

# CAPITAL STRUCTURE

## MANAGEMENT POLICY ON CAPITAL STRUCTURE

Bank Mandiri's capital policy is prudently to meet regulatory capital requirements, diversify capital sources to anticipate long-term strategic plans and allocate capital efficiently to business segments that have the potential to provide an optimal risk-return profile, including placement and participation in Subsidiaries in order to meet stakeholder expectations including investors and regulators.

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

In calculating the capital adequacy, Bank Mandiri refers to the provisions of the Financial Services Authority (OJK) including the following:

- POJK No. 27 of 2022 dated 28 December 2022 on the Second Amendment to POJK 11/POJK.03/2016 concerning the Capital Adequacy Ratio for Commercial Banks.
- POJK No. 34/POJK.03/2016 dated 22 September 2016 on Amendments to POJK

No. 11/POJK.03/2016 concerning the Capital Adequacy Ratio for Commercial Banks.

- SEOJK No. 26/SEOJK.03/2016 on the Capital Adequacy Ratio in accordance with Risk Profile and Fulfillment of Capital Equivalency maintained assets.

For the calculation of Risk-Weighted Assets (RWA), Bank Mandiri applies the Standardized Approach which refers to Basel III Reforms (Standardized Approach) for Credit Risk effective from January 2023. For Market Risk, the Bank applies the Basel II Standard Measurement Method and internally applies Value at Risk. For Operational Risk, the Bank refers to the Standardized Approach under Basel III Reforms effective from January 2023.

The Bank's consolidated capital adequacy ratios as of 31 December 2023 and 2022, taking into account credit, operational and market risks, were 21.99% and 19.65%, respectively, by calculating credit and operational risks of 22.21% and 19.75%, respectively.

The tables below describe the results of the RWA calculation (Credit, Operational, and Market) as well as the Capital Adequacy Ratio for the positions of 31 December 2023 and 31 December 2022 for Bank Mandiri only.

### Bank Mandiri Capital Structure 2021-2023

(in Rp Million)

Capital	2023	2022	2021
Core Capital	209,724,274	181,072,852	165,492,705
Supplemental Capital	12,264,005	10,771,601	9,764,189
Total Capital for Credit Risk, Operational Risk and Market Risk	221,988,279	191,844,453	175,256,894
Credit Risk-Weighted Assets (RWA)	964,706,719	846,394,763	757,497,030
Operational Risk-Weighted Assets (RWA)	58,720,278	133,826,964	130,682,428
Market Risk-Weighted Assets (RWA)	9,980,215	5,829,558	5,849,789
Total RWA for Credit Risk, Operational Risk and Market Risk	1,033,407,212	986,051,285	894,029,247

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## Capital Adequacy Ratio

Capital	2023	2022	2021
CAR for Core Capital	20.29%	18.36%	18.51%
CAR for Credit Risk	23.01%	22.67%	23.14%
CAR for Credit Risk and Operational Risk	21.69%	19.57%	19.73%
CAR for Credit Risk and Market Risk	22.78%	22.51%	22.96%
CAR for Credit Risk, Operational Risk and Market Risk	21.48%	19.46%	19.60%
CAR Minimum Core Capital	6.00%	6.00%	6.00%
CAR Minimum Based on Risk Profile	9.76%	9.86%	9.75%

## Quantitative Disclosure of Capital Structure of Commercial Banks

( In Rp million)

Capital	31-Dec-23		31-Dec-22	
	Bank	Consolidated	Bank	Consolidated
<b>I. Core Capital (Tier 1)</b>	<b>209,724,274</b>	<b>258,956,049</b>	<b>181,072,852</b>	<b>223,271,290</b>
<b>1. Common Equity Tier 1 (CET 1)</b>	<b>209,724,274</b>	<b>258,956,049</b>	<b>181,072,852</b>	<b>223,271,290</b>
1.1 Paid-in capital (net of Treasury Stock)	11,666,667	11,666,667	11,666,667	11,666,667
1.2 Disclosed Reserves	224,692,846	246,380,061	197,742,046	215,475,066
1.2.1 Additional Factor	227,600,355	249,758,383	201,218,418	219,462,416
1.2.1.1 Other Comprehensive Income	34,582,623	34,811,362	34,595,182	34,823,921
1.2.1.1.1 Excess Differences Arising from Translation of Financial Statement	27,284	27,284	80,574	80,574
1.2.1.1.2 Potential Gain of the Increase in the Fair Value of Financial Assets Available for Sale	67,385	67,385	26,654	26,654
1.2.1.1.3 Surplus of Fixed Assets Revalueate	-	-	-	-
1.2.1.2 Other Disclosed Reserves	34,487,954	34,716,693	34,487,954	34,716,693
1.2.1.2.1 Agio	193,017,732	214,947,021	166,623,236	184,638,495
1.2.1.2.2 General Reserves	18,941,550	17,643,264	18,941,550	17,643,264
1.2.1.2.3 Previous Year Profit	2,333,333	2,333,333	2,333,333	2,342,132
1.2.1.2.4 Current Year Profit	120,645,971	139,910,367	107,655,927	123,482,462
1.2.1.2.5 Funds for Paid-in Capital	51,096,878	55,060,057	37,692,426	41,170,637
1.2.1.2.6 Others	-	-	-	-
1.2.2 Deduction Factors	-	-	-	-
1.2.2.1 Other Comprehensive Income	(2,907,509)	(3,378,322)	(3,476,372)	(3,987,350)
1.2.2.1.1 Negative Differences Arising from Translation of Financial Statement	(2,432,966)	(1,971,613)	(3,183,416)	(2,829,093)
1.2.2.1.2 Potential Losses from the Decrease in the Fair Value of Financial Assets Available for Sale	(461,721)	(173,583)	(442,327)	(141,001)
1.2.2.2 Other Disclosed Reserves	(1,971,245)	(1,798,030)	(2,741,089)	(2,688,092)
1.2.2.2.1 Disagio	(474,543)	(1,406,709)	(292,956)	(1,158,257)
1.2.2.2.2 Previous Year Loss	-	-	-	-
1.2.2.2.3 Current Year Loss	-	-	-	-
1.2.2.2.4 Negative Difference in Allowance for Possible Losses and Allowance for Impairment on Earning Assets	-	-	-	-

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Capital	31-Dec-23		31-Dec-22	
	Bank	Consolidated	Bank	Consolidated
1.2.2.2.5 Negative Difference in Adjustment Amounts from Fair Value of financial Assets in Trading Book	-	-	-	-
1.2.2.2.6 Required Allowance for Non-Earning Asset	(474,543)	(1,406,709)	(292,956)	(1,158,257)
1.2.2.2.7 Others	-	-	-	-
1.3 Noncontrolling Interests	-	21,864,452	-	18,698,700
1.4 Deduction Factor of CET 1	(26,635,239)	(20,955,131)	(28,335,861)	(22,569,143)
1.4.1 Deferred Tax Calculation	(7,874,700)	(10,100,735)	(9,677,161)	(11,942,069)
1.4.2 Goodwill	-	(482,091)	-	(482,091)
1.4.3 Other Intangible Assets	(3,808,411)	(5,068,755)	(3,673,355)	(4,298,288)
1.4.4 Investments in Share	(14,952,128)	(5,303,550)	(14,985,345)	(5,846,695)
1.4.5 Shortfall of Capital on Insurance Subsidiaries	-	-	-	-
1.4.6 Securitization Exposure	-	-	-	-
1.4.7 Other Deduction of CET 1	-	-	-	-
1.4.7.1 Placement of Funds in Instrument AT 1 and/or Tier 2 to Other Bank	-	-	-	-
1.4.7.2 Cross-Ownership in Another Entity Acquired by the Transition Due to Law, Grants, or Grants Will	-	-	-	-
1.4.7.3 Exposures that Give Rise to Credit Risk Due the Settlement Risk (Settlement Risk) - Non-Delivery Versus Payment	-	-	-	-
1.4.7.4 Exposures in Subsidiaries that do Business Activity Based on Sharia Principles (if Available)	-	-	-	-
<b>2. Additional Tier 1 (AT 1)</b>	-	-	-	-
2.1 Instrument which Comply with AT 1 Requirements	-	-	-	-
2.2 Agio/Disagio	-	-	-	-
2.3 Deduction Factor of AT 1	-	-	-	-
2.3.1 Placement of Funds in Instrument AT 1 and/or Tier 2 to Other Bank	-	-	-	-
2.3.2 Cross-Ownership in Another Entity Acquired by the Transition Due to Law, Grants, or Grants Will	-	-	-	-
<b>II. Supplemental Capital (Tier 2)</b>	<b>12,264,005</b>	<b>14,966,831</b>	<b>10,771,601</b>	<b>13,198,928</b>
1. Capital Instrument in the Form of Stock or others which Comply with Tier 2 Requirements	205,171	405,171	191,666	443,749
2. Agio/Disagio	-	-	-	-
3. General Provision on Earning Assets (max. 1.25% Credit Risk - Weighted Assets)	12,058,834	14,561,660	10,579,935	12,755,179
4. Deduction Supplemental Capital	-	-	-	-
4.1 Sinking Fund	-	-	-	-
4.2 Placement of Funds in instrument AT 1 and/or Tier 2 to Other Bank	-	-	-	-
4.3 Cross-Ownership in Another Entity Acquired by the Transition Due to Law, Grants, or Grants Will	-	-	-	-
<b>III. TOTAL CAPITAL (I+II)</b>	<b>221,988,279</b>	<b>273,922,880</b>	<b>191,844,453</b>	<b>236,470,218</b>

## CAPITAL STRUCTURE

## Quantitative Disclosure of Capital Structure of Commercial Banks

Capital	31-Dec-23		31-Dec-22	
	Bank	Consolidated	Bank	Consolidated
<b>Risk-Weighted Assets (RWA)</b>				
Credit Risk RWA	964,706,719	1,164,932,800	846,394,763	1,020,414,291
Market Risk RWA	9,980,215	12,359,269	5,829,558	6,232,483
Operational Risk RWA	58,720,278	68,332,364	133,826,964	176,859,897
Total RWA	1,033,407,212	1,245,624,433	986,051,285	1,203,506,671
CAR BASED ON RISK PROFILE (%)	9.76%	9.82%	9.86%	9.90%
<b>CAPITAL ALLOCATION FOR CAR BASED ON RISK PROFILE</b>				
From CET 1 (%)	8.57%	8.62%	8.76%	8.80%
From AT 1 (%)	0.00%	0.00%	0.00%	0.00%
From Tier 2 (%)	1.19%	1.20%	1.10%	1.10%
<b>CAR Ratio</b>				
CET 1 Ratio (%)	20.29%	20.79%	18.36%	18.55%
Tier 1 Ratio (%)	20.29%	20.79%	18.36%	18.55%
Tier 2 Ratio (%)	1.19%	1.20%	1.10%	1.10%
Capital Adequacy Ratio (%)	21.48%	21.99%	19.46%	19.65%
CET 1 FOR BUFFER (%)	11.72%	12.17%	9.60%	9.75%
<b>PERCENTAGE OF BUFFER MANDATORY FILLED BY BANK (%)</b>				
Capital Conservation Buffer (%)	2.50%	2.50%	2.50%	2.50%
Countercyclical Buffer (%)	0.00%	0.00%	0.00%	0.00%
Capital Surcharge for Systemic Banks (%)	2.50%	2.50%	2.50%	2.50%

## MATERIAL COMMITMENTS FOR CAPITAL GOODS INVESTMENT

Bank Mandiri does not have a material bond for capital goods investment in the 2023 financial year. As such, the Bank does not present information related to this matter, including:

1. The name of the contracting party;
2. The purpose of the engagement;
3. Source of funds prepared to fulfill the engagement;
4. The currency denomination in the bond; and
5. The Bank's planned measures to hedge the risks of the related foreign currency position.

# CAPITAL GOODS INVESTMENT IN FISCAL YEAR 2023

## CAPITAL GOODS INVESTMENT

Bank Mandiri realizes capital goods investment every year which is an activity of issuing funds used to purchase a number of assets or investments that are expected to provide value benefits in the future.

## TYPES AND VALUE OF CAPITAL GOODS INVESTMENT

Bank Mandiri's capital goods investment of fixed assets in the form of land, buildings, equipment, office equipment and computers, motor vehicles, assets under construction, and rights assets stood at Rp5.07 trillion as of 31 December 2023. The capital goods investment was made in connection with the Bank's sustainable business expansion activities.

### Types and Value of Capital Goods Investments (in Rp Million)

Types of Capex Capital Goods - Fixed Assets	Investment Value of Capital Goods	
	2023	2022
Land	33,518	845,040
Building	154,831	549,251
Supplies, Office Equipment and Computers	403,071	473,980
Motor vehicle	11,322	15,603
Construction in Progress	2,483,635	2,123,973
Right of Use Assets	1,998,278	2,255,067

### Purpose of Capital Goods Investment

Bank Mandiri invests in capital goods aimed at fostering and supporting the operational activities of Bank Mandiri as a whole.