

DISCLOSURE OF INFORMATION

IN COMPLY WITH OJK REGULATION NO. 2/POJK.04/2013, OJK CIRCULAR LETTER NO. 3/SEOJK.04/2020 REGARDING PLAN ON BUYBACK OF SHARES IN SIGNIFICANTLY FLUCTUATING MARKET CONDITIONS, AND OJK REGULATION NO. 31/POJK.04/2015 REGARDING DISCLOSURE OF INFORMATION OR MATERIAL FACTS BY ISSUER OR PUBLIC COMPANY



PT BANK MANDIRI (PERSERO) Tbk.

Business Activities:

Banking Services

Headquarters:

Plaza Mandiri

Jl. Jenderal Gatot Subroto Kav. 36-38, South Jakarta 12190 – Indonesia

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DISCLOSURE OF INFORMATION ON BUYBACK OF SHARES IN SIGNIFICANTLY FLUCTUATING MARKET CONDITIONS

PT Bank Mandiri (Persero) Tbk. (“**Company**”) plans to conduct buyback of shares up to Rp2,000,000,000,000 (two trillion Rupiah) of its shares that are currently listed on the Indonesia Stock Exchange (“**IDX**”), in accordance with the OJK Rule No. 2/POJK.04/2013 on Buyback of Shares in Significantly Fluctuating Market Conditions (“**OJK Rule No. 2/POJK.04/2013**”) and OJK Circular Letter No. 3/SEOJK.04/2020 on Other Conditions Constituting Significantly Fluctuating Market Conditions Allowing for Buyback of Shares (“**SEOJK No. 3/SEOJK.04/2020**”). According to SEOJK No. 3/SEOJK.04/2020, the Company is allowed to buyback its shares maximum by 20% (twenty percent) of the paid-up capital and must keep at least 7.5% of its free float. The buyback will be conducted gradually within three months effective since 20 March 2020 until 19 June 2020. The buyback transaction will be executed through Indonesia Stock Exchange.

This Disclosure of Information is published in Jakarta, on 20 March 2020

ESTIMATION OF SCHEDULE

No.	Action	Date
1.	Disclosure of Information ^{*)}	20 March 2020
2.	Share Buyback Period	20 March until 19 June 2020

**) Information disclosure will be uploaded through the Company's website, the Indonesia Stock Exchange website, and also to the OJK Capital Market*

PRELIMINARY

The current economic condition is experiencing a slowdown and pressure both regionally and nationally, mostly caused by the COVID-19 outbreak. In addition, trading conditions in IDX since the beginning of 2020 to March 9th, 2020, experienced significant pressure, which was indicated by the decline of JCI by 18.46%. In order to reduce impact of market fluctuation, OJK issued SEOJK No. 3 / SEOJK.04/2020, which allows Issuers or Public Companies to carry out share buyback without AGM and still within applicable laws and regulations.

The Company plans to repurchase the Company's shares which are issued and listed in IDX with maximum amount of not more than Rp2,000,000,000,000 (two trillion Rupiah). In accordance with SEOJK No. 3/SEOJK.04 / 2020, the repurchased number of shares will not exceed 20% (twenty percent) of paid-up capital and the free float percentage must be kept at least 7.5%.

The Company believes that the Share Buyback will not affect the Company's financial performance as the Company has sufficient capital to support business activities.

ESTIMATION OF SHARE BUYBACK PROGRAM COSTS AND NOMINAL VALUE OF ALL SHARES THAT WILL BE PURCHASED

Share buyback program will use internal cash of the Company with maximum amount of not more than Rp2,000,000,000,000 (two trillion Rupiah). The projected cost includes transaction costs such as brokerage fees and any other costs related to the program.

In accordance with SEOJK No. 3 / SEOJK.04 / 2020, the number of shares to be repurchased will not exceed 20% (twenty percent) of paid-up capital and the percentage of free float shares must be kept at least 7.5%

BUYBACK IMPACT TO COMPANY'S PROFIT

Assuming the Buyback amount is Rp2,000,000,000,000 (two trillion Rupiah), both Assets and Equity will decrease by Rp2,000,000,000,000 (two trillion Rupiah). The company believes the Buyback will not impact the Company Profit and Loss materially because the cost of transaction should not be material.

The reduction in the company's cash and equity as a result of the buyback program is not material relative to the company's balance sheet size. In addition, the company has an excess capital sufficient to run business activities. Hence, the company believes the buyback program will not materially impact the company's operation.

In addition, the potential cost from the transfer of assets in the form of Cash to Treasury Stock is not expected to significantly affect the Company's revenue. For these matters, the Company believes that the Buyback transaction will not have any material adverse effect to the Company's business activities, as the Company has sufficient capital and cash flow to carry out financing transactions in conjunction with the Company's business activities.

PROJECTION OF THE COMPANY'S TOTAL ASSETS, NET INCOME FOR THE YEAR, EQUITY AND EARNINGS PER SHARE

The following table is the projection of Total Assets, Net Income for the Year, Equity and Earnings per Share as an illustration of the Consolidated Financial Statements as of December 31, 2019

(in millions of Rupiah)

Description	Financial Statements as of December 31 st , 2019		
	Before <i>Buyback</i>	Impact	After <i>Buyback</i>
Total Asset	1,318,246	(2,000)	1,316,246
Net Income	27,482	-	27,482
Equity	209,034	(2,000)	207,034
Earning per Share (Full amount in Rupiah)	588.90	4.29	593.19

Assumption:

The repurchased number of shares does not exceed 20% (twenty percent) of paid-up capital. Assuming brokerage fees and other cost incurred is around 0,15%, the impact to P&L is negligible, hence excluded from the projection above.

BUYBACK PRICE

Buyback of the Company's Shares will be conducted in accordance with applicable regulations.

THE PERIOD OF SHARES BUYBACK

The Company limits the period of Buyback not to exceed the time limit specified in Article 6 Paragraph 3 of OJK Regulation No. 2 /POJK.04/2013, which is 3 (three) months, from 20 March to 19 June, 2020.

METHODS THAT WILL BE USED FOR SHARES BUYBACK

1. The Buyback transaction will be executed through IDX.
2. The Company has appointed PT Mandiri Sekuritas to Repurchase the Company's Shares.
3. The following parties:
 - a. Commissioners, Directors, employees and Major Shareholders of the Company;
 - b. An individual who due to his position or profession or because of his business relationship with the Company allows that person to obtain inside information; or

c. The party within the last 6 (six) months is no longer a Party as referred to the items a and b, are prohibited to purchase and/or sell the Company's shares during the buyback period or on the same day with the transfer of repurchased shares by the Company through the IDX.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE IMPACT OF SHARES BUYBACK TO THE BUSINESS ACTIVITIES AND GROWTH OF THE COMPANY

1. The Company's revenue should not be impacted by the program.
2. Share Buyback is estimated to have an immaterial impact on the Company's financing costs.
3. Shares Buy Back will reduce the Company's Assets and Equity by the amount of Shares Buy Back. If the Company uses all of the budget reserved for the Program, then the total Assets and Equity will be reduced by a maximum of Rp2,000,000,000,000 (two trillion Rupiah).
4. The Company believes that the implementation of Share Buyback will not have a material negative impact on the Company's business activities and growth, because the Company currently has sufficient capital and cash flow to conduct and finance its business activities, business development plan, and the share buyback program itself.

THE COMPANY'S PLAN ON BUYBACK SHARES

After the end of the shares buyback period, the Company may use the shares in accordance with the prevailing laws and regulations in particular OJK Rule No. 2/POJK.04/2013.

ADDITIONAL INFORMATION

For further information regarding the Shares Buyback, please contact:

PT BANK MANDIRI (PERSERO) Tbk.

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Jakarta, 20 March, 2020

Board of Directors