-	51,924,835
Other receivables- trade transactions	10,000,952	59,155	-	27,584	-	-	1,200	10,132	10,099,023
Derivative receivables	1,139,965	32,986	-	80	-	-	65	6	1,173,102
Loans	178,488,287	1,660,553	362,628	1,420	902	-	-	2,070,107	182,583,897
Acceptance receivables	4,780,501	629,055	231	17,438	2,008	-	-	231,493	5,660,726
Other assets	3,105,386	31,491	241	450	5	-	13	21,730	3,159,316
Total asset	327,950,433	6,751,714	2,123,262	678,229	224,330	100,338	161,683	4,522,056	342,512,045
Liabilities									
Deposits from customers									
Demand deposits and wadiah demand deposits	107,432,123	1,296,218	304,185	403,886	48,892	7,926	30,426	1,143,917	110,667,573
Saving deposits and wadiah saving deposits	30,859,350	1,777,846	566,206	207,317	112,827	8,762	88,587	24,909	33,645,804
Time deposits	29,146,153	731,312	1,097,651	6,752	69,163	-	3,648	59,504	31,114,183
Deposits from other banks- Demand deposits, wadiah demand deposits and saving deposits	2,351,451	524	212	505	-	-	-	82	2,352,774
Interbank call money	3,210,738	-	-	-	-	-	-	1,699,147	4,909,885
Time deposits	1,995,350	-	-	-	-	-	-	-	1,995,350
Securities sold under agreements to repurchase	5,427,998	-	-	-	-	-	-	-	5,427,998
Derivative payable	821,376	9,833	-	-	-	-	4,410	485	836,104
Acceptance payables	4,780,502	629,055	231	17,438	2,008	-	-	231,492	5,660,726
Debt securities issued	21,962,700	-	-	-	-	-	-	-	21,962,700
Accrued expenses	614,326	-	288	166	143	-	60	23,645	638,628
Other liabilities	2,460,106	200,313	290,286	17,375	6,895	16,111	5,002	848,822	3,844,910
Fund borrowings	39,388,326	-	-	-	-	-	1,197	-	39,389,523
Subordinated loans and marketable securities	137,606	-	-	-	-	-	-	-	137,606
Total liabilities	250,588,105	4,645,101	2,259,059	653,439	239,928	32,799	133,330	4,032,003	262,583,764
Net statement of financial position	77,362,328	2,106,613	(135,797)	24,790	(15,598)	67,539	28,353	490,053	79,928,281
Administrative accounts - net	(46,222,222)	(2,308,481)	305,764	696,515	(5,890)	(32,667)	(213,662)	(192,984)	(47,973,625)

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

b. Bank Mandiri exposure to foreign currency exchange rate risk

	31 December 2020								
	United States Dollar	European Euro	Singapore Dollar	Japanese Yen	Australian Dollar	Hong Kong Dollar	Great Britain Pound-sterling	Others	Total
Assets									
Cash	907,283	318,786	451,178	167,316	105,423	16,022	19,900	193,442	2,179,350
Current accounts with Bank Indonesia	7,186,047	-	-	-	-	-	-	-	7,186,047
Current accounts with other banks	18,109,820	1,440,949	502,107	168,409	124,406	46,495	159,579	4,005,062	24,556,827
Placement with Bank Indonesia and other banks	42,034,942	44,576	-	-	-	-	-	107,513	42,187,031
Marketable securities	20,029,081	5,063	269,409	2,739	-	-	-	-	20,306,292
Government bonds	24,060,180	2,840,385	-	-	-	-	-	-	26,900,565
Other receivables- trade transactions	8,464,804	45,568	4,820	11,144	109	-	3,392	17,175	8,547,012
Derivative receivables	2,403,950	11,334	-	6	-	-	472	-	2,415,762
Loans	135,881,206	1,334,871	547,015	-	473,255	-	-	1,739,289	139,975,636
Acceptance receivables	3,439,254	99,382	7,826	31,604	2,456	-	-	79,004	3,659,526
Other assets	2,723,797	45,643	648	199	7,747	-	27	15,448	2,793,509
Total asset	265,240,364	6,186,557	1,783,003	381,417	713,396	62,517	183,370	6,156,933	280,707,557
Liabilities									
Deposits from customers									
Demand deposits and wadiah demand deposits	82,116,683	1,060,290	521,275	239,789	34,738	6,236	54,292	1,425,292	85,458,595
Saving deposits and wadiah saving deposits	27,531,451	742,773	622,423	79,153	88,696	7,022	78,249	24,257	29,174,024
Time deposits	27,694,418	762,248	563,128	7,464	81,660	10,153	4,201	71,287	29,194,559
Deposits from other banks- Demand deposits, wadiah demand deposits and saving deposits	1,402,912	565	57	858	-	-	-	93	1,404,485
Interbank call money	-	-	-	-	-	-	-	655,829	655,829
Time deposits	1,120,930	-	-	-	-	-	-	-	1,120,930
Securities sold under agreements to repurchase	1,218,311	-	-	-	-	-	-	-	1,218,311
Derivative payable	1,441,156	33,839	-	-	-	-	450	279	1,475,724
Acceptance payables	3,439,254	99,382	7,826	31,604	2,456	-	-	79,004	3,659,526
Debt securities issued	17,444,678	-	-	-	-	-	-	-	17,444,678
Accrued expenses	661,307	-	35,440	183	151	7,917	55	65,339	770,392
Other liabilities	4,785,366	116,547	107,932	33,392	6,635	17,186	44,864	205,966	5,317,888
Fund borrowings	38,314,570	-	-	184,114	-	-	-	2,729,347	41,228,031
Subordinated loans and marketable securities	151,623	-	-	-	-	-	-	-	151,623
Total liabilities	207,322,659	2,815,644	1,858,081	576,557	214,336	48,514	182,111	5,256,693	218,274,595
Net statement of financial position	57,917,705	3,370,913	(75,078)	(195,140)	499,060	14,003	1,259	900,240	62,432,962
Administrative accounts - net	(43,735,325)	(3,112,006)	217,441	9,221	(481,605)	(42,146)	(60,242)	126,179	(47,078,483)

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows:

	31 December 2021	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Assets		
Cash		
United States Dollar	1,041,090	73,046
Singapore Dollar	260,590	24,690
Australian Dollar	28,405	2,745
European Euro	92,785	5,759
Chinese Yuan	10,624	4,752
Japanese Yen	57,726	466,397
Great Britain Poundsterling	23,250	1,208
Hong Kong Dollar	16,675	9,122
Others	162,290	11,387
	1,693,435	599,106
Current accounts with Bank Indonesia		
United States Dollar	8,581,879	602,131
Current accounts with other banks		
United States Dollar	19,500,348	1,368,205
Chinese Yuan	805,469	360,273
European Euro	2,061,244	127,929
Japanese Yen	571,900	4,620,667
Great Britain Poundsterling	137,155	7,125
Singapore Dollar	813,029	77,030
Australian Dollar	193,010	18,654
Hong Kong Dollar	83,663	45,767
Others	549,059	38,524
	24,714,877	6,664,174
Placement with Bank Indonesia and other banks		
United States Dollar	35,645,690	2,501,013
Chinese Yuan	547,751	245,000
	36,193,441	2,746,013
Marketable securities		
United States Dollar	15,922,022	1,117,139
Singapore Dollar	686,543	77,030
European Euro	3,923	243
Chinese Yuan	113,395	50,720
Japanese Yen	1,631	13,178
	16,727,514	1,258,310
Government bonds		
United States Dollar	49,744,313	3,490,217
European Euro	2,180,522	135,331
	51,924,835	3,625,548

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	31 December 2021	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Assets (continued)		
Other receivables - trade transactions		
United States Dollar	10,000,952	701,698
European Euro	59,155	3,671
Chinese Yuan	10,132	4,532
Japanese Yen	27,584	222,865
Great Britain Poundsterling	1,200	62
	10,099,023	932,828
Derivative receivables		
United States Dollar	1,139,965	79,984
European Euro	32,986	2,047
Japanese Yen	80	646
Great Britain Poundsterling	65	3
Chinese Yuan	6	3
	1,173,102	82,683
Loan and sharia loan/financing		
United States Dollar	178,488,287	12,523,297
European Euro	1,660,553	103,060
Chinese Yuan	2,067,221	924,633
Japanese Yen	1,420	11,473
Singapore Dollar	362,628	34,357
Australian Dollar	902	87
Others	2,886	202
	182,583,897	13,597,109
Acceptance receivables		
United States Dollar	4,780,501	335,415
European Euro	629,055	39,042
Japanese Yen	17,438	140,890
Singapore Dollar	231	22
Australian Dollar	2,008	194
Chinese Yuan	74,866	33,486
Others	156,627	10,989
	5,660,726	560,038
Other assets		
United States Dollar	3,105,386	217,885
European Euro	31,491	1,954
Australian Dollar	5	-
Chinese Yuan	21,699	9,706
Singapore Dollar	241	23
Japanese Yen	450	3,636
Great Britain Poundsterling	13	1
Others	31	2
	3,159,316	233,207
Total asset	342,512,045	30,901,147

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	31 December 2021	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities		
Deposits from customers		
Demand deposits and <i>wadiah</i> demand deposits		
United States Dollar	107,432,123	7,537,774
European Euro	1,296,218	80,448
Singapore Dollar	304,185	28,820
Japanese Yen	403,886	3,263,198
Great Britain Poundsterling	30,426	1,581
Chinese Yuan	1,068,763	478,040
Australian Dollar	48,892	4,725
Hong Kong Dollar	7,926	4,336
Others	75,154	5,273
	110,667,573	11,404,195
Saving deposits and <i>wadiah</i> saving deposits		
United States Dollar	30,859,350	2,165,189
European Euro	1,777,846	110,340
Singapore Dollar	566,206	53,645
Great Britain Poundsterling	88,587	4,602
Australian Dollar	112,827	10,905
Japanese Yen	207,317	1,675,018
Chinese Yuan	21,229	9,495
Hong Kong Dollar	8,762	4,793
Others	3,680	258
	33,645,804	4,034,245
Time deposits		
United States Dollar	29,146,153	2,044,985
European Euro	731,312	45,388
Singapore Dollar	1,097,651	103,997
Chinese Yuan	59,504	26,615
Australian Dollar	69,163	6,685
Japanese Yen	6,752	54,553
Great Britain Poundsterling	3,648	189
Hong Kong Dollar	-	-
	31,114,183	2,282,412
Deposits from other banks		
Demand deposits, <i>wadiah</i> demand deposits and saving deposits		
United States Dollar	2,351,451	164,985
Singapore Dollar	212	20
European Euro	524	33
Japanese Yen	505	4,080
Chinese Yuan	82	37
	2,352,774	169,155
Interbank call money		
United States Dollar	3,210,738	225,275
Chinese Yuan	1,699,147	760,000
	4,909,885	985,275
Time Deposits		
United States Dollar	1,995,350	140,000

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	31 December 2021	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities (continued)		
Securities sold under agreements to repurchase		
United States Dollar	5,427,998	380,845
Derivative payables		
United States Dollar	821,376	57,630
European Euro	9,833	610
Great Britain Poundsterling	4,410	229
Others	485	34
	836,104	58,503
Acceptance payables		
United States Dollar	4,780,502	335,415
European Euro	629,055	39,042
Japanese Yen	17,438	140,890
Singapore Dollar	231	22
Chinese Yuan	74,866	33,486
Australian Dollar	2,008	194
Others	156,626	10,989
	5,660,726	560,038
Debt securities issued		
United States Dollar	21,962,700	1,540,972
Accrued expenses		
United States Dollar	614,326	43,103
Chinese Yuan	23,644	10,576
Singapore Dollar	288	27
Hong Kong Dollar	-	-
Japanese Yen	166	1,341
Australian Dollar	143	14
Great Britain Poundsterling	60	3
Others	1	-
	638,628	55,064
Other liabilities		
United States Dollar	2,460,106	172,609
Japanese Yen	17,375	140,381
European Euro	200,313	12,432
Singapore Dollar	290,286	27,502
Australian Dollar	6,895	667
Hong Kong Dollar	16,111	8,813
Great Britain Poundsterling	5,002	259
Chinese Yuan	714,307	319,497
Others	134,515	9,438
	3,844,910	691,598

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63. RISK MANAGEMENT (continued)

C. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	31 December 2021	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities (continued)		
Fund borrowings		
United States Dollar	39,388,326	2,763,608
Great Britain Poundsterling	1,197	62
Chinese Yuan	-	-
Japanese Yen	-	-
	39,389,523	2,763,670
Subordinated loans and marketable securities		
United States Dollar	137,606	9,655
	262,583,764	25,075,627
	31 December 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Assets		
Cash		
United States Dollar	907,283	64,575
Singapore Dollar	451,178	42,539
Australian Dollar	105,423	9,805
European Euro	318,786	18,497
Chinese Yuan	8,310	3,865
Japanese Yen	167,316	1,230,536
Great Britain Poundsterling	19,900	1,047
Hong Kong Dollar	16,022	8,841
Others	185,132	13,177
	2,179,350	1,392,882
Current accounts with Bank Indonesia		
United States Dollar	7,186,047	511,462
Current accounts with other banks		
United States Dollar	18,109,820	1,288,955
Chinese Yuan	3,326,735	1,547,132
European Euro	1,440,949	83,609
Japanese Yen	168,409	1,238,575
Great Britain Poundsterling	159,579	8,393
Singapore Dollar	502,107	47,341
Australian Dollar	124,406	11,570
Hong Kong Dollar	46,495	25,655
Others	678,327	48,280
	24,556,827	4,299,510

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	31 December 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Assets (continued)		
Placement with Bank Indonesia and other banks		
United States Dollar	42,034,942	2,991,811
European Euro	44,576	2,586
Chinese Yuan	107,513	50,000
	42,187,031	3,044,397
Marketable securities		
United States Dollar	20,029,081	1,425,557
Singapore Dollar	269,409	25,401
European Euro	5,063	294
Japanese Yen	2,739	20,144
	20,306,292	1,471,396
Government bonds		
United States Dollar	24,060,180	1,712,468
European Euro	2,840,385	164,809
	26,900,565	1,877,277
Other receivables - trade transactions		
United States Dollar	8,464,804	602,477
European Euro	45,568	2,644
Singapore Dollar	4,820	454
Chinese Yuan	17,175	7,987
Japanese Yen	11,144	81,959
Australian Dollar	109	10
Great Britain Poundsterling	3,392	178
	8,547,012	695,709
Derivative receivables		
United States Dollar	2,403,950	171,100
European Euro	11,334	658
Japanese Yen	6	44
Great Britain Poundsterling	472	25
	2,415,762	171,827
Loan and sharia loan/financing		
United States Dollar	135,881,206	9,671,260
European Euro	1,334,871	77,454
Chinese Yuan	1,738,196	808,365
Singapore Dollar	547,015	51,575
Australian Dollar	473,255	44,014
Others	1,093	78
	139,975,636	10,652,746
Acceptance receivables		
United States Dollar	3,439,254	244,787
European Euro	99,382	5,766
Japanese Yen	31,604	232,434
Singapore Dollar	7,826	738
Chinese Yuan	79,004	36,742
Australian Dollar	2,456	228
	3,659,526	520,695

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	31 December 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Assets (continued)		
Other assets		
United States Dollar	2,723,797	193,866
European Euro	45,643	2,648
Australian Dollar	7,747	720
Chinese Yuan	15,445	7,183
Singapore Dollar	648	61
Japanese Yen	199	1,464
Great Britain Poundsterling	27	1
Others	3	-
	2,793,509	205,943
Total asset	280,707,557	24,843,844

	31 December 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities		
Deposits from customers		
Demand deposits and <i>wadiah</i> demand deposits		
United States Dollar	82,116,683	5,844,604
European Euro	1,060,290	61,522
Singapore Dollar	521,275	49,148
Japanese Yen	239,789	1,763,543
Great Britain Poundsterling	54,292	2,856
Chinese Yuan	1,133,635	527,208
Australian Dollar	34,738	3,231
Hong Kong Dollar	6,236	3,441
Others	291,657	20,759
	85,458,595	8,276,312
Saving deposits and <i>wadiah</i> saving deposits		
United States Dollar	27,531,451	1,959,534
European Euro	742,773	43,098
Singapore Dollar	622,423	58,685
Great Britain Poundsterling	78,249	4,116
Australian Dollar	88,696	8,249
Japanese Yen	79,153	582,136
Chinese Yuan	16,593	7,717
Hong Kong Dollar	7,022	3,875
Others	7,664	545
	29,174,024	2,667,955
Time deposits		
United States Dollar	27,694,418	1,971,133
European Euro	762,248	44,228
Singapore Dollar	563,128	53,094
Chinese Yuan	71,287	33,153
Australian Dollar	81,660	7,595
Japanese Yen	7,464	54,894
Great Britain Poundsterling	4,201	221
Hong Kong Dollar	10,153	5,602
	29,194,559	2,169,920

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

c. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	31 December 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities (continued)		
Deposits from other banks		
Demand deposits, <i>wadiah</i> demand deposits and saving deposits		
United States Dollar	1,402,912	99,851
Singapore Dollar	57	5
European Euro	565	33
Japanese Yen	858	6,310
Chinese Yuan	93	43
	1,404,485	106,242
Interbank call money		
Chinese Yuan	655,829	305,000
Time Deposits		
United States Dollar	1,120,930	79,781
Securities sold under agreements to repurchase		
United States Dollar	1,218,311	86,713
Derivative payables		
United States Dollar	1,441,156	102,573
European Euro	33,839	1,963
Great Britain Poundsterling	450	24
Chinese Yuan	91	42
Others	188	13
	1,475,724	104,615
Acceptance payables		
United States Dollar	3,439,254	244,787
European Euro	99,382	5,766
Japanese Yen	31,604	232,434
Singapore Dollar	7,826	738
Chinese Yuan	79,004	36,742
Australian Dollar	2,456	228
	3,659,526	520,695
Debt securities issued		
United States Dollar	17,444,678	1,241,614
Accrued expenses		
United States Dollar	661,307	47,068
Chinese Yuan	65,330	30,382
Singapore Dollar	35,440	3,341
Hong Kong Dollar	7,917	4,368
Japanese Yen	183	1,346
Australian Dollar	151	14
Great Britain Poundsterling	55	3
Others	9	1
	770,392	86,523

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63. RISK MANAGEMENT (continued)

D. Market risk and liquidity risk (continued)

(iv) Foreign exchange risk management (continued)

d. The balance of monetary assets and liabilities in foreign currencies are as follows (continued):

	31 December 2020	
	Rupiah Equivalent (in million)	Foreign Currencies (in thousand)
Liabilities (continued)		
Other liabilities		
United States Dollar	4,785,366	340,595
Japanese Yen	33,392	245,584
European Euro	116,547	6,762
Singapore Dollar	107,932	10,176
Australian Dollar	6,635	616
Hong Kong Dollar	17,186	9,483
Great Britain Poundsterling	44,864	2,360
Chinese Yuan	59,232	27,546
Others	146,734	10,444
	5,317,888	653,566
Fund borrowings		
United States Dollar	38,314,570	2,727,016
Chinese Yuan	2,729,347	1,269,310
Japanese Yen	184,114	1,354,075
	41,228,031	5,350,401
Subordinated loans and marketable securities		
United States Dollar	151,623	10,792
	151,623	10,792
Total Liabilities	218,274,595	21,660,139

d. Sensitivity to net income

The table below shows the sensitivity of Bank Mandiri's net income to movement of foreign exchange rates as of 31 December 2021 and 2020:

	Increased by 5%	Decreased by 5%
31 December 2021		
Increase/(decrease) net income	2,532,252	(2,532,252)
31 December 2020		
Increase/(decrease) net income	1,812,449	(1,812,449)

The projection above assumes only changes in foreign currency exchange rate of US Dollar while other foreign exchange rates remain unchanged. US Dollars is the major foreign exchange rate held by the Bank. The projection also assumes that all other variables are held constant at reporting date.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities

Valuation is also an important component to manage most risks in banking industry including market risk, credit risk and liquidity risk. Valuation process is performed for all trading book position including marketable securities owned by the Group's portfolio measured at fair value through other comprehensive income.

The table below shows analysis of financial instruments carried at fair value based on method of valuation levels. The difference at each level of assessment methods is described as follows:

- Quoted prices (not adjusted) from active market for asset or liability which are the same/identical (Level 1);
- Inputs other than quoted market prices included in Level 1 that are observable for the asset and liability, either directly (as a price) or indirectly (derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (unobservable information) (Level 3);

The table below shows the Group's assets and liabilities that are measured at fair value as of 31 December 2021 and 2020:

	31 December 2021			Fair value
	Level 1	Level 2	Level 3	
Assets measured at fair value				
Marketable securities				
Fair value through profit or loss	36,628,405	2,876,333	-	39,504,738
Fair value through other comprehensive income	10,940,160	10,725,899	-	21,666,059
Government bonds				
Fair value through profit or loss	10,409,363	113,077	-	10,522,440
Fair value through other comprehensive income	126,563,523	2,868,777	-	129,432,300
Derivative receivables	-	1,602,482	67,356	1,669,838
Assets disclosed at fair value				
Amortised cost				
Marketable securities	6,334,998	2,122,913	-	8,457,911
Government bonds	115,741,080	-	-	115,741,080
At cost				
Marketable securities	28,481,280	-	-	28,481,280
Government bonds	-	34,457,768	-	34,457,768
Loans	-	310,103,546	652,645,491	962,749,037
Consumer financing receivables	-	17,965,329	-	17,965,329
Net investment finance leases	-	3,592,752	-	3,592,752
Liabilities measured at fair value				
Derivative payables	-	1,018,751	-	1,018,751
Liabilities disclosed at fair values				
Debt securities issued	-	46,829,532	-	46,829,532
Fund borrowings	-	51,341,742	-	51,341,742
Subordinated loans and marketable securities	-	660,048	-	660,048

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities (continued)

The table below shows the Group's assets and liabilities that are measured at fair value as of 31 December 2021 and 2020 (continued):

	31 December 2020			
	Level 1	Level 2	Level 3	Fair value
Assets measured at fair value				
Marketable securities				
Fair value through profit or loss	33,063,618	1,544,381	-	34,607,999
Fair value through other comprehensive income	11,587,676	7,559,822	-	19,147,498
Government bonds				
Fair value through profit or loss	8,816,162	33,530	-	8,849,692
Fair value through other comprehensive income	102,558,559	227,644	-	102,786,203
Derivative receivables	-	2,520,623	58,324	2,578,947
Assets disclosed at fair value				
Amortised cost				
Marketable securities	6,866,963	1,597,443	-	8,464,406
Government bonds	39,504,479	-	-	39,504,479
At cost				
Marketable securities	28,357,567	-	-	28,357,567
Government bonds	-	28,384,575	-	28,384,575
Loans	-	285,019,339	531,011,716	816,031,055
Consumer financing receivables	-	18,095,390	-	18,095,390
Net investment finance leases	-	2,547,136	-	2,547,136
Liabilities measured at fair value				
Derivative payables	-	1,570,506	-	1,570,506
Liabilities disclosed at fair values				
Debt securities issued	-	40,821,444	-	40,821,444
Fund borrowings	-	52,313,282	-	52,313,282
Subordinated loans and marketable securities	-	672,206	-	672,206

As of 31 December 2021 and 2020, the Bank and Subsidiaries have no transfers between Level 1 and Level 2 of the hierarchy.

As of 31 December 2021 and 2020, assets and liabilities held at the end of the reporting year are measured at fair value on a recurring basis. The Bank and Subsidiaries have no transfers between Level 1 and Level 2 of the hierarchy. In addition, at the same date, there are no Marketable Securities entered into Level 3.

The fair value of financial instruments traded in active markets (such as marketable securities which are measured at fair value through profit or loss and fair value through other comprehensive income) was determined based on quoted market prices at the reporting date. A market is considered active if the information regarding price quotations can be easily obtained and regularly available from an exchange, securities dealer or broker, the market price of a particular industry assessors, regulators and those price reflects actual and regular market transactions at a fair value. Quoted market price for financial assets owned by the Group are using current offering price. These instruments are included in level 1. The instruments included in level 1 generally include investments in shares in IDX and debt securities classified as held for trading and fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (include over-the-counter derivatives and inactive government bonds) are determined by internal valuation techniques.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities (continued)

The valuation techniques maximise the use of observable market data when available and as far as possible to minimise the use of specific estimates of the entity. If all the inputs needed to determine the fair value of financial instruments are observable from market, therefore the instrument is included in level 2. Instead, if one or more data is not based on observable market data, these instrument are included in level 3.

As of 31 December 2021 and 2020, the carrying value of the Bank's financial assets and liabilities approximates their fair value except for the following financial instruments:

	31 December 2021		31 December 2020	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Marketable securities				
Amortized cost	8,453,014	8,457,912	8,457,115	8,464,406
At cost ⁾	28,481,280	28,481,278	28,357,567	28,357,567
Government bonds				
Amortized cost	115,507,886	115,741,078	39,423,359	39,504,479
At cost ⁾	33,592,148	34,457,768	27,684,591	28,384,575
Loans	957,636,151	962,749,039	877,051,229	885,207,921
Consumer financing receivable	18,633,307	17,965,329	18,649,899	18,095,390
Net Investment finance leases	4,693,806	3,592,752	3,522,467	2,547,136
	1,166,997,592	1,171,445,156	1,003,146,227	1,010,561,474
Liabilities				
Debt securities issued	45,138,342	46,829,532	38,111,472	40,821,444
Fund borrowings	51,398,940	51,341,742	52,810,689	52,313,282
Subordinated loans and marketable securities	637,143	660,048	650,966	672,206
	97,174,425	98,831,322	91,573,127	93,806,932

⁾ Marketable securities and government bonds owned by Subsidiary in accordance with SFAS No. 110 "Accounting for Sukuk".

- (i) Current accounts with Bank Indonesia, current accounts with other banks, placement with Bank Indonesia and other banks, other receivables, securities purchased under agreements to resell, acceptance receivables and other assets.

Placements with Bank Indonesia and other banks represent placements in the form of deposit facility, sharia FASBI, call money, "fixed-term" placements, time deposits and others.

The carrying amount of current accounts, placements and overnight deposits, which uses floating rate, is a reasonable approximation of fair value.

The estimated fair value of fixed interest bearing placements, other receivables, securities purchased under agreements to resell, acceptance receivables and other assets is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity. Since the remaining maturity is below one year, the carrying amount of fixed interest bearing placements, other receivables, securities purchased under agreements to resell, acceptance receivables and other assets is a reasonable approximation of fair value.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(v) Fair value of financial assets and liabilities (continued)

(ii) Marketable securities (held to maturity) and government bonds (held to maturity)

The fair value for held to maturity marketable securities and government bonds is based on market prices or broker/dealer price quotations. When this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics or using internal valuation method.

(iii) Loans and consumer financing receivables

Loans and consumer financing receivables are recorded at carrying amount net of charges for impairment. The estimated fair value of loans and consumer financing receivables represents the discounted amount of estimated future cash flows expected to be received. The fair value of loans and consumer financing receivables is determined by discounting the expected future cash flows at current market interest rates.

(iv) Deposits from customers and other banks, securities sold under agreements to repurchase, acceptance payables and other liabilities

The estimated fair value of deposits that can be withdrawn at any time, includes non-interest bearing deposits, is the payable amount/carrying amount when the payable is paid.

The estimated fair value of fixed interest bearing deposits, securities sold under agreements to repurchase, acceptance payables and other liabilities not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity. As the remaining maturity is below one year, the carrying amount of fixed interest bearing deposits, acceptance payables and other liabilities is a reasonable approximation of fair value.

(v) Debt securities issued, fund borrowings and subordinated loans and marketable securities

The aggregate fair values are calculated based on quoted market prices. When information is not available, a discounted cash flow model is used based on the current yield curve appropriate for the remaining term to maturity.

(vi) Value at Risk (VaR)

The implementation of managing market risk of trading, the Bank's applies segregation of duties principle by separation front office unit (conduct trading transaction), middle office unit (conduct process of risk management, develop policies and procedures) and back office unit (conduct process of settlement transaction).

Daily market risk analysis of trading treasury activities using best practice approach by consider internal and external policies, such as through calculation of Value at Risk (VaR).

VaR is the maximum potential loss from the Bank's portfolio position (open position) with a certain confidence level and holding period under normal market conditions. The VaR calculation method used by the bank is the Historical Simulation method which does not require the assumption that the movement of market factors is normally distributed. The bank calculates VaR based on 250 days of historical market factor data.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(vi) Value at Risk (VaR) (continued)

VaR realisation as of 31 December 2021 and 2020 (unaudited) are as follows:

31 December 2021				
Type of Risk	Average VaR	Maximum VaR	Minimum VaR	End of period VaR
Interest rate risk ^{*)}	19,892	64,434	1,590	10,985
Foreign exchange risk	22,432	87,768	1,267	12,324
Total	42,324	152,202	2,857	23,309

31 December 2020				
Type of Risk	Average VaR	Maximum VaR	Minimum VaR	End of period VaR
Interest rate risk	13,136	45,998	1,055	31,106
Foreign exchange risk	35,792	161,793	904	19,608
Total	48,928	207,791^{**)}	1,959	50,714

^{*)} Only trading book position

^{**)} NOP Calculation excludes Domestic Non-Delivarable Forward (DNDF) transactions in accordance with FAQ PBI No. 20/10/PBI/2018 regarding DNDF transactions

The Bank performs backtesting to ensure the accuracy of the VaR calculation method in predicting the profit/loss of treasury activities. Backtesting compares the daily profit/loss with the VaR calculated by the Bank.

Backtesting result for the period December 2021 shows that the VaR calculation has been performed accurately, where the number of irregularities of P/L to the daily VaR is still acceptable.

(vii) Cash management

Details of cash are as follows:

	31 December 2021		31 December 2020	
	Notional amount of foreign currency equivalent (in thousands)	Rupiah	Notional amount of foreign currency equivalent (in thousands)	Rupiah
Rupiah	-	22,255,050	-	24,045,739
Foreign currencies				
United States Dollar	73,046	1,041,090	64,575	907,283
Singapore Dollar	24,690	260,590	42,539	451,178
Australia Dollar	2,745	28,405	9,805	105,423
European Euro	5,759	92,785	18,497	318,786
Chinese Yuan	4,752	10,624	3,865	8,310
Japanese Yen	466,397	57,726	1,230,536	167,316
Great Britain Poundsterling	1,208	23,250	1,047	19,900
Hong Kong Dollar	9,122	16,675	8,841	16,022
Others	11,387	162,290	13,177	185,132
	599,106	23,948,485	1,392,882	26,225,089

As of 31 December 2021 and 2020, the cash balance, including money at the ATM (Automatic Teller Machine), amounted to Rp8,266,733 and Rp9,296,597, respectively.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(viii) Impact of Interest Rate Benchmark Reform

In 2017, the UK Financial Conduct Authority (FCA) announced plans to stop using LIBOR by the end of 2020. In November 2020, the ICE Benchmark Administration (IBA) officially announced plans to stop publishing the LIBOR benchmark interest rate. In response to the latest conditions, on March 05, 2021, FCA announced a plan to partially suspend the publication of the LIBOR benchmark interest rate by the IBA which will be held in 2 (two) stages as follows:

1. As of 31 December 2021, the reference interest rate is LIBOR for all tenors in GBP, EUR, CHF, and JPY and in USD for 1 (one) week and 2 (two) months tenors.
2. On 30 June 2023, the reference interest rate is LIBOR in USD for the Overnight tenor, 1 (one) month, 3 (three) months, 6 (six) months and 12 (twelve) months.

The Bank's risk exposures that are directly affected by the interest rate benchmark reform consist of a portfolio of corporate loans, derivative transactions and borrowing using the USD LIBOR benchmark interest rate.

Currently, the Bank plans to use the SOFR (Secured Overnight Financing Rate) benchmark interest rate or other agreed benchmark interest rate to replace the USD LIBOR benchmark interest rate. Regarding the SOFR benchmark interest rate, there are several differences between USD LIBOR and SOFR. USD LIBOR is the "term rate", which means that USD LIBOR is published for several loan periods (for example 3 (three) months or 6 (six) months) and is "forward looking" (LIBOR is published at the beginning of the period), while SOFR is the rate "backward-looking" benchmark interest rate, based on the overnight interest rate of actual transactions, and published at the end of the overnight period. In addition, LIBOR is an interest rate that has taken into account credit spreads, while SOFR is currently an almost risk free interest rate based on US Treasury repurchase agreement (repo) market transactions. In order to make the transition of contracts and agreements that currently refer to USD LIBOR to refer to the alternative benchmark interest rate (SOFR), adjustments are needed to ensure that the two benchmark interest rates are economically equivalent.

In 2020, the Bank has formed a committee, consisting of Treasury, Credit, Risk, IT, Legal, Compliance, and Finance work units to formulate a USD LIBOR transition strategy. The LIBOR Transition Committee was formed to minimize the potential for business disruption and mitigate operational, legal, compliance and financial risks. The LIBOR transition initiative considers changes to information systems, processes, risk management, and financial instrument valuation models and examines the impact of accounting and taxation.

In terms of market risk management, the Bank has identified and anticipated changes that will occur in aspects including changes in market data, which in turn will have an impact on the results of the mark to market calculation, Value at Risk (VaR) calculation and monitoring, and other calculations related to market risk. With regard to these changes, the Bank will make adjustments to the market risk management system and related internal regulations.

In terms of liquidity risk, changes in the LIBOR benchmark interest rate to another alternative benchmark interest rate may also have an impact on the Bank's liquidity condition. In this case, changes in the nominal payment of credit interest, derivative transactions and/or loan interest may affect the value of cash flows received or paid by the Bank, including those measured in the LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) indicators. . However, this impact is not expected to significantly affect the Bank's overall liquidity condition.

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63. RISK MANAGEMENT (continued)

B. Market risk and liquidity risk (continued)

(viii) Impact of Interest Rate Benchmark Reform (continued)

As a form of market risk mitigation, as of 31 December 2021, the Bank has identified the need for changes to the information system and the Bank is in the stage of making adjustments to the system. The Bank has also conducted studies needed in the transition process related to the process and model of the valuation of financial instruments. Currently, the Bank has communicated with affected counterparties and/or customers to provide the latest information regarding changes that may occur as a result of the reform of the interest rate reference, specifically USD LIBOR, either through socialization, discussion or in writing. The Bank has identified areas that have a significant risk of discontinuing USD LIBOR, namely developing information systems and adjusting business processes to accommodate the use of alternative reference interest rates, conducting contract amendments/repapering and/or reviewing fallback clauses on existing contracts. In addition to carrying out continuous efforts in monitoring the latest conditions related to the USD LIBOR transition, the Bank has also conducted more intensive discussions with industry players both from within and outside the country in the context of benchmarking and communication with Regulators to ensure the transition of changes in the benchmark interest rate from USD LIBOR to interest rates. The alternative benchmark interest rate went well, while minimizing the risks arising from the transition process. As a long-term follow-up, the Bank will continuously assess and prepare for mitigation of the risks that will arise from the said USD LIBOR transition.

	31 December 2021	
	Assets	Liabilities
Non Derivatives		
Loans	123,308,302	-
Fund borrowings	-	11,102,352
	Full USD	
	Contract Value	Vair Value
Derivatives		
Derivatives Assets	1,820,390,616	430,102
Derivatives Liabilities	1,704,251,116	(462,412)

C. Operational risk

Operational risk is a risk which due from inadequacy and/or dysfunctional of internal process, human error, systems failure or external factors which impact the Bank's operations. The effectiveness of operational risk management can reduce losses due to operational risk.

In order to the achieve the effectiveness of operational risk management, the Bank has established a framework based on Bank Indonesia, Financial Services Authority, Basel and best practice in both local and global industries. The Bank has implemented Bank Mandiri's Risk Management Policy, Standard Operating Procedures for Operational Risk Management and Technical Guidelines for Operational Risk Management covering both aspects of governance and reporting systems.

Managing risk through operation

In managing operational risk through operation, the Bank has:

- (i) Established risk governance of operational risk management.
- (ii) Established policies and procedures and conducts periodic review.
- (iii) Established operational risk appetite.
- (iv) Designed methodologies and tools for operational risk management.
- (v) Provided Operational Risk Management System for all units.

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63. RISK MANAGEMENT (continued)

C. Operational risk (continued)

Managing risk through operation (continued)

In managing operational risk through operation, the Bank has (continued):

- (vi) Established Risk Awareness across organizations including Risk Culture in the Bank's business activities.
- (vii) Implemented the operational risk management to the all units Head Office and Regional Offices including the operational risk management tools (ORM Tools) and Loss Event Database application system.
- (viii) Performed monitoring and reporting for internal and external (regulator).
- (ix) Developed standard competencies for employees involved in the implementation of operational risk management framework activities.

The implementation of operational risk governance begins with:

- (i) Active monitoring by Board of Commissioners and Directors
- (ii) The implementation of operational risk management is supervised by Director of Risk Management which supported by the involvement of:
 - Risk Management & Credit Policy Committee
 - Operational Risk Management and Development Unit
 - Operational Risk Management Unit
 - Business Unit and Risk Controlling Unit
 - Compliance Unit
 - Internal Audit Unit

The Bank has established internal policies and procedures for Operational Risk Management referred to as Bank Mandiri Risk Management Policy (KMRBM), which is the basis of risk management implementation.

The ORM Tools used by the Bank are:

- (i) Risk & Control Self Assessment (RCSA), is a register of key risk and main control of the business processes within the Bank, where inherent risk rating and control effectiveness either through control testing or by consensus are periodically assessed. The testing of inherent risk rating and control rating generated residual risk value which become a component of operational risk profile. The residual risk level is minimize by taking necessary mitigations before risk occurs.
- (ii) Loss Event Database, is a database of operational risk incidents which recorded on risk based basis as a lesson learned, remediation monitoring and future improvements, also as a component for calculation of operational risk capital calculation (regulatory capital charge) with the Standardized Approach (SA) method.
- (iii) Key indicator (KI), is an indicator prepared to monitor applicable risks on risk based approach to ensure follow-up action are promptly taken before the risks are happened.
- (iv) Issue & Action Management (IAM), is a tool to monitor follow-up action that have been designed on identified issues through various activities, such as Control Testing, incident, key indicator, self identified issued and other.
- (v) Capital Modeling, an operational capital calculation model (regulatory capital charge) that complies with applicable regulations, as part of mitigating operational risk.

As the output of Operational Risk Management process, each unit generates operational risk profile reviewed by Internal Audit unit and presented to the Board of Commissioners and reported to regulators periodically also use to determine Banks's Rating ratio in Risk-Based Bank Rating (RBBR). In addition, in order to manage operational risk, there is an operational risk management reports that are submitted to management as a monitoring tool and consideration for priority decision making.

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63. RISK MANAGEMENT (continued)

C. Operational risk (continued)

Managing risk through capital

In accordance with the regulation, the Bank uses the Basic Indicator Approach to calculate the operational risk capital charge. The Basic Indicator Approach calculation is based on Gross Income of the Bank for the last 3 (three) years. The results of operational risk capital charge of Bank Mandiri (Bank only) is Rp10,454,594.27, meanwhile for the consolidation is amounted to Rp12,159,561.72. Based on balance of operational risk capital charge, the RWA of operational risk is amounted to Rp130,682,428.32 (Bank only) and Rp151,994,521.47 (consolidated).

64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Integrated banking system agreement with vendor

On 22 November 2012, the Bank entered into an agreement with vendor to enhance eMAS features in accordance with Application Management Services 2011 agreement amounted to USD866,125 (full amount, after VAT) and Application Management Services 2012 agreement amounted to USD1,190,000 (full amount, after VAT) with blanket order system so that the maximum total value of the contract amounted to USD2,056,125 (full amount, after VAT). On 31 December 2021, the value of the contract using payment realisation approach for Application Management Services 2012 was USD1,083,250 (full amount, after VAT) and the Bank has recorded fixed asset based on the realization value of USD1,078,350 (full amount, after VAT), therefore estimated completion as of 31 December 2021 was 99.55%.

On 3 September 2013, the Bank entered into an agreement with vendors to enhance eMAS features related to Management Application's agreement 2013 with blanket order system with a maximum contract value of USD2,583,700 (full amount, after VAT). The blanket order agreements are based on estimation of actual mandays to be performed by the vendor for additional features of eMAS. As of 31 December 2021, the contract value based on the realisation payment was equal to USD2,443,000 (full amount) and the Bank has recorded the payment as fixed asset of USD2,333,800 (full amount) therefore the estimated project completion as of 31 December 2021 are 95.53%.

On 15 September 2014, the Bank entered into an agreement with vendors to enhance eMAS features related to Management Application 2014 with blanket order system with a maximum contract value of USD3,550,000 (full value, after VAT). The blanket order agreements are based on estimation of actual mandays to be performed by the vendor for additional features of eMAS. As of 31 December 2021, the contract value based on the realisation payment was equal to USD3,483,970 (full amount) and the Bank has recorded the payment as fixed asset of USD3,374,630 (full amount) therefore the estimated project completion are 96.86% as of 31 December 2021.

On 7 January 2016, the Bank entered into an agreement with vendors to enhance eMAS features related to Management Application 2015 with the blanket order system with a maximum contract value of 6,000 mandays. As of 31 December 2021, the contract value based on realisation payment was equal to USD3,801,224.25 (full amount) and the Bank has recorded the payment realisation as fixed asset of USD3,366,764 (full amount), therefore the estimated project completion as of 31 December 2021 was 88.57%.

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64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

a. Integrated banking system agreement with vendor (continued)

On 14 December 2016, the Bank entered into an agreement with vendors to enhance eMAS features related to Management Application 2016 with the system blanket order with a maximum contract value of 5,256 mandays. As of 31 December 2021, the contract value using the realisation payment approach is equal to USD3,616,215.50 (full amount) and the Bank has booked the value of the payment realisation as fixed asset of USD3,528,125 (full amount), so that the estimated project completion as of 31 December 2021 was 97.56%.

On 25 January 2018, Bank Mandiri entered into an agreement with vendors to enhance eMAS features related to Management Application 2017 with the blanket order system with a maximum contract value of 8,592 mandays. On 31 December 2021 the payment realisation was equal to USD2,578,797.15 (full amount) and the Bank has recorded the payment realisation as a fixed asset of USD2,556,801 (full amount), therefore the estimated project completion as of 31 December 2021 was 99.15%.

On 25 January 2018, Bank Mandiri entered into an agreement with vendors to enhance eMAS features related to Management Application 2018 with the blanket order system with a maximum contract value of 8,592 mandays. On 31 December 2021 the payment realisation was equal to USD2,647,178.65 (full amount) and the Bank has recorded the payment realisation as a fixed asset of USD2,597,757 (full amount), therefore the estimated project completion as of 31 December 2021 was 98.13%.

On 28 May 2019, Bank Mandiri entered into an agreement with vendors to enhance eMas features related to Management Application 2019 with the blanket order system with a maximum contract value of 6,141 mandays. On 31 December 2021 the payment realisation was equal to USD3,659,670.55 (full amount) and the Bank has recorded the payment realisation as a fixed asset as of USD2,789,625, therefore the estimated project completion as of 31 December 2021 was 76.23%.

On 25 May 2021, Bank Mandiri entered into an agreement with a vendor to add eMAS features in accordance with the 2021 Application Management agreement using a blanket order system with a maximum contract value of 1,870 mandays. As of 31 December 2021, the contract value of the payment realization approach is USD233,627.70 (full amount) and the bookkeeping of the realized value of payments as fixed assets is USD50,427 so that the estimated project completion position on 31 December 2021 is 21.58%.

Bank Mandri and related parties has mutually agreed the terms and conditions.

b. Legal matters

Currently, the Bank has a number of outstanding litigation cases, including lawsuits with debtors and/or fund owners due to disputes that had been decided by the Court where the Bank was convicted by the Court to pay compensation amounted to Rp126. Currently, the Bank is still in the legal process to appeal against the decision.

The Bank's total potential financial exposure arising from outstanding lawsuits as of 31 December 2021 and 2020 amounted to Rp878,121 and Rp716,546, respectively. As of 31 December 2021 and 2020, the Bank has provided a provision amounted to Rp124,920 and Rp132,478, respectively and believes that the provision is adequate.

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64. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

c. Trade Agreement with Asian Development Bank

On 25 November 2009, Bank Mandiri has signed a contractual agreement with Asian Development Bank (ADB) through Trade Finance Facilitation Program (TFFP) which are Confirmation Bank Agreement (CBA) and Issuing Bank Agreement (IBA).

Based on CBA and IBA, Bank Mandiri can act either as confirming bank or issuing bank for export import transactions of its customers with Letter of Credit (L/C) arrangement. As a confirming bank, Bank Mandiri can request a guarantee from ADB for L/C issued by issuing bank and as issuing bank, Bank Mandiri can obtain confirmation guarantee from ADB for L/C that has been issued.

TFFP scheme is a program initiated by ADB to facilitate the L/C based trade transactions within Asian developing countries to increase the trade-volume growth. Becoming a participant in this program, Bank Mandiri will have an easier access to increase its trade finance credit lines, its trade volume and to open new business opportunities especially to countries in ADB program.

65. GOVERNMENT GUARANTEE FOR PAYMENT OBLIGATIONS OF COMMERCIAL BANKS

Based on the Law of the Republic of Indonesia No. 24 Year 2004 dated 22 September 2004, the Government of Republic Indonesia has established an independent agency called Deposit Insurance Agency (LPS), LPS guarantee public funds, including funds from other banks in form of demand deposits, time deposits, certificates of deposit, savings and/or other equivalent deposits.

Based on the LPS No. 2/PLPS/2014 dated 22 September 2014 regarding amendment of LPS Regulation No. 2/PLPS/2010 regarding the Deposit Guarantee Program, the maximum guaranteed amount for each customer in one bank is Rp2,000,000,000 (full amount).

The interest rate of LPS as of 31 December 2021 and 2020 is 3.50% and 4.50%, respectively, for deposits denominated in Rupiah, 0.25% and 1.00%, respectively, for deposits denominated in foreign currencies.

66. CHANGES IN FINANCING ACTIVITIES

Changes in liabilities arising from financing activities in the consolidated statement of cash flow are as follow:

	1 January 2021	Cash Flow	Non-cash flow		31 December 2021
			Differences due to exchange rate	Others	
Debt securities issued	39,111,472	5,744,772	245,798	36,300	45,138,342
Fund borrowing	52,810,689	(2,967,255)	1,499,686	55,817	51,398,937
Subordinated loans and marketable securities	650,966	(16,109)	2,092	194	637,143
Securities sold under agreements to repurchase	1,330,068	4,074,684	23,246	-	5,427,998
Total liabilities from financing activities	93,903,195	6,836,092	1,770,822	92,311	102,602,420

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66. CHANGES IN FINANCING ACTIVITIES (continued)

Changes in liabilities arising from financing activities in the consolidated statement of cash flow are as follow (continued):

	1 January 2020	Cash Flow	Non-cash flow		31 December 2020
			Differences due to exchange rate	Others	
Debt securities issued	32,245,270	5,721,589	144,670	(57)	38,111,472
Fund borrowing	54,128,562	(980,479)	(353,076)	15,682	52,810,689
Subordinated loans and marketable securities	664,217	(15,829)	2,406	172	650,966
Securities sold under agreements to repurchase	3,782,055	(2,593,152)	141,165	-	1,330,068
Total liabilities from financing activities	90,820,104	2,132,129	(64,835)	15,797	92,903,195

67. NEW (REVISED) FINANCIAL ACCOUNTING STANDARDS

Amendments and Improvements of Indonesian Financial Accounting Standards and Interpretations that are issued by the Indonesian Financial Accounting Standards Board (DSAK) - Institute of Indonesia Chartered Accountants (IAI), but not yet effective for current year financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Effective on 1 January 2022:

- Amendments to SFAS No. 22, "Business Combinations regarding Reference to Conceptual Frameworks". This amendment clarifies the interactions between SFAS No. 22, SFAS No. 57, ISAK No. 30 and the Conceptual Framework of Financial Reporting.
- Amendments to SFAS No. 57, "Provisions, Contingent Liabilities, and Contingent Assets" regarding "Aggravating Contracts - Contract-fulfillment Costs". This amendment clarifies the cost of fulfilling a contract in relation to determining whether a contract is a burdensome contract.
- 2020 Annual Adjustments - SFAS No. 71: "Financial Instruments - Fees in the 10 per cent test for derecognition of financial liabilities". The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Effective on 1 January 2023:

- Amendments to SFAS No. 1, "Classification of Liabilities as Current or Non-current", effective 1 January 2023, and earlier application is permitted. This amendment determine the requirements to classify liabilities as current liabilities or non current liabilities.

Effective on 1 January 2025:

- SFAS No. 74, "Insurance Contract", adopted from IFRS 17, is effective 1 January 2025, with earlier application permitted for entities that have also applied SFAS 71 and SFAS 72.

The Group is still in the process of evaluating the impact of the amendments and new SFAS mentioned above to the group's consolidated financial statements.

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68. IMPACT OF IMPLEMENTATION OF SFAS 71 “FINANCIAL INSTRUMENT” AND SFAS 73 “LEASE”

As explained in Note 2.c, the Bank adopted SFAS 71 on 1 January 2020. The impact of the implementation of SFAS 71 on the consolidated financial statements on 1 January 2020 are as follows:

Classification of Financial Assets and Liabilities

The table below represents the classification of financial assets and liabilities in accordance of SFAS 55 while the new classification of the financial assets and liabilities in accordance to SFAS 71 on 1 January 2020 are as follow:

Notes	Classification based on SFAS 55 31 December 2019	Classification based on SFAS 71 1 January 2020	Classification based on SFAS 55 31 December 2019	Classification based on SFAS 71 1 January 2020
Financial Assets				
Cash	Loans and receivables	Amortised cost	28,094,267	28,094,267
Current accounts with Bank Indonesia	Loans and receivables	Amortised cost	46,490,930	46,490,930
Current accounts with other banks - net	Loans and receivables	Amortised cost	12,558,297	12,558,297
Placements with Bank Indonesia and other banks - net	Loans and receivables	Amortised cost	37,568,760	37,568,760
Marketable securities - net				
Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss	29,520,027	29,520,027
Available for sale	Available for sale comprehensive income	Fair value through other	19,901,176	19,901,176
Held to maturity	Held to maturity	Amortised cost	8,035,894	8,010,894
At cost	Fair value through profit or loss		-	26,147
At cost	At cost	At cost	13,875,809	13,875,809
Government bonds				
Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss	6,253,256	6,253,256
Available for sale	Available for sale comprehensive income	Fair value through other	96,664,454	96,664,454
Held to maturity	Held to maturity	Amortised cost	18,003,259	18,003,259
At cost	At cost	At cost	8,079,331	8,079,331
Other receivables - trade transactions - net	Loans and receivables	Amortised cost	29,104,111	29,104,111
Securities purchased under agreements to resell	Loans and receivables	Amortised cost	1,955,363	1,955,363
Derivative receivables	Fair value through profit or loss	Fair value through profit or loss	1,617,476	1,617,476
Loans and sharia loan/ financing	Loans and receivables	Amortised cost	855,846,844	855,846,844
Consumer financing receivable - net	Loans and receivables	Amortised cost	18,211,088	18,211,088
Net investment finance leases - net	Loans and receivables	Amortised cost	3,047,089	3,047,089

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68. IMPACT OF IMPLEMENTATION OF SFAS 71 “FINANCIAL INSTRUMENT” AND SFAS 73 “LEASE”
 (continued)

Classification of Financial Assets and Liabilities (continued)

The table below represents the classification of financial assets and liabilities in accordance of SFAS 55 while the new classification of the financial assets and liabilities in accordance to SFAS 71 on 1 January 2020 are as follows (continued):

Notes	Classification based on SFAS 55 31 December 2019	Classification based on SFAS 71 1 January 2020	Classification based on SFAS 55 31 December 2019	Classification based on SFAS 71 1 January 2020
Financial Assets (continued)				
Acceptance receivables - net	Loans and receivables	Amortised cost	10,058,035	10,058,035
Investment in shares - net	Available for sale	Fair value through other comprehensive income	606,010	112,395
		Fair value through profit or loss	-	493,615
Financial Liabilities				
Obligation due immediately	Financial liabilities with amortised cost	Financial liabilities with amortised cost	3,169,451	3,169,451
Deposits from customers				
Demand deposits and <i>wadiah</i> demand deposits	Financial liabilities with amortised cost	Financial liabilities with amortised cost	247,444,267	247,444,267
Saving deposits and <i>wadiah</i> saving deposits	Financial liabilities with amortised cost	Financial liabilities with amortised cost	324,488,072	324,488,072
Time deposits	Financial liabilities with amortised cost	Financial liabilities with amortised cost	278,176,006	278,176,006
Deposits from other banks				
Demand deposits, <i>wadiah</i> demand deposits and saving deposits	Financial liabilities with amortised cost	Financial liabilities with amortised cost	7,748,268	7,748,268
Inter-bank call money	Financial liabilities with amortised cost	Financial liabilities with amortised cost	219,360	219,360
Time deposits	Financial liabilities with amortised cost	Financial liabilities with amortised cost	5,430,238	5,430,238
Liabilities to unit-linked policyholders	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through profit or loss	24,037,658	24,037,658
Securities sold under Agreements to repurchase	Financial liabilities with amortised cost	Financial liabilities with amortised cost	3,782,055	3,782,055
Derivative payables	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through profit or loss	1,195,022	1,195,022
Acceptance payables	Financial liabilities with amortised cost	Financial liabilities with amortised cost	10,279,839	10,279,839
Debt securities issued - net	Financial liabilities with amortised cost	Financial liabilities with amortised cost	32,245,270	32,245,270
Fund borrowings	Financial liabilities with amortised cost	Financial liabilities with amortised cost	54,128,562	54,128,562
Subordinated loans and Marketable securities - net	Financial liabilities with amortised cost	Financial liabilities with amortised cost	664,217	664,217
Other liabilities	Financial liabilities with amortised cost	Financial liabilities with amortised cost	16,861,260	16,861,260

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68. IMPACT OF IMPLEMENTATION OF SFAS 71 “FINANCIAL INSTRUMENT” AND SFAS 73 “LEASE”
 (continued)

Impact of Implementation SFAS 71 to Consolidated Financial Statements

The table below represents the impact of implementation SFAS 71 to consolidated financial statements as of 1 January 2020:

	Balance before implementation SFAS 71	Classification and measurement	Expected credit loss	Balance after implementation SFAS 71
Assets				
Cash	28,094,267	-	-	28,094,267
Current accounts with Bank Indonesia	46,490,930	-	-	46,490,930
Current accounts with other banks - net	12,558,297	-	(4,865)	12,553,432
Placements with Bank Indonesia and other banks - net	37,568,760	-	(2,960)	37,565,800
Marketable securities - net	71,263,368	1,147	(40,540)	71,223,975
Government bonds	129,000,300	-	-	129,000,300
Other receivables - trade transactions - net	29,104,111	-	(82,151)	29,021,960
Securities purchased under agreements to resell	1,955,363	-	-	1,955,363
Derivative receivables	1,617,476	-	-	1,617,476
Loans and sharia/financing - net	855,846,844	-	(22,459,928)	833,386,916
Consumer financing receivables - net	18,211,088	-	30,573	18,241,661
Net investment finance leases - net	3,047,089	-	(51,465)	2,995,624
Acceptance receivables - net	10,058,035	-	(32,819)	10,025,216
Investment in shares - net	606,010	-	-	606,010
Prepaid expenses	3,012,550	-	-	3,012,550
Prepaid taxes	1,176,600	-	-	1,176,600
Fixed assets - net	44,612,199	-	-	44,612,199
Intangible assets - net	3,321,284	-	-	3,321,284
Other assets - net	16,750,054	-	-	16,750,054
Deferred tax assets - net	3,951,710	-	4,901,586	8,853,296
Total Assets	1,318,246,335	1,147	(17,742,569)	1,300,504,913
Liabilities				
Obligations due immediately	(3,169,451)	-	-	(3,169,451)
Deposits from customers	(850,108,345)	-	-	(850,108,345)
Deposits for other banks	(13,397,866)	-	-	(13,397,866)
Liabilities to unit-link policyholders	(24,037,658)	-	-	(24,037,658)
Securities sold under agreements to repurchase	(3,782,055)	-	-	(3,782,055)
Derivative payables	(1,195,022)	-	-	(1,195,022)
Acceptance payables	(10,279,839)	-	-	(10,279,839)
Debt securities issued	(32,245,270)	-	-	(32,245,270)
Estimated losses on commitment and contingencies	(386,039)	-	(1,844,775)	(2,230,814)
Accrued expenses	(6,215,561)	-	-	(6,215,561)
Taxes payable	(1,286,973)	-	-	(1,286,973)
Employee benefit liabilities	(7,586,150)	-	-	(7,586,150)
Provision	(405,312)	-	-	(405,312)
Other liabilities	(16,861,260)	-	-	(16,861,260)
Fund borrowings	(54,128,562)	-	-	(54,128,562)
Subordinated loans and marketable securities	(664,217)	-	-	(664,217)
Total Liabilities	(1,025,749,580)	-	(1,844,775)	(1,027,594,355)

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68. IMPACT OF IMPLEMENTATION OF SFAS 71 “FINANCIAL INSTRUMENT” AND SFAS 73 “LEASE”
 (continued)

Impact of Implementation SFAS 71 to Consolidated Financial Statements (continued)

The table below represents the impact of implementation SFAS 71 to consolidated financial statements as of 1 January 2020 (continued):

	Balance before implementation SFAS 71	Classification and measurement	Expected credit loss	Balance after implementation SFAS 71
Equity				
Issued and fully paid-in capital	11,666,667	-	-	11,666,667
Additional paid-in capital/agio	17,316,192	-	-	17,316,192
Differences arising from translation of financial statements in foreign currencies	13,388	-	-	13,388
Net unrealised gain/(losses) from increase/(decrease) in fair value of available for sale marketable securities and government bonds - net of deferred tax	1,385,796	-	-	1,385,796
Effective portion of cash flow hedges	(30,045)	-	-	(30,045)
Net differences in fixed assets reevaluation	30,306,255	-	-	30,306,255
Net actuarial gain from defined benefit program - net of deferred tax	653,489	-	-	653,489
Other comprehensive income	85,052	-	-	85,052
Difference in transactions with non controlling parties	(106,001)	-	-	(106,001)
Retained earnings				
Appropriated	5,380,268	-	-	5,380,268
Unappropriated	137,929,792	303,362	(19,587,344)	118,645,810
Noncontrolling interests in net assets of consolidated subsidiaries	4,433,672	-	-	4,433,672
Total Equity	209,034,525	303,362	(19,587,344)	189,750,543

The table below represents the impact of a change from “incurred loss approach” to “expected credit loss” for financial instruments measured at amortized cost:

	1 January 2020							Increase/ (decrease)
	Allowance for impairment loss based on SFAS 55			Expected credit losses based on SFAS 71				
	Allowance for collective impairment loss	Allowance for individual impairment loss	Total	Stage 1	Stage 2	Stage 3	Total	
Current accounts with other banks	-	3,290	3,290 ¹⁾	4,865	-	3,290	8,155 ¹⁾	4,865
Placement with other bank	-	47,675	47,675	2,960	-	47,675	50,635	2,960
Marketable securities	19,465	17,020	36,485	55,109	21,147	769	77,025	40,540
Other receivables	85,248	1,182,263	1,267,511 ¹⁾	51,885	121,198	1,176,579	1,349,662 ¹⁾	82,151
Acceptance receivables	56,560	162,884	219,444 ¹⁾	32,701	176,701	42,861	252,263 ¹⁾	32,819
Loans	7,731,691	20,289,351	28,021,042 ¹⁾	11,311,405	23,263,033	15,906,532	50,480,970 ¹⁾	22,459,928
Consumer financing receivables	354,618	-	354,618	198,276	49,154	76,615	324,045	(30,573)
Net investment finance leases	7,982	-	7,982	30,281	15,397	13,769	59,447	51,465
Commitment and contingencies	363,263	6,036	369,299 ¹⁾	765,488	1,414,454	34,132	2,214,074 ¹⁾	1,844,775
Total	8,618,827	21,708,519	30,327,346	12,452,970	25,061,084	17,302,222	54,816,276	24,488,930

¹⁾ Excludes Subsidiary in sharia business

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68. IMPACT OF IMPLEMENTATION OF SFAS 71 “FINANCIAL INSTRUMENT” AND SFAS 73 “LEASE”
 (continued)

SFAS 73

The table below represents the impact of implementation SFAS 73 as of 1 January 2020:

	1 January 2020		
	Before implementation	Implementation of SFAS 73	After Implementation
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Prepaid expenses	3,012,550	(1,533,647)	1,478,903
Fixed assets - Right of use assets			
- after accumulation depreciation	-	2,162,722	2,162,722
LIABILITIES			
Other liabilities - lease liabilities	-	629,075	629,075

69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL

On 12 October 2020, PT Bank Mandiri (Persero) Tbk (Mandiri), PT Bank Rakyat Indonesia (Persero) Tbk (BRI), PT Bank Negara Indonesia (Persero) Tbk (BNI), PT Bank Syariah Mandiri (BSM), PT Bank BRISyariah Tbk (BRIS), and PT Bank BNI Syariah (BNIS) signed a Conditional Merger Agreement (CMA) in relation to merger between BSM, BRIS, and BNIS (Merged Bank).

Based on CMA, after the effective date of merger, BRIS will become the surviving legal entity and all shareholders of PT Bank BNI Syariah (BNIS) and PT Bank Syariah Mandiri (BSM) will become shareholders of the entity receiving the merger based on the merger ratio.

Based on the Extraordinary General Meeting of Shareholders (EGMS) of the Bank on 15 December 2020, as stated in the deed of Minutes of the EGMS of PT Bank BRISyariah Tbk no.92 dated 15 December 2020 by Notary Jose Dima Satria SH., Mkn., a notary in Jakarta, the shareholders approved the merger of PT Bank Syariah Mandiri (“BSM”) and PT Bank BNI Syariah (“BNIS”) with PT Bank BRISyariah Tbk (where BRIS will become the Surviving Bank). The EGMS also approved the Merger Plan and all amendments or additions on article associations jointly prepared and announced by PT Bank BRISyariah Tbk, PT BSM and PT BNIS and the Deed of Merger between PT Bank BRISyariah Tbk and PT BSM and PT BNIS, which was made based on the provisions of the applicable laws and regulations, and also approved the appointment of members of the Board of Directors, Board of Commissioners and Sharia Supervisory Board of the Bank as the Surviving Bank. Then the merger agreement has been stated in the Deed of Merger No. 103 On 16 December 2020 made by Notary Jose Dima Satria SH., Mkn., notary in Jakarta. The decision of the Bank's EGMS was restated in the Deed of Statement of Meeting Resolutions on the Amendment of the Articles of Association of PT Bank BRISyariah Tbk No.104 dated 16 December 2020 made by Notary Jose Dima Satria SH., Mkn., notary in Jakarta.

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The Merger's Approval was obtained from OJK through a copy of the Decree of the OJK Board of Commissioners Number 4/KDK.03/2021 dated 27 January 2021, concerning the Granting of the Merger's Approval of PT Bank Syariah Mandiri and PT Bank BNI Syariah into PT Bank BRISyariah Tbk and Approval for Name Change by Using the Business License of PT Bank BRISyariah Tbk to Become a Business License of PT Bank Syariah Indonesia Tbk as the Surviving Bank.

Agreement Between Shareholders of the Surviving Bank dated 26 January 2021, between PT Bank Mandiri (Persero) Tbk ("BMRI"), PT Bank Negara Indonesia (Persero) Tbk, and PT Bank Rakyat Indonesia (Persero) Tbk agreed that BMRI is the party who has the Control over the Surviving Bank.

The decisions of the Bank's EGMS, among others related to the Amendment to the Bank's Articles of Association, were restated in the Deed of Statement of Meeting Resolutions on the Amendment of the Articles of Association for the Change of Name of PT Bank BRISyariah Tbk No. 38 dated 14 January 2021 which, among others, changed its name to PT Bank Syariah Indonesia Tbk and this change was approved by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0006268.AH.01.02 year 2021, and by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03.061498 and Number AHU-AH.01.03.061501 which are all set on 1 February 2021.

The transaction for the establishment of PT Bank Syariah Indonesia Tbk is considered as a business combination of entities under common control wherein the ultimate controlling shareholder of PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk, and PT Bank Rakyat Indonesia (Persero) Tbk is the Government of the Republic of Indonesia. Therefore, transactions are treated based on the pooling of interest method according to Statement of Financial Accounting Standards ("SFAS") No. 38 (Revised 2012), "Business Combinations of Entities Under Common Control". For the presentation of business combination transactions entities under common control based on the pooling of interest method, the financial statements as of 31 December 2021, and for the year then ended are presented as if The business combination occurs since the beginning of the period when the combining entities are under common control.

The difference between the amount of the consideration transferred and the carrying amount of the investment obtained from This transaction is recognized as "Difference in Value from Business Combination Transactions of Entities Under Common Control" and presented as part of "Additional Paid-in Capital" in the equity section of the statement of financial position. The equity of PT BRISyariah Tbk and PT Bank BNI Syariah before the merger date is presented as "equity merging entities" in the equity section. Details of the amount of compensation transferred and the carrying amount obtained is as follows:

	Amount of consideration transferred	Investment carrying amount	Additional paid-in-capital
PT Bank Syariah Indonesia Tbk.	10,905,424	11,232,496	327,072
Total	10,905,424	11,232,496	327,072

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2020:

Consolidated Statements of Financial Position

	31 December 2020		
	Before adjustment	Adjustment of SFAS 38	After adjustment
ASSETS			
Cash	24,682,671	1,542,418	26,225,089
Current accounts with Bank Indonesia	49,638,625	2,600,054	52,238,679
Current accounts with other banks			
Related parties	11,801	1,867,954	1,879,755
Third parties	24,036,570	582,747	24,619,317
	24,048,371	2,450,701	26,499,072
Less: allowance for impairment losses	(71,044)	(6,068)	(77,112)
Net	23,977,327	2,444,633	26,421,960
Placements with Bank Indonesia and other banks			
Related parties	3,132,589	-	3,132,589
Third parties	76,680,780	2,629,250	79,310,030
	79,813,369	2,629,250	82,442,619
Less: allowance for impairment losses	(46,772)	-	(46,772)
Net	79,766,597	2,629,250	82,395,847
Marketable securities			
Related parties	25,953,136	907,223	26,860,359
Third parties	53,606,410	9,766,910	63,373,320
	79,559,546	10,674,133	90,233,679
Add: unamortised discounts, unrealised gains/(losses) - net from increase/(decrease) in fair value and allowance for impairment losses	341,224	(4,830)	336,394
Net	79,900,770	10,669,303	90,570,073
Government bonds - net			
Related parties	159,690,627	19,053,218	178,743,845
Other receivables - trade transactions			
Related parties	14,016,134	-	14,016,134
Third parties	15,979,730	-	15,979,730
	29,995,864	-	29,995,864
Less: allowance for impairment losses	(1,687,776)	-	(1,687,776)
Net	28,308,088	-	28,308,088

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The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2020 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2020		
	Before adjustment	Adjustment of SFAS 38	After adjustment
ASSETS (continued)			
Securities purchased under agreements to resell			
Third parties	55,094,456	-	55,094,456
Derivative receivables			
Related parties	199,976	-	199,976
Third parties	2,378,971	-	2,378,971
	<u>2,578,947</u>	<u>-</u>	<u>2,578,947</u>
Loans and sharia receivables/financing			
Related parties	174,023,228	14,231,984	188,255,212
Third parties	696,122,237	57,690,238	753,812,475
	<u>870,145,465</u>	<u>71,922,222</u>	<u>942,067,687</u>
Less: allowance for impairment losses	(62,271,102)	(2,745,356)	(65,016,458)
	<u>807,874,363</u>	<u>69,176,866</u>	<u>877,051,229</u>
Consumer financing receivables			
Related parties	6,867	-	6,867
Third parties	19,071,541	-	19,071,541
	<u>19,078,408</u>	<u>-</u>	<u>19,078,408</u>
Less: allowance for impairment losses	(428,509)	-	(428,509)
Net	<u>18,649,899</u>	<u>-</u>	<u>18,649,899</u>
Net investment finance leases			
Third parties	3,581,422	-	3,581,422
Less: allowance for impairment losses	(58,955)	-	(58,955)
	<u>3,522,467</u>	<u>-</u>	<u>3,522,467</u>
Acceptance receivables			
Related parties	1,023,452	35,477	1,058,929
Third parties	9,133,057	40,869	9,173,926
	<u>10,156,509</u>	<u>76,346</u>	<u>10,232,855</u>
Less: allowance for impairment losses	(122,825)	(784)	(123,609)
Net	<u>10,033,684</u>	<u>75,562</u>	<u>10,109,246</u>

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2020 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2020		
	Before adjustment	Adjustment of SFAS 38	After adjustment
ASSETS (continued)			
Investments in shares			
Related parties	1,799,313	-	1,799,313
Third parties	465,323	-	465,323
	2,264,636	-	2,264,636
Less: allowance for impairment losses	(14,619)	-	(14,619)
Net	2,250,017	-	2,250,017
Prepaid expenses	1,328,051	298,384	1,626,435
Prepaid taxes	2,178,758	-	2,178,758
Fixed assets	62,006,223	2,422,875	64,429,098
Less: accumulated depreciation	(15,278,070)	(737,575)	(16,015,645)
Net	46,728,153	1,685,300	48,413,453
Intangible assets	9,157,842	122,938	9,280,780
Less: accumulated amortisation	(4,637,223)	(98,118)	(4,735,341)
Net	4,520,619	24,820	4,545,439
Other assets	21,748,951	2,948,342	24,697,293
Less: allowance for other impairment losses	(721,357)	(924,558)	(1,645,915)
Net	21,027,594	2,023,784	23,051,378
Deferred tax assets - net	7,582,771	513,098	8,095,869
TOTAL ASSETS	1,429,334,484	112,736,690	1,542,071,174

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2020 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2020		
	Before adjustment	Adjustment of SFAS 38	After adjustment
LIABILITIES			
Obligations due immediately	4,286,333	-	4,286,333
Deposits from customers			
Demand deposits and wadiah demand deposits			
Related parties	89,393,039	505,375	89,898,414
Third parties	215,057,252	9,441,812	224,499,064
Total	304,450,291	9,947,187	314,397,478
Saving deposits and wadiah saving deposits			
Related parties	3,808,514	20,053	3,828,567
Third parties	347,553,677	21,639,666	369,193,343
Total	351,362,191	21,659,719	373,021,910
Time deposits			
Related parties	48,559,521	-	48,559,521
Third parties	259,221,759	-	259,221,759
Total	307,781,280	-	307,781,280
Total deposits from customers	963,593,762	31,606,906	995,200,668
Deposits from other banks			
Demand deposits, wadiah demand deposits and saving deposits			
Related parties	49,162	(1,216)	47,946
Third parties	4,073,468	67,746	4,141,214
Total	4,122,630	66,530	4,189,160
Inter-bank call money - Third parties	655,829	-	655,829
Time deposits			
Related parties	-	500,000	500,000
Third parties	1,891,237	154,999	2,046,236
Total deposits from other bank	6,669,696	721,529	7,391,225
Liabilities to unit-linked policyholders	27,850,536	-	27,850,536

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The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2020 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2020		
	Before adjustment	Adjustment of SFAS 38	After adjustment
LIABILITIES (continued)			
Securities sold under agreements to repurchase			
Third parties	1,330,068	-	1,330,068
Derivative payables			
Related parties	131,127	-	131,127
Third parties	1,439,379	-	1,439,379
Total	1,570,506	-	1,570,506
Acceptance payables			
Related parties	1,745,968	83,094	1,829,062
Third parties	8,410,541	(6,748)	8,403,793
Total	10,156,509	76,346	10,232,855
Debt securities issued			
Related parties	10,091,100	243,000	10,334,100
Third parties	28,091,663	757,001	28,848,664
	38,182,763	1,000,001	39,182,764
Less: unamortised debt issuance cost	(71,291)	-	(71,291)
Net	38,111,472	1,000,001	39,111,473
Estimated losses on commitment and contingencies	3,471,534	4,445	3,475,979
Accrued expenses	5,650,785	97,620	5,748,405
Taxes payable	1,761,477	297,737	2,059,214
Employee benefit liabilities	7,441,958	877,191	8,319,149
Provision	546,237	-	546,237
Other liabilities	25,365,319	954,837	26,320,156
Fund borrowings			
Related parties	1,168,181	-	1,168,181
Third parties	51,642,508	-	51,642,508
	52,810,689	-	52,810,689

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The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2020 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2020		
	Before adjustment	Adjustment of SFAS 38	After adjustment
LIABILITIES (continued)			
Subordinated loans and marketable securities			
Related parties	107,750	-	107,750
Third parties	543,873	-	543,873
	651,623	-	651,623
Less: unamortised subordinated loans and marketable securities	(657)	-	(657)
Net	650,966	-	650,966
TOTAL LIABILITIES	1,151,267,847	-	1,186,904,459
TEMPORARY SYIRKAH FUNDS			
Deposits from customers			
Related parties			
Demand deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment	640,965	2,546,921	3,187,886
Saving deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment	154,993	8,141	163,134
<i>Mudharabah</i> time deposits - unrestricted investment	3,325,932	9,546,882	12,872,814
	4,121,890	12,101,944	16,223,834
Third parties			
Demand deposits - restricted investments and <i>mudharabah musytarakah - musyarakah</i> demand deposits	272,962	1,887,036	2,159,998
Saving deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment	39,177,458	19,144,802	58,322,260
<i>Mudharabah</i> time deposits - unrestricted investment	40,152,158	32,580,823	72,732,981
	79,602,578	53,612,661	133,215,239
Total deposits from customers	83,724,468	65,714,605	149,439,073

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The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2020 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2020		
	Before adjustment	Adjustment of SFAS 38	After adjustment
LIABILITIES (continued)			
Total deposits from customers			
Related parties			
<i>Mudharabah</i> saving deposit - unrestricted investment	14,740	(14,740)	-
<i>Mudharabah</i> time deposits - unrestricted investment	19,000	(19,000)	-
	33,740	(33,740)	-
Third parties			
<i>Mudharabah</i> demand deposits - unrestricted investment	-	22,568	22,568
<i>Mudharabah</i> saving deposit - unrestricted investment	323,320	200,220	523,540
<i>Mudharabah</i> time deposit - unrestricted investment	189,026	185,310	374,336
	512,346	408,098	920,444
Total deposits from other banks	546,086	374,358	920,444
TOTAL TEMPORARY SYIRKAH FUNDS	84,270,554	66,088,963	150,359,517
EQUITY			
Equity attributable to owners of the Parent			
Share capital - nominal value of Rp250 (full amount) per share shares as of 31 December 2020 and 2019			
Authorized capital - 1 share Series A Dwiwarna and 63,999,999,999 Series B Ordinary Shares on 31 December 2020 and 2019			
Issued and paid-up capital - 1 share Series A Dwiwarna and 46,666,666,665 sheets Series B Common Stock on 31 December 2020 and 2019	11,666,667	-	11,666,667
Additional paid-in capital/agio	17,316,192	-	17,316,192
Treasury stock	(150,895)	-	(150,895)
Differences arising from translation of financial statements in foreign currencies	(116,030)	-	(116,030)

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The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2020 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2020		
	Before adjustment	Adjustment of SFAS 38	After adjustment
EQUITY (continued)			
Net unrealised gain from increase in fair value of marketable securities and government bonds - net of deferred tax	4,430,509	-	4,430,509
Fair value through other comprehensive income Available for sale	-	-	-
Effective portion of cash flow hedges	(15,319)	-	(15,319)
Net differences in fixed assets revaluation	30,309,583	-	30,309,583
Net actuarial gain from defined benefit program - net of deferred tax	1,067,143	-	1,067,143
Other comprehensive income	85,052	-	85,052
Merging entities equity	-	5,433,824	5,433,824
Difference in transactions with non controlling parties	(106,001)	-	(106,001)
Retained earnings (accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi reorganisation on 30 April 2003)			
Appropriated	5,380,268	-	5,380,268
Unappropriated	119,275,783	(5,087,723)	114,188,060
Total retained earnings	124,656,051	(5,087,723)	119,568,328
	189,142,952	346,101	189,489,053
Noncontrolling interests in net assets of consolidated Subsidiaries	4,653,131	10,665,012	15,318,143
TOTAL EQUITY	193,796,083	11,011,113	204,807,196
TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY	1,429,334,484	112,736,690	1,542,071,174

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2019:

Consolidated Statements of Financial Position

	31 December 2019		
	Before adjustment	Adjustment of SFAS 38	After adjustment
ASSETS			
Cash	28,094,267	618,328	28,712,595
Current accounts with Bank Indonesia	46,490,930	3,302,381	49,793,311
Current accounts with other banks			
Related parties	4,493	502,137	506,630
Third parties	12,558,997	-	12,558,997
	<u>12,563,490</u>	<u>502,137</u>	<u>13,065,627</u>
Less: allowance for impairment losses	(5,193)	(2,505)	(7,698)
Net	<u>12,558,297</u>	<u>499,632</u>	<u>13,057,929</u>
Placements with Bank Indonesia and other banks			
Related parties	1,499,924	-	1,499,924
Third parties	36,116,511	6,877,240	42,993,751
	<u>37,616,435</u>	<u>6,877,240</u>	<u>44,493,675</u>
Less: allowance for impairment losses	(47,675)	-	(47,675)
Net	<u>37,568,760</u>	<u>6,877,240</u>	<u>44,446,000</u>
Marketable securities			
Related parties	27,377,257	980,497	28,357,754
Third parties	43,789,655	3,617,095	47,406,750
	<u>71,166,912</u>	<u>4,597,592</u>	<u>75,764,504</u>
Add: unamortised discounts, unrealised gains/(losses) - net from increase/(decrease) in fair value and allowance for impairment losses	96,456	(7,980)	88,476
Net	<u>71,263,368</u>	<u>4,589,612</u>	<u>75,852,980</u>
Government bonds - net			
Related parties	129,000,300	16,632,239	145,632,539
Other receivables - trade transactions			
Related parties	14,186,619	-	14,186,619
Third parties	16,229,083	-	16,229,083
	<u>30,415,702</u>	<u>-</u>	<u>30,415,702</u>
Less: allowance for impairment losses	(1,311,591)	-	(1,311,591)
Net	<u>29,104,111</u>	<u>-</u>	<u>29,104,111</u>

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2019 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2019		
	Before adjustment	Adjustment of SFAS 38	After adjustment
ASSETS (continued)			
Securities purchased under agreements to resell			
Third parties	1,955,363	-	1,955,363
Derivative receivables			
Related parties	18,817	-	18,817
Third parties	1,598,659	-	1,598,659
	<u>1,617,476</u>	-	<u>1,617,476</u>
Loans and sharia receivables/financing			
Related parties	171,384,121	16,430,572	187,814,693
Third parties	714,451,116	38,774,207	753,225,323
	<u>885,835,237</u>	<u>58,204,779</u>	<u>944,040,016</u>
Less: allowance for impairment losses	(29,988,393)	(1,806,515)	(31,794,908)
	<u>855,846,844</u>	<u>56,398,264</u>	<u>912,245,108</u>
Consumer financing receivables			
Related parties	6,758	-	6,758
Third parties	18,558,948	-	18,558,948
	<u>18,565,706</u>	-	<u>18,565,706</u>
Less: allowance for impairment losses	(354,618)	-	(354,618)
Net	<u>18,211,088</u>	-	<u>18,211,088</u>
Net investment finance leases			
Third parties	3,055,071	-	3,055,071
Less: allowance for impairment losses	(7,982)	-	(7,982)
	<u>3,047,089</u>	-	<u>3,047,089</u>
Acceptance receivables			
Related parties	1,198,875	-	1,198,875
Third parties	9,080,964	1,381	9,082,345
	<u>10,279,839</u>	<u>1,381</u>	<u>10,281,220</u>
Less: allowance for impairment losses	(221,804)	-	(221,804)
Net	<u>10,058,035</u>	<u>1,381</u>	<u>10,059,416</u>

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2019 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2019		
	Before adjustment	Adjustment of SFAS 38	After adjustment
ASSETS (continued)			
Investments in shares			
Related parties	112,298	-	112,298
Third parties	506,631	-	506,631
	618,929	-	618,929
Less: allowance for impairment losses	(12,919)	-	(12,919)
Net	606,010	-	606,010
Prepaid expenses	3,012,550	360,364	3,372,914
Prepaid taxes	1,176,600	(64,080)	1,112,520
Fixed assets	57,657,529	1,265,647	58,923,176
Less: accumulated depreciation	(13,045,330)	(536,898)	(13,582,228)
Net	44,612,199	728,749	45,340,948
Intangible assets	7,114,887	113,241	7,228,188
Less: accumulated amortisation	(3,793,603)	(86,878)	(3,880,481)
Net	3,321,284	26,423	3,347,707
Other assets	17,373,411	3,555,011	20,928,422
Less: allowance for other impairment losses	(623,357)	(949,848)	(1,573,205)
Net	16,750,054	2,605,163	19,355,217
Deferred tax assets - net	3,951,710	422,011	4,373,721
TOTAL ASSETS	1,318,246,335	92,997,707	1,411,244,042

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2019 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2019		
	Before adjustment	Adjustment of SFAS 38	After adjustment
LIABILITIES			
Obligations due immediately	3,169,451	-	3,169,451
Deposits from customers			
Demand deposits and wadiah demand deposits			
Related parties	60,118,497	1,085,580	61,204,077
Third parties	187,325,770	3,832,360	191,158,130
Total	<u>247,444,267</u>	<u>4,917,940</u>	<u>252,362,207</u>
Saving deposits and wadiah saving deposits			
Related parties	3,307,760	17,482	3,325,242
Third parties	321,180,312	15,991,420	337,171,732
Total	<u>324,488,072</u>	<u>16,008,902</u>	<u>340,496,974</u>
Time deposits			
Related parties	34,132,147	-	34,132,147
Third parties	244,043,859	-	244,043,859
Total	<u>278,176,006</u>	<u>-</u>	<u>278,176,006</u>
Total deposits from customers	<u>850,108,345</u>	<u>20,926,842</u>	<u>871,035,187</u>
Deposits from other banks			
Demand deposits, wadiah demand deposits and saving deposits			
Related parties	148,557	(35,108)	113,449
Third parties	7,599,711	73,869	7,673,580
Total	<u>7,748,268</u>	<u>38,761</u>	<u>7,787,029</u>
Inter-bank call money -			
Third parties	219,360	-	219,360
Time deposits			
Third parties	5,430,238	-	5,430,238
Total deposits from other bank	<u>13,397,866</u>	<u>38,761</u>	<u>13,436,627</u>
Liabilities to unit-linked policyholders	24,037,658	-	24,037,658

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2019 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2019		
	Before adjustment	Adjustment of SFAS 38	After adjustment
LIABILITIES (continued)			
Securities sold under agreements to repurchase			
Third parties	3,782,055	-	3,782,055
Derivative payables			
Related parties	42,505	-	42,505
Third parties	1,152,517	-	1,152,517
Total	1,195,022	-	1,195,022
Acceptance payables			
Related parties	2,076,355	-	2,076,355
Third parties	8,203,484	1,381	8,204,865
Total	10,279,839	1,381	10,281,220
Debt securities issued			
Related parties	10,696,100	198,000	10,894,100
Third parties	21,620,405	706,000	22,326,405
	32,316,505	904,000	33,220,505
Less: unamortised debt issuance cost	(71,235)	-	(71,235)
Net	32,245,270	904,000	33,149,270
Estimated losses on commitment and contingencies	386,039	2,712	388,751
Accrued expenses	6,215,561	104,505	6,320,066
Taxes payable	1,286,973	190,899	1,477,872
Employee benefit liabilities	7,586,150	1,040,612	8,626,762
Provision	405,312	-	405,312
Other liabilities	16,861,260	2,646,941	19,508,201
Fund borrowings			
Related parties	984,974	-	984,974
Third parties	53,143,588	-	53,143,588
	54,128,562	-	54,128,562

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2019 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2019		
	Before adjustment	Adjustment of SFAS 38	After adjustment
LIABILITIES (continued)			
Subordinated loans and marketable securities			
Related parties	127,750	-	127,750
Third parties	537,295	-	537,295
	665,045	-	665,045
Less: unamortised subordinated loans and marketable securities	(828)	-	(828)
Net	664,217	-	664,217
TOTAL LIABILITIES	1,025,749,580	25,856,653	1,051,606,233
TEMPORARY SYIRKAH FUNDS			
Deposits from customers			
Related parties			
Demand deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment	-	10,458,215	10,458,215
Saving deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment	207,504	18,145	225,649
<i>Mudharabah</i> time deposits - unrestricted investment	1,526,416	5,476,417	7,002,833
	1,733,920	15,952,777	17,686,697
Third parties			
Demand deposits - restricted investments and <i>mudharabah musyarakah - musyarakah</i> demand deposits	2,969,820	(1,559,216)	1,410,604
Saving deposits - restricted investment and <i>mudharabah</i> saving deposits - unrestricted investment	34,465,922	12,878,256	47,344,178
<i>Mudharabah</i> time deposits - unrestricted investment	43,846,541	29,698,114	73,544,655
	81,282,283	41,017,154	122,299,437
Total deposits from customers	83,016,203	56,969,931	139,986,134
Deposits from other Banks			
Third parties			
<i>Mudharabah</i> demand deposit - unrestricted investment	-	11,385	11,385
<i>Mudharabah</i> saving deposit - unrestricted investment	343,098	151,422	494,520
<i>Mudharabah</i> time deposit - unrestricted investment	102,929	190,772	293,701
Total deposits from other banks	446,027	353,579	799,606
TOTAL TEMPORARY SYIRKAH FUNDS	83,462,230	57,323,510	140,785,740

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2019 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2019		
	Before adjustment	Adjustment of SFAS 38	After adjustment
EQUITY			
Equity attributable to owners			
Parent			
Share capital - nominal value of Rp250 (full amount) per share shares as of 31 December 2020 and 2019			
Authorized capital - 1 share Series A Dwiwarna and 63,999,999,999 shares Series B Ordinary Shares on 31 December 2020 and 2019			
Issued and paid-up capital - 1 share Series A Dwiwarna and 46,666,666,665 shares Series B Common Stock on 31 December 2020 and 2019	11,666,667	-	11,666,667
Additional paid-in capital/agio	17,316,192	-	17,316,192
Treasury stock	-	-	-
Differences arising from translation of financial statements in foreign currencies	13,388	-	13,388
Net unrealised gain from increase in fair value of marketable securities and government bonds - net of deferred tax			
Fair value through other comprehensive income Available for sale	1,385,796	(346)	1,385,450
Effective portion of cash flow hedges	(30,045)	-	(30,045)
Net differences in fixed assets revaluation	30,306,255	(194,104)	30,112,151
Net actuarial gain from defined benefit program - net of deferred tax	653,489	(23,077)	630,412
Other comprehensive income	85,052	-	85,052
Merging entities equity	-	5,004,875	5,004,875
Difference in transactions with non controlling parties	(106,001)	-	(106,001)

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2019 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2019		
	Before adjustment	Adjustment of SFAS 38	After adjustment
EQUITY (continued)			
Retained earnings (accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi reorganisation on 30 April 2003)			
Appropriated	5,380,268	-	5,380,268
Unappropriated	137,929,792	(4,323,119)	133,606,673
Total retained earnings	143,310,060	(4,323,119)	138,986,941
	204,600,853	464,229	205,065,082
Noncontrolling interests in net assets of consolidated Subsidiaries	4,433,672	9,353,315	13,786,987
TOTAL EQUITY	209,034,525	9,817,544	218,852,069
TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY	1,318,246,335	92,997,707	1,411,244,042
Interest income and sharia income			
Interest income	80,093,037	1,539,237	81,632,274
Sharia income	7,228,080	6,755,873	13,983,953
Total interest income and sharia income	87,321,117	8,295,110	95,616,227
Interest expense and sharia expense			
Interest expense	(28,222,605)	-	(28,222,605)
Sharia expense	(2,590,383)	(2,282,434)	(4,872,817)
Total interest expense and sharia expense	(30,812,988)	(2,282,434)	(33,095,422)
NET INTEREST AND SHARIA INCOME	56,508,129	6,012,676	62,520,805
Premium income	12,890,360	-	12,890,360
Claim expense	(11,376,645)	-	(11,376,645)
	1,513,715	-	1,513,715
NET INTEREST, SHARIA AND PREMIUM INCOME	58,021,844	6,012,676	64,034,520

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 1 January 2019 (continued):

Consolidated Statements of Financial Position (continued)

	31 December 2019		
	Before adjustment	Adjustment of SFAS 38	After adjustment
EQUITY (continued)			
Other operating income			
Other fees and commissions	12,943,683	477,897	13,450,580
Net income from fair value through profit or loss classification	5,530,909	14,430	5,545,339
Others	9,211,290	387,687	9,598,977
Total other operating income	27,685,882	880,014	28,565,896
Allowance for impairment losses	(21,354,847)	(2,000,464)	(23,355,311)
Provision for impairment losses on commitments and contingencies	(1,221,532)	(1,731)	(1,223,263)
Provision for other allowances	(319,766)	43,633	(276,133)
Unrealised gain from increase in fair value of policyholders investment in unit-link contracts	12,487	-	12,487
Gains on sale of marketable securities and government bonds	999,026	-	999,026
Other operating expenses			
Salaries and benefits	(17,770,433)	(1,923,544)	(19,693,977)
General and administrative expenses	(17,322,716)	(1,550,115)	(18,872,831)
Others - net	(5,553,642)	(409,786)	(5,963,428)
Total other operating expenses	(40,646,791)	(3,883,445)	(44,530,236)
INCOME FROM OPERATION	23,176,303	1,079,184	24,255,487
Non operating income/(expense) - net	121,738	15,180	136,918

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 31 December 2020:

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	31 December 2020		
	Before adjustment	Adjustment of SFAS 38	After adjustment
INCOME BEFORE TAX EXPENSE AND NONCONTROLLING INTEREST	23,298,041	1,094,364	24,392,405
Tax expense			
Current year	(5,210,969)	(421,684)	(5,632,653)
Prior year	(441,448)	80,624	(360,824)
Total tax expense - net	(5,652,417)	(341,060)	(5,993,477)
NET INCOME FOR THE YEAR	17,645,624	753,303	18,398,927
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Gains on fixed asset revaluation	3,328	-	3,328
Actuarial gain from defined benefit program	507,207	(48,365)	458,842
Income tax related to items that will not be reclassified to profit or loss	(89,107)	10,640	(78,467)
Others	-	-	-
	421,428	(37,725)	383,703
Items that will be reclassified to profit or loss			
Difference arising from translation of financial statements in foreign currencies	(129,324)	-	(129,324)
Changes in fair value of fair value through other comprehensive income financial assets	3,776,631	(2,507)	3,774,124
Changes in fair value of available for sale financial assets	-	-	-
Effective portion of cash flow hedge	37,019	-	37,019
Income tax related to items that will be reclassified to profit or loss	(678,923)	552	(678,371)
	3,005,403	(1,955)	3,003,448
Other comprehensive income for the year - net of income tax	3,426,831	(39,680)	3,387,151
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	21,072,455	713,625	21,786,079

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69. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS ON TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL (continued)

The impact of the adoption of SFAS 38 on the consolidated financial statements (continued)

The following describes the impact of the application of SFAS 38 on the consolidated statements of financial position as of 31 December 2020 (continued):

Consolidated Statements of Profit or Loss and Other Comprehensive Income (continued)

	31 December 2020		
	Before adjustment	Adjustment of SFAS 38	After adjustment
Net income for the year attributable to:			
Parent Entity	17,119,253	(319,738)	16,799,515
Noncontrolling interest	526,371	1,073,042	1,599,413
	17,645,624	753,304	18,398,928
Total comprehensive income for the year attributable to:			
Parent Entity	20,466,256	(344,577)	20,121,679
Noncontrolling interest	606,199	1,058,201	1,664,400
	21,072,455	713,624	21,786,079
EARNINGS PER SHARE			
Basic (full amount of Rupiah)	367.04	(6.86)	360.18
Diluted (full amount of Rupiah)	367.04	(6.86)	360.18

70. SUPPLEMENTARY INFORMATION

Supplementary Financial Information

The additional information presented in appendix 1 - 4 is a supplementary financial information of PT Bank Mandiri (Persero) Tbk., the Parent Entity, which presents the Bank's investment in its Subsidiaries using cost method.

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF FINANCIAL POSITION - PARENT ENTITY
AS OF 31 DECEMBER 2021 AND 2020**

(Expressed in millions of Rupiah, unless otherwise stated)

	31 December 2021	31 December 2020
ASSETS		
Cash	18,829,300	22,030,645
Current accounts with Bank Indonesia	86,733,037	46,290,020
Current accounts with other banks		
Related parties	214,756	191,315
Third parties	22,991,872	17,150,630
	<u>23,206,628</u>	<u>17,341,945</u>
Less: allowance for impairment losses	(6,731)	(8,619)
Net	<u>23,199,897</u>	<u>17,333,326</u>
Placements with Bank Indonesia and other banks		
Related parties	2,209,137	2,315,440
Third parties	35,126,638	64,613,121
	<u>37,335,775</u>	<u>66,928,561</u>
Less: allowance for impairment losses	(1,438)	(46,578)
Net	<u>37,334,337</u>	<u>66,881,983</u>
Marketable securities		
Related parties	18,630,089	14,078,043
Third parties	17,891,968	19,137,704
	<u>36,522,057</u>	<u>33,215,747</u>
Add/(less): unamortised premium/(discounts), unrealised gains/(losses) from increase/ (decrease) in fair value of marketable securities and allowance for impairment losses	295,979	364,162
Net	<u>36,818,036</u>	<u>33,579,909</u>
Government bonds - net		
Related parties	235,822,837	141,318,618
Other receivables - trade transactions		
Related parties	13,067,399	13,951,855
Third parties	16,149,616	15,999,929
	<u>29,217,015</u>	<u>29,951,784</u>
Less: allowance for impairment losses	(1,436,294)	(1,643,697)
Net	<u>27,780,721</u>	<u>28,308,087</u>
Securities purchased under agreements to resell - third parties		
Related parties	2,850,956	-
Third parties	19,285,733	54,043,600
Net	<u>22,136,689</u>	<u>54,043,600</u>

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF FINANCIAL POSITION - PARENT ENTITY (continued)
AS OF 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	31 December 2021	31 December 2020
ASSETS (continued)		
Derivative receivables		
Related parties	160,416	199,977
Third parties	1,509,151	2,377,747
Net	1,669,567	2,577,724
Loans		
Related parties	166,522,779	164,014,705
Third parties	661,591,084	599,588,711
Less: allowance for impairment losses	828,113,863 (60,488,261)	763,603,416 (58,491,446)
Net	767,625,602	705,111,970
Acceptance receivables		
Related parties	2,670,361	900,313
Third parties	7,561,474	9,119,951
Less: allowance for impairment losses	10,231,835 (195,077)	10,020,264 (121,060)
Net	10,036,758	9,899,204
Investments in shares		
Related parties	10,475,718	8,865,222
Third parties	2,065	2,039
Less: allowance for impairment losses	10,477,783 (26,807)	8,867,261 (27,927)
Net	10,450,976	8,839,334
Prepaid expenses	808,832	891,380
Prepaid taxes	1,888,518	2,083,970
Fixed assets	58,232,269	56,719,441
Less: accumulated depreciation	(13,894,875)	(12,454,995)
Net	44,337,394	44,264,446
Intangible assets	8,439,235	7,236,409
Less: accumulated amortization	(4,701,232)	(4,085,191)
Net	3,738,003	3,151,218
Other assets	18,230,226	16,139,571
Less: allowance for other impairment losses	(332,415)	(397,231)
Net	17,897,811	15,742,340
Deferred tax assets - net	8,447,256	6,697,667
TOTAL ASSETS	1,355,555,571	1,209,045,441

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF FINANCIAL POSITION - PARENT ENTITY (continued)
AS OF 31 DECEMBER 2021 AND 2020
 (Expressed in millions of Rupiah, unless otherwise stated)

	31 December 2021	31 December 2020
LIABILITIES AND EQUITY		
LIABILITIES		
Obligations due immediately	5,380,474	4,286,333
Deposits from customers		
Demand deposits		
Related parties	111,631,286	88,080,879
Third parties	266,805,117	195,905,188
Total	378,436,403	283,986,067
Saving deposits		
Related parties	5,470,541	3,804,341
Third parties	375,405,884	334,894,596
Total	380,876,425	338,698,937
Time deposits		
Related parties	29,348,145	45,799,590
Third parties	237,636,299	240,471,712
Total	266,984,444	286,271,302
Total deposits from customers	1,026,297,272	908,956,306
Deposits from other banks		
Demand deposits, <i>wadiah</i> demand deposits and saving deposits		
Related parties	432,683	425,213
Third parties	5,075,616	3,978,191
Total	5,508,299	4,403,404
Interbank call money		
Third parties	4,909,885	655,829
Time deposits		
Third parties	1,889,129	1,382,230
Total deposits from other banks	12,307,313	6,441,463
Securities sold under agreements to repurchase - third parties	5,343,570	1,246,840

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF FINANCIAL POSITION - PARENT ENTITY (continued)
AS OF 31 DECEMBER 2021 AND 2020
 (Expressed in millions of Rupiah, unless otherwise stated)

	31 December 2021	31 December 2020
LIABILITIES AND EQUITY (continued)		
LIABILITIES (continued)		
Derivative payables		
Related parties	9,932	131,127
Third parties	1,008,819	1,378,138
Total	<u>1,018,751</u>	<u>1,509,265</u>
Acceptance payables		
Related parties	873,140	1,686,142
Third parties	9,358,695	8,334,122
Total	<u>10,231,835</u>	<u>10,020,264</u>
Debt securities issued		
Related parties	7,751,000	8,523,100
Third parties	27,176,202	22,986,664
	<u>34,927,202</u>	<u>31,509,764</u>
Less: unamortised issuance cost	(57,183)	(58,668)
Net	<u>34,870,019</u>	<u>31,451,096</u>
Estimated losses on commitment and contingencies	2,277,946	3,455,497
Accrued expenses	4,658,370	4,229,859
Taxes payable	1,891,862	1,264,443
Employee benefit liabilities	8,120,451	5,721,973
Provision	413,876	546,237
Other liabilities	11,796,787	12,816,275
Fund borrowings		
Related parties	485,594	1,079,019
Third parties	40,079,762	39,663,395
Total	<u>40,565,356</u>	<u>40,742,414</u>
Subordinated loans and marketable securities		
Related parties	94,750	107,750
Third parties	542,393	543,216
Total	<u>637,143</u>	<u>650,966</u>
TOTAL LIABILITIES	<u>1,165,811,025</u>	<u>1,033,339,231</u>

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF FINANCIAL POSITION - PARENT ENTITY (continued)
AS OF 31 DECEMBER 2021 AND 2020**
(Expressed in millions of Rupiah, unless otherwise stated)

	31 December 2021	31 December 2020
LIABILITIES AND EQUITY (continued)		
EQUITY		
Share capital - Rp250 (full amount) par value per share as of 31 December 2021 and 2020		
Authorised Capital - 1 share Dwiwarna Series A and 63,999,999,999 common shares Series B as of 31 December 2021 and 2020		
Issued and fully paid-in capital - 1 share Dwiwarna Series A and 46,666,666,665 common shares Series B as of 31 December 2021 and 2020	11,666,667	11,666,667
Additional paid-in capital/agio	18,941,550	17,476,308
Treasury stock	(150,895)	(150,895)
Differences arising from translation of financial statements in foreign currencies	(293,022)	(306,208)
Net unrealised gain from increase in fair value of marketable securities and government bonds - net of deferred tax Fair value through other comprehensive income	1,528,860	4,327,705
Net differences in fixed assets revaluation	29,913,897	29,913,897
Net actuarial gain from defined benefit program - net of deferred tax	1,246,284	1,026,130
Other comprehensive income	85,052	85,052
Retained earnings (accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi-reorganisation as at 30 April 2003)		
Appropriated	5,380,268	5,380,268
Unappropriated	121,425,885	106,287,286
Total retained earnings	126,806,153	111,667,554
TOTAL EQUITY	189,744,546	175,706,210
TOTAL LIABILITIES AND EQUITY	1,355,555,571	1,209,045,441

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - PARENT ENTITY
FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)**

	31 December 2021	31 December 2020
INCOME AND EXPENSES FROM OPERATIONS		
Interest income	71,404,013	71,880,004
Interest expense	(17,443,472)	(25,069,952)
NET INTEREST INCOME	53,960,541	46,810,052
Other operating income		
Other fees and commissions	12,264,845	10,916,759
Net income from fair value through profit or loss classification	3,642,906	4,970,031
Others	6,041,204	5,236,661
Total other operating income	21,948,955	21,123,451
Allowance for impairment losses	(15,034,138)	(17,986,706)
Provision for impairment losses on commitments and contingencies	1,159,762	(1,222,354)
Provision for other allowances	(73,845)	(201,853)
Gain on sale of marketable securities and government bonds	3,167,800	945,801
Other operating expenses		
Salaries and employee benefits	(15,188,121)	(13,165,187)
General and administrative expenses	(13,303,948)	(13,334,127)
Others - net	(5,001,138)	(4,194,606)
Total other operating expenses	(33,493,207)	(30,693,920)
INCOME FROM OPERATIONS	31,635,868	18,774,471
Non-operating income - net	85,275	220,993
INCOME BEFORE TAX EXPENSE	31,721,143	18,995,464
Tax expense		
Current		
Current year	(7,436,303)	(3,934,648)
Prior year	-	(175,592)
Deferred	1,125,311	(729,905)
Total tax expense - net	(6,310,992)	(4,840,145)
NET INCOME FOR THE YEAR	25,410,151	14,155,319

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - PARENT ENTITY
 (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020
 (Expressed in millions of Rupiah, unless otherwise stated)

	31 December 2021	31 December 2020
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Gains on fixed assets revaluation	-	3,328
Actuarial gain (losses) on defined benefit plan	271,795	490,495
Income tax related to the items that will not be reclassified to profit or loss	(51,641)	(85,431)
	<u>220,154</u>	<u>408,392</u>
Items that will be reclassified to profit or loss		
Difference arising from translation of financial statements in foreign currencies	13,186	(138,665)
Changes in fair value of other comprehensive income financial assets	(3,474,764)	3,679,665
Changes in fair value of available for sale financial assets	675,919	(659,447)
Income tax related to items that will be reclassified to profit or loss	(2,785,659)	2,881,553
	<u>(2,565,505)</u>	<u>3,289,945</u>
Other comprehensive income for the year - net of income tax	(2,565,505)	3,289,945
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>22,844,646</u>	<u>17,445,264</u>
EARNING PER SHARE		
Basic (full amount)	544.92	303.49
Dilluted (full amount)	544.92	303.49

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CHANGES IN EQUITY - PARENT ENTITY
FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)**

	Issued and fully paid-in capital	Additional paid in capital/agio	Treasury stock	Difference arising from translation of financial statements in foreign currencies	Net unrealised gain from increase in fair value through other comprehensive income, securities and bonds - net of deferred tax	Net differences in fixed assets revaluation	Net actuarial gain on defined benefit program - net of deferred tax	Retained earnings		Total equity
								Appropriated	Unappropriated	
Balance as of 1 January 2021	11,666,667	17,476,308	(150,895)	(306,208)	4,327,705	29,913,897	1,026,130	106,287,286	111,667,554	175,706,210
Dividends payment from 2020 net income	-	-	-	-	-	-	-	-	(10,271,552)	(10,271,552)
Income for the current year	-	-	-	-	-	-	-	25,410,151	25,410,151	25,410,151
Effects on investment adjustments in subsidiaries	-	1,465,242	-	-	-	-	-	-	-	1,465,242
Other comprehensive income for the current year	-	-	-	13,186	(2,798,845)	-	220,154	-	-	(2,565,505)
Balance as of 31 December 2021	11,666,667	18,941,550	(150,895)	(293,022)	1,528,860	29,913,897	1,246,284	121,425,885	126,806,153	189,744,546

Appendix 3

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CHANGES IN EQUITY - PARENT ENTITY
FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020**
(Expressed in millions of Rupiah, unless otherwise stated)

	Issued and fully paid-in capital	Additional paid in capital/agio	Treasury stock	Difference arising from translation of financial statements in foreign currencies	Net unrealised gain from increase in fair value through other comprehensive income, securities and government bonds - net of deferred tax	Net differences in fixed assets revaluation	Net actuarial gain on defined benefit program - net of deferred tax	Other comprehensive income		Total equity		
								Appropriated	Unappropriated			
Balance as of 1 January 2020	11,666,667	17,476,308	-	(167,543)	1,307,487	29,910,569	621,066	85,052	5,380,268	128,181,471	133,561,739	194,461,345
Impact of implementation SFAS 71	-	-	-	-	-	-	-	-	-	(19,560,224)	(19,560,224)	(19,560,224)
Balance as of 1 January 2020 after implementation of SFAS 71	11,666,667	17,476,308	-	(167,543)	1,307,487	29,910,569	621,066	85,052	5,380,268	108,621,247	114,001,515	174,901,121
Dividends payment from 2019 net income	-	-	-	-	-	-	-	-	-	(16,489,280)	(16,489,280)	(16,489,280)
Treasury stock	-	-	(150,895)	-	-	-	-	-	-	-	-	(150,895)
Income for the current year	-	-	-	-	-	-	-	-	-	14,155,319	14,155,319	14,155,319
Other comprehensive income for the current year	-	-	-	(138,665)	3,020,218	3,328	405,064	-	-	-	-	3,289,945
Balance as of 31 December 2020	11,666,667	17,476,308	(150,895)	(306,208)	4,327,705	29,913,897	1,026,130	85,052	5,380,268	106,287,286	111,667,554	175,706,210

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

**PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CASH FLOWS - PARENT ENTITY
FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020
(Expressed in millions of Rupiah, unless otherwise stated)**

	31 December 2021	31 December 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from interest income	67,246,388	68,492,858
Receipts from provision and commissions income	12,264,845	10,916,759
Payments of interest expense	(17,647,918)	(25,304,751)
Receipts from the sale of government bonds - fair value through profit or loss	230,702,822	225,351,210
Acquisition of government bonds - fair value through profit or loss	(226,991,984)	(226,813,138)
Foreign exchange gains - net	4,832,657	1,838,938
Income from fair value through profit or loss classification - net	765,383	732,909
Other operating income - others	1,338,562	1,544,236
Other operating expenses - others	(5,055,332)	(3,926,575)
Salaries and employee benefits	(12,569,489)	(13,518,477)
General and administrative expenses	(10,937,735)	(10,626,917)
Non-operating income/(expenses) - net	91,819	218,288
Payment of corporate income tax	(6,802,104)	(3,604,058)
Cash flows from operating activities before changes in operating assets and liabilities	37,237,914	25,301,282
Decrease/(increase) in operating assets:		
Placements with Bank Indonesia and other banks	(3,386,903)	271,928
Marketable securities - fair value through profit or loss	165,205	(765,549)
Other receivables - trade transactions	734,770	419,839
Loans	(77,410,122)	19,096,731
Securities purchased under agreements to resell	31,906,911	(53,795,457)
Prepaid taxes	195,452	(1,109,023)
Prepaid expenses	82,547	1,233,161
Other assets	(812,740)	(2,952,304)
Proceeds from collection of written-off financial assets	4,702,642	3,692,425
Increase/(decrease) in operating liabilities:		
Demand deposits	95,589,446	47,794,109
Saving deposits	42,143,273	18,938,777
Time deposits	(18,779,960)	20,591,998
Interbank call money	4,254,056	436,469
Obligations due immediately	1,094,141	1,116,882
Taxes payable	(6,780)	(88,305)
Other liabilities	1,491,612	7,248,294
Net cash provided by operating activities	118,871,055	87,401,257

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CASH FLOWS - PARENT ENTITY (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020
 (Expressed in millions of Rupiah, unless otherwise stated)

	31 December 2021	31 December 2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase/(decrease) in marketable securities - other than fair value through profit or loss	(1,777,356)	40,238
Increase in government bonds - other than fair value through profit or loss	(97,846,102)	(23,388,262)
Proceeds from sale of fixed assets	(6,539)	313,581
Acquisition of fixed assets	(1,251,590)	(1,742,000)
Acquisition of right of use assets ^{*)}	(524,047)	(926,364)
Acquisition of intangible assets	(1,202,826)	(1,103,250)
Capital injection to subsidiary	(146,000)	(408,381)
Net cash used in investing activities	(102,754,460)	(27,214,438)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of marketable securities	4,235,505	7,978,590
Payment of debt securities issued	(1,100,583)	(969,001)
Receipts from fund borrowings	15,154,602	30,552,365
Payment of fund borrowings	(16,488,064)	(32,080,055)
Payment of subordinated loans and marketable securities	(16,109)	(15,829)
Increase/(decrease) in marketable securities sold under agreements to repurchase	4,074,684	(2,593,152)
Payment of dividend	(10,271,552)	(16,489,280)
Purchase of treasury shares	-	(150,895)
Net cash used in financing activities	(4,411,517)	(13,767,257)
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,705,078	46,419,562
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(291,877)	1,165,400
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	151,777,749	104,192,787
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	163,190,949	151,777,749

*) Related to the application of SFAS 73 "Leases"

SUPPLEMENTARY FINANCIAL INFORMATION OF THE PARENT ENTITY

PT BANK MANDIRI (PERSERO) Tbk.
STATEMENTS OF CASH FLOWS - PARENT ENTITY (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021 AND 2020
 (Expressed in millions of Rupiah, unless otherwise stated)

	31 December 2021	31 December 2020
Cash and cash equivalents at the end of year consist of:		
Cash	18,829,300	22,030,645
Current accounts with Bank Indonesia	86,733,037	46,290,020
Current accounts with other banks	23,206,628	17,341,945
Short-term investments with a period of time maturity of three months or less from the date of acquisition	34,421,984	66,115,139
Total cash and cash equivalents	163,190,949	151,777,749

**A N N U A L
REPORT**

2021



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