Announcement And Dividend Payment For Financial Year 2018

Bank Mandiri GMS dated 16 May 2019 has approved and decided the use of Bank Mandiri net profit of the financial year ended in 31 December 2018 amounting IDR25.015.020.898.824,50 as detailed below:

1. 45% of the Company's Net Profit for the period of 1 January - 31 December 2015, or IDR6,100,490,253,271.41, will be distributed as cash dividend to the shareholders, while dividend for Government/Republic of Indonesia shall be paid pursuant to the laws and regulations. To grant power and authority to the Board of Directors to regulate the procedure and implementation of cash dividend payment, and to further announce it pursuant to the applicable provision with the distribution allocation as follows:
   - Amounting to 60% for Government/Republic of Indonesia Shareholder
   - Amounting to 40% to majority shareholders.
2. Amounting to 55% of the Company's Net Profit or IDR11,956,960,896,411.96 will be booked as Retained Earning.

Employee Stock Option Program (ESOP)/Management Stock Option Program (MSOP)

Based on the Resolution of the GMSE dated 29 May 2003 as stated in the Notarial deed of Sutjipto, S.H., No. 142 dated May 29, 2003, the shareholders of Bank Mandiri also approved plans for share ownership by employees and Directors through the Employee Stock Allocation ("ESA") Program and Provision of Management Stock Option Plan ("MSOP"). The ESA Program consistED of a Share Plan Bonus and a Share Purchase at Discount program. Meanwhile, the MSOP program was aimed at Directors and employees at grade level or certain criteria. The fees and discounts on the ESA program became the responsibility of Bank Mandiri, whose expenses are sourced from reserves that have been formed. The management and implementation of the ESA and MSOP programs would be handled by the Board of Directors, while the supervision was carried out by the Board of Commissioners.

On July 14, 2003, the Government of the Republic of Indonesia released 4,000,000,000 shares, representing 20% of its ownership in Bank Mandiri, through an Initial Public Offering (IPO). As a follow up to the Government Regulation of the Republic of Indonesia No. 27/2003 dated June 2, 2003 which approved a divestment of up to 30.00% of Government ownership in Bank Mandiri and based on the decision of the State Owned Enterprise Privatization Team No. Kep-05/TKP/01/2004 dated January 19, 2004, the Government of the Republic of Indonesia carried out a further divestment of 10.00% ownership in Bank Mandiri or as many as 2,000,000,000 Common Series B shares on March 11, 2004 through a private placement.

During the IPO on July 14, 2003, Bank Mandiri gave the option to purchase shares to management through the MSOP Stage 1 (one) program of 378,583,785 options with an execution price of IDR742.50 (full amount) per share and nominal value of IDR500 (value full) per share. The issuance of this stock option was accounted for at the Equity - Stock Option at a fair value of IDR.69.71 (full amount) per share. The option executed from MSOP Stage 1 (one) is 375,365,957 shares, resulting in an increase in the Issued and Paid Up Capital of IDR.187,683, the addition of the Shareholder Agio of IDR.117,193. MSOP Stage 1 (one) could be executed until July 13, 2008 as announced at the Announcement of the Indonesia Stock Exchange (formerly the Jakarta Stock Exchange) No. Peng-262/BEJ. PJS/P/07-2004 dated July 14, 2004.

Furthermore, at the Annual General Meeting of Shareholders dated May 16, 2005, MSOP Phase 2 (two) was approved for 312,000,000 options stock. The execution price per share is IDR1,190.50 (full amount) as the implementation in the first year and IDR2,493 (full amount) as the implementation in the second year and in the following year. The nominal value per share was IDR500 (full amount). The issuance of this stock option was recorded in equity - stock options with fair value of stock options amounting to IDR642.28 (full amount) per share. The options executed from MSOP Stage 2 (two) are 311,713,697 shares resulting in the addition of issued and paid-up capital of IDR.155,857 and additional share premiums of IDR.425,233. The 5 (last period) period of implementation of MSOP Stage 2 (two) option conversion rights is May 4, 2010 for 30 exchange days as announced in the Announcement of the Indonesia Stock Exchange (formerly the Jakarta Stock Exchange) No. Peng-97/BEJ-PSJ/P/02-2007 dated February 2, 2007. MSOP Stage 2 (two) stock options which were not executed were 286,303 shares or IDR.184 which passed the implementation period which was recorded as an additional share premium.

The Annual General Meeting of Shareholders dated May 22, 2006 approved the granting of MSOP Stage 3 (three) of 309,416,215 stock options. The GMS also authorized the Board of Commissioners to establish MSOP Stage 3 (three) implementation and supervision policies and report them at the upcoming GMS. The MSOP Stage 3 (three) option price per share of MSOP Stage 3 was IDR1,495.08 (full amount) with a nominal value of IDR500 (full amount) per share. This stock option was recorded at the Equity - Stock Option post with a fair value of stock options of IDR.593.89 (full amount) per share. Options executed from MSOP Stage 3 (three) amounted to 309,415,088 shares resulting in the addition of issued and paid-up capital of IDR154,707 and additional share premiums of IDR491,651.

The MSOP Stage 3 (three) option execution period ended in February 2011, before the commencement of the trading period of Bank Mandiri Preemptive Rights dated February 14, 2011 to February 21, 2011. MSOP Stage 3 (three) stock options which were not executed were 1,127 shares respectively or as much as IDR. 4, which passes through the implementation period which is recorded as an additional share premium.

On December 27, 2010, the Bank made the first registration to the Financial Services Authority (formerly the Capital Market and Financial Institution Supervisory Agency in the context of Limited Public Offering (PUT) to Bank shareholders in the context of Rights Issuance Pre-emptive Securities ("HMETD") totaling 2,336,838,591 series of PUT B. Shares had been approved by the Board of Commissioners through a letter dated April 29, 2010. The Bank submitted a notification regarding LPO to Bank Indonesia through a letter dated September 17, 2010. PUT had also been promulgated through Government Regulation of the Republic of Indonesia No. 75 of 2010 dated November 20, 2010. PUT received effective approval from Bapepam and LK through letter No. S-807/BL/2011 dated January 27, 2011, in which PUT became effective after obtaining approval from shareholders at the Extraordinary General Meeting of Shareholders held on January 28, 2011.

Pre-emptive as many as 2,336,838,591 Rights shares were traded during the period February 14, 2011 - February 21, 2011 with an exercise price of IDR.5,000 (full amount) per share which resulted in an additional issued and paid-up capital of IDR1,168,420. Based on the resolutions of the Extraordinary General Meeting of Shareholders dated August 21, 2017, the shareholders of Bank Mandiri approved Bank Mandiri's stock split from IDR500 (full amount) per share to IDR250 (full amount) per share, so the capital was placed into 46,666. 666,666 shares consisting of 1 (one) Series A Dwiwarna share and 46,666,666,665 Series B shares. For the stock split, there were no changes to the authorized, issued and paid-up capital. The breakdown of the share nominal value would be effective on September 13, 2017.

In 2019, Bank Mandiri did not have an Employee Stock Ownership Program (ESOP) and Management Stock Ownership Program (MSOP) program, the program ended in 2010.

Realization of Use of Public Offering Results

In accordance with POJK Number 30/POJK.04/2015 concerning the Realization Report on the Use of Proceeds from the Public Offering, Bank Mandiri reported the Realization of the Use of Proceeds from the Public Offering of Bank Mandiri Sustainable Bonds II Phase I of 2020 as follows.

Table of Report on the Use of Proceeds from the Public Offering of PT Bank Mandiri (Persero) Tbk

(in IDR billion)

No	Type of Public Offering	Effective Date	Realized Value of Public Offering Proceeds			Fund Usage Plan	Realization of Use of Funds	Remaining Proceeds from the Public Offering
			Total Public Offering Results	Public Offering Fee	Net Result	Credit Expansion	Credit Expansion	
1	Bank Mandiri Sustainable Bonds II Phase I 2020	12 May 2020	IDR1,000,00 billion	IDR6,50 billion	IDR993,50 billion	IDR993,50 billion	IDR993,50 billion	IDR 0

On May 12, 2020, Bank Mandiri issued Bank Mandiri Sustainable Bonds II Phase I Year 2020 (Continuous Bonds II Phase I) with a nominal value of IDR1,000,000,000,000 consisting of 2 (two) series. The interest on Continuous Bonds II Phase I was paid quarterly with the first interest payment made on August 11, 2020, while the last bond interest payment and bond maturity are on May 12, 2025 for Series A, and May 12, 2027 for Series B, which was also the date of settlement principal of each bond series. The trustee for the issuance of the Phase I Sustainable Bonds II was PT Bank Permata Tbk.

The proceeds from this Bond Public Offering, after deducting issuance costs, would all be used by Bank Mandiri for credit expansion in the context of business development according to the plan for the use of funds disclosed in the Prospectus for Sustainable Bonds II of Bank Mandiri Phase I of 2020 and had been reported to the Financial Services Authority (OJK).