



FINANCIAL REVIEW

regulations on distribution allocation:

- Government/the Republic of Indonesia shareholding of 60%.
 - Public shareholding of 40%.
2. Around 40% of Bank Mandiri's net profit in Fiscal Year 2020 was acknowledged as Retained Earnings.

The dividend payment for Fiscal Year 2022 was done on April 12, 2021, and the financial performance of 2021 will be decided during a 2022 AGMS.

SHARES OWNERSHIP BY EMPLOYEES AND/OR MANAGEMENT (ESOP/MSOP)

Based on the decision of the Extraordinary GMS on May 29, 2003, as stated in the deed of Notary Sutjipto, S.H., No. 142 dated May 29, 2003, the shareholders of Bank Mandiri also approved the plan for shares ownership by employees and the Board of Directors through the Employee Stock Allocation (ESA) Program and the Granting of Share Purchase Option to Management/ Management Stock Option Plan (MSOP). The ESA program consists of the Share Plan Bonus and the Share Purchase at Discount program. Meanwhile, the MSOP program is intended for Directors and leadership employees at certain grades or criteria. The costs and discounts for the ESA program are borne by Bank

Mandiri, the burden of which comes from the reserves that have been established. The management and implementation of the ESA and MSOP programs are carried out by the Board of Directors, while the supervision is carried out by the Board of Commissioners.

On July 14, 2003, the Indonesian government sold 4,000,000,000 of its shares, representing 20.00% of its ownership of Bank Mandiri, through an Initial Public Offering (IPO). As a follow-up to the Indonesian Government Regulation No. 27/2003 dated June 2, 2003, that approved the divestiture of up to 30.00% of the Government's ownership of Bank Mandiri and based on the decision of the State-Owned Enterprises Privatization Policy Team No. Kep-05/TKP/01/2004 dated January 19, 2004, the Indonesian Government carried out a further divestment of 10.00% ownership in Bank Mandiri or 2,000,000,000 Series B Ordinary shares on March 11, 2004, through a private placement.

At the time of the IPO on July 14, 2003, Bank Mandiri provided the management with the option to purchase shares through the MSOP Phase 1 (one) program of 378,583,785 options with an exercise price of Rp742.50 (full amount) per share and a nominal value of Rp500 (full amount) per share. The share options were recorded in the Equity - Share Options account with the fair value

of the share options amounting to Rp69.71 (full amount) per share. The options exercised from the MSOP Stage 1 (one) amounted to 375,365,957 shares, resulting in an additional Issued and Paid-In Capital of Rp187,683, an additional Paid-In Capital amounting to Rp117,193. MSOP Phase 1 (one) could be executed until July 13, 2008, as announced in 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 GMS on May 16, 2005, it was approved to grant MSOP Phase 2 (two) totaling 312,000,000 share options. The exercise price per share was Rp1,190.50 (full amount) for the exercise in the first year and Rp2,493 (full amount) for the exercise in the second year and the following year. The nominal value per share is Rp500 (full amount). These share options were recorded in equity-share options with a fair value of share options of Rp642.28 (full amount) per share. The options exercised from MSOP Phase 2 (two) amounted to 311,713,697 shares, resulting in an additional issued and paid-in capital of Rp155,857 and an additional premium for shares of Rp425,233. Period 5 (last period) of exercise of MSOP option conversion rights Phase 2 (two) is May 4, 2010, for 30 trading days as announced in the Announcement of the Indonesia

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Stock Exchange (formerly the Jakarta Stock Exchange) No. Peng-97/BEJ-PSJ/P/02-2007 dated February 2, 2007. The MSOP Phase 2 (two) share options that were not exercised were 286,303 shares or Rp184 which were over the exercise period recorded as additional paid-in capital.

The Annual GMS on May 22, 2006, approved the granting of MSOP Phase 3 (three) of 309,416,215 share options. The GMS also authorized the Board of Commissioners to determine policies for the implementation and supervision of Phase 3 (three) MSOP program and report it to the upcoming GMS. The exercise price per share of MSOP Phase 3 (three) was Rp1,495.08 (full amount) with a nominal value of Rp500 (full amount) per share. The share options were recorded in the Equity - Share Options account with the fair value of the share options of Rp593.89 (full amount) per share. The options exercised from the MSOP Phase 3 (three) amounted to 309,415,088 shares, resulting in an additional issued and paid-in capital of Rp154,707 and an additional premium for shares of Rp491,651. The exercise period for the MSOP Phase 3 (three) options ended in February 2011, before the start of the Bank Mandiri Preemptive Rights trading period from February 14, 2011, to February 21, 2011. The MSOP Phase 3 (three) stock options that were not exercised were 1,127 shares each or Rp4 which were over the exercise period recorded as additional paid-in capital.

On December 27, 2010, the Bank made its first registration with the OJK (formerly the Capital Market and Financial Institution Supervisory Agency (Bapepam and LK)) for a Limited Public Offering (LPO) to the shareholders of the Bank to issue Pre-emptive Rights (Rights) of 2,336,838,591 series B shares. This LPO received approval from the Board of Commissioners through its letter dated April 29, 2010. The Bank notified Bank Indonesia regarding the LPO via letter dated September 17, 2010. This LPO had also been regulated in the Indonesian Government Regulation No. 75 of 2010 dated November 20, 2010. The LPO was effectively approved by Bapepam and LK via Letter No. S-807/BL/2011 dated January 27, 2011, in which the LPO became effective after approval from shareholders during an Extraordinary GMS on January 28, 2011.

Pre-emptive Rights of 2,336,838,591 shares were traded between February 14-21, 2011 with an exercise price of Rp5,000 (full amount) per share which led to an addition of issued and paid-in capital of Rp1,168,420. Based on the decision of the EGMS on August 21, 2017, Bank Mandiri shareholders approved the stock split of Bank Mandiri from Rp500 (full amount) per share to Rp250 (full amount) per share so that the issued capital was 46,666,666,666 shares consisting of 1 (one) Series A Dwiwarna share and 46,666,666,665 Series B

shares. There was no change in the nominal value of the shares in the authorized, issued, and paid-in capital. The share par value split was effective starting September 13, 2017.

By the end of 2021, Bank Mandiri did not have an Employee Stock Ownership Program (ESOP) and a Management Stock Ownership Program (MSOP), as those programs ended in 2010.

USE OF IPO FUNDS

Realization of Use of Proceeds from Public Offering

On July 14, 2003, Bank Mandiri conducted an IPO of 4,000,000,000 Series B Common Shares, with a par value of Rp500 (full amount) per share which was sold at Rp675 (full amount) per share. The public offering to the public represents the divestment of the Government's 20.00% stake in Bank Mandiri (Note 40a).

On July 14, 2003, a total of 19,800,000,000 Series B shares of Bank Mandiri were listed on the Jakarta Stock Exchange and Surabaya Stock Exchange based on the approval letter from the Jakarta Stock Exchange No. S-1187/BEJ.PSJ/07-2003 dated July 8, 2003 and Surabaya Stock Exchange No. JKT-028/LIST/BES/VII/2003 dated July 10, 2003.

This IPO has been completed and all proceeds from the public offering have been used per applicable regulations.