



FINANCIAL REVIEW

INFORMATION ON MATERIAL TRANSACTION WITH CONFLICT OF INTEREST AND/OR TRANSACTIONS WITH AFFILIATED PARTIES

AFFILIATES TRANSACTION

Affiliations are:

1. Family relations due to marriage and descendant to the second degree, both horizontally and vertically;
2. The relationship between the Party and employees, directors, or commissioners of the Party;
3. Relationship between 2 (two) companies where there is one or more members of the same Board of Directors or Board of Commissioners;
4. The relationship between the company and the Party, either directly or indirectly, controlling or being controlled by the Company;
5. Relationship between 2 (two) companies controlled, directly or indirectly, by the same party; or
6. The relationship between the company and the major shareholders.

TRANSACTIONS WITH AFFILIATED PARTIES

Based on the provisions of POJK No. 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions, Affiliated transactions are transactions conducted by Bank Mandiri with Affiliated Parties and/or transactions conducted by Bank Mandiri or companies controlled by Bank Mandiri for the benefit of affiliates.

Transactions with affiliated parties carry a potential risk of misuse by related parties that can harm minority shareholders and affects market integrity.

Bank Affiliated Parties are prohibited from using the Bank for personal, family, and/or other party interests that may harm or reduce the Bank's profits, and are prohibited from taking and/or receiving personal benefits at the Bank, in addition to remuneration and other facilities as determined based on the decision of the General Meeting of Shareholders. Affiliated Transactions are carried out with methods, processes and/or methods in such a way that the Bank or Controlled Company does not give/receive different or preferential treatment to/from Bank Affiliated Parties which makes affiliate transactions appear to be conducted based on normal and reasonable commercial terms.

The following Affiliates Transactions are exempted:

1. Compensation, including salary, pension fund contributions, and/or special benefits provided to members of the Board of Commissioners, members of the Board of Directors, and employees disclosed in the Bank's periodic financial reports;
2. Transactions which are the main business activities of the Bank or Bank Controlled Company as stipulated in the Articles of Association or Bank Controlled Company; and
3. Transactions supporting the Bank or Bank Controlled Companies main business activities.

Based on Chapter III.A of SPO Corporate Secretary regarding Bank Activities as a Public Company, Bank Mandiri as a Public Company is required to report affiliated transactions to the public, the Stock Exchange, and/or OJK within the time limit determined by laws and regulations. This is to comply with the principle of information disclosure to be met by a Public Company in its business activities.

As of December 2021, there were 4 (four) affiliated transactions, namely,

1. **1. Business merger transaction between PT Bank Syariah Mandiri (BSM), PT Bank BNI Syariah (BNIS), PT Bank BRI Syariah Tbk (BRIS).**

The merger of BSM, BNIS, and BRIS is an affiliated transaction because it is carried out by BRIS, BNIS, and BSM which are directly owned by BRI, BNI, and the Company, and indirectly owned by the Government of the Republic of Indonesia. To comply with OJK Regulation No. 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions (POJK No. 42/2020), Bank Mandiri has reported the transaction to OJK on 3 February 2021 with the following details:

- a. **Affiliates Relationship:** BRIS, BSM and BNIS have affiliated relationships because they are indirectly controlled by the Government of the Republic of Indonesia. BSM has an affiliated relationship with the

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Company because it is directly owned by the Company.

b. Form of Transaction:

The Merger Transaction between BRIS, BSM and BNIS effective on the Merger Effective Date, which is February 1, 2021. It is hoped that the Merged Bank will have sufficient capital and assets, in terms of finance, human resources, systems information technology and products to meet customer needs in accordance with sharia principles. Each share owned by the shareholders of BSM is entitled to an additional 33,2672 shares in the Merged Bank (which includes a total addition of 20,905,219,412 shares in the Merged Bank), which represents a 51.2% increase in capital in the Merged Bank.

c. Arm's Length Value of Transaction:

Nilai Transaction value of Rp16.33 trillion or equivalent to Rp25,991.28 (twenty-five thousand nine hundred ninety-one point two eight Rupiah) per share, assuming that BSM's business activities take place in a sustainable manner (going concern) and taking into account the assumptions and qualifications stated in the KJPP Kusnanto and Partners (KJPP KR) report. Based on the scope of work, assumptions, data, and information obtained

from the management of the Company used in the preparation of this report, a review of the financial impact of the proposed Business Merger as disclosed in the Fairness Opinion report No. 00119/2.0162-00/BS/07/0153/1/XII/2020 dated December 16, 2020, KJPP KR is of the opinion that the Business Merger Plan is reasonable.

d. Transaction Date: 1 February 2021

e. Review Mechanism:

Careful examination and supported by the transaction fairness report prepared by KJPP KR, the Company Board of Directors and Board of Commissioners stated that the Merger is an affiliated transaction that does not contain a conflict of interest as referred to in POJK No. 42/2020. The Board of Directors and Board of Commissioners also state that material information has been revealed in this Disclosure of Information and that such information is not misleading. In connection with the above, the Board of Directors of the Company announces this Disclosure of Information to comply with the provisions of POJK No. 42/2020.

2. The signing of a Supplemental Programme Agreement (SPA) between the Company and Mandiri Securities Pte. Ltd. (Mansec)

The signing of a SPA between the Company and Mansec is a related-party transaction requiring reporting to the FSA according to Article 6 paragraph (1) subparagraph b point 1 of FSA Regulation No. 42/2020, through which the Company's indirect ownership of Mansec shares exceeds 99% of the paid-in capital of Mansec.

a. Affiliates Relationship:

Mansec has a special relationship with the Company since its shares are indirectly owned by the Company with a percentage exceeding 99% of the paid-in capital of Mansec.

b. Type of Transaction: The Company entered into SPA with 3 (three) winning dealers appointed by the Company through a goods and/or service tender. These dealers are Mansec, Deutsche Bank AG Singapore Branch, and The Hongkong and Shanghai Banking Corporation Limited. The signing of SPA with Mansec as one of the dealers was done as part of the issuance of the third Euro Medium Term Note (EMTN) in US dollars.



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c. Arm's Length Value of Transaction:

The EMTN value of up to USD 2,000,000,000 (two billion US dollars), did not amount to 20% of the Company's equity, so it was not a material transaction according to FSA Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities.

d. Date of Transaction: 8 April 2021

e. Review Mechanism:

There was no need for using service from a Public Consultant since it is a transaction categorized as a related-party transaction not requiring service from a Public Appraiser Office according to Article 6 paragraph (1) subparagraph f jo. Article 4 paragraph (1) subparagraph a of FSA Regulation No. 42/POJK.04/2020 on Related-Party Transactions and Transactions with Conflict of Interest and is not a material transaction so there is no need for an assessor per Article 6 paragraph (1) of FSA Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities.

3. The signing of a Subscription Agreement (SA) between the Company and Mandiri Securities Pte. Ltd. (Mansec)

The signing of a SA between the Company and Mansec is a related-party transaction requiring reporting to the FSA according to Article 6 paragraph (1) subparagraph b point 1 of FSA Regulation No. 42/2020, through which the Company's indirect ownership of Mansec shares exceeds 99% of the paid-in capital of Mansec.

a. Affiliates Relationship:

Mansec has a special relationship with the Company since its shares are indirectly owned by the Company with a percentage exceeding 99% of the paid-in capital of Mansec.

b. Type of Transaction:

The Company entered into SPA with 3 (three) winning dealers appointed by the Company through a goods and/or service tender. These dealers are Mansec, Deutsche Bank AG Singapore Branch, and The Hongkong and Shanghai Banking Corporation Limited. The signing of SPA with Mansec as one of the

dealers was done as part of the issuance of the third Euro Medium Term Note (EMTN) worth USD 300,000,000 (three hundred million US dollars) with a 2% interest and maturity in 2026, which was part of the Company's issuance of EMTN with a primary amount of USD 2,000,000,000 (two billion US dollars).

c. Arm's Length Value of Transaction:

The transaction value of USD 300,000,000 (three hundred million US dollars) with a 2% interest and maturity in 2026 was part of the Company's issuance of EMTN with a primary amount of USD 2,000,000,000 (two billion US dollars). The value did not amount to 20% of the Company's equity, so it was not a material transaction according to FSA Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities.

d. Date of Transaction: 12 April 2021

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- e. Review Mechanism:**
There was no need for using service from a Public Consultant since it is a transaction categorized as a related-party transaction not requiring service from a Public Appraiser Office according to Article 6 paragraph (1) subparagraph f jo. Article 4 paragraph (1) subparagraph a of FSA Regulation No. 42/POJK.04/2020 on Related-Party Transactions and Transactions with Conflict of Interest and is not a material transaction so there is no need for an assessor per Article 6 paragraph (1) of FSA Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities.
- 4. Additional Investment agreed between the Company and PT Mandiri Capital Indonesia (MCI)**
Additional investment program agreed between the Company and MCI is a related-party transaction requiring reporting to the FSA according to Article 6 paragraph (1) subparagraph b point 1 of FSA Regulation No. 42/2020, through which the Company's indirect ownership of MCI shares exceeds 99% of the paid-in capital of MCI.
- a. Affiliates Relationship:**
MCI has a special relationship with the Company since its shares are indirectly owned by the Company with a percentage exceeding 99% of the paid-in capital of MCI.
- b. Type of Transaction:**
The Company has made an additional investment in MCI to support the expansion or development of MCI business, in which MCI is an affiliate of the Company acting as the Corporate Venture Capital (CVC). The plan to add capital is also in line with the Company's strategic plan and has been established in the Company's Bank Business Plan (BBP) for 2021-2023. The additional investment to MCI is expected to add value to the synergy and innovation of the Financial Conglomerate Group which potentially contributes to the innovation and synergy within the broad ecosystem of State-Owned Enterprises.
- c. Arm's Length Value of Transaction:**
The additional investment value of Rp 146,000,000,000 (one hundred and forty-six billion rupiahs) does not amount to 20% of the Company's equity, so it is not a material transaction according to FSA Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities.
- d. Date of Transaction:** 31 December 2021
- e. Review Mechanism:**
There was no need for using service from a Public Consultant since it is a transaction categorized as a related-party transaction not requiring service from a Public Appraiser Office according to Article 6 paragraph (1) subparagraph f jo. Article 4 paragraph (1) subparagraph a of FSA Regulation No. 42/POJK.04/2020 on Related-Party Transactions and Transactions with Conflict of Interest and is not a material transaction so there is no need for an assessor per Article 6 paragraph (1) of FSA Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities.