

# 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
<b>ASSETS</b>				
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%)
<b>TOTAL ASSETS</b>	<b>1,124,700,847</b>	<b>1,038,706,009</b>	<b>85,994,838</b>	<b>8.28%</b>

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%
<b>TOTAL EQUITY</b>	<b>170,006,132</b>	<b>153,369,723</b>	<b>16,636,409</b>	<b>10.85%</b>
<b>TOTAL LIABILITIES, TEMPORARY SHIRKAH FUNDS AND EQUITY</b>	<b>1,124,700,847</b>	<b>1,038,706,009</b>	<b>85,994,838</b>	<b>8.28%</b>

## 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%)
<b>TOTAL ASSETS</b>	<b>1,124,700,847</b>	<b>1,038,706,009</b>	<b>85,994,838</b>	<b>8.28%</b>

### 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%
<b>Foreign Currency</b>				
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%
<b>Total</b>	<b>24,268,563</b>	<b>22,906,775</b>	<b>1,361,788</b>	<b>5.94%</b>

### 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%)
<b>Total Current Accounts in Bank Indonesia</b>	<b>50,188,118</b>	<b>52,484,974</b>	<b>(2,296,856)</b>	<b>(4.38%)</b>

### 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
<b>Rupiah</b>				
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%
<b>Foreign Currencies</b>				
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
<b>Rupiah</b>				
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%)
<b>Foreign Currencies</b>				
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%
<b>Total Marketable Securities – Net</b>	<b>59,609,972</b>	<b>56,551,643</b>	<b>3,058,329</b>	<b>5.41%</b>

### 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%
<b>Total Government Bonds</b>	<b>103,411,188</b>	<b>98,933,278</b>	<b>4,477,910</b>	<b>4.53%</b>

\*) 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
<b>Rupiah</b>				
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
<b>Rupiah</b>				
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%)
<b>Foreign Currency</b>				
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%

### Prepaid Tax

Prepaid Taxes in Bank Mandiri amounted to Rp2,688,049 million in 2017. It increased by Rp75,342 million or 2.88% from 2016 which amounted to Rp2,612,707 million. Increased prepaid taxes were especially from prepaid taxes of subsidiaries which amounted to Rp92,925 million.

Table of Prepaid Taxes

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Bank Mandiri	2,403,973	2,421,556	(17,583)	(0.73%)
Subsidiary	284,076	191,151	92,925	48.61%
Total Prepaid Taxes	2,688,049	2,612,707	75,342	2.88%

### Fixed Asset

Fixed Assets in Bank Mandiri amounted to Rp36,618,753 million in 2017. It increased by Rp955,463 million or 2.68 % from 2016 which amounted to Rp35,663,290 million. Increased fixed assets were especially from fixed assets of direct ownerships in the form of lands which amounted to Rp695,560 million.

Table of Fixed Assets

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Direct Ownership				
Land	29,518,735	28,823,175	695,560	2.41%
Building	3,125,547	2,824,707	300,840	10.65%
Equipment, Office Equipment and Computer	2,464,423	2,566,497	(102,074)	(3.98%)
Motor Vehicles	66,228	71,029	(4,801)	(6.76%)
Construction in Progress	1,435,335	1,368,772	66,563	4.86%
Leased Asset	8,485	9,110	(625)	(6.86%)
Total Fixed Assets	36,618,753	35,663,290	955,463	2.68%

### Intangible Assets

Intangible Assets in Bank Mandiri amounted to Rp2,401,467 million in 2017. It increased by Rp445,971 million or 22.81% from 2016 which amounted to Rp1,955,496 million. Increased intangible assets were especially from intangible assets in the form of software which amounted to Rp445,971 million.

Table of Intangible Assets

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Software	1,978,352	1,532,381	445,971	29.10%
Goodwill	423,115	423,115	-	0.00%
Total Intangible Assets	2,401,467	1,955,496	445,971	22.81%

### Other Assets

Other Assets in Bank Mandiri amounted to Rp15,014,218 million in 2017. It increased by Rp3,456,980 million or 29.91% from 2016 which amounted to Rp11,557,238 million. Increased other assets were especially from other assets in rupiah currency which amounted to Rp2,960,402 million.

Table of Other Assets

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Rupiah	12,978,488	10,018,086	2,960,402	29.55%
Foreign Currency	2,653,520	2,053,598	599,922	29.21%
Deducted: Allowance	(617,790)	(514,446)	(103,344)	(20.09%)
Total Other Assets	15,014,218	11,557,238	3,456,980	29.91%

### Deferred Tax Assets

Deferred Tax Assets in Bank Mandiri amounted to Rp5,564,319 million in 2017. It decreased by Rp425,782 million or 7.11% from 2016 which amounted to Rp5,990,101 million. Decreased deferred tax assets were especially from net deferred tax assets of Bank Mandiri only which amounted to Rp465,863 million.

Table of Deferred Tax Assets

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Net Deferred Tax Asset - Bank Mandiri Only	4,969,726	5,435,589	(465,863)	(8.57%)
Deferred Tax Asset - Subsidiary	594,593	554,512	40,081	7.23%
Total Consolidated Deferred Tax Assets - Net	5,564,319	5,990,101	(425,782)	(7.11%)

### Liability

Liabilities in Bank Mandiri amounted to Rp888,026,817 million in 2017. It increased by Rp63,466,919 million or 7.70% from 2016 which amounted to Rp824,559,898 million. Increased liabilities were especially from customer deposits which amounted to Rp47,523,752 million.

Table of Liabilities

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
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%

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
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%

### Immediate liabilities

Immediate liabilities in Bank Mandiri amounted to Rp2,838,567 million in 2017. It increased by Rp1,268,656 million or 80.81% from 2016 which amounted to Rp1,569,911 million. Increased immediate liabilities were especially from liabilities related to prepaid cards which amounted to Rp916,984 million.

Table of Immediate Liabilities

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Immediate Liability	2,838,567	1,569,911	1,268,656	80.81%

### Customer deposits

Customer deposits in Bank Mandiri amounted to Rp749,583,982 million in 2017. It increased by Rp47,523,752 million or 6.77% from 2016 which amounted to Rp702,060,230 million. Increased customer deposits were especially from savings/wadiah savings which amounted to Rp31,542,084 million.

Table of Customer Deposits

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Current Account/Wadiah Current Account	202,864,860	186,983,328	15,881,532	8.49%
Saving/Wadiah Saving	308,711,908	277,169,824	31,542,084	11.38%
Time Deposit	238,007,214	237,907,078	100,136	0.04%
Total Customer Deposits	749,583,982	702,060,230	47,523,752	6.77%

### Deposits From Other Banks

Deposits from Other Banks in Bank Mandiri amounted to Rp8,349,507 million in 2017. It decreased by Rp989,689 million or 10.60% from 2016 which amounted to Rp9,339,196 million. Decreased deposits from other banks were especially from deposits from other banks in the form of time deposits which amounted to Rp654,017 million.

Table of Deposits from Other Banks

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Current Account/Wadiah Current Account and Deposit	4,238,390	4,300,765	(62,375)	(1.45%)
Inter-Bank Call Money	1,007,655	1,280,952	(273,297)	(21.34%)
Time Deposit	3,103,462	3,757,479	(654,017)	(17.41%)
<b>Total Deposits from Other Banks</b>	<b>8,349,507</b>	<b>9,339,196</b>	<b>(989,689)</b>	<b>(10.60%)</b>

### Liabilities to Policyholders of Unit-Link

Liabilities to Policyholders of Unit-Link in Bank Mandiri amounted to Rp23,254,035 million in 2017. It increased by Rp3,651,085 million or 18.63% from 2016 which amounted to Rp19,602,950 million. Increased liabilities to policyholders of unit-link were especially from liabilities to policyholders of non-syariah unit-link which amounted to Rp3,554,770 million.

Table of Liabilities to Policyholders of Unit-Link

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Non-Syariah	22,105,476	18,550,706	3,554,770	19.16%
Syariah	1,148,559	1,052,244	96,315	9.15%
<b>Total Liabilities to Policyholders of Unit-Link</b>	<b>23,254,035</b>	<b>19,602,950</b>	<b>3,651,085</b>	<b>18.63%</b>

### Liability For Security Purchased Under Resale Agreement

Liabilities for Securities Purchased under Resale Agreements in Bank Mandiri amounted to Rp3,592,883 million in 2017. It increased by Rp239,841 million or 7.15% from 2016 which amounted to Rp3,353,042 million. Increased liabilities for securities purchased under resale agreements were especially from liabilities for securities purchased under resale agreements for third parties which amounted to Rp469,865 million.

Table Liabilities for Securities Purchased under Resale Agreements

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Related Party	-	230,024	(230,024)	(100.00%)
Third Party	3,592,883	3,123,018	469,865	15.05%
<b>Total Liabilities for Securities Purchased under Resale Agreements</b>	<b>3,592,883</b>	<b>3,353,042</b>	<b>239,841</b>	<b>7.15%</b>

### Derivative liabilities

Derivative liabilities in Bank Mandiri amounted to Rp276,243 million in 2017. It decreased by Rp226,226 million or 45.02% from 2016 which amounted to Rp502,469 million. Decreased derivative liabilities were especially from derivative liabilities to third parties which amounted to Rp232,750 million.

Table of Derivative Liabilities

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Related Party	16,582	10,058	6,524	64.86%
Third Party	259,661	492,411	(232,750)	(47.27%)
Total Derivative Liabilities	276,243	502,469	(226,226)	(45.02%)

### Acceptance liabilities

Acceptance liabilities in Bank Mandiri amounted to Rp12,544,494 million in 2017. It decreased by Rp2,244,750 million or 15.18% from 2016 which amounted to Rp14,789,244 million. Decreased acceptance liabilities were especially from acceptance liabilities to related parties which amounted to Rp1,878,814 million.

Table of Acceptance Liabilities

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Related Party	602,894	2,481,708	(1,878,814)	(75.71%)
Third Party	11,941,600	12,307,536	(365,936)	(2.97%)
Total Acceptance Liabilities	12,544,494	14,789,244	(2,244,750)	(15.18%)

### Published Securities

Published Securities in Bank Mandiri amounted to Rp16,843,595 million in 2017. It increased by Rp7,817,601 million or 86.61% from 2016 which amounted to Rp9,025,994 million. Increased published securities were especially from published securities to related parties which amounted to Rp4,884,200 million.

Table of Published Securities

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Related Party	8,546,200	3,662,000	4,884,200	133.38%
Third Party	8,341,088	5,398,035	2,943,053	54.52%
Deducted: Unamortized Publishing Fee	(43,693)	(34,041)	(9,652)	(28.35%)
Total Published Securities	16,843,595	9,025,994	7,817,601	86.61%

### Estimated Loss Of Commitment And Contingency

Estimated Loss of Commitment and Contingency in Bank Mandiri amounted to Rp381,771 million in 2017. It increased by Rp174,370 million or 84.07% from 2016 which amounted to Rp207,401 million. Increased estimated loss of commitment and contingency was especially from formation of allowance in 2017 which amounted to Rp173,402 million while in 2016 there was reversal of allowance amounting to Rp181,459 million.

Table of Estimated Loss of Commitment and Contingency

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Balance at Beginning of Year	207,401	395,610	(188,209)	(47.57%)
(Reversal)/Allowance During the Year	173,402	(181,459)	354,861	195.56%
Others*	968	(6,750)	7,718	114.34%
Balance at End of Year	381,771	207,401	174,370	84.07%

\*) Included foreign exchange translation due to foreign currency translation

### Accrued Expense

Accrued Expenses in Bank Mandiri amounted to Rp4,307,193 million in 2017. It increased by Rp563,697 million or 15.06% from 2016 which amounted to Rp3,743,496 million. Increased accrued expenses were especially from procurements of fixed assets and software which amounted to Rp199,035 million and interest expense which amounted to Rp184,375 million.

Table of Accrued Expenses

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Interest Expense	1,419,253	1,234,878	184,375	14.93%
Procurements of Fixed Asset and Software	1,267,246	1,068,211	199,035	18.63%
Third Party Personnel Service	359,249	343,986	15,263	4.44%
Promotion	295,548	216,029	79,519	36.81%
Office Clothes Expense, Recreation, etc.	60,842	71,043	(10,201)	(14.36%)
Professional Service Expense	50,984	42,484	8,500	20.01%
Others	854,071	766,865	87,206	11.37%
Total Accrued Expenses	4,307,193	3,743,496	563,697	15.06%

### Tax Debts

Tax debts in Bank Mandiri amounted to Rp1,009,832 million in 2017. It decreased by Rp248,960 million or 19.78% from 2016 which amounted to Rp1,258,792 million. Decreased tax debts were especially from current tax debts which amounted to Rp359,647 million.

Table of Tax Debts

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Current Tax Debt	301,300	660,947	(359,647)	(54.41%)
Other Tax Debts	708,532	597,845	110,687	18.51%
Total Tax Debts	1,009,832	1,258,792	(248,960)	(19.78%)

### Employee Benefits Liabilities

Employee Benefits Liabilities in Bank Mandiri amounted to Rp8,277,388 million in 2017. It increased by Rp1,514,320 million or 22.39% from 2016 which amounted to Rp6,763,068 million. Increased employee benefit liabilities were especially from allowance for employee reward expenses which amounted to Rp1,087,097 million.

Table of Employee Benefit Liabilities

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Allowance for Employee Reward Expense	4,030,761	2,943,664	1,087,097	36.93%
Reserve for Bonus, Incentive, Leave and THR	4,246,627	3,819,404	427,223	11.19%
Total Employee Benefit Liabilities	8,277,388	6,763,068	1,514,320	22.39%

### Provisions

Provisions in Bank Mandiri amounted to Rp375,770 million in 2017. It decreased by Rp60,110 million or 13.79% from 2016 which amounted to Rp435,880 million. Decreased provisions were especially from decreased provisions for estimated loss of legal contingencies which amounted to Rp78,102 million.

Table of Provision

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Provision	375,770	35,880	(60,110)	(13.79%)



### Other Liabilities

Other liabilities in Bank Mandiri amounted to Rp20,496,377 million in 2017. It increased by Rp4,686,341 million or 29.64% from 2016 which amounted to Rp15,810,036 million. Increased other liabilities were especially from other liabilities in rupiah currency related to customer transaction debts which amounted to Rp935,140, liabilities to policyholders which amounted to Rp911,313 and liabilities related to ATM transaction and credit card which amounted to Rp821.177.

Table of Other Liabilities

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Other Liabilities	20,496,377	15,810,036	4,686,341	29.64%

### Loans

Loans in Bank Mandiri amounted to Rp35,703,679 million in 2017. It decreased by Rp179,078 million or 0.50% from 2016 which amounted to Rp35,882,757 million. Decreased loans were especially from loans of third parties which amounted to Rp179,078 million.

Table of Loans

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Third Party	35,703,679	35,882,757	(179,078)	(0.50%)
Total Loans	35,703,679	35,882,757	(179,078)	(0.50%)

### Subordinated Loans

Subordinated loans in Bank Mandiri amounted to Rp191,501 million in 2017. It decreased by Rp23,931 million or 11.11% from 2016 which amounted to Rp215,432 million. Decreased subordinated loans were especially from subordinated loans from third parties which amounted to Rp23,931 million.

Table of Subordinated Loans

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Third Party	191,501	215,432	(23,931)	(11.11%)
Total Subordinated Loans	191,501	215,432	(23,931)	(11.11%)

### Temporer Syirkah Fund

Temporary Syirkah Fund in Bank Mandiri amounted to Rp66,667,898 million in 2017. It increased by Rp5,891,510 million or 9.69% from 2016 which amounted to Rp60,776,388 million. Increased temporary syirkah fund was especially from temporary syirkah fund in the form of customer deposits which amounted to Rp5,782,135 million.

Table of Temporary Syirkah Fund

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
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 SYIRKAH FUND	66,667,898	60,776,388	5,891,510	9.69%

### Customer Deposits

Customer Deposits in Bank Mandiri amounted to Rp66,222,609 million in 2017. It increased by Rp5,782,135 million or 9.57% from 2016 which amounted to Rp60,440,474 million. Increased customer deposits were especially from third party customer deposits for saving – restricted investment accounts and unrestricted investment accounts – mudharabah which amounted to Rp3,036,209 million and mudharabah deposits - unrestricted investment accounts which amounted to Rp2,229,858 million.

Table of Customer Deposit

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
<b>Related Party</b>				
Saving – Restricted Investment Account and Mudharabah Saving - Unrestricted Investment Account	34,784	28,047	6,737	24.02%
Mudharabah deposit - Unrestricted Investment Account	939,315	886,344	52,971	5.98%
<b>Third Party</b>				
Current Account - Restricted Investment Account and Mudharabah Musytarakah Current Account - Musytarakah	525,285	68,925	456,360	662.11%
Saving - Restricted Investment Account and Unrestricted Investment Account – Mudharabah	28,165,952	25,129,743	3,036,209	12.08%
Mudharabah Deposit - Unrestricted Investment Account	36,557,273	34,327,415	2,229,858	6.50%
Total Customer Deposit	66,222,609	60,440,474	5,782,135	9.57%

### Deposits From Other Banks

Deposits from Other Banks in Bank Mandiri amounted to Rp445,289 million in 2017. It increased by Rp109,375 million or 32.56% from 2016 which amounted to Rp335,914 million. Increased deposits from other banks were especially from mudharabah savings – unrestricted investment accounts which amounted to Rp58,249 million.

Table of Deposits from Other Banks

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Mudharabah Saving – Unrestricted Investment Account	316,574	258,325	58,249	22.55%
Mudharabah Deposit – Unrestricted Investment Account	128,715	77,589	51,126	65.89%
Total Deposits from Other Banks	445,289	335,914	109,375	32.56%

## Equities

Equities in Bank Mandiri amounted to Rp170,006,132 million in 2017. It increased by Rp16,636,409 million or 10.85% from 2016 which amounted to Rp153,369,723 million. Increased equities were especially from retained earning which amounted to Rp14,426,729 million.

Table of Equities

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
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%)
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%
Non-Controlling Interest on Consolidated Net Asset of Subsidiary	3,287,289	2,915,785	371,504	12.74%
TOTAL EQUITIES	170,006,132	153,369,723	16,636,409	10.85%

### Capital Stock

Capital stocks in Bank Mandiri amounted to Rp11,666,667 million in 2017. It neither increased nor decreased from 2016 which amounted to Rp11,666,667.

### Additional Paid-In Capital

Additional paid-in capitals in Bank Mandiri amounted to Rp17,316,192 million in 2017. It neither increased nor decreased from 2016 which amounted to Rp17,316,192.

### Difference In Exchange Rates Due To Description Of Financial Statement In Foreign Currency

Difference in exchange rates due to description of financial statement in foreign currency in Bank Mandiri amounted to Rp168,412 million in 2017. It decreased by Rp33,951 million or 16.78% from 2016 which amounted to Rp202,363.

### Net Profit/(Loss) Unrealized From Increased/(Decreased) Fair Values Of Government Bond Security And Investment Available For Sale After Deducted For Deferred Tax

Net loss unrealized from increased/(decreased) fair values of government bond securities and investments available for sale after deducted for deferred taxes in Bank Mandiri amounted to Rp1,117,864

million in 2017. It increased by Rp1,877,228 million or 247.21% from 2016 which amounted to (Rp759,364) million.

### Effective Part Of Cash Flow Hedge

Effective part of cash flow hedge in Bank Mandiri amounted to (Rp6,436) million in 2017. It decreased by Rp6,436 million or 100% from 2016 which was Nil.

### Net Difference Of Fixed Asset Revaluation

Net difference of fixed asset revaluation in Bank Mandiri amounted to Rp25,666,631 million in 2017. It increased by Rp526,108 million or 2.09% from 2016 which amounted to Rp25,140,523 million.

### Net Actuarial (Loss)/Profit Of Defined Benefit Program After Deducted For Deferred Tax

Net actuarial (loss)/profit of defined benefit program after deducted for deferred taxes in Bank Mandiri amounted to (Rp462,008) million in 2017. It decreased by Rp511,523 million or 1,033.07% from 2016 which amounted to Rp 49,515 million.

**Difference Of Transaction With Non-Controlling Party**

Difference of transaction with non-controlling parties in Bank Mandiri amounted to (Rp106,001) million in 2017. It decreased by Rp13,250 million or 14.29% from 2016 which amounted to (Rp92,751) million.

**Retained Earning**

Retained earning in Bank Mandiri amounted to Rp111,357,522 million in 2017. It increased by Rp14,426,729 million or 14.88% from 2016 which amounted to Rp96,930,793.

**Non-Controlling Interest On Consolidated Net Asset Of Subsidiary**

Non-controlling interest on consolidated net assets of subsidiaries in Bank Mandiri amounted to Rp3,287,289 million in 2017. It increased by Rp371,504 million or 12.74% from 2016 which amounted to Rp2,915,785 million.

**Consolidated Statement of Profit and Loss and Other Comprehensive Income**

Bank Mandiri in 2017 managed to book consolidated Net Profit amounting to Rp20,639,683 million which increased by 49.49% from 2016 which amounted to Rp13.806.565 juta.

Table of the Consolidated Summary of Profit and Loss and Other Comprehensive Income Years 2016-2017

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
<b>OPERATING INCOME AND EXPENSE</b>				
Interest Income and Sharia Income	79,501,530	76,709,888	2,791,642	3.64%
Interest Expense and Sharia Expense	(27,174,371)	(24,884,519)	2,289,852	9.20%
Interest and Sharia Income – Net	52,327,159	51,825,369	501,790	0.97%
Premium Income – Net	2,465,075	2,652,431	(187,356)	(7.06%)
Interest, Sharia, and Premium Income – Net	54,792,234	54,477,800	314,434	0.58%
Other Operating Income	22,281,641	19,286,425	2,995,216	15.53%
Allowance for Impairment Losses	(15,646,385)	(24,943,938)	(9,297,553)	(37.27%)
(Allowance)/Reversal for	(173,402)	181,459	(354,861)	(195.56%)
Provision for Estimated Losses on Commitments and Contingencies	(132,050)	117,637	(249,687)	(212.25%)
(Allowance)/Reversal for Other Provisions	167,892	15,638	152,254	973.62%
Unrealised Gains/(Losses) from an Increase/(Decrease) in the Fair Value of Marketable Securities, Government Bonds, and Policyholders' Investment in Unit-Link Contracts	893,570	745,904	147,666	19.80%
	(35,013,749)	(31,268,198)	3,745,551	11.98%
<b>Gains on Sale of Marketable Securities and Government Bonds</b>	27,169,751	18,612,727	8,557,024	45.97%
Other Operating Expense	(12,888)	(39,762)	(26,874)	(67.59%)
<b>OPERATING PROFIT</b>	27,156,863	18,572,965	8,583,898	46.22%
Non-Operating Expense - Net	(5,713,821)	(3,922,802)	1,791,019	45.66%
<b>PROFIT BEFORE TAX EXPENSES AND NON-CONTROLLING INTERESTS</b>	21,443,042	14,650,163	6,792,879	46.37%
Tax Expense - Net				
<b>CURRENT-YEAR PROFIT</b>				
	9,678	24,909,438	(24,899,760)	(99.96%)
<b>OTHER COMPREHENSIVE INCOME</b>	1,868,315	785,447	1,082,868	137.87%
Items That Will Not Be Reclassified To Profit or Loss	1,877,993	25,694,885	(23,816,892)	(92.69%)
<b>Items That Will Be Reclassified To Profit or Loss</b>	23,321,035	40,345,048	(17,024,013)	(42.20%)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Other Comprehensive Income for the Current Year – after Income Tax	21,443,042	14,650,163	6,792,879	46.37%
COMPREHENSIVE INCOME FOR THE CURRENT YEAR	20,639,683	13,806,565	6,833,118	49.49%
Profit for the Current Year Attributable	803,359	843,598	(40,239)	(4.77%)
Owner of Parent Company	23,321,035	40,345,048	(17,024,013)	(42.20%)
Non-Controlling Interest	22,491,109	39,484,138	(16,993,029)	(43.04%)
Total Comprehensive Income for the Current Year Attributable	829,926	860,910	(30,984)	(3.60%)
Owner of Parent Company	442,28	295,85 <sup>*)</sup>	146,43	49.49%

\*) Restated

### Interest And Sharia Income - Net

Bank Mandiri's Interest and Sharia Income - Net reached Rp52,327,159 million in 2017. It increased by Rp501,790 million or 0.97% compared to that in 2016, which was equal to Rp51,825,369 million. This increase in the Interest and Sharia Income - Net resulted especially from sharia income, namely by Rp665,059 million.

Table of Interest and Sharia Income – Net

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Interest Income	73,271,984	71,145,401	2,126,583	2.99%
Sharia Income	6,229,546	5,564,487	665,059	11.95%
Total Interest Income and Sharia Income	79,501,530	76,709,888	2,791,642	3.64%
Interest Expense	(24,633,241)	(22,544,799)	(2,088,442)	(9.26%)
Sharia Expense	(2,541,130)	(2,339,720)	(201,410)	(8.61%)
Total Interest Expense and Sharia Expense	(27,174,371)	(24,884,519)	(2,289,852)	(9.20%)
Interest and Sharia Income – Net	52,327,159	51,825,369	501,790	0.97%

### Premium Income - Net

Bank Mandiri's Premium Income - Net reached Rp2,465,075 million in 2017. This decreased by Rp187,356 million or 7.06% from that in 2016, which was equal to Rp2,652,431 million. This decrease in the Premium Income - Net resulted primarily from an increase in the Claim Expense by Rp1,134,802 million, which was counterbalanced by an increase in the Premium Income of only Rp947,446 million.

Table of Premium Income – Net

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Premium Income	10,325,187	9,377,741	947,446	10.10%
Claim Expense	(7,860,112)	(6,725,310)	(1,134,802)	(16.87%)
Premium Income - Net	2,465,075	2,652,431	(187,356)	(7.06%)

### Other Operating Income

Bank Mandiri's Other Operating Income reached Rp22,281,641 million in 2017. This increased by Rp2,995,216 million or 15.53% from that in 2016, which was equal to Rp19,286,425 million. This increase in the Other Operating Income resulted primarily from Other Operating Income – Miscellaneous, namely by Rp1,329,236 million and Other Fees and Commissions, namely by Rp1,043,132 million.

Table of Other Operating Income

(in Million Rupiahs)

Description (1)	2017 (2)	2016 (3)	Growth	
			(Rp) 4 = 2-3	(%) 5 = 4/3
Other Fees and Commissions	12,483,134	11,440,002	1,043,132	9.12%
Foreign Exchange Gains and Derivative Transactions - Net	2,888,082	2,265,234	622,848	27.50%
Miscellaneous	6,910,425	5,581,189	1,329,236	23.82%
Total Other Operating Income	22,281,641	19,286,425	2,995,216	15.53%

### Allowance For Impairment Losses

Bank Mandiri's Allowance for Impairment Losses reached (Rp15,646,385) million in 2017. This decreased by Rp9,297,553 million or 37.2% from that in 2016, which was equal to (Rp24,943,938) million. The decrease in the Allowance for Impairment Losses resulted mainly from Loans amounting to Rp8,818,864 million.

Table of Allowance/Reversal for Impairment Losses

(in Million Rupiahs)

Description (1)	2017 (2)	2016 (3)	Growth	
			(Rp) 4 = 2-3	(%) 5 = 4/3
Current Account with Other Banks	44	176	(132)	(75.00%)
Placement with Other Banks	53,290	(21,415)	74,705	348.84%
Securities	(8,420)	(24,094)	15,674	65.05%
Other Receivables – Trade Transactions	425,563	(35,085)	460,648	1.312.95%
Loans	(15,458,493)	(24,277,357)	8,818,864	36.33%
Consumer Financing Receivables	(640,151)	(455,025)	(185,126)	(40.68%)
Net Investment in Leasing	(5,784)	(196)	(5,588)	(2.851.02%)
Acceptance Claim	(9,783)	(130,909)	121,126	92.53%
Equity Investment	(2,651)	(33)	(2,618)	(7.933.33%)
(Allowance)/Reversal for Impairment Losses	(15,646,385)	(24,943,938)	9,297,553	37.27%

### (Allowance)/ Reversal For Possible Losses

Bank Mandiri's (Allowance)/Reversal for Other Provisions reached (Rp132,050) million in 2017. This increased by Rp249,687 million or 212.25% from that in 2016, which reached Rp117,637 million. This increase in the Allowance for Other Provisions resulted particularly from a decrease in Allowance for Estimated Losses Arising from Legal Cases amounting to Rp232,291 million.

Table of Allowance/ Reversal for Possible Losses

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Estimated Losses Arising from Fraud	(58,785)	(45,796)	(12,989)	(28.36%)
Estimated Losses Arising from Legal Cases	33,099	265,390	(232,291)	(87.53%)
Losses Arising from Operating Risk – External Fraud	(7,625)	-	(7,625)	(100.00%)
Other Assets	(98,739)	(101,957)	(3,218)	(3.16%)
(Allowance)/ Reversal for Possible Losses	(132,050)	117,637	(249,687)	212.25%

### Unrealised Gains/(Losses) From An Increase/(Decrease) In The Fair Value Of Marketable Securities, Government Bonds, And Policyholders' Investment In Unit-Link Contracts

Bank Mandiri's Unrealised Gains from an Increase in the Fair Value of Marketable Securities, Government Bonds, and Policyholders' Investment in Unit-Link Contracts reached Rp167,892 million in 2017. These increased by Rp152,254 million or 973.62% from those in 2016, which were equal to Rp15,638 million. This increase in the Unrealised Gains from an Increase in the Fair Value of Marketable Securities, Government Bonds, and Policyholders' Investment in Unit-Link Contracts resulted especially from government bonds, namely by Rp103,320 million.

Table of Unrealised Gains/(Losses) from an Increase/(Decrease) in the Fair Value of Marketable Securities, Government Bonds, and Policyholders' Investment in Unit-Link Contracts

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Securities	52,439	3,505	48,934	1.396.12%
Government Bonds	115,453	12,133	103,320	851.56%
<b>Changes in the Fair Value of Policyholders' Investment and an Increase/(Decrease) in the Liability Contract in Unit-Link Contracts</b>				
Changes in the Fair Value of Policyholders' Investment	3,311,638	1,416,023	1,895,615	133.87%
Increase/(Decrease) in the Liabilities under Unit-Link Contracts	(3,311,638)	(1,416,023)	(1,895,615)	133.87%
<b>Unrealised gains/(losses) from an Increase/(Decrease) in the Fair Value of Marketable Securities, Government Bonds, and Policyholders' Investment in Unit-Link Contracts</b>	<b>167,892</b>	<b>15,638</b>	<b>152,254</b>	<b>973.62%</b>

### Gain On Sale Of Marketable Securities And Government Bonds

Bank Mandiri's Gains on Sale of Marketable Securities and Government Bonds reached Rp893,570 million in 2017. These increased by Rp147,666 million or 19.80% from those in 2016, which were equal to Rp745,904 million. This increase in the Gains on Sale of Marketable Securities and Government Bonds resulted primarily from government bonds available for sale amounting to Rp110,056 million.

Table of Gains on Sale of Marketable Securities and Government Bonds

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Securities				
Measured at Fair Value by P/L Statement	117,395	53,957	63,438	117.57%
Available for Sale	35,471	35,259	212	0.60%

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
<b>Government Bonds</b>				
Measured at Fair Value by P/L Statement	33,685	59,725	(26,040)	(43.60%)
Available for Sale	707,019	596,963	110,056	18.44%
Gains on Sale of Marketable Securities and Government Bonds	893,570	745,904	147,666	19.80%

### Other Operating Expense

Bank Mandiri's Other Operating Expense reached (Rp35,013,749) million in 2017. This increased by Rp3,745,551 million or 11.98% from that in 2016, which was equal to (Rp31,268,198 million). This increase in Other Operating Expense resulted primarily from General and Administrative Expenses by Rp1,447,368 million, and Salaries and Benefits by Rp1,239,897 million.

Table Other Operating Expense

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Salary and Allowance Expense	(14,858,642)	(13,618,745)	1,239,897	9.10%
General and Administrative Expenses	(15,405,579)	(13,958,211)	1,447,368	10.37%
Miscellaneous	(4,749,528)	(3,691,242)	1,058,286	28.67%
Total Other Operating Expense	(35,013,749)	(31,268,198)	3,745,551	11.98%

### Non-Operating Expense

Bank Mandiri's Non-Operating Expense reached (Rp12,888) million in 2017. This decreased by Rp26,874 million or 67.59% from that in 2016, which was equal to (Rp39,762) million. This decrease in the Non-Operating Expense resulted primarily from an increase in the Gains on Sale of Fixed Assets, namely by Rp44,657 million, which was compensated by a decrease in the Building Rent Income by Rp13,645 million.

Table of Non-Operating (Expense)/Income

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Gains on Sale of Fixed Assets	44,777	120	44,657	37.214.17%
Penalties	(13,034)	(9,196)	(3,838)	(41.74%)
Miscellaneous	(44,631)	(44,331)	(300)	(0.68%)
Non-Operating (Expense)/Income	(12,888)	(39,762)	26,874	67.59%

### Profit before Tax Expense and Non-Controlling Interests

Bank Mandiri's Profit before Tax Expense and Non-Controlling Interests reached Rp27,156,863 million in 2017. This increased by Rp8,583,898 million or 46.22% from those in 2016, which were equal to Rp18,572,965 million. This increase in the Profit before Tax Expense and Non-Controlling Interests resulted particularly from the Operating Profit by Rp8,557,024 million.



Table of Profit before Tax Expense and Non-Controlling Interests

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Operating Profit	27,169,751	18,612,727	8,557,024	45.97%
Non-Operating Expense	(12,888)	(39,762)	26,874	67.59%
Profit before Tax Expense and Non-Controlling Interests	27,156,863	18,572,965	8,583,898	46.22%

### Tax Expense

Bank Mandiri's Tax Expense reached (Rp5,713,821) million in 2017. This increased by Rp1,791,019 million or 45.66% from that in 2016, which was equal to (Rp3,922,802) million. This increase in Tax Expense resulted particularly from Deferred Tax by Rp1,286,650 million.

Table of Tax Expense

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Current Tax	(5,593,293)	(5,088,924)	(504,369)	(9.91%)
Deferred Tax	(120,528)	1,166,122	(1,286,650)	(110.34%)
Tax Expense – Net	(5,713,821)	(3,922,802)	(1,791,019)	(45.66%)

### Profit for the Current Year

Bank Mandiri's Profit for the Current Year reached Rp21,443,042 million in 2017. This increased by Rp6,792,879 million or 46.37% from that in 2016, which was equal to Rp14,650,163 million. This increase in the Profit for the Current Year resulted primarily from profit before the Profit before Tax Expense and Non-Controlling Interests, namely by Rp8,583,898 million.

Table of the Profit for the Current Year

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Profit before Tax Expense and Non-Controlling Interests	27,156,863	18,572,965	8,583,898	46.22%
Tax Expense - Net			(1,791,019)	(45.66%)
Profit for the Current Year	21,443,042	14,650,163	6,792,879	46.37%

### Other Comprehensive Incomes

Bank Mandiri's Other Comprehensive Incomes reached Rp1,877,993 million in 2017. These decreased by Rp23,816,892 million or 92.69% from those in 2016, which were equal to Rp25,694,885 million. This decrease in the Other Comprehensive Incomes resulted primarily from a decrease in the Gains on Fixed Asset Revaluation by Rp24,614,450 million.

Table of Other Comprehensive Incomes

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Items That Will Not Be Reclassified To Profit or Loss				
Gains on Fixed Asset Revaluation	526,108	25,140,558	(24,614,450)	(97.91%)
Actuarial Losses Arising From the Defined Benefit Plan	(641,569)	(288,896)	352,673	122.08%
Income Tax Related to Items That Will Not Be Reclassified to Profit or Loss	125,139	57,776	67,363	116.59%
Total Items That Will Not Be Reclassified To Profit or Loss	9,678	24,909,438	(24,899,760)	(99.96%)
Items That Will Be Reclassified To Profit or Loss				
Adjustments as a Result of Translation of Financial Statements in Foreign Currencies	(32,750)	(40,722)	7,972	19.58%
Changes in the Fair Value of Available-for-Sale Financial Assets	2,364,089	945,231	1,418,858	150.11%
Effective Portion Arising from the Cash Flow Hedge	(16,826)	-	(16,826)	(100.00%)
Income Tax Related to Items That Will Be Reclassified to Profit or Loss	(446,198)	(119,062)	327,136	274.76%
Total Items That Will Be Reclassified To Profit or Loss	1,868,315	785,447	1,082,868	137.87%
Other Comprehensive Income for the Current Year – After Income Tax	1,877,993	25,694,885	(23,816,892)	(92.69%)

### Net Profit And Comprehensive Profit Income Attributable

Bank Mandiri's Attribution of Comprehensive Profit and Income for the Current Year reached Rp23,321,035 million in 2017. This decreased by Rp17,024,013 million or 42.20% from that in 2016, which was equal to Rp40,345,048 million. The decrease in the Comprehensive Profit and Income for the Current Year Attributable resulted primarily from the Comprehensive Income for the Current Year attributable to owners of the parent company amounting to Rp16,993,029 million.

Table of Attribution of Net Profit and Comprehensive Profit

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Owners of the Parent Company	20,639,683	13,806,565	6,833,118	49.49%
Non-Controlling Interests	803,359	843,598	(40,239)	(4.77%)
Profit for the Current Year Attributable	21,443,042	14,650,163	6,792,879	46.37%
Owners of the Parent Company	22,491,109	39,484,138	(16,993,029)	(43.04%)
Non-Controlling Interests	829,926	860,910	(30,984)	(3.60%)
Comprehensive Income for the Current Year Attributable	23,321,035	40,345,048	(17,024,013)	(42.20%)

## Earning Per Share

Table of the Earning Per Share

(in full Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
Basic	442,28	295,85 <sup>*)</sup>	146.43	49.49%
Diluted	442,28	295,85 <sup>*)</sup>	146.43	49.49%

\*) Restated

## Consolidated Statement of Cash Flows

Having strong operating cash flows, Bank Mandiri has a solid position to grow in the future. This is reflected in the disclosure in the following cash flows:

Table of Cash Flows

(in Million Rupiahs)

Description	2017	2016	Growth	
			(Rp)	(%)
(1)	(2)	(3)	4 = 2-3	5 = 4/3
<b>CASH FLOWS FROM OPERATIONAL ACTIVITIES</b>				
Net Cash Provided by Operational Activities	4,952,703	41,521,119	(36.568.416)	(88.07%)
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>				
Net Cash Used in Investment Activities	(5,247,860)	(6,162,781)	(914.921)	(14.85%)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net Cash Provided by/ Used in Financing Activities	702,143	(1,974,522)	2.676.665	135.56%
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	406,986	33,383,816	(32.976.830)	(98.78%)
<b>EFFECTS OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS</b>	808,703	(1,491,116)	2.299.819	154.23%
Cash and Cash Equivalents at the Beginning of the Year	157,560,107	125,667,407	31.892.700	25.38%
Cash and Cash Equivalents at the End of the Year	158,775,796	157,560,107	1.215.689	0.77%

### Cash Flows From Operational Activities

Bank Mandiri's Cash Flows from Operational Activities was equal to Rp4,952,703 million in 2017. This decreased by Rp36,568,416 million or 88.70% from those in 2016, which amounted to Rp41,521,119 million.

### Cash Flows From Investment Activities

Bank Mandiri's Cash Flows from Investment Activities was equal to (Rp5,247,860) million in 2017. This increased by Rp914,921 million or 14.85% from those in 2016, which amounted to (Rp6,162,781) million.

### Cash Flows From Financing Activities

Bank Mandiri's Cash Flows from Financing Activities was equal to Rp702,143 million in 2017. This increased by Rp2,676,665 million or 135.56% from those in 2016, which amounted to (Rp1,974,522) million.