

Table of Mandiri Overseas Offices Performance

(in Million Rupiahs)

Information	2017 (Rp)	2016 (Rp)	Growth (%)
Total Third Party Funds	6,291,765	4,777,228	31.70%
Current Accounts	3,530,087	1,808,172	95.23%
Savings	-	-	-
Deposit	2,761,678	2,969,056	(6.98%)
Total Credits	26,635,607	26,130,398	1.93%
Total Fee Based Income	505,335	234,435	115.55%
Total Net Interest Income	1,024,319	836,467	22.46%

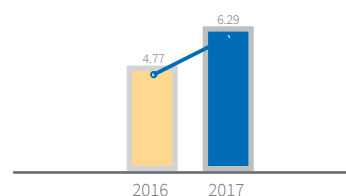
Mandiri Overseas's performance is based on third party funds, lending, fee based income and net interest income as follows.

Production

Third-party funds of Mandiri Overseas Offices

Mandiri overseas's third party fund performance increased 31.70% from Rp4.77 trillion in 2016 to Rp6.29 trillion in 2017. This increase was attributed to a significant increase in third party fund deposit products reaching 95.23%.

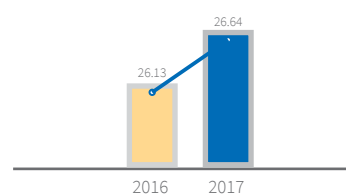
Graph of Third Party Funds of
Mandiri Overseas
(in trillion Rupiahs)



Credit Mandiri Overseas Offices

Mandiri overseas's lending performance increased from Rp26.13 trillion in 2016 to Rp26.63 trillion in 2017. This is in line with the growth supported by selective and qualified credit channeling. The loan growth of 1.93% was due to the substantial repayment beyond the planned schedule.

Graph of Mandiri
Overseas Credit
(in trillion Rupiahs)

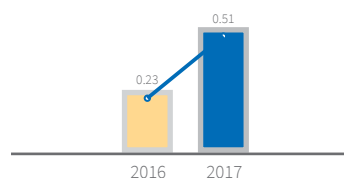


Revenue

Fee Based Mandiri Overseas Offices

Mandiri overseas's fee based income performance experienced a significant growth of 115.55%, increased in 2017 to Rp0.51 trillion compared to 2016 of Rp0.23 trillion. The growth was supported by commission fee fees and profit and purchase securities.

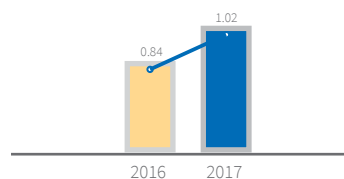
Graph of Fee Based Income
Mandiri Overseas
(in trillion Rupiahs)



Net Interest Income Mandiri Overseas Offices

The net interest income performance in 2016 was Rp0.84 trillion grew by 22.46% to Rp1.02 trillion in 2017, mainly attributable to the Interest Income Trade Finance.

Graph of Net Interest Income
Mandiri Overseas
(in trillion Rupiahs)



Strategy and Work Plan of Mandiri Overseas 2018

Entering 2018, the Foreign Office of Bank Mandiri will prioritize the development of wholesale business on Indonesian-related business by using a holistic relationship approach with customers. The Foreign Office will continue to implement the strategy that started in the previous year. The Foreign Office business development will also be pursued through the provision of comprehensive cross border product / service solutions for customer business development in the international market, in terms of financing, treasury, investment, trade services / finances, remittance services. The Foreign Office will also increase interbank trade transactions.

Segment Profitability

Profitability of Operation Segment

Operating revenues and profiling for the year ended December 31, 2017, are as follows.

Table of Income and Profitability of Operating Segments in 2017

Description	Wholesale		Institutions	Retail	Treasury
	Corporation	Commercial			
Consolidated statements of income and other comprehensive income					
Interest and Sharia Income *)	25,259,738	18,615,438	4,076,031	57,901,200	8,790,678
Interest and Sharia expenses *)	(17,391,803)	(12,067,382)	(2,567,155)	(26,048,171)	(4,746,879)
Interest and Sharia Income - net	7,867,935	6,548,056	1,508,876	31,853,029	4,043,799
Premium income - net	-	-	-	-	-
Interest and Sharia Income and Premium - Net	7,867,935	6,548,056	1,508,876	31,853,029	4,043,799
Other operating income					
Provision and commission income	1,890,196	1,005,460	257,721	5,579,995	279,082
Others	387,453	123,825	11,460	2,731,572	3,449,100
Total	2,277,649	1,129,285	269,181	8,311,567	3,728,182
Reversal / (establishment) of allowance for impairment losses on financial assets and others	(650,578)	(6,243,098)	902	(7,593,814)	(94,361)
Unrealized gains / (losses) from increase / (decrease) in fair value of government bonds and policyholders' investment in unit-linked contracts	-	-	-	-	-
Profits from the sale of securities and government bonds	-	-	-	-	-
Other operating expenses					
Salaries and allowances	(157,934)	(293,655)	(61,803)	(2,221,145)	(272,334)
General and other administrative expenses	(112,155)	(109,011)	(78,894)	(2,644,541)	(212,014)
Others	(232,570)	(118,511)	(110,097)	(1,161,628)	(160,071)
Total	(502,659)	(521,177)	(250,794)	(6,027,314)	(644,419)
Revenue / (expense) non operational - net	-	-	-	-	411
Tax expense	-	-	-	-	-
Net profit	8,992,347	913,066	1,528,165	26,543,468	7,033,612
Net earnings attributable to					
Non-controlling interests	-	-	-	-	-
Owner of the Parent Company	-	-	-	-	-
Consolidated statements of financial position					
Loans awarded - gross	248,745,671	155,820,017	13,862,546	223,098,142	1,173,623
Total assets	258,019,391	144,012,206	13,886,210	220,719,085	123,690,331
Giro / giro wadiah	(83,354,774)	(37,174,479)	(20,964,557)	(51,006,025)	(2,748,140)
Savings / wadiah savings	(7,003,356)	(11,731,448)	(1,174,738)	(283,736,956)	(22,325)
Time deposit	(36,653,700)	(19,239,640)	(28,537,041)	(141,628,906)	(4,801,444)
Total customer deposits	(127,011,830)	(68,145,567)	(50,676,336)	(476,371,887)	(7,571,909)
Total liabilities	(135,647,500)	(72,024,722)	(50,604,259)	(477,958,928)	(13,933,756)

*) Includes internal component of transfer pricing between segments operation of the Subsidiary.

**) Includes internal elimination of transfer pricing or reclassification between segments operation and elimination of the Subsidiary.

(in Million Rupiahs)

2017					
Central Office	Subsidiaries-Sharia	Subsidiaries-Insurance	Subsidiaries-Sharia Insurance	Adjustment and Elimination**)	Total
1,169,202	7,286,674	538,264	4,115,124	(48,250,819)	79,501,530
(956,168)	(2,541,130)	-	(1,963,422)	41,107,739	(27,174,371)
213,034	4,745,544	538,264	2,151,702	(7,143,080)	52,327,159
-	-	2,737,653	-	(272,578)	2,465,075
213,034	4,745,544	3,275,917	2,151,702	(7,415,658)	54,792,234
2,412,928	907,763	-	719,676	(569,687)	12,483,134
1,623,389	714,521	525,588	1,200,376	(968,777)	9,798,507
4,036,317	1,622,284	525,588	1,920,052	(1,538,464)	22,281,641
1,768,041	(2,516,484)	-	(646,282)	23,837	(15,951,837)
2,489	-	164,568	835	-	167,892
850,383	-	12,544	30,643	-	893,570
(8,628,264)	(1,599,262)	(485,449)	(1,411,375)	272,579	(14,858,642)
(8,894,393)	(1,488,944)	(947,562)	(918,065)	-	(15,405,579)
(2,118,947)	(305,420)	(1,039,960)	(212,450)	710,126	(4,749,528)
(19,641,604)	(3,393,626)	(2,472,971)	(2,541,890)	982,705	(35,013,749)
1,825	29,343	(14,583)	(29,884)	-	(12,888)
(5,087,348)	(121,893)	(261,976)	(242,604)	-	(5,713,821)
(17,856,863)	365,168	1,229,087	642,572	(7,947,580)	21,443,042
-	-	-	-	-	803,359
-	-	-	-	-	20,639,683
1,557,410	59,893,437	-	10,943,441	(3,056,422)	712,037,865
218,050,209	87,939,774	34,066,912	38,541,034	(14,224,305)	1,124,700,847
-	(8,435,776)	-	(63,129)	882,020	(202,864,860)
-	(3,193,558)	-	(1,849,527)	-	(308,711,908)
-	-	-	(7,845,403)	698,920	(238,007,214)
-	(11,629,334)	-	(9,758,059)	1,580,940	(749,583,982)
(68,587,174)	(13,906,435)	(30,029,680)	(32,394,653)	7,060,290	(888,026,817)

Profitability

Operating revenues and profiling for the year ended December 31, 2016, are as follows.

Table of Growth Income and Profitability of Operating Segments in 2016

Description				
	Corporation	Commercial	Retail	Treasury and Markets
Consolidated statements of income and other comprehensive income				
Interest and Sharia Income *)	28,603,573	18,917,557	53,807,839	7,143,133
Interest and Sharia expenses *)	(18,478,530)	(13,036,468)	(24,597,769)	(2,767,382)
Interest and Sharia Income - net	10,125,043	5,881,089	29,210,070	4,375,751
Premium income - net	-	-	-	-
Interest and Sharia Income and Premium - Net	10,125,043	5,881,089	29,210,070	4,375,751
Other operating income				
Provision and commission income	1,887,511	867,607	5,280,360	513,029
Others	278,724	907,043	3,291,858	3,360,808
Total	2,166,235	1,774,650	8,572,218	3,873,837
Reversal / (establishment) of allowance for impairment losses on financial assets and others	(1,700,194)	(8,395,759)	(6,599,326)	(93,466)
Unrealized gains / (losses) from increase / (decrease) in fair value of government bonds and policyholders' investment in unit-linked contracts	-	-	-	-
Profits from the sale of securities and government bonds	-	-	-	-
Other operating expenses				
Salaries and allowances	(178,037)	(70,055)	(2,102,311)	(229,876)
General and other administrative expenses	(136,966)	(35,578)	(2,361,765)	(196,582)
Others	(307,649)	(123,619)	(1,063,327)	(107,156)
Total	(622,652)	(229,252)	(5,527,403)	(533,614)
Revenue / (expense) non operational - net	-	-	-	689
Tax expense	-	-	-	-
Net profit	9,968,432	(969,272)	25,655,559	7,623,197
Net earnings attributable to				
Non-controlling interests	-	-	-	-
Owner of the Parent Company	-	-	-	-
Consolidated statements of financial position				
Loans awarded - gross	228,664,566	165,157,169	196,193,756	1,064,421
Total assets	245,009,460	158,931,151	192,665,508	120,134,228
Giro / giro wadiah	(92,357,811)	(40,435,471)	(45,497,602)	(2,268,645)
Savings / wadiah savings	(6,051,088)	(8,143,489)	(259,483,049)	(94,889)
Time deposit	(79,908,727)	(17,774,366)	(130,295,804)	(5,638,904)
Total customer deposits	(178,317,626)	(66,353,326)	(435,276,455)	(8,002,438)
Total liabilities	(190,049,966)	(70,226,740)	(436,937,022)	(23,157,489)

*) Includes internal component of transfer pricing between segments operation of the Subsidiary.

**) Includes internal elimination of transfer pricing or reclassification between segments operation and elimination of the Subsidiary.

(in Million Rupiahs)

2016					
Central Office	Subsidiaries-Sharia	Subsidiaries-Insurance	Subsidiaries - Other than insurance and Sharia	Adjustment and Estimation**)	Total
3,232,612	6,467,897	545,561	2,751,451	(44,759,735)	76,709,888
(2,154,069)	(2,339,720)	-	(1,269,366)	39,758,785	(24,884,519)
1,078,543	4,128,177	545,561	1,482,085	(5,000,950)	51,825,369
-	-	3,227,766	-	(575,335)	2,652,431
1,078,543	4,128,177	3,773,327	1,482,085	(5,576,285)	54,477,800
2,009,321	840,841	-	633,076	(591,743)	11,440,002
(922,819)	527,537	447,407	750,842	(794,977)	7,846,423
1,086,502	1,368,378	447,407	1,383,918	(1,386,720)	19,286,425
(5,684,881)	(1,678,466)	-	(484,243)	(8,507)	(24,644,842)
(5,598)	-	22,369	(1,133)	-	15,638
700,004	-	12,547	33,353	-	745,904
(8,136,489)	(1,485,175)	(454,578)	(962,224)	-	(13,618,745)
(8,690,145)	(1,569,460)	(905,148)	(637,902)	575,335	(13,958,211)
(1,322,820)	(331,613)	(991,511)	(128,713)	685,166	(3,691,242)
(18,149,454)	(3,386,248)	(2,351,237)	(1,728,839)	1,260,501	(31,268,198)
22,328	2,863	(31,649)	(33,993)	-	(39,762)
(3,253,220)	(109,290)	(391,339)	(168,953)	-	(3,922,802)
(24,205,776)	325,414	1,481,425	482,195	(5,711,011)	14,650,163
-	-	-	-	-	843,598
-	-	-	-	-	13,806,565
1,589,358	54,665,318	-	5,081,596	(3,093,231)	649,322,953
201,441,163	78,831,721	29,746,748	25,714,089	(13,768,059)	1,038,706,009
-	(6,860,851)	-	(80,244)	517,296	(186,983,328)
-	(2,593,437)	-	(803,872)	-	(277,169,824)
-	-	-	(4,825,946)	536,669	(237,907,078)
-	(9,454,288)	-	(5,710,062)	1,053,965	(702,060,230)
(53,741,543)	(11,662,897)	(25,650,572)	(20,689,414)	7,555,745	(824,559,898)

Revenue growth and operating profitability are presented as follows.

Table of Growth Revenue and Profitability of Operating Segments

Description	Wholesale		Institution	Retail
	Corporation	Commercial		
Consolidated statements of income and other comprehensive income				
Interest and Sharia Income *)	(11.69%)	(1.60%)	100.00%	7.61%
Interest and Sharia expenses *)	(5.88%)	(7.43%)	100.00%	5.90%
Interest and Sharia Income - net	(22.29%)	11.34%	100.00%	9.05%
Premium income - net	-	-	-	-
Interest and Sharia Income and Premium - Net	(22.29%)	11.34%	100.00%	9.05%
Other operating income				
Provision and commission income	0.14%	15.89%	100.00%	5.67%
Others	39.01%	(86.35%)	100.00%	(17.02%)
Total	5.14%	(36.37%)	100.00%	(3.04%)
Reversal / (establishment) of allowance for impairment losses on financial assets and others	(61.74%)	(25.64%)	100.00%	15.07%
Unrealized gains / (losses) from increase / (decrease) in fair value of government bonds and policyholders' investment in unit-linked contracts	-	-	-	-
Profits from the sale of securities and government bonds	-	-	-	-
Other operating expenses				
Salaries and allowances	(11.29%)	319.18%	100.00%	5.65%
General and other administrative expenses	(18.11%)	206.40%	100.00%	11.97%
Others	(24.40%)	(4.13%)	100.00%	9.24%
Total	(19.27%)	127.34%	100.00%	9.04%
Revenue / (expense) non operational - net	-	-	-	-
Tax expense	-	-	-	-
Net profit	(9.79%)	(194.20%)	100.00%	3.46%
Net earnings attributable to				
Non-controlling interests	-	-	-	-
Owner of the Parent Company	-	-	-	-
Consolidated statements of financial position				
Loans awarded - gross	8.78%	(5.65%)	100.00%	13.71%
Total assets	5.31%	(9.39%)	100.00%	14.56%
Giro / giro wadiah	(9.75%)	(8.06%)	100.00%	12.11%
Savings / wadiah savings	15.74%	44.06%	100.00%	9.35%
Time deposit	(54.13%)	8.24%	100.00%	8.70%
Total customer deposits	(28.77%)	2.70%	100.00%	9.44%
Total liabilities	(28.63%)	2.56%	100.00%	9.39%

*) Includes internal component of transfer pricing between segments operation of the Subsidiary.

**) Includes internal elimination of transfer pricing or reclassification between segments operation and elimination of the Subsidiary.

Based on net income per segment of operations in 2017, it is known that the three segments that provide the highest growth is the subsidiary- other than insurance and Sharia, Sharia Subsidiary and Retail. Segments of Subsidiaries-Other than Insurance and Sharia reached Rp642,572 million, an increase of 33.26% from 2016 reaching Rp482,195 million. Meanwhile, the Sharia Subsidiary's segment reached Rp365,168 million, an increase of 12.22% from 2016 which reached Rp325,414 million. While the Retail segment reached Rp26,543,468 million, an increase of 3.46% from the year 2016 reached Rp25.655.559 million.

(in %)

Growth						
Treasury	Central Office	Subsidiaries-Sharia	Subsidiaries-Insurance	Subsidiaries-other than insurance and sharia	Adjustment and Estimation**)	Total
23.06%	(63.83%)	12.66%	(1.34%)	49.56%	7.80%	3.64%
71.53%	(55.61%)	8.61%	-	54.68%	3.39%	9.20%
(7.59%)	(80.25%)	14.95%	(1.34%)	45.18%	42.83%	0.97%
-	-	-	(15.18%)	-	(52.62%)	(7.06%)
(7.59%)	(80.25%)	14.95%	(13.18%)	45.18%	32.99%	0.58%
(45.60%)	20.09%	7.96%	-	13.68%	(3.73%)	9.12%
2.63%	(275.92%)	35.44%	17.47%	59.87%	21.86%	24.88%
(3.76%)	271.50%	18.56%	17.47%	38.74%	10.94%	15.53%
0.96%	(131.10%)	49.93%	-	33.46%	(380.20%)	(35.27%)
-	(144.46%)	-	635.70%	(173.70%)	-	973.62%
-	21.48%	-	(0.02%)	(8.13%)	-	19.80%
18.47%	6.04%	7.68%	6.79%	46.68%	100.00%	9.10%
7.85%	2.35%	(5.13%)	4.69%	43.92%	100.00%	10.37%
49.38%	60.18%	(7.90%)	4.89%	65.06%	3.64%	28.67%
20.77%	8.22%	0.22%	5.18%	47.03%	(22.04%)	11.98%
(40.35%)	(91.83%)	924.90%	(53.92%)	(12.09%)	-	(67.59%)
-	56.38%	11.53%	(33.06%)	43.59%	-	45.66%
(7.73%)	(26.23%)	12.22%	(17.03%)	33.26%	(39.16%)	46.37%
-	-	-	-	-	-	-4.77%
-	-	-	-	-	-	49.49%
10.26%	(2.01%)	9.56%	-	115.35%	(1.19%)	9.66%
2.96%	8.25%	11.55%	14.52%	49.88%	3.31%	8.28%
21.14%	-	22.96%	-	(21.33%)	70.51%	8.49%
(76.47%)	-	23.14%	-	130.08%	-	11.38%
(14.85%)	-	-	-	62.57%	30.23%	0.04%
(5.38%)	-	23.01%	-	70.89%	50.00%	6.77%
(39.83%)	27.62%	19.24%	17.07%	56.58%	(6.56%)	7.70%

Profitability of Geographical Segments

Information of geographical segments for the year ended 31 December 2017 is as follows.

Table of Income and Profitability of Geographical Segments in 2017

(in Million Rupiahs)

Description	2017				
	Indonesia	Asia	Western Europe	Cayman Islands	Consolidate
Consolidated statement of profit and loss and other comprehensive incomes					
Interest and syariah income	78,128,521	915,243	64,473	393,293	79,501,530
Interest and syariah expense	(26,960,909)	(171,728)	(19,206)	(22,528)	(27,174,371)
Interest and syariah income – net	51,167,612	743,515	45,267	370,765	53,327,159
Premium income – net	2,465,075	-	-	-	2,465,075
Interest and syariah and premium income – net	53,632,687	743,515	45,267	370,765	54,792,234
Other operational incomes					
Provision and commission income	12,058,363	373,393	-	51,378	12,483,134
Others	9,718,340	57,022	3,317	19,828	9,798,507
Total	21,776,703	430,415	3,317	71,206	22,281,641
Reversal/(formation) of reserves of impairment of financial and other assets	(15,935,336)	(107,026)	-	90,525	(15,951,837)
Profit/(loss) unrealized from increase/ (decrease) of fair values of government bond security and investment of policyholder in unit-link contract	168,100	(217)	-	9	167,892
Profit of sales of government security and bond	845,163	23,953	-	24,454	893,570
Other operational expenses					
Salaries and allowances	(14,671,562)	(157,649)	(18,585)	(10,846)	(14,858,642)
Other general and administrative expenses	(19,999,676)	(113,494)	(19,152)	(22,785)	(20,155,107)
Total	(34,671,238)	(271,143)	(37,737)	(33,631)	(35,013,749)
Non-operational income/(expense)– net	102,555	(86,166)	-	(29,277)	(12,888)
Tax expense	(5,621,953)	(89,082)	(2,786)	-	(5,713,821)
Net profit	20,296,681	644,249	8,061	494,051	21,443,042
Net profit which can be attributed to					
Non-controlling interest	-	-	-	-	803,359
Parent Entity Owner	-	-	-	-	20,639,683
Consolidated statement of financial position					
Loan – gross	684,723,748	19,987,985	436,955	6,889,177	712,037,865
Total asset	1,075,709,168	35,479,228	2,126,531	11,385,920	1,124,700,847
Current account/wadiah current account	(196,514,998)	(6,324,178)	(25,684)	-	(202,864,860)
Saving/wadiah saving	(306,726,716)	(1,985,192)	-	-	(308,711,908)
Time deposit	(235,026,952)	(2,980,262)	-	-	(238,007,214)
Total customer saving	(738,268,666)	(11,289,632)	(25,684)	-	(749,583,982)
Total liability	(839,728,197)	(35,475,463)	(1,441,985)	(11,381,172)	(888,026,817)

Information of geographical segments for the year ended 31 December 2016 is as follows.

Table of Income and Profitability of Geographical Segments in 2016

(in Million Rupiahs)

Description	2016				
	Indonesia	Asia	Western Europe	Cayman Islands	Consolidatedan
Consolidated statement of profit and loss and other comprehensive incomes					
Interest and syariah income	75,656,519	648,879	57,011	347,479	76,709,888
Interest and syariah expense	(24,778,779)	(88,552)	(15,095)	(2,093)	(24,884,519)
Interest and syariah income – net	50,877,740	560,327	41,916	345,386	51,825,369
Premium income – net	2,652,431	-	-	-	2,652,431
Interest and syariah and premium income – net	53,530,171	560,327	41,916	345,386	54,477,800
Other operational incomes					
Provision and commission income	11,274,938	151,776	-	13,288	11,440,002
Others	7,760,010	76,447	6,505	3,461	7,846,423
Total	19,034,948	228,223	6,505	16,749	19,286,425
Reversal/(formation) of reserves of impairment of financial and other assets	(24,571,484)	(142,229)	-	68,871	(24,644,842)
Profit/(loss) unrealized from increase/ (decrease) of fair values of government bond security and investment of policyholder in unit-link contract	15,694	(69)	-	13	15,638
Profit of sales of government security and bond	713,252	13,194	-	19,458	745,904
Other operational expenses					
Salaries and allowances	(13,450,410)	(142,202)	(16,448)	(9,685)	(13,618,745)
Other general and administrative expenses	(17,489,183)	(115,498)	(24,032)	(20,740)	(17,649,453)
Total	(30,939,593)	(257,700)	(40,480)	(30,425)	(31,268,198)
Non-operational income/(expense)– net	49,455	(31,314)	-	(57,903)	(39,762)
Tax expense	(3,861,252)	(61,550)	-	-	(3,922,802)
Net profit	13,971,191	308,882	7,941	362,149	14,650,163
Net profit which can be attributed to					
Non-controlling interest	-	-	-	-	843,598
Parent Entity Owner	-	-	-	-	13,806,565
Consolidated statement of financial position					
Loan – gross	622,770,970	18,118,678	152,390	8,280,915	649,322,953
Total asset	992,414,913	30,002,644	2,344,461	13,943,991	1,038,706,009
Current account/wadiah current account	(182,974,324)	(3,950,734)	(58,270)	-	(186,983,328)
Saving/wadiah saving	(275,519,500)	(1,650,324)	-	-	(277,169,824)
Time deposit	(234,790,487)	(3,116,591)	-	-	(237,907,078)
Total customer saving	(693,284,311)	(8,717,649)	(58,270)	-	(702,060,230)
Total liability	(778,934,950)	(30,001,087)	(1,681,737)	(13,942,124)	(824,559,898)

Information of the growth of geographical segments is presented below.

Table of Income and Profitability of Geographical Segments

Description	Growth				
	Indonesia	Asia	Western Europe	Cayman Islands	Consolidation
Consolidated statement of profit and loss and other comprehensive incomes					
Interest and Syariah Income	3.27%	41.05%	13.09%	13.18%	3.64%
Interest and Syariah Expense	8.81%	93.93%	27.23%	976.35%	9.20%
Interest and Syariah Income – Net	0.57%	32.69%	7.99%	7.35%	2.90%
Premium Income – Net	(7.06%)	-	-	-	(7.06%)
Interest and Syariah and Premium Income – Net	0.19%	32.69%	7.99%	7.35%	0.58%
Other Operational Incomes					
Provision and Commission income	6.95%	146.02%		286.65%	9.12%
Others	25.24%	(25.41%)	(49.01%)	472.90%	24.88%
Total	14.40%	88.59%	(49.01%)	325.14%	15.53%
Reversal/(Formation) of Reserves of Impairment of Financial and Other Assets	(35.15%)	(24.75%)	-	31.44%	(35.27%)
Profit/(Loss) Unrealized from Increase/ (Decrease) of Fair Values of Government Bond Security and Investment of Policyholder in Unit-Link Contract	971.11%	214.49%	-	(30.77%)	973.62%
Profit of Sales of Government Security and Bond	18.49%	81.54%	-	25.68%	19.80%
Other Operational Expenses					
Salaries and Allowances	9.08%	10.86%	12.99%	11.99%	9.10%
Other General and Administrative Expenses	14.35%	(1.74%)	(20.31%)	9.86%	14.20%
Total	12.06%	5.22%	(6.78%)	10.54%	11.98%
Non-Operational Income/(Expense)– Net	107.37%	175.17%	-	(49.44%)	(67.59%)
Tax Expense	45.60%	44.73%	-		45.66%
Net Profit	45.28%	108.57%	1.51%	36.42%	46.37%
Net Profit which Can Be Attributed to					
Non-Controlling Interest	-	-	-	-	(4.77%)
Parent Entity Owner	-	-	-	-	49.49%
Consolidated Statement of Financial Position					
Loan – Gross	9.95%	10.32%	186.73%	(16.81%)	9.66%
Total Asset	8.39%	18.25%	(9.30%)	(18.35%)	8.28%
Current Account/Wadiah Current Account	7.40%	60.08%	(55.92%)	-	8.49%
Saving/Wadiah Saving	11.33%	20.29%	-	-	11.38%
Time Deposit	0.10%	(4.37%)	-	-	0.04%
Total Customer Saving	6.49%	29.50%	(55.92%)	-	6.77%
Total Liability	7.80%	18.25%	(14.26%)	(18.37%)	7.70%

Based on the net profit per geographical segment in 2017, it's found that the three segments which gave the highest growths were Asia, Indonesia and Cayman Island. Asia geographical segment reached Rp644,249 million, increased by 108.57% from 2016 which was Rp308,882 million. Meanwhile, Indonesia geographical segment reached Rp20,296,681 million, increased by 45.28% from 2016 which was Rp13,971,191 million. Cayman Island geographical segment reached Rp494,051 million, increased by 36.42% from 2016 which was from 2016 which was Rp362,149 million.

Business Prospect

Bank Mandiri hopes that economic growth will improve in 2018 compared with 2017. National economic growth is predicted to grow by 5,3% in 2018, higher than economic growth in 2017 which was probably only 5,05%. With improved economic growth in 2018, loan growth should be higher. Improved loan growth is supported by the quality of banking assets which is also expected to improve. However, it should be noted that restructured loan and loan at risk are still considerably high today and may cause non-performing loans in the future. The key is selection of appropriate sectors and segments in 2018. With appropriate risk management and improving quality of loans, Bank Mandiri is fairly optimistic with that banking loans will grow to 10-11% in 2018 from around 7,5-8,5% in 2017.

On the other hand, third party banking fund is predicted to be lower than loan growth. Bank Mandiri predicts that third party fund will grow by around 9-10% in 2018, not very different from the achievement in 2017. Banking liquidity is predicted to be relatively stable despite the higher loan growth compared with third party fund growth. Generally, the liquidity of banking rupiah is especially affected by the Government's fiscal cycle (net expenses minus taxes and bond publication) and foreign capital flows. Historically, Government spending raises a year before Presidential Election. There will be challenge in foreign capital flows, considering some tightening policies have been implemented since the previous year. Currently, Bank Mandiri believes that foreign capitals will still flow into Indonesia, especially if Indonesia's rating is upgraded again by Moody's. A similar pattern in banking will always maintain stability by seeking funding sources from capital market, e.g. by publishing bonds, to fulfill the funding needs of infrastructure sector which has long tenor.

In terms of monetary policies, Bank Mandiri considers the door to cut the interest rate of BI-7 days reverse repo rate is closed due to risk of volatility of exchange rate along with the trend of stricter monetary policies in developed countries. However, Bank Indonesia (BI) still has alternative policy mixes, including easing macroprudential policies to encourage the effectiveness of intermediating process and maintaining the sufficiency of liquidity in the financial sector. BI will reinforce the implementation of the average Statutory Reserve (GWM) of Rupiah. The policy has been implemented since July 2017 and has positive impact in improving banking efficiency in managing daily liquidity and optimizing income by maintaining prudent banking principle.

To reinforce the intermediating function of banking, BI also implements Macroprudential Intermediation Ratio (RIMP) to reinforce Loan to Funding Ratio (LFR). In its calculation, RIMP inputs bank investment into securities such as corporate bonds, Medium

Term Notes (MTN), and Floating Rate Notes (FRN). It can improve the intermediating function of the financial sector and deepen the national financial sector. The policy provides opportunities for the corporate sector to utilize more of the funding system outside of banking. Funding by publishing securities, especially corporate bonds, has increased in the past years. In 2017, total corporate obligation published in the country was Rp122.5 trillion, increased from 2016 which was Rp113,7 trillion. Increased publications of corporate bonds will increase incomes for companies outside of capital market. Increased funding activities outside of banking will have positive impact on banks which have subsidiaries in the capital market and other financial services.

Finally, in terms of the recent technological disruption, or commonly known as fintech, Bank Mandiri considers the phenomenon to not have significant impact on banking performance. However, Bank Mandiri will adjust the business model which relies on branch office network into relying on electronic channel/digital (e.g.: internet banking, ATM, and electronic money). It means there will be challenges in managing existing office network assets, managing excess employees, and adjusting employees' competencies/skills to the change of the business model. Moreover, corporate culture will also be more agile and innovative.

Future Strategy

Bank Mandiri has prepared some strategies to capture existing opportunities as described in the business prospect section above. Corporate Plan Restart 2016–2020 is the main reference of Bank Mandiri in preparing the business strategy of Bank Mandiri in 2018. Financial indicators and strategic initiatives in 2018 are trajectory of achieving Bank Mandiri's aspiration to be Indonesia's best, ASEAN's prominent in 2020. Consistent with the direction and policies of Bank Mandiri in achieving the vision of 2020 and continue to grow beyond industrial and economic growths, Bank Mandiri must be able to create sustainable value-added, always be oriented to achieving corporate profit, sustainable business growth and increasing productivity through strategies in 2018 below:

1. Change of loan composition to grow better and with quality. Stagnant economic growth impacts business growth and quality of loan, encouraging Bank Mandiri to expand loans prudentially. In the challenging performance climate, Bank Mandiri remains fully committed to achieve the predetermined long-term vision. By considering business gap volume and quality of loan in each segment on the target, Bank Mandiri rationalizes portfolio by reallocating target business volumes to segments which can grow relatively well with maintained quality. The growth of loan volume is still directed to corporate segment as the core

competence and retail segment as the second core which move the growth of loans.

- a. To reinforce business which become core competence existing, the corporate loan strategy in 2018 is as follows:
 - Focus on anchor clients with comprehensive solution, including by providing integrated solution for specific sector through value chain solution and focus on development of syndication and structured finance.
 - Reinforcement of Fundamental Aspects, such as by harmonizing business process (fund, loan and transaction) including by developing the concept of Wholesale Digital Banking,
 - Reinforcement of discipline of execution by reinforcement and discipline of execution of pipeline management and discipline of monitoring credit.
- b. To reinforce the new core competence of loan composition of retail segment aggressively in 2018, especially consumer loan and microcredit.
 - The growth of consumer loan will be achieved by strategies such as Customized direct message, refinement of business credit process, expansion of target market, optimization of strategy of acquisition of new card by sharpening acquisition channel, improvement of sales incentive scheme and focus of sales on "Product Champion Bank". Moreover, consumer loan will also be focused on partnership program in Top 5 Merchant Category Group and improvement of brand awareness by thematic marketing campaign and development of product and marketing communicating strategies based on customer experience.
 - The growth of microcredit will be achieved through strategies in 2017, including development of KSM products, development of KUM distribution pattern, focus on handling existing payroll customers and customers in category A agencies or companies, optimization of Regular Top Up for KUM products, improvement of system to accommodate potential Top-Up of KUR, training on production sector for local microteams so that KUR can be distributed quickly and right on target, and workshops with Ministerial teams for data accuracy in paying the Government's subsidy of KUR interest.

2. Improvement of quality of loan to suppress NPL and Cost of Credit.
Quality of loan is projected to improve with NPL value and cost of credit being maintained at their fundamental levels. Improvement of quality of loan to suppress NPL and cost of credit is performed by the following strategies:
 - a. Implementation of Micro Business Loan with credit guarantee insurance.
 - b. Make efforts to accelerate the restructuring of debtors who still have business prospects.
 - c. Reviewing debtor post-restru account, including the debtor's business assessment with due regard to market conditions and the business sector of the debtor's business.
 - d. Strengthen and expand the pattern and marketing strategy of collateral for troubled debtors, in order to maximize collection and recovery of non performing loans.
 - e. Issuing a warning letter against several debtors.
 - f. Execute the debtor's collateral to lower liabilities (downsizing).
 - g. Conducting legal action on debtors who are not prospects and uncooperative.
 - h. Cooperating with Third parties to handling non-performing loans such as Prosecutor's Office, External Lawyer, etc.
 - i. Strengthening the function of assets sales and strategic investors as well as developing database and application of collateral web base.
3. Growth of fund, especially cheap fund to maintain Loan to Deposits Ratio (LDR) level.
Growth of fund will continue to be increased to maintain sustainable sources of fund, fund market share and loan to deposits ratio (LDR) level. The strategies in increasing Third Party Fund, especially cheap fund, are as follows:
 - a. Maximization of utilization of independent usage of cash management (MCM), as well as focus on Acquisition of New MCM to customers, especially those from crucial industrial sectors to increase customer transactions in Bank Mandiri.
 - b. Addition of product holding and e-channel activities of customers to increase account activities of individual customers, such as business customers.
 - c. Program collaboration among groups to penetrate business community intensively and development of program loyalty (fiestapoin).

4. Increased Fee Based Income

Fee based income of Bank Mandiri will continue to be raised as an alternative bank income outside of net interest income. Therefore, Bank Mandiri will keep encouraging the growth of FBI and increase fee based ratio. Increased fee based income is expected to be achieved through:

- a. Increase of productivity intensification of e-channel whether ATM, EDC, or Mobile and Internet Banking.
- b. Increase of trade product intensification for anchor corporate and commercial customers and development of structured solutions to fulfill their trade requirements.
- c. Increase of cash management income by adding real time flagging feature for income from other banks and implementation of virtual balance for e-commerce segment.
- d. Application of cross selling and product bundling with the products of subsidiaries.
- e. Encouragement of recovery of non-performing loans
- f. Reinforcement of digital-based IT supporting infrastructure.

5. Operational Cost Control

Consistent with the initiatives which should be developed to develop fundamental infrastructures to support long-term plan to 2020, in 2018 overhead cost (General and Administrative Expenses/BUA, Employee Expense/BTK, Promotion and Other Operational Expenses/BOL) is increased by maintaining cost efficiency ratio at its fundamental level. Expense growth will be focused on developing service network which supports the growth of transaction and development of digital-based supporting infrastructure which will sustainable be more efficient in suppressing the growth of costs. Cost control is performed by:

- a. Implementation of long term partnership with selected partners to provide Electronic Data Capture/EDC, CR dan FLM ATM, Core System management services to increase value added.

- b. Development of digital-based infrastructures.
- c. Increase of productivity of service networks (Branch, Automated Teller Machine/ATM, Electronic Data Capture/EDC, Commercial Banking Center/CBC, BBD, etc.) and human resources by enhancing capability and suppressing the growth of conventional office network.
- d. Continuous monitoring to control the realization of 90% - 95% cost from the budget without disturbing the quality of the outputs.

The strategies have been implemented effectively, supported by the commitment of the board of directors and all employees. In the future, the Company will continue to make improvements to maintain the performance and encourage business development.

6. Network Development Strategy

In 2018, Bank Mandiri will keep developing the office network nationally and internationally. The office network development is performed by opening new network and relocation. In national office network, national office network will be opened, micro network will be developed, and electronic network (e-channel) will be developed.

Beside national office network development, Bank Mandiri also plans to develop international office network. International office network development is performed by 3 (three) alternative developments, which are optimization of existing international office networks, new international office network opening, and strategic partnership. Beside optimizing business in existing international office networks, Bank Mandiri also plans to develop network in other ASEAN countries as a part of corporate plan until 2020.

Financial Review

The financial review described below refers to the Financial Statement for the years ended 31 December 2017 and 2016 presented in the present Annual Report. The Financial Statement has been audited by Public Accounting Firm Purwantono, Sungkoro, dan Surja (Member of Ernst and Young Global) and receives unqualified

opinion. In all material things, the consolidated financial position of PT Bank Mandiri (Persero) Tbk and its subsidiaries on 31 December 2017, and its financial performance and consolidated cash flow for the year ended 31 December 2017, are consistent with the Financial Accounting Standard in Indonesia.

Financial Performance

Consolidated Statement Of Financial Position

Table of Consolidated Statement of Financial Position

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
ASSETS				
Cash	24,268,563	22,906,775	1,361,788	5.94%
Current Accounts in Bank Indonesia	50,188,118	52,484,974	(2,296,856)	(4.38%)
Current Accounts in Other Banks – Net	12,329,947	10,360,165	1,969,782	19.01%
Placements in BI and Other Banks – Net	74,600,803	73,616,927	983,876	1.34%
Marketable Security – Net	59,609,972	56,551,643	3,058,329	5.41%
Government Bond – related parties – Net	103,411,188	98,933,278	4,477,910	4.53%
Other Bills – Trade Transactions – Net	24,090,128	14,167,271	9,922,857	70.04%
Claim on Security Purchased under Resale Agreement	2,629,315	5,054,488	(2,425,173)	(47.98%)
Derivative Bill	446,459	239,260	207,199	86.60%
Loan and Account Receivable/Syariah Financing – Net	678,292,520	616,706,193	61,586,327	9.99%
Consumer Financing Receivable – Net	14,782,332	11,531,838	3,250,494	28.19%
Net Investment in Finance Lease – Net	2,356,890	829,945	1,526,945	183.98%
Acceptance Receivable – Net	12,290,260	14,548,203	(2,257,943)	(15.52%)
Investment – Net	333,312	245,136	88,176	35.97%
Prepayment	2,784,234	2,751,081	33,153	1.21%
Prepaid Tax	2,688,049	2,612,707	75,342	2.88%
Fixed Asset – Net	36,618,753	35,663,290	955,463	2.68%
Intangible Asset – Net	2,401,467	1,955,496	445,971	22.81%
Other Assets – Net	15,014,218	11,557,238	3,456,980	29.91%
Deferred Tax Asset – Net	5,564,319	5,990,101	(425,782)	(7.11%)
TOTAL ASSETS	1,124,700,847	1,038,706,009	85,994,838	8.28%

Description	2017	2016	Growth	
			(Rp)	(%)
LIABILITIES, TEMPORARY SHIRKAH FUNDS AND EQUITY				
LIABILITIES				
Immediate Liability	2,838,567	1,569,911	1,268,656	80.81%
Customer Deposit	749,583,982	702,060,230	47,523,752	6.77%
Deposits from Other Banks	8,349,507	9,339,196	(989,689)	(10.60%)
Liability to Policyholder in Unit-Link Contract	23,254,035	19,602,950	3,651,085	18.63%
Liability for Security Purchased under Resale Agreement	3,592,883	3,353,042	239,841	7.15%
Derivative Liability	276,243	502,469	(226,226)	(45.02%)
Acceptance Liability	12,544,494	14,789,244	(2,244,750)	(15.18%)
Published Security	16,843,595	9,025,994	7,817,601	86.61%
Estimated Loss of Commitment and Contingency	381,771	207,401	174,370	84.07%
Accrued Expense	4,307,193	3,743,496	563,697	15.06%
Tax Debt	1,009,832	1,258,792	(248,960)	(19.78%)
Employee Benefit Liability	8,277,388	6,763,068	1,514,320	22.39%
Provision	375,770	435,880	(60,110)	(13.79%)
Other Liabilities	20,496,377	15,810,036	4,686,341	29.64%
Loan Received	35,703,679	35,882,757	(179,078)	(0.50%)
Subordinated Loan	191,501	215,432	(23,931)	(11.11%)
TOTAL LIABILITIES	888,026,817	824,559,898	63,466,919	7.70%
TEMPORARY SHIRKAH FUNDS				
Customer Deposit	66,222,609	60,440,474	5,782,135	9.57%
Deposits from Other Banks	445,289	335,914	109,375	32.56%
TOTAL TEMPORARY SHIRKAH FUNDS	66,667,898	60,776,388	5,891,510	9.69%
EQUITY				
Equity that can be distributed to the owner of the parent				
Share Capital	11,666,667	11,666,667	-	0.00%
Additional Paid-In Capital	17,316,192	17,316,192	-	0.00%
Difference in Exchange Rates Due to Description of Financial Statement in Foreign Currency	168,412	202,363	(33,951)	(16.78%)
Net Profit/(Loss) Unrealized from Decreased Fair Values of Government Bond Security and Investment Available for Sale after Deducted for Deferred Tax	1,117,864	(759,364)	1,877,228	247.21%
Effective Part of Cash Flow Hedge	(6,436)	-	(6,436)	(100.00%)
Net Difference of Fixed Asset Revaluation	25,666,631	25,140,523	526,108	2.09%
Net Actuarial (Loss)/Profit of Defined Benefit Program After Deducted for Deferred Tax	(462,008)	49,515	(511,523)	(1.033.07%)

Description	2017	2016	Growth	
			(Rp)	(%)
Difference of Transaction with Non-Controlling Party	(106,001)	(92,751)	(13,250)	(14.29%)
Retained Earning	111,357,522	96,930,793	14,426,729	14.88%
Already Appropriated	5,380,268	5,380,268	-	0.00%
Unappropriated	105,977,254	91,550,525	14,426,729	15.76%
Non-Controlling Interest on Consolidated Net Asset of Subsidiary	3,287,289	2,915,785	371,504	12.74%
TOTAL EQUITY	170,006,132	153,369,723	16,636,409	10.85%
TOTAL LIABILITIES, TEMPORARY SHIRKAH FUNDS AND EQUITY	1,124,700,847	1,038,706,009	85,994,838	8.28%

Asset

In 2017, total assets of Bank Mandiri amounted to Rp1,124,700,847 million. It increased by Rp85,994,838 million or 8.28% from 2016 which amounted to Rp1,038,706,009 million. The increase was especially from loans and account receivables/syariah financing which amounted to Rp61.586.327 million.

Table of Asset

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Cash	24,268,563	22,906,775	1,361,788	5.94%
Current Accounts in Bank Indonesia	50,188,118	52,484,974	(2,296,856)	(4.38%)
Current Accounts in Other Banks – Net	12,329,947	10,360,165	1,969,782	19.01%
Placements in BI and Other Banks – Net	74,600,803	73,616,927	983,876	1.34%
Marketable Security – Net	59,609,972	56,551,643	3,058,329	5.41%
Government Bond – related parties – Net	103,411,188	98,933,278	4,477,910	4.53%
Other Bills – Trade Transactions – Net	24,090,128	14,167,271	9,922,857	70.04%
Claim on Security Purchased under Resale Agreement	2,629,315	5,054,488	(2,425,173)	(47.98%)
Derivative Bill	446,459	239,260	207,199	86.60%
Loan and Account Receivable/Syariah Financing – Net	678,292,520	616,706,193	61,586,327	9.99%
Consumer Financing Receivable – Net	14,782,332	11,531,838	3,250,494	28.19%
Net Investment in Finance Lease – Net	2,356,890	829,945	1,526,945	183.98%
Acceptance Receivable – Net	12,290,260	14,548,203	(2,257,943)	(15.52%)
Investment – Net	333,312	245,136	88,176	35.97%
Prepayment	2,784,234	2,751,081	33,153	1.21%
Prepaid Tax	2,688,049	2,612,707	75,342	2.88%
Fixed Asset – Net	36,618,753	35,663,290	955,463	2.68%
Intangible Asset – Net	2,401,467	1,955,496	445,971	22.81%
Other Assets – Net	15,014,218	11,557,238	3,456,980	29.91%
Deferred Tax Asset – Net	5,564,319	5,990,101	(425,782)	(7.11%)
TOTAL ASSETS	1,124,700,847	1,038,706,009	85,994,838	8.28%

Cash

The cash of Bank Mandiri amounted to Rp24.268.563 million in 2017. It increased by Rp1,361,788 million or 5.94% from 2016 which amounted to Rp22,906,775 million. The cash increase was especially from cash in Rupiah currency which amounted to Rp1,779,881 million which was compensated by decrease of cash from United States Dollar currency which amounted to Rp548,782 million.

Table of Cash

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Rupiah	21,618,247	19,838,366	1,779,881	8.97%
Foreign Currency				
United States Dollar	1,162,014	1,710,796	(548,782)	(32.08%)
European Euro	264,084	187,511	76,573	40.84%
Singaporean Dollar	677,224	773,117	(95,893)	(12.40%)
Japanese Yen	75,015	93,166	(18,151)	(19.48%)
Australian Dollar	187,524	149,888	37,636	25.11%
Hong Kong Dollar	10,695	7,003	3,692	52.72%
British Pound Sterling	38,668	37,240	1,428	3.83%
Chinese Yuan	39,490	21,271	18,219	85.65%
Others	195,602	88,417	107,185	121.23%
Total	24,268,563	22,906,775	1,361,788	5.94%

Current Account In Bank Indonesia

Current accounts in Bank Indonesia in Bank Mandiri amounted to Rp50,188,118 million in 2017. It decreased by Rp2,296,856 million or 4.38% from 2016 which amounted to Rp52,484,974 million. Decreased Current Accounts in Bank Indonesia were especially from Current Accounts in Bank Indonesia which was in United States Dollar which amounted to Rp1,234,561 million.

Table of Current Accounts in Bank Indonesia

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Rupiah	39,951,760	41,014,055	(1,062,295)	(2.59%)
United States Dollar	10,236,358	11,470,919	(1,234,561)	(10.76%)
Total Current Accounts in Bank Indonesia	50,188,118	52,484,974	(2,296,856)	(4.38%)

Current Accounts In Other Banks

Current Accounts in Other Banks in Bank Mandiri amounted to Rp12,329,947 million in 2017. It increased by Rp1,969,782 million or 19.01% from 2016 which amounted to Rp10,360,165 million. Increased Current Accounts in Other Banks were especially from Current Accounts in Other Banks in Rupiah currency to third parties which amounted to Rp1,125,789 million.

Table of Current Accounts in Other Banks

(in million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Rupiah				
Related Party	26,664	25,690	974	3.79%
Third Party	1,608,469	482,680	1,125,789	233.24%
Total Rupiah	1,635,133	508,370	1,126,763	221.64%
Foreign Currencies				
Related Party	869	171	698	408.19%
Third Party	10,697,387	9,854,673	842,714	8.55%
Total Foreign Currencies	10,698,256	9,854,844	843,412	8.56%
Deducted: Allowance for Impairment Loss	(3,442)	(3,049)	(393)	(12.89%)
Total Current Accounts in Other Banks	12,329,947	10,360,165	1,969,782	19.01%

Placements In Bank Indonesia And Other Banks

Placements in Bank Indonesia and Other Banks in Bank Mandiri amounted to Rp74,600,803 million in 2017. It increased by Rp983,876 million or 1.34% from 2016 which amounted to Rp73,616,927 million. Increased Placements in Bank Indonesia and Other Banks were especially from Placements in Bank Indonesia and Other Banks in foreign currencies to related parties which amounted to Rp1,872,651 million.

Table of Placements in Bank Indonesia and Other Banks

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Rupiah				
Related Party	751,020	1,197,075	(446,055)	(37.26%)
Third Party	29,057,647	36,960,410	(7,902,763)	(21.38%)
Total Rupiah	29,808,667	38,157,485	(8,348,818)	(21.88%)
Foreign Currencies				
Related Party	2,401,147	528,496	1,872,651	354.34%
Third Party	42,440,702	35,014,254	7,426,448	21.21%
Total Foreign Currencies	44,841,849	35,542,750	9,299,099	26.16%
Deducted: Allowance for Impairment Loss	(49,713)	(83,308)	33,595	40.33%
Total Placements in Bank Indonesia and Other Banks	74,600,803	73,616,927	983,876	1.34%

Marketable Securities

Marketable Securities in Bank Mandiri amounted to Rp59,609,972 million in 2017. It increased by Rp3,058,329 million or 5.41% from 2016 which amounted to Rp56,551,643 million. Increased marketable securities were especially from marketable securities to related parties which amounted to Rp2,203,915 million.

Table of Marketable Securities

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Related Party	20,775,463	18,571,548	2,203,915	11.87%
Third Party	38,756,238	38,250,931	505,307	1.32%
Deducted: Unamortized Discount/Premium, Loss/Profit – Net Unrealized from Reduced Fair Value and Allowance for Impairment Loss	78,271	(270,836)	349,107	128.90%
Total Marketable Securities – Net	59,609,972	56,551,643	3,058,329	5.41%

Government Bond

Government bonds in Bank Mandiri amounted to Rp103,411,188 million in 2017. It increased by Rp4,477,910 million or 4.53% from 2016 which amounted to Rp98,933,278 million. Increased Government Bonds were especially from Government Bonds measured on acquisition cost which amounted to Rp3,235,675 million.

Table of Government Bond Ownership

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Government Obligation				
Measured on Fair Value through Profit and Loss	2,183,356	1,191,310	992,046	83.27%
Available for Sale*)	89,073,724	80,334,549	8,739,175	10.88%
Held to Maturity	2,585,950	11,142,896	(8,556,946)	(76.79%)
Measured on Acquisition Cost**)	8,262,937	5,027,262	3,235,675	64.36%
Investment in Unit-Link***)				
Measured on Fair Value through Profit and Loss	1,305,221	1,237,261	67,960	5.49%
Total Government Bonds	103,411,188	98,933,278	4,477,910	4.53%

*) Included sukuk, project-based sukuk and retail sukuk are classified as measured at fair value through other comprehensive income.

**) Government Bonds owned by Subsidiaries

***) Investment in unit-link is an investment owned by the policyholder in Unit-Link contract of Subsidiary which is presented at fair value.

Other Bills – Trade Transaction

Other bills – trade transactions in Bank Mandiri amounted to Rp24,090,128 million in 2017. It increased by Rp9,922,857 million or 70.04% from 2016 which amounted to Rp14,167,271 million. Increased other bills – trade transactions were especially from other bills – trade transactions to third parties which amounted to Rp4,932,072 million.

Table of Other Bills – Trade Transactions

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Related Party	10,517,587	5,934,300	4,583,287	77.23%
Third Party	14,921,890	9,989,818	4,932,072	49.37%
Deducted: and Allowance for Impairment Loss	(1,349,349)	(1,756,847)	407,498	23.19%
Total Other Bills	24,090,128	14,167,271	9,922,857	70.04%

Claim On Security Purchased Under Resale Agreement

Claims on Securities Purchased under Resale Agreements in Bank Mandiri amounted to Rp2,629,315 million in 2017. It decreased by Rp2,425,173 million or 47.98% from 2016 which amounted to Rp5,054,488 million. Decreased claims on securities purchased under resale agreements were especially from claims on securities purchased under resale agreements to third parties which amounted to Rp2,425,173 million.

Table of Claims on Securities Purchased under Resale Agreements

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Third Party	2,629,315	5,054,488	(2,425,173)	(47.98%)

Derivatif Bill

Derivative bills in Bank Mandiri amounted to Rp446,459 million in 2017. It increased by Rp207,199 million or 86.60% from 2016 which amounted to Rp239,260 million. Increased derivative bills were especially from derivative bills to third parties which amounted to Rp187,035 million.

Table of Derivative Bills

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Related Party	23,824	3,660	20,164	550.93%
Third Party	422,635	235,600	187,035	79.39%
Total Derivative Bills	446,459	239,260	207,199	86.60%

Loan And Account Receivable/Syariah Financing

Loans and Account Receivables/Syariah Financing in Bank Mandiri amounted to Rp678,292,520 million in 2017. It increased by Rp61,586,327 million or 9.99% from 2016 which amounted to Rp616,706,193 million. Increased loans and account receivables/syariah financing were especially from loans and account receivables/syariah financing in rupiah currency to third parties which amounted to Rp33,922,725 million.

Table of Loans and Account Receivables/Syariah Financing

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Rupiah				
Related Party	90,072,204	78,579,405	11,492,799	14.63%
Third Party	512,095,941	478,173,216	33,922,725	7.09%
Foreign Currency				
Related Party	23,539,208	21,622,078	1,917,130	8.87%
Third Party	86,330,512	70,948,254	15,382,258	21.68%
Deducted: Allowance for Impairment Loss	(33,745,345)	(32,616,760)	(1,128,585)	(3.46%)
Total Loans	678,292,520	616,706,193	61,586,327	9.99%

Consumer Financing Receivables

Consumer Financing Receivables in Bank Mandiri amounted to Rp14,782,332 million in 2017. It increased by Rp3,250,494 million or 28.19% from 2016 which amounted to Rp11.531.838 million. Increased consumer financing receivables were especially from consumer financing receivables to third parties which amounted to Rp3,292,578 million.

Table of Consumer Financing Receivables

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Related Party	7,957	10,532	(2,575)	(24.45%)
Third Party	15,137,262	11,844,684	3,292,578	27.80%
Deducted: Allowance for Impairment Loss	(362,887)	(323,378)	(39,509)	(12.22%)
Total: Consumer Financing Receivables	14,782,332	11,531,838	3,250,494	28.19%

Net Investments in Finance Leases

Net Investments in Finance Leases in Bank Mandiri amounted to Rp2,356,890 million in 2017. It increased by Rp1,526,945 million or 183.98% from 2016 which amounted to Rp829,945 million. Increased net investments in finance leases were especially from net investments in finance leases to third parties which amounted to Rp1,530,146 million.

Table of Net Investments in Finance Leases

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Third Party	2,364,629	834,483	1,530,146	183.36%
Deducted: Allowance for Impairment Loss	(7,739)	(4,538)	(3,201)	(70.54%)
Total Net Investments in Finance Leases	2,356,890	829,945	1,526,945	183.98%

Acceptance Claims

Acceptance Claims in Bank Mandiri amounted to Rp12,290,260 million in 2017. It decreased by Rp2,257,943 million or 15.52% from 2016 which amounted to Rp14,548,203 million. Decreased acceptance claims were especially from acceptance claims in rupiah currency to debtors which amounted to Rp1,527,930 million.

Table of Acceptance of Claims

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Rupiah				
Claim to Other Bank	381,325	347,059	34,266	9.87%
Claim to Debtor	6,175,976	7,703,906	(1,527,930)	(19.83%)
Foreign Currency				
Claim to Other Bank	204,377	413,370	(208,993)	(50.56%)
Claim to Debtor	5,782,816	6,324,909	(542,093)	(8.57%)
Deducted: Allowance for Impairment Loss	(254,234)	(241,041)	(13,193)	(5.47%)
Total Acceptance of Claims	12,290,260	14,548,203	(2,257,943)	(15.52%)

Investment

Investment in Bank Mandiri amounted to Rp333,312 million in 2017. It increased by Rp88,176 million or 35.97% from 2016 which amounted to Rp245,136 million. Increased investment was especially from investments to third parties which amounted to Rp52,048 million.

Table Investment

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Related Party	89,110	50,331	38,779	77.05%
Third Party	257,126	205,078	52,048	25.38%
Deducted: Allowance for Impairment Loss	(12,924)	(10,273)	(2,651)	(25.81%)
Total Investments	333,312	245,136	88,176	35.97%

Prepayment

Prepayment in Bank Mandiri amounted to Rp2,784,234 million in 2017. It increased by Rp33,153 million or 1.21% from 2016 which amounted to Rp2,751,081 million. Increased prepayment was especially from prepaid leases, especially leases of buildings used as Group branch offices and official houses across Indonesia which amounted to Rp96,722 million which was compensated by a decrease in prepaid expenses from building maintenance amounted Rp68,213 million.

Table of Prepayment

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Prepaid Lease	1,616,410	1,519,688	96,722	6.36%
Building Maintenance Cost	611,027	679,240	(68,213)	(10.04%)
Others	556,797	552,153	4,644	0.84%
Total Prepayments	2,784,234	2,751,081	33,153	1.21%