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Consolidated Financial
Statements

Material Information on Investments, Expansion, Divestments, Mergers, Acquisitions and/or Debt/Capital Restructuring

Investment

Bank Mandiri has direct and indirect stakes in the following subsidiaries:

Subsidiaries	Business	Investment (%)			
		2013	2014	2015	2016
PT Bank Syariah Mandiri	Sharia Banking	99.99	99.99	99.99	99.99
PT Mandiri Sekuritas	Securities	99.99	99.99	99.99	99.99
PT Mandiri Tunas Finance	Consumer Financing	51.00	51.00	51.00	51.00
PT Mandiri AXA General Insurance	Loss Insurance	60.00	60.00	60.00	60.00
PT AXA Mandiri Financial Service	Life Insurance	51.00	51.00	51.00	51.00
PT Bank Mandiri Taspen Pos	Banking	93.23	93.23	58.25	59.44
Mandiri International Remittance Sdn. Bhd.	Remittance Service	100.00	100.00	100.00	100.00
Bank Mandiri (Europe) Ltd.	Banking	100.00	100.00	100.00	100.00
PT Asuransi Jiwa In-Health Indonesia	Life Insurance	-	60.00	80.00	80.00
PT Mandiri Utama Finance	Consumer Financing	-	-	51.00	51.00
PT Mandiri Capital Indonesia	Venture Capital	-	-	99.00	99.97

Expansion

In 2016, Bank Mandiri has implemented non-organic initiatives to several areas which increased the growth of Bank Mandiri Business Group, among others:

1. Developing multi finance business to accelerate the growth of financing distribution in order to increase the acquisition of market shares in consumer financing segment, particularly vehicles financing. The business development was conducted through additional capital in PT Mandiri Utama Finance (MUF) in conjunction with PT Tunas Ridean Tbk and PT Asco Investindo. On August 29 and December 16, 2016, the to support business expansion of PT MUF among other but not limited to the financing for two-wheeled vehicles ownership (new and used), four-wheeled vehicles (new and used), commercial vehicles (new and used) and heavy equipment.
2. Developing business network in a prudent way in order to improve services to customers in retired segment. The development of network was conducted by additional capital in the fourth quarter of 2016 to PT Mandiri Taspen Pos to strengthen capital structure in conjunction with PT Taspen as shareholder. Aside from improving services to customers, such additional capital was also used for increasing financing capacity as well as funding of Bank Mantap, so that may increase the business scale which is able to generate optimum return to all shareholders.
3. Increasing acceleration of MAGI business growth to capture business potential of general insurance as well as preserving Risk-Based Capital ratio (RBC) to be constantly meeting the prevailing rules which was conducted by increasing working capital of PT Mandiri Axa General Insurance (MAGI). The additional capital was done on second quarter of 2016 in conjunction with the other shareholders, PT AXA Asia. With the additional capital, it is expected to enhance business scale and profitability as well.

4. As an effort to strengthen the position of Bank Syariah Mandiri (BSM) as the biggest sharia Bank in Indonesia, Bank Mandiri conducted capital injection on the fourth quarter of 2016. The additional capital was an anticipating move on the implementation of OJK provisions related to the bank obligation to form additional capital to encounter the change of global economic condition in the future. The additional capital is also expected to be used as source of fund to increase capacity of financing and funding of BSM so that is able to deliver added value not merely to Bank Mandiri as shareholder, but also to sharia banking industry and Indonesian people in general.

Acquisition

During 2016, Bank Mandiri did not conduct acquisition activity.

Divestment

In 2016, there was no divestment activity, therefore there is no information related to purpose, transaction value and source of fund of divestment.

Restructuring

In 2016, there was no restructuring, either capital or debt. Thus, there is no information related to transaction value and source of fund of restructuring.

Use of Third Party Services

The use of third party services to assess the fairness of investment transactions, acquisitions, divestment and restructuring carried out by following the applicable regulations in the capital market.