

06	07	08	09	10
Corporate Governance	Integrated Corporate Governance	Corporate Social Responsibility	Cross Reference of Annual Report Award 2016 Criteria	Consolidated Financial Statements

While for the new products relased in 2016, among others:

- Mandiri Card Co Brand Garuda Indonesia.
- Mandiri Card Co Brand Himbara.

Big Bad Wolf bookfair, Peabo Bryson Concert, Madagascar Concert, My Little Pony Concert, Gaikindo International Auto Show (GIIAS), and Mandiri Auto Fiesta.

## 2. Alliance Development/Synergy

In order to accelerate its business achievement at all segments, Bank Mandiri carries out alliance or synergy development in the form of alliance between business units, task forces and subsidiaries of Bank Mandiri. In 2016 Bank Mandiri collaborated with several partner companies, such as Indomaret, in distributing digital money as one of alliance development.

## 3. Market Share Improvement

In order to enhance its market share, Bank Mandiri has actively delivered product communications through above the line and below the line promotions as well as sponsorship events. Above the line programs consist of promotion in several national newspapers, local newspapers, magazines and radio stations.

As for below the line programs, Bank Mandiri has Mandiri Fiestapoin, a point reward program for Bank Mandiri customers, given based on the average account balance and transaction made by the customers through EDC machine, e-channel or branches, either using Mandiri debit or credit card.

This program has several benefits for the customers, such as a chance to win direct rewards, monthly accumulation of Fiestapoin, tax-free rewards and Fiestapoin redeem for a wide range of reward choices.

Moreover, as below the line program, Bank Mandiri has also participated in sponsorship of big scale events such as

## 2016 Marketing Strategy Support Program

In 2016, Bank Mandiri conducted several program of marketing strategy support which aims at attracting new customers' interest and maintaining customers' loyalty, among others additional digital assets in the form of official Instagram account.

## Market Share (SPM Group)

Bank Mandiri dealt with business challenge whereby the banking industry was more competitive in 2016. Therefore, Bank Mandiri attempts to reach a bigger market share through implementation of accurate marketing strategy so as the growth of total channeled loans, increasing profit and market share. Following are a few of market share overviews of Bank Mandiri in Indonesia banking industry:

- **Assets**  
Bank Mandiri's assets in 2016 amounted to Rp1,038.71 trillion, making the market share of the bank in terms of assets in 2016 stood at 19.3% of the total assets of conventional banks, increase 22.15% compared to 2015 of 15.11%.
- **Third Party Funds**  
Market share of 2016 Deposits from customers (third party funds) stood at 16.11%, rose 3.99% compared to 2015 of 15.49% which was influenced by the growth of market share in current and saving accounts.
- **Outstanding Loan**  
In 2016, Bank Mandiri disbursed loan of Rp662.01 trillion which affected the market share of outstanding loan of Bank Mandiri of 15.45%, increased 2.5% compared to 2015 of 15.07%.

# Business Continuation Information

## Information on Significant Potential Disruptive in Business Continuation

As of the end of 2016, there are things that have a significant effect on the continuity of Bank Mandiri business.

## Basic Assumption of Business Continuation

Bank Mandiri conducted a SWOT analysis which consists of a power analysis (strengths) and weaknesses (weaknesses) as well as the identification of external factors by looking at opportunities (opportunities) and threats (threats). The analysis is used as a basic assumption for on-going business.

### Strenghts

Bank Mandiri's capital adequacy

- The level of high liquidity
- Fee Based Income which continues to grow
- Implementation of GCG and implemented consistently
- Broad network and product distribution
- Diversification the synergy with its subsidiaries
- Penetration good product

### Opportunities

Utilizing Media and technology as a business development

- Increase of The market
- Lending to the real sector

### Weaknesses

Some of the product's market share is still small

- The decline in growth as a result of the economic slowdown
- The market capitalization decreased slightly due to the rupiah exchange rate against USD
- Some issues regarding integration Products segment

### Threats

The slowdown in the national economy which resulted in the business decline

- Foreign and Local Banking
- Alternative financing other than banks