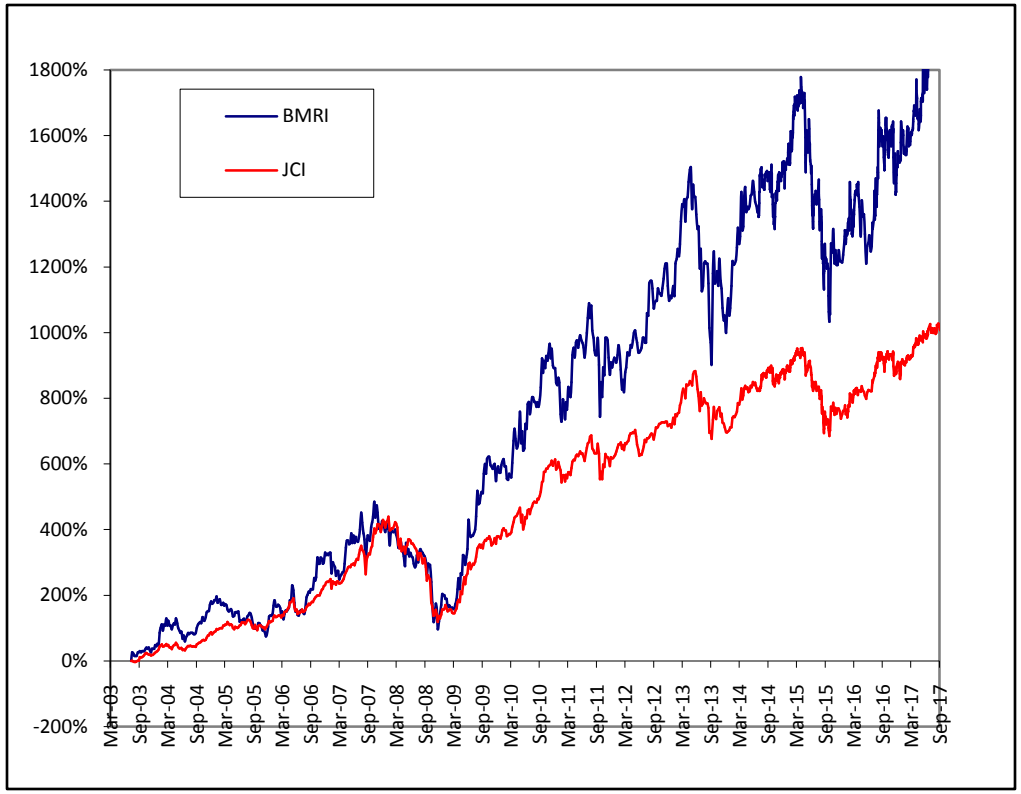
PT Bank Mandiri (Persero) Tbk
9M 2017
Results Presentation



October 24, 2017

mandiri kerja nyata

Share Price Performance and Information



Δ from:	IPO	Dec 31, 2016
BMRI	1,940.66%	16.20%
JCI	1,029.08%	11.85%

No.	Description	By 30 September 2017			
		No. of Investor	%	No. of shares	%
I	**DOMESTIC**				
	1. Government of RI	1	0.01%	28,000,000,000	60.00%
	2. Retail	13,176	78.28%	423,577,112	0.91%
	3. Employees	1,650	9.80%	18,787,834	0.04%
	4. Cooperatives	5	0.03%	1,687,400	0.00%
	5. Foundation	20	0.12%	35,525,490	0.08%
	6. Pension Funds	126	0.75%	288,291,628	0.62%
	7. Insurance	90	0.53%	994,429,660	2.13%
	8. Banks	-	0.00%	-	0.00%
	9. Corporations	73	0.43%	735,088,874	1.58%
	10. Mutual Funds	269	1.60%	1,039,210,688	2.23%
	Total	**15,410**	**91.56%**	**31,536,598,686**	**67.58%**
II	**INTERNATIONAL**				
	1. Retail	107	0.64%	2,250,996	0.00%
	2. Institutional	1,314	7.81%	15,127,816,984	32.42%
	Total	**1,421**	**8.44%**	**15,130,067,980**	**32.42%**
III	**TOTAL**	**16,831**	**100.00%**	**46,666,666,666**	**100.00%**

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Results Overview	*Page #*
▪ Corporate Strategy	3 – 5
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Corporate Plan – Bank Mandiri's 2020 Initiatives

Indonesia's Top Financial Institution:
Grow above the market, portfolio quality focused, *employer of choice* in Indonesia

Accelerate in Growth Segments

- **Become the first choice in consumer banking**, especially in the *middle-income class*
- Focus on **micro fixed income earners** and **asset-backed consumer lending**
- **Selectively grow SME segment and productive micro** by focusing on asset quality

Current Achievements (9M 2017)

- **Consumer Loans Rp95.2Tn (+20.6% YoY)**
- **Micro Loans Rp57.0Tn (+22.1% YoY)**
- **SME Loans Rp59.0Tn (-1.2% YoY)**

Integrate The Group

- **Drive subsidiaries' performance** by increasing synergies within the Mandiri Group.
- **Increase distribution network productivity**
- **Strengthen presence in ASEAN countries**

Current Achievements (9M 2017)

- **Total income from subsidiaries Rp1,533Bn (10.2% of EAT)**
- **Average CASA per branch grew by 7.3%**
- **Obtained Singapore Capital Market License**

Deepen Client Relationship

- **Strengthen** Bank Mandiri's position as the No. 1 **Corporate Bank**
- **Grow in-line with the market** in the **Commercial Banking** segment
- Offering **sector specific solution** and integrated product packages.

Current Achievements (9M 2017)

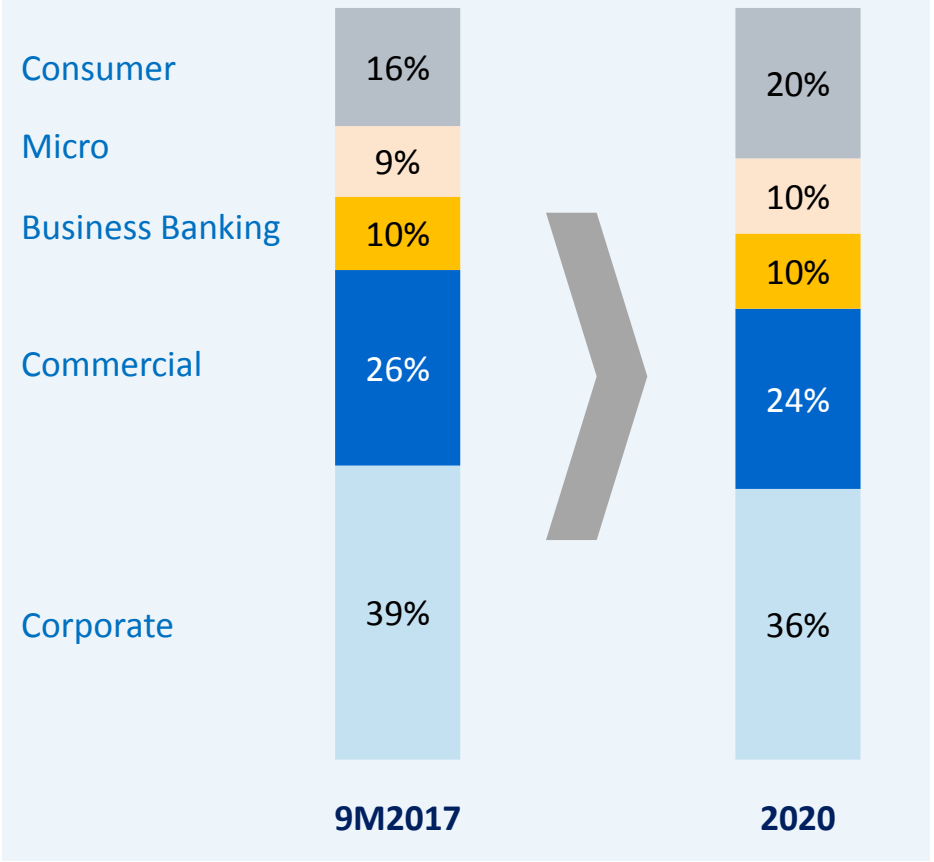
- **Corporate Loans Rp234.7Tn (+12.3% YoY)**
- **Wholesale Fee Income Rp6.3Tn (30.5% of wholesale income)**

How We Plan To Get There

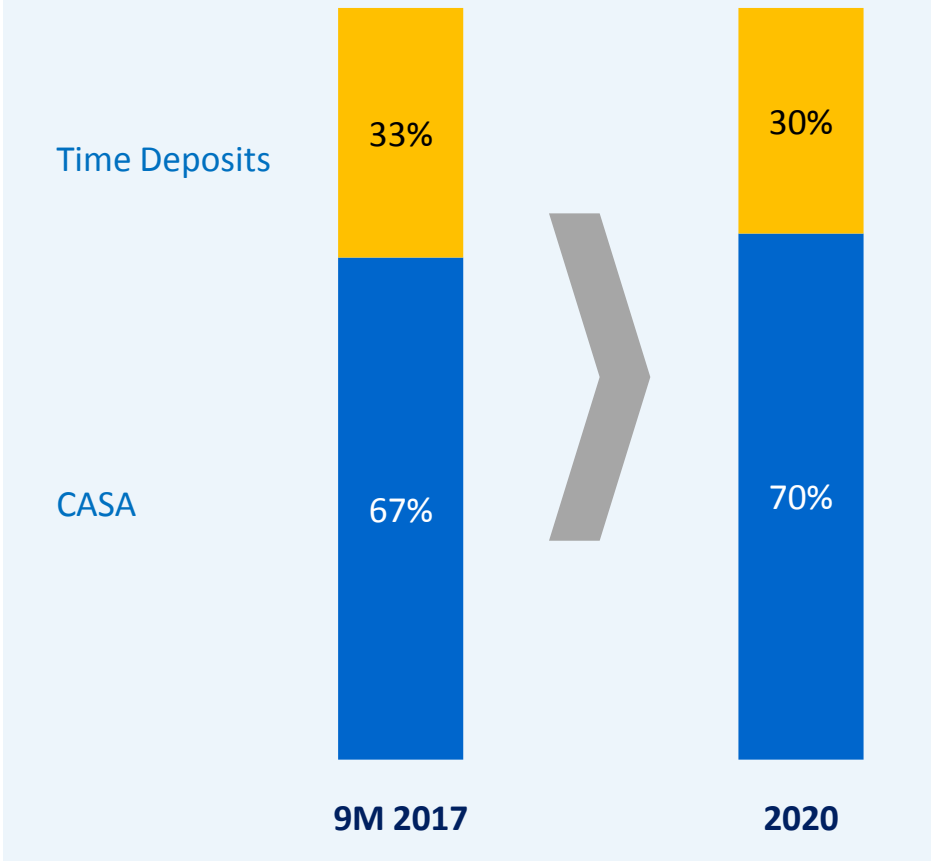
Strategic Initiatives	Description
Focus on Core Business	▪ Grow corporate lending above the market growth rate and deepen relationships with existing clients ▪ Increase fee based income & wholesale current accounts
Expanding into Underpenerated Low-Risk Segments	▪ Accelerate consumer lending growth: mortgages, auto loan and salary based loans ▪ Push retail CASA growth through Bank@Work ▪ Defend market share in SME
Strengthen The Foundation	▪ Lower cost to income ratio through digitalization and productivity enhancements ▪ Reduce NPL ratio by improving the loan underwriting process ▪ Increase utilization and sophistication of data analytics to enhance insights and cross-selling.

Our Portfolio Mix Would Be More Retail-Focused

Assets Composition Mix [1)]



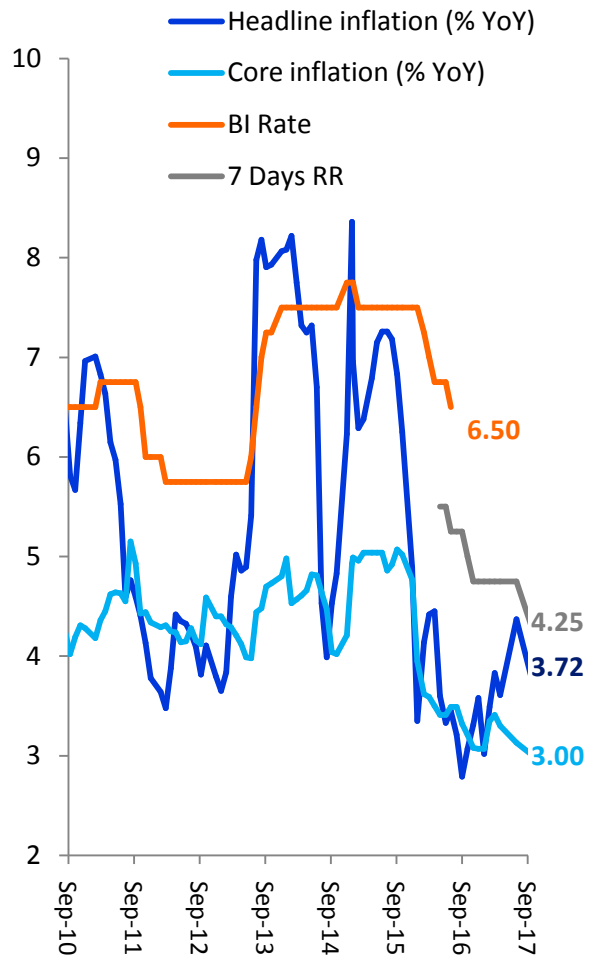
Liabilities Composition Mix



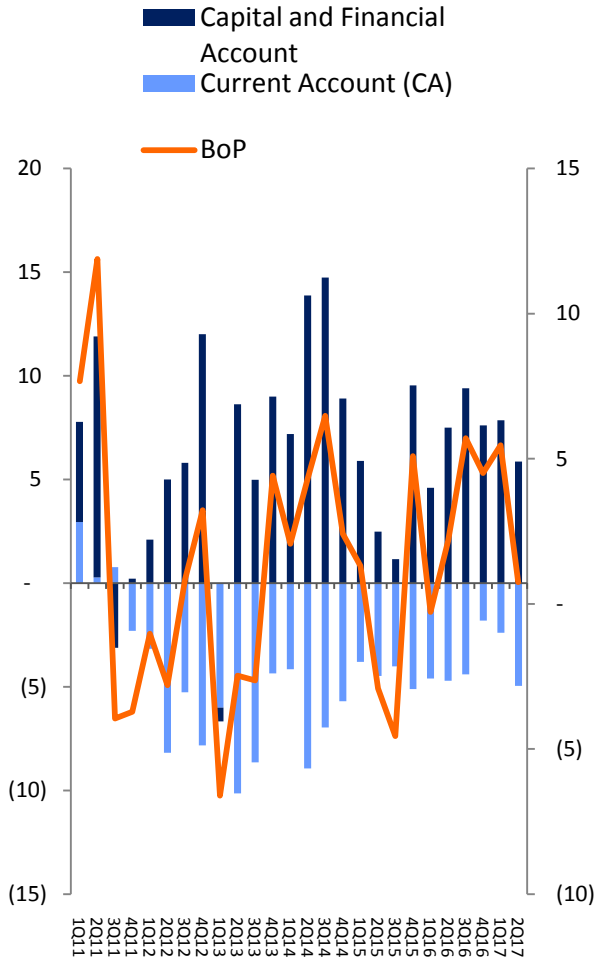
1) Excluding TSM and Wholesale Credit Recovery
Bank only figures

Stable Macroeconomic Indicators

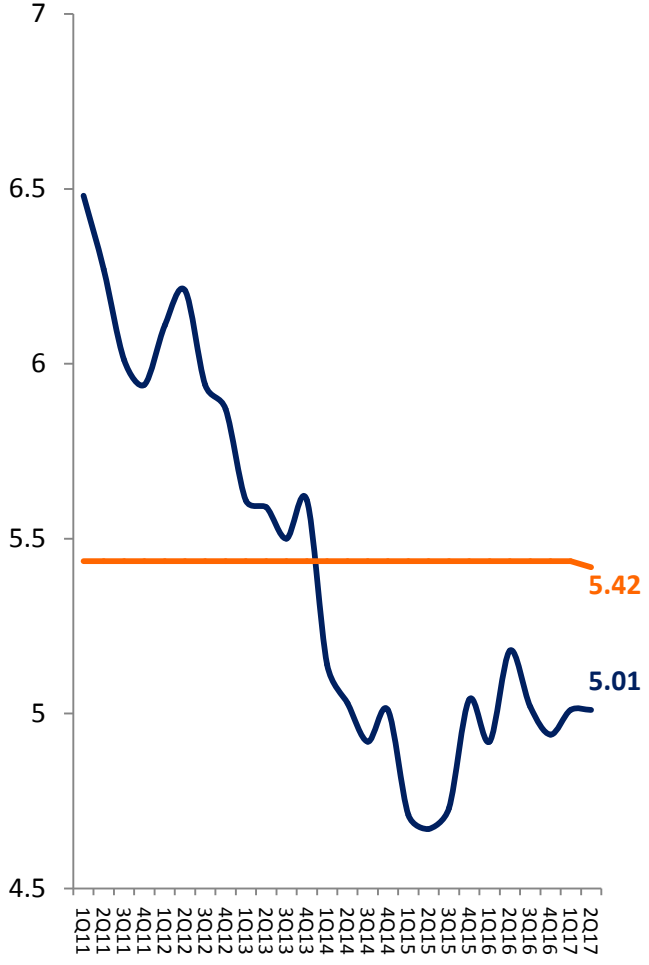
Inflation and Reference Rate



Current account balance in 2Q17 was quite stable



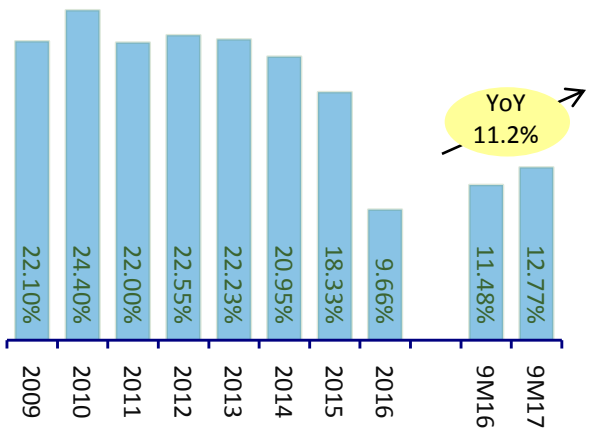
2Q17 GDP Growth : Slow Improvement



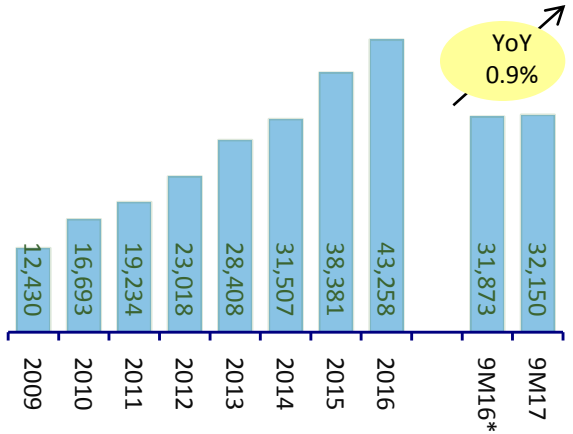
Source : CEIC, Bloomberg

Key Metrics Are Turning Positive

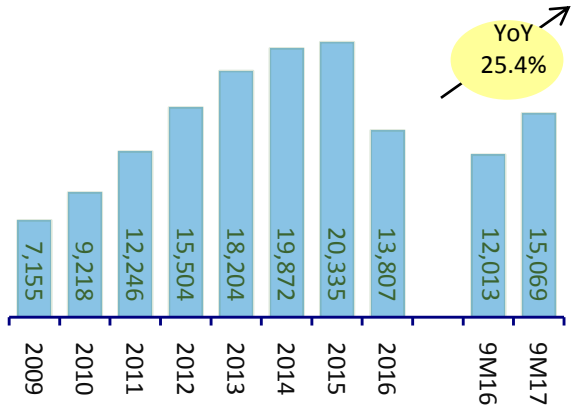
Return on Equity (%)



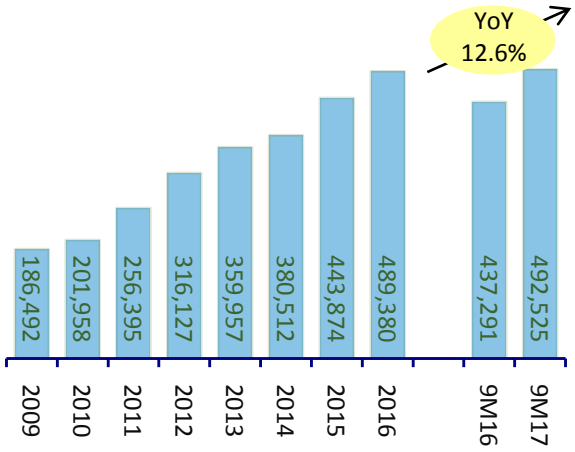
PPOP (Rp Bn)



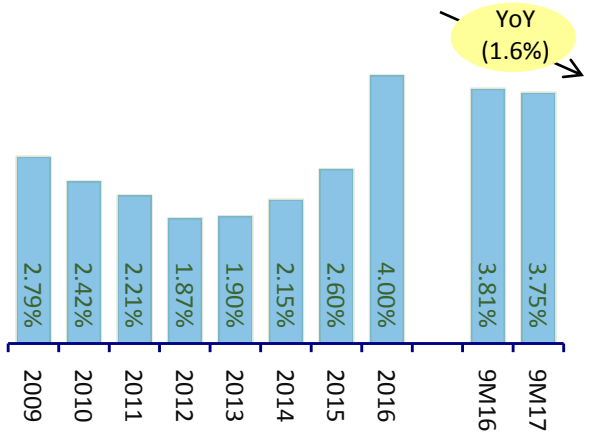
Earning After Tax (Rp Bn)



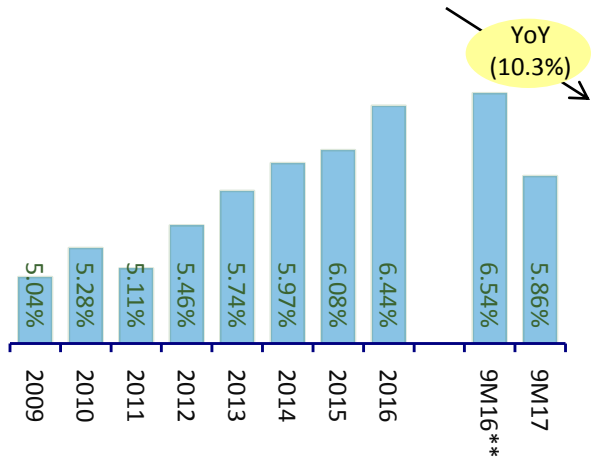
Total CASA (Rp Bn)



Non Performing Loan (%)



Net Interest Margin (%)



*If we adjust the interest income from special repayment last year, PPOP would be Rp29,933Bn (+7.4% YoY)

** If we adjust the interest income from special repayment last year, NIM would be 6.21% (-5.6% YoY)

Key Financial Highlights

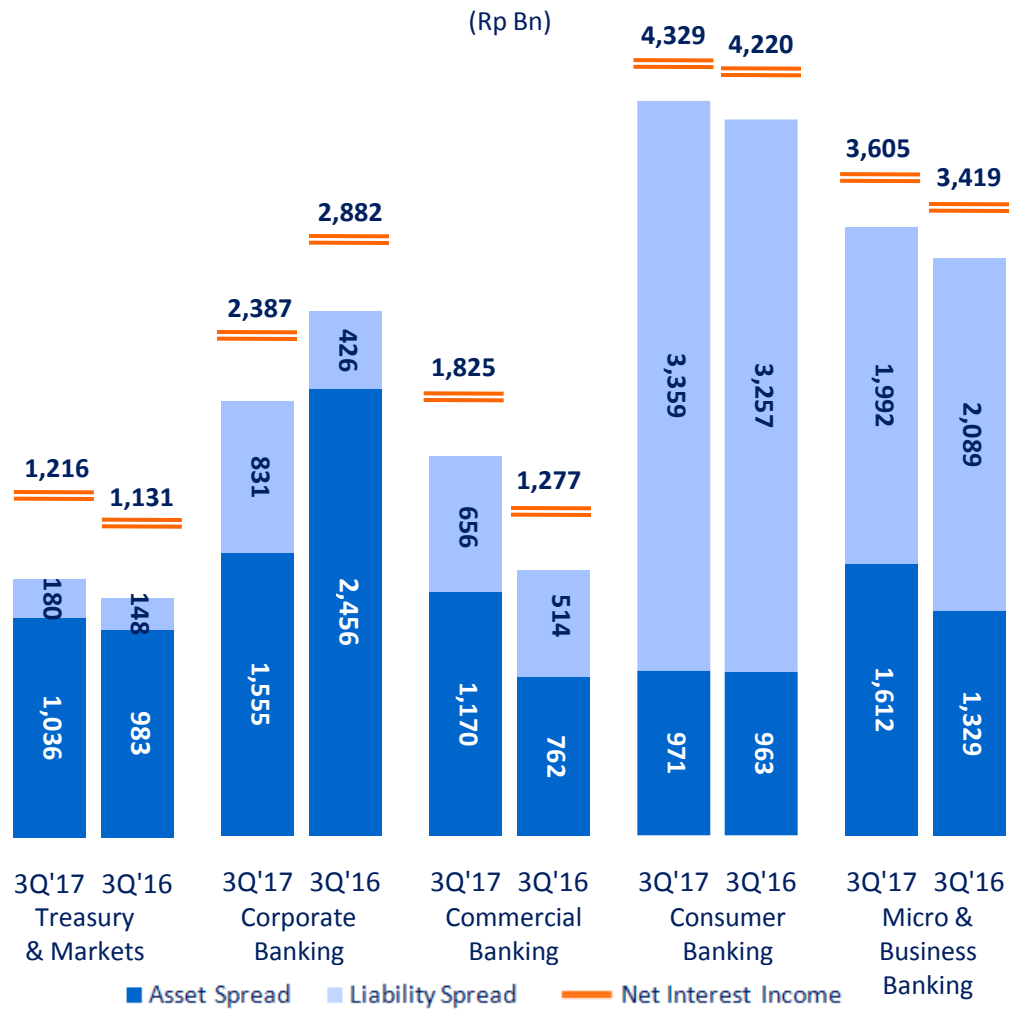
Bank Mandiri's 9M 2017 performance continues to improve:

	9M 2016	9M 2017	△%
Loans	Rp 625.1Tn	Rp 686.2Tn	9.8%
Gross NPL Ratio	3.81%	3.75%	(1.6%)
Net NPL Ratio	1.27%	1.04%	(18.0%)
Low Cost Funds Ratio	63.3%	64.7%	2.1%
[Low Cost Funds (Rp)]	Rp 437.3 Tn	Rp 492.5 Tn	12.6%
NIM *	6.54%	5.86%	(10.3%)
Efficiency Ratio	42.8%	44.8%	4.7%
PPOP **	Rp 31,874 Bn	Rp 32,150 Bn	0.9%
Earnings After Tax	Rp 12,013 Bn	Rp 15,069 Bn	25.4%

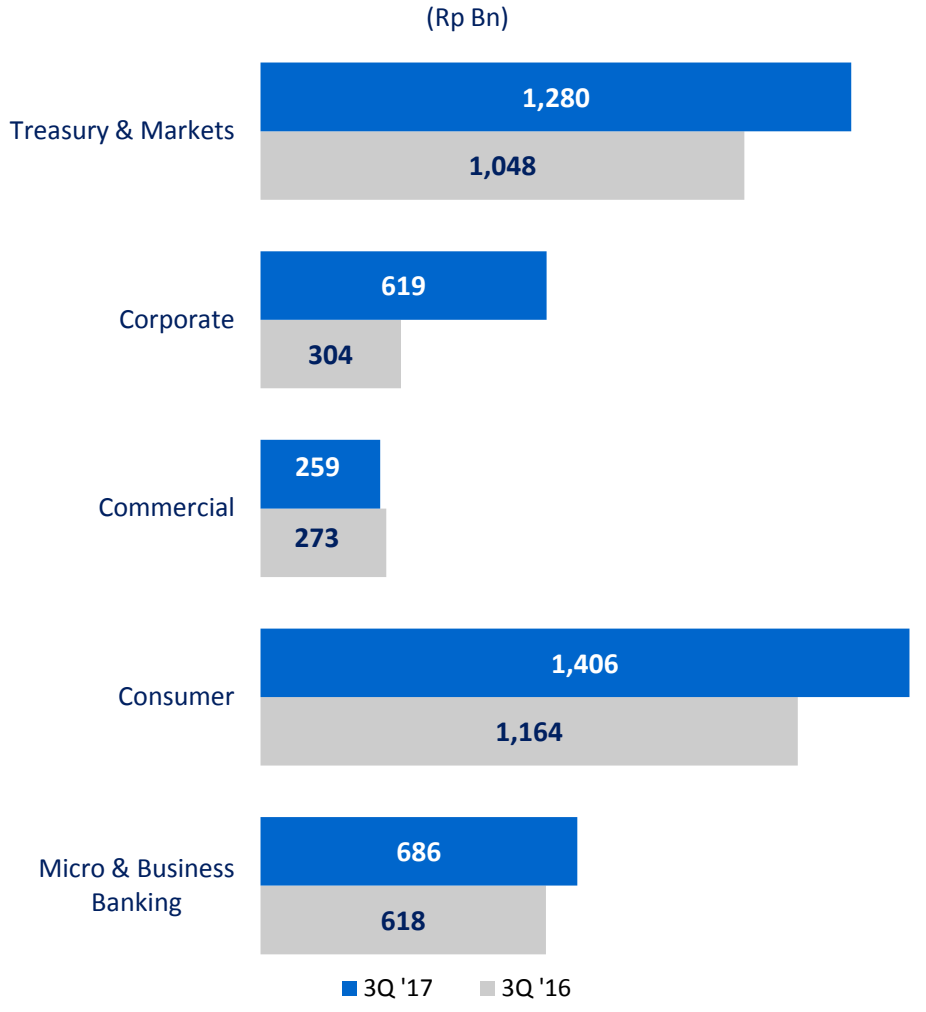
* If we adjust the interest income from special repayment last year, NIM would be 6.21% (-5.6% YoY)
** If we adjust the interest income from special repayment last year, PPOP would be Rp29,933Bn (+7.4% YoY)

Balanced Earnings Between Wholesale and Retail

Net Interest Income Analysis 3Q 2017

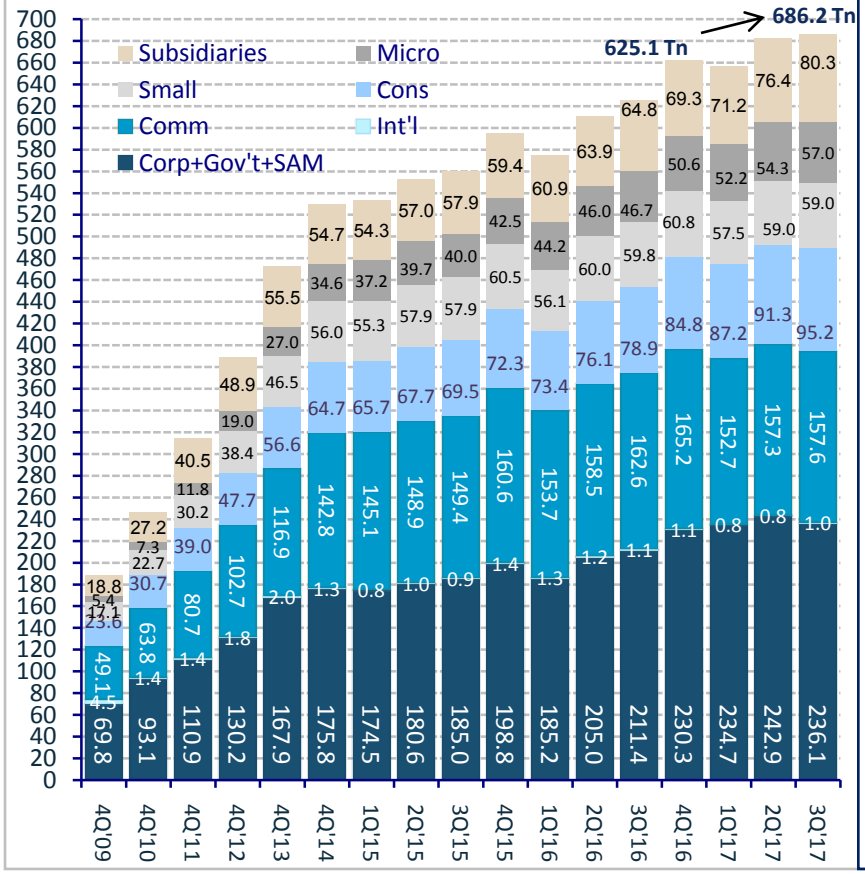


Fee Based Income 3Q 2017



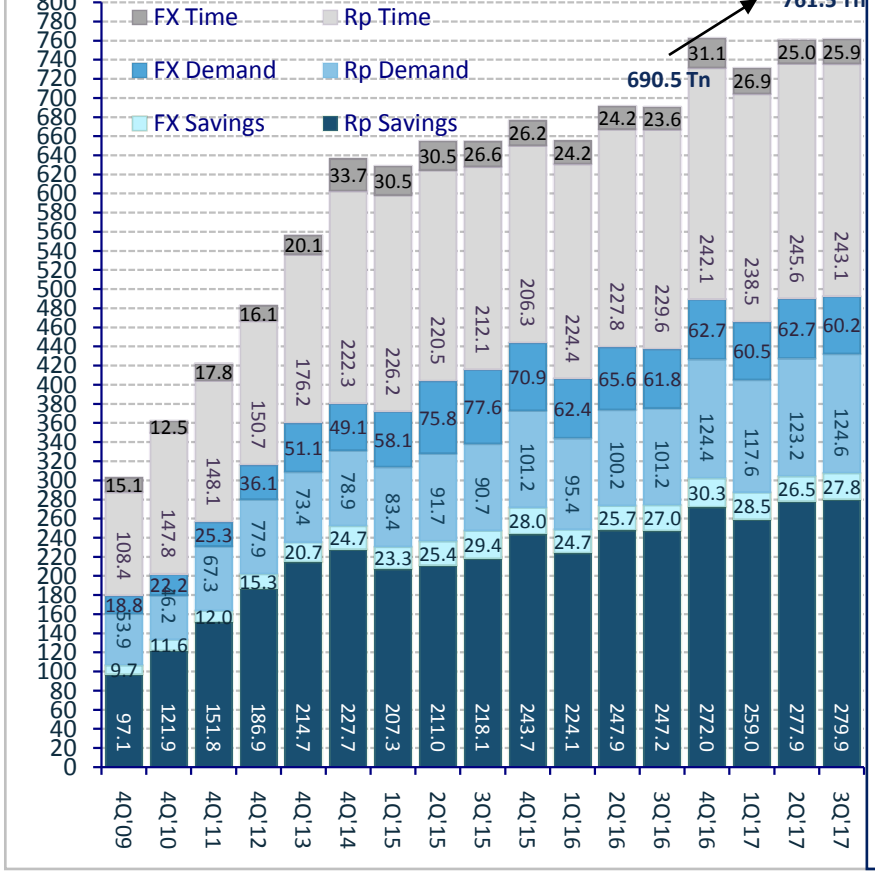
Maintaining Momentum for Growth

Loans by SBU + Subsidiaries (Rp Tn)



Y-o-Y △
9.8%
23.9%
22.1%
(1.2%)
20.6%
(3.1%)
(4.0%)
11.7%

Deposits by Product – Consolidated (Rp Tn)



Y-o-Y △
10.3%
9.6%
5.9%
(2.6%)
23.1%
3.1%
13.2%

Strong and Liquid Balance Sheet

(Rp Bn, Consolidated)

Assets	Sept 2017	Sept 2016	Liabilities	Sept 2017	Sept 2016
Cash	21,027	20,126	Current Account	184,810	163,055
Current Acc w/ BI & Other Banks	68,842	57,708	Savings	307,715	274,236
Placement w/ BI & Other banks	76,593	58,318	Time Deposits	268,964	253,216
Receivables (Acceptances & Others)	33,561	26,637			
Marketable Securities	60,949	55,633	**Total Deposits**	761,490	690,507
Government Bonds	100,197	102,434			
Loans (Gross)	686,157	625,123	Securities Issued	17,143	8,359
Provisions of Loans	(34,695)	(30,091)	Deposits from other banks	26,163	14,208
Net Loans	651,462	595,032	Subordinated Debt	190	3,693
Reverse Repo	4,485	2,127	Borrowings	37,424	31,166
Other Provisions	(1,828)	(2,252)	Other Int. Bearing Liabilities	15,696	25,506
Deferred Tax Assets	4,536	3,493	Non Int. Bearing Liabilities	56,706	48,938
Other Assets	58,881	55,908	Equity incl. Minority Interest	163,891	152,786
Total	**1,078,703**	**975,163**	**Total**	**1,078,703**	**975,163**

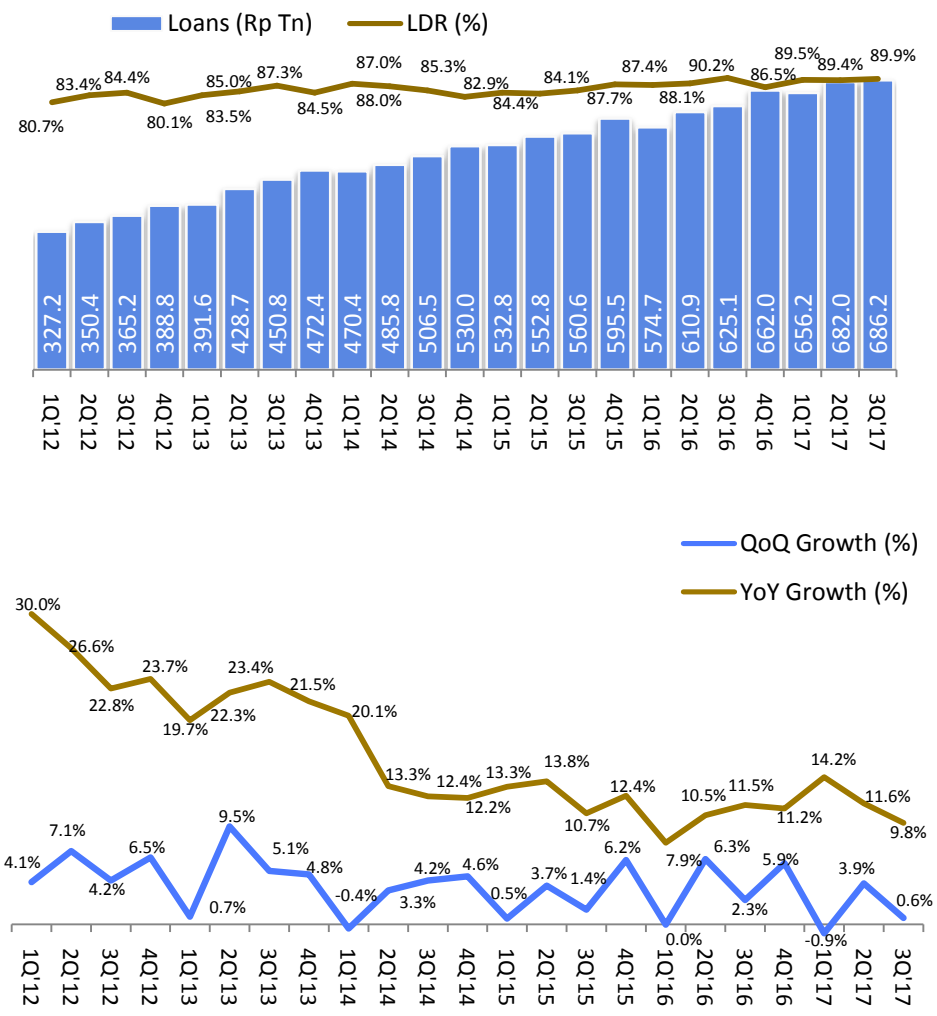
Lower Credit Cost and Strong Non-Interest Income

Summary P&L (Rp Bn)	3Q 2017	3Q 2016	Y-o-Y	2Q 2017	Q-o-Q	9M 2017	9M 2016	Y-o-Y
Interest Income	20,183	20,518	-1.6%	19,682	2.5%	59,308	56,885	4.3%
Interest Expense	7,031	6,104	15.2%	6,811	3.2%	20,469	18,228	12.3%
Net Interest Income *	**13,152**	**14,413**	**-8.7%**	**12,871**	**2.2%**	**38,839**	**38,657**	**0.5%**
Net Premium Income	490	751	-34.7%	677	-27.6%	1,781	2,296	-22.4%
Net Interest Income & Premium Income	**13,643**	**15,164**	**-10.0%**	**13,548**	**0.7%**	**40,620**	**40,953**	**-0.8%**
Other Non Interest Income								
• Other Fees and Commissions	3,214	2,755	16.7%	2,910	10.4%	9,120	8,238	10.7%
• Foreign Exchange Gains - Net	766	618	23.9%	688	11.3%	2,107	1,635	28.9%
• Gain fr. sale & Incr. in Val & Sale of Bonds	208	263	-20.9%	456	-54.4%	926	672	37.8%
• Others	1,758	1,399	25.7%	1,583	11.1%	4,687	3,682	27.3%
Total Non Interest Income	**5,947**	**5,036**	**18.1%**	**5,637**	**5.5%**	**16,840**	**14,226**	**18.4%**
Total Operating Income	19,589	20,200	-3.0%	19,185	2.1%	57,460	55,179	4.1%
Provisions, Net	(2,889)	(6,023)	-52.0%	(3,929)	-26.5%	(12,218)	(15,911)	-23.2%
Personnel Expenses	(3,668)	(3,290)	11.5%	(3,413)	7.5%	(10,579)	(10,184)	3.9%
G&A Expenses	(3,816)	(3,497)	9.1%	(3,825)	-0.2%	(11,042)	(10,441)	5.8%
Other Expenses **	(1,767)	(889)	98.7%	(958)	84.5%	(3,689)	(2,680)	37.6%
Total Expense	**(9,251)**	**(7,676)**	**20.5%**	**(8,195)**	**12.9%**	**(25,311)**	**(23,306)**	**8.6%**
Profit from Operations	7,449	6,501	14.6%	7,061	5.5%	19,931	15,962	24.9%
Non Operating Income	(45)	(15)	203.9%	(24)	90.9%	(92)	(23)	306.6%
Net Income Before Tax	7,404	6,486	14.2%	7,038	5.2%	19,839	15,939	24.5%
Net Income After Tax	**5,606**	**4,933**	**13.7%**	**5,384**	**4.1%**	**15,069**	**12,013**	**25.4%**

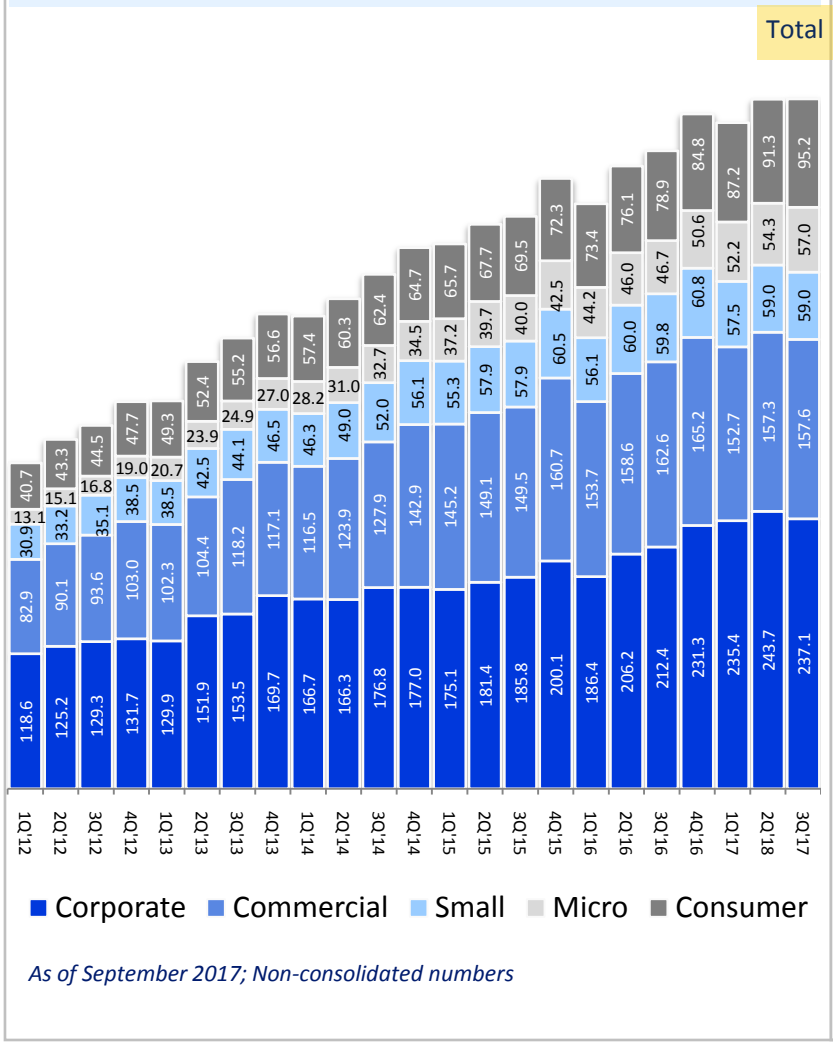
*) Including Rp1,941Bn special repayment in 3Q 2016
**) In 3Q 2017, including Rp675Bn tax cases provisioning

LDR Decreased to 89.9%, Bank Only Loan Growth of 8.1%

Quarterly Loan Data
(Consolidated)



Quarterly Loan Segment Details
(Bank Only)



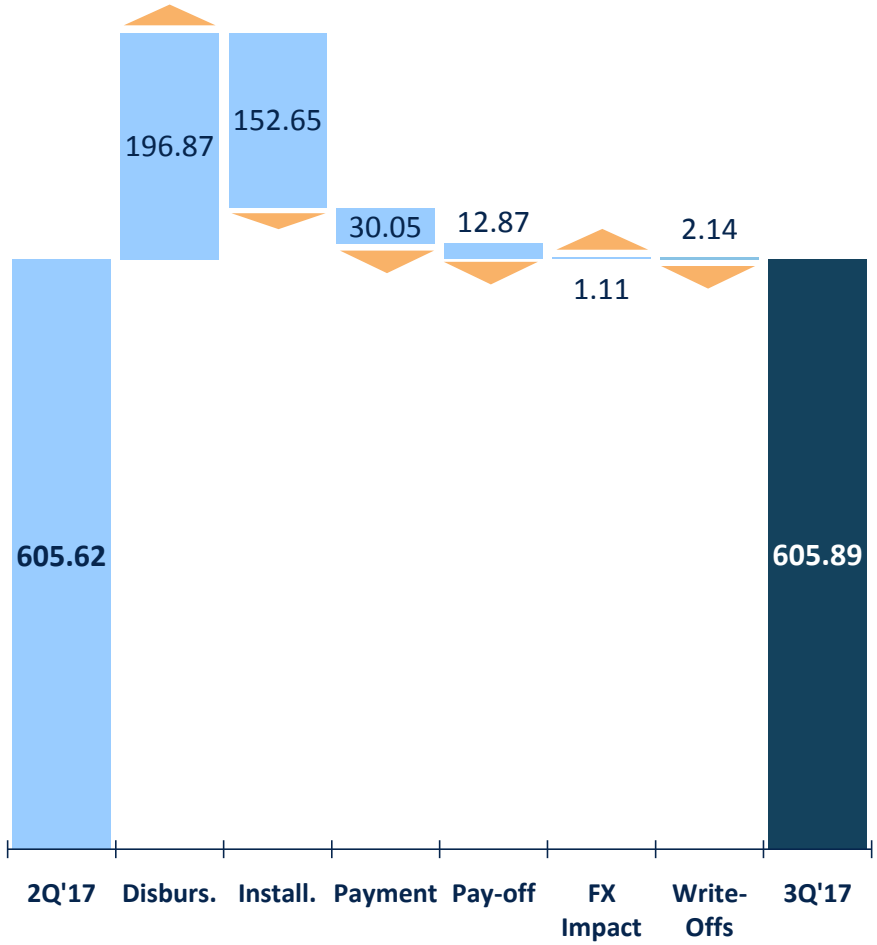
	Y-o-Y △	Break down
Total	8.1%	
	20.6%	15.7%
	22.1%	9.4%
	-1.2%	9.7%
	-3.1%	26.0%
	11.7%	39.1%

As of September 2017; Non-consolidated numbers

Rp 196.87 Tn in Loans Disbursed in 3Q 2017

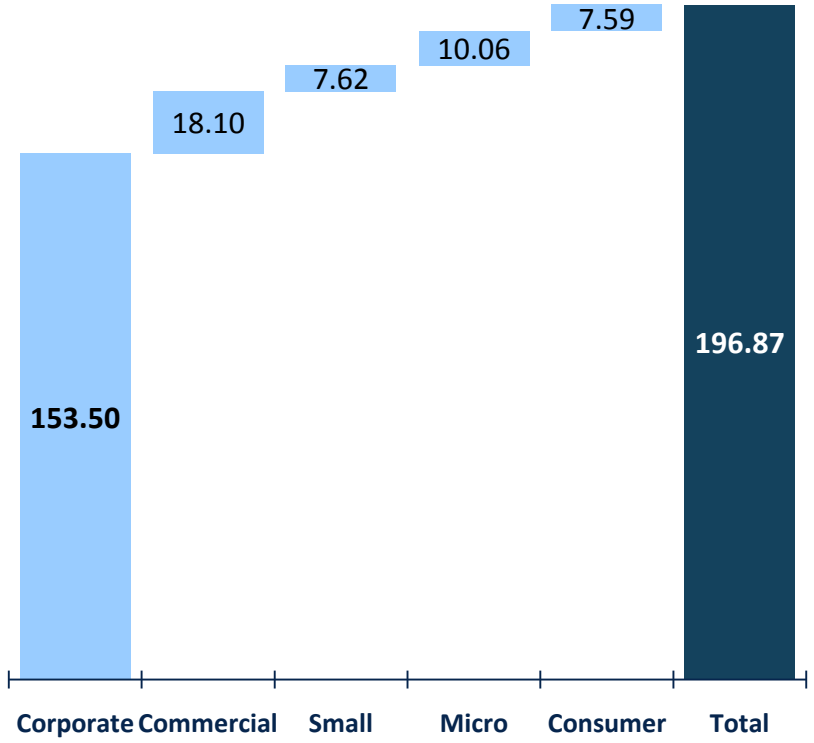
Loan Movement– 3Q 2017 Bank-Only

Rp Tn



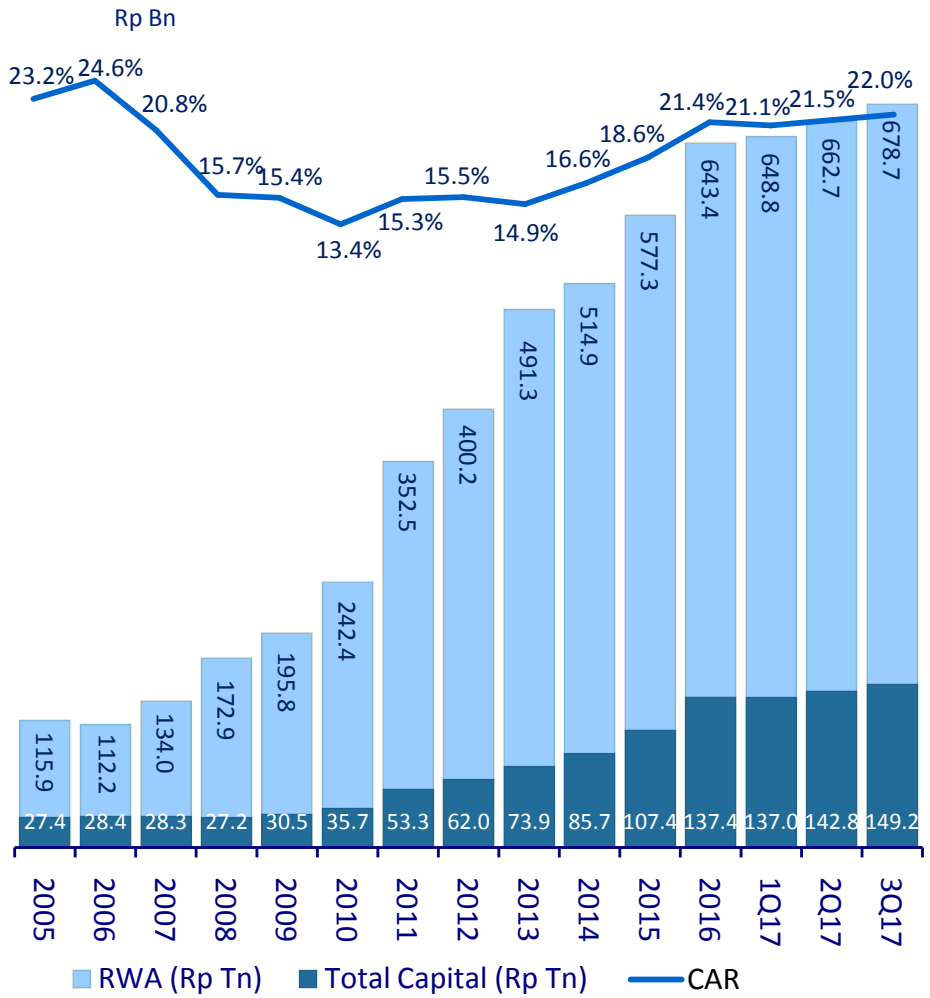
Loan Disbursement by Segment – 3 Q 2017 Bank-Only

Rp Tn



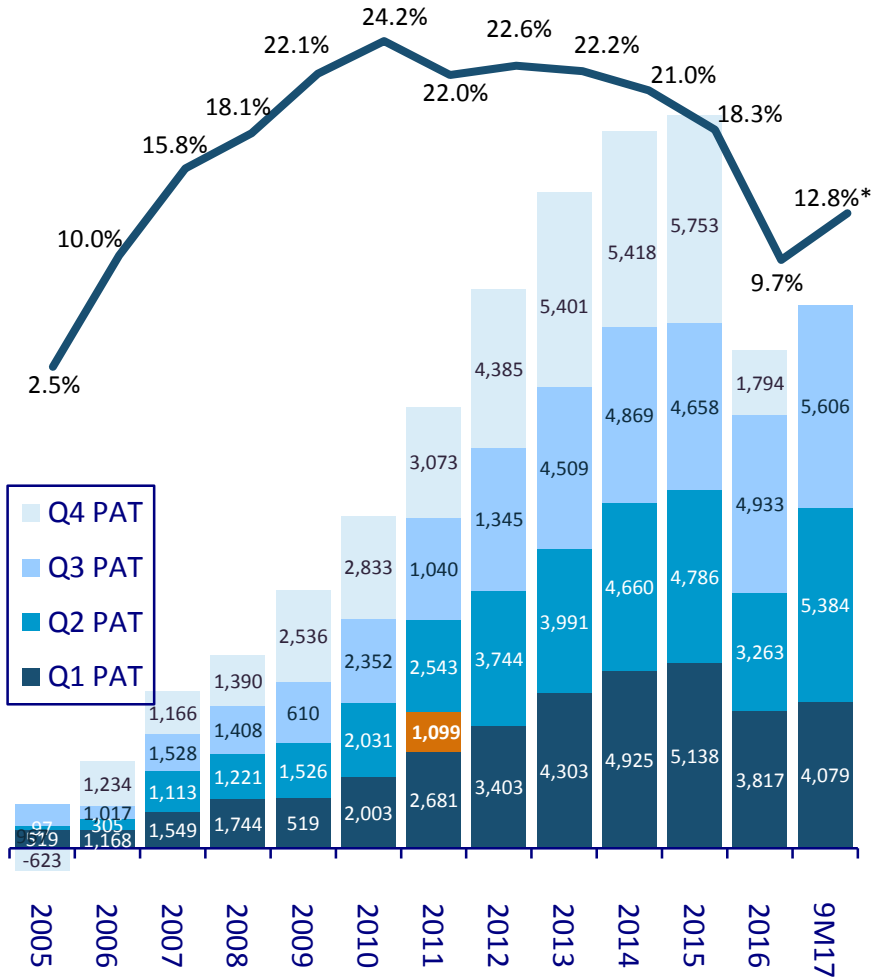
Post Asset Revaluation CAR 22%; ROE 12.8%

Bank Only - Capital & RWA Movement



- CAR inclusive of Credit and Market Risk started in December 2004
- CAR inclusive of Credit, Market and Operational Risk started in January 2010

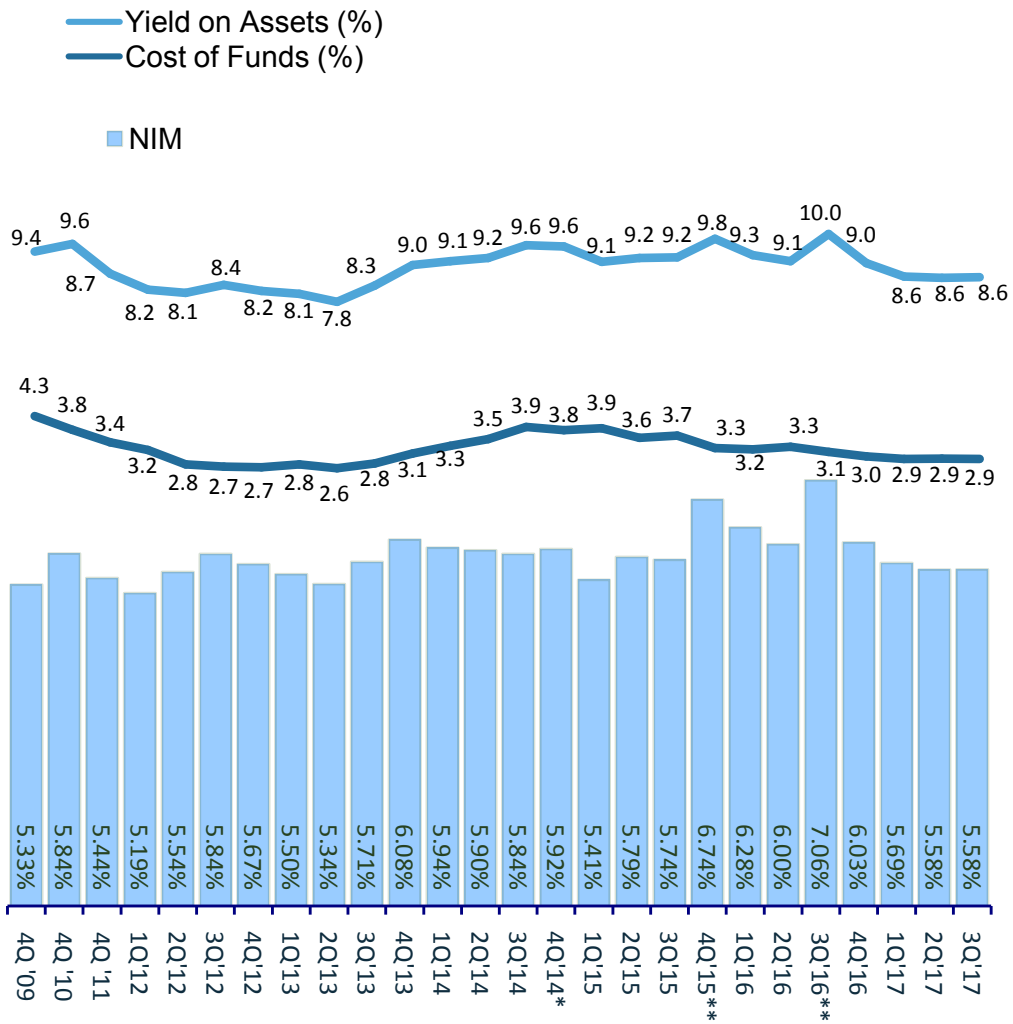
Profit After Tax & ROE



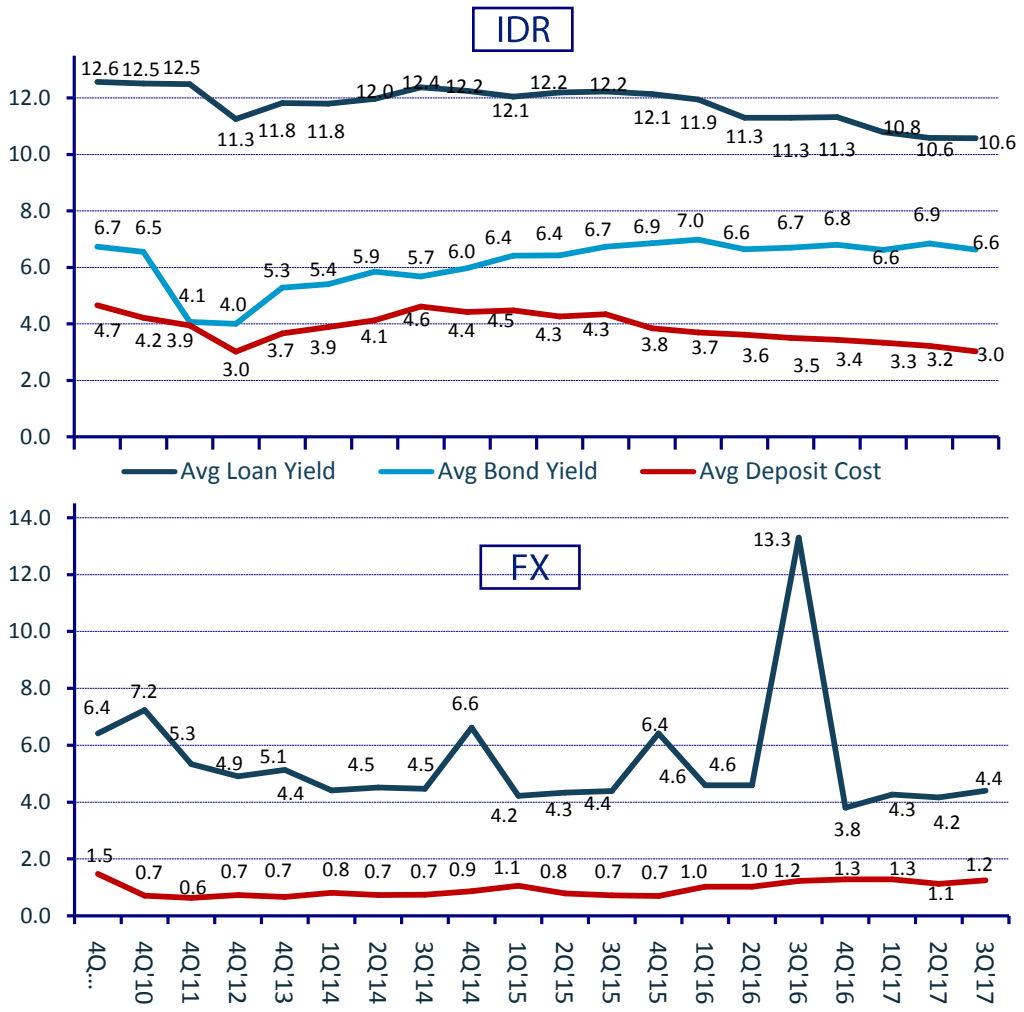
* Annualized 9M2017

Q3 Bank-Only NIM of 5.6%

Quarterly Net Interest Margin



Quarterly Yields & Costs by Currency (%)



* Starting on 4Q2014, we back out the LPS premium from the interest expense

** 4Q 15 / 3Q16, If we adjust the interest income from special repayment last year, NIM would be 6.5% / 6.0% , YoA would be 9.5% / 8.9%, Average FX Loan Yield 4.2% / 4.2%

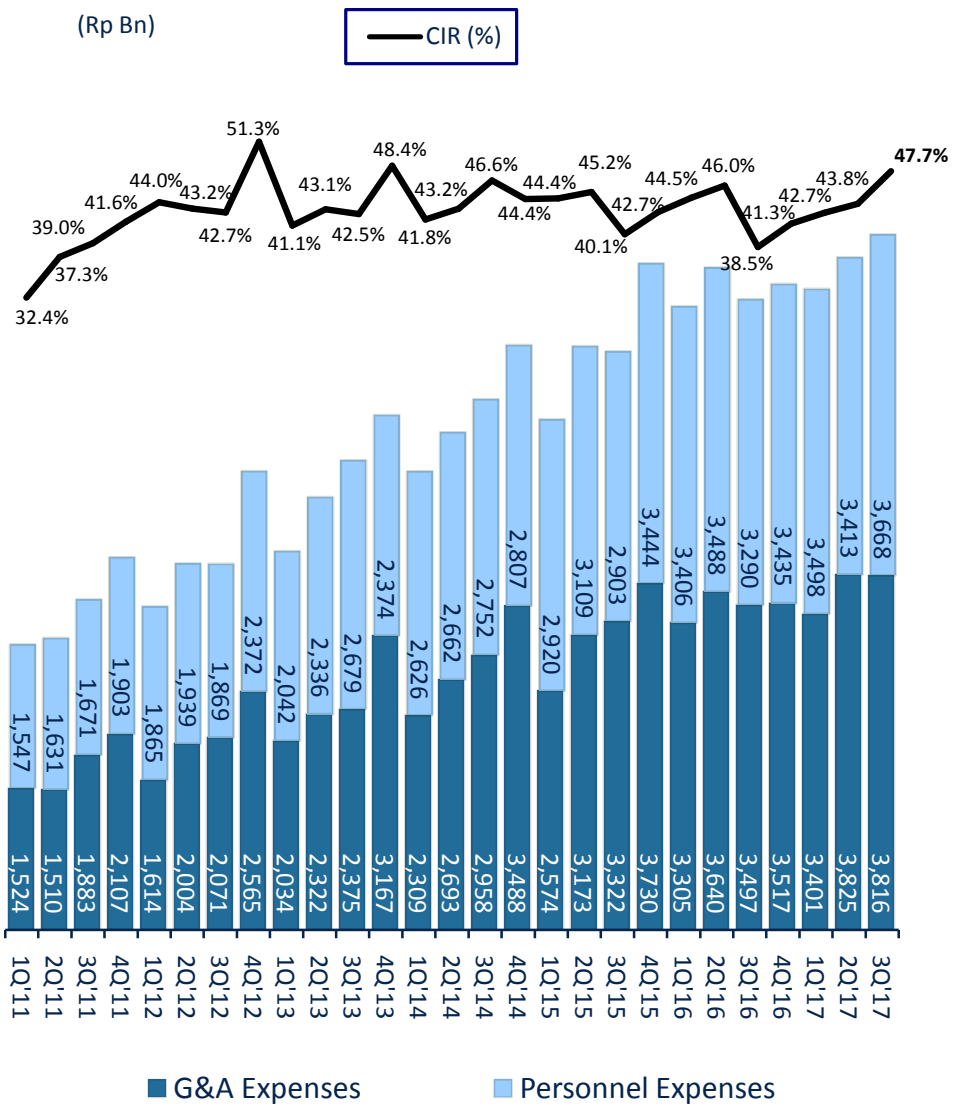
Greater Detail On Fee-Based Income

Breakdown of 3Q2017 Non-Loan Related Fees & Commissions (Rp Bn)

Non-Loan Related Fees & Commissions	3Q 2017	3Q 2016	Y-o-Y Δ%	2Q 2017	Q-o-Q Δ%	9M 2017	9M 2016	Y-o-Y Δ%
Administration Fees	932	878	6.1%	975	-4.4%	2,764	2,612	5.8%
Opening L/C, BG & Cap. Market (Custodian & Trustee)	335	297	12.6%	309	8.3%	966	923	4.7%
Subsidiaries	400	388	3.1%	364	9.8%	1,174	1,058	11.0%
Transfer, Retail Transaction	696	565	23.2%	617	12.8%	1,925	1,686	14.2%
Credit Cards	568	497	14.4%	519	9.4%	1,558	1,497	4.1%
Mutual Fund, ORI & Bancassurance	123	100	22.0%	104	18.0%	333	301	10.6%
Syndications	169	77	118.8%	64	165.4%	504	320	57.4%
Payroll Package	18	18	(1.5%)	18	(0.3%)	53	56	(5.9%)
Others	(25)	(65)	(60.9%)	(59)	(57.5%)	(157)	(217)	(27.7%)
Total	**3,214**	**2,755**	**16.7%**	**2,910**	**10.4%**	**9,120**	**8,238**	**10.7%**
Foreign Exchange Gains	766	618	23.9%	688	11.3%	2,107	1,635	28.9%
Gains Fr Sale & Incr. in Value of Sec. & Gov. Bonds	208	263	(20.9%)	456	(54.4%)	926	672	37.81%
Cash Recoveries	915	810	13.0%	870	5.2%	2,451	2,001	22.5%
Others Income	844	589	43.2%	713	18.3%	2,235	1,681	32.95%
Total Fee Based Income (As Reported)	**5,947**	**5,036**	**18.1%**	**5,637**	**5.5%**	**16,840**	**14,226**	**18.4%**
% of Non Loan Related fees to total opr. income	**30.4%**	**24.9%**		**29.4%**		**30.4%**	**30.4%**	

3Q 17 Cost to Income Ratio of 47.7%*

Quarterly Consolidated Operating Expenses & CIR



Breakdown of 3Q 2017 Operating Expenses

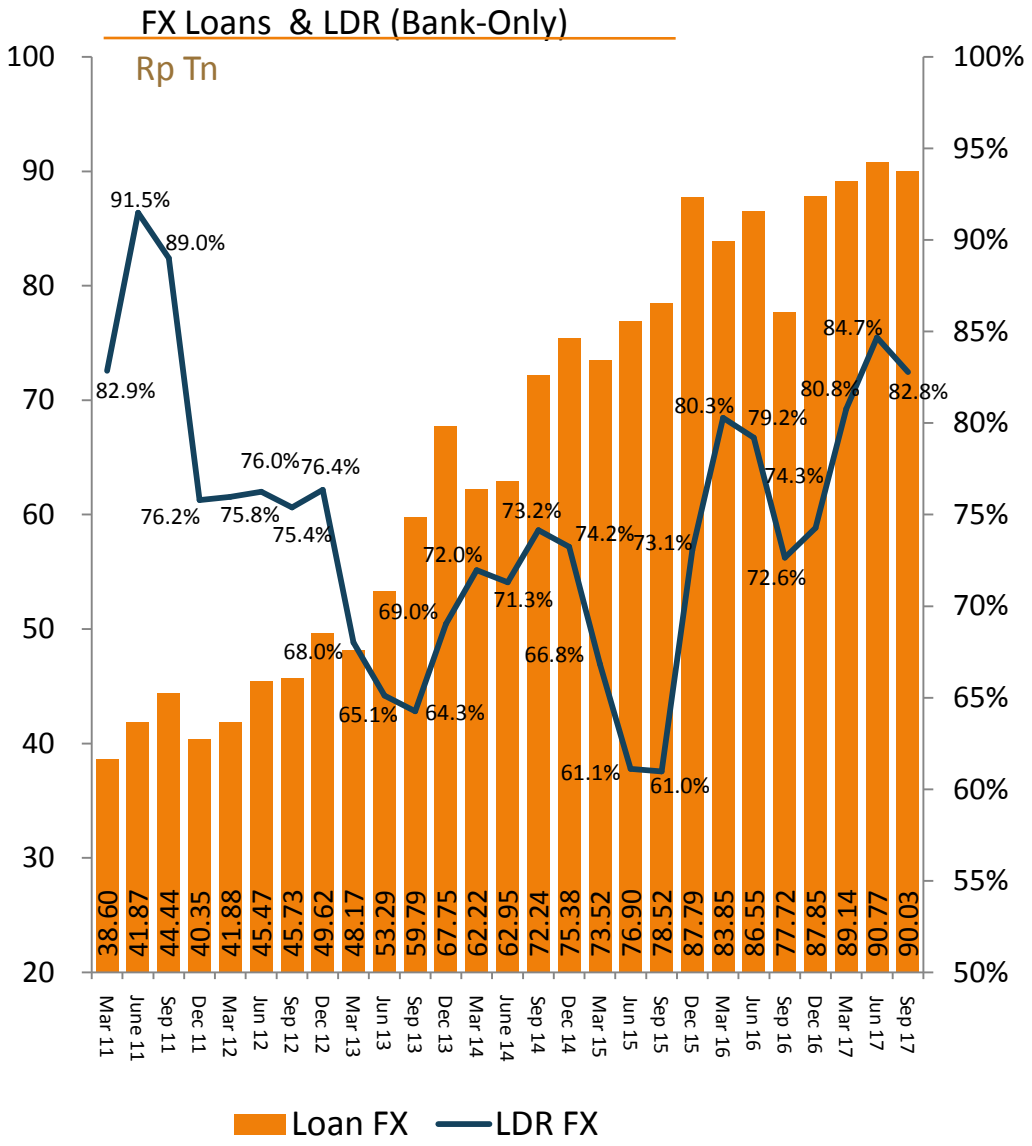
(Rp Bn)

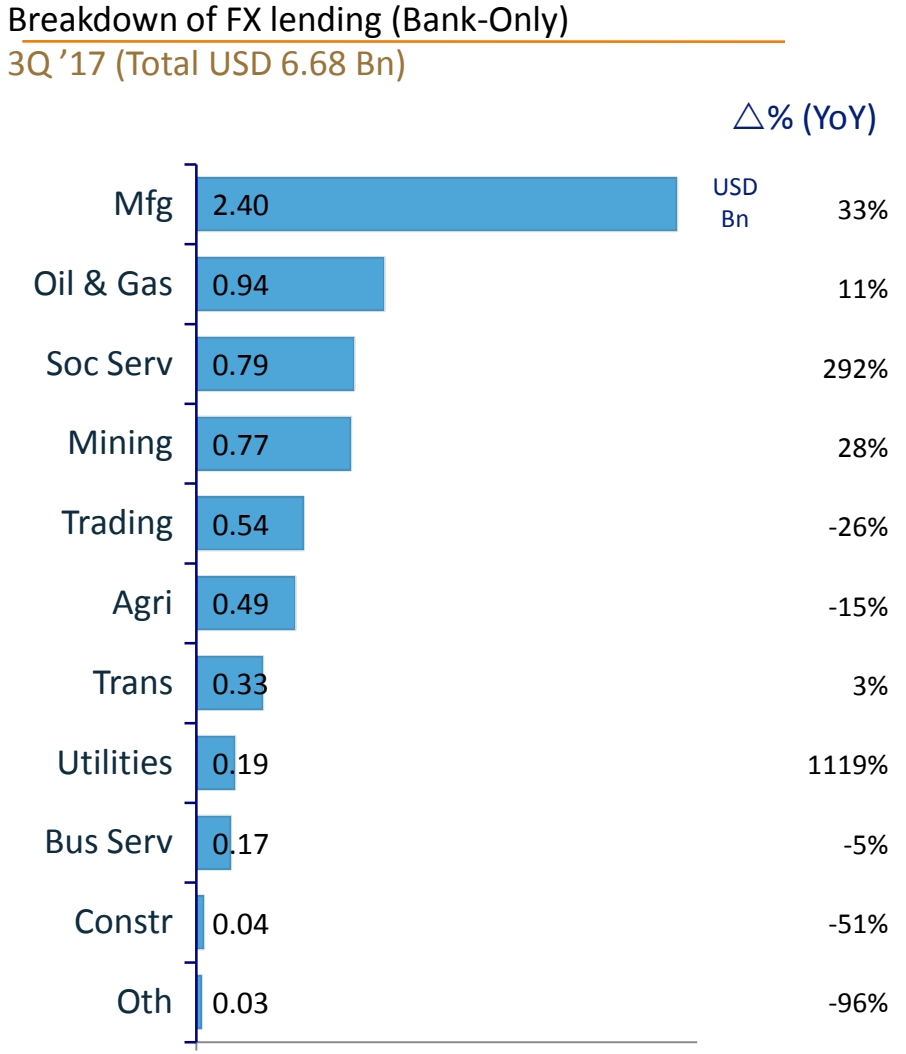
	Q3 2017	Q2 2017	Q3 2016	QoQ	YoY 3Q	9M 2017	9M 2016	YoY 9M
Personnel Expenses								
Base Salary	955	947	891	0.9%	7.2%	2,836	2,651	7.0%
Other Allowances	1,633	1,605	1,452	1.8%	12.5%	4,856	4,760	2.0%
Post Empl. Benefits	122	119	97	3.0%	26.6%	324	298	9.0%
Training	120	70	138	72.1%	-12.9%	250	353	-29.2%
Subsidiaries	837	672	712	24.6%	17.6%	2,312	2,122	8.9%
Total Personnel Expenses	**3,668**	**3,413**	**3,290**	**7.5%**	**11.5%**	**10,579**	**10,184**	**3.9%**
G&A Expenses								
IT & telecoms	595	605	505	-1.5%	17.9%	1,785	1,567	13.9%
Occupancy Related	731	763	700	-4.2%	4.4%	2,158	2,077	3.9%
Promo & Sponsor	305	231	292	31.9%	4.4%	771	857	-10.1%
Transport & Travel	179	188	157	-4.9%	13.6%	518	510	1.6%
Goods, Prof. Svcs. & Oth.	498	554	483	-10.0%	3.2%	1,505	1,380	9.1%
Employee Related	654	627	571	4.3%	14.4%	1,885	1,753	7.5%
Subsidiaries	854	858	788	-0.4%	8.3%	2,421	2,298	5.4%
Total G&A Expenses	**3,816**	**3,825**	**3,497**	**-0.2%**	**9.1%**	**11,042**	**10,441**	**5.8%**
Other Expenses **	**1,767**	**958**	**889**	**84.5%**	**98.7%**	**3,689**	**2,680**	**37.6%**
Total Operating Expenses	**9,251**	**8,195**	**7,676**	**12.9%**	**20.5%**	**25,311**	**23,306**	**8.6%**

*44.3% excluding Rp 675bn tax provisioning

** In 2017, including Rp 675bn tax provisioning

Prudent Management of FX Balance Sheet

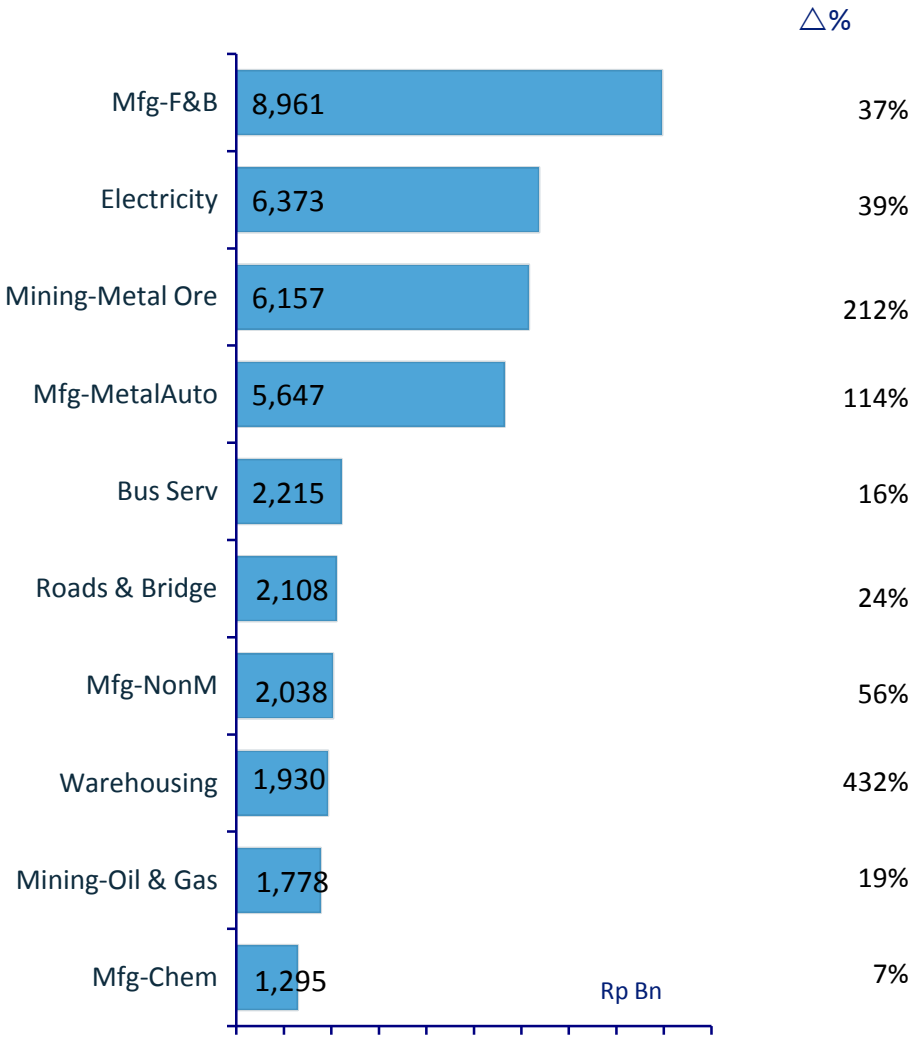




Diversifying our Strength in Wholesale Lending…

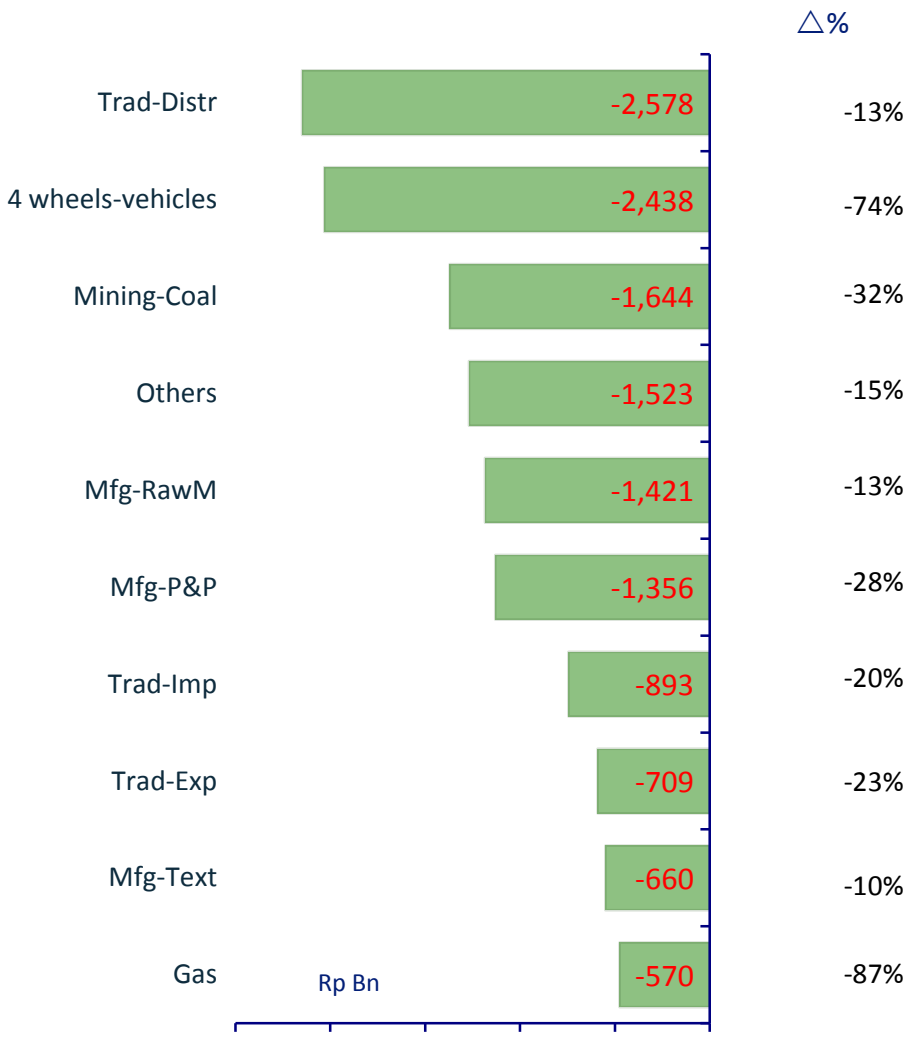
Top 10 Industries in Corporate Lending Expansion

3Q '17 – 3Q'16 (Total Rp24.76 Tn)



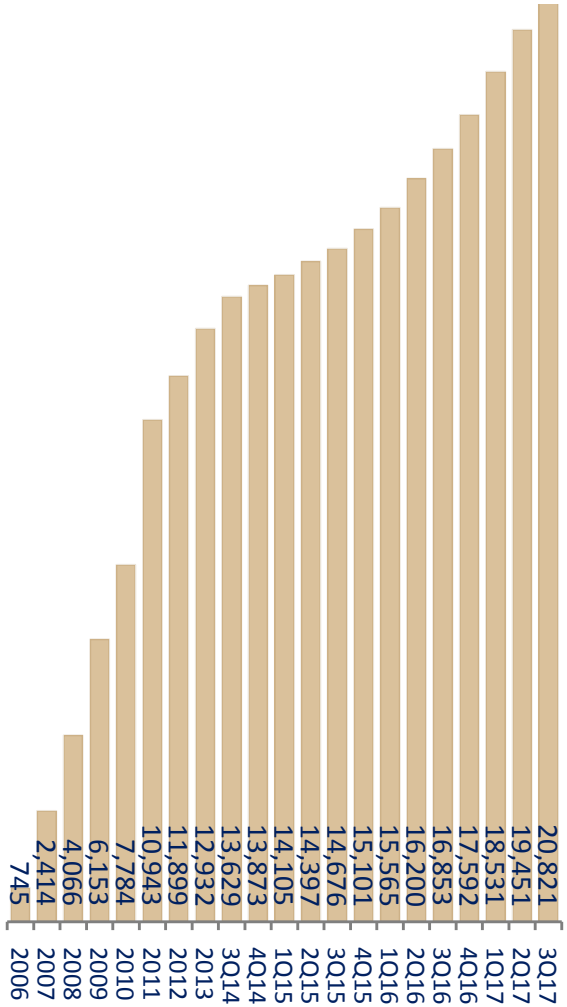
Top 10 Industries in Commercial Lending Contraction

3Q '17 – 3Q '16 (Total –Rp5.03 Tn)

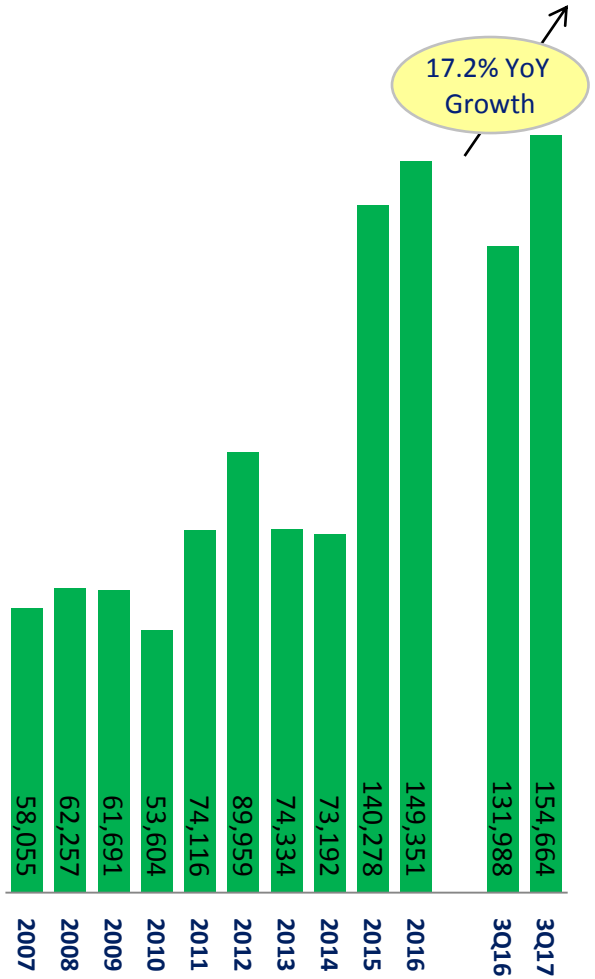


Wholesale Transactions Driving CASA

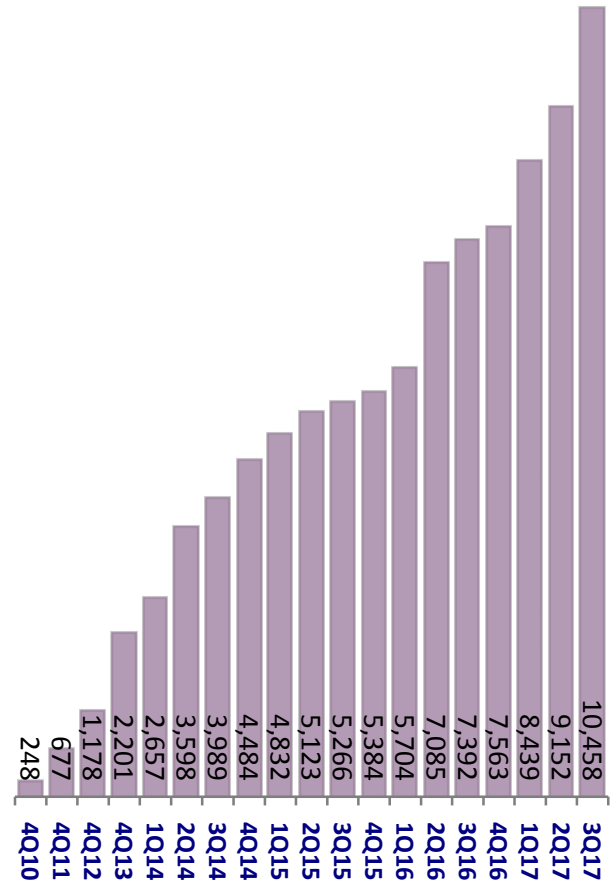
Cash Management Users



Wholesale CASA Deposits (Rp Bn)



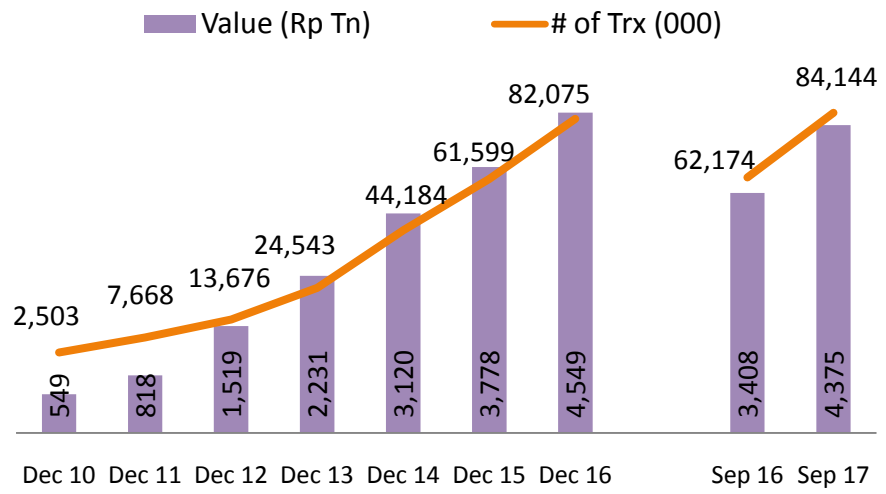
Average # of Cash Management Tx (000), total 31.4Mn transactions in 3Q 2017*



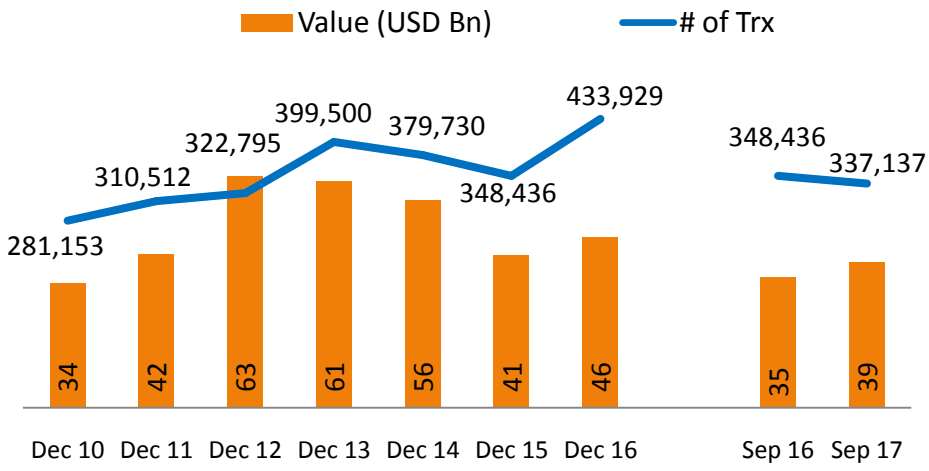
*) Excluding Mandiri Transaction System

Strong Pickup in Cash Management

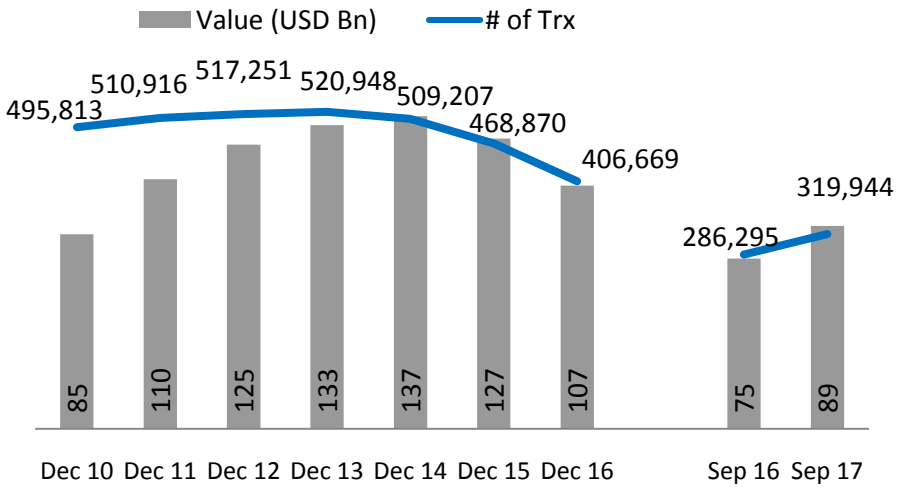
Mandiri Cash Management*



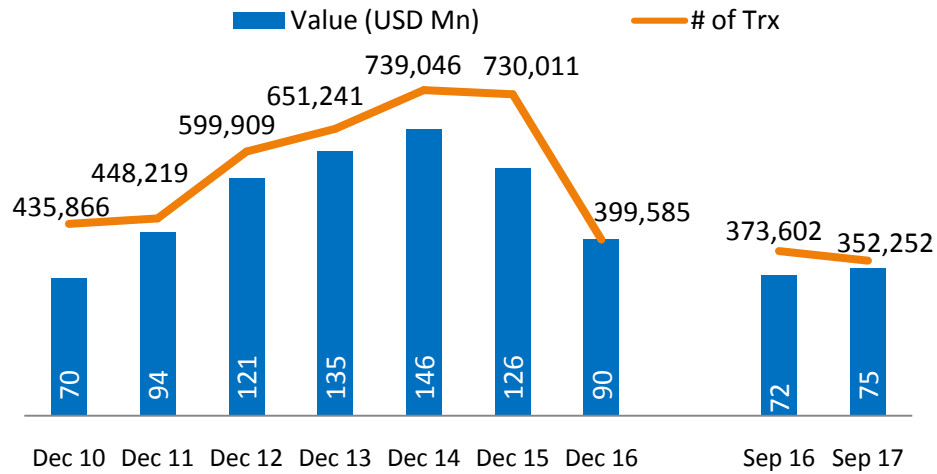
Forex



Trade Transactions : Export, Import, Domestic



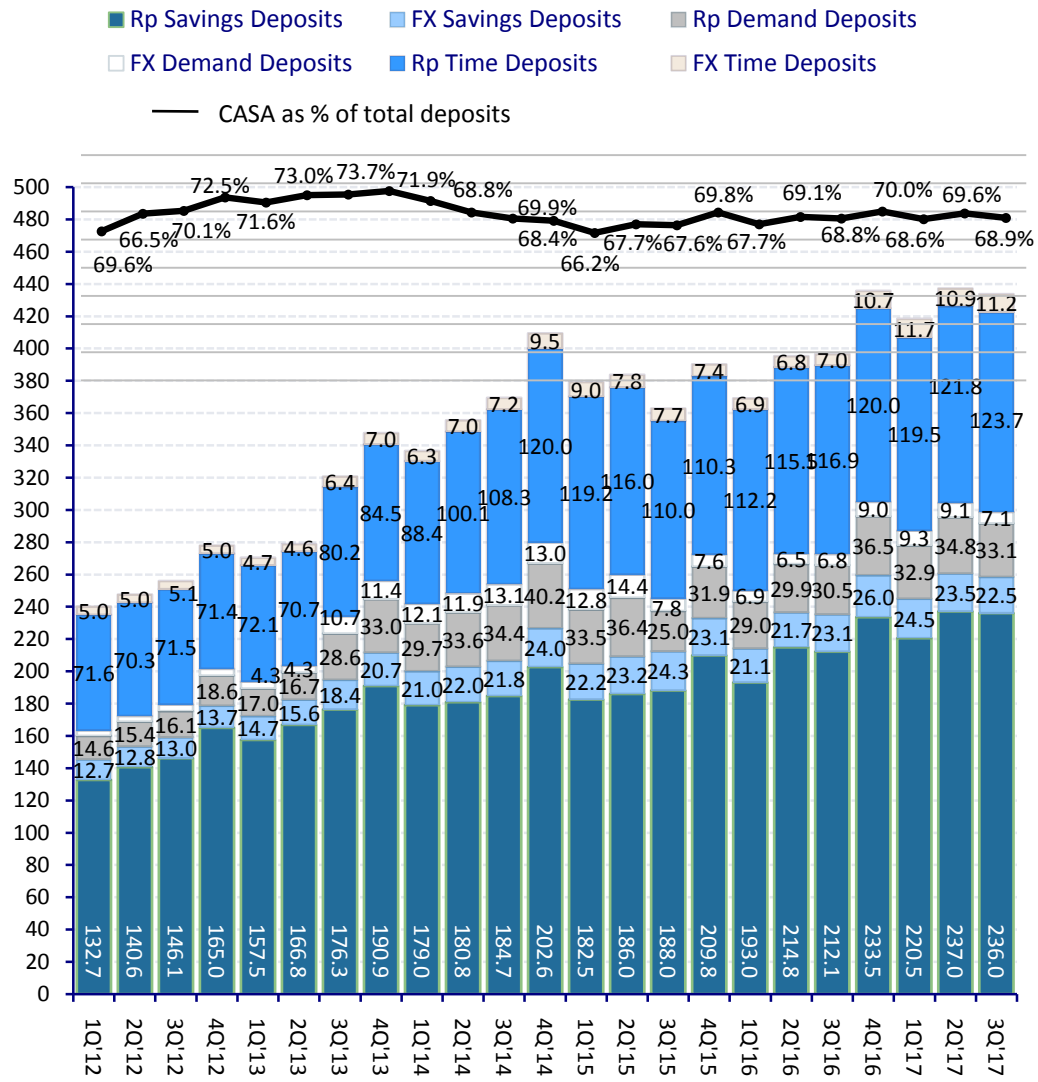
Wholesale Remittance



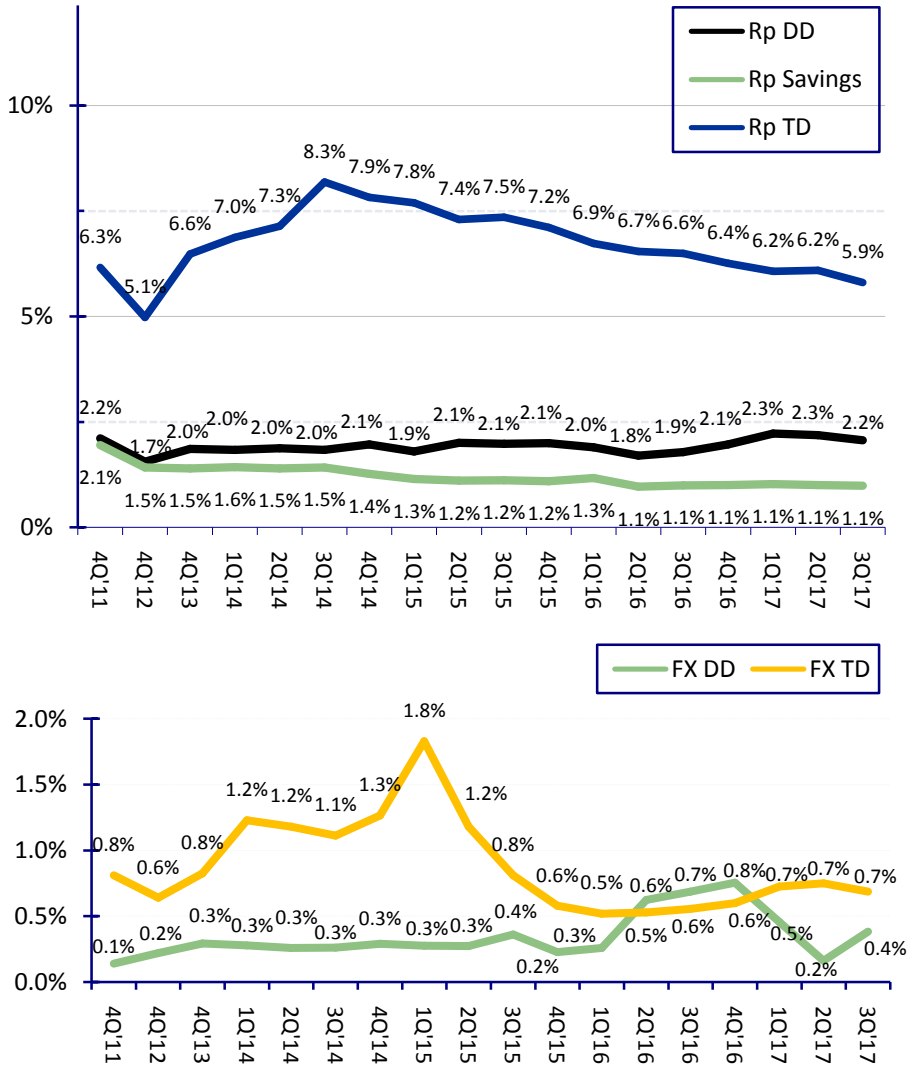
*) Excluding Mandiri Transaction System

Retail Deposits Increased by 9.4% Year on Year

Retail Deposit Analysis – Bank Only

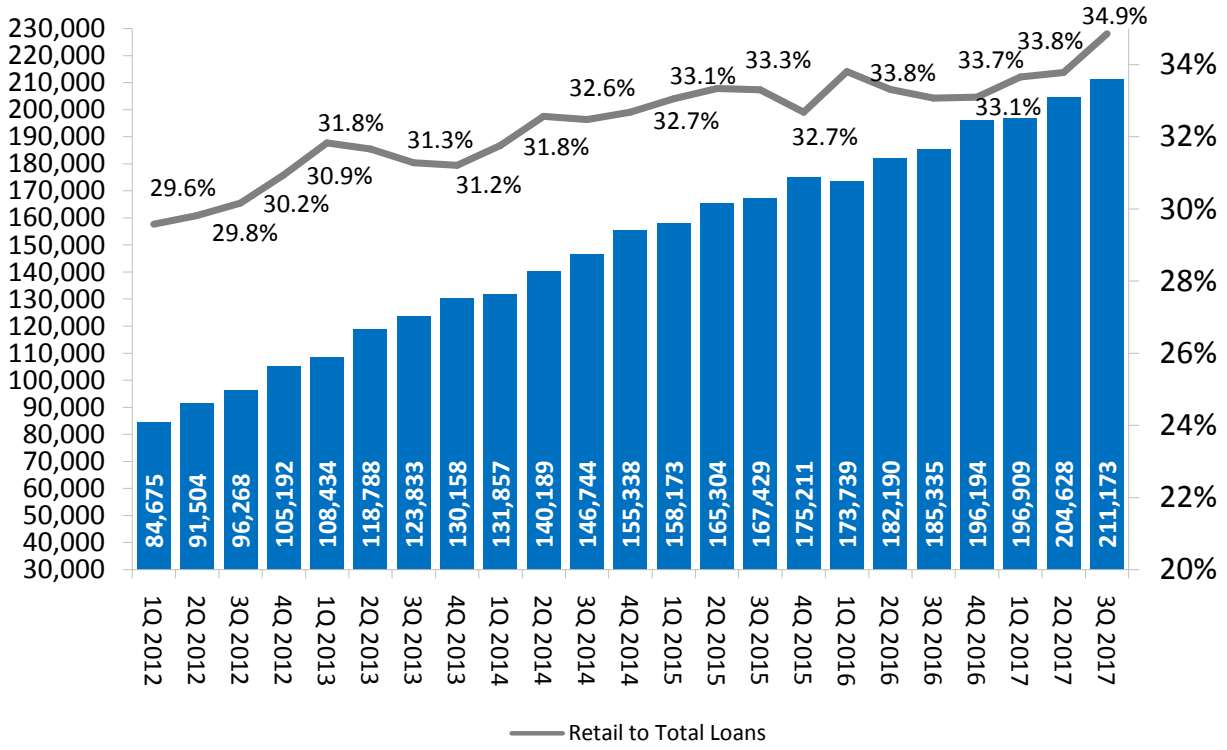


Average Quarterly Deposit Costs (%)



Consumer and Micro Are Key Retail Growth Drivers

Retail to Total Loans



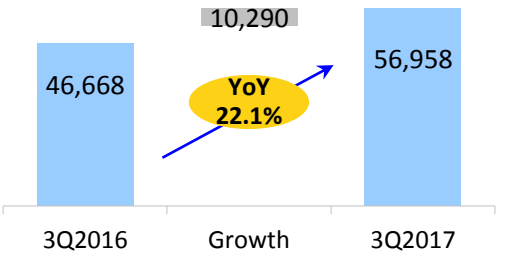
Micro Credit | **Business Banking** | **Consumer**



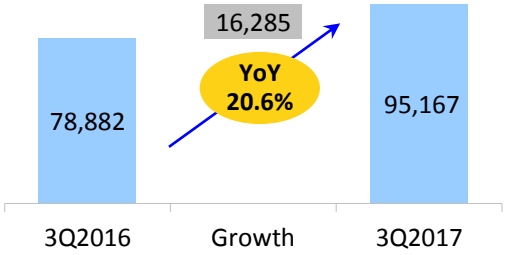




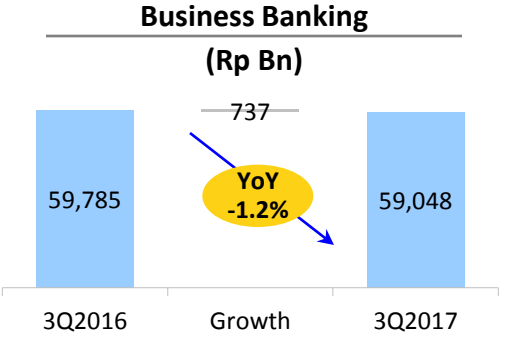
Micro Credit (Rp Bn)



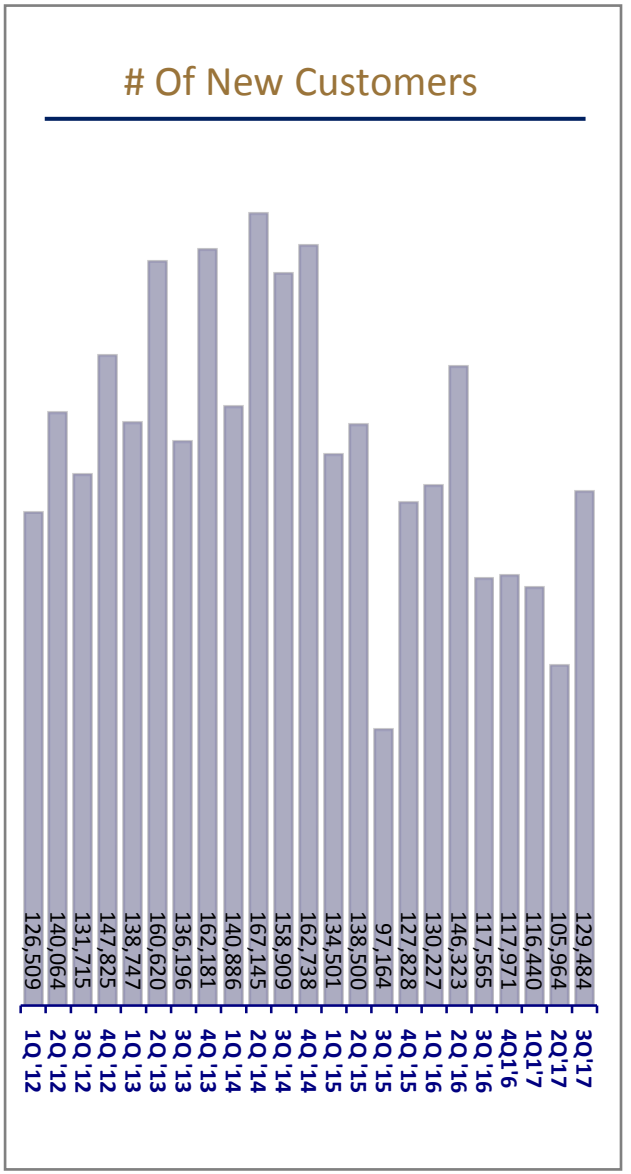
Consumer (Rp Bn)

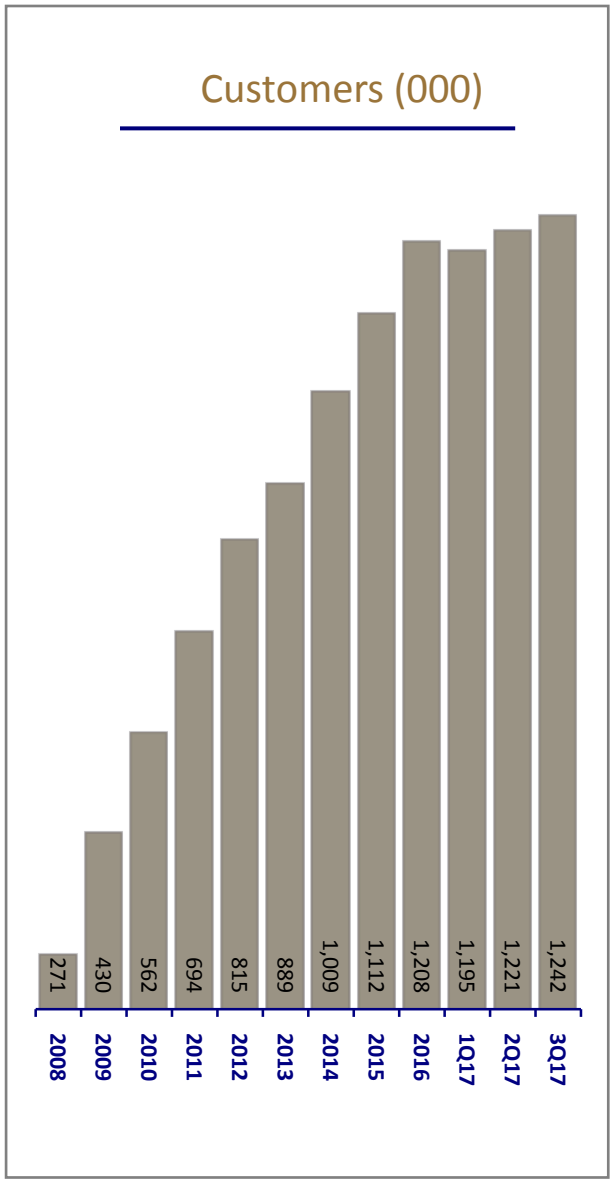


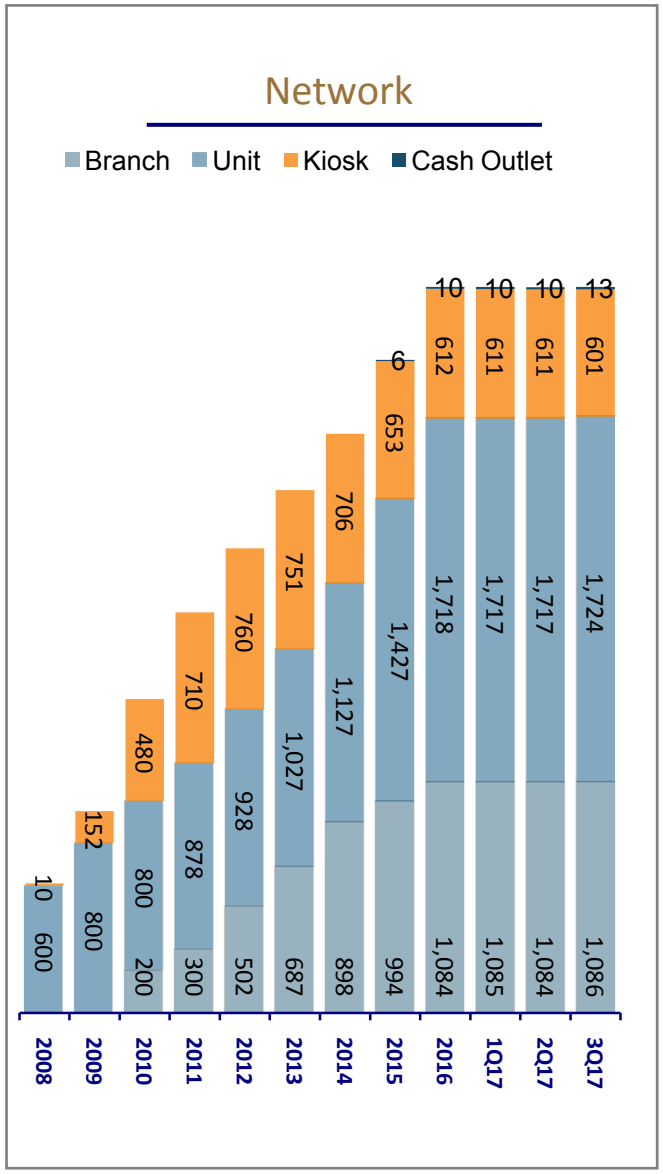
Business Banking (Rp Bn)



Strong Microfinance Growth

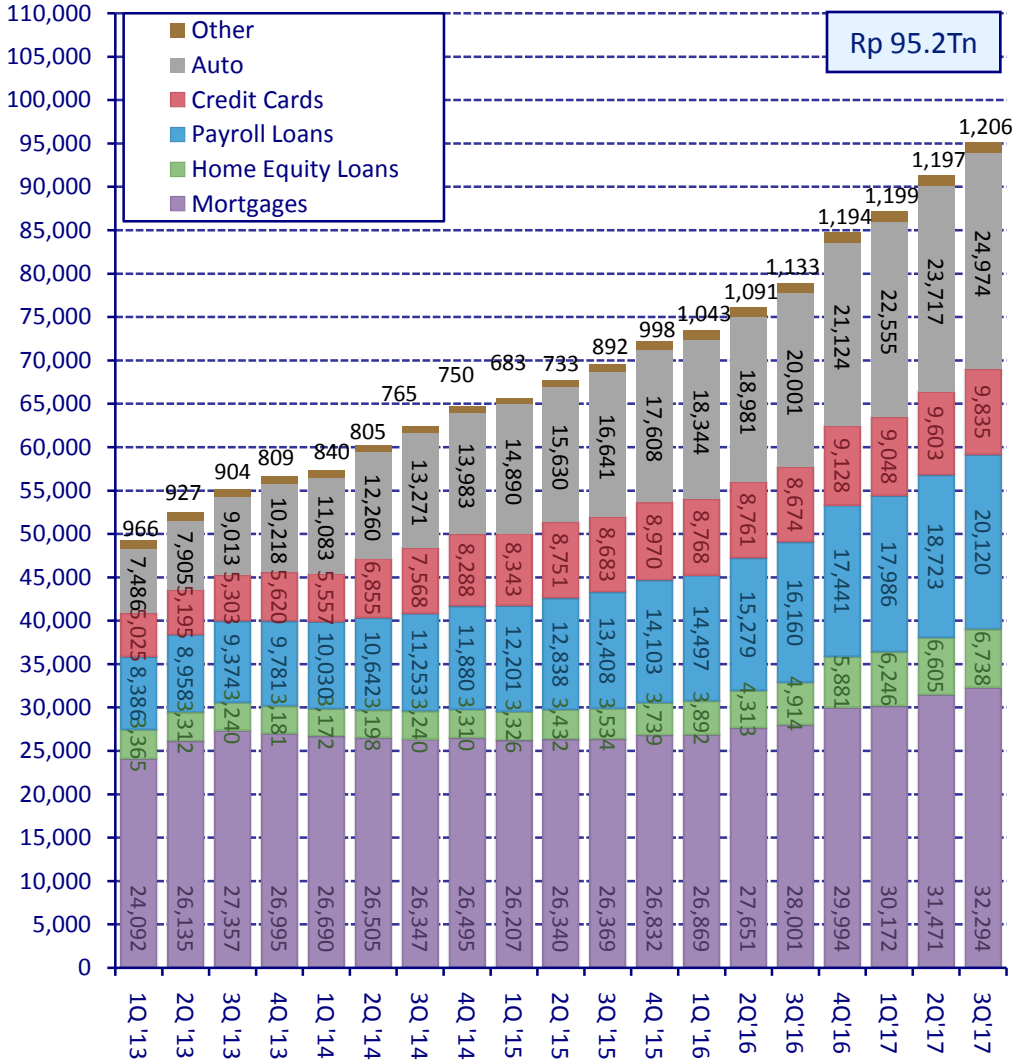






…as well as Consumer Lending, which Rose 21% Y-o-Y

Quarterly Consumer Lending Balances by Type



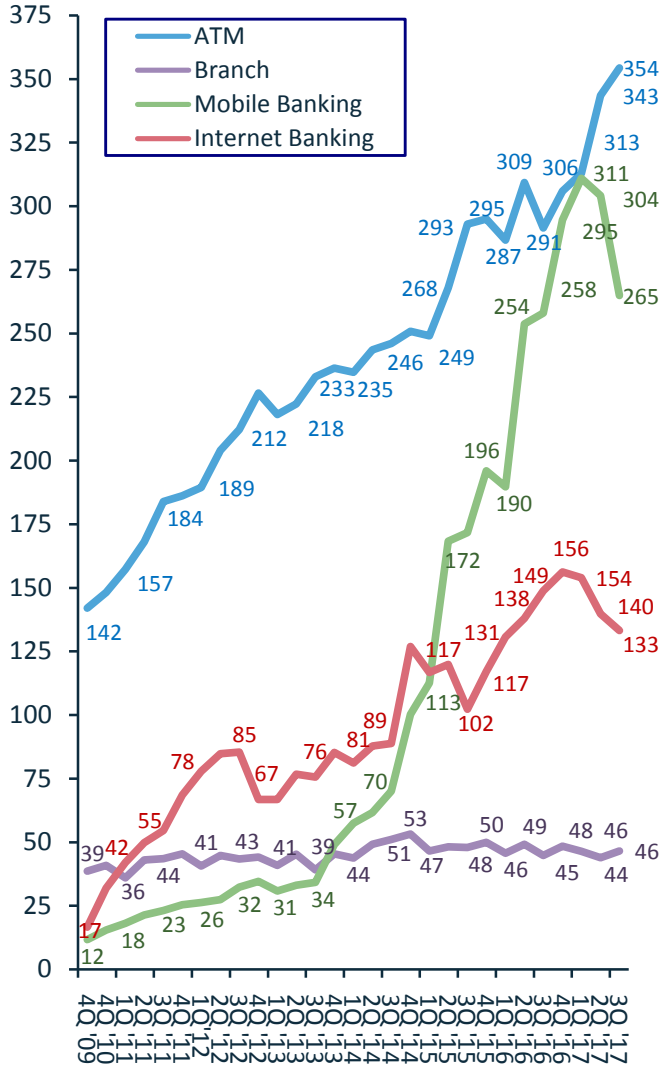
Consumer Lending Growth by Type

Loan Type	Growth (%)	
	Y-o-Y	Q-o-Q
Other	6.46%	0.75%
Auto Loans	24.87%	5.30%
Credit Cards	13.39%	2.41%
Payroll Loans	24.50%	7.46%
Home Equity Loans	37.13%	2.01%
Mortgages	15.33%	2.61%
Total Consumer	20.64%	4.22%

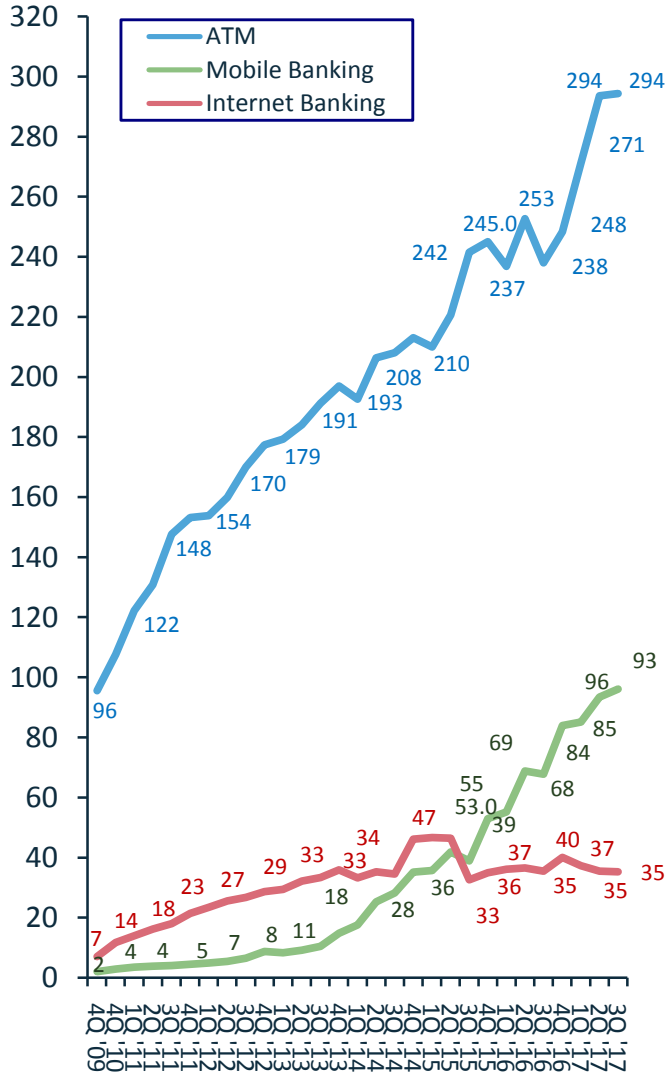
*Auto & Motorcycle Loans channeled or executed through finance companies = Rp 12.2Tn in our Commercial Portfolio

Transaction Capabilities Growth Driven By Mobile Banking Transaction Volume

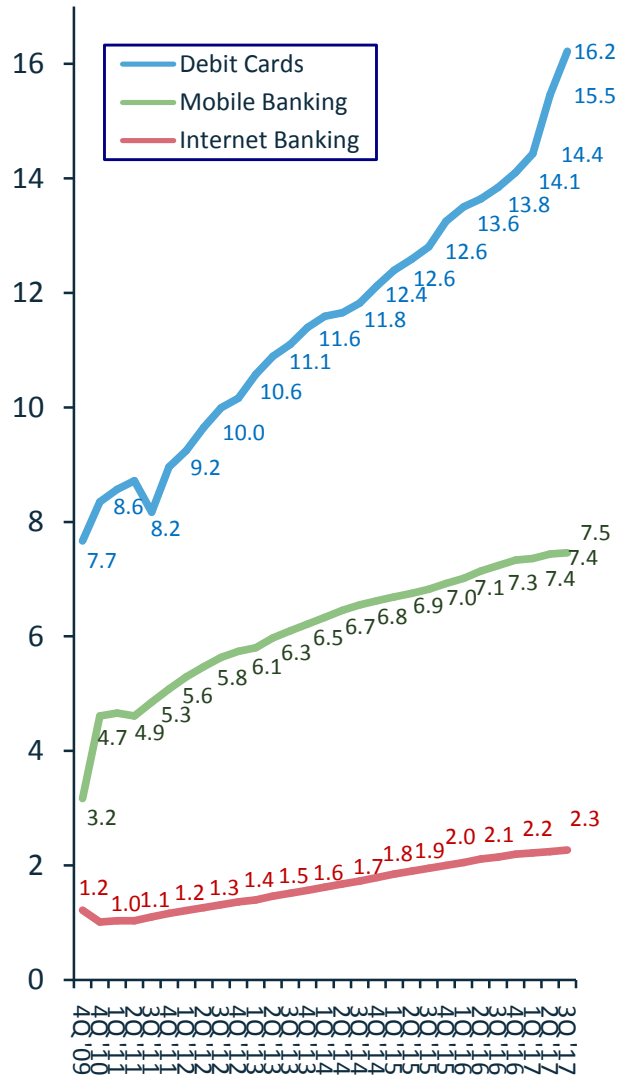
Quarterly Transaction Volume (Mn)



Quarterly Transaction Value (Rp Tn)

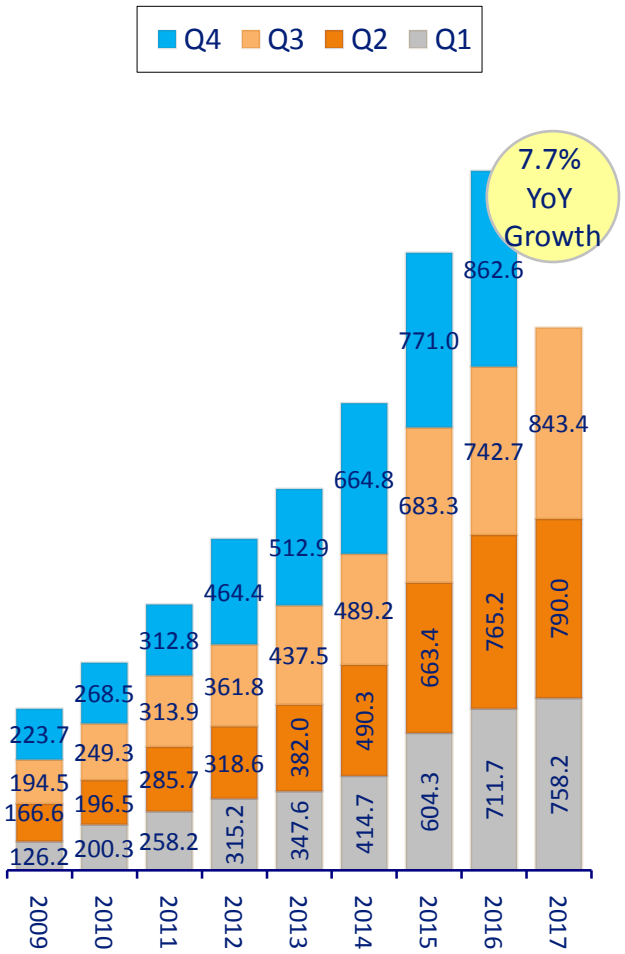


Quarterly Users (Mn)

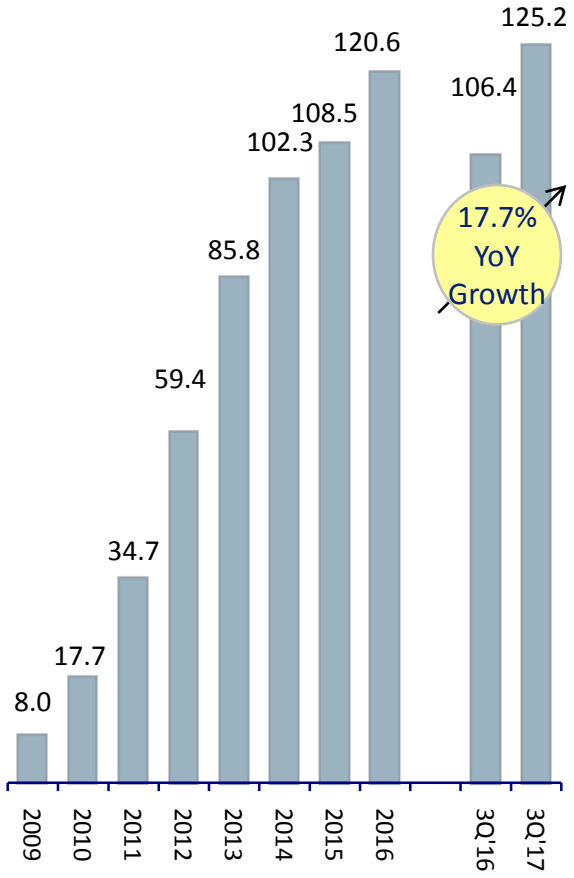


Retail Payment System Gaining Traction

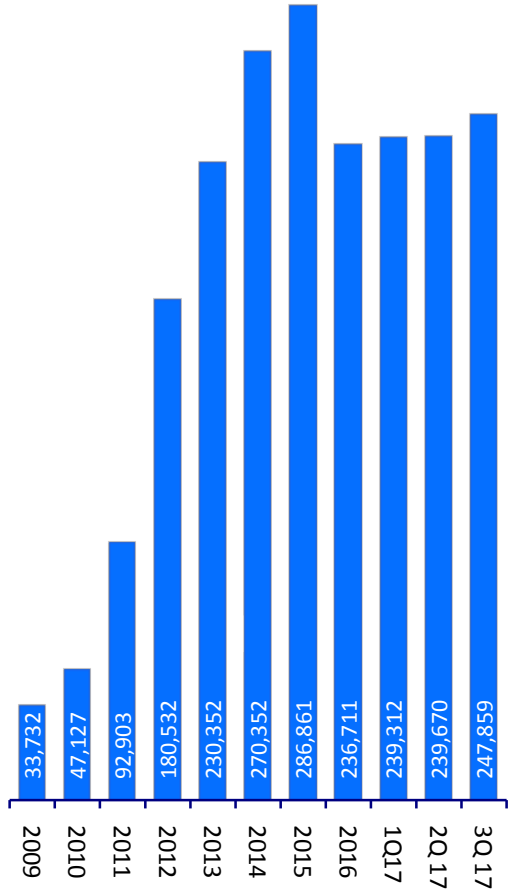
Fee Income from e-channel Tx (Rp Bn)



Volume Mandiri Business Saving Account (Rp Tn)

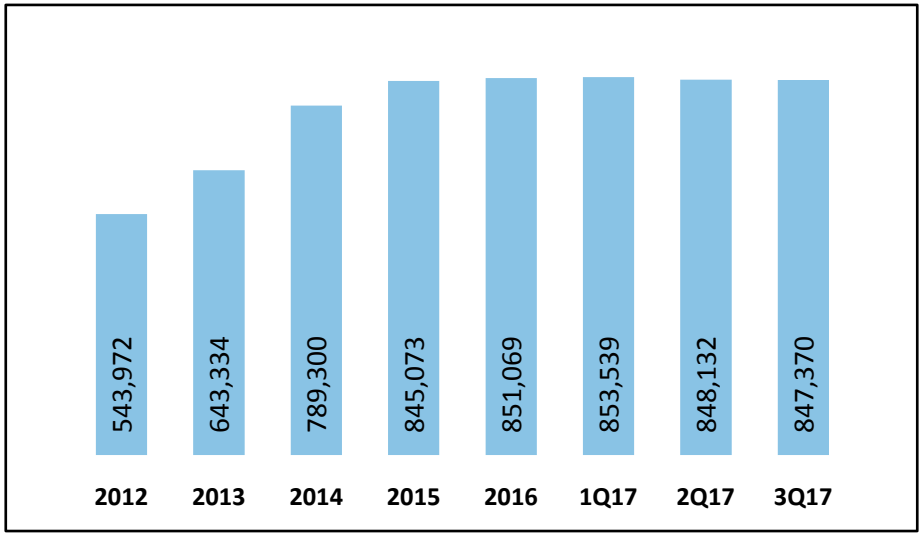


Numbers of EDC

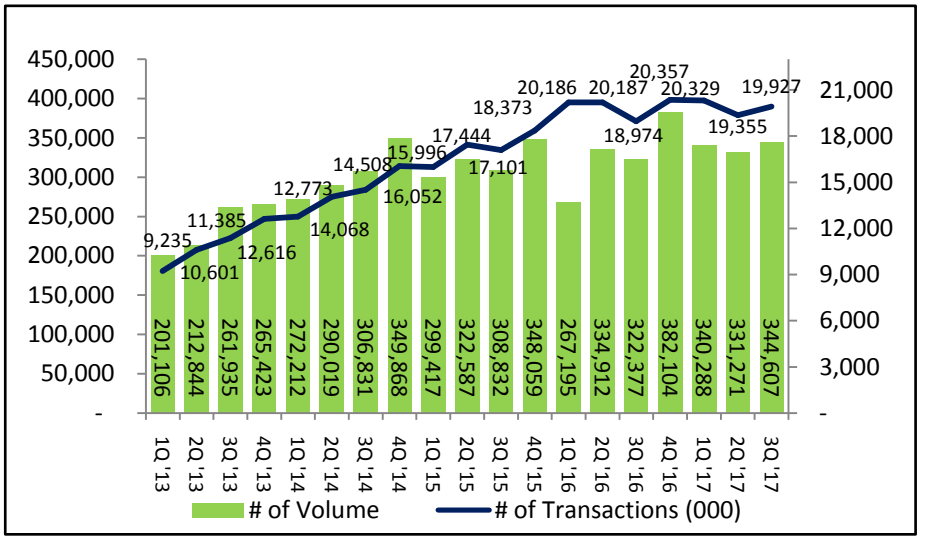


Making Inroads into SME and Retail Payments

SME Business w/ Mandiri Acc



MTB Transaction & Volume



Fiesta Point Program

A program to get points based on savings average balance and # of transactions through e-channel or branch, so that customer has the opportunity to earn immediate prizes.

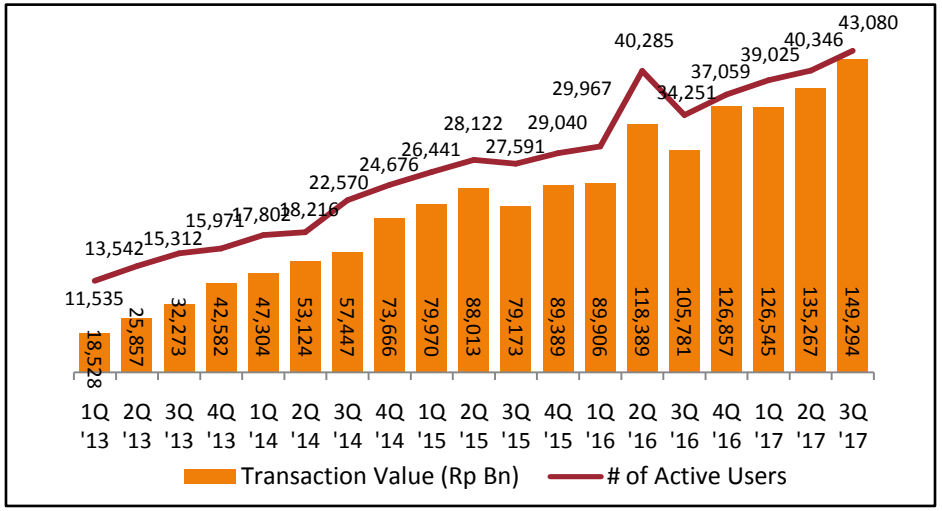
Mandiri Belanja Untung Program

Prizes for buyers who do the transactions in the merchant (as a participants), or using Mandiri EDC. For sellers, they have the opportunity to be included into the national lucky draw.

Belanja Hoki/ Dagang Hoki Program

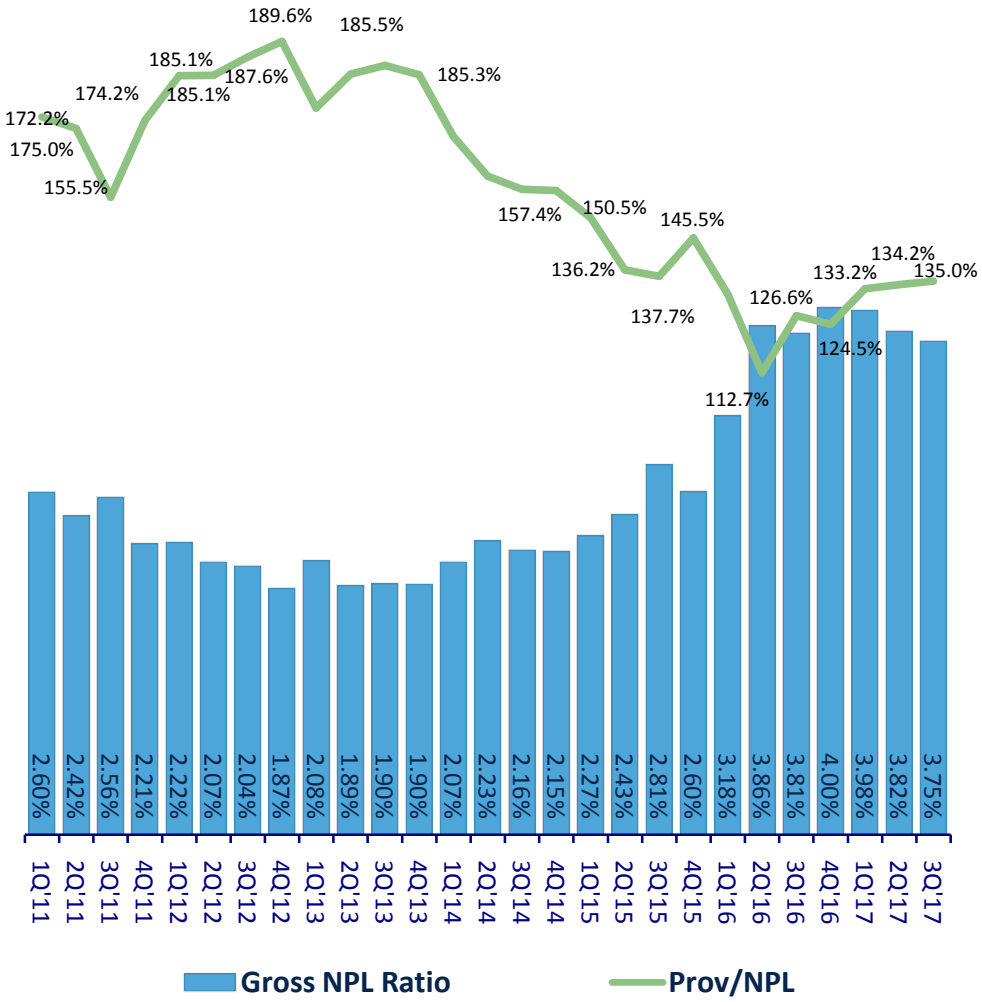
Co-promotion with the ITC Group for the merchants and the buyers who transact in ITC using Mandiri Debit and also a reward program for the building management.

MIB Transaction Value & Users

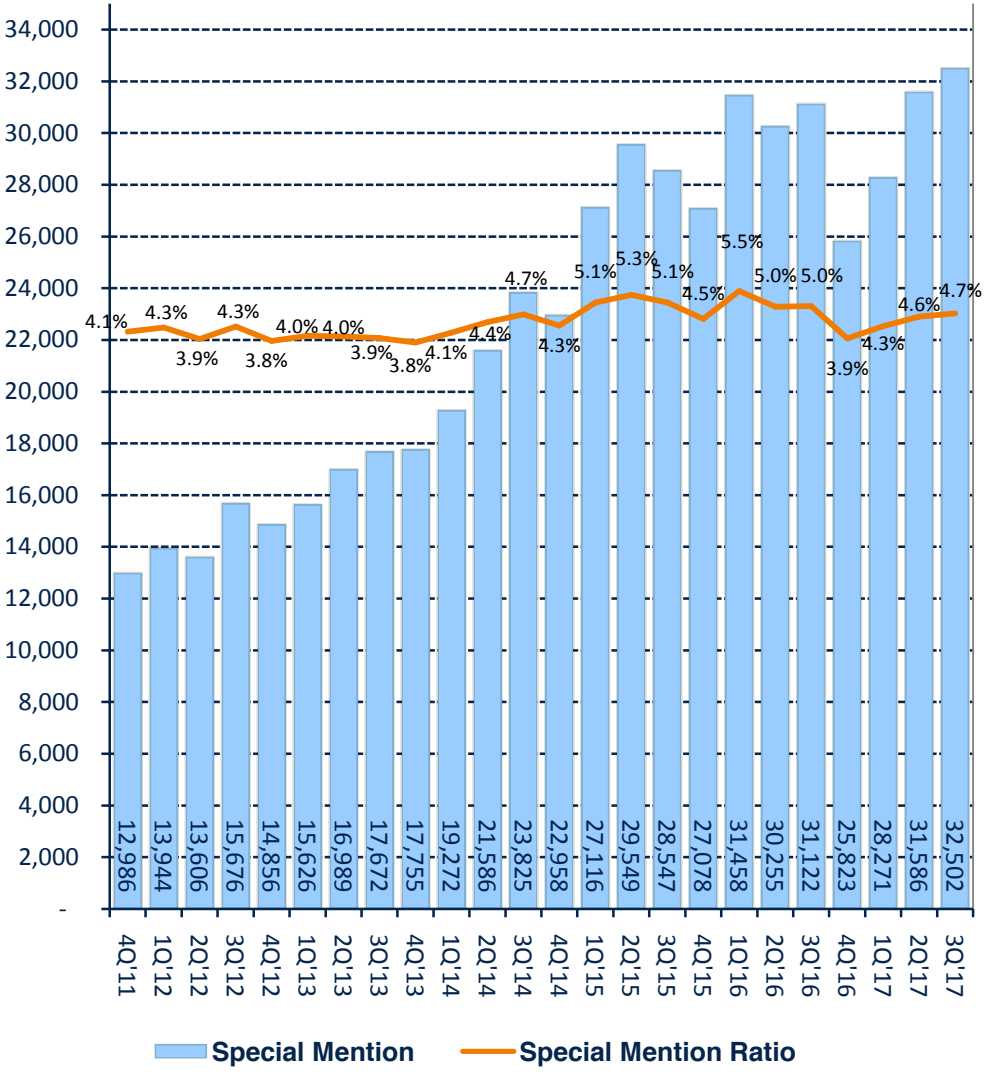


Gross NPLs 3.75%, Coverage at 135.0%, Category 2 at 4.7%

NPL Movement - Consolidated

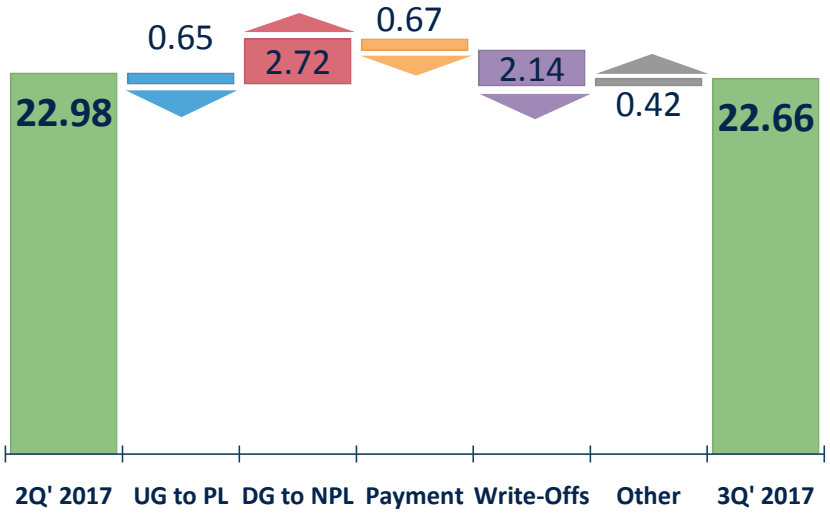


Category 2 Loans

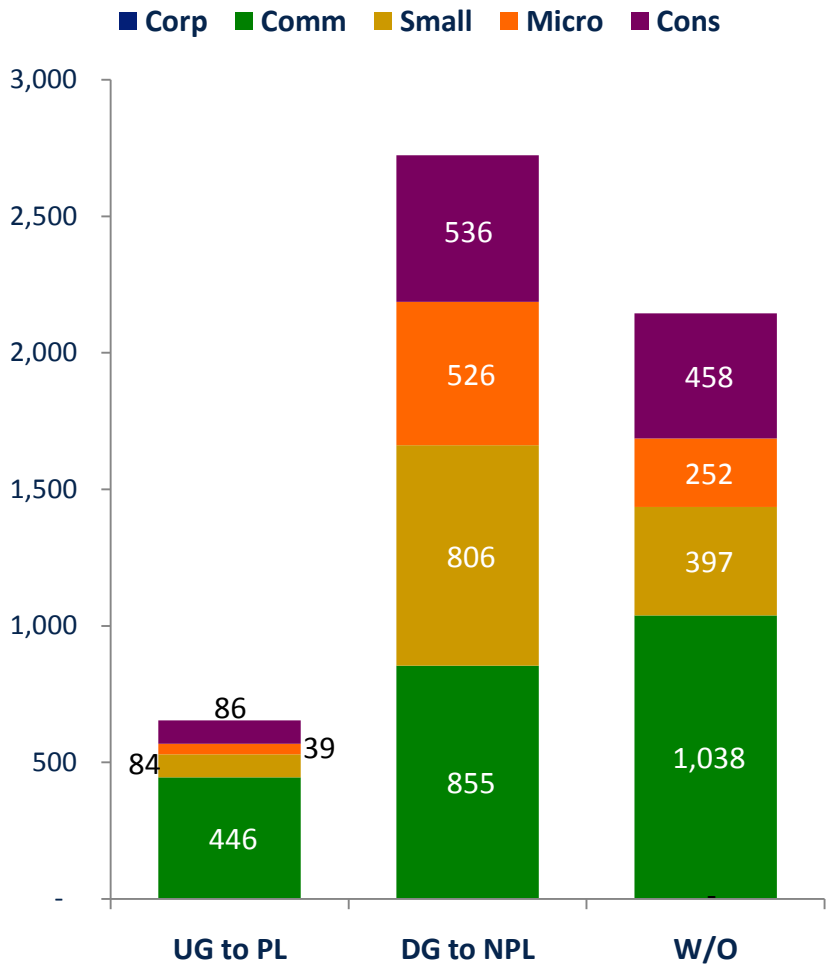


Q3 2017 Total NPLs of Rp 22.66 Tn

Non-Performing Loan Movements (Rp Tn) – Bank-Only



Movement by Customer Segment (Rp Bn)



Non-Performing Loans by Segment

	NPLs (Rp tn)	3Q△ (Rp tn)	NPLs (%)
Corporate	0.94	0.01	0.40%
Commercial	16.01	(0.93)	10.16%
Small	2.25	0.24	3.81%
Micro	1.43	0.09	2.51%
Consumer	2.03	0.27	2.13%
Total	**22.66**	**(0.32)**	**3.74%***

** Excluding loans to other banks*

3Q17 Net Downgrades of 0.31% On Loans Originated since 2005

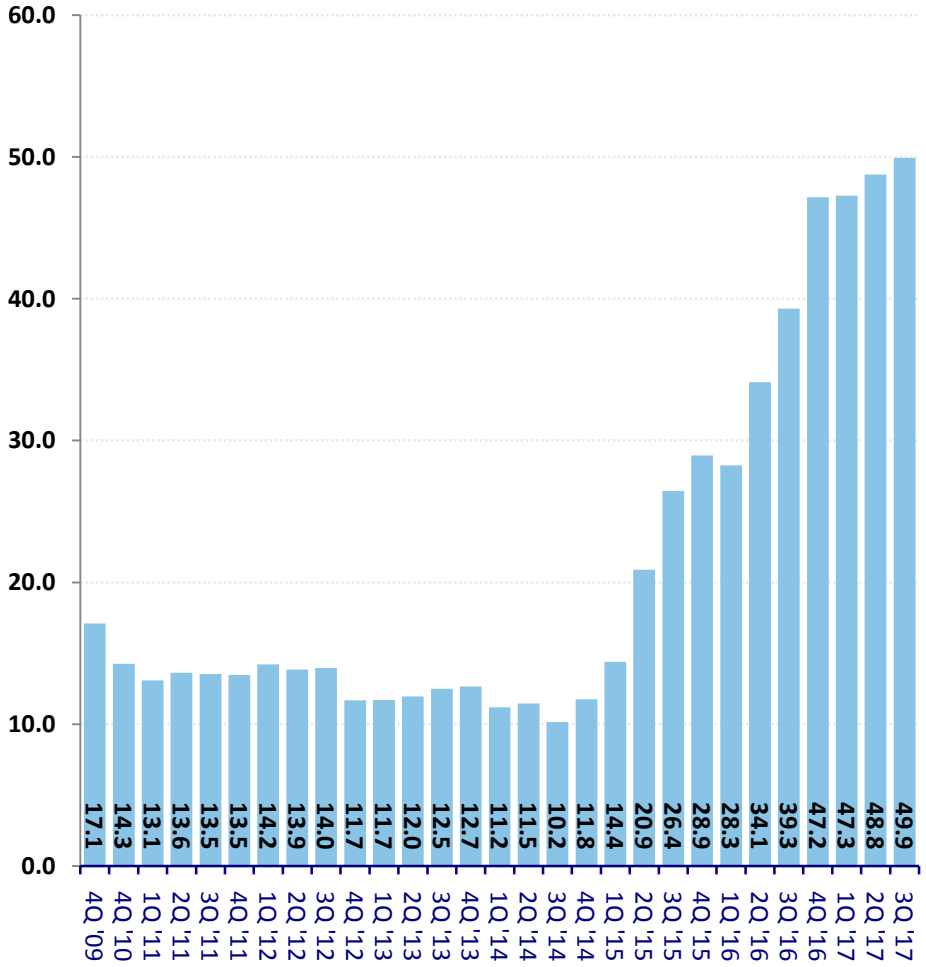
Total Loans originated since 2005

Loan Background	3Q'17 Balance (Rp Bn)	Net Upgrades(%)/Downgrades(%)#									3Q 2017 Details	
		3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	DG to NPL %	UG to PL %
Corporate	232,414	0.38	0.24	0.13	0.24	-	0.32	0.14	0.43	-	-	-
Commercial	152,682	0.83	0.77	1.97	3.02	0.16	3.87	1.13	1.07	0.14	0.43	0.29
Small	56,882	1.24	0.54	1.31	1.50	1.36	0.63	1.20	1.65	1.23	1.37	0.14
Micro	56,938	1.50	1.08	1.37	1.45	1.35	0.84	0.94	1.09	0.86	0.92	0.07
Consumer	95,058	0.25	0.17	0.32	0.21	0.30	0.17	0.37	0.39	0.47	0.56	0.09
Total	593,974	**0.68**	**0.31**	**0.94**	**1.28**	**0.35**	**1.36**	**0.49**	**0.42**	**0.31**	**0.42**	**0.11**

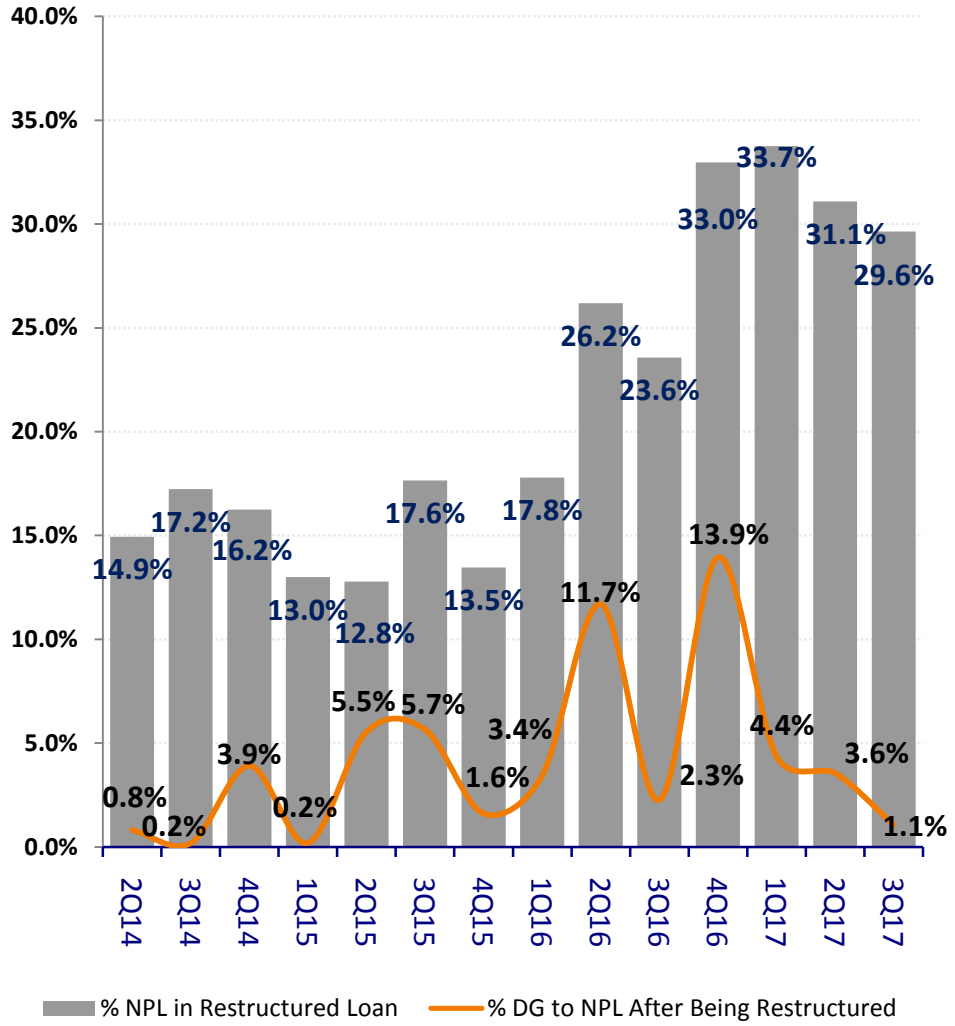
% downgrades and upgrades are quarterly % figures

Restructured Loans at Rp 49.9 Trillion

Restructured Loans



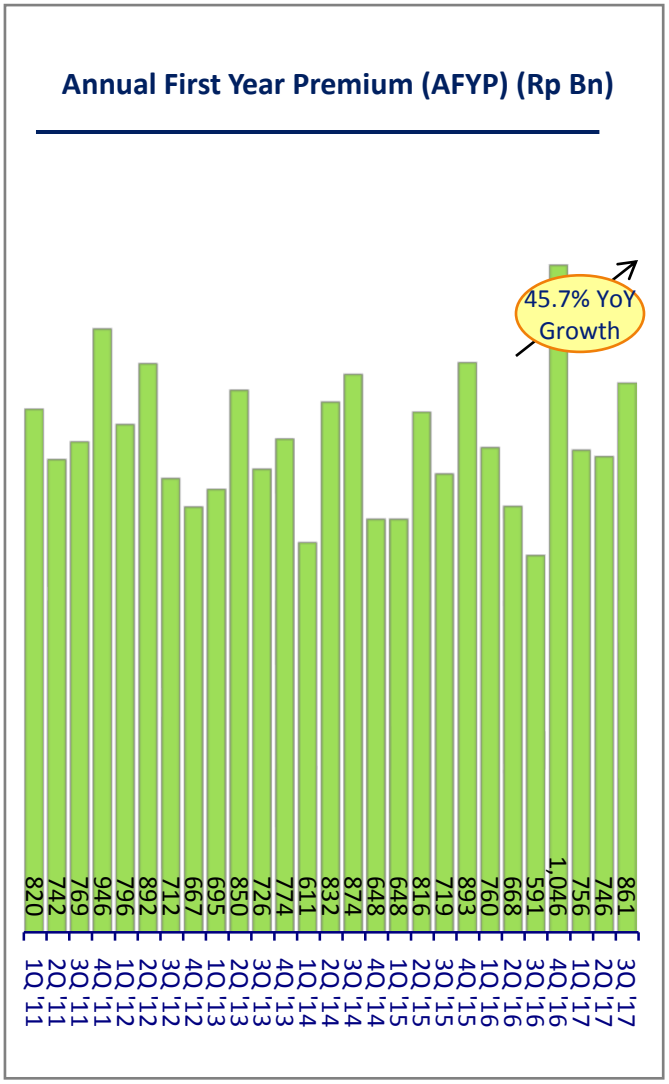
Downgrade to Non-Performing After being Restructured

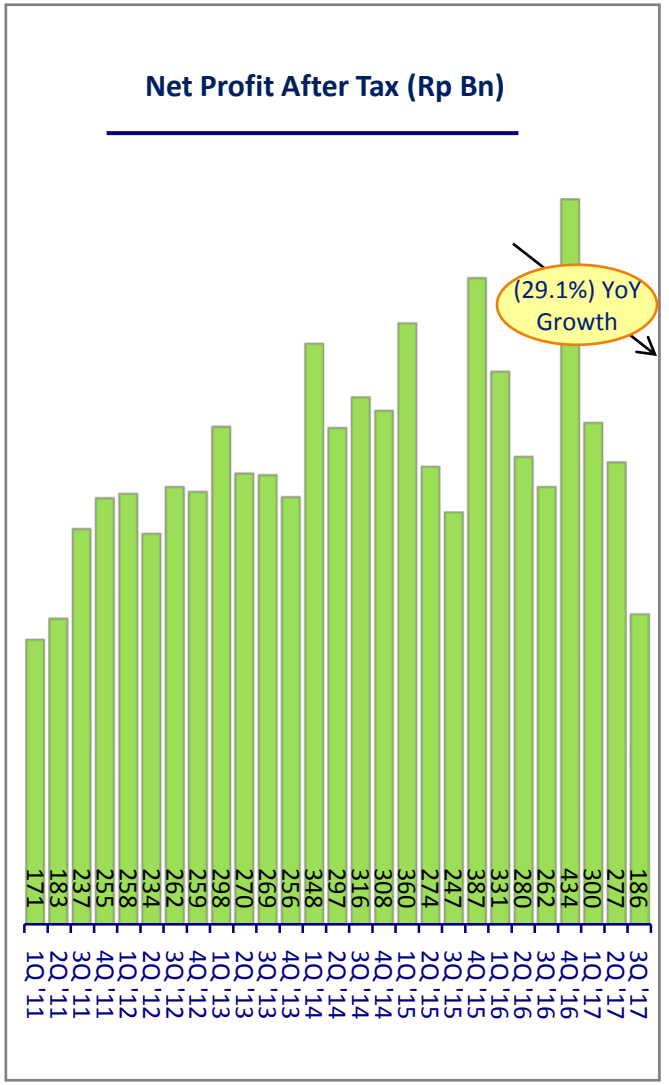


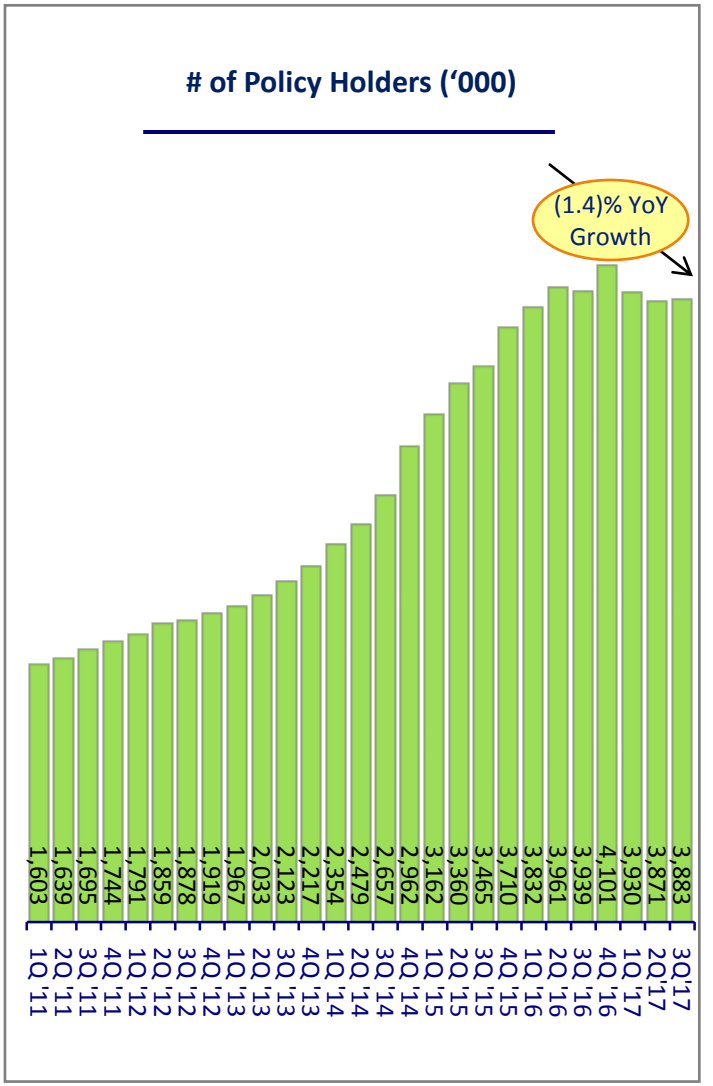
Enhancing Synergies & Value from Subsidiaries

Syariah Banking	Investment Banking	Insurance	Niche Banking	Multi-Finance
Total Assets Rp84.1Tn	Bond Trading Volume Rp75 Tn	Total Assets Rp27.7Tn	Total Loans Rp9.2Tn	Total Disbursement Rp15.6Tn
Total Financing Rp58.7Tn	Equity & FI Underwriting Rp44 Tn	Annual FYP Rp2.4Tn	Net Interest Margin 6.5%	Net Interest Margin 2.9%
Total Deposits Rp74.8Tn	Equity Trading Volume Rp109 Tn	ROA 3.8%	ROA 2.0%	ROA 3.0%
ROE 5.5%	ROE 5.5%	ROE 54.4%	ROE 12.8%	ROE 17.5%
• Remains the leader in syariah financing • Capital injection program over 3 years • Cross-selling syariah products to Mandiri customers	• Expansion of business to fully utilize current capital base • Cross-sell capital market services to broad range of Mandiri customers • Refocus business toward higher fee income	• Providing end-to-end bank assurance business • Continue to build cross-sell opportunities in various segments • Bancassurance products to complete our suite of consumer offerings	• Enhancing operating model • Improving risk management systems and IT • Improving productivity	• Penetrate Bank Mandiri's network and customer base to develop the multifinance segment with a strong focus on new 4 wheel vehicles.

AXA Mandiri Financial Services Performance







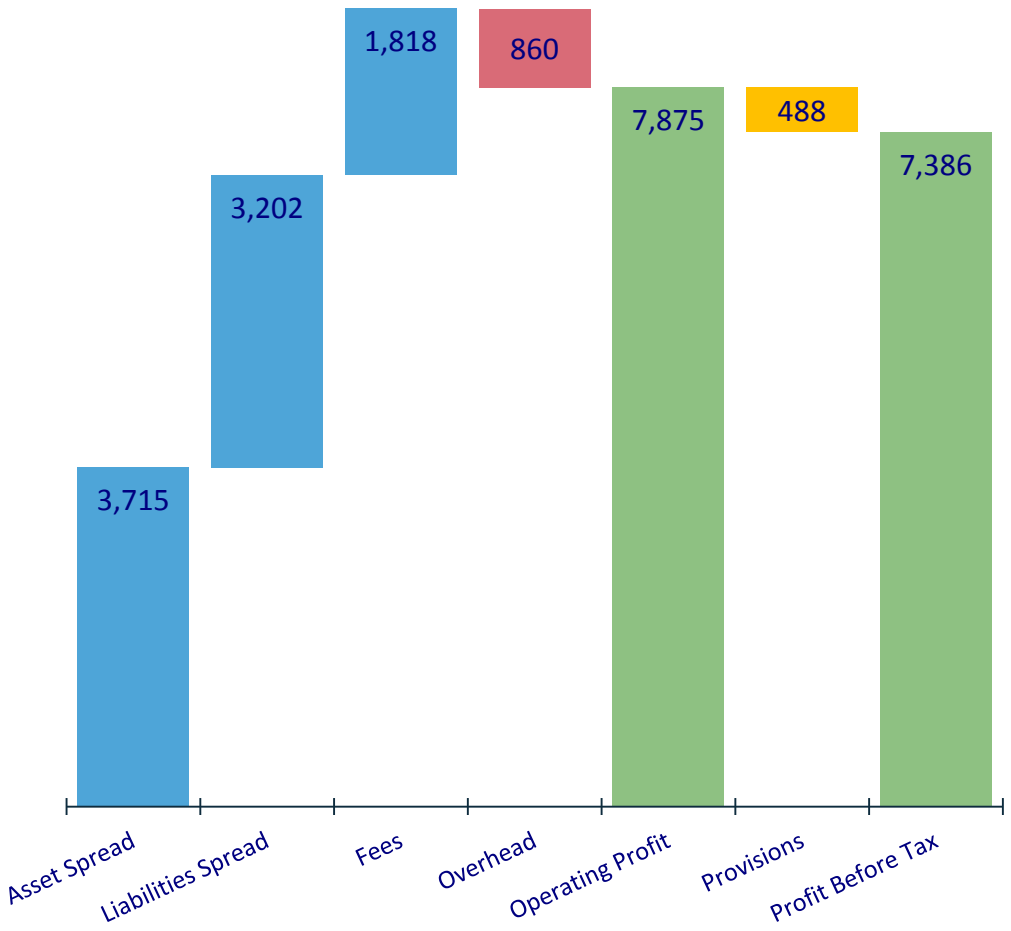
Bank Mandiri's 2017 Corporate Guidance

	2017 Target	9M17 Realization
Gross Loan Growth (YoY)	9.0% - 11.0%	9.8%
Low Cost Deposits	Rp 537.0 Tn	Rp 492.5 Tn
Net Interest Margins	5.7% - 5.8%	5.86%
Efficiency Ratio	43.0%	44.8%
Gross NPLs	3.5% - 4.0%	3.75%
Cost of Credit	2.5% - 2.7%	2.39%
# of New ATMs	197	234
# of New EDCs	10,000	11,148
# of New Micro Network	34	-
# of New Conventional Branches	16	13

Operating Performance Highlights

Corporate Banking, Government & Institutions

Performance to Date: 9M2017 (Rp Bn)

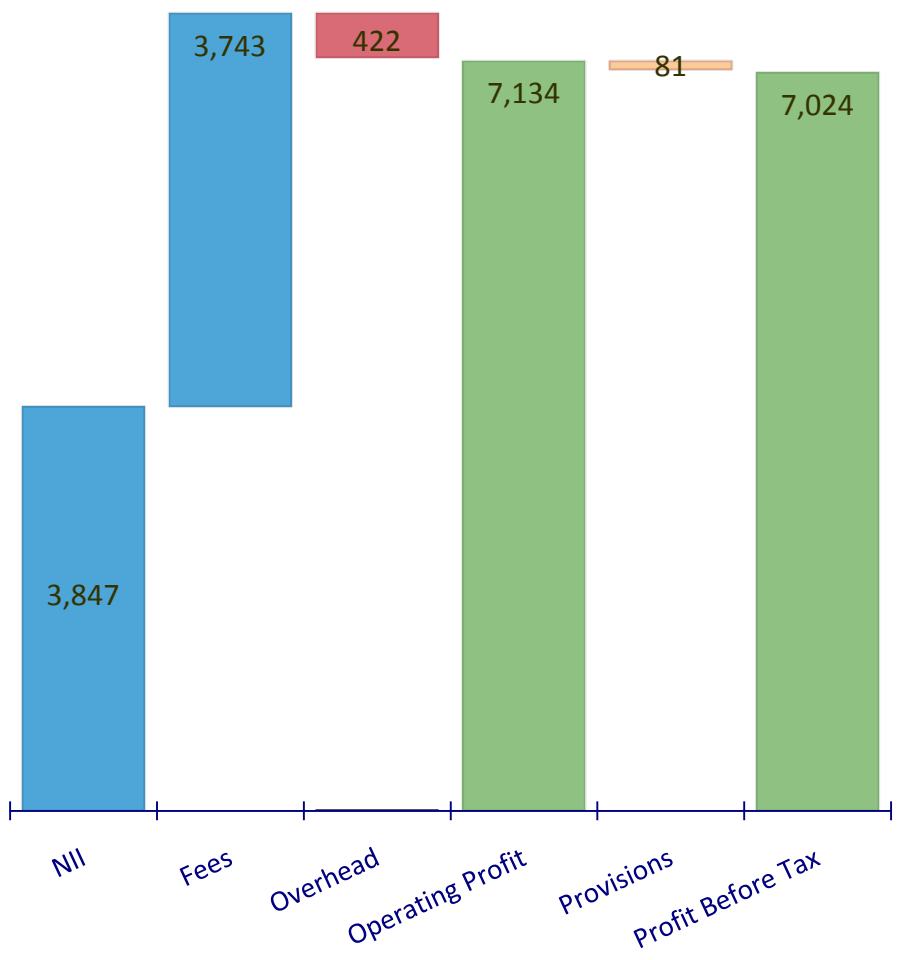


Strategies for 2017

1. Focusing on Anchor Clients and penetrating through using of Transaction Banking
2. Account Plan implementation for top 76 Corporate Banking Customers.
3. Provide 'one stop service' solutions for customer's transactions and create new business process to accelerate the execution of Account Plan including effective and responsive Complaint Handling.
4. Strengthen business alliance with Mandiri InHealth & Mandiri DPLK to ease corporate customers to manage their needs in health insurance & pension fund / severance

Treasury & Market

Performance to Date: 9M2017 (Rp Bn)

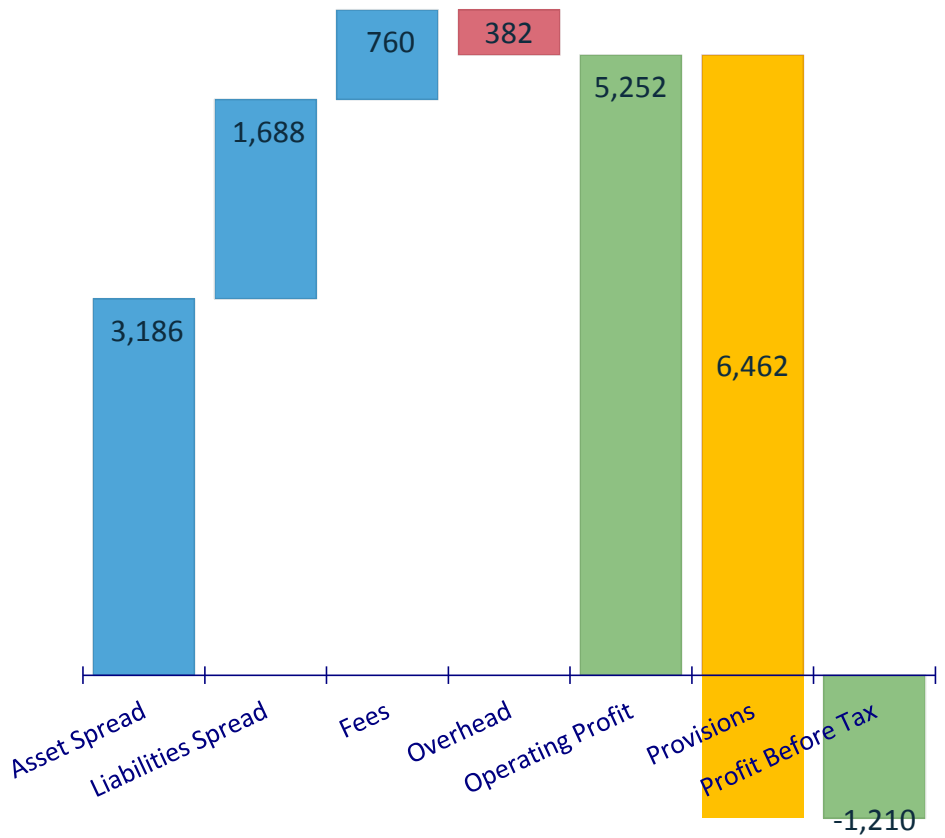


Strategies for 2017

1. Implement client segmentation strategy for Treasury anchor and non-anchor clients.
2. Increase retail coverage of fixed income and structured products.
3. Develop new FI client coverage model and implement segmentation strategy.
4. Revitalize overseas offices' function as a distribution channel, and introduce new business models.
5. Enhance retail brokerage program in Mandiri Sekuritas.
6. Upgrade business license status of Mandiri Sekuritas Singapore Office.

Commercial Banking:
Strong revenues from Assets

Performance to Date: 9M2017 (Rp Bn)

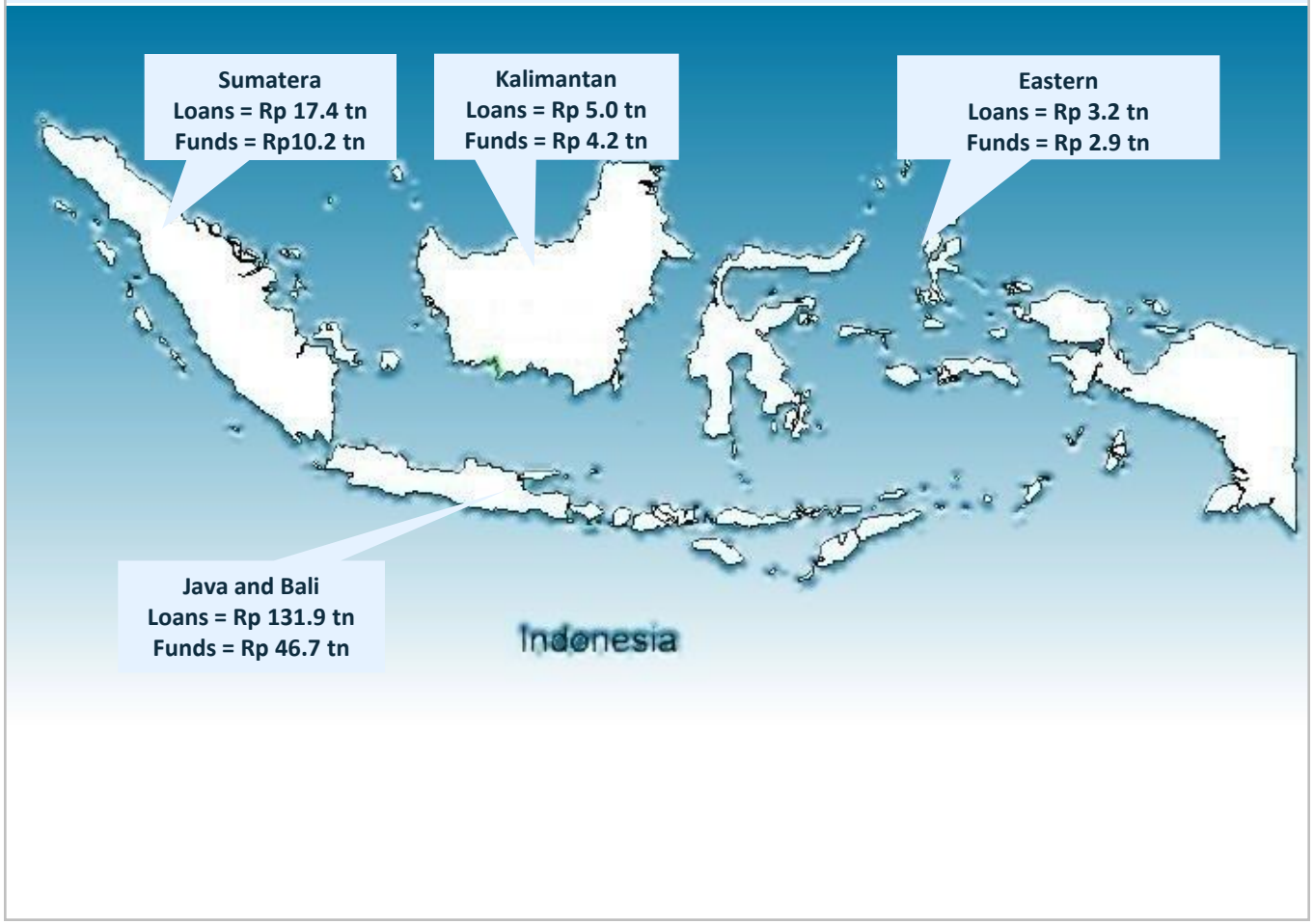


Strategies for 2017

1. Tighten risk management practices by centralizing big ticket loan approval from regional office to head office
2. Focusing on clients within the value chain / business ecosystem of our corporate banking clients
3. Selectively growing the business to sectors and regions as stipulated in bank-wide portfolio guidance

Commercial Banking

Expanding Scope of Distribution, 3Q 2017



Solid & Stable Source of Low Cost Funds

Rp Tn

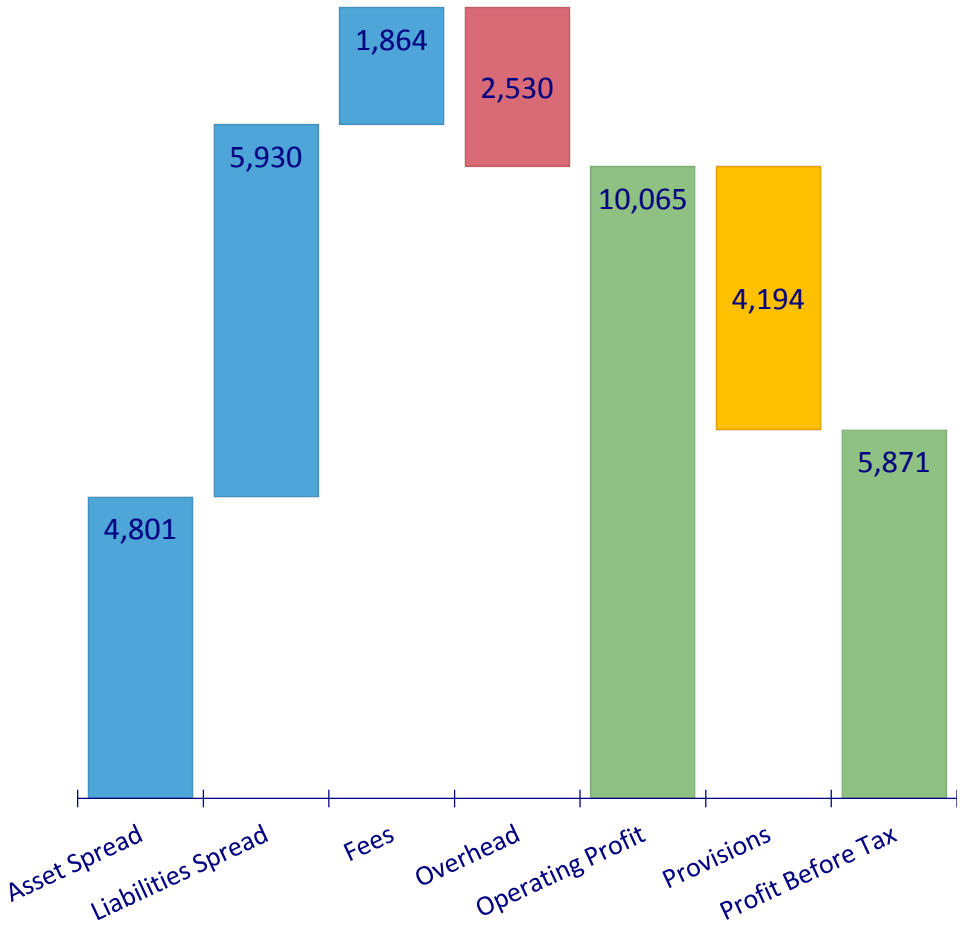
Product	3Q 2017	3Q 2016	Growth
Demand Deposit	34.83	36.20	-3,78%
Rupiah	25.63	21.22	20.79%
FX	9.20	14.98	- 38.57%
Saving Deposit*	10.37	7.98	29.98%
Total CASA	45.21	44.18	2.32%
Total Funding	64.09	60.97	5,12%

CASA Ratio = 70.53%
Funding from Java & Bali = 73%
of total funding

* Business Savings Product

Micro & Business Banking:
Selectively growing our high margin business

Performance to Date: 9M 2017 (Rp Bn)

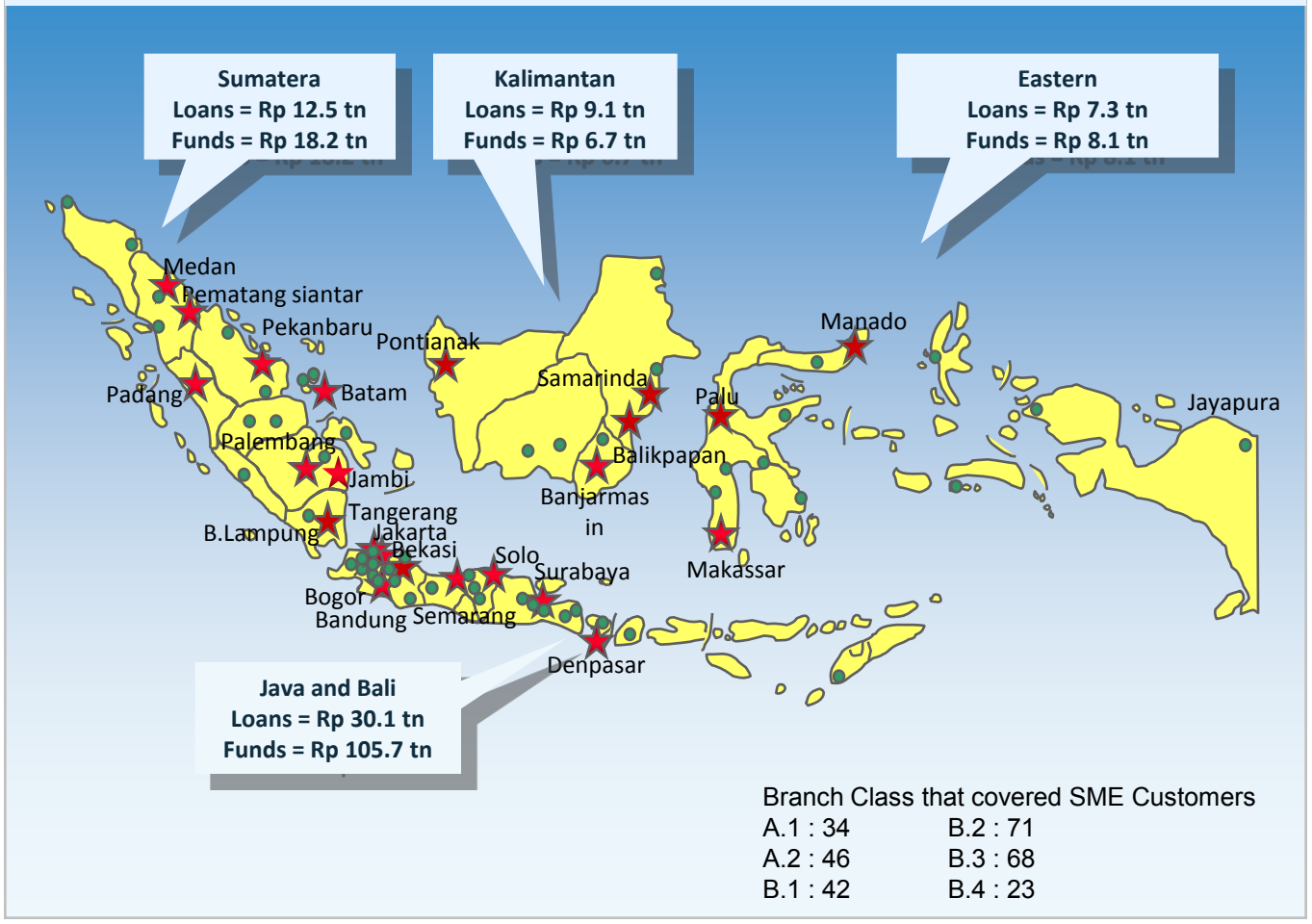


Strategies for 2017

1. Continue to develop retail payment solutions for top retail industry value chains and business clusters in order to increase low cost deposit and fee-based income
2. Develop customer education to further increase usage of retail products as well as e-channel transactions in order to increase customer's loyalty and balances.
3. Focusing on micro and SME clients within the business ecosystem of our corporate banking clients
4. Growing liability spread by requiring SME clients to put their transactional account/CASA in Mandiri
5. Cross-selling with other products, such as transaction banking, to increase fee based income
6. Within micro, focusing on urban and semi urban areas as well as targeting fixed income earners

Business Banking :

Scope of Distribution, 3Q 2017



Branch Class that covered SME Customers

A.1 : 34	B.2 : 71
A.2 : 46	B.3 : 68
B.1 : 42	B.4 : 23

Solid & Stable Source of Low Cost Funds*

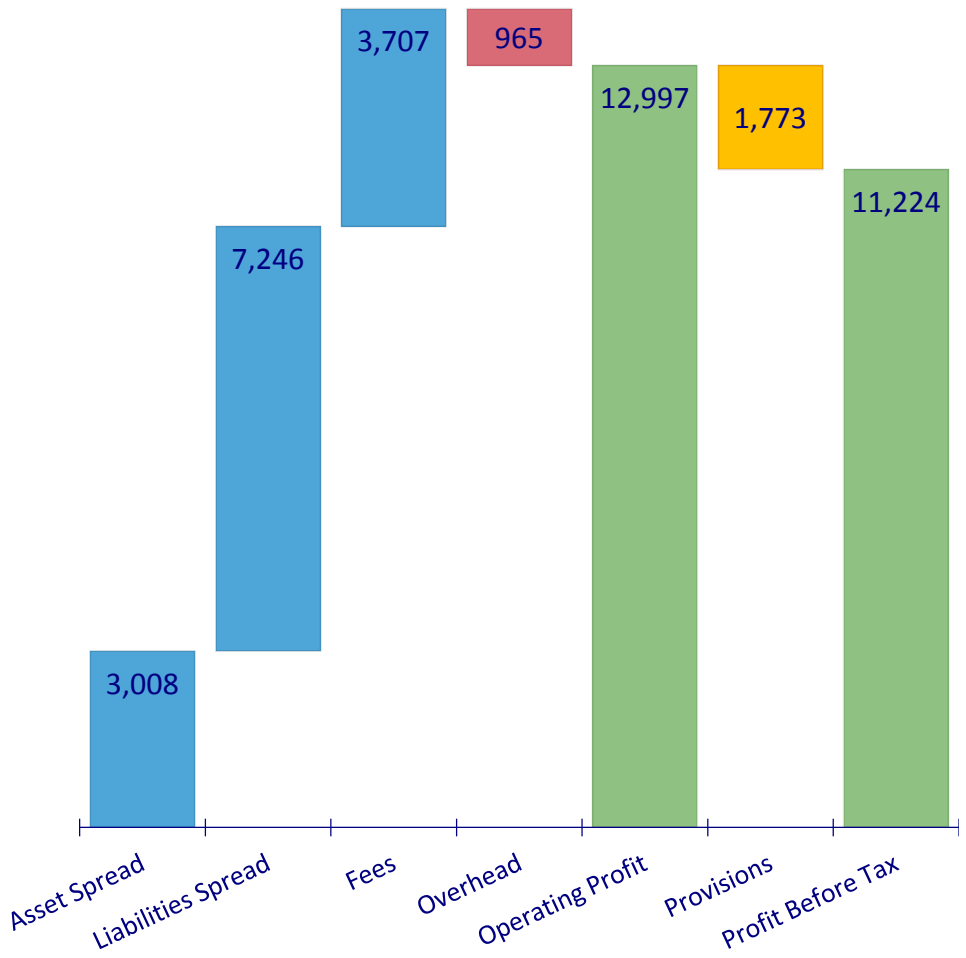
Rp Tn

Product	3Q 2017	3Q 2016	Growth YoY
Demand Deposit	37.5	34.6	8.5%
Saving Deposit	79.3	72.0	10.1%
Total CASA	116.8	106.6	9.6%
Total Funding	138.7	131.1	5.8%

CASA Ratio = 84.2%
Funding from Java & Bali = 76.1% of total funding

Consumer Banking:
Significant growth in spread and fee income

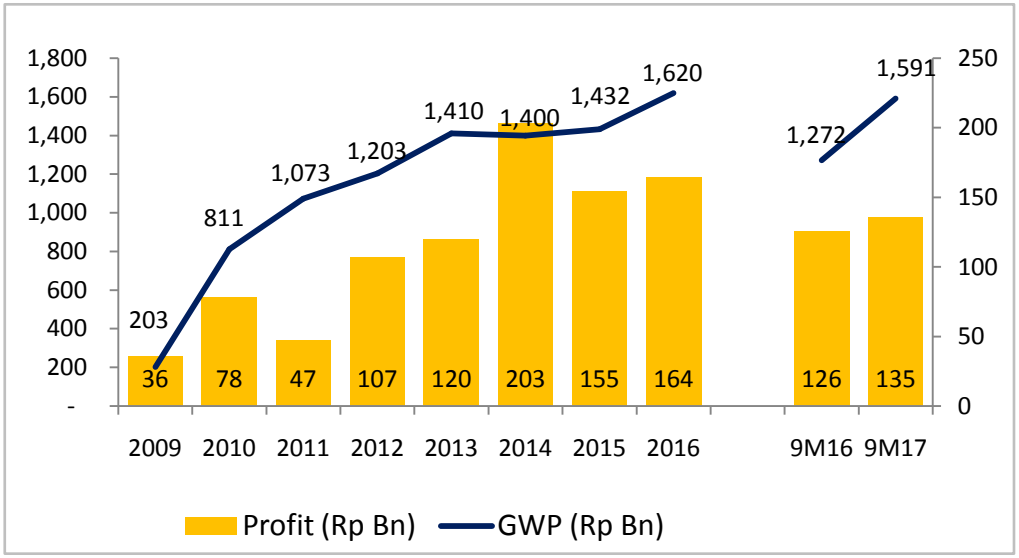
Performance to Date: 9M2017 (Rp Bn)

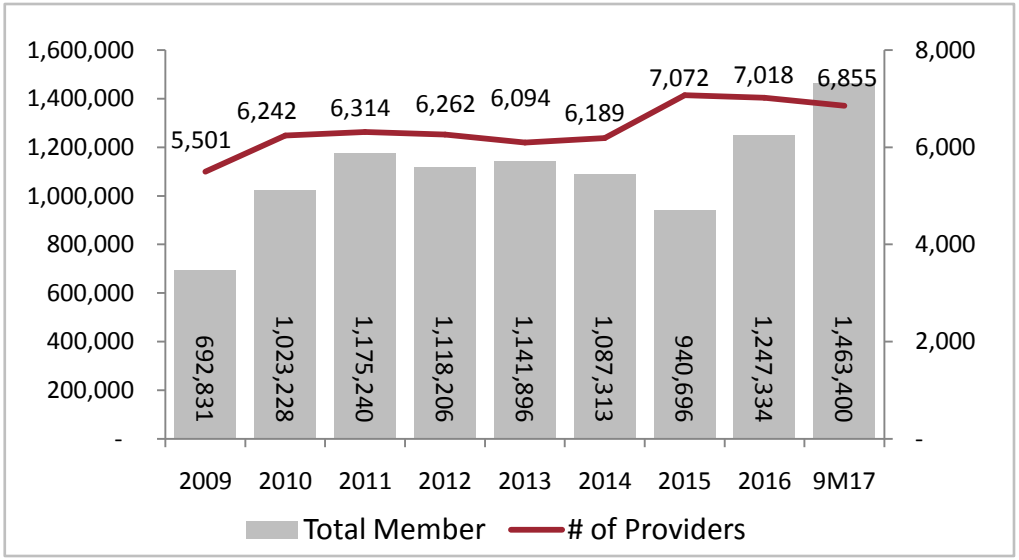


Strategies for 2017

1. Mortgage package
2. Mortgage priority
3. Mortgage for depositors
4. Instant approval for mortgage
5. Selco Xtra payroll loan
6. SOE synergy for payroll loan
7. Regular top up for payroll loan
8. Cross-sell payroll loan
9. Regular auto loan through branch referral
10. Improving the quality of new card holders acquisition
11. Raise the limit of credit card
12. Usage program with strategic partner
13. Mandiri Bonus Program (Bonus Untung, Bonus Max, Bonus Plus, etc)
14. Regional marketing program for savings
15. Special program for drop fund depositors
16. Bundling program
17. Internal branch contest for saving

InHealth – Opportunity to Increase Fee Income and Contribute to the Insurance Portfolio





Leveraging our institutional, corporate, & commercial customers

We have over 700 institutional, 300 corporate, and 1,700 commercial customers with the potential to become members of InHealth

Providing solutions through our banking products to InHealth healthcare provider

- InHealth has 6,855 healthcare providers and recorded over Rp 1,016 Bn in claims year to date 2017
- Bank Mandiri will leverage the hospital network as InHealth's partner to increase transactions through enhanced cash management products
- Bank Mandiri also will provide retail packaged products for all the doctors as InHealth's partner

Cross-selling Mandiri products to InHealth members

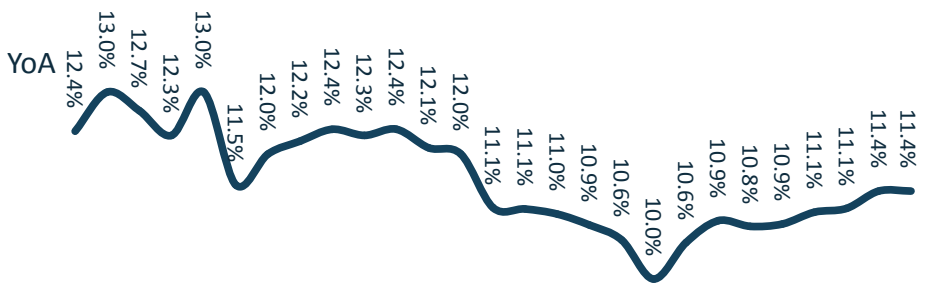
InHealth earned premium payments of Rp 1,257 Bn in 2017 year to date from clients. Going forward, Bank Mandiri will encourage the use of cash management products through Bank Mandiri's distribution channels and cross sell other products to over 1.4 Mn InHealth members.

BSM Addressing Asset Quality Issues

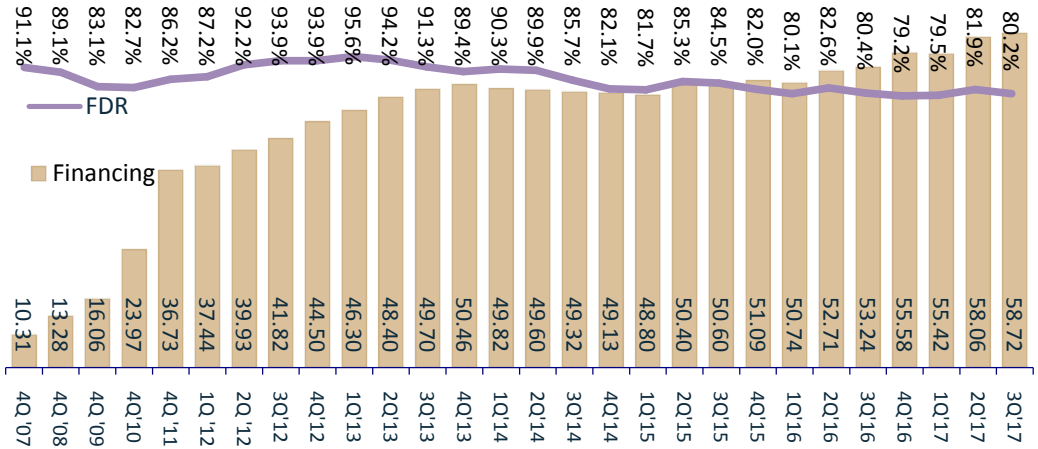
Financial Performance (Rp bn)

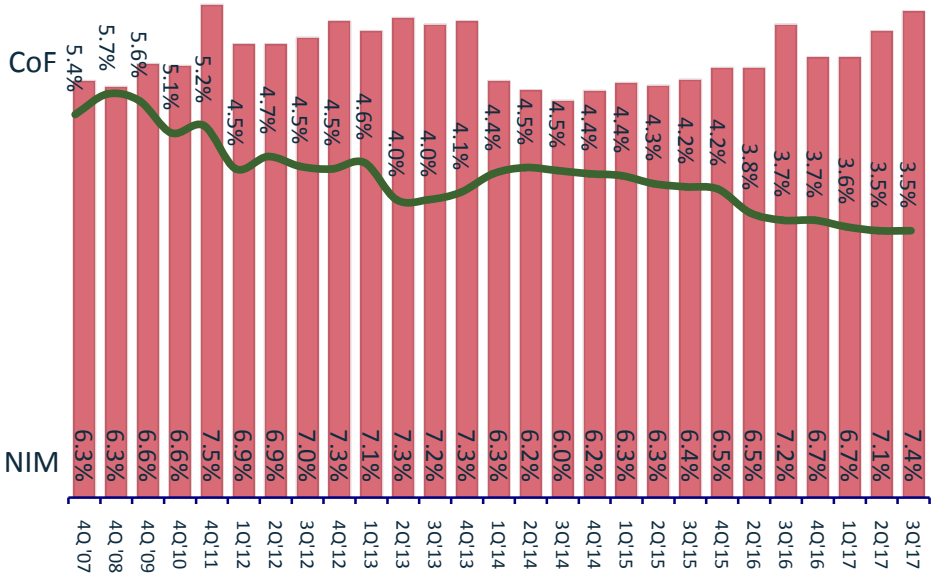
	FY '10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	3Q'17
Financing	23,968	36,664	44,755	50,460	49,133	51,090	55,580	58,718
Deposits	28,999	42,618	47,409	56,461	59,821	62,113	69,950	74,751
Assets	32,482	48,672	54,229	63,965	66,942	70,369	78,832	84,087
EAT	418.5	551.1	805.7	651.2	71.8	289.6	325.4	261.0
Ratios:								
ROA (%)	2.2	1.9	2.3	1.5	0.2	0.6	0.6	0.6
ROE (%)	25.1	24.2	25.1	15.3	1.5	5.9	5.8	5.5
Gross NPF	3.5%	2.4%	2.8%	4.3%	6.8%	6.1%	4.9%	4.7%

Net Interest Margin & Cost of Funds



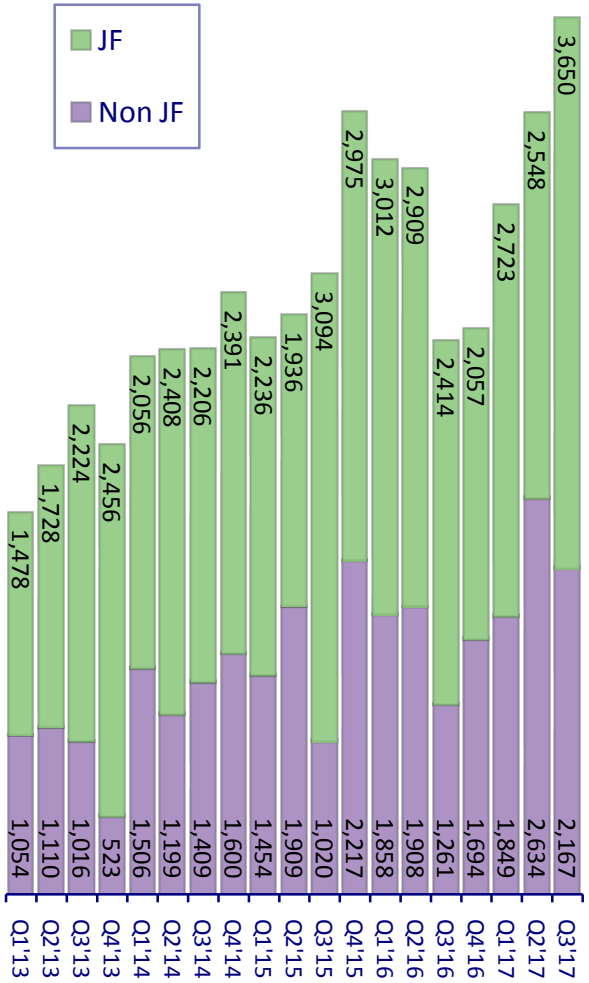
Syariah Financing (Rp tn)



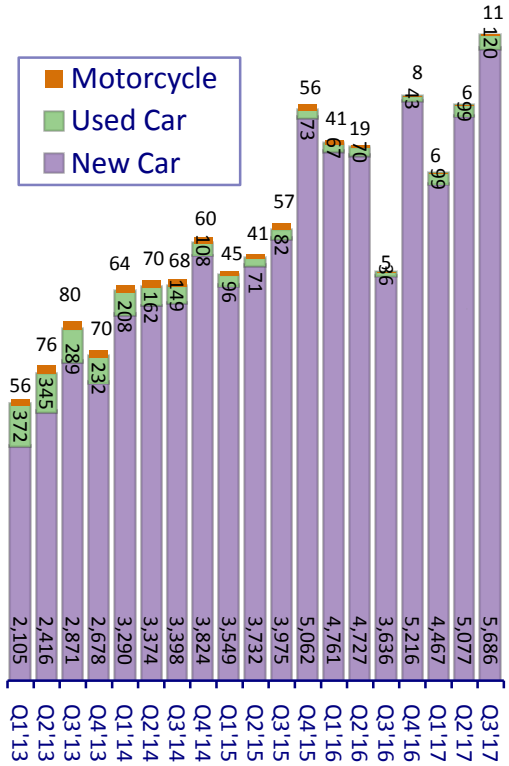


Mandiri Tunas Finance: Total Financing YTD of Rp9.8Tn

Total Disbursement and the Breakdown for Joint Financing and Non JF



Breakdown of Financing



9M 2017 Performance

	9M 2017	9M 2016	Change
Loans (Rp Bn)	34,803.3	29,722.3	17.1%
Net Income (Rp Bn)	202.1	240.3	-15.9%
Approval Rate (%)	85.2%	84.5%	0.8%
Disbursement (Rp Bn)	15,571.8	13,362.7	16.5%
NIM (%)	2.9%	3.3%	-12.1%
ROA (%)	3.0%	4.2%	-28.6%
ROE (%)	17.5%	25.1%	-30.3%
CER (%)	46.6%	44.0%	5.9%
NPL (%)	1.2%	1.5%	-20.0%



Supporting Materials

2016-2020 Bank Mandiri Corporate Plan – Accelerate In The Growth Segments

	Product Focus	Key initiatives
Loan Growth Engine	1 **Mortgage**	1. Improve processing speed 2. Tapping higher ticket size 3. Target developer relationships
	2 **Auto Loan**	1. Streamline segment split between MTF and MUF 2. Utilize existing Mandiri branch network for growth
	3 **Personal Loan & Micro KSM**	1. Combine consumer personal loans and micro salary-based loans 2. Leverage on micro's distribution footprint 3. Tap into our payroll customer base
Funding Engine	1 **Dominate payroll segment** using Bank@Work for corporate and commercial customers 2 Improve transaction banking offering to **tap cash management for anchor clients' value chain**	

Bank Mandiri Remains on Track to Become Indonesia's Most Admired Financial Institution



# of Accounts
- Deposit 21.18 Mn
- Loan 1.76 Mn

including mortgage accounts of 152,032



# of new Accounts (YTD)
- Deposit 5.52 Mn
- Loan 497,306



# of Outlets
2,617 Branches
3,424 Micro Outlets (3)
17,695 ATMs



e-Channel Tx
- 2,316 Mn Trx YTD
- 14.6% YoY Growth



# of Cards Issued
- Credit 4.72 Mn
- Debit 16.22 Mn
- Prepaid 11.00 Mn



Cash Management
- 20,821 Customers
- 31.4Mn Trx in 2017 (2)



Retail Loans (1)
- Rp 211.2 Tn
- 34.9% of Loans
- High yield loan amounting Rp 152.1 Tn



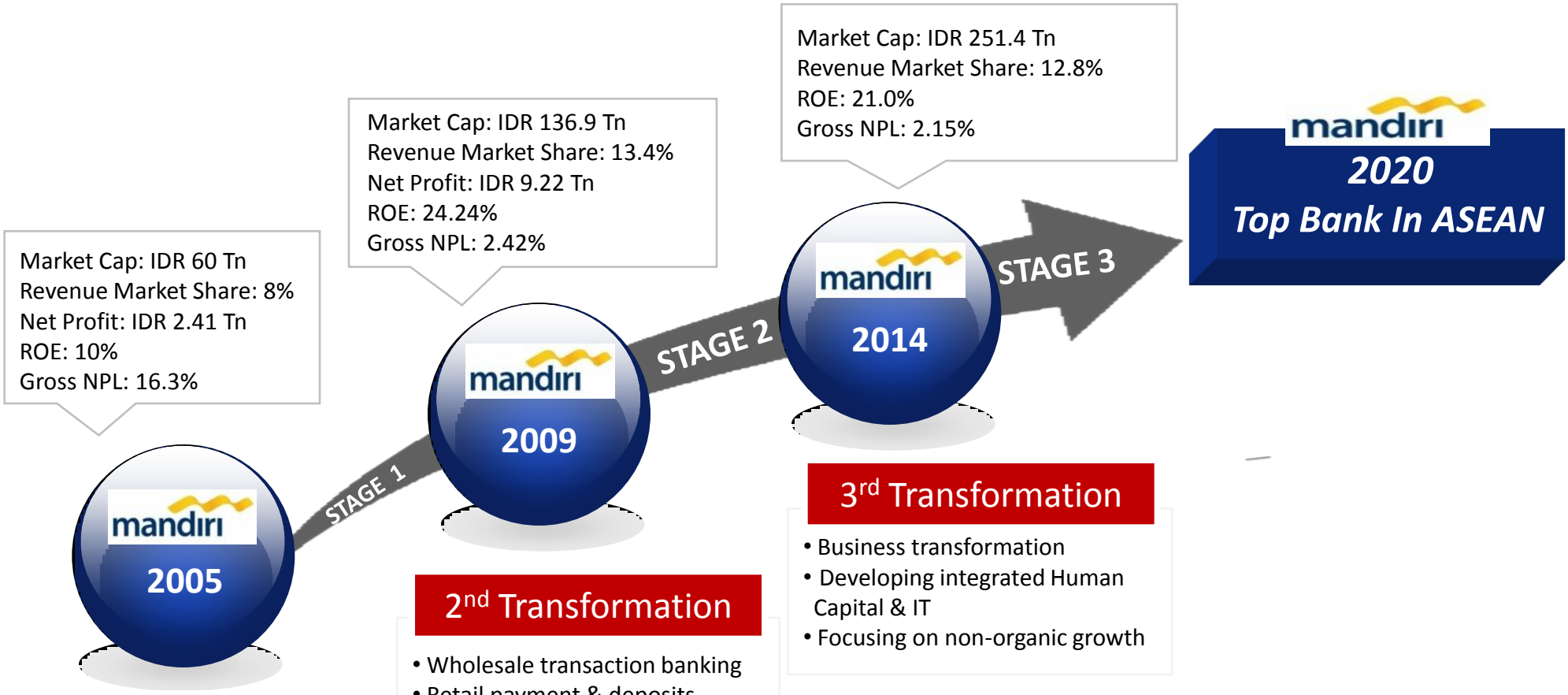
Subsidiary Income
- Total Rp 1.53 Tn
- Sum of income from 11 subsidiaries (10.2% of EAT)



Alliances
- Bank Guarantee: Rp21.69Tn
- ForEx: USD19.62Bn
- Trade: USD11.57 Bn

(1) Small Business, Micro and Consumers
(2) Excluding Mandiri Transaction System
(3) Incl. KSM Centre, MMU Cash outlet and MobilMU

We are Preparing For Our Next Transformation



1st Transformation

- Building a winning organization
- Delivering tailored proposition for priority segments
- Building alliances
- Strengthening risk management

2nd Transformation

- Wholesale transaction banking
- Retail payment & deposits
- Retail financing

3rd Transformation

- Business transformation
- Developing integrated Human Capital & IT
- Focusing on non-organic growth

…But We Need to Consider Growing Beyond the Bank



- Revenue YTD (Bank Only): Rp50.1Tn (9% YoY)
- Profit from Subsidiaries: Rp1.53Tn (10.2% of EAT)
- 9M Revenue Wholesale vs Retail : Rp 20.7Tn vs Rp 29.4Tn

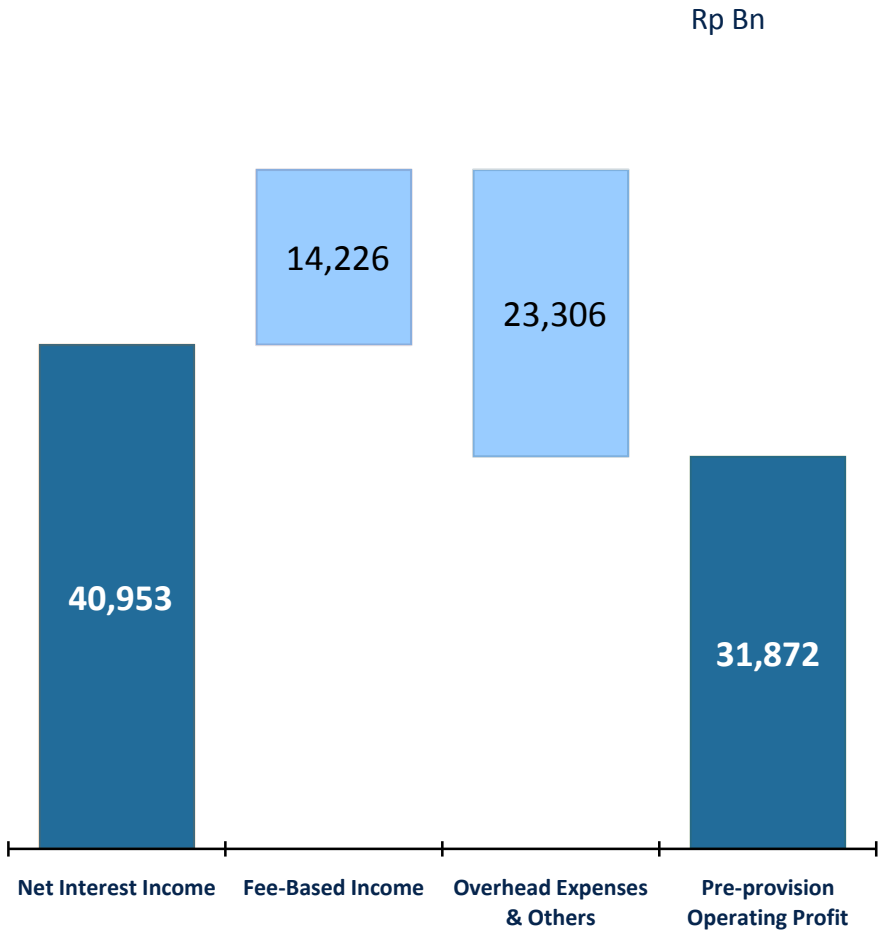
- JV with AXA (AMFS). Gross Written Premiums Rp1.5tn. +27% YoY
- JV with Tunas Ridean (MTF). Total Financing Rp4.1tn. 15% YoY
- InHealth → partner BPJS

Our Deal size has continued to move higher

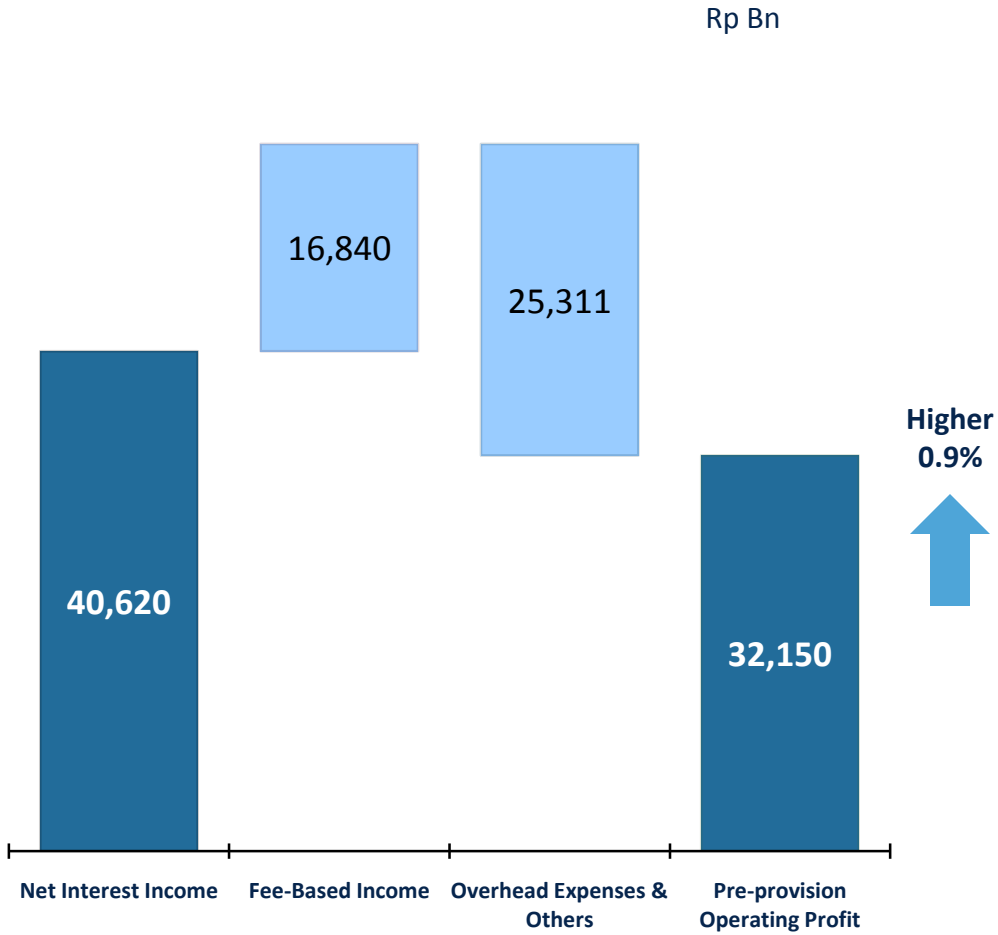
- BSHB → Rp 40bn (2008)
- MTF → Rp250 bn (2009)
- Inhealth → Rp 1.3 tn (2013)

9M 2017 PPOP increased by 0.9% YoY

9M2016



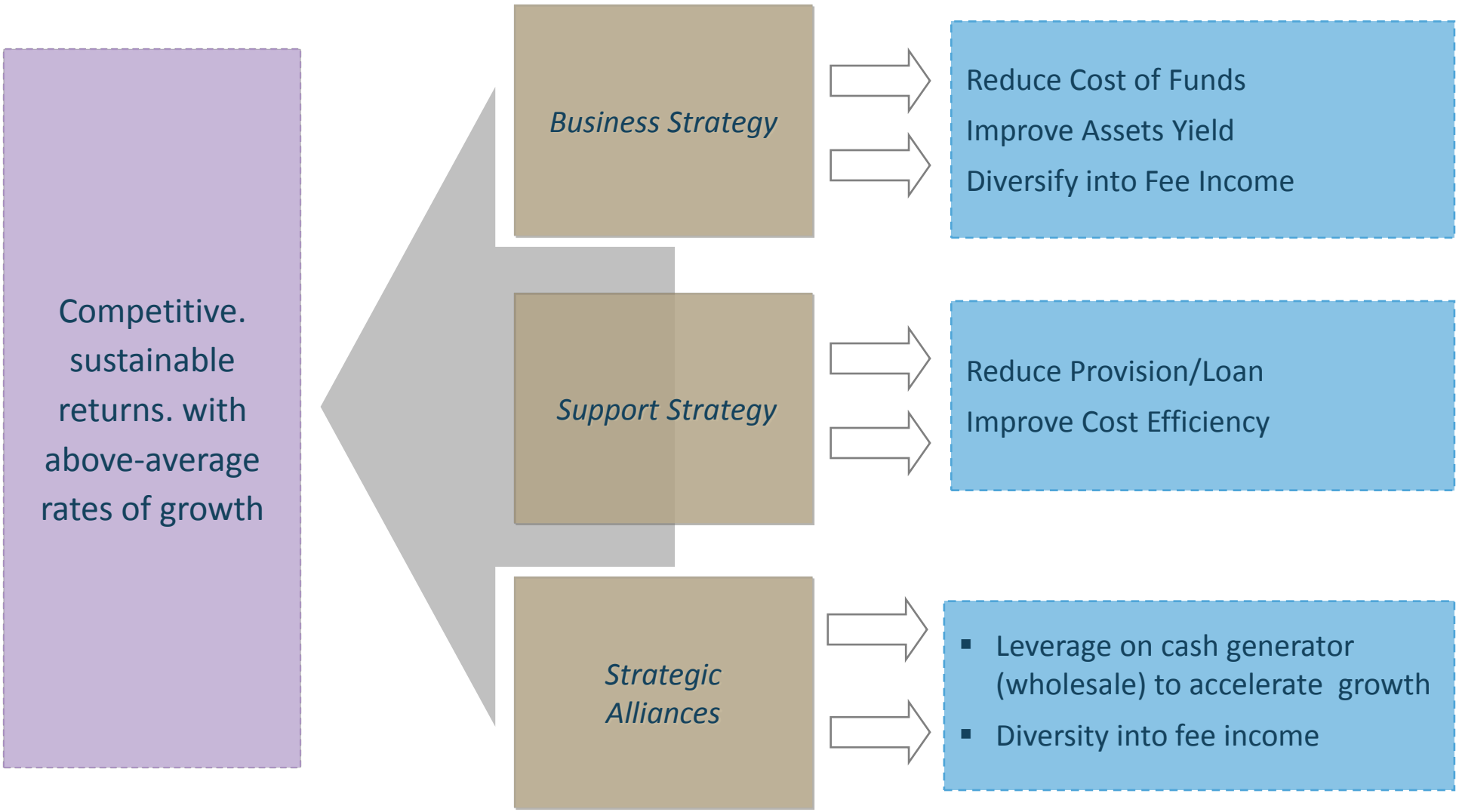
9M2017



Notes :

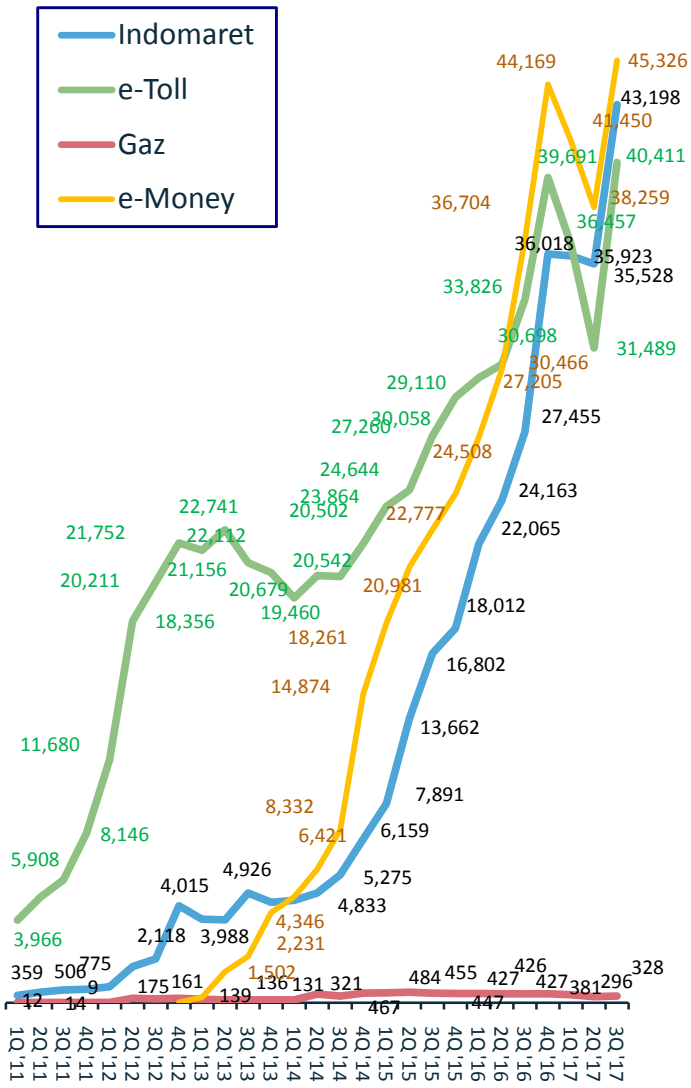
1. Fee based income excluding gain on sale & increasing value GB & securities
2. Overhead expenses + others excluding provisions

Committed to Improving Shareholder Value



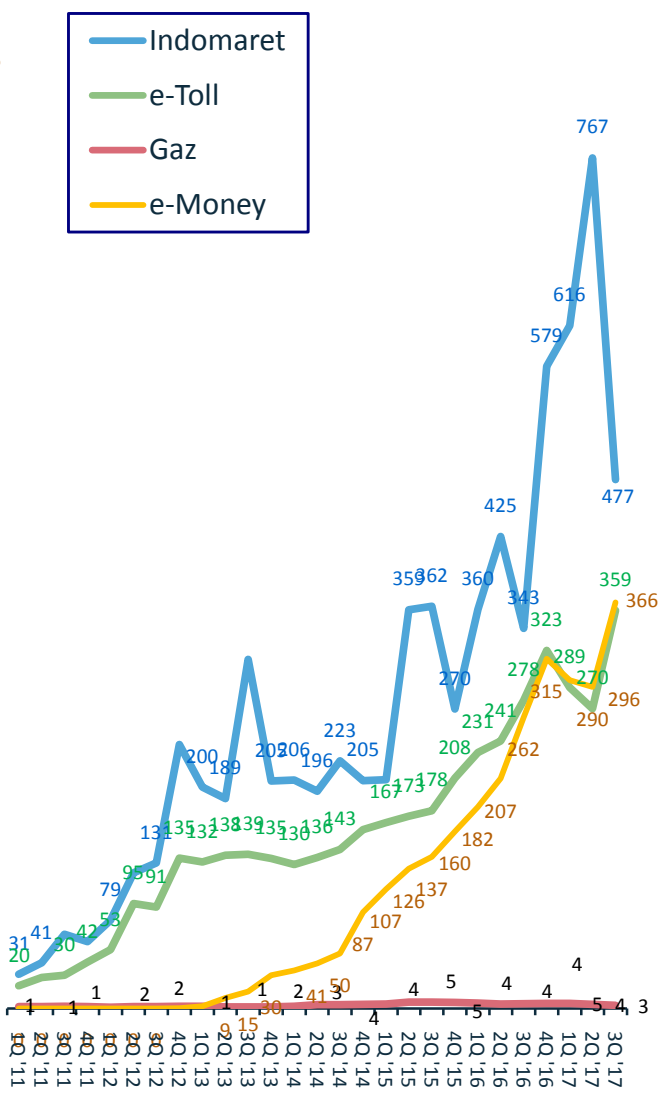
…and Offer Innovative Payment Solutions

Pre-Paid Transaction Volume (000s)*



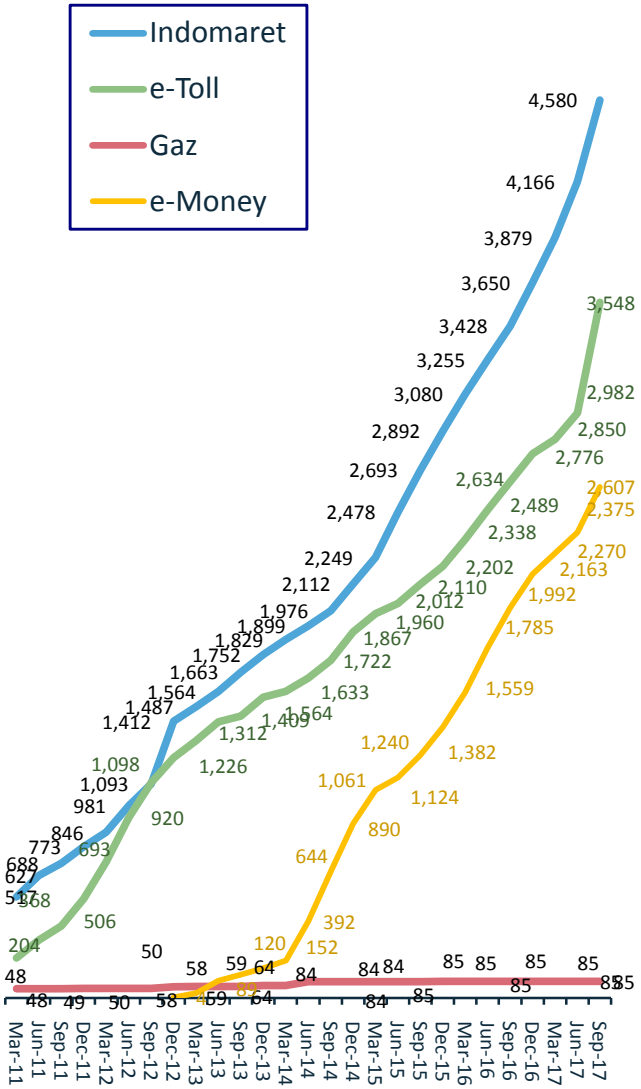
*volume for quarter

Pre-Paid Transaction Value (Rp Mn)*



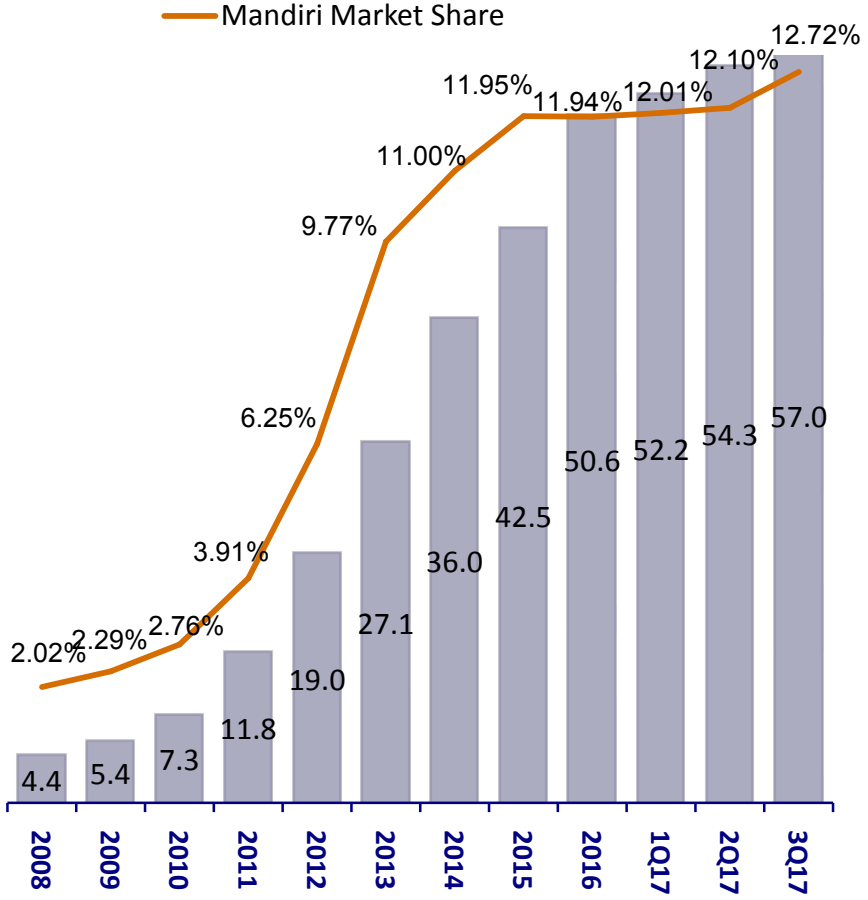
*volume for quarter

#Pre-Paid Card (000s)

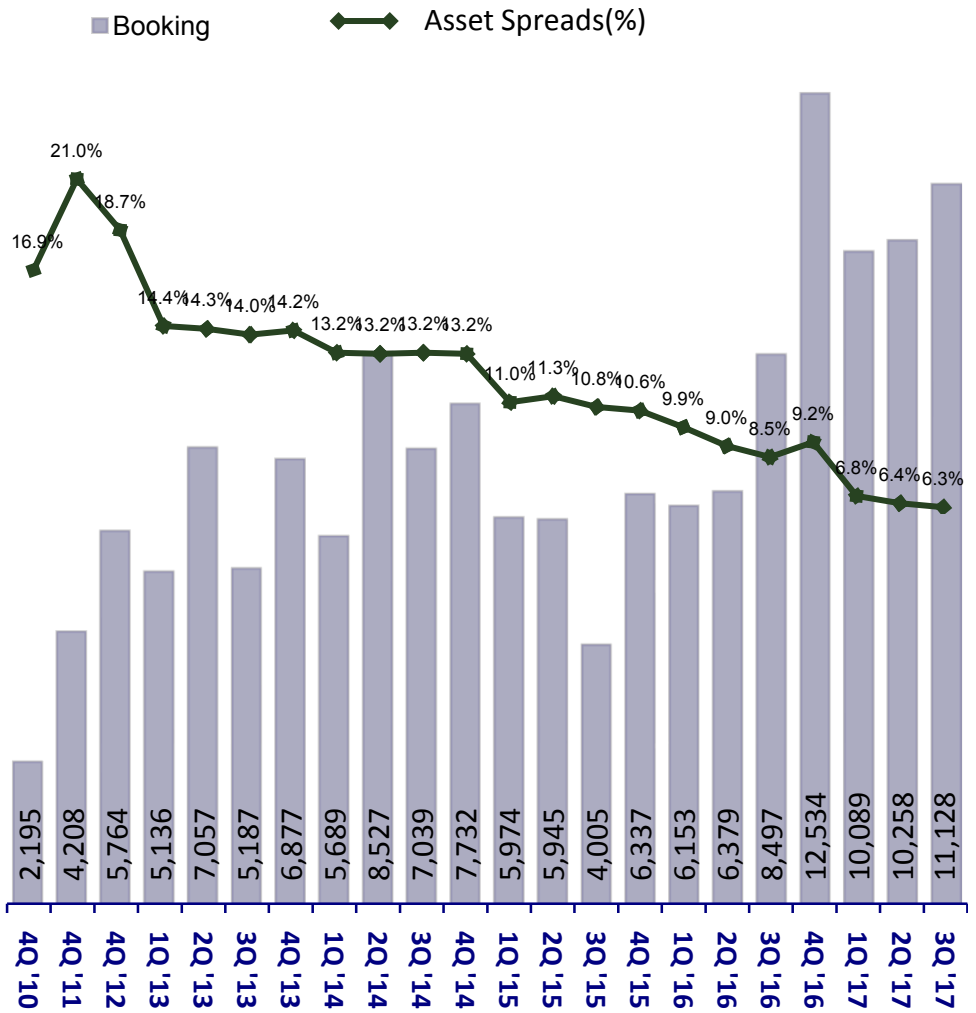


Strong Microfinance Growth

Outstanding – Rp Tn



Booking Volume – Rp Bn



*based on OJK publication market data (micro small medium business/ UMKM)

Our Growth Remains On Track

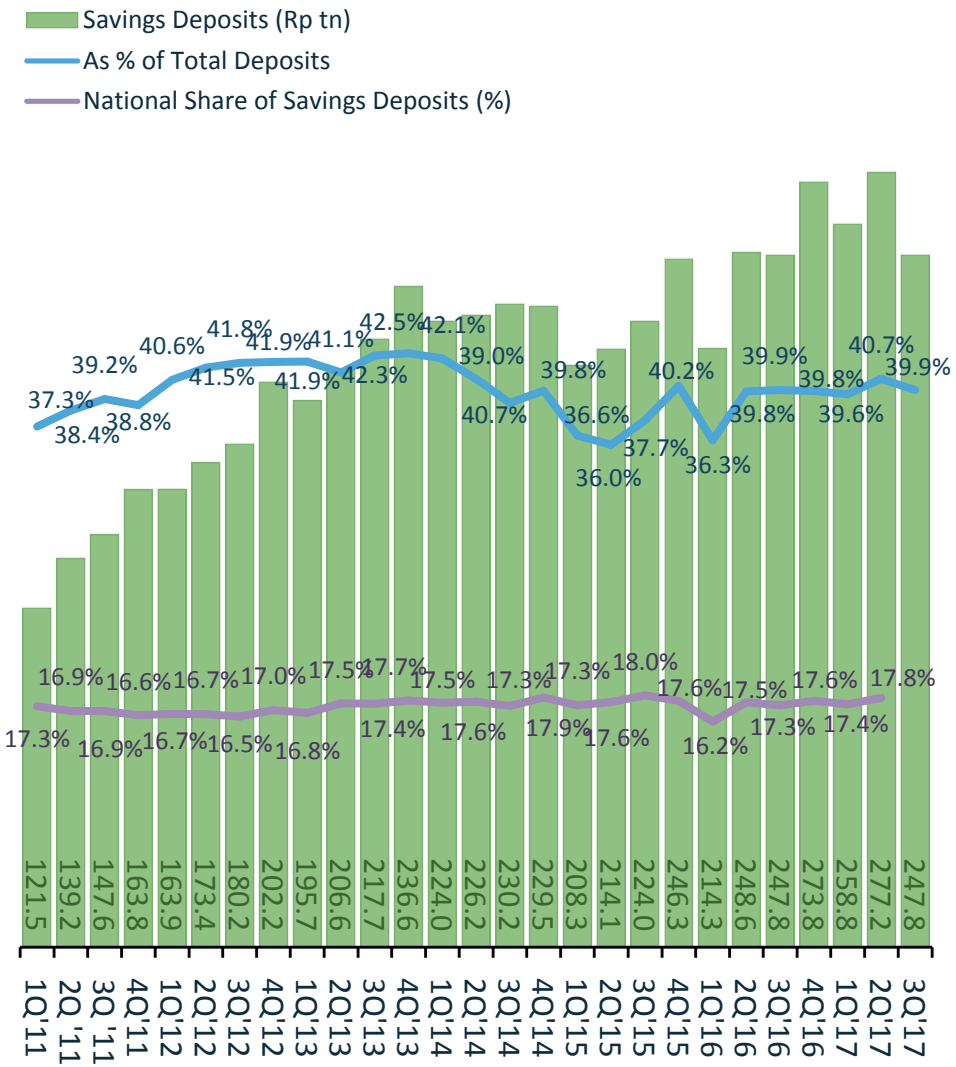
Rp Billion

	2005	2009	CAGR 2005-2009	2010	2014	CAGR 2010-2014	2015	2016	YoY Growth
Assets	263,383	394,617	10.6%	449,775	855,040	17.4%	910,063	1,038,706	14.1%
Loans	106,853	198,547	16.8%	246,201	529,973	21.1%	595,458	662,013	11.2%
Deposits	206,290	319,550	11.6%	362,212	636,382	15.1%	676,387	762,501	12.7%
Revenues	10,835	22,261	19.7%	28,504	56,501	18.7%	66,879	73,764	10.3%
ROE	2.52%	22.06%	72.0%	24.24%	20.95%	(3.6%)	18.33%	9.66%	-47.3%
Gross NPL Ratio	25.20%	2.79%	(5.60%)	2.42%	2.15%	(2.9%)	2.60%	4.00%	53.8%
Net NPL Ratio	15.34%	0.42%	(3.73%)	0.62%	0.81%	6.9%	0.90%	1.53%	70.0%
LDR	51.72%	61.36%	2.41%	67.58%	82.86%	5.2%	87.68%	86.54%	-1.3%
EAT	603	7,155	85.6%	9,218	19,872	21.2%	20,335	13,807	-32.1%
Subsidiary EAT	N/A	434	22.2% *)	994	1,086	2.2%	2,085	2,288	9.7%

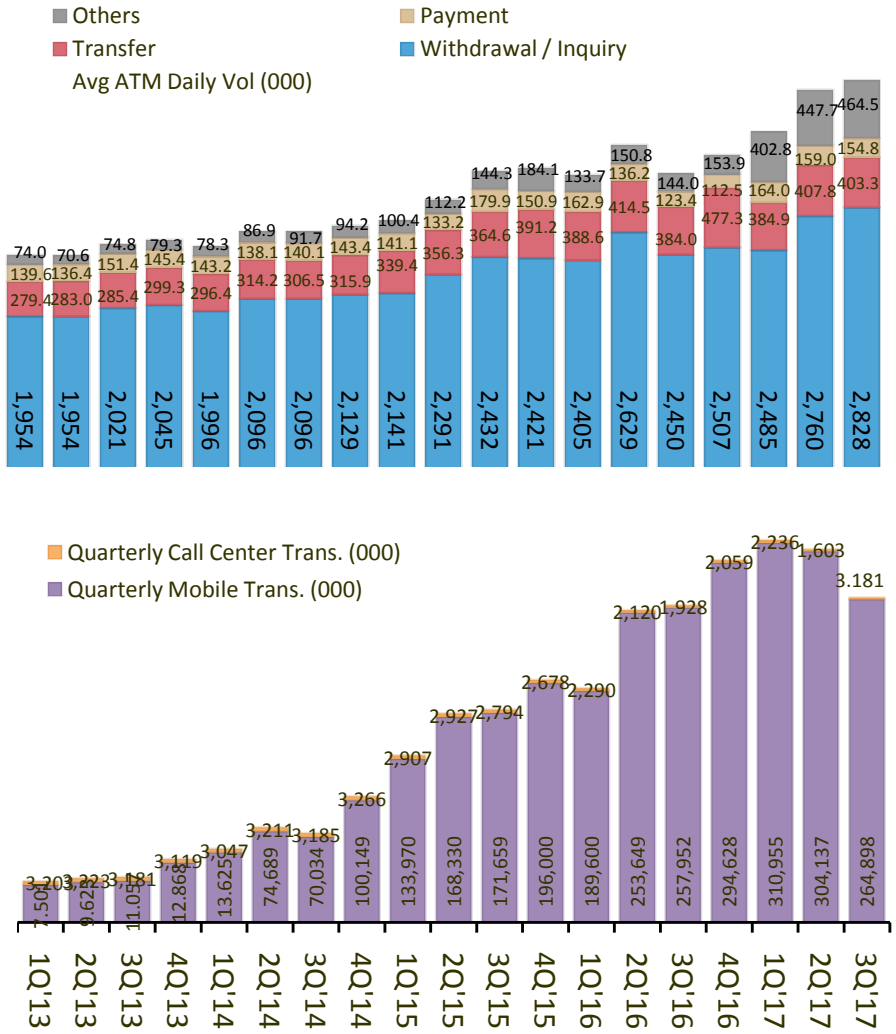
*) CAGR based on EAT 2006 Rp. 238.28 bn

Building a Strong Savings Deposit Franchise…

Savings Deposit Growth



Transaction channel growth



Regulation Summary: Capital Based on Risk Profile. Business Activity & Branch Networking

Bank Mandiri's Capital Requirement Based on our Risk Profile

Risk Profile	CAR Min
1 – Low	8%
2 – Low to Moderate	9% - < 10%
3 – Moderate	10% - < 11%
4 – Moderate to High & 5 - High	11% - 14%

Bank Mandiri is under the "LOW to MODERATE" risk profile

Bank Mandiri is under "BUKU 4". Minimum 70% loans and financing to the productive sector required to be met at the end of June 2016.

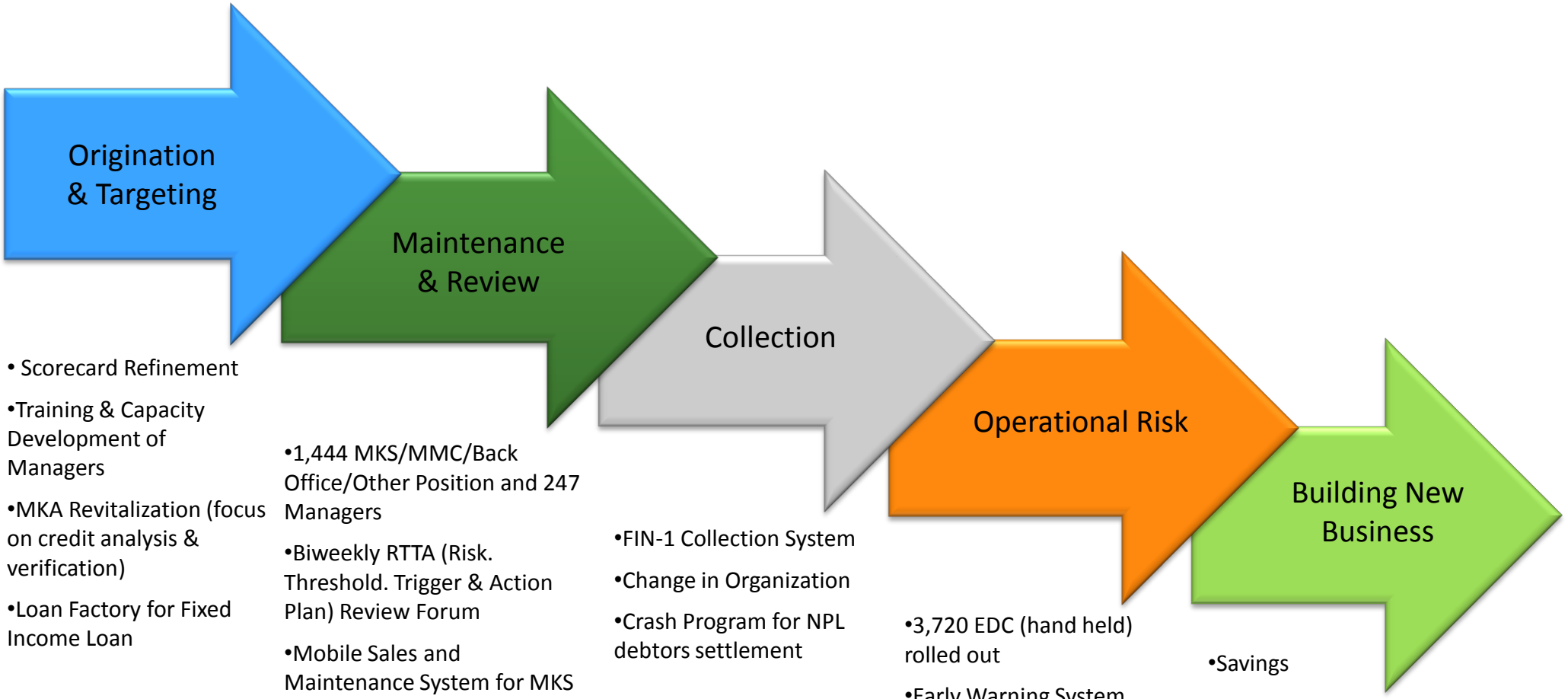
Bank Mandiri Capital Requirment

"BUKU"	Tier 1 Capital
1	< Rp 1 Trillion
2	Rp 1 Trillion - < Rp 5 Trillion
3	Rp 5 Trillion - < Rp 30 Trillion
4	≥ Rp 30 Trillion

Branch Networking by Zone

	Branch	Sub Branch	Cash Office	Total
Zone 1	21	364	74	**459**
Zone 2	42	1,048	60	**1,150**
Zone 3	15	205	15	**235**
Zone 4	30	320	15	**365**
Zone 5	18	229	8	**255**
Zone 6	13	130	10	**153**
Total	**139**	**2,296**	**182**	**2,617**

Continuous End to End Improvement in the Micro Business



- Scorecard Refinement
- Training & Capacity Development of Managers
- MKA Revitalization (focus on credit analysis & verification)
- Loan Factory for Fixed Income Loan

- 1,444 MKS/MMC/Back Office/Other Position and 247 Managers
- Biweekly RTTA (Risk. Threshold. Trigger & Action Plan) Review Forum
- Mobile Sales and Maintenance System for MKS
- Incentive Scheme Refinement
- Post Transaction Control (Welcome Call)

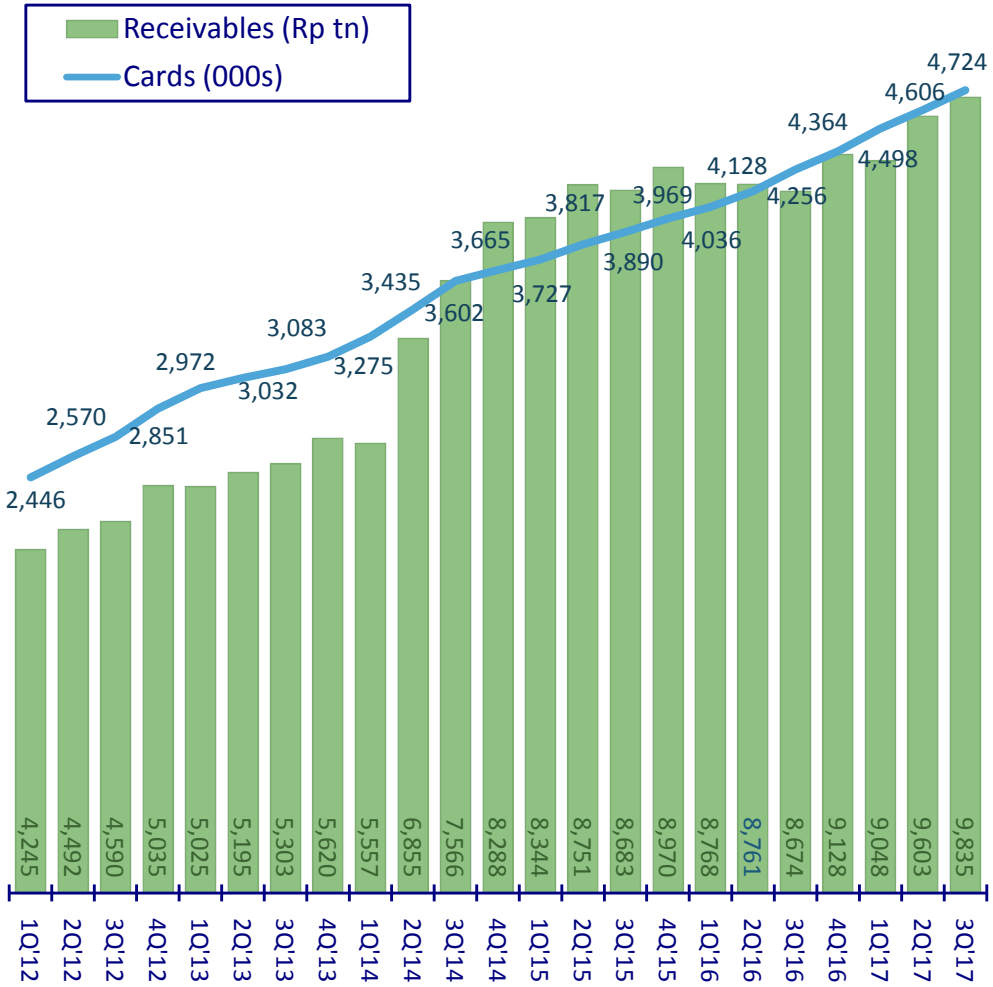
- FIN-1 Collection System
- Change in Organization
- Crash Program for NPL debtors settlement

- 3,720 EDC (hand held) rolled out
- Early Warning System Development

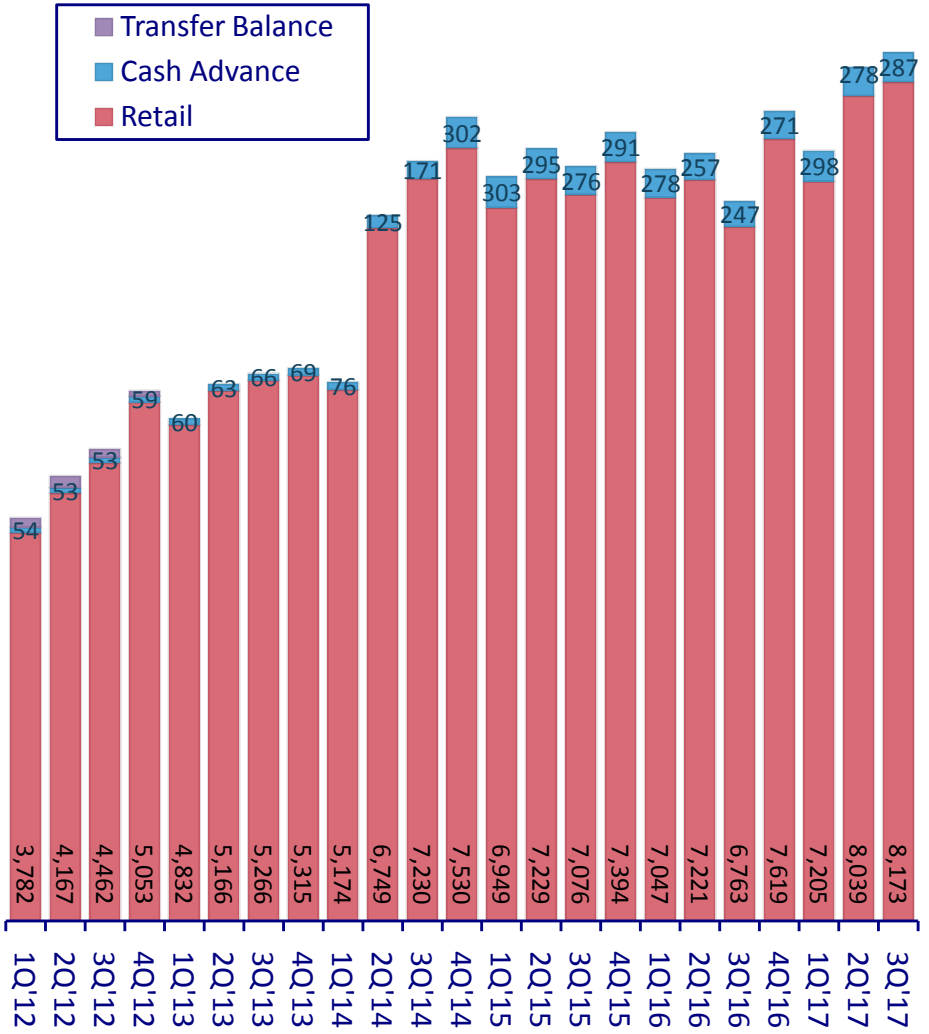
- Savings
- Pension Loans
- Joint Cooperation with Mandiri AXA General Insurance (MAGI)
- Joint Cooperation with Bank Syariah Mandiri (BSM) – for Gold Pawning

4.72 Million Cards Drove Rp 9.83 Tn in Transaction

Mandiri Visa & Mastercards and EOQ Receivables

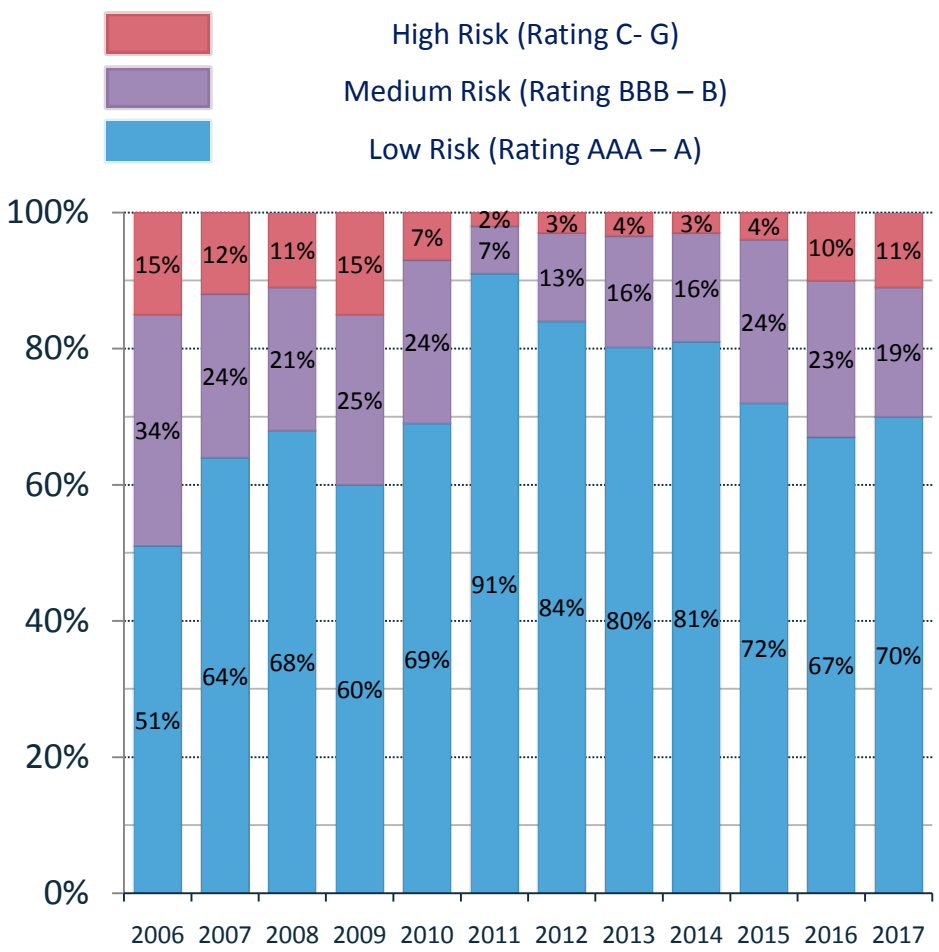


Total Card Quarterly Sales by Type of Transaction (Rp Bn)



Strengthening Risk Management & Monitoring System

Corporate Customer by Rating



Summary of Risk Management Initiatives

Credit

- Wholesale Transaction: Optimize credit decision process by focusing on quantitative factors of analysis. redefining clear role of risk team . and aligning RM Organization into business expansion
- High Yield Business: Assign dedicated team. set up loan factory. enhanced business process (incl. tools. monitoring & collection system. policy)
- Optimize capital by implementing ERM & VBA
- Consolidate risk management of subsidiaries

Market

- Development of risk measurement system for derivative & structured product (Summit)
- Implement Market Risk Internal Model
- Intraday Limit Monitoring
- Enhance Policy & Procedure for Treasury & ALM
- Enhance FTP (Fund Transfer Pricing) method
- Develop liquidity stress test & safety level
- Develop measurement of capital for IRBB

Operational

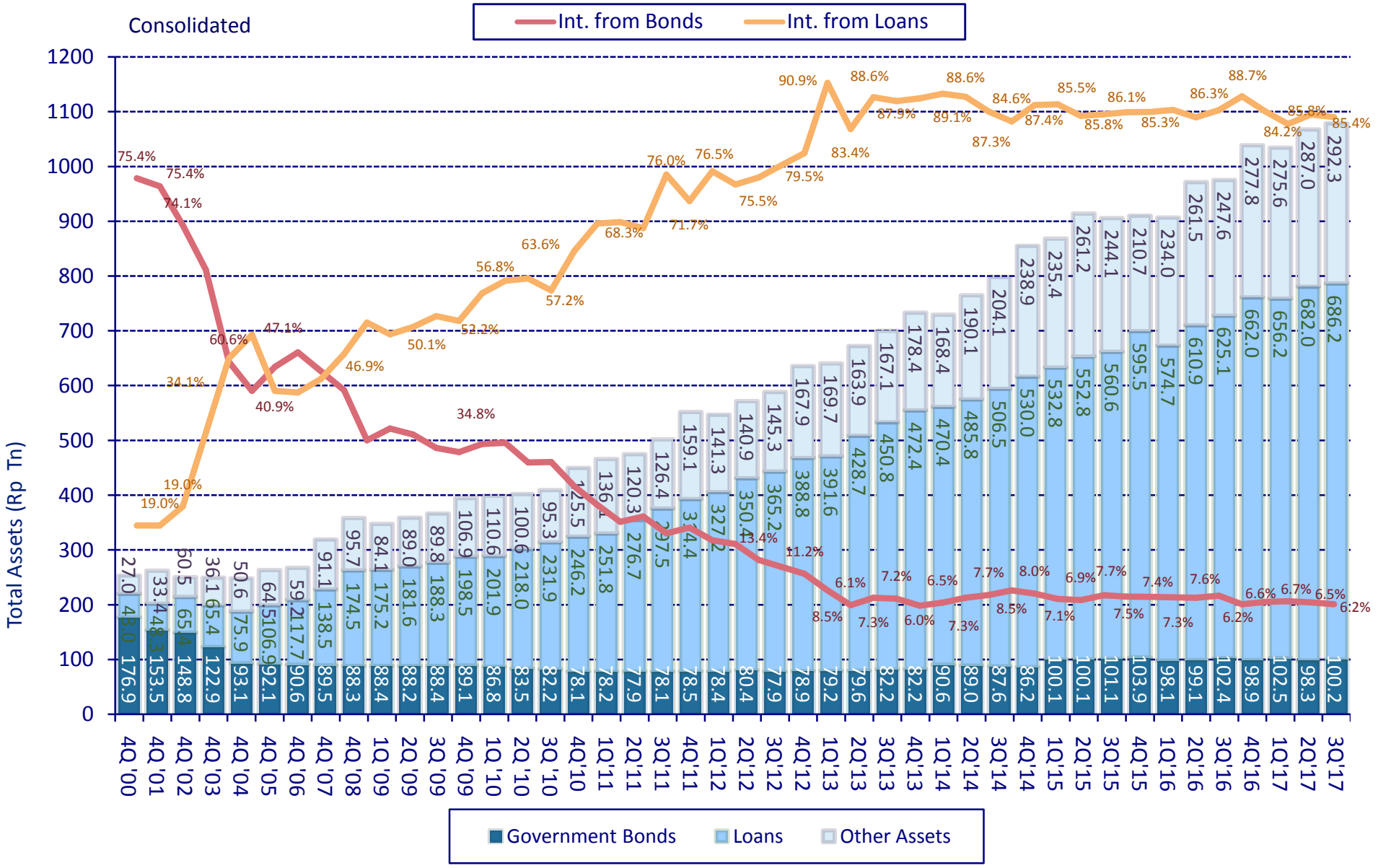
- ORM implementation in all unit. incl. overseas offices & subsidiaries
- Bring Op. Risk top issues into Management
- Review Op. Risk on new procedures & new products

Key Quarterly Balance Sheet Items & Financial Ratios

IDR billion / % (Cons)	9M 2017	1H 2017	1Q 2017	9M 2016	YoY
Gross Loans	686,157	682,043	656,211	625,123	9.8%
Government Bonds	100,197	98,343	102,537	102,434	-2.2%
Total Assets	1,078,703	1,067,411	1,034,307	971,444	11.0%
Customer Deposits	761,490	760,861	731,115	690,507	10.3%
Total Equity	163,891	157,444	151,824	152,786	7.3%
RoA – before tax (p.a.)	2.53%	2.48%	2.12%	2.29%	10.7%
RoE – after tax (p.a.)	12.77%	12.49%	10.69%	11.82%	8.0%
Cost to Income Ratio	44.77%	43.23%	42.68%	42.76%	4.7%
NIM (p.a.)	5.86%	6.37%	6.35%	6.59%	-11.0%
LDR	89.92%	89.40%	89.52%	90.24%	-0.4%
Gross NPL / Total Loans	3.75%	3.82%	3.98%	3.81%	-1.6%
Provisions / NPLs	134.98%	134.17%	133.16%	126.56%	6.7%
Tier 1 CAR *	20.90%	20.47%	20.04%	19.14%	9.2%
Total CAR incl. Credit, Opr & Market Risk*	21.98%	21.55%	21.11%	22.63%	-2.9%
EPS (Rp)	323	203	88	152	113.2%
Book Value/Share (Rp)	3,512	3,374	3,253	3,274	7.3%

* Bank Only

Total Assets Grew 11% Y-o-Y to Rp 1,078.7Tn



Additional Factors

Recoveries of Written off Loans

- Aggregate of Rp 54.572 Tn (US$ 4.051 Bn) in written-off loans as of end-of September 2017, with significant recoveries and write back on-going:

2001:	Rp 2.0 Tn	
2002:	Rp 1.1 Tn	
2003:	Rp 1.2 Tn	
2004:	Rp 1.08 Tn	
2005:	Rp 0.818 Tn	(US$ 83.2m)
2006:	Rp 3.408 Tn	(US$ 378.5m)*
2007:	Rp 1.531 Tn	(US$ 249.3m)
2008:	Rp 2.309 Tn	(US$ 211.8m)
Q4 '09:	Rp 0.775 Tn	(US$ 82.5m)
Q1 '10:	Rp 0.287 Tn	(US$ 31.6m)
Q2 '10:	Rp 0.662 Tn	(US$ 73.0m)
Q3 '10:	Rp 0.363 Tn	(US$ 40.7m)**
Q4 '10:	Rp 1.349 Tn	(US$149.7m)
Q1 '11:	Rp 0.468 Tn	(US$53.8m)
Q2 '11:	Rp 0.446 Tn	(US$51.9m)
Q3 '11:	Rp 0.508 Tn	(US$57.8m)
Q4 '11:	Rp 0.78 Tn	(US$86.1m)
Q1'12:	Rp 1.647 Tn	(US$180.1m)
Q2'12:	Rp 0.721 Tn	(US$76.8m)
Q3'12:	Rp 0.489 Tn	(US$51.1m)
Q4'12:	Rp 0.885 Tn	(US$91.8m)
Q1'13:	Rp 0.918 Tn	(US$94.5m)
Q2'13:	Rp 0.683 Tn	(US$68.8m)
Q3'13:	Rp 0.630 Tn	(US$54.4m)
Q4'13:	Rp 0.845 Tn	(US$69.4m)
Q1'14:	Rp 0.552 Tn	(US$48.7m)
Q2'14:	Rp 0.765 Tn	(US$64.5m)
Q3'14:	Rp 0.566 Tn	(US$46.4m)
Q4'14:	Rp 0.803 Tn	(US$64.8m)
Q1'15:	Rp 0.553 Tn	(US$42.4m)
Q2'15:	Rp 0.646 Tn	(US$48.5m)
Q3'15:	Rp 0.751 Tn	(US$51.3m)
Q4'15	Rp 1.089 Tn	(US$79.0m)
Q1'16	Rp 0.570 Tn	(US$43.0m)
Q2'16	Rp 0.645 Tn	(US$48.9m)
Q3'16	Rp 0.833 Tn	(US$63.8m)
Q4'16	Rp 1.145 Tn	(US$85.0m)
Q1'17	Rp 0.686 Tn	(US$51.5m)
Q2'17	Rp 0.886Tn	(US$66.5m)
Q3'17	Rp 0.965Tn	(US$71.7m)

* including the write-back of *RGM* loans totaling Rp 2.336 Tn

** Including the write back of *Kharisma Arya Paksi* loans totaling Rp 0.124 Tn and Gde Kadek Rp 0.59Tn.

Summary Quarterly Balance Sheet 3Q 2017 – 3Q 2016

Summary BS	Q3 '17	Q2 '17	Q1 '17	Q4 '16	Q3 '16	Y-o-Y
	Rp (tn)	Rp (tn)	Rp (tn)	Rp (tn)	Rp (tn)	% △
Total Assets	1,079	1,067	1,034	1,039	975	10.6%
Cash	21.03	33.49	21.21	22.91	20.13	4.5%
Current Acc w/ BI & other banks	68.84	75.64	62.67	62.85	57.71	19.3%
Placement w/ BI & other banks	76.59	58.82	73.77	73.70	58.32	31.3%
Securities Net	60.87	59.46	58.63	56.55	55.42	9.8%
Government Bonds	100.20	98.34	102.54	98.93	102.43	-2.2%
- Trading	3.12	3.23	3.07	2.43	3.52	-11.5%
- AFS	86.24	84.17	89.99	80.33	79.25	8.8%
- HTM	10.84	10.94	9.47	16.17	19.66	-44.9%
Loans	686.16	682.04	656.21	662.01	625.12	9.8%
- Performing Loans	660.44	655.98	630.10	635.54	601.34	9.8%
- Non-Performing Loans	25.72	26.07	26.11	26.48	23.78	8.1%
Allowances	(34.70)	(34.96)	(34.76)	(32.95)	(30.09)	15.3%
Loans – Net	651.46	647.08	621.46	629.07	595.03	9.5%
Total Deposits – Non Bank	761.49	760.86	731.12	762.50	690.51	10.3%
- Demand Deposits	184.81	184.02	178.12	187.05	163.06	13.3%
- Savings Deposits	307.72	306.21	287.52	302.33	274.24	12.2%
- Time Deposits	268.97	270.64	265.47	273.12	253.22	6.2%
Shareholders' Equity*	163.89	157.44	151.82	153.37	152.79	7.3%

Summary Quarterly P&L 3Q 2017 – 3Q 2016

Summary P&L	3Q 2017		2Q 2017		3Q 2016		Y-o-Y	Q-o-Q
	Rp (Bn)	% of Av.Assets*	Rp (Bn)	% of Av.Assets*	Rp (Bn)	% of Av.Assets*	△ (%)	△ (%)
Interest Income	20,183	7.5%	19,682	7.4%	20,518	8.4%	-1.6%	2.5%
Interest Expense	7,031	2.6%	6,811	2.6%	6,104	2.5%	15.2%	3.2%
Net Interest Income	13,152	4.9%	12,871	4.8%	14,413	5.9%	-8.7%	2.2%
Net Premium Income	490	0.2%	677	0.3%	751	0.3%	-34.7%	-27.6%
Net Interest Income & Premium Income	**13,643**	**5.1%**	**13,548**	**5.1%**	**15,164**	**6.2%**	**-10.0%**	**0.7%**
Other Non Interest Income								
*Other Fees and Commissions	3,214	1.2%	2,910	1.1%	2,755	1.1%	16.7%	10.4%
*Foreign Exchange Gains – Net	766	0.3%	688	0.3%	618	0.3%	23.9%	11.3%
*Gain from Incr. in value of sec & sale of Gov.Bonds	208	0.1%	456	0.2%	263	0.1%	-20.9%	-54.4%
*Others	1,758	0.7%	1,583	0.6%	1,399	0.6%	25.7%	11.1%
Total Non Interest Income	**5,947**	**2.2%**	**5,637**	**2.1%**	**5,036**	**2.1%**	**18.1%**	**5.5%**
Total Operating Income	19,589	7.3%	19,185	7.2%	20,200	8.3%	-3.0%	2.1%
Provisions, Net	(2,889)	-1.1%	(3,929)	-1.5%	(6,023)	-2.5%	-52.0%	-26.5%
Personnel Expense	(3,668)	-1.4%	(3,413)	-1.3%	(3,290)	-1.3%	11.5%	7.5%
G&A Expenses	(3,816)	-1.4%	(3,825)	-1.4%	(3,497)	-1.4%	9.1%	-0.2%
Other Expenses	(1,767)	-0.7%	(958)	-0.4%	(889)	-0.4%	98.7%	84.5%
Total Expense	(9,251)	-3.4%	(8,195)	-3.1%	(7,676)	-3.1%	20.5%	12.9%
Profit from Operations	7,449	2.8%	7,061	2.6%	6,501	2.7%	14.6%	5.5%
Non Operating Income	(45)	0.0%	(24)	0.0%	(15)	0.0%	203.9%	90.9%
Net Income Before Tax	7,404	2.7%	7,038	2.6%	6,486	2.7%	14.2%	5.2%
Net Income After Tax	5,606	2.1%	5,384	2.0%	4,933	2.0%	13.7%	4.1%

Breakdown of Interest Income & Interest Expense

Interest Income	3Q'17	3Q '16	YoY	2Q '17	QoQ
	Rp (Bn)	Rp (Bn)	(%)	Rp (Bn)	(%)
Loans	14,948	16,306	-8.3%	14,698	1.7%
Government bonds	1,257	1,276	-1.5%	1,286	-2.3%
Marketable Securities	575	436	31.8%	503	14.3%
Consumer financing	676	513	31.9%	625	8.2%
Placement at BI and other banks	388	293	32.3%	360	7.6%
Others	740	-558	-232.7%	652	13.5%
Syariah Income	1,600	1,385	15.6%	1,557	2.8%
Total	**20,183**	**19,651**		**19,682**	

Interest Expense	3Q'17	3Q '16	YoY	2Q '17	QoQ
	Rp (Bn)	Rp (Bn)	(%)	Rp (Bn)	(%)
Time Deposits	4,035	3,930	2.7%	4,013	0.5%
Savings	862	724	19.1%	788	9.4%
Current Account	728	566	28.6%	705	3.3%
Borrowings	432	437	-1.0%	499	-13.4%
Securities issued	388	163	138.5%	320	21.3%
Subordinated loan	1	106	-99.4%	1	-16.5%
Others	585	180	225.8%	486	20.5%
Total	**7,031**	**6,104**		**6,811**	

Three Options to Pursue in Recap Bonds Resolution

Bank Indonesia

- BI will gradually replace their use of SBI for market operations with SUN
- BI could buy the Recap bonds gradually and this includes potential purchases of SUN VR

Ministry of Finance

- The Ministry of Finance will consider to buyback the SUN VR
- Potential for debt switching with a different tenor of fixed rate bonds.

Market Sale

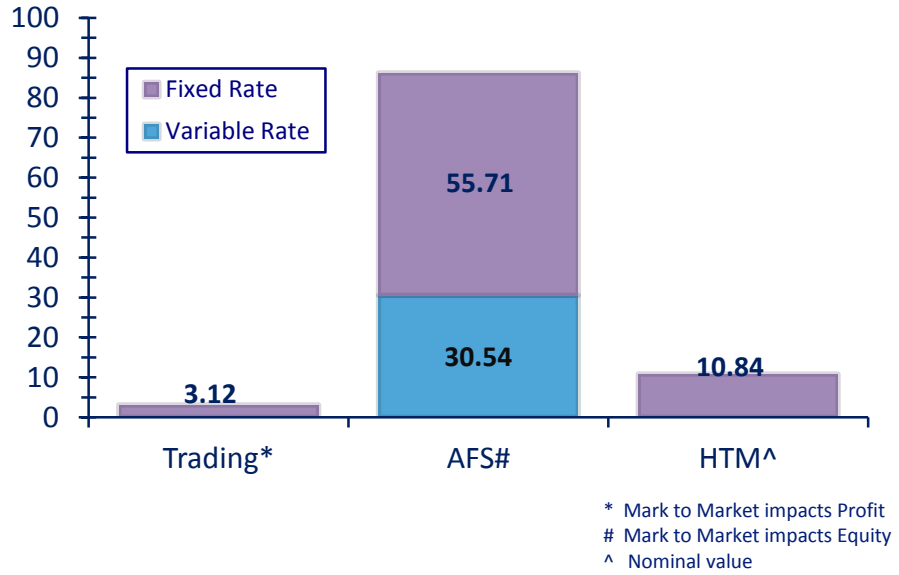
- Bundle the recap bonds with assets creating an asset backed security and sell it to the market.
- Sell the bonds. borrowing FX and use the liquidity to increase lending.

Government Bond Portfolio

Government Bond Portfolio by Type and Maturity (Rp 100,197Bn)

Maturity/ Rp Bn	Trading Portfolio		Available for Sale		Held to Maturity
	Nominal	MTM	Nominal	MTM	
Fixed Rate Bonds					
< 1 year	221	221	4,825	4,847	3,937
1 - 5 year	484	528	23,905	25,554	5,382
5 - 10 year	1,311	1,388	18,654	20,046	1,261
> 10 year	942	979	4,694	5,260	257
Sub Total	**2,959**	**3,117**	**52,079**	**55,706**	**10,837**
Variable Rate Bonds					
< 1 year	-	-	6,758	6,724	-
1 - 5 year	-	-	24,039	23,814	-
5 - 10 year	-	-	-	-	-
> 10 year	-	-	-	-	-
Sub Total	-	-	**30,797**	**30,538**	-
T o t a l	**2,959**	**3,117**	**82,876**	**86,244**	**10,837**

Bonds by Rate Type & Portfolio as of December (Rp 100,197 Bn)



* Mark to Market impacts Profit
\# Mark to Market impacts Equity
^ Nominal value

3Q'17 Government Bond Gains/(Losses) (Rp Bn)

	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17
Realized Gains/Losses on Bonds	136.96	211.82	171.88	167.34	328.25	198.07
Unrealized Gains/Losses on Bonds	89.42	13.90	-53.15	70.78	16.67	46.71
Total	226.38	225.72	118.73	238.12	344.92	244.77

Ex-Recap Bond Portfolio. September 2017 – Bank Only

No.	Series	Maturity Date	Interest Rate (%)	Nominal			Marked To Market (%)	Fair Value		
				Total Trading Port.	Total Available For Sale Port.	Total Held To Maturity Portfolio		Total Trading Port.	Total Available For Sale Port.	Total Investment Port.
Fixed Rate										
Sub Total				-	-	-		-	-	-
Variable Rate										
6	VR0026	25-Jan-18	5.08%		1,379,267	-	99.7800	-	1,376,233	-
7	VR0027	25-Jul-18	5.08%		1,807,267	-	99.4700	-	1,797,688	-
8	VR0028	25-Aug-18	5.01%		3,571,695	-	99.4000	-	3,550,265	-
9	VR0029	25-Aug-19	5.01%		3,456,688	-	99.1500	-	3,427,306	-
10	VR0030	25-Dec-19	4.96%		6,048,765	-	99.0400	-	5,990,697	-
11	VR0031	25-Jul-20	5.08%		15,133,108	-	99.0600	-	14,990,857	-
Sub Total				-	**31,396,790**	-		-	**31,133,046**	-
Grand Total				-	**31,396,790**	-		-	**31,133,046**	-
				0.00%	**100.00%**	**0.00%**		**0.00%**	**100.00%**	**0.00%**
				Total Nominal Value		**31,396,790**		**Total Fair Value**		**31,133,046**

(Stated in Rp Millions)

Bank Mandiri Credit Ratings

Moody's (February 2017)	
Outlook	POSITIVE
Bank Deposit	Baa3/P-3
Baseline Credit Assessment	Baa3
Adj. Baseline Credit Assessment	Baa3
Counterparty Risk Assessment	Baa2(cr)/P-2(cr)

Fitch Rating (August 2016)	
Issuer Default Rating	BBB-
National LT Rating	AAA(idn)
National ST Rating	F1+(idn)
Viability Rating	bb+
Support Rating Floor	BBB-

Pefindo (June 2017)	
Corporate Rating	STABLE
LT General Obligation	idAAA

Standard & Poor's (December 2015)	
Outlook	STABLE
LT Foreign Issuer Credit	BB+
LT Local Issuer Credit	BB+
ST Foreign Issuer Credit	B
ST Local Issuer Credit	B

Corporate Actions

Dividend Payment & Stock Split

Net Profit for the financial year of 2016 of Rp13,806,565,442,570.80 was distributed as follows:

- 45% or Rp6,212,954,449,156.86 for the annual dividend
- Total Dividend Payment of Rp266.26948 per share

Schedule :

a. Cum Date:

Regular and Negotiated Market:	March 21, 2017
Cash Market:	March 24, 2017

b. Ex Date:

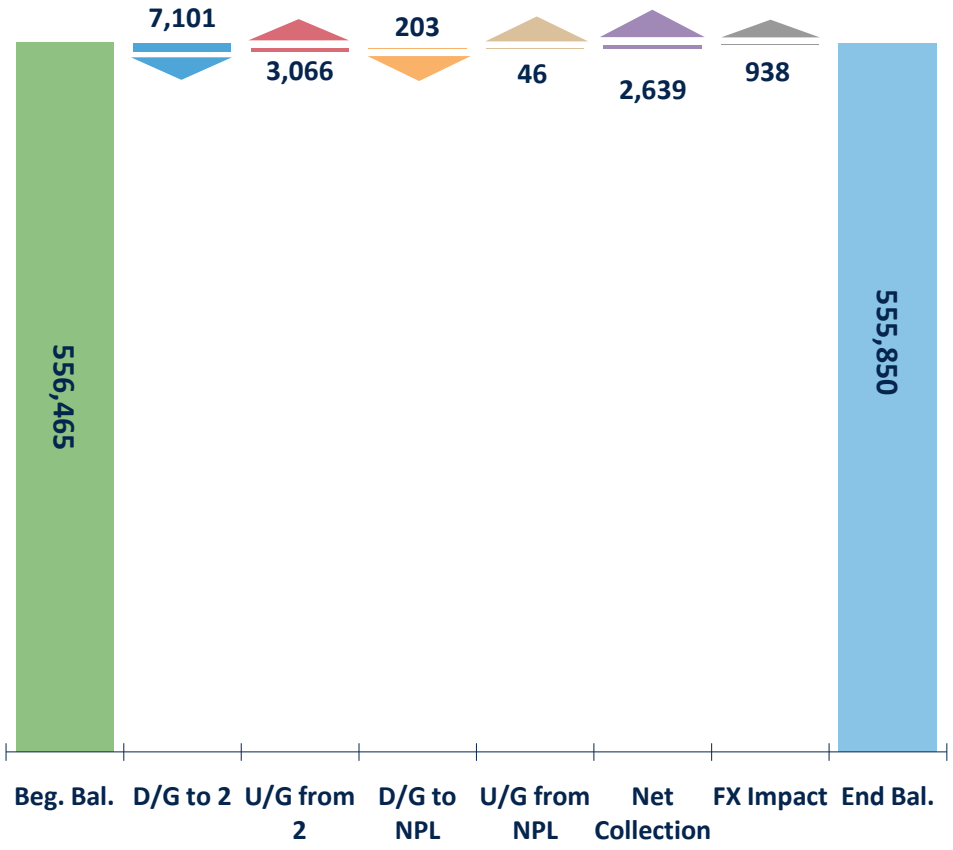
Regular and Negotiated Market:	March 22, 2017
Cash Market:	March 27, 2017

c. Recording Date:	March 24, 2017
d. Payment Date:	April 13, 2017

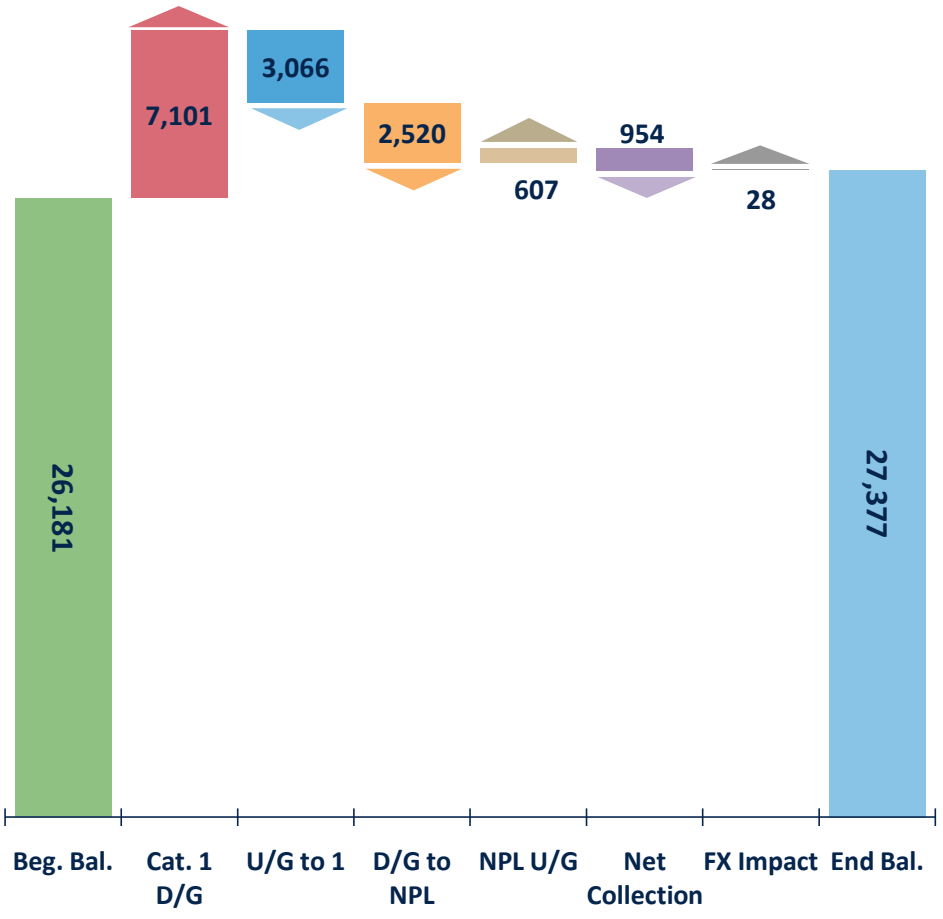
The Company's Nominal Stock Split from Rp 500 per share to Rp250 per share and amendment of Article of Association related with the Company's Nominal Stock Split.

3Q 2017 Movement in Category 1 and 2 Loans

Category 1 Loan Movements (Rp Bn) – Bank Only



Category 2 Loan Movements (Rp Bn) – Bank Only

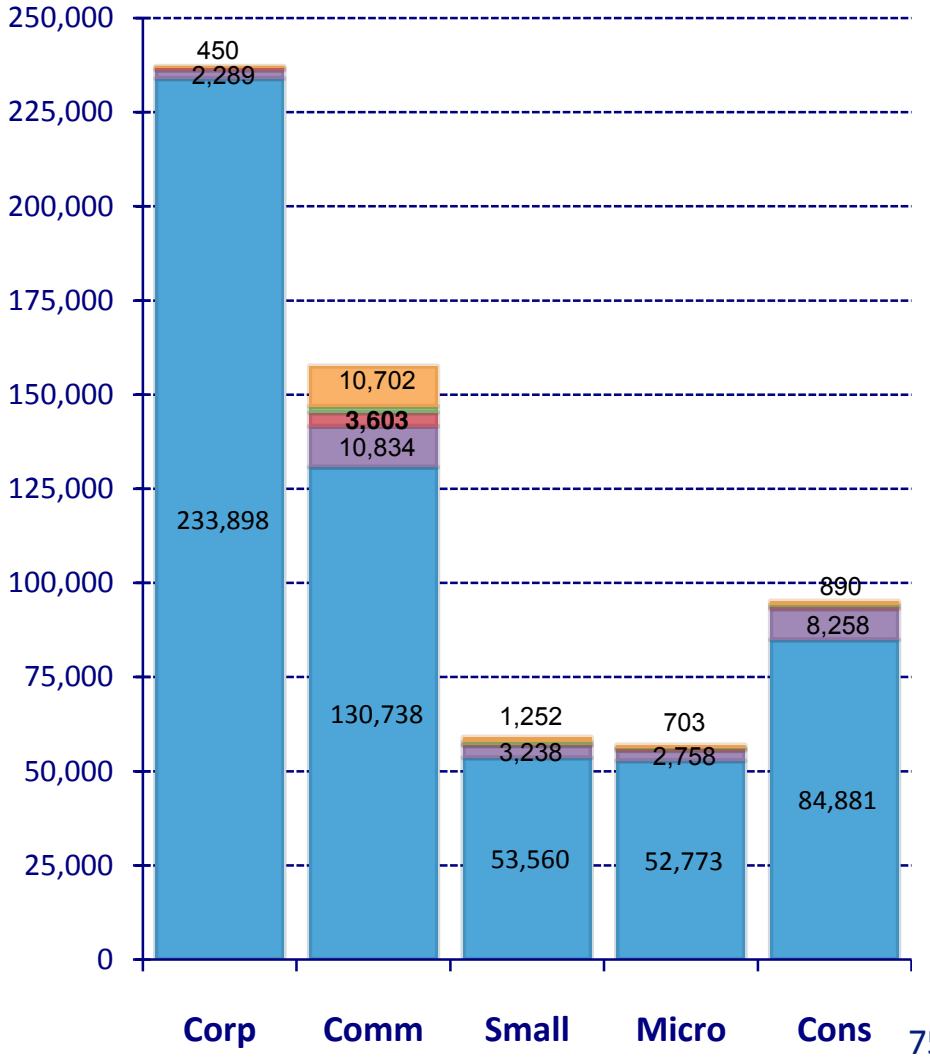


3Q 2017 Loan Detail: Collectability by Segment

Loan Profile: 3Q Collectability (%) by Segment
Bank Only

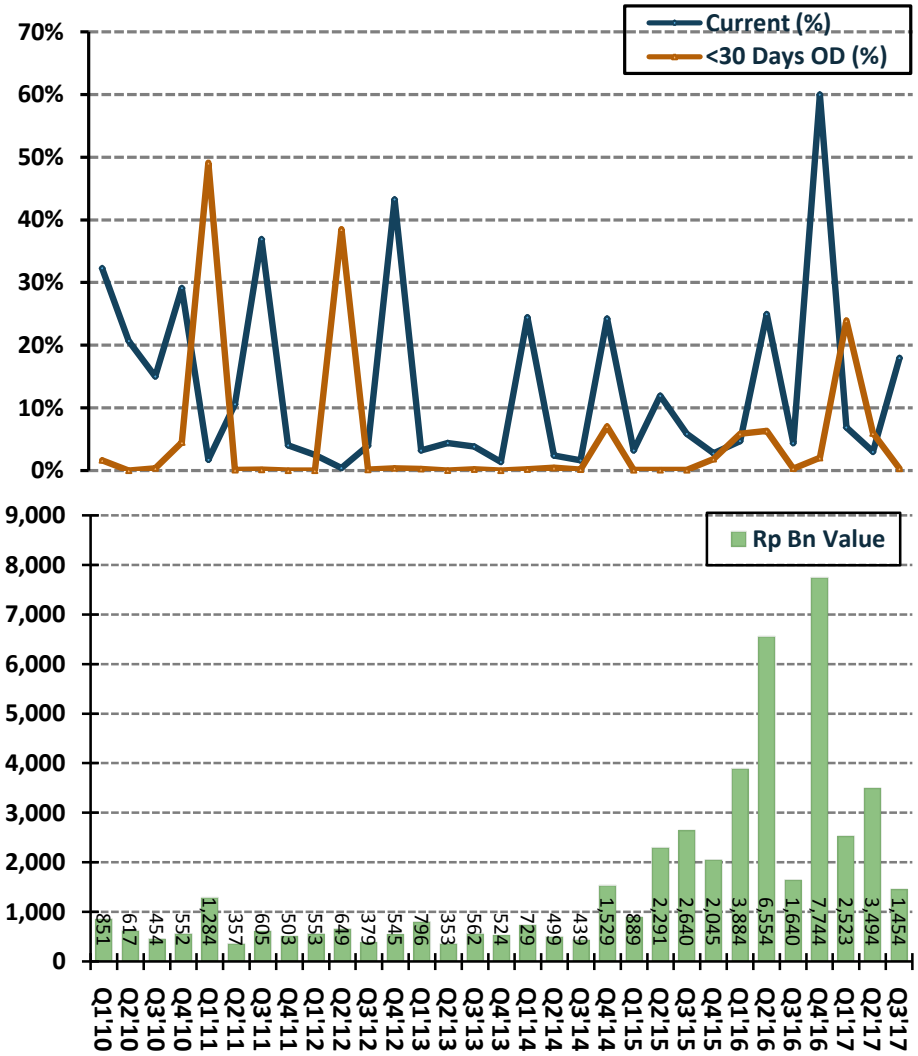


Loan Profile: 3Q Collectability (Rp bn) by Segment
Bank Only

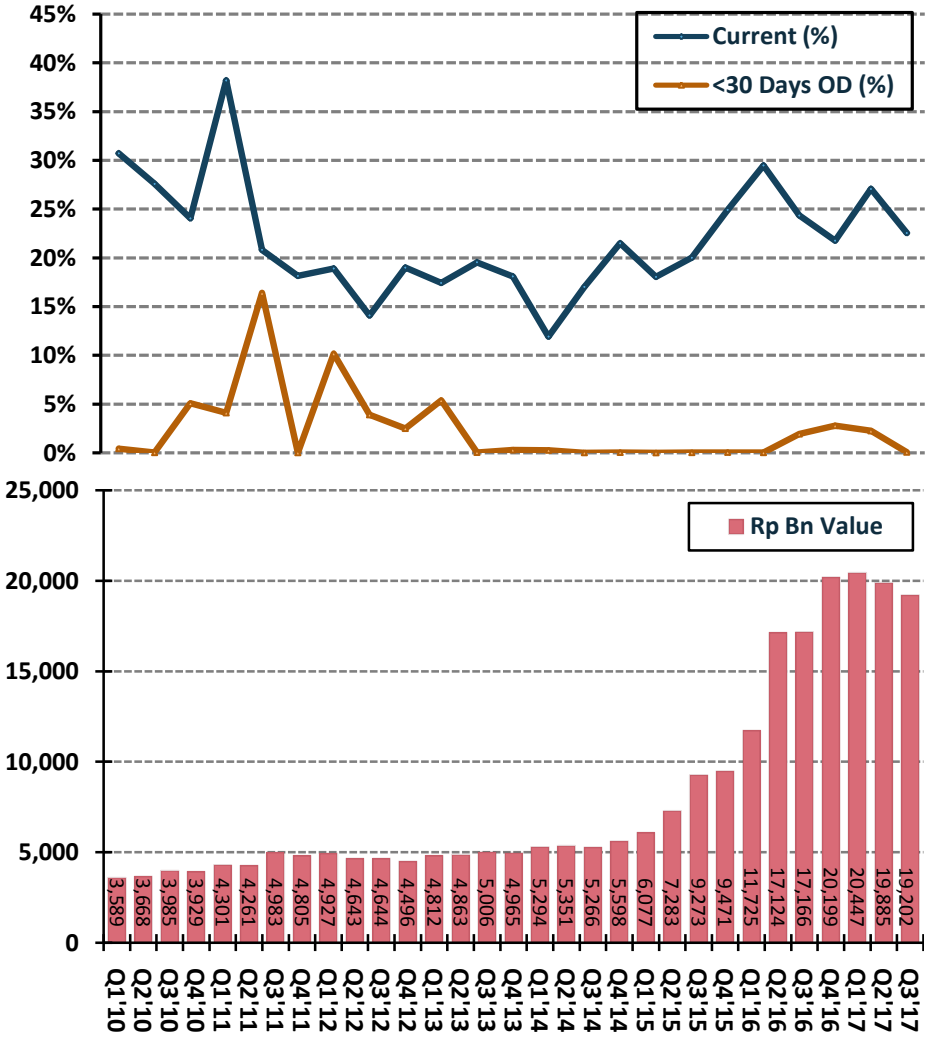


NPL Loan Detail*: Quarterly by Days Past Due

Quarterly D/G to NPL & Interest DPD - Bank Only



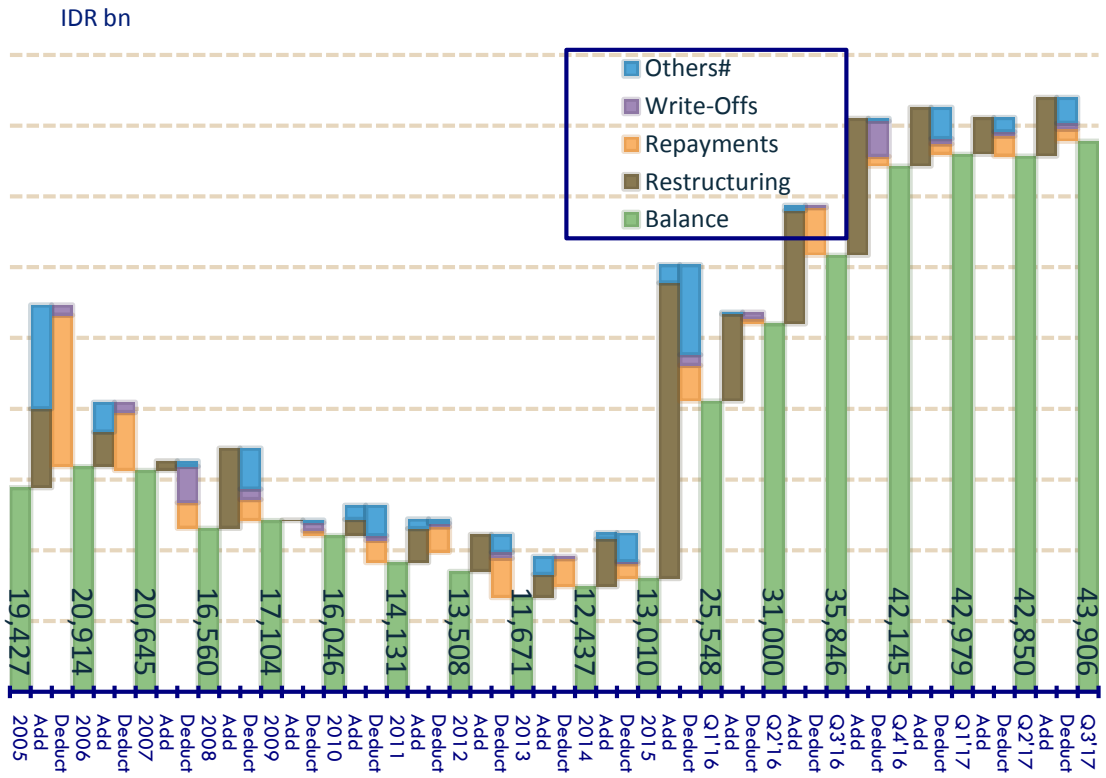
Quarterly NPL Stock & Interest DPD - Bank Only



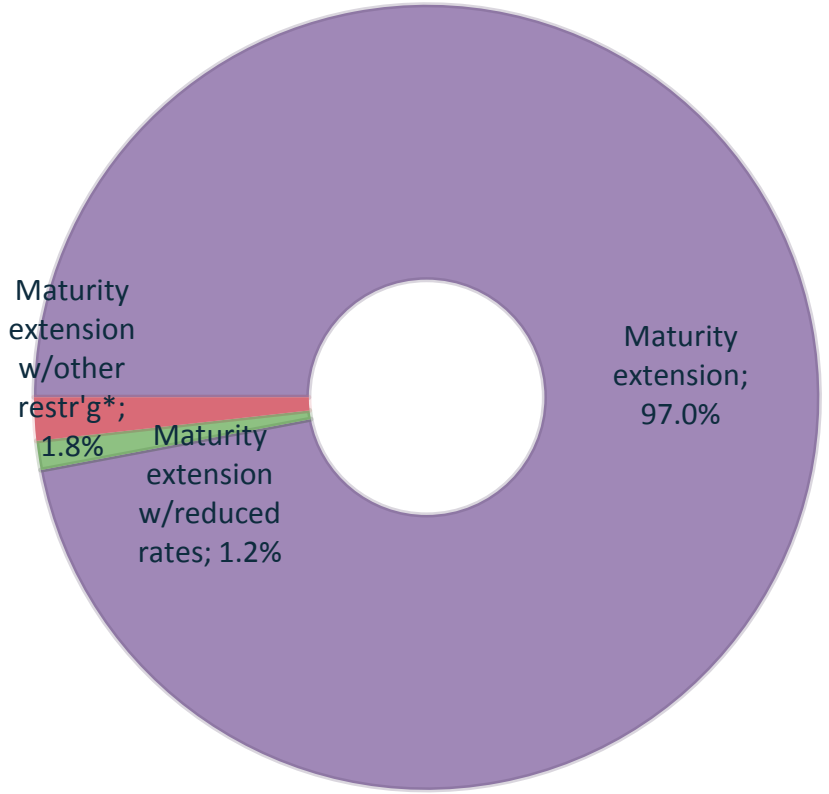
** Excluding Micro & Consumer Loans*

Rp4,148bn in Loans were Restructured in 3Q '17

Restructured Loan Movement 2005 - 3Q2017



Loans by Restructuring Type in 3Q 2017



(Rp billions)	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17
Loans Restructured	6,352	6,139	7,997	9,671	4,150	2,597	4,148
NPL Collections	102	150	163	211	399	329	228

*Other Restructuring includes reduction of interest rates, rescheduling of unpaid interest & extension of repayment period for unpaid interest

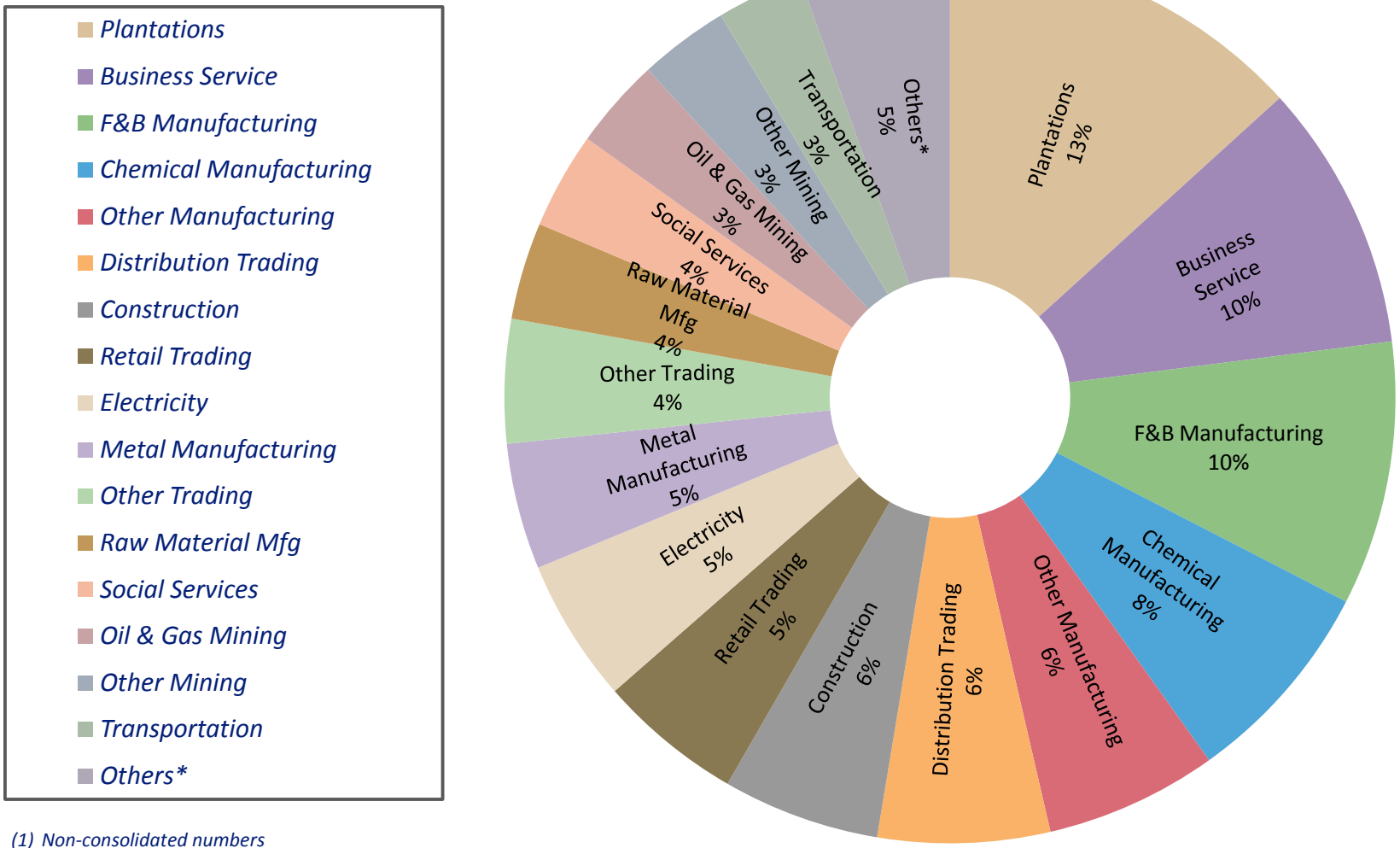
Others# includes partial payments, FX impacts, and fluctuation in Working Capital facilities

Improving Asset Quality and Portfolio Management

- **Reorganize SAM Group**
- **Transfering Problem Loans**
- **Resetting Risk Assessment Criteria**
- **Increase Monitoring Frequency**
- **Intensify Cash Recovery**

Key Areas	Remarks
• **Restructuring Unit** • **Recovery Unit**	Focus on preventing increasing NPLs. To solve temporary problems in business's and take the necessary steps for loan restructuring.
• **Transfering Problem Loans**	Transfering problem loans from business units to SAM group to be handled more effectively. We will continue to review for more loans to transfer.
• **Update Risk Assessment Criteria**	Help to reset risk assessment criteria to support business units in improving the loan origination process.
• **Loan Monitoring** • **Early Warning System**	Preventiative actions to improve asset quality by increasing standardized process and upgrading risk tools
• **Incentives for Loan Repayment** • **Auction Frequency** • **Asset Marketing Unit**	• Achieve higher cash recovery than last year • Accelerate loan repayment by writing off interest and penalty • Identify targeted buyers for specific assets

Loan Portfolio Sector Analysis, 3Q 2017

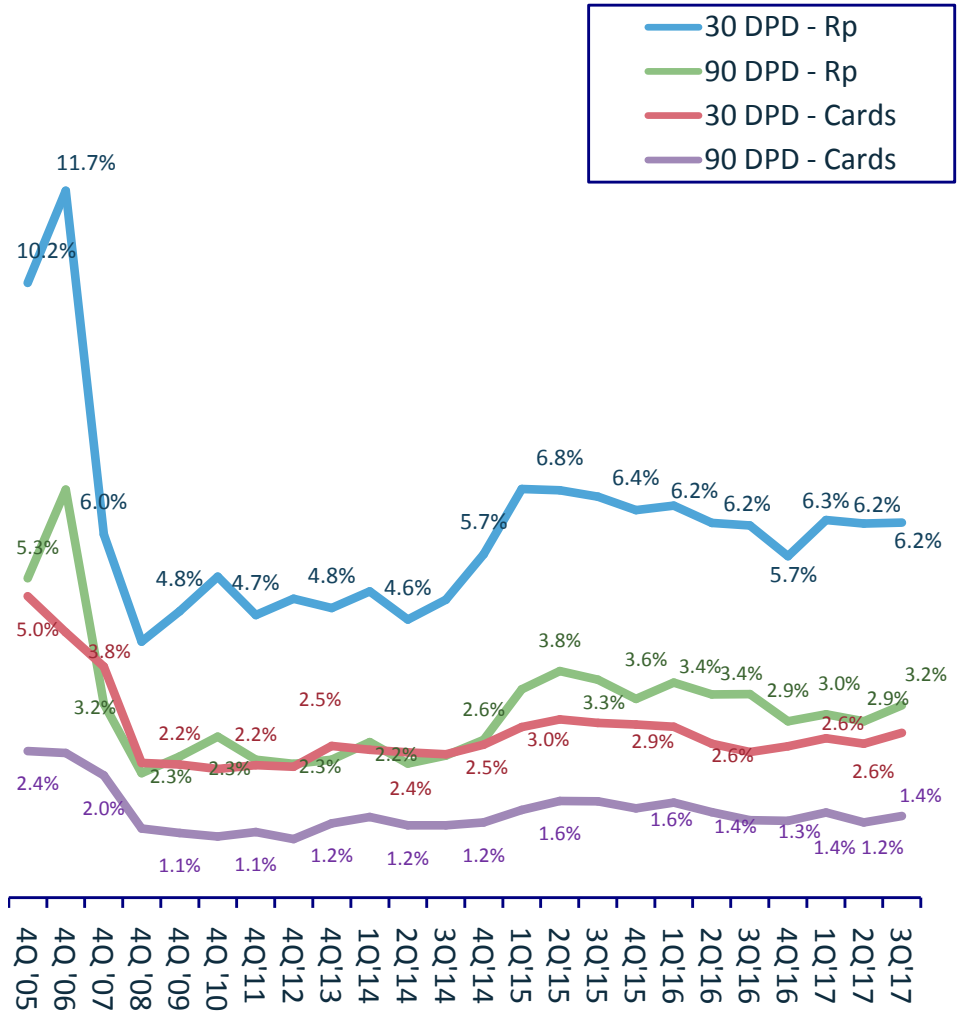


(1) Non-consolidated numbers
** Each sector < 3%*

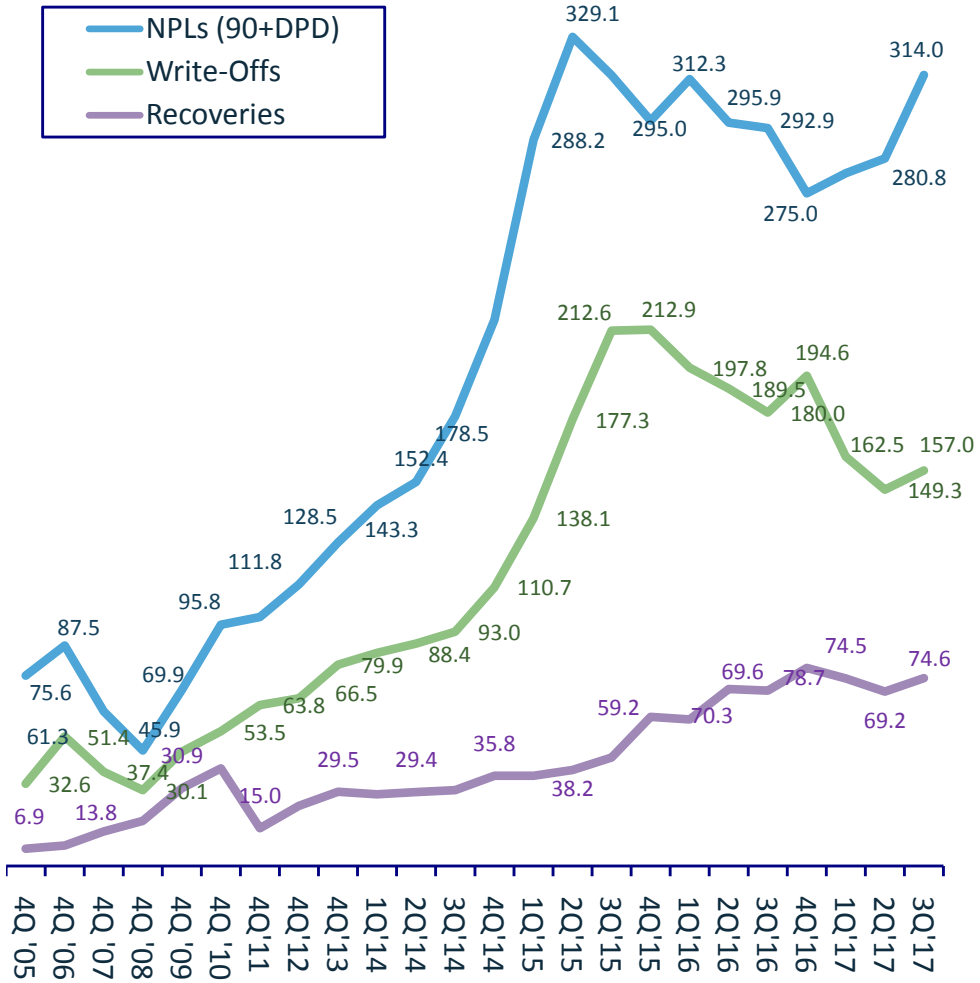
**** Excluding Micro & Consumer Loans Only***

Credit Card Portfolio Showed Quality Improvement

Mandiri Credit Card Delinquency Rates (%)

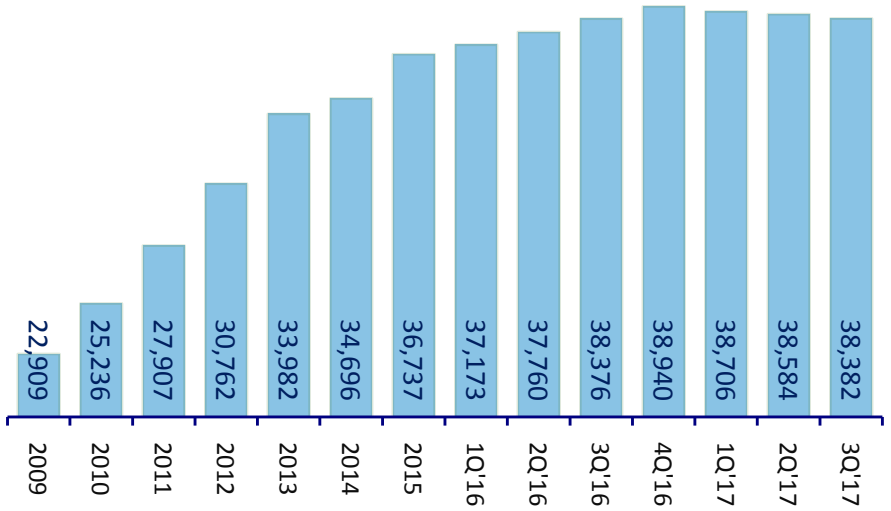


Quarterly Charge-offs, NPLs & Recoveries (Rp Bn)

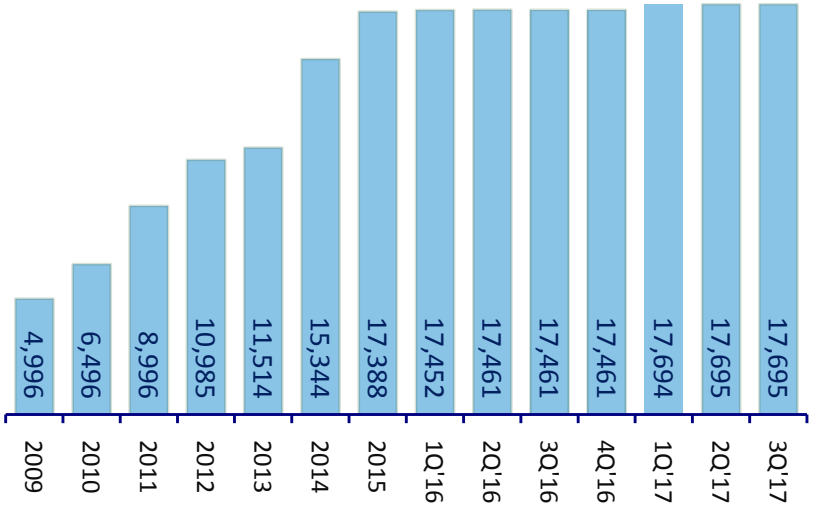


Staffing and Distribution Network Growth

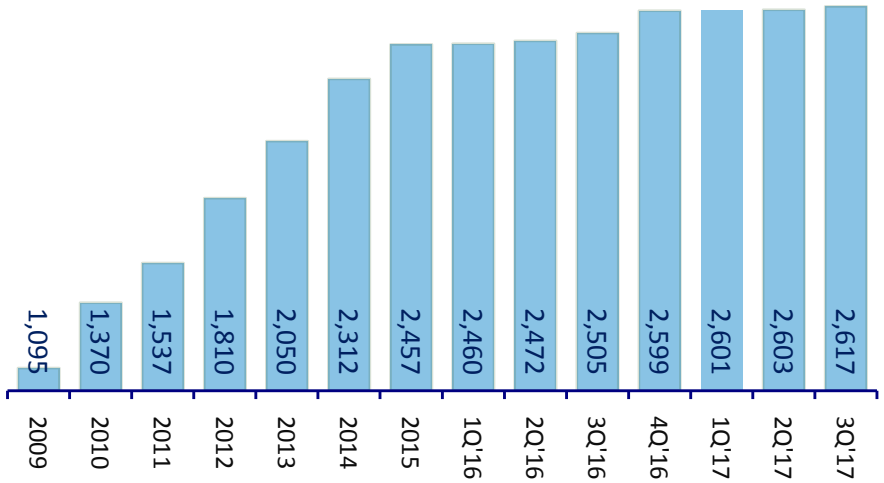
Employees



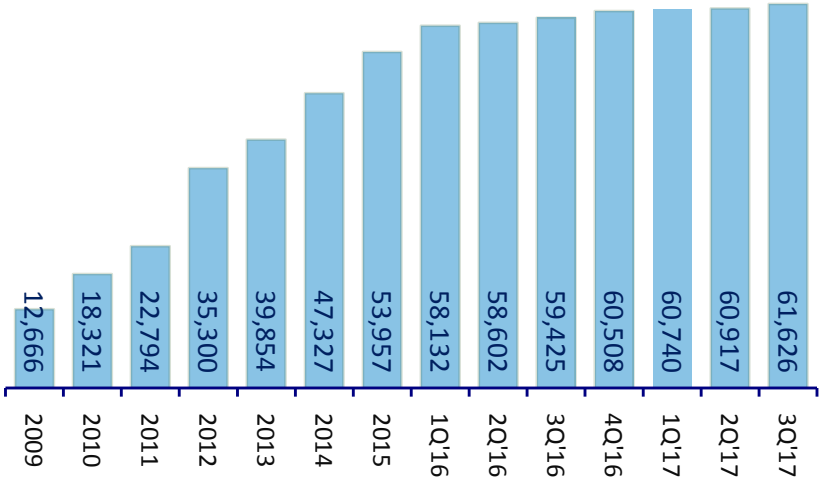
ATM Network



Domestic Branch Network

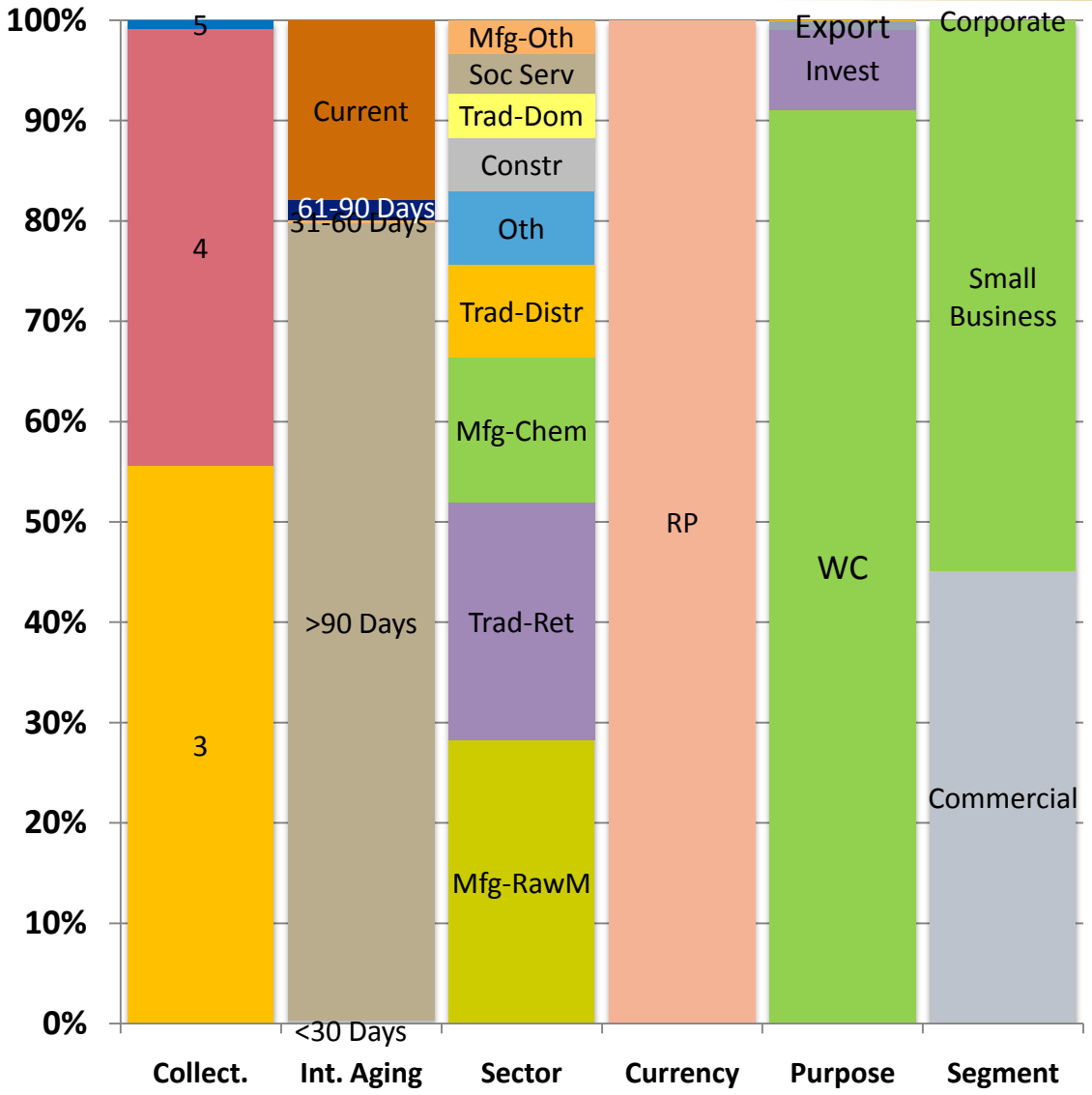


ATM-Link Network



3Q 2017 Loan Detail*: Downgrades to NPL

Loan Profile: 3Q NPL Downgrades Only (Rp 1,454 Bn) Bank Only



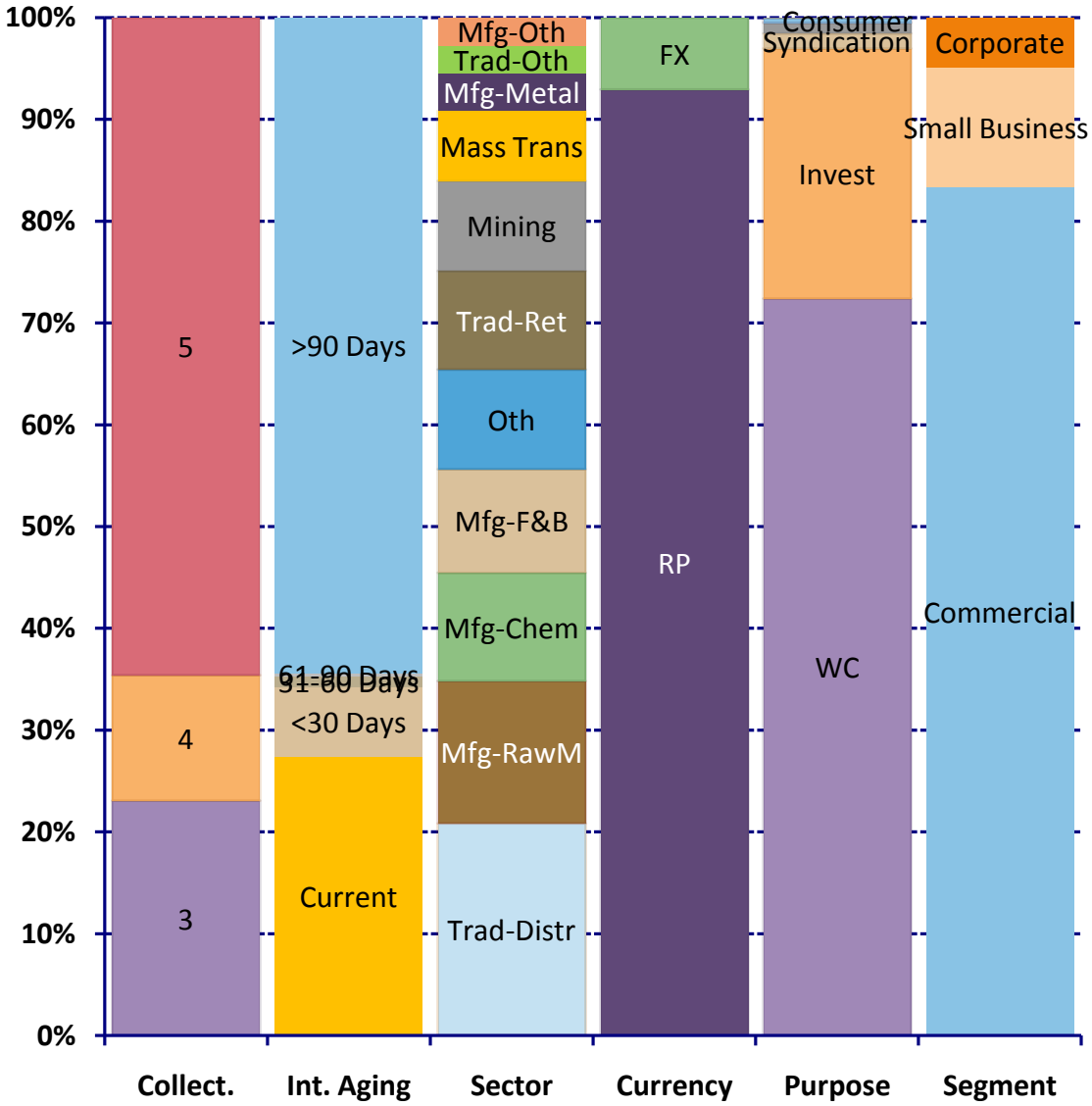
Corporate, Commercial & Small Business loans downgraded to NPL in 3Q totaled Rp 1,454 Bn. Of these loans:

- 79.5% were more than 90 days overdue on interest payments
- 54.9% came from our Small Business Portfolio
- Largest downgrades by sector:
  - Raw Material Manufacturing
  - Retail Trading
  - Chemical Manufacturing
- 100% were IDR loans
- 91.1% were Working Capital loans.

** Excluding Micro & Consumer Loans Only*

3Q 2017 Loan Detail*: Non-Performing Loans

Loan Profile: 3Q Non-Performing Loans Only (Rp 19,202 Bn) Bank Only



Corporate, Commercial & Small Business NPLs totaled Rp 19,202 Bn in 3Q.

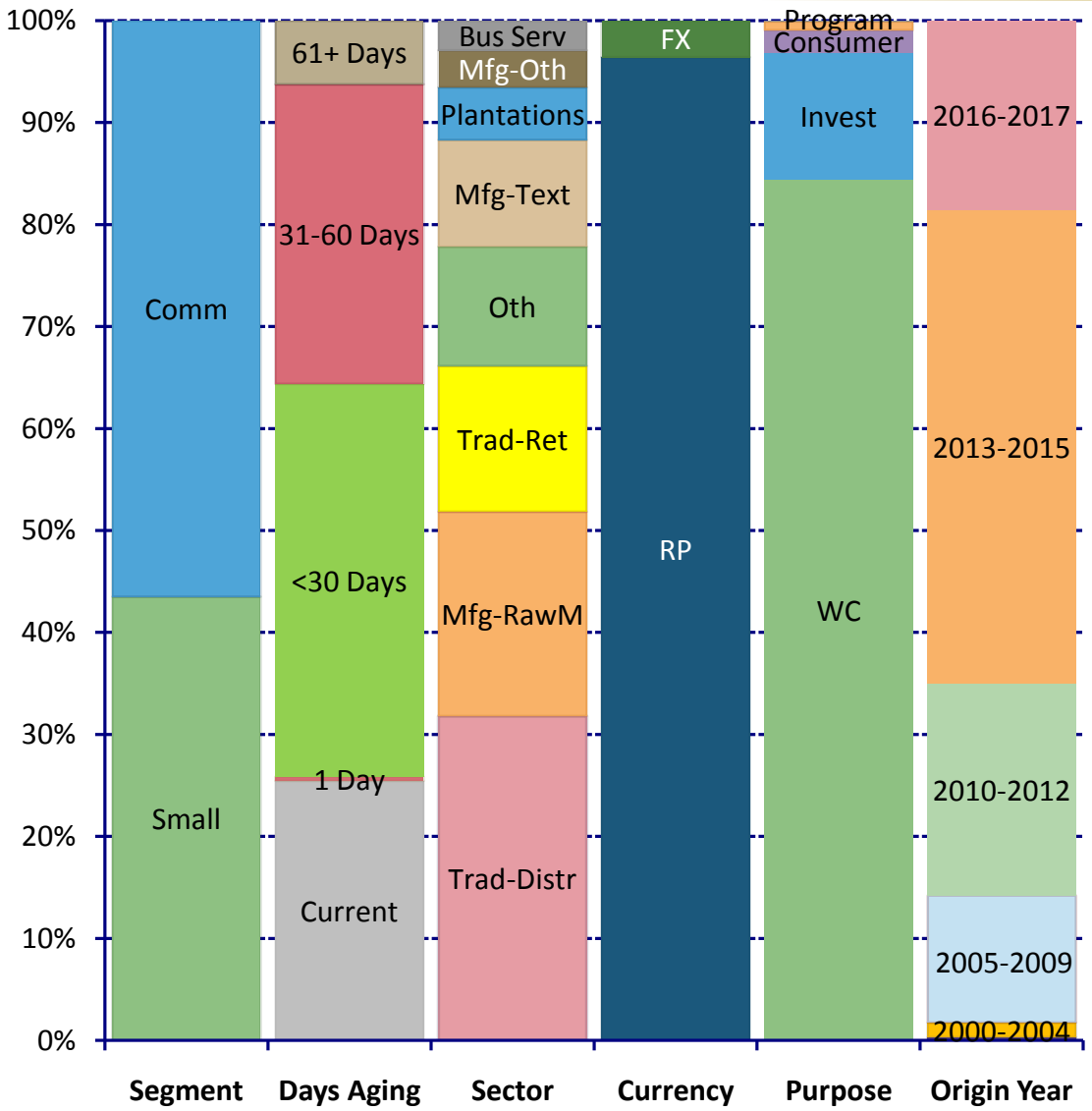
Of these NPLs in 3Q:

- 27.4% remain current on interest payments and an additional 8.2% are less than 90 days overdue
- 83.4% are to Commercial customers
- 72.4% are Working Capital loans and 24.6% are Investment loans
- Primary sectors are:
  - Trading Distributions
  - Raw Material Manufacturing
  - Chemical Manufacturing
- 92.9% are Rp loans

** Excluding Micro & Consumer Loans Only*

3Q 2017 Loan Detail*: Downgrades to Cat. 2

Loan Profile: 3Q Downgrades to Cat. 2 Only (Rp 3,804 Bn) Bank Only



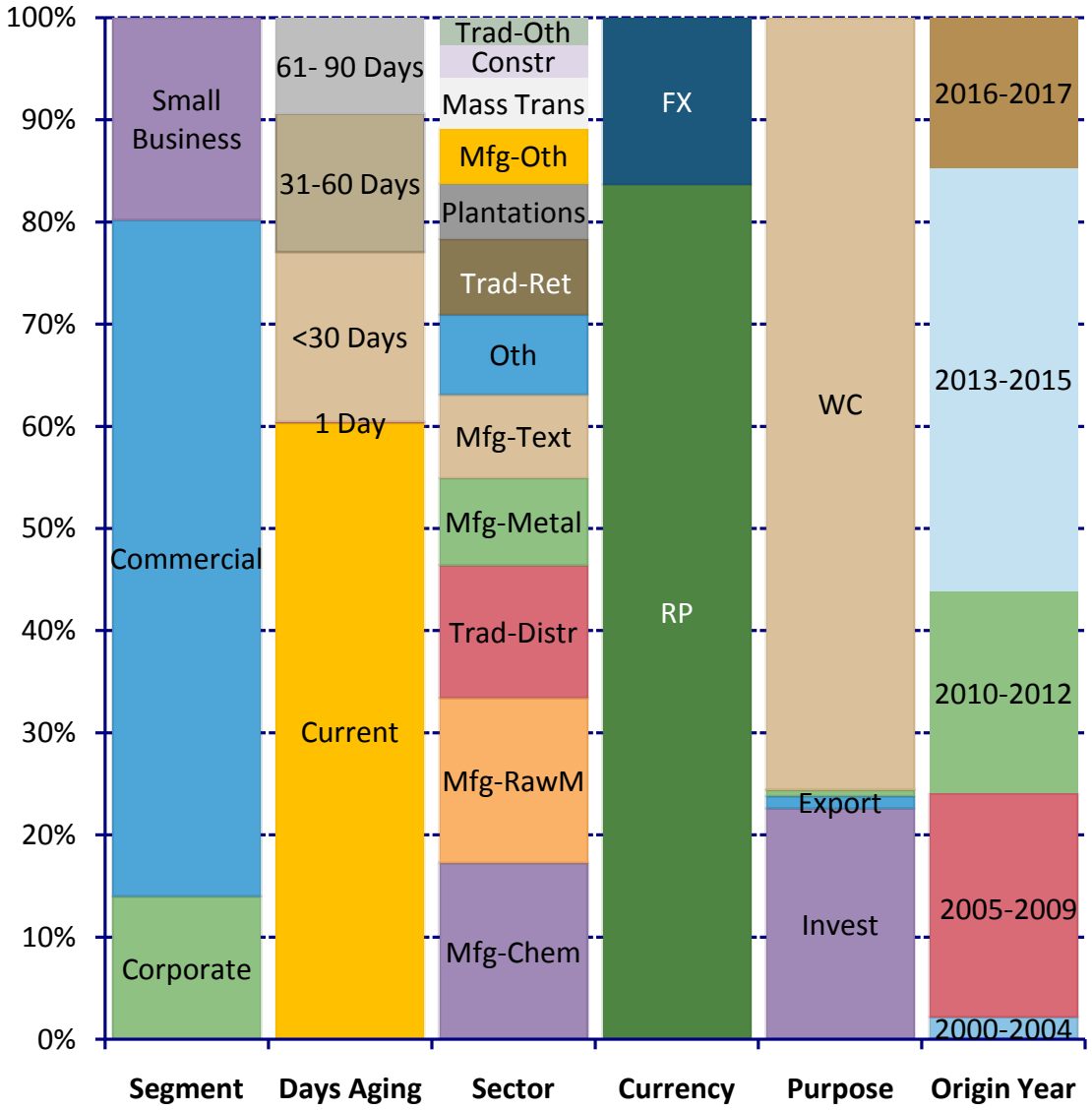
Rp 3,804 Bn in Corporate, Commercial & Small Business loans were downgraded to Category 2 in 3Q. Of the Special Mention Loans downgraded:

- 56.5% are for Commercial & 43.5% are to Small Business customers
- 25.5% are current & 38.9% are less than 30 days overdue in interest payments
- Primary sectors downgraded are:
  - Distribution Trading
  - Raw Material Manufacturing
  - Retail Trading
- 96.4% are Rp loans
- 84.4 are Working Capital loans

** Excluding Micro & Consumer Loans Only*

3Q 2017 Loan Detail*: Category 2 Loans

Loan Profile: 3Q Category 2 Loans Only (Rp 16,362 Bn) Bank Only



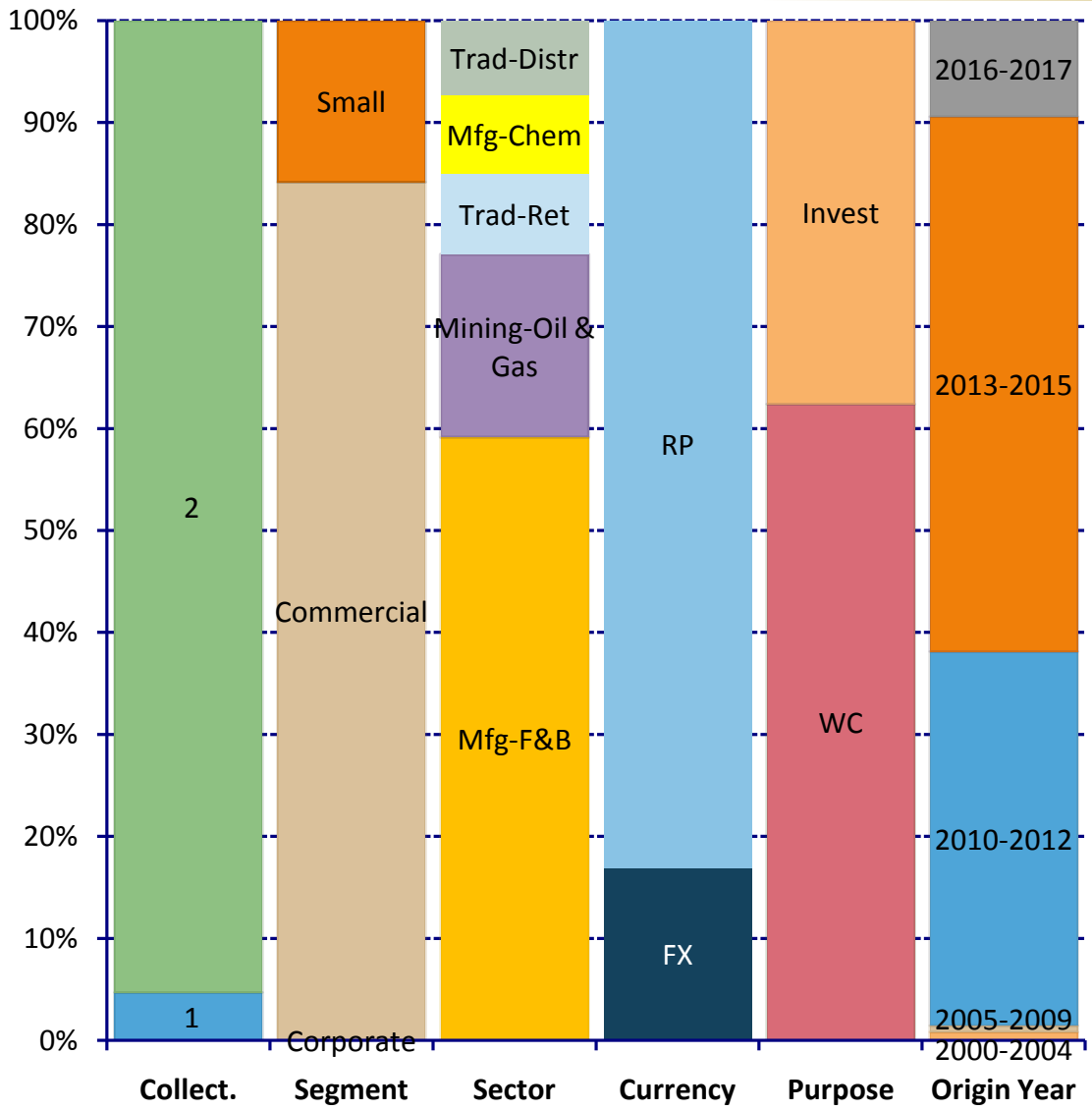
Rp 16,362 Bn in Corporate, Commercial & Small Business loans were in Category 2 in 3Q. Of these Special Mention loans:

- 66.2% are to Commercial customers
- 60.5% are current or 1 day overdue, with an additional 16.6% less than 30 days overdue
- Primary sectors in Category 2 are:
  - Chemicals Manufacturing
  - Raw Materials Manufacturing
  - Distribution - Trading
- 83.7% are Rp loans
- 75.5% are Working Capital loans
- 72.2% were Category 2 in 2Q '17

** Excluding Micro & Consumer Loans Only*

3Q 2017 Loan Detail*: Upgrades to PL

Loan Profile: 3Q Upgrades to PL (Rp 529.5 Bn) Bank Only



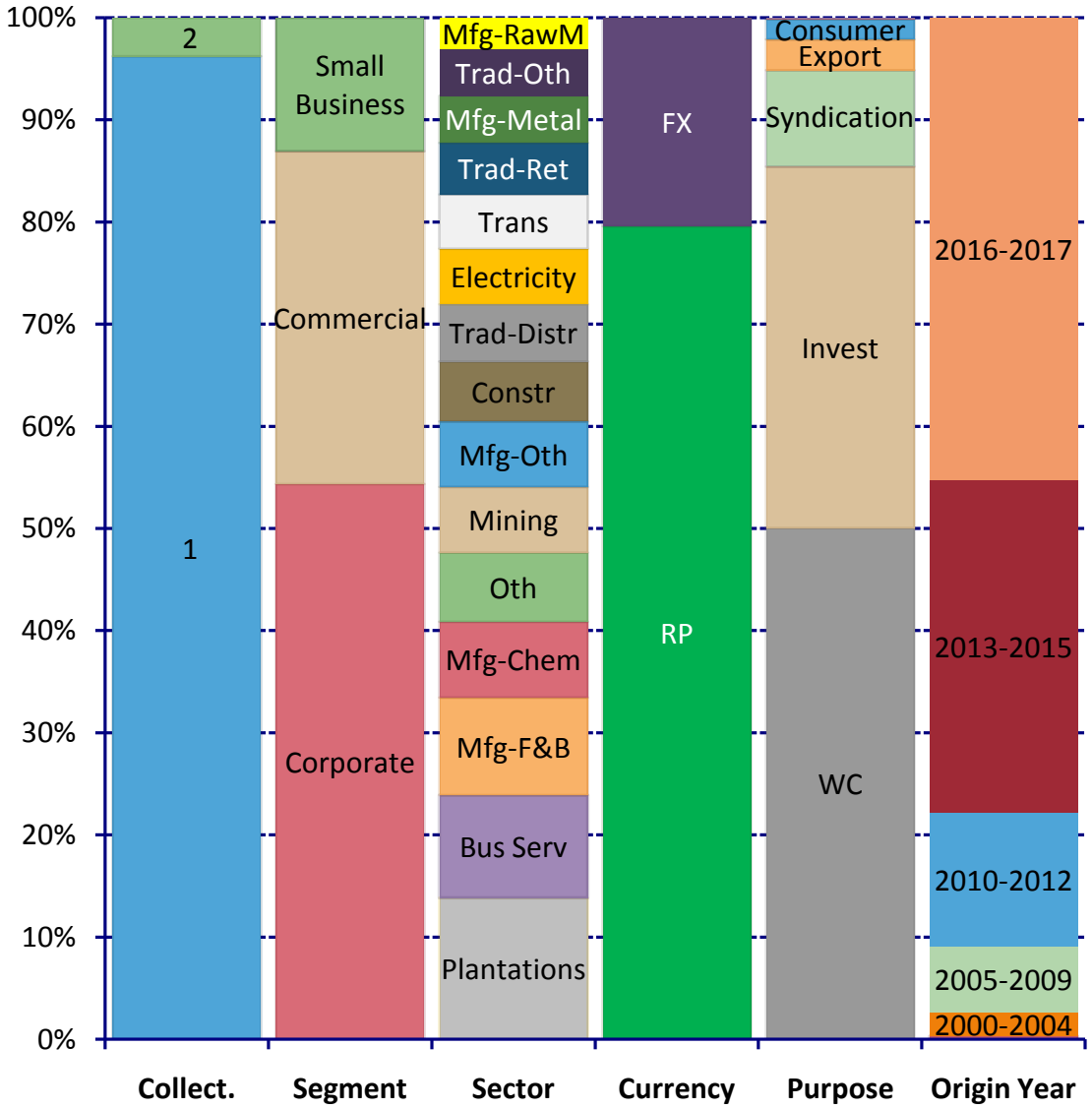
Corporate, Commercial & Small Business loans upgraded to PL in 3Q totaled Rp 529.5 Bn. Of these loans:

- 84.2% are to Commercial customers
- 99.2% upgraded loans originated later than 2004
- Largest upgrades by sector:
  - F&B Manufacturing
  - Oil & Gas
  - Retail Trading
- 83.0% are Rp loans
- 62.4% are Working Capital loans; 37.6% were Investment loans

** Excluding Micro & Consumer Loans Only*

3Q 2017 Loan Detail*: Performing Loans

Loan Profile: 3Q Performing Loans Only (Rp 434,558 Bn) Bank Only



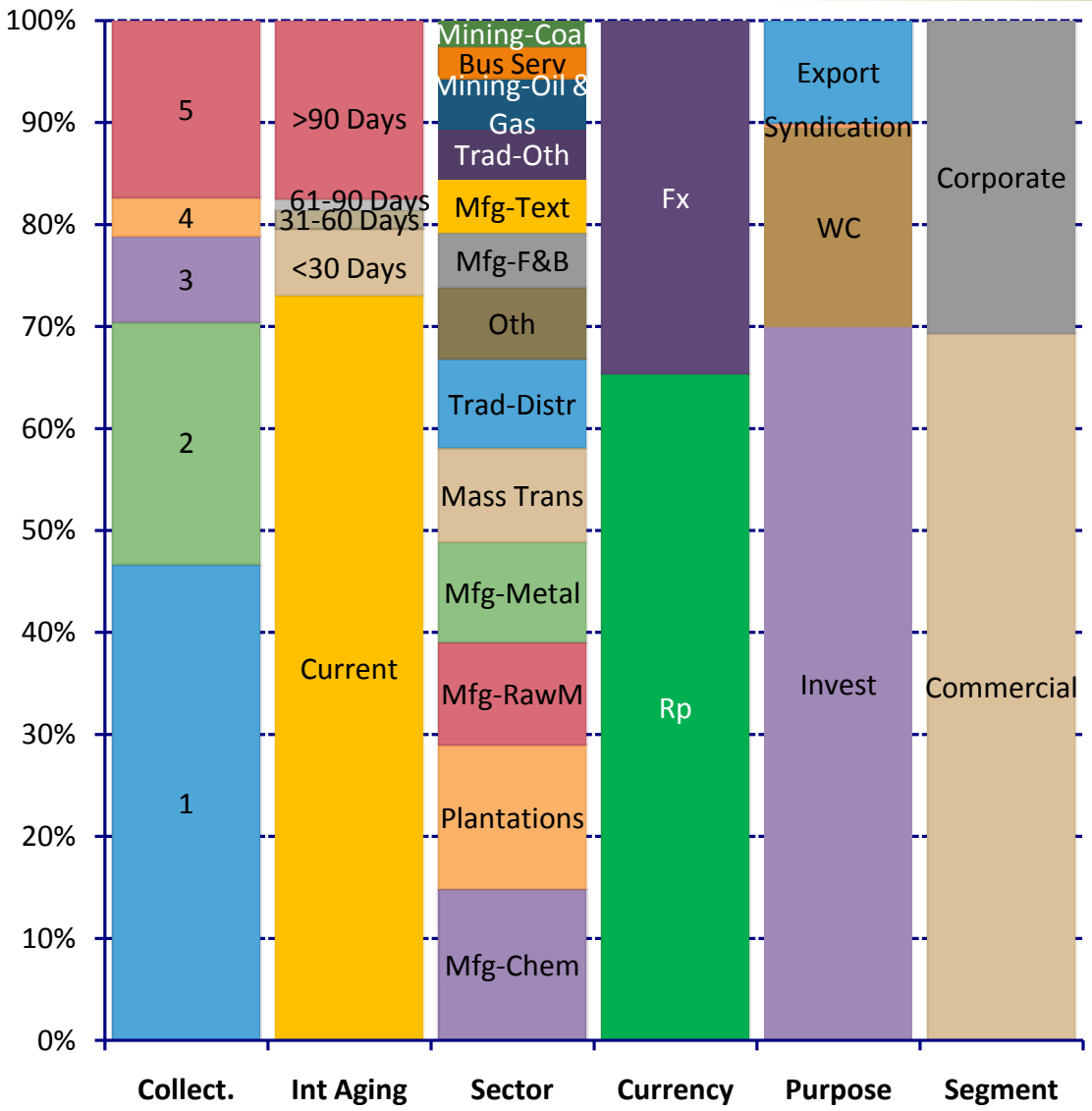
Rp 434,558 Bn in Corporate, Commercial & Small Business loans were performing in 3Q. Of these performing loans:

- 54.4% are to Corporate customers & 32.6% are to Commercial customers
- 97.3% originated since 2005
- Primary sectors are:
  - Plantations
  - Business Services
  - F&B Manufacturing
- 79.6% are Rupiah loans
- 50.0% are Working Capital loans; 35.4% are Investment loans

** Excluding Micro & Consumer Loans Only*

3Q 2017 Loan Detail*: Restructured Loans

Loan Profile: 3Q Restructured Loans Only (Rp43,906 Bn) Bank Only



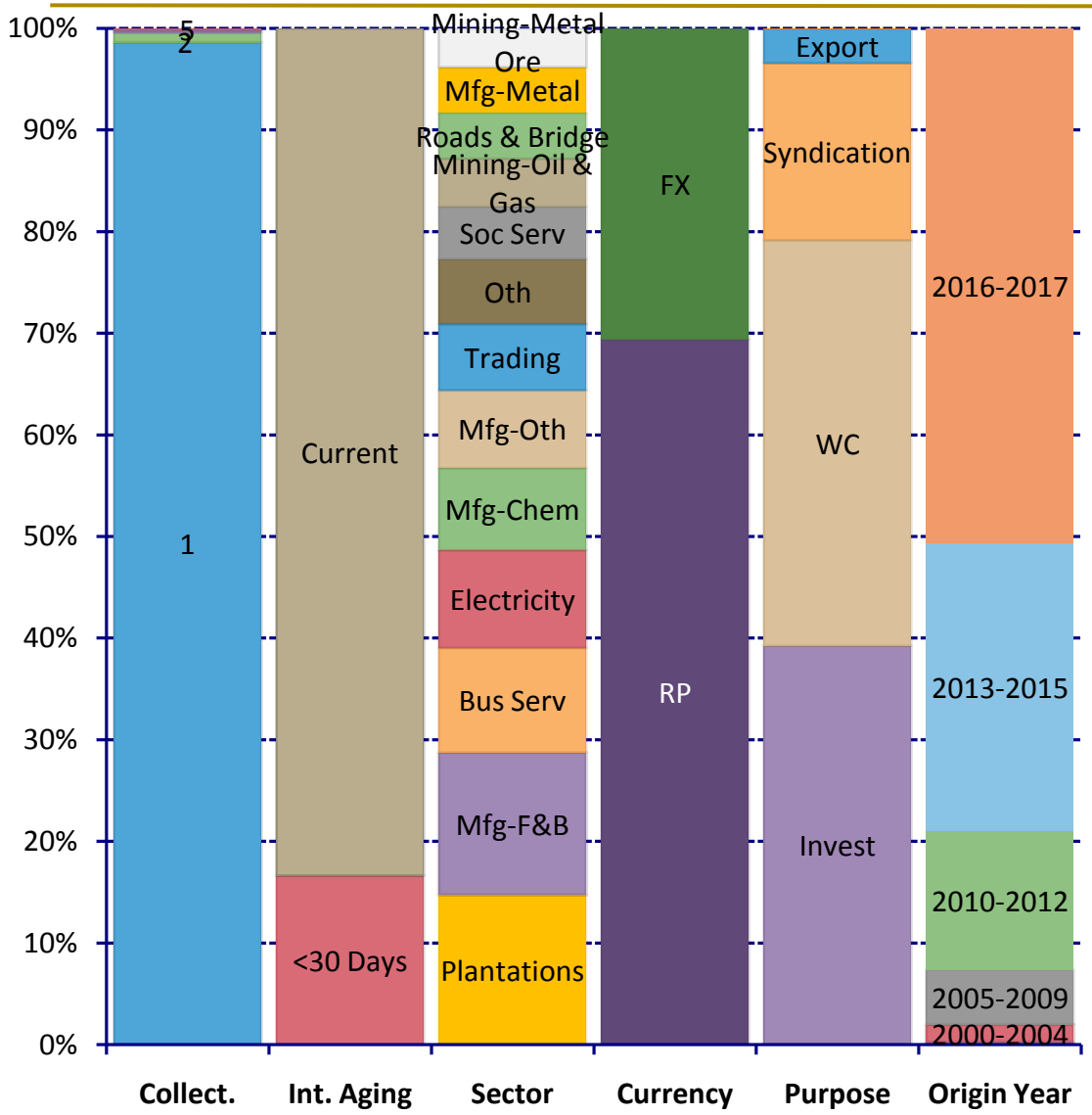
Of the remaining Rp 43,906 billion in restructured wholesale loans in 3Q :

- 70.4% are Performing
- 73.0% of Restructured Loans are current in interest payments
- Primary sectors are:
  - Chemical Manufacturing
  - Plantations
  - Raw Material Manufacturing
- 65.4% are Rp loans
- 70.0% are Investment loans
- 69.3% are to Commercial customers

** Wholesale Loans Only*

3Q 2017 Loan Detail: Corporate Loans

Loan Profile: 3Q Corporate Loans Only (Rp 237,130 Bn) Bank Only

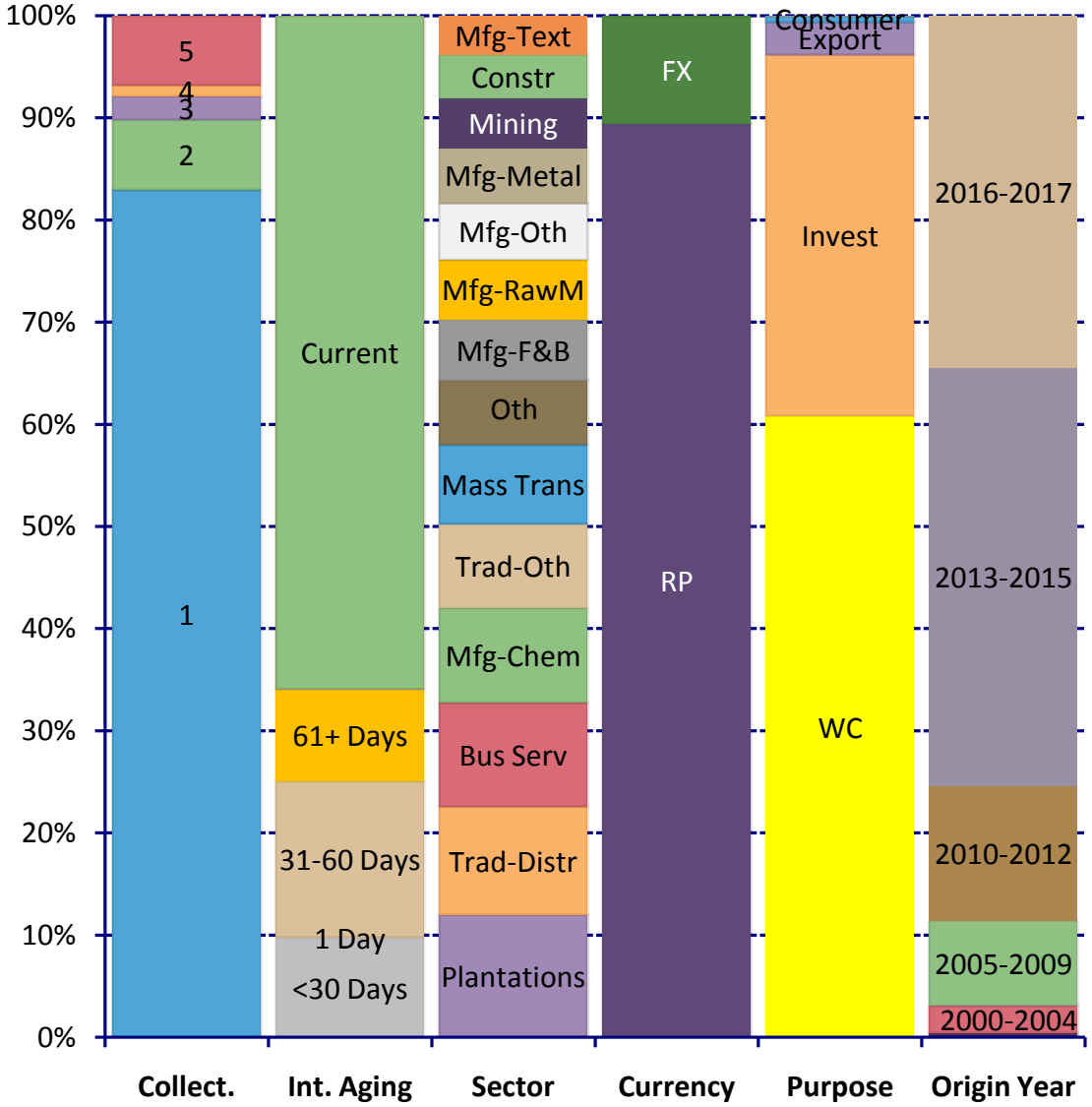


Rp 237,130 billion in loans were in the Corporate portfolio in 3Q. Of the Corporate Loans in 3Q :

- 99.6% are performing loans, with 1.0% in Category 2
- 83.4% Category 2 loans are current in interest payments
- Primary sectors in Corporate are:
  - Plantations
  - Food & Beverages Manufacturing
  - Business Services
- 69.4% are Rupiah loans
- 39.3% are Investment loans; 39.9% are Working Capital loans

3Q 2017 Loan Detail: Commercial Loans

Loan Profile: 3Q Commercial Loans Only (Rp 157,582 Bn) Bank Only

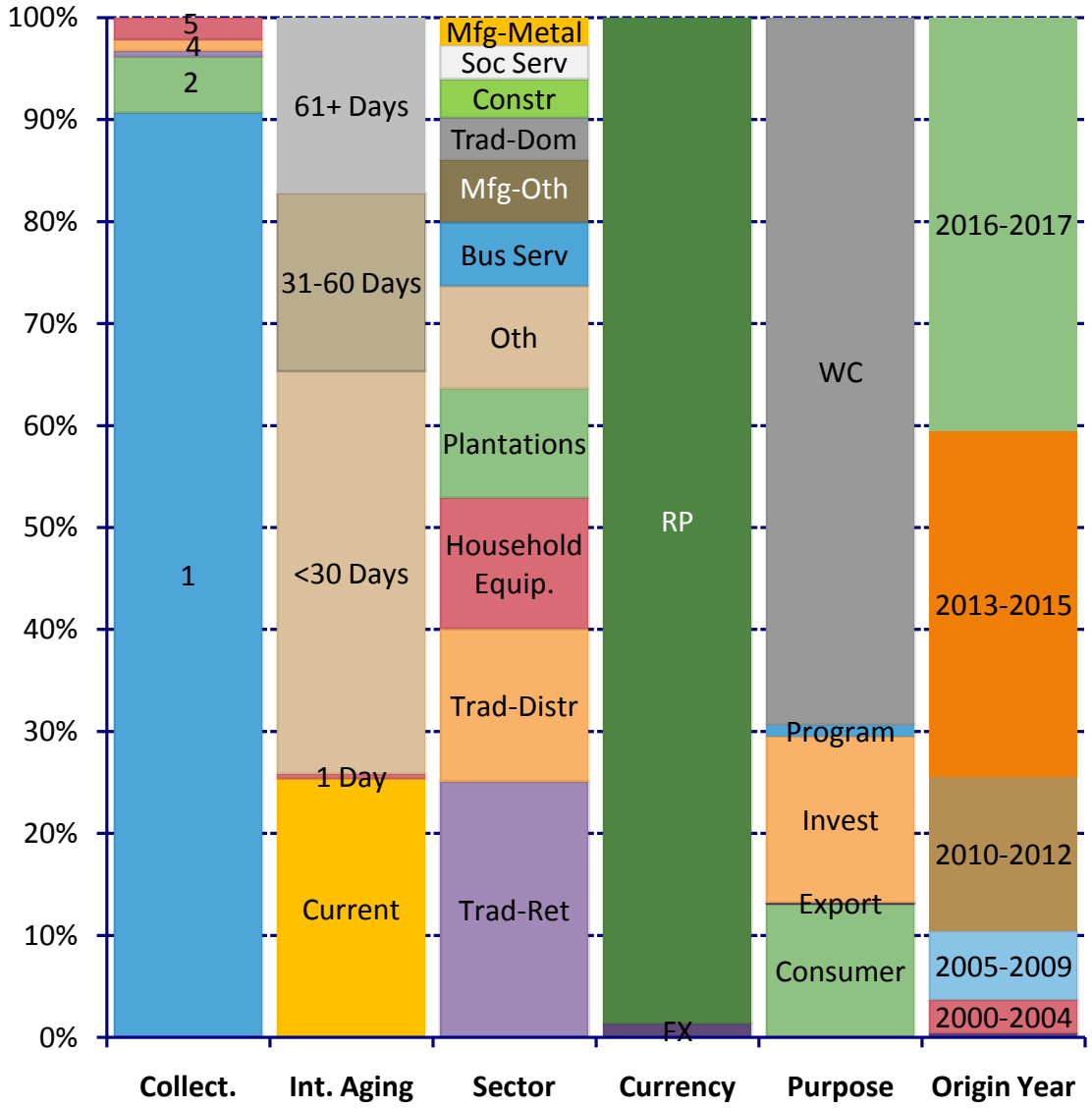


Rp157,582 Billion in loans were in the Commercial portfolio in 3Q. Of the Commercial Loans in 3Q:

- 96.7% are performing loans, with 6.9% in Category 2
- 65.9% of Category 2 loans are current in interest payments
- Primary sectors in Commercial are:
  - Plantations
  - Trading Distribution
  - Business Services
- 89.4% are Rupiah loans
- 60.8% are Working Capital loans, 35.4% are Investment loans

3Q 2017 Loan Detail: Small Business Loans

Loan Profile: 3Q Small Business Loans Only (Rp 59,048 Bn) Bank Only

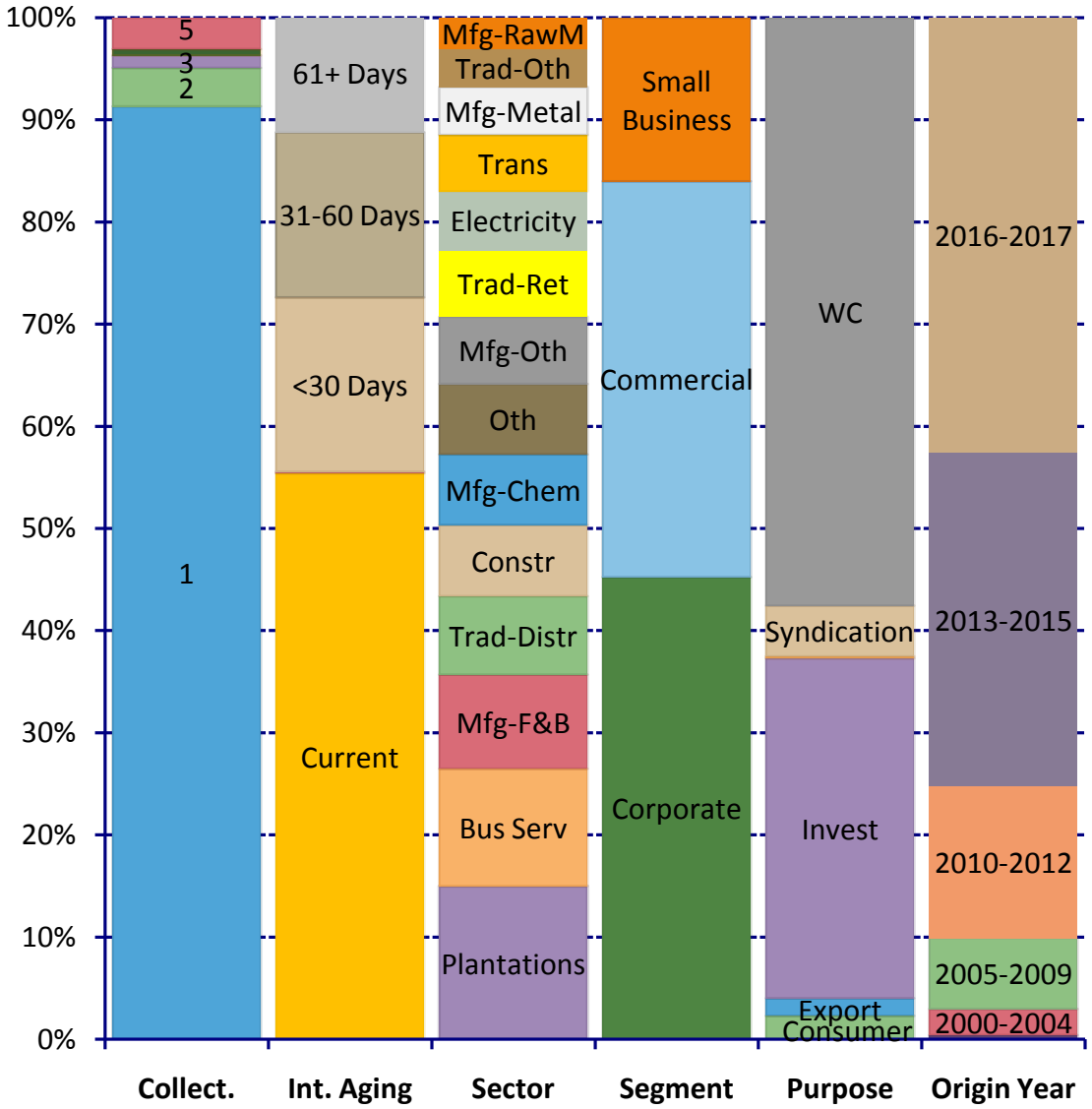


Rp 59,048 Bn in loans were in the Small Business portfolio in 3Q of the Small Business Loans in 3Q:

- 96.2% are performing loans, with 5.5% in Category 2
- 25.4% of Category 2 loans are current in interest payments
- Primary sectors in Small Business are:
  - Retail Trading
  - Distribution Trading
  - Household Equipment
- 98.6% are Rupiah loans
- 69.3% are Working Capital loans

3Q 2017 Loan Detail*: Rupiah Loans

Loan Profile: 3Q Rupiah Loans Only (Rp 363,761 Bn) Bank Only



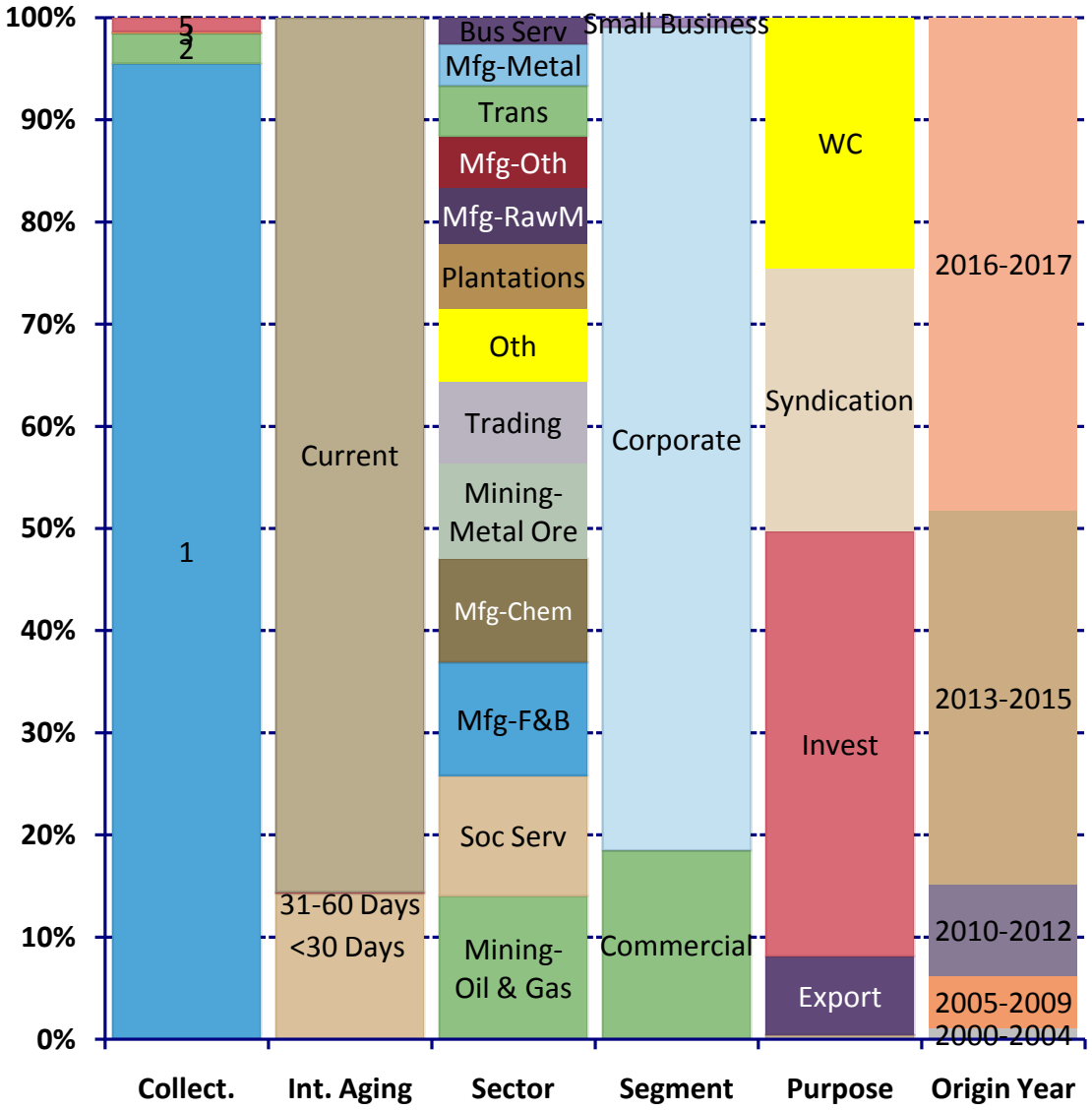
Rp 363,761 billion in loans were Rupiah denominated in 3Q Of the Rupiah Loans in 3Q:

- 95.1% are performing loans, with 3.8% in Category 2
- 55.4% of Category 2 loans are current in interest payments
- Primary sectors in Rupiah loans are:
  - Plantations
  - Business Services
  - F&B Manufacturing
- 45.2% are Corporate loans
- 57.6% are Working Capital loans, 33.3% Investment loans

* Excluding Micro & Consumer Loans Only

3Q 2017 Loan Detail*: FX Loans

Loan Profile:3Q FX Loans Only (Rp90,029 Bn) Bank Only



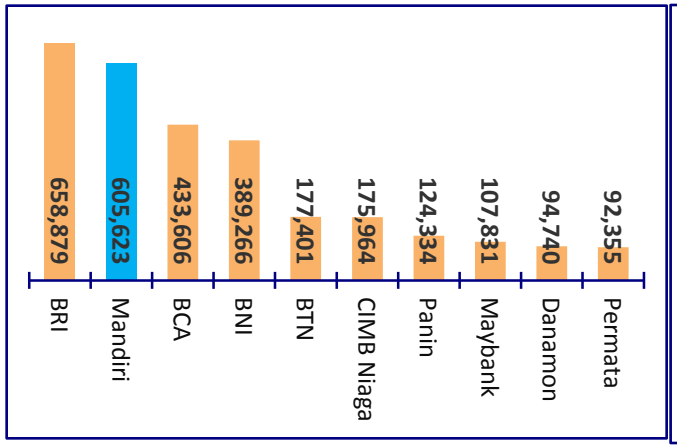
Rp 90,029 Bn in loans were FX denominated in 3Q.
Of the FX Loans in 3Q:

- 98.5% are performing loans
- 85.6% of Category 2 loans are current in interest payments
- Primary sectors in FX loans are:
  - Oil & Gas Mining
  - Social Services
  - F&B Manufacturing
- 80.6% are Corporate loans
- 41.6% are Investment loans; 25.8% are Syndication loans

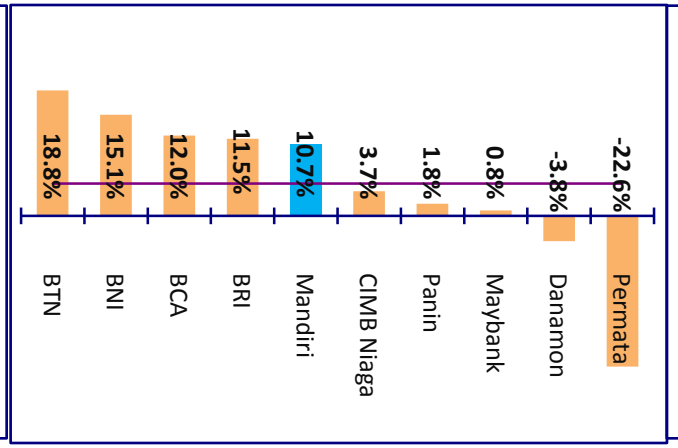
** Excluding Micro & Consumer Loans Only*

Loan growth, Quality & Provisioning Relative to Peers
Bank Only, As of June 2017

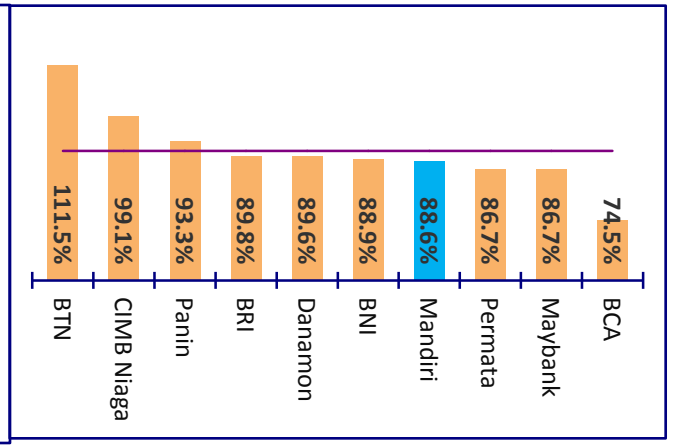
Total Loans
(Rp bn)



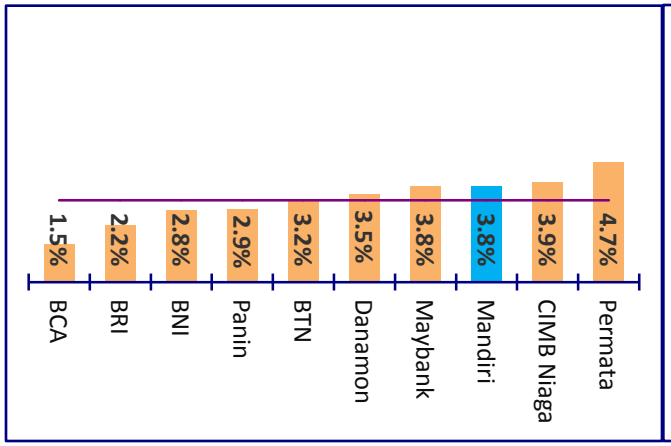
Loan Growth
(%)



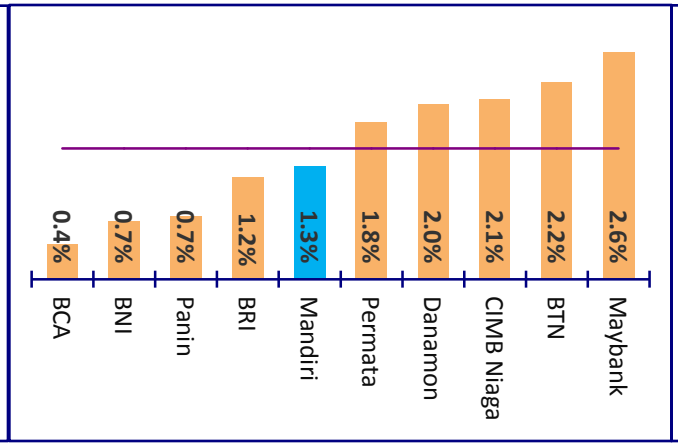
Loan to Deposit Ratio
(%)



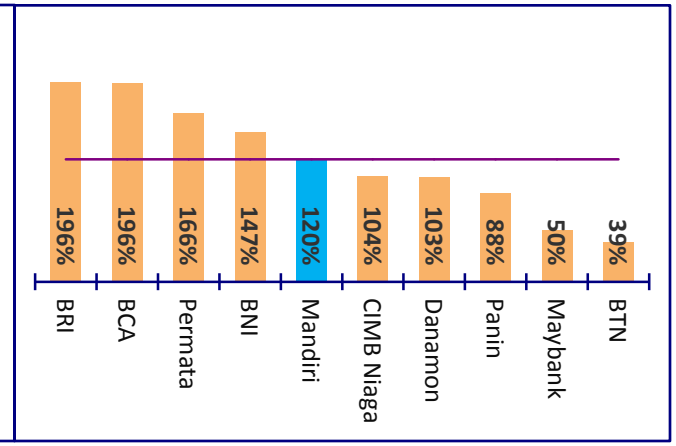
NPL Ratio (Gross)
(%)



NPL Ratio (Net)
(%)



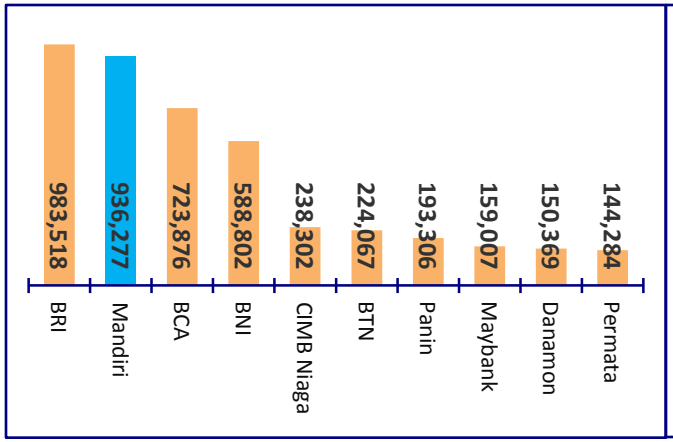
Ratio of Provisions to NPL
(%)



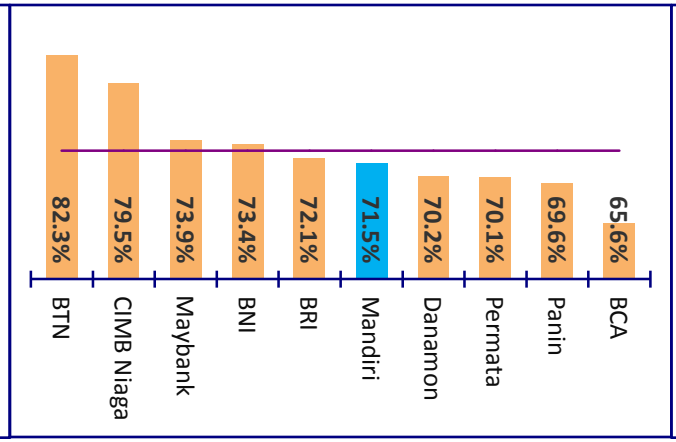
Average

Asset and Liability Mix Relative to Peers
Bank Only, As of June 2017

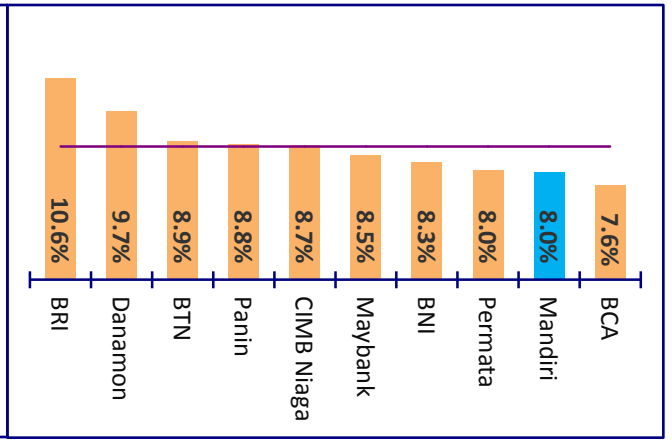
Total Assets
(Rp bn)



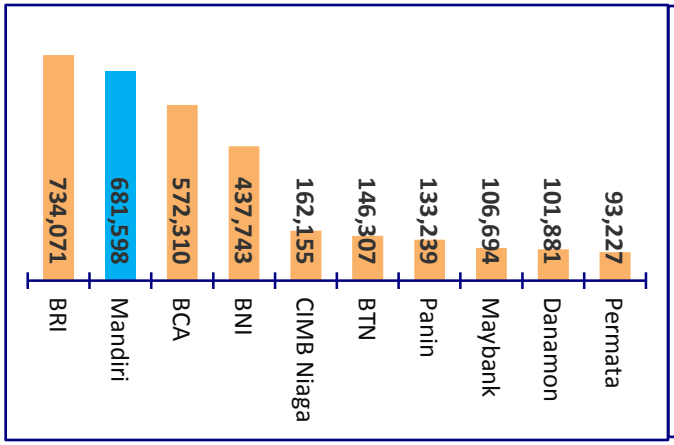
Loans to Total Earning Assets
(%)



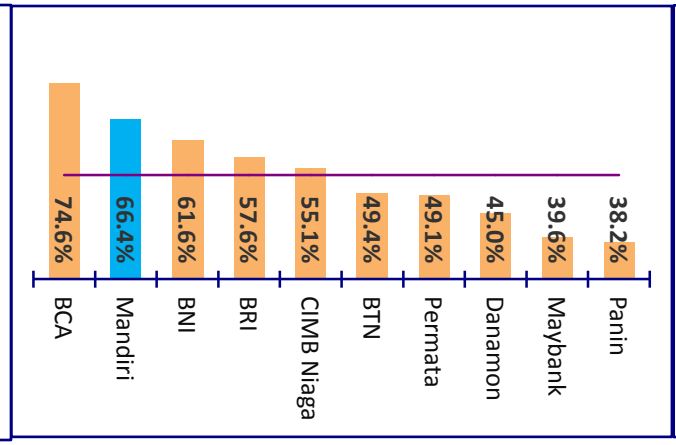
Yield on Assets (p.a.)
(%)



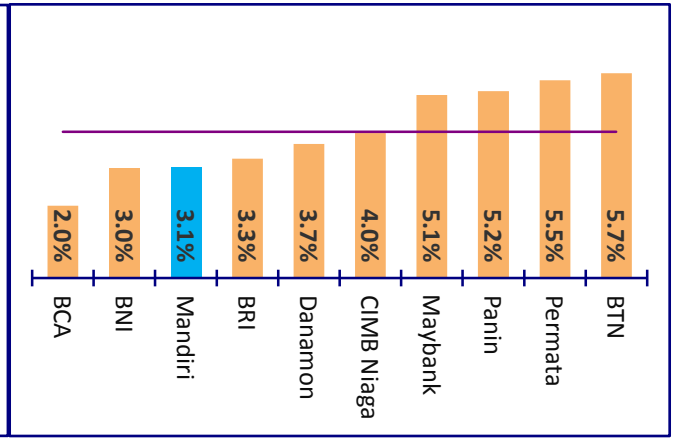
Total Deposits
(Rp tn)



Low Cost Deposit Ratio
(%)



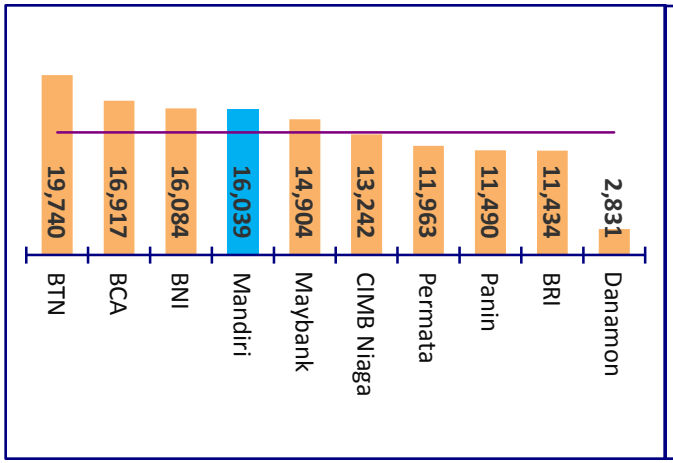
Cost of Funds (p.a.)
(%)



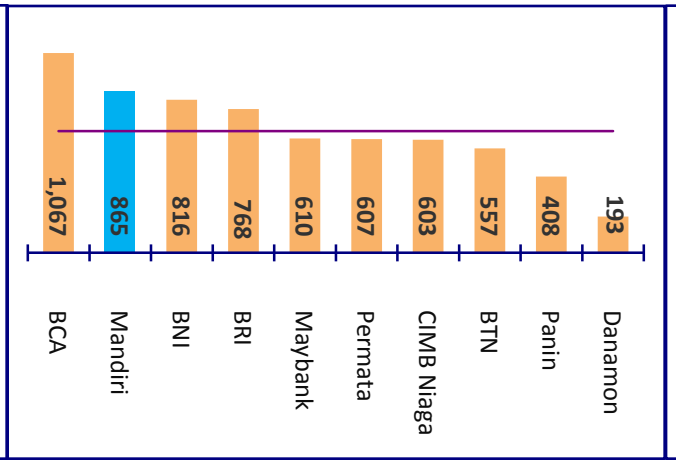
Average

Efficiency Measures Relative to Peers
Bank Only, As of June 2017

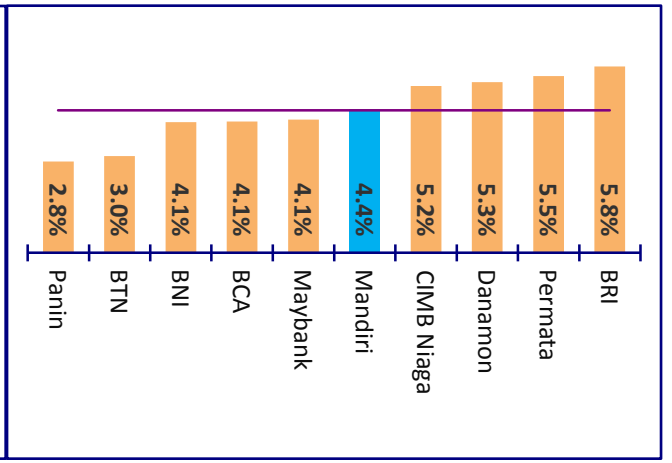
Loans/ Employee (Rp Mn)



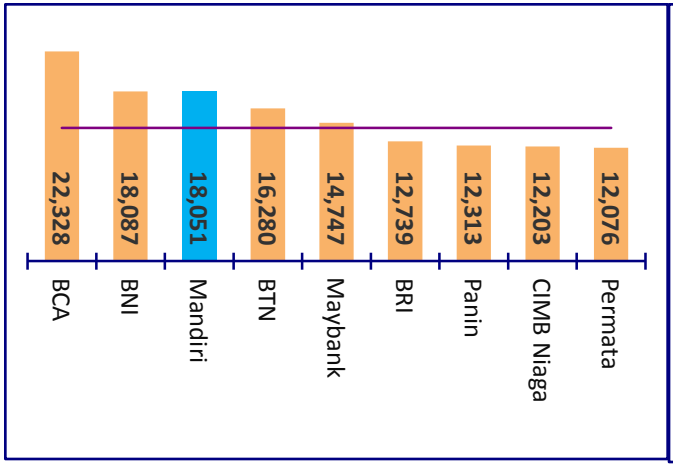
Profit/ Employee (Rp Mn)



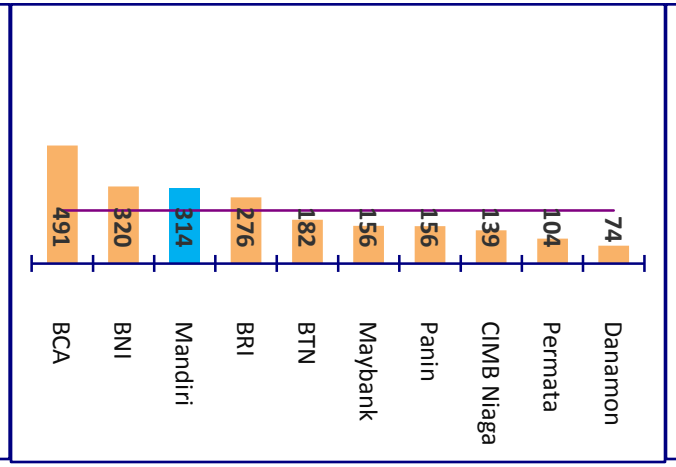
Cost/Assets (%)*



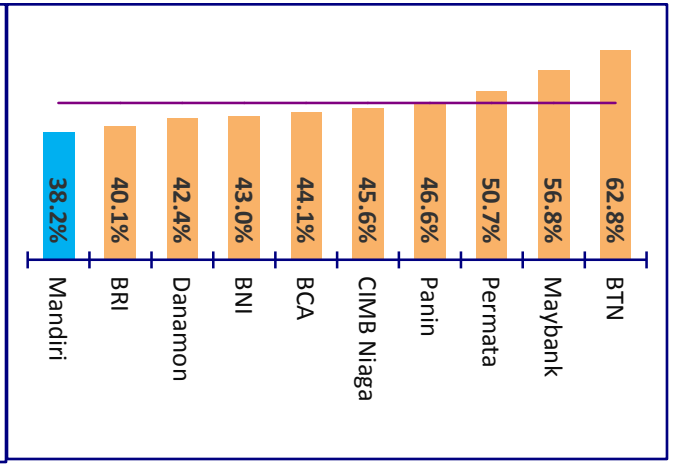
Deposits/ Employee (Rp Mn)



Pre Tax Income/Employee (Rp Mn)



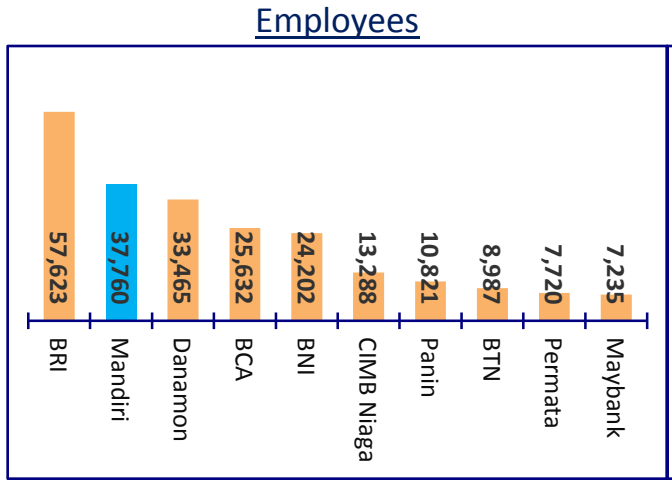
Cost/ Income (%)

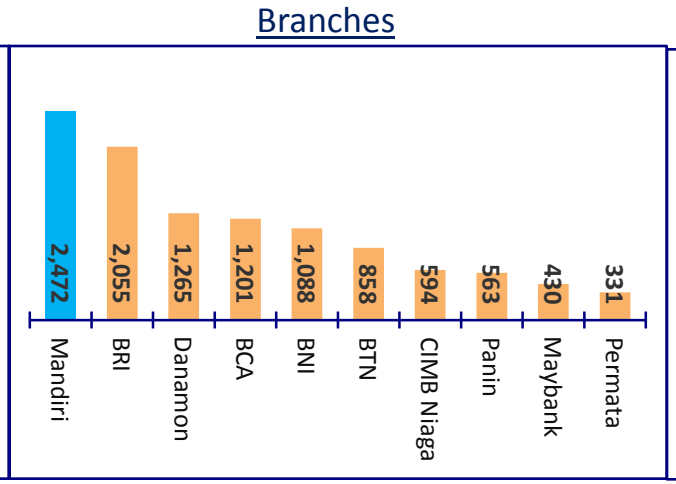


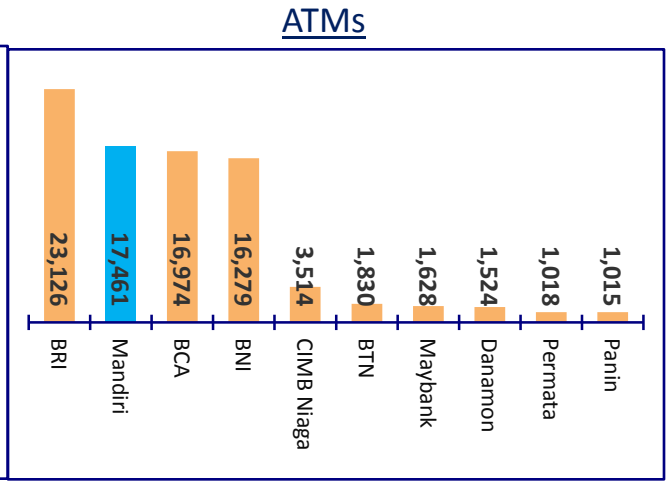
Average

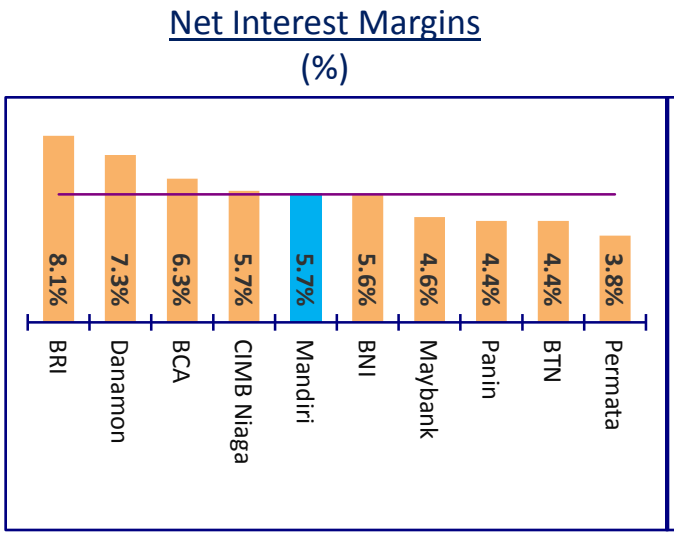
*Annualized

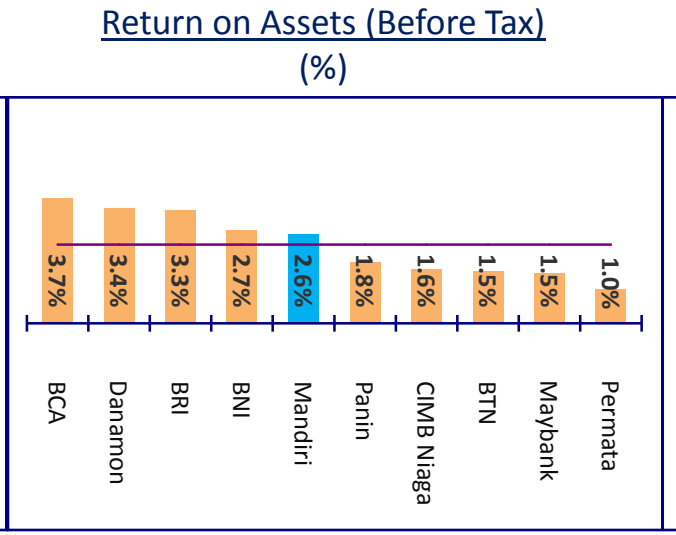
Measures of Scale and Returns Relative to Peers
Bank Only, As of June 2017

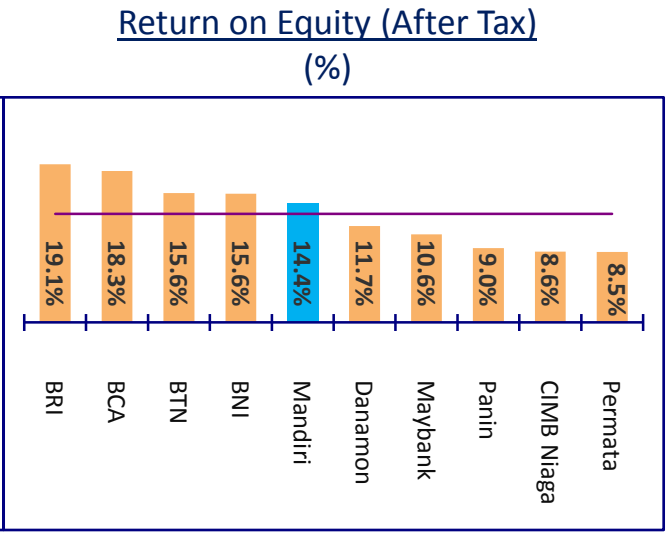












Average

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Equity Research Contact Details

BROKERAGE	ANALYST	TELEPHONE	E-MAIL
BAHANA SECURITIES	Henry Wibowo	62 21 250 5081 ext. 3622	Henry.wibowo@bahana.co.id
BANK OF AMERICA-MERRILL LYNCH	Anand Swaminathan	65 6678 0419	anand.swaminathan@baml.com
BCA SEKURITAS	Gilang Purnama	-	Gilang.purnama@bcasekuritas.co.id
CIMB SECURITIES	Jovent Giovanny	62 21 515 1330 ext. 262	jovent.muliadi@cimb.com
CITI INVESTMENT RESEARCH	Salman Ali	62 21 2924 9219	Salman1.Ali@citi.com
CLSA LIMITED	Sarina Lesmina	62 21 2554 8820	Sarina.Lesmina@clsa.com
CREDIT SUISSE	Sanjay Jain	852 2101 6088	Sanjay.Jain@credit-suisse.com
DANAREKSA SEKURITAS	Adriana Indrajatri	62 21 2955 5777	adriana.suwono@danareksa.com
DBS VICKERS SECURITIES	Lim Sue Lin	603 2711 0971	Suelin@hwangdbsvickers.com.my
DEUTSCHE VERDHANA SECURITIES	Raymond Kosasih	62 21 2964 4525	raymond.kosasih@db.com
GOLDMAN SACHS (ASIA)	Melissa Kuang	65 6889 2869	melissa.kuang@gs.com
HSBC LTD	Loo KarWeng	65 6239 0654	Karwengloo@hsbc.com.sg
INDO PREMIER SECURITIES	Stephan Hasjim	62 21 5793 1168	Stephan.Hasjim@ipc.co.id
J.P. MORGAN ASIA	Harsh Modi	65 6882 2450	Harsh.w.modi@jpmorgan.com
KIM ENG SECURITIES	Rahmi Marina	62 21 2557 1188	Rahmi.Marina@maybank-ke.co.id
MACQUARIE CAPITAL SECURITIES INDONESIA	Jayden Vantarakis	62 21 2598 8310	Jayden.vantarakis@macquarie.com
MIRAE ASSET SEKURITAS	Taye Shim	62 21 515 3281	taye.shim@miraeasset.com
MORGAN STANLEY	Mulya Chandra	62 21 3048 8125	Mulya.Chandra@morganstanley.com
NOMURA	Marcus Chua	65 9646 3168	Marcus.chua@nomura.com
SANFORD C. BERNSTEIN	Kevin Kwek	65 6230 4650	Kevin.Kwek@bernstein.com
UBS	Joshua Tanja	62 21 574 0111	Joshua.Tanja@ubs.com
UOB KAY HIAN	Alexander Margaronis	62 21 2993 3876	alexandermargaronis@uobkayhian.com

The analysts listed above actively follow Bank Mandiri, but not all have issued research reports or formally initiated coverage.

PT Bank Mandiri (Persero) Tbk

PLAZA MANDIRI
Jl. Jend. Gatot Subroto Kav. 36-38
Jakarta 12190, Indonesia
Tel: 62-21 526 5045
Fax: 62-21 527 4477, 527 5577
Call Center: 14000
www.bankmandiri.co.id

Contact Information:
Investor Relations
Tel: +62 21 524 5085
Fax: +62 21 5290 4249
E-mail: ir@bankmandiri.co.id
http://ir.bankmandiri.co.id

Corporate Secretary
Tel: +62 21 524 5740
Fax:: +62 21 526 8246