

Bank Mandiri continues to make integrated and sustainable communications in various media to ensure that various programs or promotions of Bank Mandiri products and services are delivered to customers and society in general. The initiatives that have been done in 2017 will continue to be optimized in 2018 to achieve business achievement in accordance with the strategy of Bank Mandiri in 2018.

Market Share

As a conventional bank, in general, Bank Mandiri faces a competition with all commercial banks in Indonesia in determining and maintaining its market share. The competition, among others, can be seen based on the number of assets owned, the amount of third party funds collected, and the amount of Loans distributed by the Bank.

The market share analysis is classified based on total assets, total third party funds (current accounts, savings, deposits) distributed loans (mortgages, personal loans, and credit cards).

Table of Market Share of Bank Mandiri compared to Commercial Bank Industry – as of December 2017 and December 2016

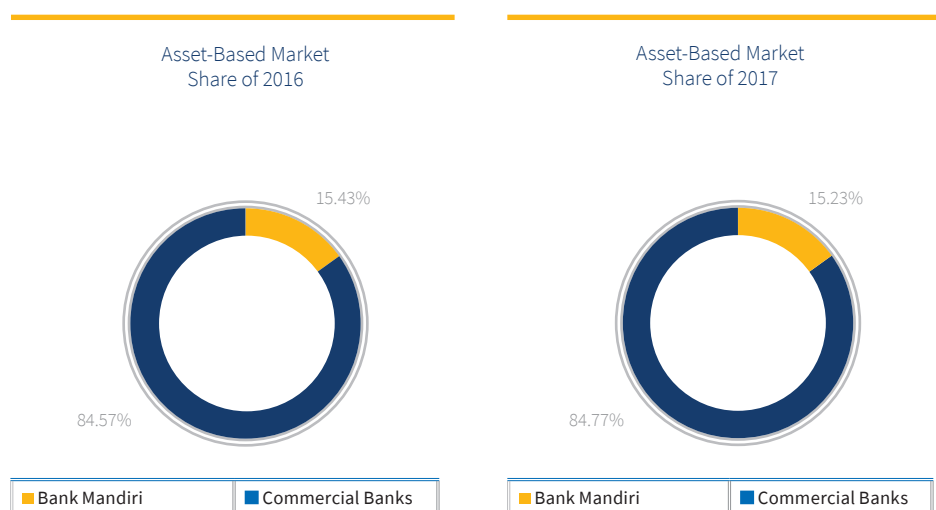
(Consolidation, in Billion Rupiah)

Description		December 2017	December 2016
Total Assets	Commercial Banks in Indonesia (Billion Rupiah)	7,387,144	6,729,799
	Bank Mandiri (Billion Rupiah)	1,124,701	1,038,706
	Market Share (%)	15.23%	15.43%
Total Third Party Funds	Commercial Banks in Indonesia (Billion Rupiah)	5,289,209	4,836,758
	Bank Mandiri (Billion Rupiah)	815,807	762,501
	Market Share (%)	15.42%	15.76%
Total Current Accounts	Commercial Banks in Indonesia (Billion Rupiah)	1,233,337	1,124,235
	Bank Mandiri (Billion Rupiah)	203,390	187,052
	Market Share (%)	16.49%	16.64%
Total Savings	Commercial Banks in Indonesia (Billion Rupiah)	1,701,175	1,551,809
	Bank Mandiri (Billion Rupiah)	336,913	302,328
	Market Share (%)	19.80%	19.48%
Total Deposits	Commercial Banks in Indonesia (Billion Rupiah)	2,354,697	2,160,714
	Bank Mandiri (Billion Rupiah)	275,504	273,121
	Market Share (%)	11.70%	12.64%
Total Distributed Loans	Commercial Banks in Indonesia (Billion Rupiah)	4,737,972	4,377,195
	Bank Mandiri (Billion Rupiah)	729,548	662,013
	Market Share (%)	15.40%	15.12%
Total Distributed Mortgages	Commercial Banks in Indonesia (Billion Rupiah)	435,452	383,923
	Bank Mandiri (Billion Rupiah)	39,705	35,875
	Market Share (%)	9.12%	9.34%
Total Distributed Personal Loans	Commercial Banks in Indonesia (Billion Rupiah)	821,940	711,450
	Bank Mandiri (Billion Rupiah)	21,686	17,441
	Market Share (%)	2.64%	2.45%
Total Distributed Loans – Credit Card	Commercial Banks in Indonesia (Billion Rupiah)	79,526	72,708
	Bank Mandiri (Billion Rupiah)	10,312	9,128
	Market Share (%)	12.97%	12.55%

Source: Statistik Perbankan Indonesia, Vol. 15, No. 10, December 2017

Asset-Based Market Share

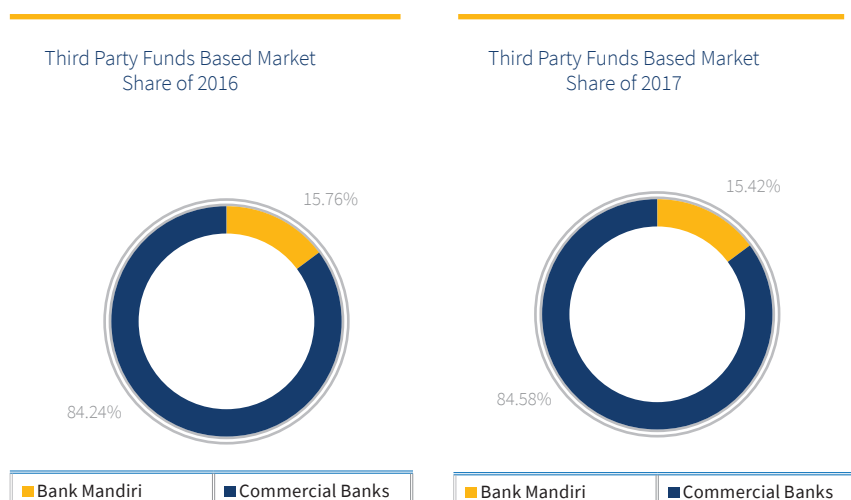
Based on the total assets owned, Bank Mandiri's market share in the end 2017 reached 15.23%, has decrease by 0.20% compared to its position in 2016. Although has decrease in market share, assets growth by 8.3% (yoy) reached Rp1,124.7 trillion. The growth of these assets is inseparable from the 10.2% (yoy) loan growth



Third Party Funds Based Market Share

Based on the total third party funds collected, the third party fund based market share of Bank Mandiri in the end 2017 reached 15.42%, has decrease by 0.34% compared to which as of December 2016 which reached 15.76%. The decrease in market share was mainly due to the increasing competition in providing high interest rates with other banks.

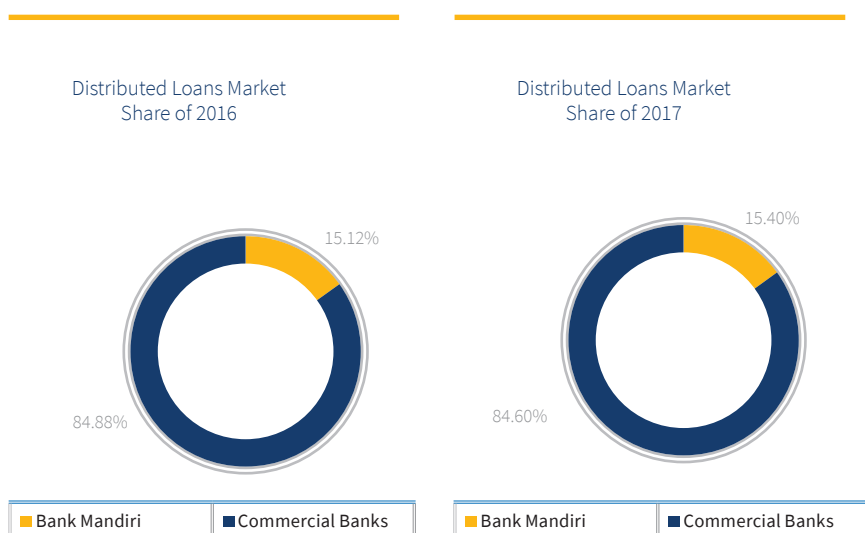
Despite a slight decrease in market share, Bank Mandiri's third-party funds grew 7.0% annually. If it is seen per product, Bank Mandiri's savings recorded the highest growth at 11.44% (YoY), with a market share of 19.80%, having an increase of 32 bps over the same period last year. Current Accounts Successfully grew 8.73% annually, with a market share of 11.70%. The high value of market share of Bank Mandiri's funds shows that Bank Mandiri has the trust of customers and communities across Indonesia to place their funds in Bank Mandiri. Certainly, Bank Mandiri will keep trying to increase the portion of TPF that will be collected, with various strategies to be implemented, especially in raising low-cost funds (current accounts and savings) to strengthen the funding base which has been owned and to reduce the cost of funds.



Distributed Loans Market Share

Based on the total distributed loans, the distributed loans market share of Bank Mandiri in 2017 reached 15.40%, having increase compared to which as of 2016 which reached 15.12% or having an annual increase of 28 bps, with a loan growth of 10.2% (YoY). In line with Bank Mandiri's business strategy, Bank Mandiri is currently focusing on developing new core business (consumer and micro banking). If it is seen per segment, the highest growth was recorded by micro segment loan, followed by consumer loan. Bank Mandiri's

micro loan in December 2017 recorded a growth of 22.2% (YoY), and consumer loan grew 17.6% annually. These are also in line with the increasing market share of consumer loan products. The market share of mortgage in December 2017 reached 9.12%. Similarly, personal loan market share which reached 2.64%, having an increase of 19 bps (YoY) and credit card market share reached 12.97%, or having a significant growth of 42 bps annually.



The Performance of Business Segment

Definition of Business Segment

Business segment is a group of assets and operations that provide goods or services that are subject to risks and have different returns from other business segments. In accordance with the prevailing accounting standards, Bank Mandiri divides business segment based on the operating segment and geographical segment.

Operating Segment

Operating segment is a component of the following entity:

- which is engaged in income-generating and expense-raising business activities (including incomes and expenses related to transactions with other components of the same entity);
- which has its results of operations regularly reviewed by the operational decision maker to make decisions about

- the resources allocated to the segment and assess their performance; and
- which has its separable financial information available.

In accordance with the Statement of Financial Accounting Standards (SFAS) No. 5 on "Operating Segments", the Bank and Subsidiary provide operating segments based on internal reports of Banks and Subsidiary presented to operational decision maker. The operational decision maker is the Board of Directors.

The Segment Information per December 31, 2017 was presented in accordance with the Decision of the Board of Directors dated September 4, 2017 regarding the Organizational Structure, then, the operating segment was divided into the following business segments: Wholesale (Corporate and Commercial), Institutional, Retail (including Wealth), Treasury and Market, Head Office, Sharia Subsidiary; Subsidiary - Insurance and other Subsidiaries.