



2017
Annual Report

STRENGTHENING THE FOUNDATION TO TRANSFORM

ABOUT 2017 ANNUAL REPORT OF PT MANDIRI TUNAS FINANCE

Welcome to 2017 Annual Report of PT Mandiri Tunas Finance with the theme “Strengthening the Foundation to Transform”. The theme was chosen based on the review and facts of the Company’s business development in 2017 as well as the Company’s business sustainability in the future.

The main purpose of this Annual Report is to improve the Company’s information disclosure to relevant authorities as well as to become an annual book that will build pride and solidarity among employees.

The 2017 Annual Report of PT Mandiri Tunas Finance becomes a comprehensive source of documentation that contains the Company’s performance information in a year. Such information contains complete documentation which describes the Company’s profile; financial, marketing, and operational performance; information on duties, roles, and functions of the Company’s organization structure which implement the best practice concept and corporate governance principles.

In addition, this Annual Report also functions to build understanding and confidence on the Company by providing proper, balanced, and relevant information. Shareholders and other stakeholders will obtain adequate information concerning policies that have been and will be implemented as well as the Company’s achievement in 2017.

The 2017 Annual Report of Mandiri Tunas Finance is presented in two languages, namely Indonesian Language and English in different books using font and size that are easy to read and printed with good quality. This annual report can be seen and downloaded on official website of PT Mandiri Tunas Finance: www.mtf.co.id.

DISCLAIMER

This annual report contains financial conditions, operation results, policies, projections, plans, strategies, as well as the Company’s objectives, which are classified as forward-looking statements in the implementation of the applicable laws, excluding historical matters. Such forward-looking statements are subject to known and unknown risks (prospective), uncertainties, and other factors that could cause actual results to differ materially from expected results.

Prospective statements in this annual report are prepared based on numerous assumptions concerning current conditions and future events of the Company, and the business environment where the Company conducts business. The Company shall have no obligation to guarantee that all the valid documents presented will bring specific results as expected.

This annual report contains the word “the Company” and “MTF” hereinafter referred to PT Mandiri Tunas Finance as a company that runs business in four-wheeled vehicles financing service, heavy equipment financing, and other financing. The word “we” is at times used to simply refer to PT Mandiri Tunas Finance in general.

INFORMATION PRESENTED IN ANNUAL REPORT

References and standards used by the Company in preparing the Annual Report of PT Mandiri Tunas Finance are the prevailing parameters and standard criteria in Indonesia in which the Company implements its business. Since the Company issues bonds, it is considered as an issuer and the submission of Annual Report uses criteria contained in Circular Letter of Financial Services Authority (SEOJK) No.30/SEOJK.04/2016 on Format and Content of Annual Report of Issuer or Public Company and criteria of 2017 Annual Report Award (ARA).

To implement the best practice and principles of Good Corporate Governance, the preparation of this annual report also refers to governance practice guideline that prevails in ASEAN region, namely the ASEAN CG Scorecard parameter. The Company also submits several aspects which are the part of our interpretation and development on this Annual Report.

Therefore, we expect that this annual report may encourage the improvement of reasonable information transparency in line with the fulfillment of composition and substance aspects.

FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE HIGHLIGHTS

Presents information on financial performance and operational performance of MTF by using performance comparison in the last 5 years. This chapter also delivers dividend and bond highlights.

THE BOARD OF COMMISSIONERS REPORT

Presents information on supervisory report from the Board of Commissioners and the implementation of corporate governance.

THE BOARD OF DIRECTORS

Presents information on the Board of Directors Report on management of the Company, including the business result, financial performance, challenges mapping, obstacles, and business prospect.

COMPANY PROFILE

Presents various information on profile of the Company which include history, line of business, organization and management, awards, and significant events in 2017.

THEME CONTINUITY



2017

The slow but sure national economic growth brought significant impact to the Company's performance. Throughout 2017, Mandiri Tunas Finance generated brilliant achievement by recording a better growth compared to the previous period, and managed to realize financing achievement from the initial target. The government's policy in supporting financing and automotive sectors as one of supporting factors for national economic growth and effort of regional infrastructure, mainly in Eastern and Central Indonesia became one of factor of performance improvement in serving the need of transportation in Indonesia.

The Company believes the equal economic growth in Indonesia without substantial inequality in certain region will bring good change to the community. Real contribution from the Company concerning economic equality is shown through branch expansion in Eastern Indonesia region with main objective to fulfill the community's accommodation. This was also used by the Company as momentum for Mandiri Tunas Finance to better transform, by providing the best services to Indonesian community.

The strengthening of foundation under the name PERWIRA (kePERcayaan/trust, keWlrausahaan/ entrepreneurship, and kegmbiRAan/happiness) as the way of thinking and taking action in serving the customers is continuously sought since it is the key in running the business activity. In line with such matter, "Strengthening the Foundation to Transform" is chosen as the topic of the 2017 Annual Report and becomes the representation of high dedication of all personnel of Mandiri Tunas Finance in serving the nation.



2016

The Company's business activity rate is closely related to productivity. The time parameter is increasingly becoming an element of being pursued to achieve effectiveness and efficiency working process. In an era of increasingly tight competition, consumer choice offered many services which compete to be the best.

Innovations in technology can be used as a tool to speed up the service. Technology makes the job done more quickly, thereby increasing the frequency, quality, and affordability of the service. As a growing finance entity, Mandiri Tunas Finance offers such things as business excellence. Competition never worn up at any time, the company always faced with the demand to find the element that became a staple of competition each period. Technology shines more, the existence becomes a tool to reduce human error that often arises inexorably.

The Company grew over time, the technology was developed without knowing the end. Reality competition motivates companies to continue realized to improve. Together with technological excellence, innovation became apparent usher Mandiri Tunas Finance realize the excellent service.



2015

In the midst of the Indonesian economy is experiencing a slowdown, the Company seeks to continuously improve business performance, supported by the spirit of hard work and dedication in serving the financing needs of Indonesian society. The above efforts, in 2015 the Company managed to carve achievement of good business with a record growth of 16% financing. Measured through planning and establishment of a strategic policy, the Company managed to gain momentum in the pursuit of business goals in conditions that do not support.

The achievement is Mandiri Tunas Finance's commitment in contributing to the nation through improving standards of living. By providing automotive financing facilities and other multipurpose financing the Company expects to foster positive growth for the local economy stretching Indonesia as well as increased state revenues from taxes that can be allocated for equitable growth.

In 2015, the Company carries the theme of "With Heart Serving the Nation" as a representation of the spirit of the Company in the Company's Annual Report. The substance contained in the report to provide a clear picture on performance and responsibilities run the Company to all Stakeholders. The representation of theme is manifested in the visual design shown in this Annual Report. Handshake forming heart symbol depicts a tangle of concern by every element in providing service wholeheartedly.



2014

Armed with the desire to become the pride of Indonesia, the Company showed a proud performance with average growth in all lines of over 30% annually. The Company believes will be able to increase the growth of finance and automotive industries that contribute to the Country, both in the development of Micro, Small and Medium Enterprises (SMEs) as well as the opening of new jobs. It became evident that Mandiri Tunas Finance is proud to build the country.

As a form of pride, we raised the concept of shadow puppetry which is a traditional art of Indonesia that has been recognized by UNESCO as awesome cultural works and very valuable world heritage. Narrative presented have exceptional artistic value.

There is Yudhistira, the eldest of the puppet characters among Panca Pandawa (the five Pandawa), or the sons of Pandu with Dewi Kunti. He is very wise, has a very high moral, fair, patient, honest, confident, and unwilling to speculate.

Yudhistira figure above illustrates the achievement of the Company's vision "To Be the Best Finance Company, Largest and Trusted in Indonesia in 2014". On the Company's performance is very progressive, then at the end of 2014, the Company set a new vision is "To be the Most Progressive and Reliable Multifinance in Indonesia". This is also reflected in Yudhistira figures that are leaders Panca Pandawa who wise and prudent, and be an example for the other four Pandawa.

LIST OF CONFORMITY OF REPORT WITH ANNUAL REPORT AWARD (ARA) CRITERIA 2017

INDONESIA INDONESIA FINANCIAL SERVICES AUTHORITY REFERENCE		
CRITERIA	DESCRIPTION	PAGE
I. General		
Annual Report is presented in good and correct Indonesian and it is recommended to present the report also in English.		√
Annual report is printed in good quality and use type and font so that the text is easy to read.		√
Annual report should state clearly the identity of the company.	Name of company and year of the annual report is placed on: 1. The front cover; 2. Side; 3. Back Cover; 4. Each page	√
Annual Report is presented in the company's website		√
II. Financial data Highlights		
Financial information in comparative form over a period of 3 financial years or since the commencement of business if the company has been running its business activities for less than 3 years.	The information includes: 1. Sales/income from business 2. Gross profit (loss) 3. Comprehensive profit (loss) 4. Profit (loss) per share	18-20
Financial position information in comparative form over a period of 3 financial years or since the commencement of business if the company has been running its business activities for less than 3 years.	The information includes: 1. Net operating capital 2. Total investment in associate entities and/or joint venture 3. Total Assets 4. Total Liabilities 5. Total equities	18-20
Financial ratio in comparative form over a period of 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years.	Information includes 5 (five) financial ratios that are common and relevant to the industry the company.	18-20
Share price information in the form of chart and table.	Information in the form of chart and table includes: 1. Total outstanding shares 2. Market capitalization 3. The highest, lowest, and closing price of share 4. Trading volume on a quarterly basis during the last 2 (two) fiscal years.	23-24
Information on outstanding bond, sukuk or convertible bond within the last 2 (two) fiscal years.	The information contains: 1. The number of bonds/sukuk/outstanding bonds 2. The interest Rate / exchange 3. Date of maturity 4. The rating of bonds / sukuk	N/A
III. Board of Commissioners and Board of Directors Report		
Board of Commissioners' Report	Contains the following items: 1. Assessment on the performance of the Board of Directors in managing the company. 2. View on the prospects of the company's business as established by the Board of Directors. 3. Changes in the composition of the Board of Commissioners (if any).	34-37
Board of Directors' Report	Contains the following items: 1. Analysis of company's performance, encompassing strategic policies, comparison between achievement of results and targets and challenges faced by the company 2. Description of business outlooks 3. The implementation of good corporate governance 4. Changes in the composition of the Board of Directors (if any)	38-43

INDONESIA INDONESIA FINANCIAL SERVICES AUTHORITY REFERENCE		
CRITERIA	DESCRIPTION	PAGE
Signature of members of the Board of Directors and Board of Commissioners	Contains the following items: 1. Signatures are set on a separate page. 2. Statement that the Board of Directors and the Board of Commissioners are fully responsible for the accuracy of the annual report. 3. Signed by all members of the Board of Commissioners and Board of Directors, stating their names and titles/positions. 4. A written explanation in a separate letter from each member of the Board of Commissioners or Board of Directors who refuses to sign the annual report, or: written explanation in a separate letter from the other members in the event that there is no written explanation provided by the said member.	215
IV. Company Profile		
Name and address of the Company	Information on name and address, zip code, telephone and or facsimile, email, website.	46-47
Brief history of the company	Includes date/year of establishment, name, and change in the company name (if any)	48-50
Line of Business	Description about: 1. Line of business based on the latest articles of association; and 2. Description of products/services	56-57
Organizational Structure	In the form of a chart, giving the names and titles at the least until one level below the Board of Directors.	58-59
Company Vision and Mission	Including: 1. Corporate vision 2. Mission; and 3. Statement that the vision and mission has been approved by the Board of Directors/Board of Commissioners	54-55
Identity and brief curriculum vitae of the members of the Board of Commissioners;	The information should contain: 1. Name 2. Position (including position in other companies/institutions) 3. Age 4. Education 5. Working experience 6. The first appointment date as member of Board of Commissioners	61-63
Identity and brief curriculum vitae of the members of the Board of Directors;	The information should contain: 1. Name 2. Position (including position in other companies/institutions) 3. Age 4. Education 5. Working experience 6. The first appointment date as member of Board of Directors	64-66
Number of employees (comparative in 2 years) and description of competence building (for example: education and training of employees)	The information should contain: 1. The number of employees for each level of the organization. 2. The number of employees for each level of education 3. Training of employee that has been and will be conducted 4. Availability of equal opportunity to all employees	98-99
Composition of shareholders	Should include: 1. Names of shareholders having 5% or more shares. 2. Names of Directors and Commissioners owning shares 3. Public shareholders having respective share ownership of less than 5% and its percentage	72-76
List of subsidiaries and/or affiliated companies	The information should include: 1. Name of subsidiaries/affiliated companies 2. Percentage of share ownership 3. Information on the line of business of subsidiaries and/or associate entities 4. Explanation regarding the operational status of the subsidiary or affiliated company (already operating or not yet operating)	72-76
Structure of company's group	Structure of company's group describing subsidiaries, associate entities, joint venture, and special purpose vehicle (SPV), or statement of having no group.	70

INDONESIA INDONESIA FINANCIAL SERVICES AUTHORITY REFERENCE		
CRITERIA	DESCRIPTION	PAGE
Share-listing chronology	Includes: 1. Share-listing chronology 2. Types of corporate action causing changes in the number of shares 3. Changes in the number of shares from the beginning of listing up to the end of the financial year 4. Name of Stock Exchange where the company's shares are listed	77
Other securities listing chronology	Includes: 1. Other securities listing chronology 2. Types of corporate action causing changes in the number of securities 3. Changes in the number of securities from the initial listing up to the end of the financial year 4. Name of Stock Exchange where the company's securities are listed 5. Rating of the securities	78-82
Name and address of institution and or profession supporting the capital market	The information contains: 1. Name and address of BAE 2. Name and address of Public Accounting Firm 3. Name and address of share registrar	83
Awards and/or certificates received by the company, both at national and international level	Information should include: 1. Name of the awards and/or certification 2. Year when awards are received 3. Institution presenting the awards/certification 4. Period of validity (for certification)	25-26
Name and address of subsidiaries and/or branch office or representative office (if any)		84-91
V. Managament Discussion and Analysis		
Operational review per business segment	Includes description of: 1. Products/line of business; 2. Increase/decrease in production capacity 3. Sales/operating income 4. Profitability For each business segment disclosed in the financial statement (if any)	N/A
Description of company's financial performance	An analysis of financial performance which includes a comparison between the financial performance of the current year and that of the previous year (in the form of narration and tables) concerning: 1. Current assets, non-current assets, and amount of assets 2. Short term and long term liabilities and total liabilities 3. Equity 4. Sales/operating income, expenses and profit (loss), other comprehensive revenue, and total comprehensive profit (loss) 5. Cash flow	108-123
Discussion and analysis on the capacity to pay debts and the company's level of receivables collectability by presenting relevant ratio calculation	Explanation on: 1. Capacity to pay short term and long term debts 2. Receivables collectability level	123-124
Discussion on capital structure, management policies on capital structure	Explanation on: 1. Capital structure, and 2. Capital structure policies	124-125
Discussion on material ties for the investment of capital goods	Explanation on: 1. The purpose of the ties 2. Fund resources expected to fulfill the said ties 3. Currency of denomination 4. Steps taken by the company to protect the position of related currency against risks. Notes: if the company does not have tie related to investment of capital goods, the information should be disclosed.	125
If the financial statement discloses a material increase or decrease in the sales or net income, an explanation should be disclosed concerning the extent to which such changes can be linked to the amount of goods or service offered and/or new products/services.	Description of: 1. Amount of an increase/decrease of sales/net income 2. Factors causing the material increase/decrease from sales or net income related to total goods or services and or new products/services.	N/A
Information on the comparison between target set at the beginning of the fiscal year and the realization and target or projection for the next year concerning revenue, profit, capital stricter, and others considered important for the company.	Information should include: 1. Comparison between target of the beginning of the year and the realization 2. Target or projection for the next year	N/A
Information and material fact subsequent to the date of accountant	Description of important events after the date of the accountant's report, including the effects on the performance and business risk in the future Note: if there is no important event after the date of the accountant report, such information should be disclosed	125

INDONESIA INDONESIA FINANCIAL SERVICES AUTHORITY REFERENCE		
CRITERIA	DESCRIPTION	PAGE
Description of the company's business prospects	Description of the company's prospects related to overall industry and economy, complete with quantitative data and reliable sources	N/A
Description of marketing aspects	Description of marketing aspect of products and/or services, such as marketing strategy and market share	N/A
Description on dividend policy and amount of cash dividend per share and amount of dividend per year published/paid for the last 2 (two) financial years.	Information includes: 1. Total cash dividend 2. Total cash dividend per year 3. Payout ratio for each year Notes: if there is no dividend distribution, the reason should be disclosed	134
Realization of fund utilization from public offering (should the company be required to submit the report of fund utilization)	The information should include: 1. total funds obtained, 2. budget plan, 3. details of budget plan, 4. balance, and 5. Date of approval from General Meeting of Shareholders regarding the changes in fund utilization (if any)	N/A
Material information concerning investment, expansion, divestment, consolidation/merger, acquisition or debt/capital restructuring.	The information should include 1. The purpose of transaction 2. Transaction value or number of transaction 3. Fund resource Note: If there is no such transaction, the information should be disclosed	N/A
Transaction information material conflict of interest and/or transactions with affiliated parties.	The information should include: 1. Name of the parties involved in the transactions and related affiliation 2. Explanation on fairness of transaction 3. Reason for transaction 4. Realization of transaction within the period 5. Corporate policy related to review mechanism of the transaction; and 6. Compliance to provisions and concerned regulation Note: if there is no such transaction, such information should be disclosed	N/A
Description on changes in regulation having significant effect on the company	Description should include: changes in the regulation and its effect on the company Note: if there is no change in the regulation having significant effect on the company, such information should be disclosed	N/A
Description on changes in the accounting policy	Description includes changes in accounting policy, its reasons and impacts on financial report Notes: if there is no change in accounting policy, such information should be disclosed	N/A
VI. Good Corporate Governance		
Description of Board of Commissioners	Description includes: 1. Description of responsibilities of Board of Commissioners 2. Disclosure of procedures of determining remuneration 3. Remuneration structure that represents remuneration component and amount per component for each member of Board of Commissioners 4. Meeting frequency and attendance level of Board of Commissioners 5. Training programs to increase the competency of Board of Commissioners 6. Disclosure of Board Charter (regulation of Board of Commissioners)	154-158
Description of Board of Directors	Description includes: 1. Scope of works and responsibility of each member of the Board of Directors 2. Meeting frequency 3. Attendance level of each member of the Board 4. Training programs for improving the competence of the Board 5. Disclosure on Board Charter (regulation of Board of Directors)	158-165
Assessment on Board of Commissioners and Board of Directors	Includes: 1. Assessment on performance of Board of Commissioners and/or Board of Directors' performance 2. Criteria used in the assessment process 3. Parties conducting assessment	N/A

INDONESIA INDONESIA FINANCIAL SERVICES AUTHORITY REFERENCE		
CRITERIA	DESCRIPTION	PAGE
Description on remuneration policies for Board of Directors	Includes: 1. Disclosure of procedure of determining remuneration 2. Remuneration structure which shows type and total short term and long term returns, post employment, and other long term kinds of remuneration for each member of the Board of Directors 3. Disclosure of performance indicator to assess the performance of the Board of Directors.	156,162
Information on the Majority and Controlling Shareholders, direct and indirectly, and the individual shareholder	In the form of scheme or diagram	71
Disclosure of affiliation among Board of Directors, Board of Commissioners, and Majority and/or Controlling Shareholders	Include: 1. Affiliation among internal members of the Board of Directors 2. Affiliation between the Board of Directors and the Board of Commissioners 3. Affiliation between the member of the Board of Directors and Majority and/or Controlling Shareholders 4. Affiliation among internal members of the Board of Commissioners 5. Affiliation between the member of the Board of Commissioners and Majority and/or Controlling Shareholders Note: if there is no such transaction, such information should be disclosed	165
Audit Committee	Includes: 1. Name and position of each member of audit committee 2. Educational background and working experience of audit committee member 3. Independency of audit committee member 4. Description of roles and responsibilities 5. Brief report of the implementation of audit committee activity 6. Meeting frequency and attendance level of audit committee	165-171
Nomination and Remuneration Committee	Includes: 1. Name, position, and brief curriculum vitae of member of remuneration and nomination committee 2. Independency of remuneration and nomination committee member 3. Description of roles and responsibilities 4. Description of the implementation of remuneration and/or nomination committee's activity 5. Meeting frequency and attendance level of remuneration and/or nomination committee	171-176
Other committees under the Board of Commissioners	Includes: 1. Name, position, and brief curriculum vitae of other committees 2. Independency of other committee member 3. Description of roles and responsibilities 4. Description of the implementation of other committee's activity 5. Meeting frequency and attendance level of other committees	177-179
Description on roles and functions of corporate secretary	Includes: 1. Name and professional record of corporate secretary 2. Description on the implementation of corporate secretary's duties	179-182
Company accountant	Information includes: 1. Total period when the accountant has audited the yearly financial statements 2. Total period when the Public Accounting Firm has audited yearly financial statements 3. The amount of fee for each service given by the public accountant 4. Other service given by the accountant other than audit for financial reports Note: if there is no such transaction, such information should be disclosed	184-188
Description on risk management	Includes: 1. Explanation on risk management system 2. Explanation on evaluation of risk management system effectiveness 3. Explanation on risks posed to the company 4. Efforts to managae such risks	188-189
Description on internal control system	Includes: 1. Brief explanation on internal control system, including financial and operational control 2. Explanation of the conformity of internal control system to the internationally-recognized framework/COSO (control environment, risk assessment, control activities, information and communication, and monitoring activities) 3. Explanation of the evaluation on the effectiveness of internal control system.	190-196

INDONESIA INDONESIA FINANCIAL SERVICES AUTHORITY REFERENCE		
CRITERIA	DESCRIPTION	PAGE
Description on corporate social responsibility program that relates to environment	Includes: 1. Policies, 2. Activities, and 3. Financial impacts from the environmental programs that relates the company's operational activity, such as the use or eco-friendly and recyclable material, energy saving, waste management, and others 4. Certification for environmental programs	183-184
Explanation on corporate social responsibility related to employment, occupational health and safety	Includes: 1. Policies, 2. Activities, and 3. Financial impacts from the activities related to employment and occupational health and safety such as gender equality, facilities for safety, employee turnover level, accident at work Rate, etc	206
Explanation on corporate social responsibility related to social and community development	Includes: 1. Policies, 2. Activities, and 3. Financial impacts from the activities related to social and community development programs, such as the empowerment of local manpower and society in the vicinity of the company, the improvement of social facilities and infrastructure, donation, others.	208
Explanation on corporate social responsibility related to responsibility to customers	Includes: 1. Policies, 2. Activities, and 3. Financial impacts from the activities related to product reliability, such as aspects of customer health and safety, product information, facilities, number of customer complaint management, etc	206
Litigation faced by the company, subsidiaries, members of Board of Directors and/or members of Board of Commissioners for the period	Includes: 1. Material of the case/claim 2. Status of settlement of the case/claim 3. Potential impacts on the company 4. Administrative sanctions imposed to the entity, members of the Board of Directors and Board of Commissioners, which is imposed by the authorities concerned (capital market, banking, etc) for the last financial year (including statements of having no administrative sanction, if any) Note: if there is no litigation, such information should be disclosed	208-209
Information access and corporate data	Description on the availability of access to corporate information and data for public, such as through website (in Bahasa and English), mass media, mailing list, bulletin, meeting with analysts, etc.	196-200
Description on code of conduct	Includes: 1. Content of code of conduct 2. Disclosure that code of conduct prevails to all organizational levels 3. Efforts in its implementation and enforcement 4. Statement of corporate culture owned by the company	182
Disclosure on whistleblowing system	Includes description on whistleblowing system such as 1. Submission of violation reports 2. Protection for the whistleblowers 3. Complaint management 4. Parties managing the complaint 5. Results from the complain handling	200-201
Pengungkapan mengenai whistleblowing system	Memuat uraian tentang mekanisme whistleblowing system antara lain: 1. Penyampaian laporan pelanggaran 2. Perlindungan bagi whistleblower 3. Penanganan pengaduan 4. Pihak yang mengelola pengaduan 5. Hasil dari penanganan pengaduan	201

INDONESIA INDONESIA FINANCIAL SERVICES AUTHORITY REFERENCE

CRITERIA	DESCRIPTION	PAGE
VII. Financial Information		
Statement by the Board of Directors and/or Board of Commissioners on the responsibility of financial reports	Conformity to the regulation applied concerning the responsibility on the financial statements	Consolidated Financial Statements
Opinion of independent auditor on the financial reports		Consolidated Financial Statements
Description of the independent auditor in the opinion	Description includes: 1. Name & signature 2. Date of Audit Report 3. PAF and Public Accountant license	Consolidated Financial Statements
Complete financial statements	Contains all elements of the financial statements: 1. Balance sheet 2. Income statement 3. Equity statement 4. Cash flow report 5. Notes to the financial statements 6. Statement of financial position at the beginning of the comparative period presented when an entity implements accounting policy retrospectively or makes restatement of financial statement items, or when the entity reclassify items in its financial statements (if relevant)	Consolidated Financial Statements
Disclosure in the notes to the financial statements when the entity implements accounting policy retrospectively or to make the restatement of financial statements items, or when the entity reclassify items in financial statements.	In the event that there is disclosure according to PSAK or otherwise, the information should be disclosed a	Consolidated Financial Statements
Comparison of the levels of profitability	Comparison of income for the year and the previous year	Consolidated Financial Statements
Cash flow report	Meet the following propositions: 1. Classification for three activities: operation, investment, and funding 2. The utilization of direct method to report cash flow from operational activity 3. Separated presentation of the cash receipt and or cash expended for the year related to the operational, investment, and funding activity. 4. Disclosure of non-cash transaction should be attached in the notes to financial statements	Consolidated Financial Statements
Accounting policy highlights	Includes at least: 1. Statement of compliance to SAK 2. Benchmark of preparing financial report 3. Recognition of income and expense 4. Fixed asset 5. Financial instrument	Consolidated Financial Statements
Disclosure of transaction from related parties	Disclosure materials: 1. Name of the related parties and its affiliation 2. Transaction value and its percentage of the total revenue and expenses concerned; and 3. Total balance amount and its percentage of the total assets and liabilities	Consolidated Financial Statements

INDONESIA INDONESIA FINANCIAL SERVICES AUTHORITY REFERENCE		
CRITERIA	DESCRIPTION	PAGE
Disclosure related to taxation	<p>Disclosure materials:</p> <ol style="list-style-type: none"> 1. Fiscal reconciliation and calculation of current tax 2. Explanation of the relationship between tax expense (income) and income tax accounting 3. Statement that the amount of Taxable Profit as calculated through reconciliation is in accordance with the Tax Return 4. Details of the asset and liabilities in deferred tax presented in the balance sheet in each period of presentations, and amount of charge (income) of deferred tax acknowledged in the profit loss statement if the said amount is not evident in the asset or liability of deferred tax acknowledged in the balance sheet 5. Disclosure of whether there is tax dispute or not 	Consolidated Financial Statements
Disclosure related to fixed asset	<p>Disclosure material:</p> <ol style="list-style-type: none"> 1. Depreciation method used 2. Description of the selected accounting policies between the fair value model and cost model 3. Methods and significant assumptions used in estimating the fair value of fixed assets (revaluation model) or disclosure of the fair value of fixed assets (cost method); and 4. Reconciliation of the gross carrying amount and accumulated depreciation of fixed assets at the beginning and end of the period with disclosure of addition, deduction, and reclassification. 	Consolidated Financial Statements
Accounting policies related to benefit	<p>Disclosure material:</p> <ol style="list-style-type: none"> 1. Types of benefit given to the employees; 2. Overview of types of post-employment benefits program held by the company 3. Accounting policy for the recognition of actuarial profit and loss; and 4. Recognition of profit and loss for curtailment and completion 	Consolidated Financial Statements
Disclosure related to financial instrument	<p>Material disclosure:</p> <ol style="list-style-type: none"> 1. Requirements, accounting condition and policy for each financial instrument classification; 2. Classification of financial instruments; 3. Fair value of each financial instrument; 4. Objective and policy of risk management; 5. Explanation of risk related to financial instruments; market risk, credit and liquidation; and 6. Risk analysis with quantitative method related to financial instruments 	Consolidated Financial Statements
Publishing of financial statements	<p>Material disclosure:</p> <ol style="list-style-type: none"> 1. Date of financial statements authorized for publication; and 2. Parties responsible to authorize the financial statements. 	Consolidated Financial Statements

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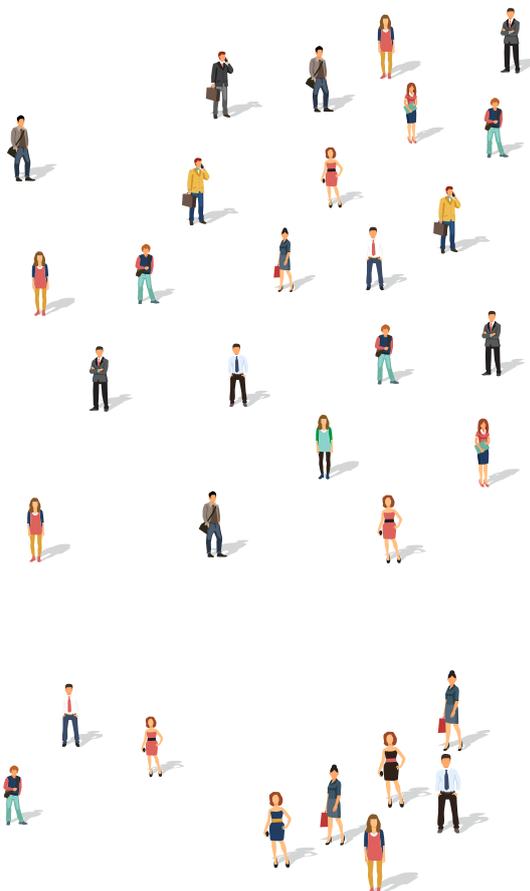
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FINANCIAL REPORT



ACHIEVEMENT AND SUMMARY OF PERFORMANCE OF THE COMPANY IN 2017

Performance Highlights of 2017

Management Reports

Company Profile

Overview of Business Support

New Financing



22.2 T

New financing in 2017 reached Rp22.20 trillion increased Rp3.6 trillion or 19.2% from the year 2016 amounting to Rp18.6 trillion.



Total Revenue

2.7 T

Total Revenue in 2017 reached Rp2.74 trillion increased 0.29 trillion or 11.8% from the year 2016 of Rp 2.45 trillion.



Current year profit

350.24 M

Current Profit of 2017 reached Rp 350.24 billion or increased by Rp14.87 billion or 4.43% from 2013 of Rp335.37 billion.





Total Assets

14.73 T

Total Assets in 2017 reached Rp14.73 trillion increased Rp3.3 trillion or 29.25% from the year 2016 amounting to Rp11, 40 trillion.



Cost efficiency ratio

46.50%

Cost efficiency ratio in 2017 reached 46.50% increased by 3.83% from 2016 by 42.67%.



Lease financing



178,983 M

Financing leases in 2017 reached 178.983 billion increased 93.90% from 2016 amounting to 92.307 billion.

Total Consumers

340,049
Consumers

The number of consumers in 2017 reached 340,049, up 15,405 consumers from 2016 amounted to 324,644 consumers



Total of Business Network

99 Branches

The number of business networks in 2017 is 99 branch offices compared to 2016 of 91 branches.





“”

AS OF DECEMBER 31, 2017, THE COMPANY'S SHARE OWNERSHIP CONSISTS OF 51% OF SHARES OWNED BY PT BANK MANDIRI (PERSERO) TBK AND 49% OF THE SHARES OWNED BY PT TUNAS RIDEAN TBK



01

**Performance
Highlights of 2017**

FINANCIAL PERFORMANCE HIGHLIGHTS

Statement of Financial Position

(in Rupiah million)

Description	2017	2016	2015	2014	2013
ASSETS					
Cash and Cash Equivalents					
Cash	20.198	24.074	19.938	13.951	12.929
Cash in Bank					
Third Parties	8.944	21.521	3.257	8.914	11.910
Related Parties	131.408	212.299	68.771	250.583	166.400
Consumer Financing Receivables					
Third Parties	11.444.554	9.956.989	8.148.026	6.080.567	4.639.163
Related Parties	7.957	10.532	5.886	7.420	5.738
	11.452.511	9.967.521	8.153.912	6.087.987	4.644.901
Less: Allowance for impairment losses	(271.205)	(298.650)	(270.477)	(194.852)	(133.356)
	11.181.306	9.668.871	7.883.435	5.893.135	4.511.545
Financial Leases Receivable					
Third Parties	2.364.629	834.483	604.150	783.737	619.691
Less: Allowance for impairment losses	(7.739)	(4.538)	(5.791)	(17.213)	(7.537)
	2.356.890	829.945	598.359	766.524	612.154
Other receivables					
Third Parties	104.140	69.420	76.923	43.921	27.546
Related parties	564.131	274.585	388.421	320.326	223.185
	668.271	344.005	465.344	364.247	250.731
Less: Allowance for impairment losses	(2.896)	(785)	(785)	(794)	(813)
	665.375	343.220	464.559	363.453	249.918
Deferred tax assets	38.004	23.079	19.907	12.885	8.422
Claims for tax refund	65.538	65.538	-	-	-
Derivative receivables	23.202	-	-	-	-
Fixed assets	165.907	141.322	102.852	74.531	44.006
Other Assets					
Third Parties	81.340	73.061	41.081	36.845	22.421
Related parties	1.346	1.132	835	966	442
TOTAL ASSETS	14.739.458	11.404.062	9.202.994	7.421.789	5.640.147
LIABILITIES					
Trade payables	606.513	593.910	390.262	523.518	260.798
Other payables					
Third parties	194.491	150.048	110.205	84.605	27.532
Related parties	30.344	106.733	44.803	53.799	134.905
Current tax liabilities	33.916	13.594	20.462	11.037	15.833
Accrued expenses					
Third parties	135.559	89.259	94.240	91.704	63.971
Related parties	1.227	868	1.835	2.691	1.740

Description	2017	2016	2015	2014	2013
Bank loans					
Third parties	6.641.977	4.118.987	4.228.720	2.941.445	2.412.010
Related parties	1.602.605	1.502.505	1.272.623	1.364.359	843.817
	8.244.582	5.621.492	5.501.343	4.305.804	3.255.827
Unamortized provision cost	(34.152)	(12.340)	(14.753)	(14.662)	(14.764)
	8.210.430	5.609.152	5.486.590	4.291.142	3.241.063
Securities issued					
Third parties	2.443.300	2.284.000	1.297.250	1.092.000	899.000
Related parties	1.231.700	1.041.000	552.750	358.000	301.000
	3.675.000	3.325.000	1.850.000	1.450.000	1.200.000
Unamortized issuance cost	(9.749)	(8.766)	(4.590)	(2.631)	(3.265)
	3.665.251	3.316.234	1.845.410	1.447.369	1.196.735
Derivate payable	19.540	-	-	-	-
Employee benefits obligation	73.845	50.135	36.549	21.271	11.829
TOTAL LIABILITIES	12.971.116	9.929.933	8.030.356	6.527.136	4.954.406
EKUITAS					
Fully paid up capital	250.000	250.000	250.000	250.000	250.000
Other Comprehensive Income:					
Remeasurement of employee benefits obligation	(24.567)	(14.695)	(11.496)	(6.080)	(2.103)
Cumulative loss on derivative instrument for hedging of cash-flow net	(12.620)	-	-	-	-
Retained earnings					
Appropriated	50.000	50.000	50.000	50.000	50.000
Unappropriated	1.505.529	1.188.824	884.134	600.733	387.844
TOTAL EQUITY	1.768.342	1.474.129	1.172.638	894.653	685.741
TOTAL LIABILITIES AND EQUITY	14.739.458	11.404.062	9.202.994	7.421.789	5.640.147

Statement of Profit or Loss

(in Rupiah million)

Description	2017	2016	2015	2014	2013
REVENUE					
Consumer Financing	1.830.424	1.772.265	1.423.223	1.063.442	859.887
Financial Lease	178.983	92.307	99.641	87.369	59.897
Interest	9.036	10.099	7.672	19.798	7.026
Others – Net	719.921	574.598	456.996	342.946	239.386
TOTAL REVENUE	2.738.364	2.449.269	1.987.532	1.513.555	1.166.196
EXPENSES					
Financial Charges	(1.035.442)	(921.263)	(703.121)	(548.682)	(443.492)
Salaries and benefits	(437.812)	(342.088)	(304.698)	(235.081)	(179.091)
General and Administration	(354.063)	(309.840)	(279.747)	(197.569)	(149.541)
Provision for impairment losses					
Consumer Financing	(434.774)	(426.997)	(291.487)	(209.114)	(150.153)
Financial Leases	(5.784)	(196)	2.356	(10.805)	(6.756)
Other payables	(2.111)	-	9	19	166
TOTAL EXPENSES	(2.269.986)	(2.000.384)	(1.576.688)	(1.201.232)	(928.867)

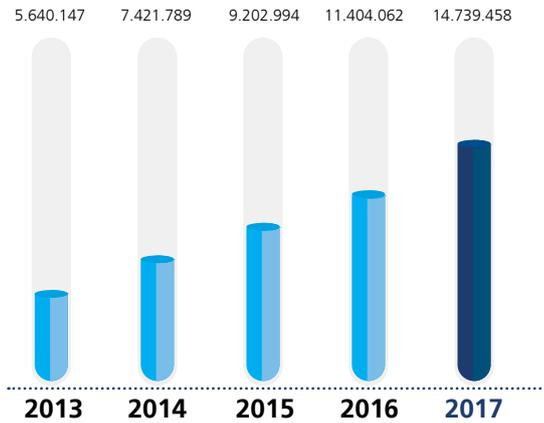
Description	2017	2016	2015	2014	2013
Income Before Final Tax And Income Tax Expense	468.378	448.885	410.844	312.323	237.329
Final Tax Expense	(1.807)	(2.020)	(1.534)	(3.960)	(1.405)
Income Before Income Tax Expense	446.571	446.865	409.310	308.363	235.924
Income Tax Expense	(116.329)	(111.495)	(102.510)	(74.317)	(59.442)
Income Tax Expense	350.242	335.370	306.800	234.046	176.482
Other Comprehensive Income					
Item that will not be reclassified to profit or loss					
Remeasurement of employee benefits obligation	(13.162)	(4.266)	(7.221)	(5.302)	3.248
Income tax effect	3.290	1.067	1.805	1.325	(812)
Item that will not be reclassified to profit or loss	(9.872)	(3.199)	(5.416)	(3.977)	2.436
Effective portion of loss on hedging instrument in a cash flow hedge	(16.826)	-	-	-	-
Income tax effect	4.206	-	-	-	-
	(12.620)	-	-	-	-
Other Comprehensive Income – Net of Tax	(22.492)	(3.199)	(5.416)	(3.977)	2.436
Total Comprehensive Income for the Year	327.750	332.171	301.384	230.069	178.918
Basic Earnings per Share (full amount)	140	134	123	94	71

Financial Ratio

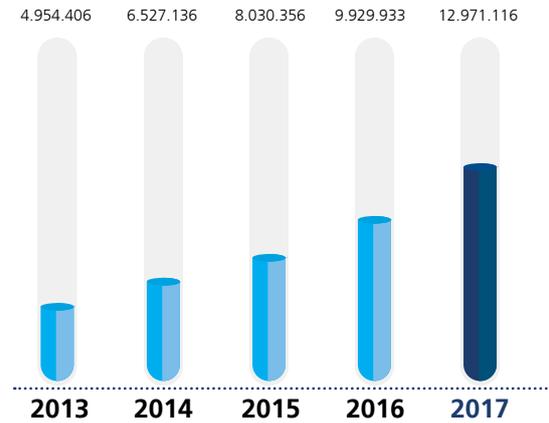
Description	2017	2016	2015	2014	2013
PROFITABILITY					
Return On Assets	2,68%	3,25%	3,69%	3,58%	3,52%
Return On Assets*	3,58%	4,36%	4,94%	4,78%	4,73%
Return On Average Assets*	3,67%	4,32%	5,11%	4,74%	4,45%
Return On Equity	21,60%	25,34%	29,68%	29,62%	29,17%
Return On Average Equity	22,10%	25,53%	29,77%	29,71%	29,13%
Total Revenues to Total Assets	18,58%	21,48%	21,60%	20,39%	20,68%
PRODUCTIVE ASSETS					
Net Service Assets**	36.849.316	31.272.392	26.758.485	21.161.175	15.627.805
Joint Financing Receivables**	23.032.176	20.470.388	18.000.423	14.289.451	10.363.212
Managed Non-Performing Receivables	0,80%	1,49%	1,20%	1,15%	1,16%
LIQUIDITY					
Total Liabilities to Total Assets (times)	0,88	0,87	0,87	0,88	0,88
Total Liabilities to Total Equity (times)	7,34	6,74	6,85	7,30	7,22
Gearing Ratio*** (times)	6,72	6,05	6,25	6,41	6,47
GROWTH					
Growth of Revenues	11,80%	23,23%	31,32%	29,79%	38,66%
Growth of Profits for the Year	4,43%	9,31%	31,09%	32,62%	51,32%
Growth of Assets	29,25%	23,92%	24,00%	31,59%	28,49%
Growth of Liabilities	30,63%	23,65%	23,03%	31,74%	28,17%
Growth of Equity	19,96%	25,71%	31,07%	30,47%	30,79%
OTHER RATIOS					
Income Before Income Tax Expense to Revenues	17,10%	18,33%	20,67%	20,64%	20,35%
Income for the Year – Net of Tax to Revenues	12,79%	13,69%	15,44%	15,46%	15,13%
Cost Efficiency Ratio	46,50%	42,67%	45,43%	44,81%	45,48%

COMPANY FINANCIAL GRAPHIC

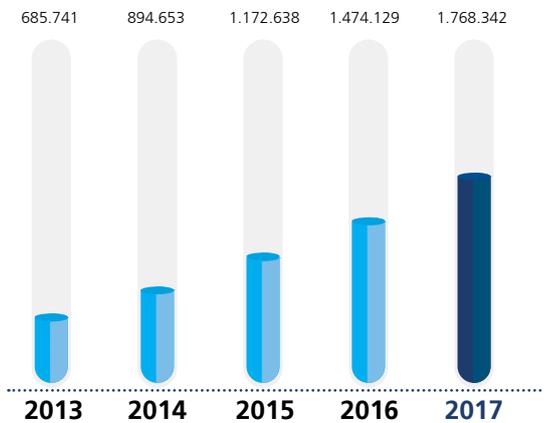
Total Assets
(in million Rupiah)



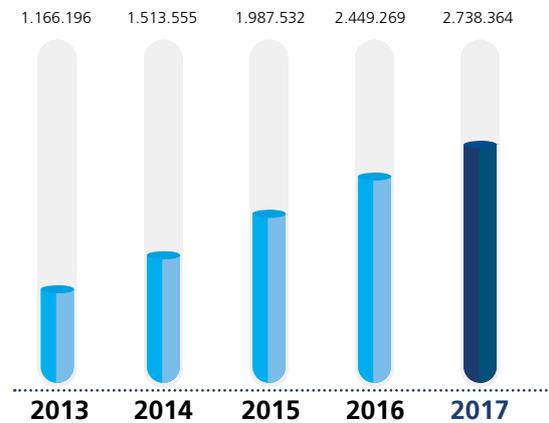
Total Liabilities
(in million Rupiah)



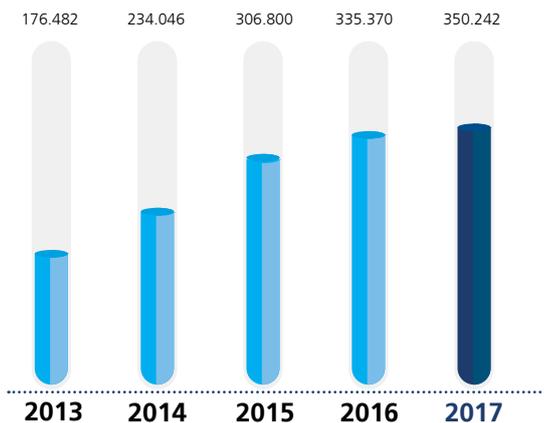
Total Equity
(in million Rupiah)



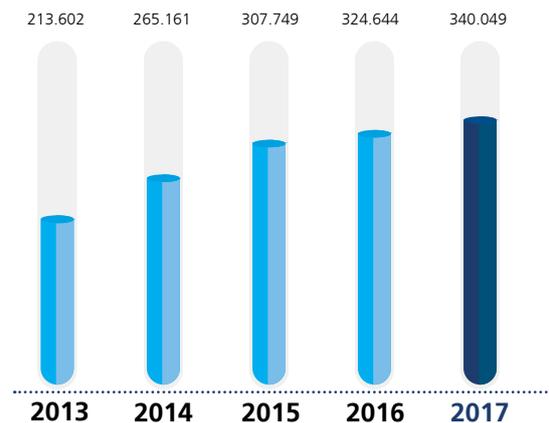
Total Revenue
(in million Rupiah)



Income For The Year
(in million Rupiah)



Total Customers

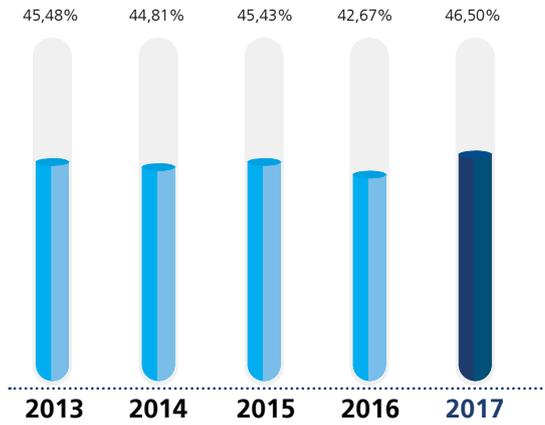


Manajemen Discussion and Analysis

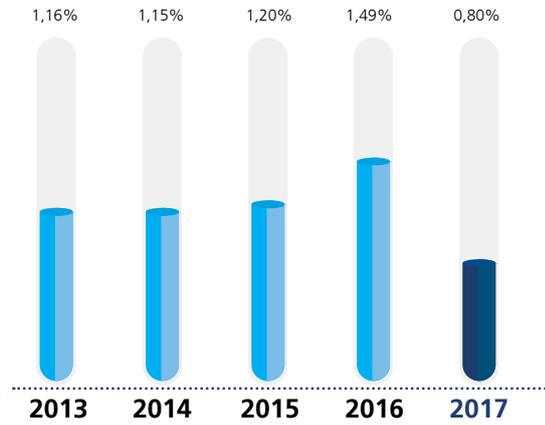
Good Corporate Governance

Corporate Social Responsibility

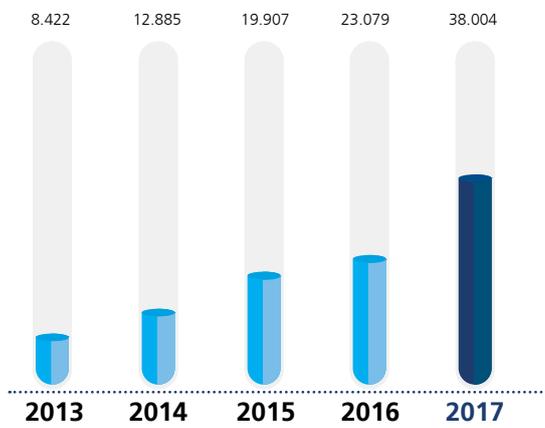
Cost Efficiency Ratio (%)



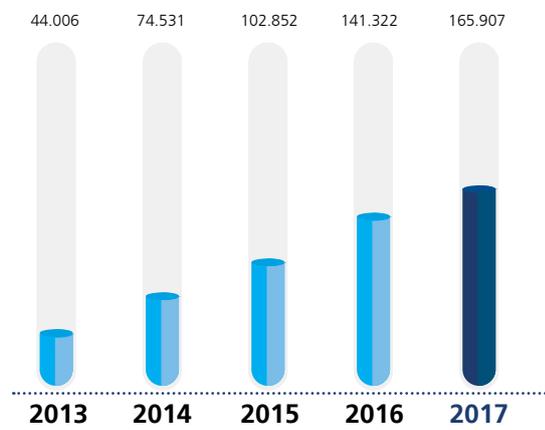
Non Performing Loan (%)



Aset pajak tangguhan (in million Rupiah)



Fixed assets (in million Rupiah)



BOND HIGHLIGHTS AND MEDIUM TERM NOTES

BOND HIGHLIGHTS

BOND HIGHLIGHTS

Issuance Year	Bond's Name	Series	Rating	Total (Rp)	Interest Rate	Frequency of Interest Payment	Issuance Date	Due date	Description
2003	Tunas Financindo Sarana Bond I with Fixed Interest Rate	-	idBBB+	500.000.000.000	14,50 % p.a	Every 3 (three) months	June 4, 2003	May 29, 2006	Paid
2004	Tunas Financindo Sarana Bond II Year 2004 with Fixed Interest Rate	-	idBBB+	350.000.000.000	10,00 % p.a	Every 3 (three) months	June 15, 2004	July 22, 2005	Paid
2005	Tunas Financindo Sarana Bond III Year 2005 with Fixed Interest Rate	A	idA-	150.000.000.000	10,625 % p.a	Every 3 (three) months	July 1, 2005	July 8, 2006	Paid
		B	idA-	100.000.000.000	12,825 % p.a	Every 3 (three) months	July 1, 2005	July 8, 2007	Paid
		C	idA-	100.000.000.000	13,250 % p.a	Every 3 (three) months	July 1, 2005	July 8, 2008	Paid
				350.000.000.000					
2007	Tunas Financindo Sarana Bond IV Year 2005 with Fixed Interest Rate	A	idA-	150.000.000.000	10,00 % p.a	Every 3 (three) months	February 14, 2007	February 27, 2008	Paid
		B	idA-	100.000.000.000	10,40 % p.a	Every 3 (three) months	February 14, 2007	February 22, 2009	Paid
		C	idA-	350.000.000.000	11,000 % p.a	Every 3 (three) months	February 14, 2007	February 22, 2010	Paid
				600.000.000.000					
2008	Tunas Financindo Sarana Bond V Year 2005 with Fixed Interest Rate	A	idA-	350.000.000.000	10,00 % p.a	Every 3 (three) months	February 12, 2008	February 27, 2009	Paid
		B	idA-	25.000.000.000	10,50 % p.a	Every 3 (three) months	February 12, 2008	February 20, 2010	Paid
		C	idA-	50.000.000.000	11,00 % p.a	Every 3 (three) months	February 12, 2008	February 20, 2011	Paid
		D	idA-	175.000.000.000	11,25 % p.a	Every 3 (three) months	February 12, 2008	February 20, 2012	Paid
				600.000.000.000					
2011	Tunas Financindo Sarana Bond VI Year 2005 with Fixed Interest Rate	A	idA+	48.000.000.000	8,60 % p.a	Every 3 (three) months	May 10, 2011	May 23, 2012	Paid
		B	idA+	52.000.000.000	9,60 % p.a	Every 3 (three) months	May 10, 2011	May 19, 2013	Paid
		C	idA+	350.000.000.000	10,00 % p.a	Every 3 (three) months	May 10, 2011	May 19, 2014	Paid
		D	idA+	150.000.000.000	10,70 % p.a	Every 3 (three) months	May 10, 2011	May 19, 2015	Paid
				600.000.000.000					
2013	Continuous Bond I of Mandiri Tunas Finance Phase I Year 2013	A	idAA	425.000.000.000	7,75 % p.a	Every 3 (three) months	June 5, 2013	June 5, 2016	Paid
		B	idAA	75.000.000.000	7,80 % p.a	Every 3 (three) months	June 5, 2013	June 5, 2017	Paid
				500.000.000.000					
2014	Continuous Bond I Mandiri Tunas Finance Phase II Year 2014	A	idAA	425.000.000.000	10,70 % p.a	Every 3 (three) months	23 Mei 2014	23 Mei 2017	Paid
		B	idAA	175.000.000.000	10,85 % p.a	Every 3 (three) months	23 Mei 2014	23 Mei 2018	-
				600.000.000.000					
2015	Continuous Bond I Mandiri Tunas Finance Phase III Year 2015	-	idAA	150.000.000.000	9,75 % p.a	Every 3 (three) months	June 9, 2015	June 9, 2018	-
		A	idAA	500.000.000.000	10,20 % p.a	Every 3 (three) months	December 18, 2015	December 18, 2018	-
	Continuous Bond II Mandiri Tunas Finance Phase I Year 2015	B		100.000.000.000	10,80 % p.a	Every 3 (three) months	December 18, 2015	December 18, 2020	-
				600.000.000.000					
2016	Continuous Bond II of MTF Phase II	A	idAA	720.000.000.000	8,95 % p.a	Every 3 (three) months	June 1, 2016	June 1, 2019	-
		B	idAA	680.000.000.000	9,25 % p.a	Every 3 (three) months	June 1, 2016	June 1, 2021	-
				1.400.000.000.000					
	Continuous Bond III of MTF Phase I	A	idAA+	400.000.000.000	8,20 % p.a	Every 3 (three) months	October 7, 2016	October 7, 2019	-
B		idAA+	100.000.000.000	8,55 % p.a	Every 3 (three) months	October 7, 2016	October 7, 2021	-	
				500.000.000.000					
2017	Obligasi Berkelanjutan III MTF Tahap II	A	idAA+	610.000.000.000	8,50 % p.a	Every 3 (three) months	June 6, 2017	June 6, 2020	-
		B	idAA+	240.000.000.000	8,85 % p.a	Every 3 (three) months	June 6, 2017	June 6, 2022	-
TOTAL								Rp4.175.000.000.000	

MEDIUM TERM NOTES HIGHLIGHTS

Issuance Year	MTN's Name	Total	Rating*	Interest Rate	Interest Payment Frequency	Issuance Year	Due Date	Description
2009	Medium Term Notes (MTN) Mandiri Tunas Finance I Year 2009	250.000.000.000	-	11,6%	Every 3 (three) months	November 18, 2009	November 17, 2011	Paid
2010	Medium Term Notes (MTN) Mandiri Tunas Finance II Year 2010	350.000.000.000	-	11,6%	Every 3 (three) months	February 16, 2010	February 16, 2012	Paid
2012	Medium Term Notes (MTN) Mandiri Tunas Finance III Year 2012	200.000.000.000	-	9,95%	Every 3 (three) months	February 2, 2012	February 2, 2015	Paid

- Based on the rating by PT Securities Rating Indonesia (Perfindo) at the time of issuance of the MTN.

SHARE HIGHLIGHTS

As of December 31, 2017, share ownership of the Company consisted of 51% shares held by PT Bank Mandiri (Persero) Tbk and 49% shares held by PT Tunas Ridean Tbk. There are no shares held by public since the Company did not issue its shares in any stock exchange, therefore information on:

- Share trading performance highlights which consists of total outstanding shares, market capitalization based on price on Stock Exchange, the highest, the lowest, and closing prices as well as trading volume;
- Corporate action, including the forms of corporate action, date of implementation, stock split ratio, total outstanding shares before and after corporate action;
- Sanction on share suspension, for instance share trading suspension and delisting.

Cannot be presented since it is not relevant with the Company's status as a State-owned Enterprises that does not list its shares on stock exchange.

AWARDS



Netizen Multifinance Choice for Multifinance Category Warta Ekonomi

March 9, 2017



Indonesia Digital Innovation Award 2017 for Multifinance Company Category with Asset Above RPS Trillion from Warta Ekonomi

June 16, 2017



The Best CEO Multifinance Indonesia from Economic Review

August 23, 2017



1st Rank for The Best Multifinance Non-public Company Group in Indonesia with Assets > Rp10 Trillion from Economic Review

August 23, 2017



Multifinance Company with "Excellent" Predicate for its Performance from 2016

September 14, 2017



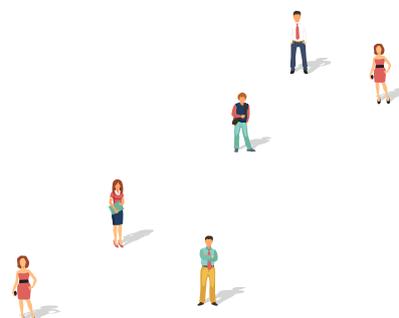
TOP CEO Multifinance 2017 from Indonesia Business News

September 14, 2017

Manajemen Discussion and Analysis

Good Corporate Governance

Corporate Social Responsibility





TOP Multifinance 2017
for Assets >10-20
Trillion Category from
Indonesia Business
News

TOP Multi finance in 2017
Financial Inclusion from
Indonesia Business News

The Most Popular Company
for Multifinance Category
from Warta Ekonomi

September 14, 2017

September 14, 2017

September 29, 2017



Multifinance Company with Good
Performance for Assets more than 10
Trillion Category from Warta Ekonomi

3rd Rank in Indonesia Good Corporate
Governance 2017 for Non-Public
Multifinance Company from Economic
Review

October 31, 2017

November 2, 2017



SIGNIFICANT EVENTS



9 Januari 2017

Inauguration of Branch Office of Madiun
PT Mandiri Tunas Finance (MTF) inaugurated the new office of Madiun branch located at Jl. Mayjend Sungkono No 31 Madiun 63128. At this moment attended MTF Marketing Director Harjanto Tjitohardjojo, Head of Regional VII Bragent Tambunan, and Head of Madiun Branch of Madiun Supriyono.



February 6, 2017

MTF's 8th Anniversary Celebration
MTF celebrated the 8th anniversary attended by the Board of Directors, management, and employees of Head Office. The 2nd MT graduation was also held on this occasion.



February 8, 2017

National Working Meeting (Rakernas) 2017
The Company held annual RAKERNAS attended by the Board of Directors, Board of Commissioners, and all managers. In 2017, RAKERNAS was held at Novotel, Tangerang.



February 13, 2017

Inauguration of Manager Development Program
Inauguration of MDP held at Head Office 3A Floor, by President Director Ignatius Susatyo Wijoyo during morning prayer session.

SIGNIFICANT EVENTS



March 27, 2017

Inauguration of Branch Office Mamuju, Luwuk and Kotamobagu

PT Mandiri Tunas Finance (MTF) Indonesia's leading local finance company expands its network to serve customers in Sulawesi by inaugurating three new offices in Sulawesi. The three branch offices are Kotamobagu, Luwuk, and Mamuju. This historic moment was inaugurated by MTF President Director Ignatius Susatyo Wijoyo.



April 7, 2017

MTF Autofiesta Makassar

TF again performs MTF Autofiesta activities and this time it is done in Makassar city. The opening ceremony was inaugurated by MTF Director Harjanto Tjitoharjojo.



August 2, 2017

Press Conference BSM OTO

Mandiri Tunas Finance and Bank Syariah Mandiri held a press conference entitled BSM OTO, where MTF is a joint partner of the program. MTF Deputy Director William Francis Indra as Deputy Director attended the press conference.



August 10, 2017

Participation in GIAS 2017

GAIKINDO Indonesia International Autoshow 2017 is the largest Autoshow in Indonesia. MTF participated in this activity by providing special programs, for instance interest 2.55% and tenor up to 7 years.



August 18, 2017

HUT RI

Welcoming the 72nd Independence Day of the Republic of Indonesia, MTF held contest at Head Office. The contest was participated by all divisions and was an annual activity.



August 29, 2017

MTF Achieves Indonesia Multifinance Awards 2017

PT Mandiri Tunas Finance received Indonesia Multifinance Awards 2017 from Economic Review. This activity was held on August 29 in Singapore. President Director of MTF, Ignatius Susatyo Wijoyo, attended and received the award.



August 30, 2017

Participation in Bank Mandiri Sports Week

As one of subsidiaries of Bank Mandiri, MTF was invited to participate in the opening of Bank Mandiri sport week on August 30, 2017 at Plaza Mandiri.



September 3, 2017

Participation in National Customer Day

MTF participates in the National Customer Day event held by Bank Mandiri with other subsidiaries.

SIGNIFICANT EVENTS



September, 2017

The opening of branches of Jayapura, Sorong and Ambon

PT Mandiri Tunas Finance (MTF) expanded its network to serve customers by opening three new offices in eastern Indonesia. The three branch offices were inaugurated by MTF President Director Ignatius Susatyo Wijoyo, respectively in Jayapura (September 26, 2017), Sorong (29 September 2017), and Ambon (September 30, 2017).



October 26, 2017

Board Forum Anak Mandiri Group of Companies

Mandiri Tunas Finance gained confidence to hold quarterly activities of Board Forum in the third Quarter of 2017. This activity was held at Plaza Mandiri and attended by Board of Directors and Commissioners of all subsidiaries of Bank Mandiri.



October 31, 2017

MTF Received GCG Award 2017 from Warta Ekonomi

PT Mandiri Tunas Finance received another prestigious award from Warta Ekonomi, namely Indonesia Good Corporate Governance Award 2017. President Director of MTF, Ignatius Susatyo Wijoyo, attended and received the award.



November 1, 2017

MTF Present in Surabaya Automotive Week 2017

PT Mandiri Tunas Finance participates in Pekan Otomotif Surabaya (POS) 2017 as the only official lease. MTF Director Harjanto Tjithardjojo attended the opening ceremony.



November 15, 2017

Signing of MTF Cooperation with PT Putra Perkasa Abadi

PT Mandiri Tunas Finance and PT Putra Perkasa Abadi signed a contract agreement attended by representative of Bank Mandiri.



November 30, 2017

MTF Achieves Netizen News Award 2017

PT Mandiri Tunas Finance received Warta Ekonomi Netizen Award 2017 for the category of finance companies held by Warta Ekonomi Magazine. The award was received by MTF Director Arya Suprihadi.



December 19, 2017

Good Corporate Governance Award 2017 from IICG dan SWA

As a manifestation of Good Corporate Governance, MTF received Good Corporate Governance 2017 from The Indonesia Institute for Corporate Governance (IICG) and Magazine Swa. In the awards, MTF was awarded a Trusted Company based on Corporate Governance Perception Index (CGPI).



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BASED ON DATA RELEASED BY GAIKINDO, THE GROWTH OF NEW CAR SALES IN 2017 GREW BY 1.7%. COMPARED TO THE YEAR 2016 THE NUMBER DID NOT INCREASE SIGNIFICANTLY WHERE IN THE LAST YEAR THE GROWTH RATE OF NEW VEHICLE SALES WAS RECORDED AT 4.5%.



02

Management Report

BOARD OF COMMISSIONERS REPORT

Throughout 2017, the Board of Commissioners has carried out its duties and responsibilities in accordance with the prevailing regulations. The Board of Commissioners also appreciates the measures taken by the Company to maintain its positive trend.

The huge challenges in vehicle financing sector as implemented by PT Mandiri Tunas Finance (MTF) undoubtedly impacted the business management strategy. The Company is required to be optimal and strive as best as possible to realize significant business growth, in order to achieve its target. The Board of Commissioners as the instrument that is authorized to supervise and advise presents to conduct check and balance on the business management, therefore the Board of Directors is able to realize its business target properly while carrying the prudent principle.

Throughout 2017, the Board of Commissioners has carried out its duties and responsibilities in accordance with the prevailing regulations. The Board of Commissioners also appreciates the measures taken by the Company to maintain its positive trend. Furthermore, I, on behalf of the Board of Commissioners would like to deliver our views on the implementation of management activity carried out by the Board of Directors to provide comprehensive information to stakeholders.

Dear Shareholders and Stakeholders,

ASSESSMENT ON THE BOARD OF DIRECTORS PERFORMANCE AND BASIS OF THE ASSESSMENT

Based on the report on the Company's performance in 2017, the Board of Commissioners is of the opinion that the Board of Directors along with its staff had managed to optimize the performance in accordance with targets determined in Budget and Work Plan (RKAP). Amid the unstable industry and macro economy condition, the Board of Directors successfully maintained its performance as best as possible through the strategic policies.

Financial Performance

On financial aspect, net income of the Company in 2017 was recorded at Rp350 billion, an increase by 4.4% compared to that of 2016 which was Rp335 billion.

On asset, liabilities, and equity aspects in statements of financial position in 2017, the Company's assets was recorded at Rp14.7 trillion, increased by 29.2% from that of 2016 which was recorded at Rp11.4 trillion. The increase in assets was caused by increase in consumer financing receivables portfolio by 17.8% or Rp36.8 trillion as indicator of sales performance carried out by the Company throughout the fiscal year.



Rico Adisurja Setiawan
President Commissioner

Total liabilities in 2017 was recorded at Rp13.0 trillion, an increase by 30.6% from liabilities in 2016 which was recorded at Rp9.9 trillion. The increase was due to increase in bank loan by 46.4% or Rp8.2 trillion compared to that of 2016.

Equity in 2017 increased by 20.0% or Rp1.8 trillion from total equity in 2016 which was recorded at Rp1.5 trillion.

VIEW ON BUSINESS OUTLOOK PREPARED BY THE BOARD OF DIRECTORS AND BASIS OF THE ASSESSMENT

The Board of Directors still hopes that performance of fleet segment will grow positively as well as the follow-up of utilization of KKB customer pipeline in the following year. From the exposition, and considering the success achieved from business strategy in 2017, the Board of Commissioners views that the strategy will be fine for the Company's performance in the upcoming year as well. The Board of Directors also implemented strategy to increase financing volume in retail segment. In 2018 RKAP, the Board of Directors targets financing growth in retail segment with better performance and maintain Non Performance Financing (NPF) ratio in accordance with industry NPF. Therefore, the Board of Commissioners assesses that the Company has good prospect in facing the challenges in 2018 fiscal year.

VIEW ON GCG IMPLEMENTATION

The Board of Commissioners always encourages the realization of improvement of Good Corporate Governance (GCG) quality in the Company. Through the supervisory role, we strive to provide suggestion for development of infrastructure and soft structure of corporate governance in the Company, comply with the prevailing regulations, and implement business activity with prudent principle.

The Board of Commissioners assesses that the Board of Directors managed to implement the advice on improvement of GCG quality in a well manner in 2017. It is reflected in the assessment conducted by Indonesia Institute for Corporate Governance (IICG), in which MTF obtained score of 79.68 with "Trusted" rating.

ASSESSMENT ON PERFORMANCE OF COMMITTEE UNDER THE BOARD OF COMMISSIONERS

In implementing its duties and functions, the Board of Commissioners assesses that the existing Committees, such as Audit Committee, Risk Monitoring Committee, and Nomination and Remuneration Committee had worked properly in supporting the supervision or authority we exercised. Audit Committee periodically reviewed the financial statements and operation of the Company as well as convened meeting with Internal Auditor to collect data as evaluation material for the Board of Commissioners in joint meeting related to report on performance submitted by the Board of Directors. Risk Management Committee also actively participates in providing suggestion on risk mapping and mitigation effort as well as suggestion related to necessary improvement. Nomination and Remuneration Committee had provided suggestion for determination of remuneration for the Board of Directors in 2017 fiscal year.

CHANGE IN COMPOSITION OF THE BOARD OF COMMISSIONERS

In 2017, there was change in composition of the Board of Commissioners. The change was among others change of the President Commissioner who previously occupied by Mr. Anton Setiawan replaced by me, Rico Adisurja Setiawan. Next, members of the Board of Commissioners and Independent Commissioner, Mrs. Sarastri Baskoro and Mr. Hanifah Purnama were replaced by Mr. Harry Gale and Mr. Ravik Karsidi respectively as determined in Annual General Meeting of Shareholders dated April 10, 2017. Therefore, composition of the Board of Commissioners in 2017 is as follows:

President Commissioner : Rico Adisurja Setiawan
Independent Commissioner : Ravik Karsidi
Commissioner : Harry Gale



from left to right:

Rico Adisurja Setiawan
President Commissioner

Ravik Karsidi
Independent Commissioner

Harry Gale
Commissioner

APPRECIATION

As the closing statement, I, on behalf of the Board of Commissioners, would like to extend our gratitude to Shareholders for trust and advice given to us during 2017 fiscal year. We would also like to express our gratitude to the Board of Directors for their dedication and hard work for the strategic business planning and the best effort in realizing the determined target.

Our gratitude also goes to all personnel of MTF for their integrity given to realize the Company's vision. We hope that our achievement in this year become a strong foundation for the improvement of the Company's performance in the upcoming years. We would also like to express our gratitude to all consumers for their loyalty. May our services and financing facilities be the best and benefit all of you.

Regards,

A handwritten signature in black ink, appearing to be 'Rico Adisurja Setiawan', written over a large, faint circular watermark.

Rico Adisurja Setiawan
President Commissioner

BOARD OF DIRECTORS REPORT



On financial aspect, the Company managed to record net income of Rp350 billion, increased by 4.4% compared to the previous year which was Rp335 billion.

Dear Valued Shareholders and Stakeholders,

ANALYSIS ON COMPANY PERFORMANCE

Strategic Policies

Based on data from GAIKINDO, new car sales in 2017 grew by 1.7%, increased slightly compared to that of 2016 in which the growth of new vehicles sales was recorded at 4.5%. From the data, it can be concluded that the growth of new vehicles sales throughout 2017 was stagnant. One of indicators that affected the stagnancy was the high Non-Performing Loan (NPL) that reciprocally impacted the vehicle financing, such as survey process that took longer time and was strict, plus the determination of high down payment. NPL rate was quietly influential for new car sales considering in cash-credit composition, the sales were dominated by purchase mechanism by credit.

However, the growth MTF credit portfolio in 2017 managed to achieve 14.2% market share. The growth was successfully booked by MTF through optimization of commercial consumer target obtained from customers of Bank Mandiri. Market optimization through customers of Bank Mandiri was encouraged by the improved commodity price, such as palm oil and coal. With the movement of the commodity, it implied on the high demand of production equipment, including heavy equipment and vehicles in supporting the production activities.

The business performance of Mandiri Tunas Finance in 2017 was an impressive record. Perseverance and hard work we carried out were the results of commitment that was aimed not only for the Company's interest but also for all stakeholders, including consumers, regulators, business partners, and the surrounding community that indirectly support the business activities.

I, on behalf of the Board of Directors and management of MT, would like to deliver report on the Company's performance related to realization and development of business. Through the Board of Directors report and report that we deliver comprehensively in 2017 Annual Report of PT Mandiri Tunas Finance, we hope that the presented information may fulfill the principle of transparency and accountability in accordance with the determined reporting mechanisms. In addition, we also present additional information to build community awareness, that there are things we have done in creating the best business management that implies not only internal but also external aspect of the Company. With comprehensive information, we certainly hope for feedback in the form of suggestion, advice, and positive idea from all stakeholders to achieve a better performance in the future.

Ignatius Susatyo Wijoyo

President Director



Strategy and focus of the Company in maximizing the need of commercial consumers resulted in satisfying performance. The success of MTF in maximizing the existing potential was caused by comprehensive market analysis and the growth of potential creditor pipeline derived from commodity sector. Basically, the creditor is customer who, from business profile aspect has capability to survive from the declined commodity price in the previous years. With such profile, in addition to facilitate the required financing process, for MTF this also reduces the financing risk profile conducted by MTF, therefore mitigation on NPL risk can be pushed.

In addition to the Company's capability in maximizing the financing consumer target, MTF also expanded its business by establishing branches in several areas in Eastern Indonesia. In 2017, the Company established 3 (three) branches, namely in Papua, Sorong, and Ambon. The establishment of the three branches was inseparable from the potential of the improved commodity price and the annual event agenda that will be implemented following the need of vehicle financing and heavy equipment in the areas.

In 2017, to maximize the business performance, the Company also carried out strategic initiatives through development of new financing product in multipurpose segment by exploring the database through refinancing and top up. Meanwhile, in business competence segment, the Company cooperated with PT Bank Syariah Mandiri (BSM) as servicing agent in assisting the survey on customers, assisting the credit process and assisting the customer to communicate with dealer. In this cooperation, MTF strives to optimize the competence in assisting bank or other financial services that do not have vehicle financing facilities to complete the customers' need.

Report on Financial Performance

On financial aspect, the Company managed to record net income of Rp350 billion, increased by 4.4% compared to the previous year which was Rp335 billion.

On asset, liabilities, and equity aspects, in statement of financial position in 2017, the Company managed to record assets of Rp14.7 trillion, increased by 29.2% from that of 2016 which was Rp11.4 trillion. Increase in assets was caused by increase in consumer financing receivables portfolio by 17.8% or Rp36.8 trillion as indicator of sales performance success carried out by the Company during the fiscal year.

Total liabilities of the Company in 2017 was recorded at Rp13.0 trillion or equal to 30.6% from liabilities in 2016 which was Rp9.9 trillion. The increase in liabilities was caused by increase in bank loan by 46.4% or Rp8.2 trillion compared to that of 2016.

Meanwhile, equity in 2017 increased by 20.0% or Rp1.8 trillion from total equity in 2016 which was recorded at Rp1.5 trillion.

Comparison between Result and Target

At the beginning of fiscal year, the Company determined budget and work target in which it includes operational, financial, and other supporting business aspects. In Company budget, financing target was determined at Rp20 trillion and realization in fiscal year was Rp22.2 or 111.0% of the determined target. Target of net income was Rp356 billion or 98.3% of net income acquisition in 2017 which was Rp350 billion.

Challenges Faced by the Company

The journey of MTF in 2017 was faced with various challenges and obstacles that impacted the Company directly and indirectly. The obstacles were strongly related to dynamics in vehicles financing and sales, multipurpose credit, other aspects that become dynamics in the industry. The obstacles were among others decrease in domestic car production by 0.7% in semester I - 2017. This was due to several agents of car trademark holding sole agent opened new new factory. The Association of Indonesia Automotive Industries (GAIKINDO) revised the domestic car sales target in 2017. At the beginning of 2017, GAIKINDO targeted 1.1 million units, with decrease in market trend, the target became 1.07 million units. The cause was the recovering mining commodity as well as the newly increasing economy.

Decrease in people's purchase power in 2017 was also a challenge faced by MTF. Indonesia Statistics (BPS) stated that household consumption on quarter III-2017 was 4.93% slightly low compared to the previous three months which was 4.95%. The slowdown was due to change in shopping style of middle- and upper-class society and utilized their money on savings or investment.

ANALYSIS ON BUSINESS OUTLOOK

Welcoming the year 2018 and the following years, MTF is optimistic to continuously grow and develop, supported by prediction of The Association of Indonesia Automotive Industries (GAIKINDO) that stated that car sales in 2018 will increase by 4.6%. Based data from GAIKINDO, car sales in 2017 reached 1,079,000 units, increased by 1.6% compared to that of 2016. Meanwhile, in the current year it is predicted to increase by 4.6% at 1,125,000 units.

The growth of assets and financing receivables for financing industry showed positive trend in terms of growth, quality of financing receivables in December 2017 was maintained properly, in which Net Non-Performing Loan stood at 2.96%. Some of Regional Governments currently shows their seriousness in encouraging the development of small, micro, and medium enterprises through the establishment of UMKM Center and Regional Finance Acceleration Team (TPAKD), as well as policy on provision of revolving fund that become opportunity for industries.

DEVELOPMENT OF GCG IMPLEMENTATION

The Board of Directors continuously strives to encourage the improvement of quality of good corporate governance (GCG). Such improvement was carried out as an effort of the Company in increasing the business management supervisory activities to protect the interest of all stakeholders through the principle of transparency, accountability, responsibility, independency, and fairness. In the practice, such objectives have been internalized by the Company through governance road map containing of target and stage of development that will be achieved.

The Company has the vision that GCG implementation in the Company does not only carried out to meet the required and needed infrastructure and soft structure, but also places GCG as culture that is embedded in all personnel of MTF in various levels. With such vision, the implementation of GCG in the Company will be built proportionally.

Development of Corporate Governance

In 2017, the Company carried out several developments, including program in different terms, for instance re-engineering, restructuring, transformation, flattening, downsizing, and rightsizing. All of the programs are created from the implementation of a concept to manage changes called management of change.

The development refers to the determined GCG road map and is improved by following-up several recommendations issued in GCG assessment in 2017. In 2017, based on assessment conducted by Institute for Corporate Governance, there are recommendations given for the purpose of improvement of corporate governance mechanisms, namely:

1. Governance Structure
2. Governance Process
3. Governance Outcome

Of the recommendations, improvement areas lie in Governance Structure and Governance Process.

Evaluation on Corporate Governance

Based on assessment conducted by Institute for Corporate Governance, the Company obtained the score of 79.68 with "Trusted" rank, an increase of 0.88% from assessment in the previous year. In the assessment, the score of each aspect is as follows:

1. Governance Structure Aspect = 26.14
2. Governance Process Aspect = 26.85
3. Governance Result Aspect = 26.69

Of the results above, achievement of GCG implementation in 3 (three) main instruments of the Company, fulfillment of each percentage value is as follows:

1. Governance Structure Aspect = 32.72
2. Governance Process Aspect = 33.64
3. Governance Result Aspect = 33.64

If we look deeper, achievement on the three main instruments proves that GCG internalization in the Company runs in proper and balance manner.

Achievement on GCG implementation in the Company was also recognized by external party, one of which was the achievement of 3rd rank with score of 91.56 (Platinum) for Non Listed Multifinance Company awarded by Indonesia Good Corporate Governance Award III in 2017 held by Economic Review.

Compliance

Concerning compliance, in 2017, the Company had complied with the prevailing regulations in business aspect and regulations that specifically regulate the scope of business activity for Non-Bank Financial Institution (LKNB), namely:

No	Jenis Aturan / Type of Regulation	Nama Peraturan / Name of Regulation
1	Regulation of Financial Services Authority	Regulation of Financial Services Authority No.12/POJK.01/2017 on Implementation of Anti-Money Laundering and Counter Financing Terrorism in Financial Service Sector
2	Regulation of Financial Services Authority	Regulation of Financial Services Authority No.13/POJK.03/2017 on The Use of Public Accountant Service from Public Accounting Firm in Financial Service Activity
3	Circular Letter of Financial Services Authority	Circular Letter of Financial Services Authority No.36/SEOJK.03/2017 on Procedure for The Use of Public Accountant Service from Public Accounting Firm in Financial Service Activity
4	Circular Letter of Financial Services Authority	Circular Letter of Financial Services Authority No.38/SEOJK.01/2017 on Guideline on Immediate Blocking of the Fund of Customers in the Financial Service Sector Whose Identities are Listed in the List of Terrorist Suspects and Terrorist Organizations.
5	Regulation of Financial Services Authority	Regulation of Financial Services Authority No.76/POJK.07/2016 on Improvement of Financial Literacy and Inclusion in the Financial Services Sector for Consumers and/or the General Public
6	Circular Letter of Financial Services Authority	Circular Letter of Financial Services Authority No.30/SEOJK.07/2017 on Implementation of Activities for the Improvement of Financial Literacy in the Financial Service Sector
7	Circular Letter of Financial Services Authority	Circular Letter of Financial Services Authority No.37/SEOJK.05/2017 on Guideline on Implementation of Anti-Money Laundering and Counter Financing Terrorism Program in the Non-Bank Financial Industrial Sector.
8	Circular Letter of Financial Services Authority	Circular Letter of Financial Services Authorities No.31/SEOJK.07/2017 on Implementation of Activities for the Improvement of Financial Inclusion in the Financial Service Sector

IMPLEMENTATION OF CORPORATE RESPONSIBILITY ACTIVITIES

The Company certainly realizes that the social responsibility program still need improvement. From activity aspect, the Company strives to focus social responsibility on educational aspect. In 2017, the form of the activity included donation of school equipment, both personally and in the form of facilities provision. In addition, the Board of Directors regularly provides public lecture in various universities in Indonesia. The public lecture in universities aims to be medium for knowledge sharing and provides insights to students related to scope and dynamics in financing business reciprocally and to provide beneficial advice for MTF development in the future.

CHANGE IN THE BOARD OF DIRECTORS COMPOSITION

There was no change in the Board of Directors composition in 2017. The current composition of the Board of Directors has been validated in General Meeting of Shareholders held on April 10, 2017 with composition as follows:

President Director : Ignatius Susatyo Wijoyo
 Director : Harjanto Tjitohardjojo
 Director : Arya Suprihadi

APPRECIATION

As the final statement, I would like to extend sincere gratitude to all parties for the good and open communication all this time. The effectiveness of communication for the purpose of management was able to present wide paradigm and encourage each party in management levels to manage the business process properly.



from left to right :

William Francis Indra Deputy Director	Albertus Henditrianto Deputy Director	Harjanto Tjitohardjo Director
Arya Suprihadi Director	Ignatius Susatyo Wijoyo President Director	Bonifatius Perana Citra Ketaren Deputy Director

Therefore, I would like to express genuine gratitude and appreciation to Shareholders for trust given to us. The same gratitude also goes to the Board of Commissioners for their opinion, advices, and suggestion for the purpose of business management and business development planning that is more modern and wider network in line with the development of business capacity and capability of MTF. We would also like to extend our gratitude to all management levels and staffs who had given their unlimited dedication in running the business activity of MTF properly and uphold the code of conduct and integrity value. Without such matters, MTF would have hard

time to develop its best performance and reduce the Company's credibility in public. And lastly, we would like to express our gratitude to consumers for their loyalty and trust given to us. We will strive to improve the quality of services and provide different experience to all customers in obtaining multipurpose and vehicle financing facilities.

Regards,



Ignatius Susatyo Wijoyo
President Director



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IN CARRYING OUT ITS OPERATIONAL ACTIVITIES, MTF IS CURRENTLY SUPPORTED BY 99 BRANCH OFFICES AND 20 SATELLITE OFFICES THAT COVER ALL AREAS OF INDONESIA.



03

Company Profile



COMPANY PROFILE

Company Identity

Company Name	PT Mandiri Tunas Finance
Change in the Company Name	<ul style="list-style-type: none"> • PT Tunas Financindo Corporation (1989) • PT Tunas Financindo Sarana (2000)
Line of Business	Based on the Company's Articles of Association, the Company engages in the field of financing institution, in which to obtain its goals and objectives, the Company conducts business activities of investment financing, working capital financing, multipurpose financing, and other financing activities pursuant to agreement from Indonesia Financial Services Authority.
Product and Service	Financing on motor vehicles for retail and corporate customers including new and used cars, motorcycles, commercial vehicles and heavy equipments as well as multipurpose financing.
Company's Status	The subsidiary of PT Bank Mandiri (Persero) Tbk and PT Tunas Ridean Tbk.
Date of Establishment	May 17, 1989 under the name of PT Tunas Financindo Corporation.
Deed of Establishment	<ul style="list-style-type: none"> • Deed of Establishment No. 262 dated May 17, 1989 in the presence of Misahardi Wilamarta, S.H, a Notary in Jakarta. • Decree of the Ministry of Justice, Republic of Indonesia No. C2-4868.HT'89 dated June 1, 1989. • State Gazette of the Republic of Indonesia No. 57 dated July 18, 1989, Supplement No. 1369.
Authorized and Fully Paid up Capital	<ul style="list-style-type: none"> • Rp 1.000.000.000.000 (Authorized Capital) • Rp 250.000.000.000 (Fully Paid up Capital)
Ownership	PT Bank Mandiri (Persero) Tbk (51%) PT Tunas Ridean Tbk (49%)
Total Employees	3.467 employees

Head Office Address	Graha Mandiri Lt.3A, Jl. Imam Bonjol No.61 Jakarta 10310 Telepon: (62-21) 230 5608 Fax : (62-21) 230 5618 E-mail : corporate.secretary@mtf.co.id Website : www.mtf.co.id
Total Branch Offices	99 Branch Offices
Total Satellite Offices	20 Satellite Offices
Nominal Value of Shares	Rp100 per share
Stock Exchange	Bursa Efek Indonesia
Ticker Code	TUFI
Date of Bond Listing	Obligasi Mandiri Tunas Finance VI tahun 2011: 20 Mei 2011 Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap I tahun 2013: 7 Juni 2013 Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap II tahun 2014: 26 Mei 2014 Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap III tahun 2015: 28 Mei 2015 Obligasi Berkelanjutan II Mandiri Tunas Finance Tahap I tahun 2015: 11 Desember 2015 Obligasi Berkelanjutan II Mandiri Tunas Finance Tahap II tahun 2016: 1 Juni 2016 Obligasi Berkelanjutan III Mandiri Tunas Finance Tahap III tahun 2016: 7 Oktober 2016
Bond Rating and Rating Company	PT Pefindo • Bond Rating: idAA+ (Double A Plus) • Company Rating (National) idAA+ (Double A Plus; Stable Outlook) PT Fitch Rating Company Rating (National) AA(idn); Stable Outlook.
Corporate Secretary	Citra Judith Lupitadevi Graha Mandiri Lt.3A Jl. Imam Bonjol No.61 Jakarta 10310-Indonesia Telepon : (62-21) 230 5608 Fax : (62-21) 230 5618 Email : corporate.secretary@mtf.co.id
Customer Service and Service Hour	Email : customer.service@mtf.co.id Telephone (care center) : 1500059 Operational Hour : Monday-Friday : 08.30-17.30 WIB
Social Media Network	Facebook Fanpage : MTFAutoLoan Twitter : @MTF_AutoLoan Youtube : MTF AutoLoan Instagram : @mtf_autoLoan Google Plus : MTF AutoLoan

MANDIRI TUNAS FINANCE AT A GLANCE



With the support of two large business entities, PT Bank Mandiri (Persero) Tbk in the banking sector and PT Tunas Group Tbk in Vehicle Sales sector made MTF as a strong and reliable company in conducting business continuously.

Track record of the Company was started in 1989 through the establishment of PT Tunas Financindo Corporation which is engaged in the provision of financing facilities for motor vehicles, especially for consumer from dealership owned by Tunas Ridean Group. In line with the growth of business portfolio, PT Tinas Financindo Corporation changed its name in 2000 to PT Tinas Financindo Sarana. Since the establishment to 2009, the Company's shares were held by PT Tunas Ridean Tbk which is currently the largest independent automotive group with more than 100 branches spread all over Indonesia.

In 2009, the Company took strategic steps to expand its market network and strengthen the capital structure to be able to optimize the potential to compete in automotive financing industry in Indonesia. The steps were the acquisition of the Company by PT Bank Mandiri (Persero) Tbk as one of SOEs in banking with wide business network and large customers. PT Bank Mandiri (Persero) Tbk acquired 51% shares from Tunas Ridean Group and renamed the PT Tunas Financindo Sarana to PT Mandiri Tunas Finance followed by the change in the Company's logo. With the acquisition, share percentage of PT Tunas Ridean Tbk was 49%. With such change and the presence of 2 (two) large business entities in automotive industry as well as banking and financial services, the Company is expected to grow progressively and sustainably as well as to become a reliable financing company in Indonesia and able to be the market leader in its segment.

Since the change, the Company accelerated its business by carrying out necessary development. This effort achieved significant result with the growth of branch office from 33 branch offices to 91 branch offices and 21 satellite offices spread in 28 provinces across Indonesia. Such growth was inseparable from the performance consistency which focused on financing industry in automotive and multipurpose segments. In automotive financing segment, the Company provides financing for new cars, used cars, commercial vehicles, and heavy equipment. To follow-up the Regulation of Financial Services Authority (OJK) No.29/POJK.05/2014 to create robust, contributive, inclusive, and play role in maintaining sustainable and stable financial system, the Company provides other financing, namely multipurpose financing in education sector.



In addition to utilize the source of financing from banking to develop the business, the Company also issued and listed Bonds. The history of the bond issuance was started from Bonds I until 2011 which was listed on Surabaya Stock Exchange before it merged with Jakarta Stock Exchange into Indonesia Stock Exchange. The Company listed its bonds on PT Bursa Efek Indonesia until Bonds VI. Then, the Company also made Public Offering of Continuous Bonds I Phase I in 2013, Public Offering of Continuous Bonds I Phase II in 2014, Public Offering of Continuous Bonds I Phase II in 2015, Public Offering of Continuous Bonds II Phase I in 2015, and Phase II in 2016, and Public Offering of Continuous Bonds III Phase I in 2016.

With effort and hard work by the Company all this time, it finally comes to a proud fruition as reflected in the Company's rating in which in 2003 PT Pemeringkat Efek Indonesia (Pefindo) gave idBBB+ (triple B plus) rating and idAA (double A) in 2012. Then, Pefindo gave idAA (double A) rating in 2013, 2014, 2015 and at the end of 2016, the Company managed to enhance its rating to idAA+ (double A Plus). The good rating is expected to suppress the interest expense which impacts the Company's financial management strategy to be more efficient, therefore able to drive the business performance optimally.

In 2017, the Company's capability in maximizing the market share of new car was recorded at 14.1% New financing distribution in 2017 amounted to Rp 22.2 triliun.

By providing easy, innovative and competitive facilities and financing solution for consumers to help realize the dream of owning a car (new and used), motorcycles (special designated areas) and commercial vehicles, both individuals and corporations in the form of financing and leasing as well as multipurpose education, the Company still come first service to consumers in terms of giving convenience especially supported by branch offices spread throughout Indonesia and qualified human resources and adequate infrastructure facilities.

In 2018, the Company plans to continue to develop business network by opening 9 new branches offices in the potential areas to increase market penetration and market share.

Auto Financing Company Oriented to the Needs of People in the Field of Credit

Carrying the vision To Be The Most Progressive and Reliable Multifinance in Indonesia, the Company strives to understand the need of people related to financing aspect by not only providing various financing products, but also providing added value, therefore the existing processes may run effectively and efficiently. In addition, we also pay attention to affordable aspect by expanding business area across Indonesia. Indonesia’s demographic which still prioritizes commodity sector and Small and Medium Enterprises (SMEs), MTF may penetrate in order to fulfill the needs related to modernization of vehicles and production heavy equipment in supporting the commercial activity, leasing, and other needs. This becomes a potential that needs to be maximized by MTF to be able to create a good synergy for Indonesia’s economic activities.

Best Performance

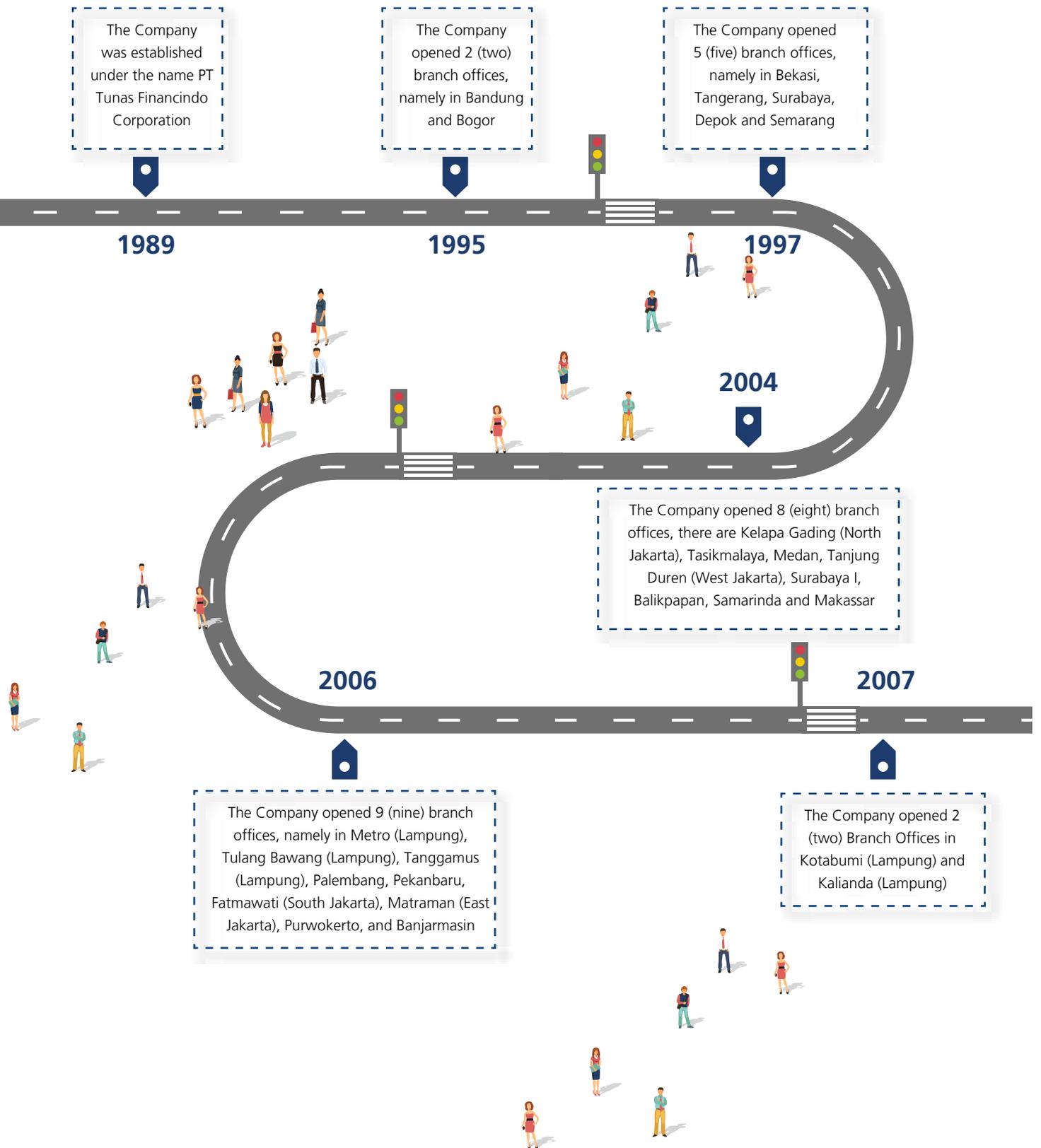
Improving the quality and professionalism of human resources is key in achieving the best performance targets. Therefore, the Company undertook the steps to achieve and establish the best human resources, among others, by organizing the Management Development Program (MDP) and Management Trainee program, this program is an education and training program to attract the best candidates within the Company and improve the competence of the resources human beings to become Future Leaders of the Company with high loyalty and expected capability. In addition, the Company also undertakes improvements and improvements to operational systems and procedures, upholds the culture of the Company Officers, improves credit quality to lower Non Performing Loans (NPLs) and makes every effort to minimize fraud.

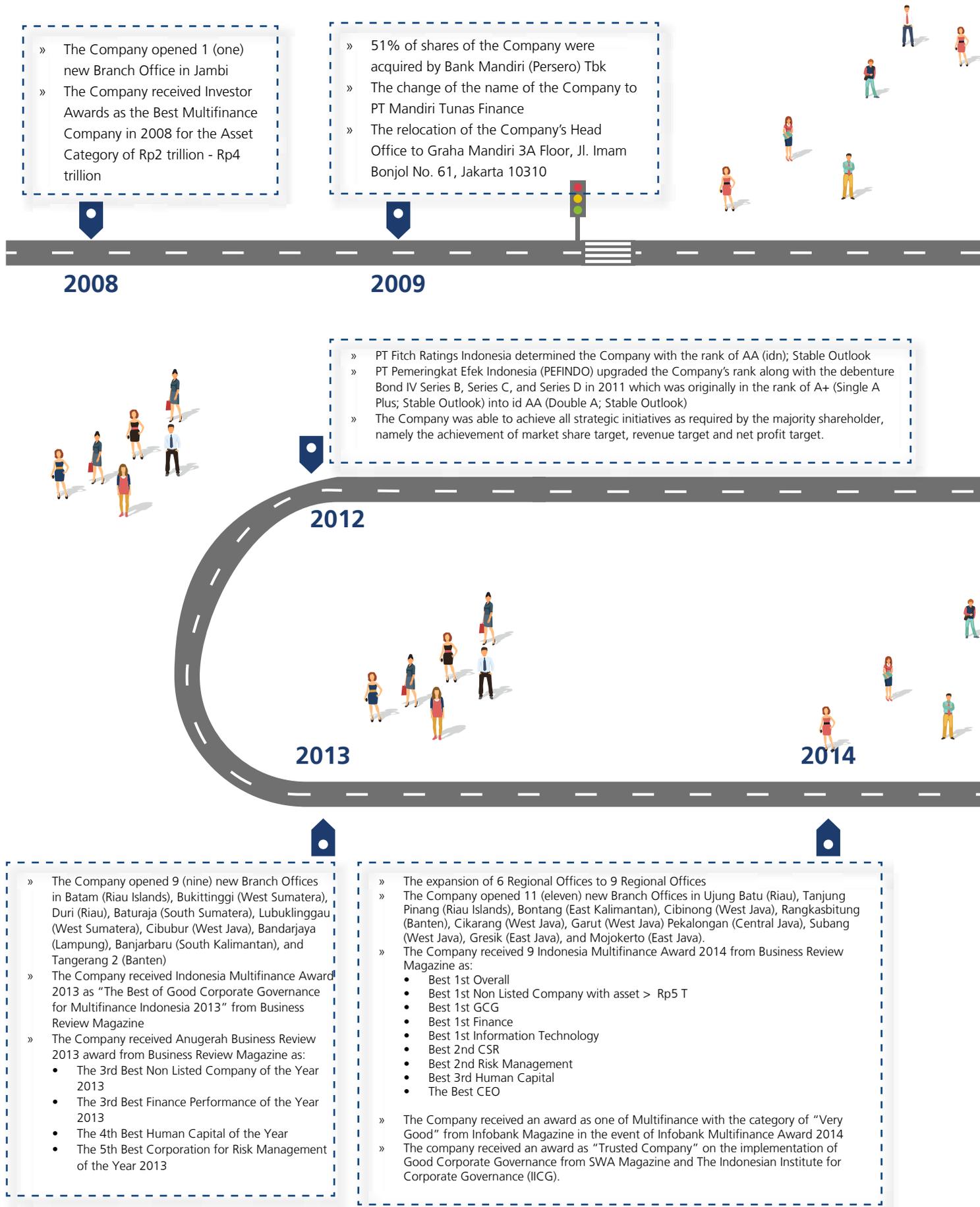
Biggest and Reliable Performance

The Company continuously improves and expands its partnership with all Motor Vehicle Dealers (APM) of motor vehicles and dealer networks and showrooms throughout the Company’s marketing office to increase market share. Currently, the Company has cooperated with almost all APM so that the Company can finance all vehicle brands required by consumers. This proves the level of trust of APM and dealer very high to the Company. With this partnership, the Company can provide more choice of motor vehicles to consumers and facilitate market penetration in various areas of the Company’s marketing office.



MILESTONES





The Company opened 13 (thirteen) new Branch Offices in Bumi Serpong Damai (Tangerang), Pecenongan (Central Jakarta), Denpasar, Pontianak, Kendari, Palangkaraya, Parepare (South Sulawesi), Karawang, Tarakan (East Kalimantan), Kediri, Tegal, Bengkulu, and Manado

2010

- » The Company opened 22 (twenty-two) new Branch Offices in Rantau Prapat (North Sumatera), Muara Bungo (Jambi), Padang, Pangkal Pinang, Banda Aceh, Sukabumi, Serang, Pondok Gede, Mampang Prapatan (South Jakarta), Kebon Jeruk (West Jakarta), Tuban, Tanjung (South Kalimantan), Palu, Madiun, Jember, Gianyar, Kudus, Magelang, Mataram, Gorontalo, Bandung 2, and WTC Mangga Dua (North Jakarta).
- » The Company was awarded rank III of Digital Multifinance Brand from Infobank Magazine in the event of Infobank Digital Brand of The year 2011

2011

- » The Company obtained an award as an "Excellent Company" in Good Corporate Governance (GCG) 2016 - Indonesia Good Corporate Governance Award (IGCGA) 2016.
- » Opened 3 Branch Offices in Bandung, Lebak Bulus and Luwuk and 1 satellite office in Bandar Lampung
- » The Company obtained an award as the Indonesia Trusted Companies - Indonesia Most Trusted Companies Award GCG SWA 2016.
- » The Company obtained the Best Creation award, the Most Progressive Car Financing Institution in Indonesia from Mobilinews.com
- » The Company obtained the award as the 1st Best Subsidiaries, in the Subsidiaries Culture Execution Award 2015, Mandiri Excellent Award 2016
- » The Company obtained 8 awards in the Indonesia Multifinance Award 2016 organized by Economic Review Magazine, among others:
 - The 1st Best Multifinance 2016 in the category of Assets above Rp5 trillion
 - The 1st Best Marketing 2016
- » The Company obtained awards as:
 - Corporate Best Practice 2016
 - Implementation on ICT Multifinance 2016; and
 - TOP ICT Leadership, in the Top IT & TELCO Award 2016 from I-Tech magazine
- » Obtained Rating improvement from Pefindo (National) to idAA+

2015

2016

- » The Company opened 5 new Branch offices in Sintang, Sampit, Mamuju, Kotamobagu, and Kupang, and 20 Satellite operations in branch offices of Bank Mandiri.
- » The Company achieved 10 Indonesia Multifinance Award 2015 from Business Review Magazine, among other is The Best of Multifinance Indonesia 2015.
- » The Company achieved award as "Excellent Company" in Good Corporate Governance (GCG) 2015 - Indonesia Good Corporate Governance Award (IGCGA) 2015.
- » The Company achieved award for category of Car Leasing "Silver Award" 2015 - Indonesia WOW Brand 2015.
- » The Company achieved award for category of Multifinance with Assets of Rp5 trillion to 10 trillion with "EXCELLENT" predicate - Infobank Multifinance Award 2015.
- » CEO of the Company achieved award as Figure of Finance 2015 for Multifinance Company category - Investor Award Magazine 2015.
- » The Company achieved award as Indonesia Trusted Companies - Indonesia Most Trusted Companies Award GCG SWA 2015.

2017

- Recorded lending of Rp22.2 trillion, assets of Rp14.7 trillion and net profit of Rp350.2 billion
- Opening of new Branch Office in Banyuwangi, Ketapang, Sorong, Jayapura, and Ambon
- Received awards:
 - » General Champion I Assets > Rp10 T of Group Non-Tbk Company - IMA V 2017
 - » TOP Multifinance 2017 Assets > 10-20T - TOP Multifinance Award 2017
 - » Multifinance with EXCELLENT Predicate on the Financial Performance in 2016 - Infobank 13th Multifinance Awards 2017
 - » TOP Multifinance in the field of Financial Inclusion 2017 - TOP Multifinance Award 2017
 - » 3rd Rank Value 91,56 (Platinum) category : Multifinance Non Tbk Company - IGCG Award III 2017
 - » The Most Popular Company Category Multifinance - Indonesia Corporate PR Award
 - » Multifinance Company with Good Performance Category Asset More than Rp 10 T - Indonesia Multifinance Consumer Choice Award 2017
 - » Netizen Multifinance Choice Category Multifinance - Indonesia Netizen Brand Choice Award 2017
 - » The Winner of Indonesia Digital Innovation Awards 2017 Category Multifinance Company with Asset Above Rp 5 Trillion
 - » Good Corporate Governance Award 2017 - Trusted Company Based on Corporate Governance Perception Index (CGPI)

VISION, MISSION AND CORPORATE CULTURE

VISION

**To Be The Most Progressive
and Reliable Multifinance in
Indonesia**

MISSION

- Oriented to the fulfillment of society's credit needs for the welfare of the nation
- Providing the optimum profit and benefit for stakeholders
- Building professional and tough human resources through PERWIRA work culture
- Becoming an exciting and proud institution in achieving the best.

Value Corporate

PERWIRA is the corporate work culture honored by all of the employees. PERWIRA is an abbreviation for Faith (kePERcayaan), Entrepreneurship (keWIRAusahaan), and Excitement (kegembiRAan). These are the 3 (three) basic values which contain the 9 (nine) main behaviors which must be implemented consistently and continuously by each employee.

KePERcayaan

Each employee must uphold the value of:

- Being Honest and Trustworthy
- Being Responsible
- Being Committed

KeWIRausahaan

Each employee should have:

- Sense of Belonging
- Professionalism
- Focus on Customers

KegembiRAan

Each employee should work:

- Enthusiastically, Tenaciously, and with no Giving Up
- In Synergy
- Happily

PERWIRA was formulated and confirmed as the Company's corporate culture on December 11, 2009, in Bandung. The Company continues to encourage all employees to consistently uphold and implement PERWIRA in daily activities. PERWIRA was initially formulated by the employees and was later approved by the Company as a work culture that acts as the framework and guidelines of conduct to each employee.

Vision, Mission and Corporate Value that has been formulated has been known and approved by the Board of Commissioners and Board of Directors of the Company.

LINE OF BUSINESS



The product or service provided by the Company is automotive financing, for both retail and corporate customers in the form of consumer financing and leasing. The types of vehicle covered in the financing are new cars, used cars, motorcycles, commercial vehicles, and heavy equipment.

Business Activity

Pursuant to the Articles of Association of the Company, the business activity of the Company engages in the field of financing. In order to achieve the established purposes and objectives, the Company conducts the business activities of investment financing, working capital financing, multipurpose financing, and other financing activities based on the approval of Financial Services Authority. Currently, the Company conducts the activities of consumer, leasing, and multipurpose financing.

In conducting its business, the Company has obtained a permit to conduct business activities in financing from the Minister of Finance of the Republic of Indonesia based on the Decree No.1021/KMK.13/1989 dated September 7, 1989, which was amended by dated Decree No. 54/KMK-013/1992 dated January 15, 1992 and No. 19/KMK.017/2001 dated January 19, 2001 and the latest amendment No. KEP-352/KM.10/2009 dated September 29, 2009.

In accordance with the Financial Services Authority Regulation No. 29/POJK.05/2014 on the Organization of Financing Companies Business, the Company has amended the Articles of Association on April 13, 2015, which adjusts the purposes and objectives of the Company to be in accordance with the line of business activities of Financing Company.

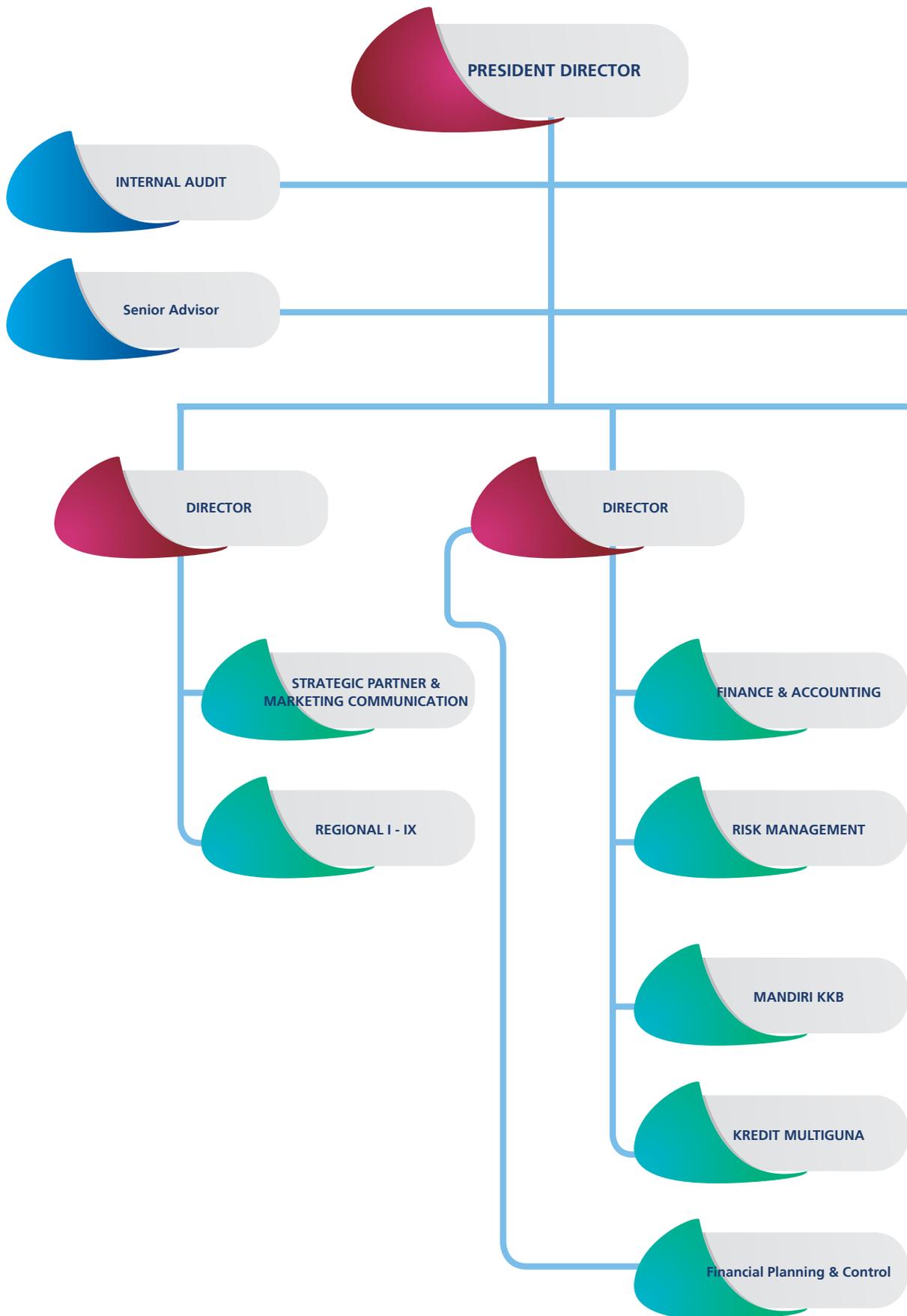


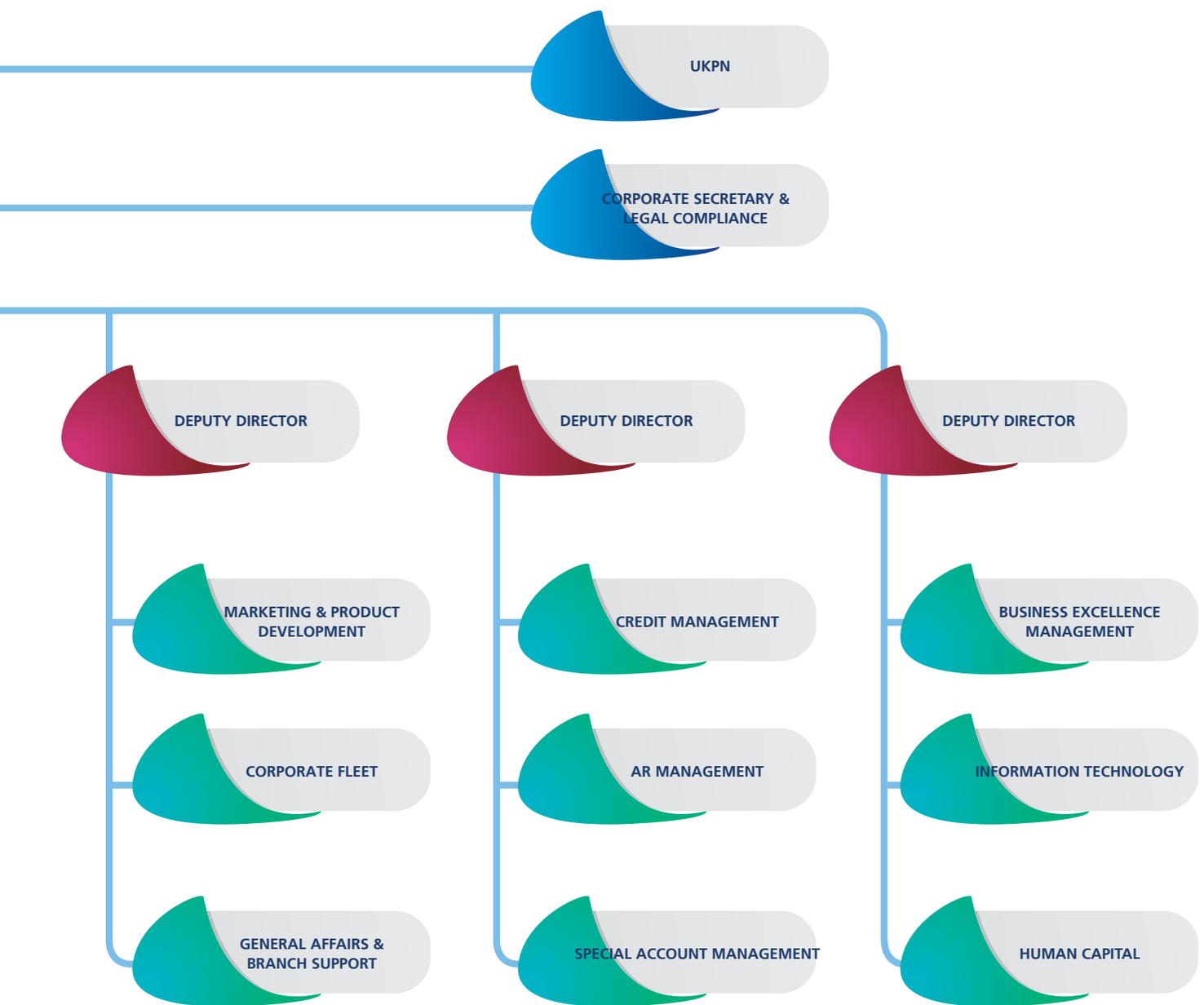
Products and Services

The product or service provided by the Company is automotive financing, for both retail and corporate customers in the form of consumer financing and leasing. The types of vehicle covered in the financing are new cars, used cars, motorcycles, commercial vehicles, and heavy equipment.

In addition, the Company also conducts lending/financing to prospective student/customer for multipurpose educational necessities, which requires the assurance of vehicle ownership documents as the repayment of tuition fees will be conducted by the Company to the Third Parties (Educational Institutions). In 2016, the multipurpose financing disbursed by the Company is no longer limited only in education as it expanded by taking into account the necessities of consumers.

ORGANIZATIONAL STRUCTURE





Manajemen Discussion and Analysis

Good Corporate Governance

Corporate Social Responsibility

SENIOR MANAGEMENT OF THE COMPANY

Regional Manager Region 1	I Ketut Suwitra
Regional Manager Region 2	Dadan Suhendar
Regional Manager Region 3	Sukandar
Regional Manager Region 4	Erick Tandayu
Regional Manager Region 5	Imron
Regional Manager Region 6	Puji Bisno Santoso
Regional Manager Region 7	Bragent Parlinggoman Tambunan
Regional Manager Region 8	Ari Paisal Rohman
Regional Manager Region 9	Mardi Fahmi
Head of Division of Corporate Fleet	Julius Subagyo
Head of Division of Internal Audit	Dayu Rasmini
Head of Division of Corporate Secretary & Legal Compliance	Citra Judith Lupitadevi
Head of Division of General Affairs & Branch Support	Tan Rina
Head of Division of Risk Management	RM Indra Wardhana
Head of Division of Marketing & Product Development	Afri Feder Fauzi
Head of Division of AR Management	A Tatep Faturahman
Head of Division of Strategic Partner & Marketing Communication	Wawan Yulianto
Head of Communication of Mandiri KKB	Andre Tigor
Head of Division of Multipurpose Financing	Priyono Teddi Utama
Head of Division of Information & Technology	Kanda Oktaviano
Head of Division of Special Account Management	Laurensius Purba
Head of Division of Human Capital	Vivid Zulprimiadhanni
Head of Division of Business Excellence Management	Citra Judith Lupitadevi

BOARD OF COMMISSIONERS PROFILE



Rico Adisurja Setiawan

President Commissioner

An Indonesian citizen, born in Jakarta, August 2, 1971, 46 years old, domiciled in Central Jakarta, DKI Jakarta, Indonesia.

Received his Master of Business Administration degree in Finance from Woodbury University in 1994.

He has served as President Commissioner of the Company since April 2017 until present. Currently, he also serves as the President Commissioner in PT Asia Surya Perkasa (2015 – present), President Commissioner in PT Tunas Dwipa Matra (2013 – present), Commissioner in PT Rahardja Ekalancar (2010 – present), Director in PT Surya Sudeco (2005 – present), President Director in PT Tunas Asset Sarana (2005 – present), President Director in PT Surya Mobil Megahtama (2005 – present), President Director in PT Tunas Mobilindo Perkasa (2002 – present), and President Director in PT Tunas Mobilindo Parama (1997 – present). Previously, he served as the Commissioner in PT Mandiri Utama Finance (2015 – Januari 2017), Director in PT Tunas Dwipa Matra (2005 – 2013), Commissioner in PT Tunas Financindo Sarana (2005 – 2009), Director in PT Tunas Ridean

Tbk (2001 – 2010), Director in PT Tunas Financindo Sarana (2000 -2005), President Director in PT Tunas Andalan Pratama (1998 – 2010), Director in Provisions (Asia) Trading Singapore (1998 – 2001), Commissioner in PT Tunas Dwipa Matra (1997 – 2010), Director in PT Tunas Ridean Tbk (1996 – 1998), and Director in PT Tunas Financindo Corp (1995 – 1999). He started his career as Management Consultant in Prasetio Utomo Arthur Andersen (1995-1996).

Legal Basis of Appointment

He was appointed as President Director of the Company based on the Deed of Statement of Resolution of Annual General Meeting of Shareholders No.23 dated April 26, 2017 prepared by Lenny Janis Ishak, SH, a Notary in South Jakarta, with the term of office until the Closing of the Annual General Meeting of Shareholders (AGMS) in 2020.



Harry Gale
Commissioner

An Indonesian citizen, born in Plaju, July 23, 1971, 45 years old, domiciled in East Jakarta, DKI Jakarta, Indonesia.

He received his Bachelor degree in Economics from Sriwijaya University, Palembang (1996) and Post Master degree in Management from Gadjah Mada University, Yogyakarta (2007).

He has served as the Commissioner of the Company since April 2017 until present. He also serves as Group Head of Consumer Loans Group in PT Bank Mandiri (Persero) Tbk (2016 – present). Previously, he served as the CEO Regional XII Papua in PT Bank Mandiri (Persero) Tbk (January 2015 – 2016), Regional Manager X Makassar in PT Bank Mandiri (Persero) Tbk (January 2014 – 2015), and other various positions in PT Bank Mandiri (Persero) Tbk, since 2003. He started his career in PT Bank Mandiri (Persero) Tbk in 1997.

Legal Basis of Appointment

He was appointed as the Commissioner of the Company based on the Deed of Statement of Resolution of Annual General Meeting of Shareholders No.23 dated April 26, 2017 prepared by Lenny Janis Ishak, SH, a Notary in South Jakarta, with the term of office until the Closing of the Annual General Meeting of Shareholders (AGMS) in 2020.



Ravik Karsidi
Independent Commissioner

An Indonesian citizen, born in Sragen, July 7 1957, 59 years old, domiciled in Solo, Central Java, Indonesia.

He received his Bachelor degree in Education from State University of Sebelas Maret in 1980, Master degree in Science of Rural Sociology Study Program for Development Study, from Bogor Agricultural University (IPB), Bogor in 1994 & Doctorate degree in the Study Program of Development Counseling from Bogor Agricultural University (IPB), Bogor (Cum Laude) in 1999.

He served as the Independent Commissioner and Chairman of the Audit Committee of the Company since April 2017 until present. Currently, he served as the National Jury of Outstanding Students and Lecturers of the Directorate General of Higher Education of the Ministry of Education and Culture (2004 – present), National Jury of Students Scientific Paper of the Directorate General of Higher Education of the Ministry of Education and Culture (2002 – present), Assessor of Higher Education Study Program and Institution in the National Accreditation Agency for Higher Education (BAN-PT) (2003 – present), Teaching Staff of Postgraduate program in

UNS (Master in the Study Program of Communication Science, Master/Doctorate Study Program of Development Counseling Science / Society Development Management, and Master in the Study Program of PKLH, Master Program in Cultural Studies, Master Management Program, Doctorate in Education Science Program, and Doctorate in Economics Program) (2001 – present), Teaching Staff of the Education Science Major FKIP UNS (1981 – present). Previously, he served as the Vice Rector I in Academic Affairs of UNS, Surakarta.

Legal Basis of Appointment

He was appointed as the Commissioner of the Company based on the Deed of Statement of Resolution of Annual General Meeting of Shareholders No.23 dated April 26, 2017 prepared by Lenny Janis Ishak, SH, a Notary in South Jakarta, with the term of office until the Closing of the Annual General Meeting of Shareholders (AGMS) in 2020.

BOARD OF DIRECTORS PROFILE

Ignatius Susatyo Wijoyo

President Director



An Indonesian citizen, born in Yogyakarta, March 23, 1969, 49 years old, domiciled in Bekasi, West Java, Indonesia. He received his Bachelor degree in the Faculty of Economics, Majoring in Management, Gadjah Mada University, Yogyakarta (1993) and Master degree in International Management from Prasetya Mulya (2006).

He has served as the President Director of the Company since 2010 until present. He joined the Company as the Director of the Company (2009-2010). He previously served as Senior General Manager Recovery Asset Management Division & Recovery Division in PT Adira Dinamika Multifinance (2006 - 2009), Operation Division Head in PT Astra Sedaya Finance (2005), Collection & Remedial Division Head in PT Astra Sedaya Finance (2004 - 2005), Collection Java Area Manager in PT Astra Sedaya Finance (2004), Branch Manager Kelapa Gading in PT Astra Sedaya Finance (2002 - 2003), Service And Collection Head Fleet in PT Astra Sedaya Finance (2000 - 2001), Head Collection in Surabaya branch of PT Astra Sedaya Finance (1998 - 1999), Representative Office Head Tangerang in PT Astra Sedaya Finance (1997), Treasury Assistant Manage in PT

Astra Sedaya Finance (1995 - 1996), Finance Officer in PT Astra International (1994) and began his career as a Management Trainee in PT Toyota Astra Motor (1993).

Legal Basis of Appointment

He was first appointed as the President Director of the Company, based on the Deed of Minutes of Annual General Meeting of Shareholders No. 59 dated June 29, 2010, prepared by Emi Susilowati, SH, a Notary in Jakarta, with a term of office until February 6, 2012 and was reappointed as the President Director of the Company pursuant to the Deed of Minutes of the Company's Shareholders Statement of Resolution Outside of the General Meeting of Shareholders No.01 dated February 6, 2012, prepared by Emi Susilowati, SH, a Notary in Jakarta, with a term of office until the closing of the Annual General Meeting of Shareholders (AGMS) in 2017.

He is also active as a lecturer in the Indonesian Financial Services Association and PT Sertifikasi Profesi Pembiayaan Indonesia (SPPI).



Harjanto Tjitohardjo

Director

An Indonesian citizen, born in Jakarta, June 12, 1968, 50 years old, domiciled in South Jakarta, DKI Jakarta, Indonesia. He received his Bachelor degree from the Faculty of Economics, Majoring in Management, in Krida Wacana University, Jakarta (1991). He joined the Company in 2010 as the Director of the Company. He has served as Vice President in Tunas Toyota (2006-2010), Operation Director in Tunas Toyota (2004- 2006), Operation Manager in Tunas Toyota (2000-2004), Head of Branch in several dealers of Tunas Toyota (1995-2000) and Sales Manager in Toyota Astra International (1994-1995). He started his career as a Sales Supervisor in Auto 2000 (1993-1994).

Legal Basis of Appointment

He was appointed as the Director of the Company, based on the Deed of Minutes of the Annual General Meeting of Shareholders No. 59 dated June 29, 2010, prepared by Emi Susilowati, SH, a Notary in Jakarta, with a term of office until the closing of the Annual General Meeting of Shareholders (AGMS) in 2015. He was reappointed as the Director of the Company pursuant to the Deed of Minutes of the Annual General Meeting of Shareholders No. 29 on April 13, 2015, prepared by Lenny Janis Ishak, SH, a Notary in Jakarta, with the term of office until the closing of the Annual General Meeting of Shareholders (AGM) in 2018.



Arya Suprihadi
Director

An Indonesian citizen, born in Surabaya on February 17, 1971, 47 years old, domiciled in South Jakarta. He received his Bachelor degree from the Faculty of Civil Engineering of University of Indonesia and Master of Science as well as Master of Business Administration from University of Colorado, Denver, USA.

He has served as the Director of the Company since September 2016 until present. He joined the company as the Deputy Director of the Company in May 2016. He served various positions in PT Bank Mandiri (Persero) Tbk such as SVP - Group Head Corporate Banking VII (January 2015 - May 2016), SVP - Head of Region Kalimantan (July 2013 - December 2014), VP - Deputy Office of Makassar (April 2012 - June 2013), VP Area Manager Makassar (July 2011 - March 2012), VP Area Manager Jakarta Tanjung Priok (May 2010 - June 2011), VP Area Manager Bandung Braga (April 2009 - April 2010), AVP

Department Head PMS - Jakarta Network Group (December 2004 - March 2009), Senior Manager - Priority Banking (January 2003 - November 2004), Assistant Manager Priority Banking (April 2001 - December 2002). His career in Bank Mandiri was started as a participant of the Officer Development Program (ODP) in 2000.

Legal Basis of Appointment

He was appointed as the Director of the Company based on the Deed of Statement of Resolution of Shareholders on September 30, 2016, which is prepared by Lenny Janis Ishak, SH, a Notary in Jakarta, with the term of office until the closing of the General Meeting of Shareholders (AGMS) in 2019.

DEPUTY DIRECTORS PROFILE



Albertus Henditrianto
Deputy Director

An Indonesian citizen, born in Jakarta, February 12, 1969, 49 years old, domiciled in South Tangerang, Banten, Indonesia. He received his Bachelor degree from the Faculty of Economics, Gadjah Mada University, Yogyakarta, in 1993.

He has served as the Deputy Director of the Company since May 2014 until present. He joined the Company in 2009 as Head of Marketing & Product Development. Previously, he served in PT

Toyota Astra Financial Services as a Head of Dealer Relationship Management Department (2007 - 2009). He served as Branch Head Marketing Coordinator in the area of East Indonesia in PT Asuransi Astra Buana (2002 - 2007) and previously as the Marketing Manager in April Fine Paper (1998 - 2002). He started his career as a Management Trainee at PT Astra Graphia Tbk (1994).



Bonifatius Perana Citra Ketaren

Deputy Director

An Indonesian citizen, born in Jakarta on April 16, 1977, 41 years old, domiciled in Bogor, West Java, Indonesia. He received his Bachelor degree from the Faculty of Accounting, Parahyangan University, Bandung in 2001.

He has served as the Deputy Director of the Company since January 2016 until present. He joined the Company in 2009 as the Head of Operation Department (2009 – October 2010),

Head of AR Management Division (November 2010 – April 2013), and Head of Finance & Accounting Division (November 2014 – December 2015). He served as Head of Recovery Planning & Development Department (2007 – 2009), Head of Remedial MIS Department (2006 – 2007), and Head of Internal Audit Section (2003 – 2006) in PT Adira Dinamika Multifinance. He started his career as Accounting Staff in PT Panasia Ind. (2001).



William Francis Indra
Deputy Director

An Indonesian citizen, born in Karawang, July 14, 1982, 34 years old, domiciled in Bekasi, West Java, Indonesia. He received his Bachelor degree from the Faculty of Mathematics and Natural Sciences of Padjadjaran University, Bandung in 2004 and Master degree in Management from Mercubuana University in 2007.

He has served as the Deputy Director of the Company since January 2016 until present. He joined the Company in 2010 as the Chief of IT Planning & Security Department (2010 - April 2013) and as the Chief of Information Technology Division (May

2013 - December 2015) and concurrently Head of Business Excellence Management (December 2014 - December 2015). Previously, he worked in PT Global Information Quality as the IT Infrastructure Head (2005 - 2010). He started his career as the IT System Analyst in PT Royal Abadi Sejahtera (2002 - 2005).

COMPANY GROUP STRUCTURE



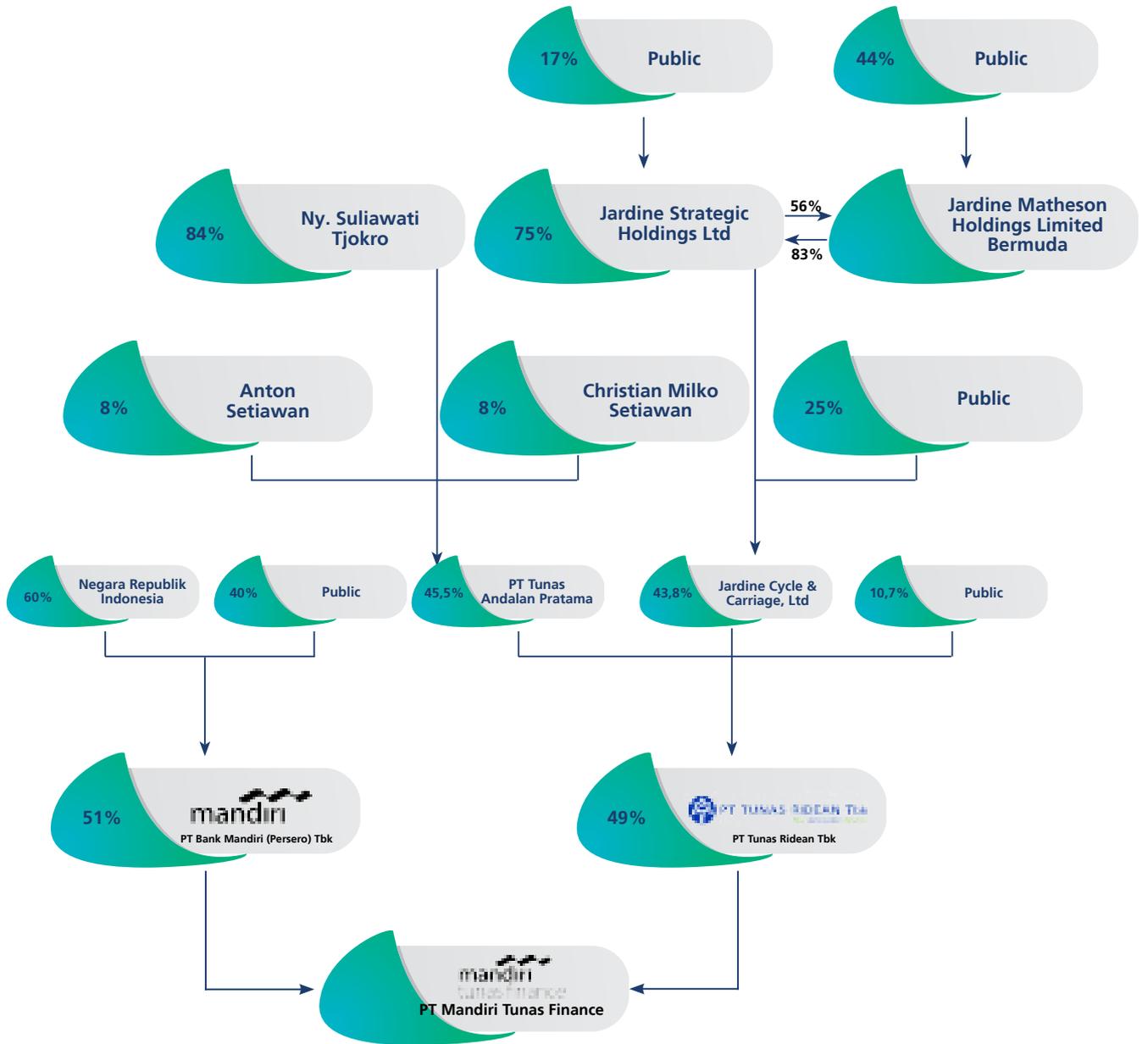
Performance Highlights of 2017

Management Reports

Company Profile

Overview of Business Support

SHAREHOLDERS STRUCTURE



Manajemen Discussion and Analysis

Good Corporate Governance

Corporate Social Responsibility

SHAREHOLDERS COMPOSITION

Pursuant to the Deed of Minutes of the Extraordinary General Meeting of Shareholders No.8 dated February 6, 2009, prepared by Dr. Amrul Partomuan Pohan, S.H., LL.M., a Notary in Jakarta. The deed has been notified to the Minister of Justice and Human Rights of the Republic of Indonesia based on the Receipt Letter of Notification of Data of the Company No. AHU-AH.01.10-01575 dated March 11, 2009, and registered in the Company Register No. AHU-0008560. AH.01.09.Tahun 2009, dated March 11, 2009, the shareholders approved the sale of shares that belonged to or owned by PT Tunas Mobilindo Parama with the total of 625.000.000 (six hundred and twenty five million) shares with a total nominal value of Rp62.500.000.000 (sixty two billion, five hundred million Rupiah) and the shares owned by PT Tunas Ridean Tbk with the amount of 650.000.000 (six hundred and fifty million) shares with the total nominal value of Rp65.000.000.000 (sixty five billion rupiah) to PT Bank Mandiri (Persero) Tbk with the transaction value as the nominal value mentioned above. It has been stated in the Deed of Share Sales regarding the Acquisition of the Company No. 4 dated February 6, 2009, prepared by Dr. Amrul Partomuan Pohan, SH, LL.M., a Notary in Jakarta. Therefore, the composition of Shareholders changed as follows:

Table of Share Ownership of the Company from

Description	Nominal Value of Rp100 per share		Percentage (%)
	Total Share	Total Nominal Value (Rp)	
Authorized Capital	10.000.000.000	1000.000.000.000	
Shareholder			
1. PT Bank Mandiri (Persero) Tbk	1.275.000.000	127.500.000.000	51,00
2. PT Tunas Ridean Tbk	1.275.000.000	122.500.000.000	49,00
Total Issued and Fully-paid Capital	2.500.000.000	250.000.000.000	100
Share in Portfolio	7.500.000.000	750.000.000.000	

Shareholder Owning 5 Percent or More

Until December 31, 2017, shareholder with 5% or more share ownership of MTF is PT Bank Mandiri (Persero) Tbk with 51% of shares and PT Tunas Ridean Tbk with 49% of shares as the Majority Shareholders and/or Controlling Shareholders in the form of share and share portfolio.

Share Ownership by the Board of Commissioners and Board of Directors

No	Name	Position	Share Ownership Description	Total Shares Owned	Total Share Nominal Owned	Percentage
Board of Directors						
	Igantius Susatyo Wijoyo	President Director	Nil	Nil	Nil	Nil
	Harjanto Tjitohardjojo	Director	Nil	Nil	Nil	Nil
	Arya Suprihadi	Director	Nil	Nil	Nil	Nil
Board of Commissioners						
	Rico Adisurja Setiawan	President Commissioner	Nil	Nil	Nil	Nil
	Harry Gale	Commissioner	Nil	Nil	Nil	Nil
	Prof.Dr. Ravik Karsidi, M.S.	Independent Commissioner	Nil	Nil	Nil	Nil

Statement

Based on the information related to share ownership previously described, the majority shareholders are PT Bank Mandiri (Persero) Tbk with 51% of shares and PT Tunas Ridean Tbk with 49% of shares with related information such as follows:

- Group of public shareholders, which is the group of shareholders that owns less than 5% of shares each;
- Total share ownership and ownership percentage per end of the year with the classification of share ownership of local and foreign institutions as well as local and foreign individuals.

The information is not relevant to be presented as there is no share distribution to other parties other than the State Government of the Republic of Indonesia.

Brief Profile of Shareholders

PT Bank Mandiri (Persero) Tbk

Establishment of Business

PT Bank Mandiri (Persero) Tbk (hereinafter referred as "Bank Mandiri" or "Bank") established on October 2, 1998, in the Republic of Indonesia with the notarial deed of Sutjipto, S.H., No. 10, pursuant to the Government Regulation No. 75 of 1998 dated October 1, 1998. The establishment deed has been approved by the Minister of Justice of the Republic of Indonesia pursuant to the Decree No.C2-16561.HT.01.01TH.98 dated October 2, 1998, and it was announced in the Supplement No.6859 in the State Gazette of the Republic of Indonesia No.97 dated December 4, 1998.

Bank Mandiri was established through the merge of PT Bank Bumi Daya (Persero) ("BBD"), PT Bank Dagang Negara (Persero) ("BDN"), and PT Bank Ekspor Publik (all referred as Merger Participants). Articles of Association of Bank Mandiri have been amended several times. Such amendment has been implemented to Article 4 paragraph 4, Article 4 paragraph 5, Article 9, Article 10, Article 11, Article 12, Article 13, Article 14, Article 15, Article 16, Article 17, Article 18, Article 19, Article 20, Article 21, Article 22, Article 24, Article 25, and Article 26. This amendment was implemented pursuant to the Notarial Deed of Ashoya Ratam, S.H., M.kn No.14 dated April 14, 2015 and has been reported to the Minister of Law and Human Rights of the Republic of Indonesia with receipt of report No. AHU-AH.01.03-0924779 dated April 16, 2015 and has been registered on the Company Register No. AHU-3493045.AH.01.11.Tahun 2015 dated April 16, 2015.

Business Merger

At the end of February 1998, the Government of the Republic of Indonesia (hereinafter referred as "the Government") announced the plan to carry out the restructuring on the Merger Participants. In relation with the plan, the Government established Bank Mandiri in October 1998 by performing cash deposit and transferring the Government's shares to the Merger Participants (Note 40a and 40b). The difference between the transfer price and book value during restructuring was not calculated since it was not practical. All loss due to restructuring was recognized in the Recapitalization Program. The restructuring plan was designed to merge the business of the Merger Participants into Bank Mandiri in July 1999 and recapitalization of Bank Mandiri. Restructuring of the Merger Participant to Bank Mandiri includes:

- Restructuring of given credit
- Restructuring of given non-credit asset
- Rationalization of domestic and overseas branch offices
- Rationalization of human resources

Pursuant to the Notarial Deed of Sutjipto, S.H., No.100 dated July 24, 1999, the Merger Participants legally performed business merger into Bank Mandiri. The Deed of Merger was ratified by the Minister of Justice of the Republic of Indonesia with the Decree No.C-13.781. HT.01.04.TH.99 dated July 29, 1999 and approved by the Governor of Bank Indonesia with Decree No.1/9/KEPGBI/1999 dated Jul 29, 1999. The merger was stated as valid by Head of Department of Industry and Trade of South Jakarta through the Decree No. 09031827089 dated July 31, 1999. On the effective date:

- All assets and liabilities of the Merger Participants were transferred to Bank Mandiri as the result of Merger;
- All operations and activities of the Merger Participant were transferred and operated by Bank Mandiri;

- Bank Mandiri obtained additional paid-up capital amounted to Rp1, 000,000 (one million Rupiah) (full amount) or equal to 1 (one) share which was the remaining share owned by the Government in each Merger Participants (Note 40a and 40b).

On the effective date, the Merger Participants was legally dismissed without liquidation and Bank Mandiri as the Result of Merger achieved all rights and liabilities from the Merger Participants.

Composition of the Board of Commissioners and Board of Directors

Board of Commissioners

President Commissioner/Independent Commissioner	: Bpk. Hartadi A. Sarwono
Vice President Commissioner	: Bpk. Imam Apriyanto Putro
Independent Commissioner	: Ibu Aviliani
Commissioner	: Bpk. Askolani
Commissioner	: Bpk. Suwhono
Commissioner	: R. Widyo Pramono*
Independent Commissioner	: Bpk. Goel Siau Hong
Independent Commissioner	: Bpk. Bangun Sarwito Kusmuljono
Independent Commissioner	: Bpk Ardan Adiperdana

*) The appointment of R. Widyo Pramono is effective after obtaining approval from Financial Services Authority on Fit & Proper Test and complies with the prevailing laws and regulations.

Board of Directors

President Directors	: Bpk. Kartika Wirjoatmodjo
Vice President Director	: Bpk. Sulaiman A. Arianto
Director	: Bpk. Ogi Prastomulyono
Director	: Bpk. Pahala N. Mansury
Director	: Bpk. Royke Tumilaar
Director	: Bpk. Hery Gunardi
Director	: Bpk. Tardi
Director	: Bpk. Ahmad Siddik Badruddin
Director	: Ibu Kartini Sally
Director	: Bpk. Rico Usthavia Frans
Director	: Darmawan Junaidi*

*) The appointment of Mr. Darmawan Junaidi is effective after obtaining approval from Financial Services Authority on Fit & Proper Test and complies with the prevailing laws and regulations.

Shareholder Composition as of December 31, 2017

Shareholder	Share Percentage
The Government of the Republic of Indonesia	60%
Foreign Shareholders	32,74%
Domestic Shareholders	7,26%

PT Tunas Ridean Tbk

Brief History

PT Tunas Ridean Tbk, ("TURI") is located in Jakarta and established pursuant to the Deed of Establishment No.102 dated July 24, 1980, as amended with Deed of Amendment No.141 dated October 24, 1980, both were prepared before Winanto Wiryomartani, S.H, a Notary in Jakarta and both have been approved by the Minister of Justice of the Republic of Indonesia with the Decree No.Y.A.5/140/1, dated April 7, 1981, registered in the book of Register of Clerk of Central Jakarta District Court No.1431/1983 dated March 17,1983 and it was announced in the State Gazette of the Republic of Indonesia No.84 dated October 21, 1983 Supplement No.935. Articles of Association of TURI has been amended for several times, among others due to the Public Offering of shares pursuant to the Deed No.224 dated November 26, 1994 prepared before Mrs. Poerbaningsih Adi Warsito, S.H., a Notary

in Jakarta and it has been approved by the Minister of Justice of the Republic of Indonesia with the Decree No.C2-3721. HT.01.04. TH.95 dated March 30, 1995, and registered on Central Jakarta District Court No.1084/1995 dated October 5, 1995 and it was announced in the State Gazette of the Republic of Indonesia No.92 dated November 17, 1995, Supplement No.9527.

Furthermore, in order to fulfill the provision in the Law No.40 Year 2007 concerning Limited Liability Company, TURI has adjusted its Articles of Association as stated in the Deed of Meeting Resolution No.43 dated August 8, 2008 prepared before Poerbaningsih Adi Warsito, S.H., a Notary in Jakarta and it has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in accordance with the Decree No.AHU-73009. AH.01.02 in the Year of 2008 dated October 13, 2008. The Articles of Association has been amended with the Deed of Meeting Resolution No.09 dated May 6, 2010, prepared before Mrs. Poerbaningsih Adiarsito, S.H., a Notary in Jakarta, and it has been approved by the Minister of Law and Human Rights of the Republic of Indonesia pursuant to the Decree No. AHU-AH.01.10-11859 dated May 14, 2010.

The latest Articles of Association of TURI has been amended pursuant to the Deed of Meeting Resolution No.48 dated July 31, 2015 prepared before Ir.Nanette Cahyanie Handari Adi Warsito, S.H., a Notary in Jakarta, and it has been notified to the Minister of Law and Human Rights of the Republic of Indonesia in accordance with the Receipt Letter of Notification of the Amendment to Articles of Association No: AHUAH.01.03-0954985 dated August 6, 2015 and it has been registered on the Company Register No.AHU- 3538770. AH.01.11TAHUN2015 dated August 6, 2015. The deed approved the amendment to Article 10 – Article 24 and Article 27-29 of Articles of Association of TURI.

Purpose and Objective

In accordance with Article 3 of the Articles of Association of TURI as stated in the Deed of Meeting Resolution Number 48 dated July 31, 2015, prepared before Ir.Nanette Cayanie Handari Adi Warsito,S.H., a Notary in Jakarta, which has been notified to the Minister of Law and Human Rights of the Republic of Indonesia in accordance with the Receipt Letter of Notification of the Amendment to Articles of Association Number: AHU-AH.01.03-0954985 dated August 6, 2015 and it has been registered on the Company Register Number AHU3538770.AH.01.11. 2015 dated August 6, 2015, the purpose and objective of TURI are as follows:

Purpose and objective of TURI:

- Engaging in the field of agency, distributor, industry, trade and transportation related to motor vehicle and contractor.
- To achieve the purpose and objective of TURI, it implements the following business activities:
 - a. Engages in the field of agency of motor vehicle trading, both from domestic and overseas, including maintenance and repair of motor vehicle;
 - b. Engages in the field of grocery, supplier, and distributor of merchandise related to motor vehicle;
 - c. Engages in the field of industry that is related to motor vehicle;
 - d. Engages in the field of general trading, both on its own account and other parties' in commission, including import, export, local, and inter-island trading;
 - e. Engages in the field of land transportation;

Description	Nominal Value of Rp25 per share		Percentage (%)
	Total Share	Total Nominal Value (Rp)	
Authorized Capital	10.000.000.000	250.000.000.000	100,000
Shareholder			
PT Tunas Andalan Pratama	2.536.317.700	63.407.942.500	45,454
Jardine Cycle & Carriage Ltd	2.446.009.000	61.150.225.000	43,835
Public (each under 5%)	597.673.300	14.941.832.500	10,711
Total Issued and Fully-Paid Capital	5.580.000.000	139.500.000.000	100,000
Total Shares in Portfolio	4.420.000.000	110.500.000.000	

Composition of the Board of Commissioners and Directors

Pursuant to the Deed of the Meeting Resolution of TURI No.07 dated July 3, 2015 prepared before Ir.Nanette Cahyanie Handari Adi Warsito, S.H., a Notary in Jakarta, and it has been notified to the Minister of Law and Human Rights and it has been received in accordance with the letter regarding the Receipt of Notification of Amendment to the Data of PT Tunas Ridean Tbk. No.AHUAH.01.03-0948552 dated July 6, 2015 jo. The Deed of the Meeting Resolution Number 39 dated May 19, 2015 prepared before Ir.Nanete Cahyanie Handari Adi Warsito, S.H., a Notary in Jakarta, the Deed has been notified to the Minister of Law and Human Rights and it has been received in accordance with the letter regarding Receipt of the Notification of Amendment to the Data of PT Tunas Ridean Tbk No.AHU-AH.01.03-0933690 dated May 21, 2015, the composition of the Board of Commissioners and Board of Directors is as follows:

BOARD OF COMMISSIONERS

President Commissioner	: Anton Setiawan
Vice President Commissioner (Independent)	: DR. Cosmas Batubara
Commissioner	: Hong Anton Leoman
Commissioner	: Haslam Preston
Commissioner (Independent)	: Heng Carla Hendriek

BOARD OF DIRECTORS

President Director	: Rico Adisurja Setiawan
Director	: Nugraha Indra Permadi
Director	: Tenny Febyana Halim
Director	: Tan Fony Salim

Line of Business

TURI was initially an importer and seller of new and used cars with brands such as Fiat, Holden, and Mercedes-Benz that began its business under the name of Tunas Motor in 1967. Since 1974, Tunas Ridean was trusted by PT Astra International Inc (ATPM Toyota and Daihatsu) to distribute such motor vehicle in Jakarta.

In line with the business development, TURI was also appointed to be an official Dealer of BMW, for DKI Jakarta and Bandung, Peugeot and Daihatsu for DKI Jakarta, Banten, West Java, Bengkulu, and South Lampung. For Honda motorcycle, TURI is the main dealer for Lampung and the Dealer for Riau, Bengkulu, Bangka, Belitung, South Sumatera, Jambi, Jakarta and surrounding areas, Bandung, Yogyakarta, East Kalimantan, South Sulawesi, Southeast Sulawesi, dan Bali.

Period	Authorized Capital	Paid-Up Capital	Shareholder		%
			Name	Total Shares	
Establishment (1989)-1993	10.000.000.000	5.000.000.000	PT Tunas Ridean Tbk	2.500	50
			PT Kharisma Setia Utama	2.500	50
1993-1995	10.000.000.000	5.000.000.000	PT Tunas Ridean Tbk	2.500	50
			PT Tunas Mobilindo Prama	2.500	50
1995-1997	100.000.000.000	25.000.000.000	PT Tunas Ridean Tbk	22.500	90
			PT Tunas Mobilindo Prama	2.500	10
1997-2002	250.000.000.000	65.000.000.000	PT Tunas Ridean Tbk	117.000.000	90
			PT Tunas Mobilindo Prama	13.000.000	10
2002-2007	250.000.000.000	65.000.000.000	PT Tunas Ridean Tbk	97.500.000	75
			PT Tunas Mobilindo Prama	32.500.000	25
2007-2009	1.000.000.000.000	250.000.000.000	PT Tunas Ridean Tbk	1.875.000.000	75
			PT Tunas Mobilindo Prama	625.000.000	25
2009-now	1.000.000.000.000	250.000.000.000	PT Bank Mandiri (Persero) Tbk	1.275.000.000	51
			PT Tunas Ridean Tbk	1.225.000.000	49

SHARE-LISTING CHRONOLOGY

Until December 31, 2017, the shares of PT Mandiri Tunas Finance are 51% held by PT Bank Mandiri (Persero) Tbk and 49% held by PT Tunas Ridean Tbk in the forms of either issued shares or portfolio. Accordingly, the Company's shares are not aimed for trading at any stock exchange and information related to:

- a. The share-listing chronology including the date of share-listing plan, the correspondence with related parties in order to prepare the share listing and the assessment result from the rating agency;
- b. Total shares;
- c. Nominal value;
- d. Offer price at the beginning of the listing until the end of the fiscal year, and
- e. Stock exchange where the shares are listed.

Is not presented because it is not relevant to the current condition of the Company as a State-Owned Enterprise that has not listed its shares at stock exchange.

OTHER SECURITIES LISTING CHRONOLOGY

The Company has issued bonds and medium terms notes for several times and the funds were fully utilized by the Company for the activities of motor vehicles financing. Despite the full support of funding facilities, especially the Joint Financing from PT Bank Mandiri (Persero) Tbk, the Company maintains its funding diversification in order to support the Company's performance.

The Issuance of Bonds and medium term notes aims to maintain good relationship with the investors and the Company's existence in the Capital Market.

The chronology of the Company's listing of bonds and medium term notes which is currently outstanding and listed in PT Bursa Efek Indonesia is as follows:

1. On May 10, 2011, the Company issued Bonds of Mandiri Tunas Finance VI of 2011 with a fixed interest rate and total principal amount of Rp600,000,000,000 (six hundred billion Rupiah), with a maximum period of 4 (four) years, divided into:
 Series A : Total principal amount of Rp Rp48,000,000,000 (forty eight billion Rupiah), within period of 370 (three hundred seventy) days and interest rate of 8.60% per year (mature on May 23, 2012). Bonds principal full payment was conducted at the maturity of the Series A Bonds.

Series B : Total principal amount Rp52,000,000,000 (fifty two billion Rupiah), within period of 2 (years) and interest rate of 9.60% per year (mature on May 19, 2013). Bonds principal full payment was conducted at the maturity of the Series B Bonds.

Series C : Total principal amount of Rp350,000,000,000 (three hundred and fifty billion Rupiah), within period of 3 (three) years and interest rate of 10.00% per year (mature on May 19, 2014). Bonds principal full payment was conducted at the maturity of the Series C Bonds.

Series D : Total principal amount of Rp150,000,000,000 (one hundred and fifty billion Rupiah), within period of 4 (four) years and interest rate 10.70% per year (mature on May 19, 2015). Bonds principal full payment was conducted at the maturity of the Series D Bonds.

The bonds is guaranteed by fiduciary transfer in the form of performing receivables amounting to, at least, 80% of the bonds principal value. The bonds interest rate is paid every 3 (three) months in which the first payment of the bonds interest was conducted on August 19, 2011, and the last payment was conducted on May 19, 2015.

With regard to the issuance of the Bonds, the Company obtained the rating from PT Pemeringkatan Efek Indonesia (PEFINDO) of idA+ (Single A plus; Stable Outlook) and has been listed at PT Bursa Efek Indonesia on May 20, 2011.

100% of the Bonds proceeds were utilized by the Company to increase its working capital for motor vehicles financing. The report of the proceeds utilization had been submitted to Bapepam and LK through a letter No. 084/MTFCSC/II/2011 dated July 7, 2011.

The Public Offering of Mandiri Tunas Finance Bonds VI Year 2011 was assisted by the following capital market supporting institutions and professions:

Trustee	: PT Bank Mega Tbk
Public Accountant	: KAP Tanudiredja, Wibisana and partners (a member firm of Pricewaterhouse Coopers Global Network)
Notary	: Fathiah Helmi, SH
Legal Consultant	: BM & Partners Law Office
Rating Agency	: PT Pemeringkat Efek Indonesia (PEFINDO)

On November 2, 2012, PT Fitch Ratings Indonesia has established the Corporate Rating with AA(idn) (Double AA; Stable Outlook). On November 12, 2012, PT Pemeringkat Efek Indonesia (PEFINDO) has upgraded the Corporate's rating as well as the Series B, Series C and Series D of Bonds payable VI Year 2011 from the originally being rated idA+ (Single A plus; Stable Outlook) into idAA (Double A; Stable Outlook). Then, on March 5, 2014, through a letter from PEFINDO No.360/PEF-Dir/III/2014 regarding the Annual Monitoring Certificate of the rankings of Series C and Series D of Bonds VI Year 2011 of PT Mandiri Tunas Finance within the period of March 5, 2014, until March 1, 2015, determined to reassign the rating of idAA (Double A).

- On May 30, 2013, the Company issued Continuous Bonds I of Mandiri Tunas Finance Phase I Year 2013 with the fixed interest rate and total principal amount of Rp500,000,000,000 (five hundred billion Rupiah), within the maximum period of 4 (four) years, divided into:

Series A : Total principal amount of Rp425,000,000,000 (four hundred and twenty five billion Rupiah), with the period of 36 (thirty six) months and interest rate of 7.75% per year (mature on June 5, 2016). Bonds principal full payment will be conducted at the maturity of the Series A Bonds.

Series B : Total principal amount of Rp75,000,000,000 (seventy five billion Rupiah), with the period of 48 (forty eight) months and interest rate of 7.80% per year (mature on June 5, 2017). Bonds principal full payments will be conducted at the maturity of the Series B Bonds.

The bonds is guaranteed by the fiduciary transfer in the form of performing receivables amounting to, at least, 60% of the bonds principal value. The bonds interest is paid every 3 (three) months in which the first payment of the bond interest was conducted on September 5, 2013, whereas the last payment was conducted on June 5, 2017.

With regard to the issuance of the Bonds, the Company obtained the result of bonds rating of idAA (Double A) from PT Pemeringkat Efek Indonesia (PEFINDO) for the period of March 18, 2013, until March 1, 2014 and has been listed at PT Bursa Efek Indonesia on June 7, 2013. Then, on March 5, 2014, through a letter from PEFINDO No. 359/PEF-Dir/III/2014 regarding the Annual Monitoring Certificate of the Rankings of Continuous Bonds I of PT Mandiri Tunas Finance within the period of March 5, 2014, until March 1, 2015, the rating idAA (Double A) was reassigned.

100% of the Bonds proceeds were utilized by the Company to increase its working capital for motor vehicles financing. The report of the proceeds utilization had been submitted to the Financial Services Authority through a letter No. 091/MTF-CSC/VII/2013 dated July 8, 2013.

Continuous Public Offering Bonds I Mandiri Tunas Finance Phase I Year 2013 was assisted by the following capital market supporting institutions and professions:

Trustee	: PT Bank Mega Tbk
Public Accountant	: KAP Purwantono, Suherman & Surja (a member firm of Ernst & Young Global Limited)
Notary	: Fathiah Helmi, SH
Legal Consultant	: BM & Partners Law Office
Rating Agency	: PT Pemeringkat Efek Indonesia (PEFINDO)

3. On May 19, 2014, the Company issued Continuous Bonds I Mandiri Tunas Finance Phase II Year 2014 with the fixed interest rate and principal amount of Rp 600,000,000,000 (six hundred billion Rupiah), with the maximum period of 4 (four) years, consisting of:

Series A : Total principal amount of Rp425,000,000,000 (four hundred and twenty five billion Rupiah), with the period of 36 (thirty six) months and interest rate of 10.70% per year (mature on May 23, 2017). Bonds principal full payment will be conducted at the maturity of the Series A Bonds.

Series B : Total principal amount of Rp175,000,000,000.- (one hundred and seventy five billion Rupiah), with the period of 48 (forty eight) months and interest rate of 10.85% per year (mature on May 23, 2018). Bonds principal full payments will be conducted at the maturity of the Series B Bonds.

The bonds is guaranteed by the fiduciary transfer in the form of performing receivables amounting to, at least, 60% of the bonds principal value. The bonds interest is paid every 3 (three) months in which the first payment of the bond interest was conducted on August 23, 2014, and the last payment will be conducted on May 23, 2018.

With regard to the issuance of the Bonds, the Company obtained the result of bonds rating of idAA (Double A) from PT Pemeringkat Efek Indonesia (PEFINDO) for the period of March 5, 2014, until March 1, 2015 and has been listed on PT Bursa Efek Indonesia on May 26, 2014.

100% of the Bonds proceeds were utilized by the Company to increase its working capital for motor vehicles financing. The report of the proceeds utilization had been submitted to the Financial Services Authority through a letter: 070/MTF-CSC/VII/2014 dated July 14, 2014 regarding the Report on the Utilization of Proceeds from Continuous Public Offering Bonds I Mandiri Tunas finance Phase II Year 2014 per June 30, 2014.

The Continuous Public Offering Bonds I Mandiri Tunas Finance Phase II Year 2014 was assisted by the following capital market supporting institutions and professions:

Trustee	: PT Bank Mega Tbk
Public Accountant	: KAP Tanudiredja, Wibisana and partners (a member firm of Pricewaterhouse Coopers Global Network)
Notary	: Fathiah Helmi, SH
Legal Consultant	: BM & Partners Law Office
Rating Agency	: PT Pemeringkat Efek Indonesia (PEFINDO)

4. On May 28, 2015, the Company issued Continuous Public Offering Bonds I Mandiri Tunas Finance Phase III Year 2015 with bonds principal value of Rp 150,000,000,000 (one hundred and fifty billion Rupiah), within the period of 3 (three) years with interest of 9.75% per year.

The bonds is guaranteed by the fiduciary transfer in the form of performing receivables amounting to, at least, 60% of the bonds principal value. The bonds interest is paid every 3 (three) months in which the first payment of the bond interest was conducted on September 9, 2015, and the last payment will be conducted on June 9, 2018.

With regard to the issuance of the Bonds, the Company obtained the result of bonds rating of idAA (Double A) from PT Pemeringkat Efek Indonesia (PEFINDO) within the period of March 6, 2015, until March 1, 2016 and has been listed at PT Bursa Efek Indonesia on June 10, 2015.

100% of the Bonds proceeds were utilized by the Company to increase its working capital for motor vehicles financing.

Continuous Public Offering Bonds I Mandiri Tunas Finance Phase III Year 2015 was assisted by the following capital market supporting institutions and professions:

Trustee	: PT Bank Mega Tbk
Public Accountant	: KAP Purwantono, Suherman & Surja (a member firm of Ernst & Young Global Limited)
Notary	: Fathiah Helmi, SH
Legal Consultant	: BM & Partners Law Office
Rating Agency	: PT Pemeringkat Efek Indonesia (PEFINDO)

5. On December 11, 2015, the Company issued Continuous Public Offering Bonds II Mandiri Tunas Finance Phase I Year 2015 with the fixed interest rate and principal amount of Rp 600,000,000,000 (six hundred billion Rupiah), with the maximum period of 5 (five) years, divided into:

Series A : Total principal amount of Rp500,000,000,000 (five hundred billion Rupiah), with the period of 3 years and interest rate of 10.20% per year.

Series B : Total principal amount of Rp100,000,000,000 (a hundred billion Rupiah), with the period of 5 years and interest rate of 10.80% per year.

The bonds is guaranteed by the fiduciary transfer in the form of performing receivables amounting to, at least, 60% of the bonds principal value. The bonds interest is paid every 3 (three) months in which the first payment of the bond interest was conducted on March 16, 2015, and the last payment will be conducted on September 16, 2020.

With regard to the issuance of the Bonds, the Company obtained the result of bonds rating of idAA (Double A) from PT Pemeringkat Efek Indonesia (PEFINDO) within the period of September 30, 2015, until September 1, 2016 and has been listed on PT Bursa Efek Indonesia on December 14, 2015.

100% of the Bonds proceeds were utilized by the Company to increase its working capital for motor vehicles financing.

Continuous Public Offering Bonds II Mandiri Tunas Finance Phase I Year 2015 was assisted by the following capital market supporting institutions and professions:

Trustee	: PT Bank Mega Tbk
Public Accountant	: KAP Purwantono, Suherman & Surja (a member firm of Ernst & Young Global Limited)
Notary	: Fathiah Helmi, SH
Legal Consultant	: BM & Partners Law Office
Rating Agency	: PT Pemeringkat Efek Indonesia (PEFINDO)

6. On June 1, 2016, the Company issued a Continuous Public Offering Bond II Mandiri Tunas Finance Phase II Year 2016 with fixed rate bonds with a principal amount of Rp1,400,000,000,000 (one trillion four hundred billion Rupiah) with a maximum period of 5 years divided into:

Series A : Total principal amount of Rp720,000,000,000 (seven hundred and twenty billion Rupiah) with the period of 3 years and interest rate of 8.95% per year.

Series B : Total principal amount of Rp680,000,000,000 (six hundred eight twenty billion Rupiah) with the period of 5 years and interest rate of 9.25% per year.

The bonds is guaranteed by the fiduciary transfer in the form of performing receivables amounting to, at least, 60% of the principal amount. The interest is paid every 3 (three) months in which the first payment of bonds interest was conducted on September 1, 2016, whereas the last payment will be conducted on June 1, 2021.

With regard to the Bonds issuance, the Company has obtained the results of Bond rating of idAA (Double A) from PT Pemeringkat Efek Indonesia (PEFINDO) within the period of September 30, 2015 until September 1, 2016 and has been listed at PT Bursa Efek Indonesia on June 2, 2016.

100% of the Bonds proceeds have been utilized by the Company to increase working capital for motor vehicles financing. The report of the proceeds utilization had been submitted to the Financial Services Authority and Indonesian Stock Exchange through a letter No. 079/MTF-CLC.CCS/VI/2016 dated June 23, 2016.

Continuous Public Offering Bond II Mandiri Tunas Finance Phase II Year 2016 was assisted by the following capital market supporting institutions and professions:

Trustee	: PT Bank Mega Tbk
Public Accounting	: KAP Tanudiredja, Wibisana dan Rekan (a member firm of Pricewaterhouse Coopers Global Network)
Notary	: Fathiah Helmi, SH
Legal Consultant	: BM & Partners Law Office
Rating Agency	: PT Pemeringkat Efek Indonesia (PEFINDO)

7. On October 7, 2016, the Company issued a Continuous Public Offering Bond III Mandiri Tunas Finance Phase I Year 2016 with fixed rate bonds with principal amount of Rp500,000,000,000 (five hundred billion Rupiah) with a maximum period of 5 years, divided into:

Series A : Total principal amount of Rp400,000,000,000 (four hundred billion Rupiah) with the period of 3 years and interest rate of 8.20% per year.

Series B : Total principal amount of Rp100,000,000,000 (one hundred billion Rupiah) with the period of 5 years and interest rate of 8.55% per year.

The bonds is guaranteed by the fiduciary transfer in the form of performing receivables amounting to, at least, 60% of the principal amount. The interest is paid every 3 (three) months in which the first payment of interest bonds was conducted by January 7, 2017, whereas the last payment will be conducted on October 7, 2021.

With regard to the Bonds issuance, the Company has obtained the results of bonds rating of idAA + (Double A plus) from PT Securities Rating Indonesia (PEFINDO) within the period of July 28, 2016 until July 1, 2017 and has been listed at PT Bursa Efek Indonesia on October 10, 2016.

100% of the bonds proceeds have been utilized by the Company to increase working capital for motor vehicles financing. The report of the proceeds utilization had been submitted to the Financial Services Authority and Indonesian Stock Exchange through a letter No. 007/MTF-CLC.CCS //2017 dated January 9, 2017 and a revised Report on the Realization by a letter No. 009 / MTF-CLC.CCS//2017 dated January 12, 2017.

Continuous Public Offering Bond III Mandiri Tunas Finance Phase I Year 2016 was assisted by the following capital market supporting institutions and professions:

Trustee	: PT Bank Mega Tbk
Public Accounting	: KAP Tanudiredja, Wibisana dan Rekan (a member firm of Pricewaterhouse Coopers Global Network)
Notary	: Fathiah Helmi, SH
Legal Consultant	: BM & Partners Law Ofce
Rating Agency	: PT Pemeringkat Efek Indonesia (PEFINDO)

NAME AND ADDRESS OF CAPITAL MARKET SUPPORTING INSTITUTIONS

Rating Agencies

PEFINDO

PT Pemeringkat Efek Indonesia (PEFINDO)
Panin Tower Senayan City Lt.17
Jl. Asia Afrika Lot.19- Jakarta 10270

Phone : +62217278 2380

Fax : +62217278 2370

Website : <http://www.pefindo.com>

Fitch Ratings

PT Fitch Ratings Indonesia
DBS Bank Tower, 24th Floor, Suite 2403
Jl. Prof. Dr. Satrio Kav 3-5, Jakarta 12940

Phone : +6221 2988 6800

Fax : +6221 2988 6822

Website : <http://www.fitchratings.co.id>

Supporting Institutions and Professions

Public Accounting Firm

Purwantoro, Sungkoro, & Surja
(a member firm of Ernst & Young)

Indonesia Stock Exchange
Building Tower 2, 7th Floor
Jl. Jend. Sudirman Kav.52-53
Jakarta 12190, Indonesia

Phone : +6221 5289 5000

Fax : +6221 5289 4100

Website : www.ey.com/id

Service : Audit of Financial Statements per Desember 31, 2017

Period of Duty : February until December 2017

Cost : Rp 506.000.000

Legal Consultant

BM & Partners Law Office
Wisma Aldiron Lt. Dasar Suite 15B
Jl. Gatot Subroto Kav.72-Jakarta 12780

Phone : +6221798 1292

Fax : +6221790 2539

Service : Conducting legal inspection on the Company on the issuance of Continuous Public Offering Bonds III Year 2016 and Continuous Public Offering III Phase I Year 2016.

Notary

Fathiah Helmi, SH
Graha Irama Lantai 6 C
Jl. HR. Rasuna Said, Blok X-1 Kav 1-2
Kuningan-Jakarta 12950

Phone : +6221 5290 7304-5290 7305-6

Fax : +6221 5261 136

Service : Preparing deeds on the issuance of Continuous Public Offering Bonds II Phase II Year 2016 and dan Continuous Public Offering Bonds III Phase I Year 2016.

Period of Duty : April until December 2017

Trustee

PT Bank Mega Tbk
Menara Banl Mega Lantai 16
Jl. Kapten Tendean Kav 12-14A- Jakarta 12790

Phone : +6221 7917 5000

Fax : +6221 7918 7100

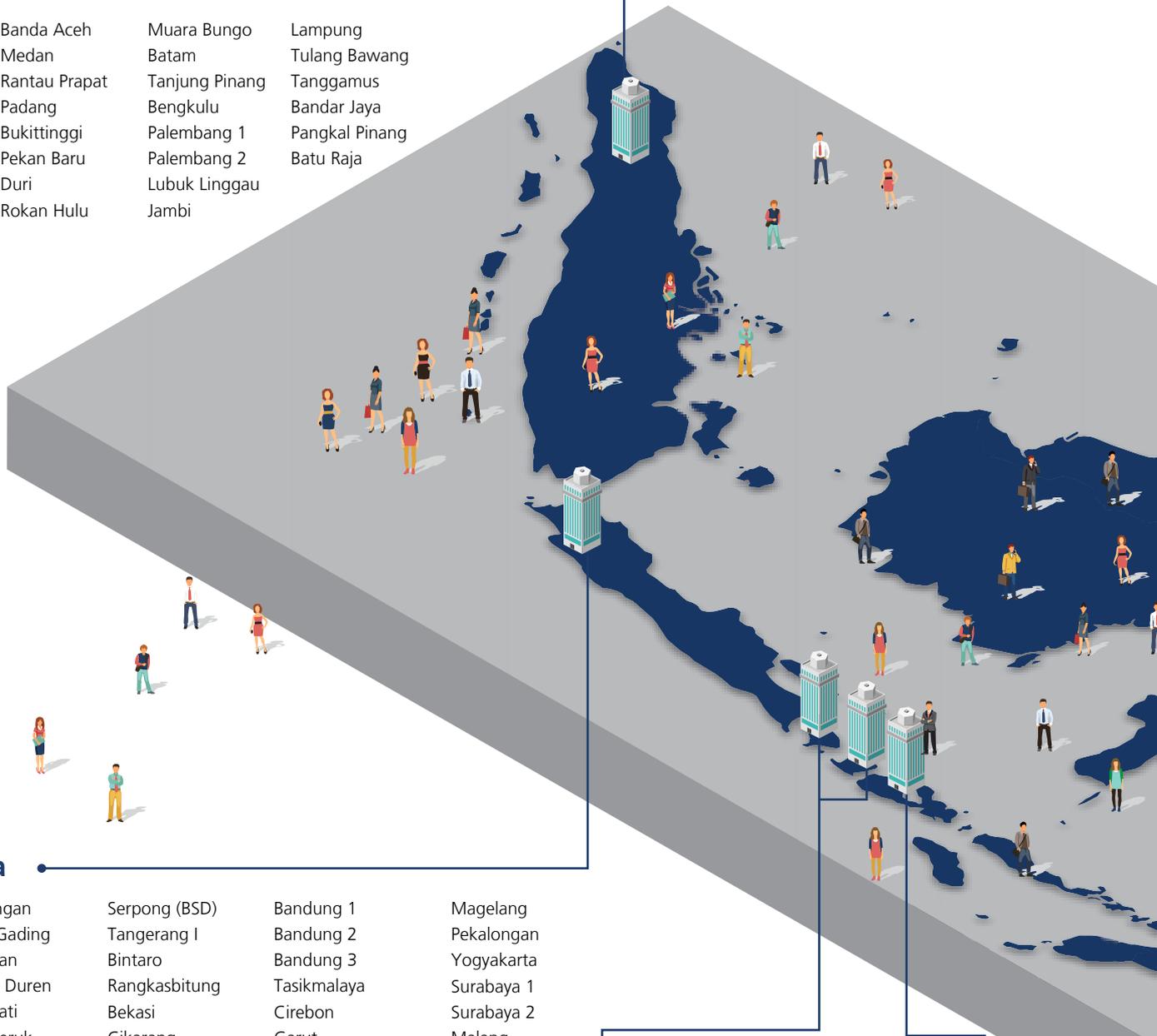
Service : Facilitating bonds holders to issue Continuous Bonds I Phase I Year 2013 and Phase II Year 2014 of Continuous Public Offering Bonds II Phase I Year 2015 and issue Continuous Public Offering Bonds II Phase II Year 2016 and Continuous Public Offering III Phase I Year 2016.

Period of Duty : June 2013 until June 2018

NETWORK MAP AND BRANCH OFFICES ADDRESS

Sumatera

Banda Aceh	Muara Bungo	Lampung
Medan	Batam	Tulang Bawang
Rantau Prapat	Tanjung Pinang	Tanggamus
Padang	Bengkulu	Bandar Jaya
Bukittinggi	Palembang 1	Pangkal Pinang
Pekan Baru	Palembang 2	Batu Raja
Duri	Lubuk Linggau	
Rokan Hulu	Jambi	



Jawa

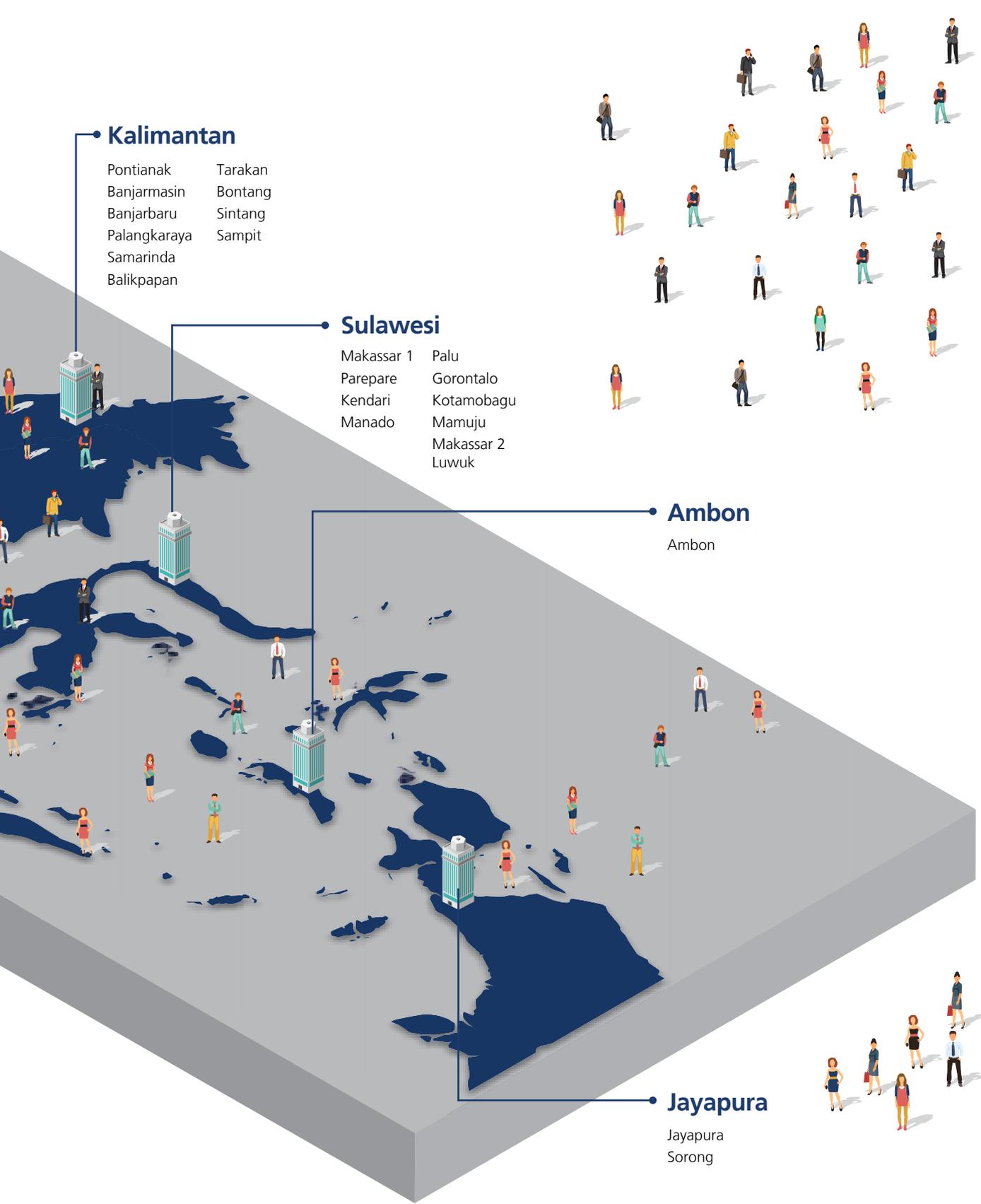
Pecenongan	Serpong (BSD)	Bandung 1	Magelang
Kelapa Gading	Tangerang I	Bandung 2	Pekalongan
Matraman	Bintaro	Bandung 3	Yogyakarta
Tanjung Duren	Rangkasbitung	Tasikmalaya	Surabaya 1
Fatmawati	Bekasi	Cirebon	Surabaya 2
Kebon Jeruk	Cikarang	Garut	Malang
Duren Tiga	Karawang	Subang	Kediri
Lebak Bulus	Depok	Tegal	Jember
Kemayoran	Bogor	Purwokerto	Madiun
Pondok Gede	Cibubur	Semarang	Tuban
Cilegon	Cibinong	Solo	Mojokerto
Serang	Sukabumi	Kudus	Gresik

Bali & Nusa Tenggara Barat

Denpasar Ketapang
Gianyar
Mataram

Nusa Tenggara Timur

Kupang



Kalimantan

- Pontianak
- Banjarmasin
- Banjarbaru
- Palangkaraya
- Samarinda
- Balikpapan
- Tarakan
- Bontang
- Sintang
- Sampit

Sulawesi

- Makassar 1
- Parepare
- Kendari
- Manado
- Palu
- Gorontalo
- Kotamobagu
- Mamuju
- Makassar 2
- Luwuk

Ambon

- Ambon

Jayapura

- Jayapura
- Sorong

BRANCH OFFICES ADDRESS

Province	Name of Branch	Current Address	Phone	Fax
Aceh	Banda Aceh	Jl. Prof. Dr. Muhammad Hasan, Desa Blang Cut, Kecamatan Lueng Bata, Banda Aceh, Aceh.	(0651) 635689 -635685	(0651) 635668
North Sumatra	Medan	Jl. Ringroad No 104 ABC Kel Tanjung Sari Kec Medan Selayang Kota Medan Kodepos 20132 (samping Hotel Sahara Viesta)	061-8220915/ 061-8220981	-
	Rantau Prapat	Jl. Sisingamangaraja, Ruko Kompleks Mall Suzuya, Rantau Prapat, Sumatera Utara	0624-7671497	-
West Sumatra	Padang	JL S Parman No 236 A, Kel. Ulak Karang Barat, Kec. Padang Utara, Padang, Propinsi Sumatera Barat	(0751) 4488970	(0751) 4488972
	Bukittinggi	Ruko A1 , Jalan Raya Bukittinggi - Padang KM 5, Cingkariang, Padang Luar, Bukittinggi, Sumatera Barat 26181	0752-7839214 & 0752-7839132	-
Riau	Pekanbaru	Jl. Arifin Ahmad, Komplek Platinum Bisnis Center No 25-26, RT 003/RW 011, Kelurahan Sidomulyo Timur, Kecamatan Marpoyan Damai, Pekanbaru, Provinsi Riau 28294	(0761) 63442	-
	Duri	Jl. Hang Tuah No. 386, DURI , Kelurahan Balai Makam, Kecamatan Mandau, Kabupaten Bengkalis, Riau	(0765) 595155 / 082883038595/ 082883038596 / 082883038597	(0765) 92078
	Ujung Batu/ Rokan Hulu	Jl. Raya Jenderal Sudirman Ujung Batu, Kelurahan Ujung Batu, Kecamatan Ujung Batu, Kabupaten Rokan Hulu, Propinsi Riau.	(0762) 7363485/ (0762) 7363484	(0762) 7363486
Jambi	Jambi	Jl. Gajah Mada No.85, RT 022/RW 006, Kelurahan Jelutung, Kecamatan Jelutung, Kota Jambi	(0741) 7550022 / 23 / 24	(0741) 7550025
	Muaro Bungo	Jl.Lintas Sudirman Rt.14 Rw.05 Kel. Batang Bungo Kec. Pasar Muara Bungo, Kab. Bungo, Muaro Bungo, Jambi.	(0747) 323782 – 23	(0747) 323779
Kepulauan Riau	Batam	Ruko Kara Junction Blok A No. 13 A, Batam (Simpang Kara)	(0778) 464352 / 464354	(0778) 464356
	Tanjung Pinang	Ruko Grand Bintang Centre, Jl. DI Panjaitan KM 9, Kelurahan Air Raja, Kecamatan Tanjungpinang Timur, Kota Tanjungpinang, Propinsi Kepulauan Riau.	(0771) 7335756	(0771) 7335776
Bengkulu	Bengkulu	Jl. Pangeran Natadirja KM. 6,5 No. 29 RT. 02 RW. 01 Kelurahan Jalan Gedang, Kecamatan Gading Cempaka, Bengkulu	(0736) 347710	(0736) 347575
South Sumatra	Palembang 1	Jl. R Sukamto Kompleks Ruko PTC Mall, Blok G No 8 B-C Kelurahan 8 Ilir, Kecamatan Ilir Timur II, Palembang – 30114	(0711) 378476 / 363999 / 377234	(0711) 370777
	Palembang 2	Jl. Kol. H. Burlian KM 6 No.1032 RT.20 RW.03, Kel. Sukabangun Kec. Sukarami, Palembang. POS 30151	08111772994/ 08111772976	
	Baturaja	Jl. Dr. Mohammad Hatta No. 589 E, Kelurahan Sukaraya, Kecamatan Baturaja Timur, Kabupaten Ogan Komering Ulu 32112. Sumatera Selatan	(0735) 322024 / 322026	(0735) 323717
	Lubuklinggau	Jl. Yos Sudarso RT 006 Kel. Majapahit Kec. Lubuk Linggau Timur I Lubuk Linggau, Sumatera Selatan	(0733) 732 9631	(0733) 732 9633

Province	Name of Branch	Current Address	Phone	Fax
Lampung	Bandar Lampung	Jl. Pangeran Antasari No.91C, Kel. Kedamaian, Tanjung Karang, Bandar Lampung, Lampung	(0721) 772486 / 773557 / 773614	(0721) 773556 / 772487
	Metro	Jl. AH. Nasution No.123B Rt.25 Rw.07, Yosorejo Metro Timur, Kota Metro Lampung, Lampung	(0725) 7851001 / 7850488	(0725) 7851603
	Tulang Bawang	Jl. Lintas Timur Kampung Dwi Warga Tunggal Jaya, Kec. Banjar Agung, Tulang Bawang, Lampung	(0726) 750570	(0726) 750647
	Tanggamus	Jl. Jend. A. Yani No.46A Pringsewu (depan BCA) Kab. Pringsewu - Lampung	(0729) 23826 082880006969 / 082880066969	(0729) 22431
	Bandarjaya	Jl. Proklamator RT 015 RW 006 Lingkungan III, Kelurahan Yukum Jaya, Kecamatan Terbanggi Besar, Kabupaten Lampung Tengah, Lampung	(0725) 529691	(0725) 529690
Kep. Bangka Belitung	Pangkal Pinang	JL. Soekarno Hatta No.8A, Pangkal Pinang 33146	(62-717)436445- 424630-4256615	-
DKI Jakarta	Pecenongan	Jl. Sukardjo Wirjo Pranoto No.2/6, Kel. Kebon Kelapa, Kec. Gambir, Jakarta Pusat, DKI Jakarta	021) 3847288	(021) 3808939
	Kemayoran	Rukan Mangga Dua Square Blok C 35, Jl. Gunung Sahari Raya No. 1 , Jakarta Utara – 14420	(021) 22620253	(021) 3808939
	Kelapa Gading	Jl. Boulevard Barat Blok C No.63 A, Plaza Kelapa Gading Inkopal, Kel. Kelapa Gading Barat, Kec. Kelapa Gading, Jakarta	(021) 45851153, 45859263, 45865547, 45865546	(021) 45851157
	Matraman	Jl. Jatinegara Timur No. 37 RT 008 RW 04, Kelurahan Balimester, Kecamatan Jatinegara, Jakarta Timur, DKI Jakarta	(021) 85917920 / 21 / 22 / 23	(021) 8519721
	Tanjung Duren	JL. Prof Dr Latumenten, Komplek Ruko Seasons City Blok A No. 28, Kel. Jembatan Besi, Kec. Tambora, Wilayah Jakarta Barat, Propinsi DKI Jakarta	(021) 29618062 / 63 / 64	(021) 29618065
	Fatmawati	Rukan Plaza 5, Pondok Indah Blok D No. 5, Jl.Marga Guna Raya, Kel. Gandaria Utara, Kec. Kebayoran Baru, Jakarta Selatan	(021) 27933248	
	Kebon Jeruk	Ruko Rich Palace Blok B III, JL. Meruya Ilir no. 36-40 kelurahan srengseng kecamatan kembangan jak-bar	021) 58910034 / 58910035	(021) 58910034 / 58910035
	Mampang Prapatan	Jl.Duren Tiga , Nomor 29 A-B, RT 005 / RW 001, Kelurahan Duren Tiga ,Kecamatan Pancoran, Jakarta Selatan, DKI Jakarta	(021) 79195795 / 79195796	(021) 79190567
	Mangga Dua	Gedung WTC Mangga Dua Lantai 4 Blok AL 001 s/d AL003, Jl. Mangga Dua Raya Nomor 8, Jakarta Utara, DKI Jakarta	021) 29986250 – 52	(021) 29986253
	Lebak Bulus	Ruko Bona Indah Bisnis Center Blok B / I No. 80, Jl Karang Tengah, Kel. Lebak Bulus, Kec Cilandak, Kota Jakarta Selatan, DKI Jakarta	(021) 27654001	(021) 27828127
	Duren Tiga 2	Jl.Duren Tiga , Nomor 29 A-B, RT 005 / RW 001, Kelurahan Duren Tiga ,Kecamatan Pancoran, Jakarta Selatan, DKI Jakarta	(021) 79195795/ 79195796	
	BSD	Ruko BSD Junctions Blok A39, JL. Pahlawan Seribu Kel. Lengkong Wetan Kec. Serpong Utara BSD CITY Tangerang Selatan	(021) 5382090	
West Java	Pondok Gede	Ruko Taman Jatimakmur, Jl. Raya Jatimakmur Blok A No. 16 G – 16 H, Pondok Gede, Bekasi (patokan dekat swalayan Tip Top)	021) 85508709/ 85508576	(021) 84978733

Province	Name of Branch	Current Address	Phone	Fax
Banten	Cilegon	Jl. Raya Komplek PCI Ruko Cilegon Business Square Blok A No. 6 – 7 RT.05 RW.06, Kel. Kedaleman, Kec Cibeber, Cilegon Banten	(0254) 374909/ 374910	(0254) 397413
	Serang	Ruko Ranca Utama Jl Raya Serang – Cilegon KM4 RT 03/04 Kp. Ranca Tales Kel. Drangong kec.Taktakan Serang	(0254) 8496151/ 52	(0254) 210945
	Serpong (BSD)	Ruko BSD Junctions Blok A39 Jl. Pahlawan Seribu Kel. Lengkong Wetan Kec. Serpong Utara BSD CITY Tangerang Selatan	(021) 5382090	(021) 5382091
	Tangerang I	Rukan Tangcity Business Park Blok D60 Jl. Jendral Sudirman No.1 Cikokol Tangerang Indonesia 15117	(021) 29676323	(021) 29676324
	Bintaro	Ruko Emerald Evenue 2 EB/ B-09, Jl. Bintaro Utama Sektor 9 Kel. Perigi Lama, Kec. Pondok Aren	(021) 29418978	
	Bintaro Jaya - Tangerang Selatan	(021) 22215659	0252) 209765 / 082818931934	(0252) 209675
West Java	Bekasi	Ruko Emerald No UA 39, Jl Bulevar Selatan, Summarecon Bekasi, Kelurahan Marga Mulya, Kecamatan Bekasi Utara, Bekasi. Jawa Barat	(021) 89454997	
	Karawang	Ruko Dharmawangsa 2 Blok A No.33, Grand Taruma, Kelurahan Sukamakmur, Kec.Teluk Jambe Timur, Karawang Barat	(0267) 8633849	(0267) 8457295
	Depok	Rukan Depok Mall Jl. Raya Margonda Blok B-1 No. 50, Kemirimuka, Beji, Depok, Jawa Barat	(021) 7756733/ 7758948/ 7759144	(021) 7756762
	Bogor	Jl. Siliwangi No. 60 B dan B-1, Bogor, Jawa Barat	(0251) 8371118 / 8370195	(0251) 8332874
	Cibubur	Ruko Cibubur Time Square, Jl. Transyogi Alternatif Cibubur, Blok B4 No. 21, Kel. Jati Karya, Kec. Jati Sampurna, Kota Bekasi, Jawa Barat	(021) 84300687	(021) 84300667
	Cikarang	Cikarang central city blok E no 15, Jl. Raya Cikarang - Cibarusah, Ciantra, Cikarang Selatan, Bekasi, Jawa Barat 17530	(021) 89903056	
West Java	Cibinong	Ruko Cibinong City Center Blok D 3B, Jl. Tegar Beriman Kelurahan Pakansari, Kecamatan Cibinong, Kabupaten Bogor, Propinsi Jawa Barat, 16916.	(021) 29577430	(021) 29577431
	Bekasi 2	Ruko ROXY Blok B No.16 Lippo Cikarang, Jalan MH Thamrin Blok B No. 16, Kelurahan Cibatu, Kecamatan Cikarang Selatan, Kabupaten Bekasi, Propinsi Jawa Barat.	(021) 89903056	(021) 89903180
	Sukabumi	Jl.Jendral Sudirman No.57F, Rt.001 Rw.005, Kel.Sriwidari, Kec. Gunung Puyuh, Sukabumi – 43121	0266) 6223723/ 6223038	(0266) 6249245
	Bandung 1	Kopo Plaza Kav. C10 – 11, Jl. Peta Lingkar Selatan, Bandung, Jawa Barat	(022) 6040119 / 6040120	(022) 6074550
	Bandung 2	Jl. Karapitan Nomor 106 B, Kel. Cikawao, Kec. Lengkong, Bandung, Jawa Barat	(022) 4219029 / 4219039	(022) 4209829
	Bandung 3	Jl. Batu Nunggal Indah Raya No. 249, Bandung, Jawa Barat	(022) 87306880 /87306851/344917	-
	Tasikmalaya	Ruko Plaza Asia Blok B 07-08, Jl. HZ Mustofa, Tasikmalaya 46126	(0265) 344905 / 344906	(0265) 344844
	Cirebon	Ruko Kesambi Regency No. 4, Jl. Raya Kesambi, Kel. Kesambi, Kec. Kesambi, Cirebon, Jawa Barat	(0231) 210285	(0231) 210280
	Garut	Jl. Pramuka Kompl Ruko Intan Bisniss Center (IBC), Blok I No. 27, Kel. Pakuwon, Kec. Garut Kota, Kab Garut, Jawa Barat	(0262) 544605	(0262) 4890607
	Subang	Jl. Otista No. 254, Kelurahan Karanganyar, Kecamatan Subang, Kabupaten Subang, Provinsi Jawa Barat	(0260) 415869	(0260) 415879

Province	Name of Branch	Current Address	Phone	Fax
Central Java	Tegal	Ruko Komp. Nirmala Square Blok D/2, Jl. Yos Sudarso, Tegal, Jawa Tengah	(0283) 324066	(0283) 340113
	Purwokerto	Ruko Eks IAIN Jl. M.T. Haryono Nomor 3A-4A, Pasar Wage, Purwokerto, Jawa Tengah	(0281) 642645	(0281) 642646
	Semarang	Jl. Indraprasta No. 30 A – B, Kel. Pendrikan Kidul, Kc. Semarang Tengah, Kota Semarang	(024) 3589007 / 3589008	(024) 3587168
	Solo	Ruko Adi Sucipto Jl. Adi Sucipto 67 C RT 003/RW 011 Kelurahan Kerten, Kecamatan Laweyan, Kota Surakarta, Solo, Jawa Tengah 57143	(0271) 738989 / 723557	(0271) 735038
	Kudus	Jl. AKBP R Agil Kusumadya NO 32 RT 002 RW 001 Kelurahan Jati Kulon Kecamatan Jati, Kudus-59347	0291-4252070/ 4252037	(0291) 4250271
	Magelang	Ruko Metro Square Blok C No. 12A – 14, Jl. Mayjen Bambang Sugeng , Kel. Sumberrejo, Kec. Mertoyudan kabupaten Magelang – Jawa Tengah 56172	(0293) 312406 / 3218686	(0293) 310536
	Pekalongan	Jl. Dr. Sutomo Blok B2 No. 10, Komplek Ruko Dupan Square, Kelurahan Baros, Kecamatan Pekalongan Timur, Kota Pekalongan, Provinsi Jawa Tengah	(0285) 4420100	-
DI Yogyakarta	Yogyakarta	Ruko Sumber Baru Square Kav.W Jl.Ringroad Utara Jombor Sendangadi Mlati Sleman Yogyakarta (Depan Kampus UTY Jombor)	(0274) 860 9901 / 8609902	(0274) 446 9718
East Java	Surabaya 1	Jl. Mayjen Sungkono 149 - 151 Ruko Rich Palace Blok I 5 Surabaya Kelurahan Dukuh Pakis Kecamatan Dukuh Pakis	(031) 99533640	(031) 8420495
	Surabaya 2	Jl. Raya Tenggilis No. 23 Ruko Tenggilis Square Kav 5 & 6 RT 005 RW 002 Kelurahan Kendangsari, Kecamatan Tenggilis Mejoyo, Surabaya.	(031) 8420450	(031) 8420495
	Malang	Jl. Tumenggung Suryo No. 98, Kav. 1, Kel. Purwantoro, Kec. Blimbing, Malang, Jawa Timur	(0341) 497927/ 497934	(0341) 486429
	Kediri	Jl. Kawi No. 21, Kel. Mojoroto, Kec. Mojoroto, Kediri, Jawa Timur KODE POS 64112	(0354) 775192	(0354) 780911
	Jember	Ruko Gajah Mada Square A9, Jl. Gajah Mada No.187, Kel. Kaliwates, Kec. Kaliwates, Jember, Jawa Timur	(0331) 425959 / 426969	(0331) 483939
	Madiun	Jl. Mayjend Sungkono No 31 , Madiun 63128	(0351) 473176, 476198,476298/ 08283010067	(0351) 473123
	Tuban	Jl. Diponegoro No.34 C, Kel. Latsari, Kec. Tuban, Tuban, Jawa Timur	(0356) 326381	(0356) 325289
	Mojokerto	Jl. Mojopahit 456, Kelurahan Kranggan, Kecamatan Prajurit Kulon, Kota Mojokerto, Propinsi Jawa Timur.	(0321) 329688	(0321) 329611
	Gresik	Ruko Kartini Megah Kav. A10, Jl. RA Kartini No. 150-152 RT 003/RW 007, Kelurahan Sidomoro, Kecamatan Kebomas, Kabupaten Gresik, Propinsi Jawa Timur.	(031) 3985189	(031) 3985188
	Banyuwangi	Ruko Golden City, Jl. S Parman No. 111, Kel. Pakis, Kec. Banyuwangi, Kab. Banyuwangi, Provinsi Jawa Timur	(0333)-3382601	
Bali	Denpasar	Jl. Buluh Indah no.53D Kel. Pemecutan Kaja Kec. Denpasar Utara Bali 80118	0361) 8469896 / 8469897	(0361) 8469897
	Gianyar	Jl. Erlangga No.15 C, Kel. Gianyar, Kec. Gianyar, Gianyar, Bali	(0361) 944478 / 944480 / 944488	(0361) 941055
Nusa Tenggara	Mataram	Jl. Selaparang No. 47 A-B, Kec. Cakranegara Timur, Mataram, Nusa	(0370) 638277	-

Province	Name of Branch	Current Address	Phone	Fax
West Kalimantan	Pontianak	Jl. Ahmad Yani Komplek Sentra Bisnis Ayani Megamall Blok B No 23 Kecamatan Pontianak Selatan Kota Pontianak 78121 Kalimantan Barat	(0561) 78171360/ 66555718	(0561) 6655718
	Banjarmasin	Jl. Veteran Km. 4,5, Rt. 14 Rw. 02 No. 86, Pengembangan, Banjar timur, Banjarmasin 70237	(0511) 3277145/ 3277147	(0511) 4315663
	Banjarbaru	Jl. Jend. A.Yani KM.35 Ruko Fortuna No.48 RT 005/ RW 001, Kel. Gunung Paikat, Kec. Banjarbaru Selatan, Banjarbaru, Kalimantan Selatan	(0511) 4772067	(0511) 4772063
Central Kalimantan	Palangkaraya	Jl. G Obos Induk, Kel. Menteng Kec. Jekan Raya Palangkaraya (Kalimantan Tengah)	(0536) 3224277	(0536) 3224677
East Kalimantan	Samarinda	Jl. Dr. Sutomo No.4b, Rt. 40, Kel. Sidodadi, Kec. Samarinda Ulu, Samarinda 75124	(0541) 7273930/ 7772430	-
	Balikpapan	Jl. MT. Haryono No.12 Rt.33 Kel. Sungai Nangka Kec. Balikpapan Selatan, Balikpapan-Kalimantan Timur	0542-7206520	-
	Tarakan	Jl Yos Sudarso Rt 14 No 5 Kel Selumit Pantai Kec Tarakan Tengah	(0551) 2029620 / 2029621 / 2029625	0551-2029625
	Bontang	Jl. Bhayangkara Ruko Btc, Depan Polres Bontang, Kelurahan Gunung Elai, Kecamatan Bontang Utara, Bontang, Kaltim	(0548) 24488 / 24499	(0548) 24441
South Sulawesi	Makassar	Jl. Veteran Selatan No. 311, Kel. Mamajang Dalam, Kec. Mamajang, Makassar, Sulawesi Selatan	(0411) 832789 / 832567	(0411) 832678
	Makassar 2	Jl. Ap Pettarani Kav 18, Ruko Pettarani Business Centre No E3, Kel. Tidung, Kec. Rappocini, Kota Makassar	(0411) 467566/ 4677972	
	Mamuju	Jl Jendral sudirman (depan Mess Bank Indonesia), Kel Simboro Kec Simboro Kabupaten Mamuju	(0426) 2324777/ 2324789	
	Parepare	Jl. Sultan Hasanuddin No. 16 A, Kelurahan Ujung Sabang, Kecamatan Ujung, Pare-Pare, Sulawesi Selatan	(0421) 28622 / 28623 / 28652	(0421) 28607
Southeast Sulawesi	Kendari	Kompleks Senapati Land Blok A No. 14, Jl. Brigjend M. Yunus By Pass Kendari, Kel. Bende, Kec. Kadia, Kendari, Sulawesi Tenggara	(0401) 3135093 / 3135094	(0401) 3135085
North Sulawesi	Manado	Jl. Pierre Tendean Komp. Ruko Marina Plaza, Block C NO 03, Manado 95000	(0431) 8819809	-
Central Sulawesi	Palu	Perkantoran Vatulemo, Jl. Muh. Yamin Blok D1, Kec. Palu Timur, Kota Palu, Sulawesi Tengah 94112	(0451) 454129/454139	(0451) 454806
	Luwuk	Jl. Urip Sumoharjo no. 18B, Kel. Keraton, Kec. Luwuk, Kab. Banggai, Sulawesi Tengah 94711	(461) 22157/23128	-
Gorontalo	Gorontalo	Jl. Nani Wartabone No 131 , Kelurahan Heledulaa Selatan, Kecamatan Kota Timur, Propinsi Gorontalo	0435) 822315	0435) 822315
Central Kalimantan	Sampit	Jl Pangeran Antasari Ruko No 7, Kel Mentawa Baru, Ketapang, Kec Ketapang Sampit, Kalimantan Tengah	(0531) 23216/ 23206	-
West Kalimantan	Sintang	Jl Lintas Melawi Komplek Ruko Golden Square Blok A 9 RT 3 RW 01 Kel Ladang Kec Sintang	(0565) 2022080/ 2022072	-
	Ketapang	Ruko Grand Rivera No. A2 Jl. Gatot Subroto RT. 002 RW. 001 Desa Paya Kumang Kec. Delta Pawan Kab. Ketapang Kalimantan Barat 78813	(0354) 3032761	
North Sulawesi	Kotomobagu	Jl. Cempaka RT:006 RW:003 Lingkungan II, (Samping Lapangan Mogolaing Sebelah SDN 1 Mogolaing) Kel. Mogolaing Kec. Kotamobagu Barat, Sulawesi Utara-95716	(0434) 2621540	-
West Sulawesi	Mamuju	Jl. Jendral Sudirman (Depan Hotel Tupalayu) Mamuju, Sulawesi Barat		

Province	Name of Branch	Current Address	Phone	Fax
NTT	Kupang	Jl. Timor Raya RT011/RW004 Kel. Oesapa Barat, Kelapa Lima, Kupang	081237571752	-
South Maluku	Ambon	Kompleks Pertokoan Mutiara Super Block Jln Mutiara – Mardika, Kel Rijali, Kec Sirimau Ambon Maluku 97123	(0911) 3829445	
Papua	Jayapura	Jl. Raya Abepura Kotaraja, Kel. Vim, Kec. Jayapura Selatan, Kota Jayapura, Provinsi Papua	(0967) 5187813	
	Sorong	Jl. Basuki Rachmat km. 12, Depan Batalyon 752, Ruko Central (samping Bank Papua), Kelurahan Klawuyuk, Distrik Sorong Timur, Kota Sorong Kode Pos 98418		

Satellite Offices Address

No.	Main Branch	Satellite Office	Address
1	Padang	Pasaman Barat	Nagari Lingkungan Aua, Kec. Pasaman, Kab. Pasaman Barat, Propinsi Sumatera Barat.
2	Bukittinggi	Solok	Jalan Kyai Haji Ahmad Dahlan (Pandan Dekat), Kel. Pasar Pandan Air Mtai, Kec. Tanjung Harapan, Kotamadya Solok, Propinsi Sumatera Barat.
3	Pangkal Pinang	Belitung	Jalan Merdeka, Dewa Kelurahan Kota, Kec. Tanjung Pandan, Kab. Belitung, Propinsi Kepulauan Bangka Belitung.
4	Baturaja	Lahat	Jalan Mayor Ruslan II, Komplek Pertokoan Citra Niaga Lahat, Kel. Pasar Baru, Kec. Lahat, Kab. Lahat, Sumatera Selatan.
5	Palembang 2	Tugu Mulyo	Jalan Lintas Timur, Kampung III, RT 001, Kel. Tugu Mulyo, Kec. Lempuing, Kab Ogan Komering Ilir, Propinsi Sumatera Selatan.
6	Bandung 2	Sumedang	Jalan Prabu Geusan Ulun No. 137, Sumedang, Jawa Barat
7	Cirebon	Indramayu	Desa Karanganyar, Kec. Kandanghaur, Keb. Indramayu, Jawa Barat.
8	Purwokerto	Cilacap	Jalan A. Yani No.100 RT. 03 RW.14, Kel. Sidakaya, Kec. Cilacap Selatan, Kab. Cilacap.
9	Semarang	Salatiga	Kel. Salatiga, Kec. Sidorejo, Kota Salatiga, Propinsi Jawa Tengah.
10	Mataram	Sumbawa	Jalan Diponegoro No 10 Kel. Bugis, Kec. Sumbawa, Kab. Sumbawa, Propinsi Nusa Tenggara Barat.
11	Gianyar	Singaraja	Jalan A. Yani Nomor 60, Kel. Kaliuntu, Kec. Buleleng, Kab. Buleleng, Provinsi Bali.
12	Kediri	Blitar	Ruko Merdeka Trade Center, Jalan A. Yani No.7, Kel. Kepenjelor, Kec. Kepanjen Kidul, Kota Blitar, Propinsi Jawa Timur.
13	Gresik	Lamongan	Jalan Lamongrejo No. 120, Kel. Sidokumpul, Kec. Lamongan, Kab. Lamongan, Jawa Timur.
14	Malang	Pasuruan	Jalan Panglima Sudirman No.11, Pasuruan.
15	Makassar	Bone	Jalan Bajoe Desa Watampone, Kec. Tanete Riattang, Kab. DT II Bone, Sulawesi Selatan.
16	Kendari	Kolaka	Jalan Chairil Anwar, Kel. Lomokato, Kec. Kolaka, Kab. Kolaka
17	Gorontalo	Marisa	Desa Buntulia Selatan, Kec. Duhiadaa, Kab. Pohuwato, Propinsi Gorontalo
18	Makassar	Bulukumba	Jalan Doktor Sam Ratulangi, Kel. Caille, Kec. Ujung Bulu, Kab. Bulukumba, Propinsi Sulawesi Selatan.
19	Parepare	Palopo	Kelurahan Surutanga, Kec. Wara Timur, Kota Palopo
20	Bandar Lampung	Bandar Lampung	Kelurahan Kedaton, Kecamatan Kalianda, Kabupaten Lampung Selatan, Propinsi Lampung



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MTF REFERS TO THE MANDIRI HUMAN CAPITAL MANAGEMENT POLICY IN MANAGING HUMAN RESOURCES CONDUCTED IN THE HR DIVISION. THE BASIS OF THE POLICY IS THE COMPANY'S INSTRUMENT IN DETERMINING THE STRATEGY OF DEVELOPING HUMAN RESOURCES BOTH FOR LONG TERM AND SHORT TERM.



04

Overview of Business Support

HUMAN RESOURCES



For the Company, HR is a valuable asset that always have special attention, both in competence development and welfare. HR management has the responsibility to form reliable and competent employees to be able to carry out their duties properly.

Mandiri Tunas Finance (MTF) is fully aware that the presence of Human Resources (HR) is one of the most important things in running the business. HR is a strategic partner in succeeding every line of business to realize the Company's vision and mission as well as the business target designed by shareholders and stakeholders.

For the Company, HR is a valuable asset that always have special attention, both in competence development and welfare. HR management has the responsibility to form reliable and competent employees to be able to carry out their duties properly. With this capability, the Company will grow better and able to face various challenges in this competitive era.

HR Management Policy

The Company is committed to creating HR quality consistently and continuously by enrolling employees in competence development activity, both internally and externally. Consolidation of infrastructure and HR quality is the Company's priority to win the business competition. In general, the basic needs in HR management include employee recruitment mechanism and process, employee composition and distribution, welfare and remuneration system, employee development, and fulfillment of employees' rights during and post-employment.

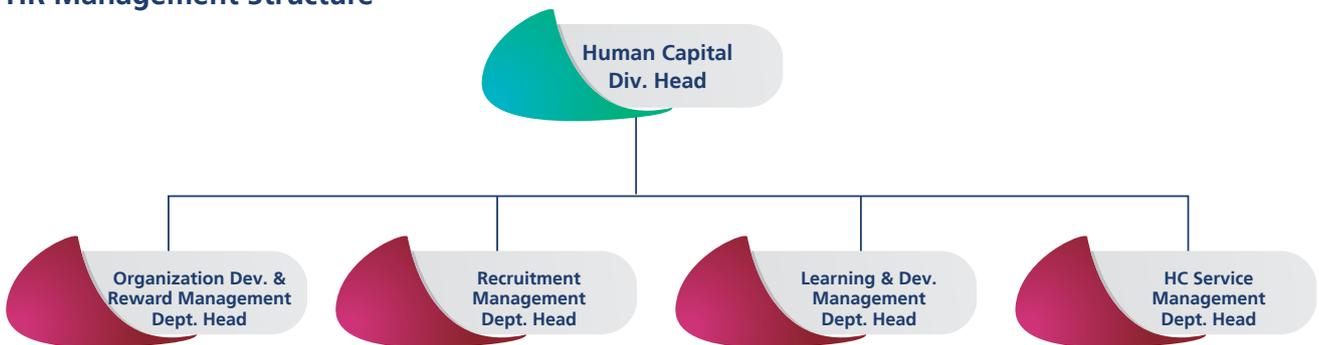
To create quality HR, the Company has implemented various HR management program. The duties and responsibilities of HR Management is a division in the Company that manages human resources in the Company, from manpower planning, people resourcing, training & development, performance management, compensation & benefit, as well as industrial relations.



Basis of HR Management Policy

MTF refers to Mandiri Human Capital Management in managing HR that is carried out by HR Division. The basis of policy is the Company's instrument in determining HR development strategy, both for long and short-term.

HR Management Structure



Brief Profile of Human Capital Division Head



Name : Vivid Zulprimiadanni
 Career History : Human Capital Division Head
 Education : Master’s Degree in Management, Prasetya Mulya Business School
 Term of office : February 1, 2017 – present
 Basis of Appointment : Power of Attorney of the Board of Directors No.009A/Skuasa-MTF/II/2017

Vision and Mission of HR Development

MTF has vision and mission in the management and development of HR. The vision and mission are used to make the HR development more aimed and structured. Vision of Human Capital Division is “Create productive environment for people to perform through internalization of company culture to ensure availability of ‘steady flow’ of manpower and leaders”.

The vision and mission have been reviewed and approved by Deputy Director of Human Capital and President Director.

HR Development

MTF is committed to continuously developing employees’ potential through various education and training in 2017. This was conducted to support the need for quality HR to increase the business development and growth that are more dynamic and challenging. The education and training are expected to extend employees’ knowledge and skill in increasing the productivity, risk management, corporate culture, and professionalism.

In 2017, MTF focused its HR development program to create new successors that will be able to occupy potential and strategic positions in the Company, therefore the Company prepared education program to cultivate employees’ potential to become future leaders, among others:

MTF VISION, MISSION & VALUES BUSSINESS STRATEGY				
POSTION	MODUL	BASIC	LEADERSHIP	FUNCTIONAL
Board of Director	EDP	Sertifikasi Keahlian Pembiayaan	Executive Development Program	Best Practice Local & International
Division Head / Regional Manager	GMDP	Sertifikasi Dasar Pembiayaan	General Manager Development Program	Business Strategic Financial Strategic Execution Strategic Transformation
Dept. Head / Branch Manager	MMDP		Middle Manager Development Program	FINON HR for non HR Project Management PDCA
Junior Manager	Jr - MDP		Junior - Manager Development Program	
Supervisor	MT	Sertifikasi Profesi	Management Trainee	Sertifikasi Credit Head Sertifikasi Sales Head Sertifikasi AR Head Sertifikasi Operation Head
	SDP		Supervisor Development Program	
Staff	Induction	New Employee Program		Functional Training Services Excellent
	Basic Training Program			

TRAINING MATRIX

ANNUAL TRAINING : FIT THE PURPOSE OF ORGANIZATION

1. Management Trainee (MT) Education Program

A human resources development program that is developed specifically for fresh graduates in order to produce future leaders who are able to support the achievement of the Company's vision. MT participants come from internal and external company which is a graduate student (bachelor's and master's degree) from leading universities. As of 2017, there were 5 batches of Management Trainee program.

2. Supervisor Development Program (SDP)

A career development program for staff and officer level internal employees to become Supervisor/Assistant Manager level. In 2017, SDP was implemented in 2 batches. SDP batch 1 was implemented in October 2017 with 26 (twenty six) participants, while SDP batch 2 was implemented in November 2017 with 26 (twenty six) participants.

3. Junior Manager Development Program (Jr-MDP)

A program designed to prepare future leaders of the company through a fast-track career development level manager. MDP participants come from internal employees of the company who has the achievement and the potential and come from all units within both Head Office and Branch Office. In 2017, the Company held Jr-MDP in 2 batches. Jr-MDP batch 6 was implemented in February 2017 with 11 participants, while Jr-MDP batch 7 was held in July 2017 with 11 participants in total.

4. Middle Manager Development Program (MMDP)

A program that is designed for development of middle manager to obtain provision that includes leadership, business sense, customer centric, sense of competitiveness, innovative & creative, risk management, and technology savvy.

5. General Manager Development Program (GMDP)

General Manager Development Program (GMDP) is a development program for Division Head to obtain comprehensive provision that includes function (business strategy, financial strategy, execution and transformation strategy, and visionary leadership).

In 2017, GMDP was implemented in 1 batch with 10 (ten) participants.

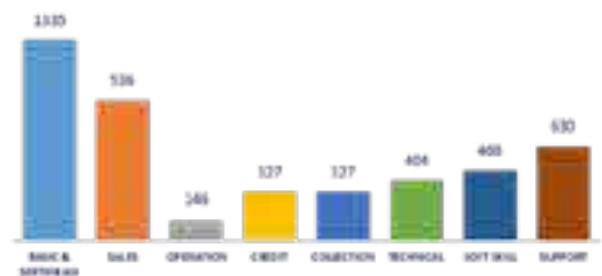
Total Training Participants Per Position Level



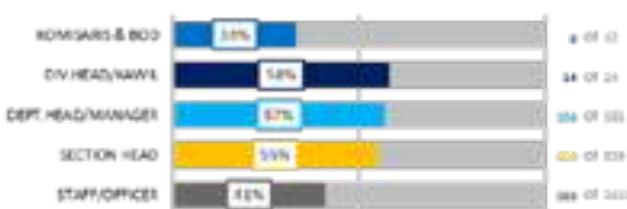
Percentage of Training Activity per Category



Number of Training Participants per Category



Percentage of Training Participants vs Position Population



Recruitment and Employee Composition

Employee Composition

Employee status as of December 2017, up to 3467 employees in overall branch offices in Indonesia. Total employee of the Company is pursuant to the needs in facing a more open competition, complex interaction as well as higher service demand for customers. The details of employee composition is classified into position, education and age are as follows:

Table of Employee Composition based on Organization Level

Position	2017	2016	2015	2014	2013	2012
Board of Commissioners and Board of Directors	6	6	6	5	6	6
Supervisor	839	778	749	628	528	446
Manager	211	193	180	156	159	151
Staff	2.411	2.600	2.790	2.540	2.100	1.768
Total	3.467	3.577	3.725	3.329	2.793	2.371

Table of Comparison Employee Composition based on Organization Level

Description	2017	2016	Changes	
			Total	Percentage
Board of Commissioners and Board of Directors	6	6	0	0%
Supervisor	211	193	18	9%
Manager	839	778	61	7%
Staff	2.411	2.600	189	8%
Total	3.467	3.577	110	3%

Table of Employee based on Education

Education	2017	2016	2015	2014	2013	2012
Bachelor Degree	2.265	2.276	2.3051	1.987	1.578	1.434
High School	534	580	615	606	530	418
Academy	668	721	804	735	684	518
Junior High School	0	0	1	1	1	1
Total	3.467	3.577	3.725	3.329	2.793	2.371

Table of Comparison Employee based on Education

Description	2017	2016	Changes	
			Total	Percentage
Bachelor Degree	2.265	2.276	11	0%
High School	668	721	53	8%
Academy	534	580	46	9%
Junior High School	0	0	0	0%
Total	3.467	3.577	110	3%

Table of Employee Composition based on Employment Status

Status	2017	2016	2015	2014	2013	2012
Permanent	3.007	2.977	2.771	2.125	1.808	1.578
Contrat	460	600	954	1.204	985	793
Total	3.467	3.577	3.725	3.329	2.793	2.371

Table of Comparison Employee Composition based on Employment Status

Description	2017	2016	Changes	
			Total	Percentage
Permanent	3.007	2.977	30	1%
Contract	460	600	140	30%
Total	3.467	3.577	110	3%

Table of Composition Based on Age

Age	2017	2016	2015	2014	2013	2012
>50 years old	23	27	22	22	14	6
40-49 years old	294	315	229	223	177	140
30-39 years old	1.741	1.896	1.777	1.740	1.328	1.083
20-29 years old	1.404	1.336	1.694	1.342	1.270	1.139
<20 years old	5	3	3	2	4	3
Total	3.467	3.577	3.725	3.329	2.793	2.371

Table of Comparison Composition Based on Age

Description	2017	2016	Changes	
			Total	Percentage
>50 tahun	23	27	4	17%
40-49 tahun	294	315	21	7%
30-39 tahun	1.741	1.896	155	9%
20-29 tahun	1.404	1.336	68	5%
>20 tahun	5	3	2	40%
Total	3.467	3.577	110	3%

Recruitment

Human Capital of Mandiri Tunas Finance is aware of the importance of Human Resource as the main steering wheel for a company. It is important for the Company to select best candidate in overall MTF Branches in Indonesia to become part of the Company. Implementation of standard competency in conducting recruitment process to obtain Human Resources that are potential and qualified to meet company's need as well as to face a more competitive business challenges.

The company's need subsequently turned into Manpower Planning (MPP). Stipulated MPP is aligned with the Company's business purpose and strategy, based on the Company annual Business Plan pursuant to decision from the Management.

Various strategy in 2017 to seek best and potential candidate was implemented. Source of employment fulfilment is originating from:

1. Company's internal source that conduct selection of company's existing employee to fill vacant position in a work unit pursuant to the need of organization and open for employee from other work unit in the Company.
2. Company's external source that seek candidate employee from the external of the company with various program and media of publication. Media used by the Company to seek candidate among others through Company's website, MTF web career, Job Portal, Reference from internal employees, participation in Job Fair or campus hiring and walk in interview.

In 2017, the Company has prepared branding program to obtain a comprehensive external candidate to reach all college students levels. The Branding Program consists of:

1. MTF Friendship or Friends Scholarship aimed to help first year college student to be provided with MTF Scholarship.
2. MTF Ambassador which aimed at second and third year college student to actively participate as ambassador on each events organized by the Company.
3. MTF Speed Up Career which aimed at last year college student to develop self competence by participating at MTF internship program.

For the program participants which shall received duties with the purpose to advertise the Company to other students in the college. For their contribution, the Company provide attractive money compensation for participants of MTF progra of Speed Up Career as well as training of leadership skill, and provide mentoring so that program participants can be well monitored.

The program was arranged for certain period and shall be realized in 2018.

The Company's Human Capital actively searching for source of program candidate for Management Trainee (MT) education through jobfair organized by third party or reputable university. In such opportunity, the Company also conduct branding and career coaching to the University graduates so that they have better knowledge regarding MTF. Human Capital aso uses Campus Hiring media to directly obtained candidate from related university graduate.

The Company realized that the current fresh graduate are millenial generation. This generation is closely related to do anything related to publishing themselves through various media such as job portal, campus websites, social media, instagram, line official, youtube, as well as linkedin. With various media, in 2017 the Company was able to increase total applicants up to 15% documented through job portal of karir.mtf.co.id.

Mechanism of selecting employee candidate of the Company is carried out through professional institutions or the company by selection phases namely, administration test, interview, psychotest/assessment, as well as health examination which then approved by related officials pursuant to applicable provisions or requirements. In the recruitment process, the Company prioritized principles of transparency, fairness, and equality based on the need and competency owned by employee candidate.

The Company conduct accurate and quick process of selection in accordance with stipulated service level agreement (SLA). Accurate here meaning that the Company seek a qualified HR based on the competency expected by the company.

In 2017, the Company has recruited new employee of 386 people in all position level. In addition the Company has also recruited 41 people as Management Trainee joint through MT Batch 4 and Batch 5.

In each new employee recruitment the Company emphasized on competency through certain qualification and expertise based on the stipulated need and plan. This was meant so that the Company shall be able to produce qualified HR as well as able to implement its responsibility well and flexible for future developments.

Description	Total
Total Employee at Start of Year	3.712
New Employee	386
Employee of which its Work Relation Ended	10
Resignation	480
Entering Pension Year	1
Total Employee at the end 2017	3.467

Management and Performance Appraisal

In terms of improving Human Resources, the Company strives to evaluate and align the organization pursuant to the need and business development dynamics. The Management and Performance Assessment is a tool for target achievement evaluation and a purpose which must be achieved by all Employees or work unit arranged based on vision, mission and long term plan of the Company. Performance Appraisal of each Employee is carried out objectively, tiered, periodic and transparent.

To determine employee performance, the Company stipulates Key Performance Indicator (KPI) that is planned and stipulated starting from division/team level until individual level. Afterward, the Company determine monitoring process on each individual or group performance achievement through coaching, counselling, and controlling. Subsequent, the Company perform evaluation on the performance of all employee both individual, team on the Company's level periodically. Through the implementation, the development, selection and nomination of employee is performed based on competency and performance assessment.

Reward and Punishment

MTF performs the reward and punishment system periodically, fair and transparent for its employee. Giving of reward is form of appreciation to the employee on their achievement and dedication during work. The reward given are different starting from incentive up to reward trip planned annually. The Company always give reward to the employee that adjusted to the Company's financial condition based on level of inflation, financing industry market, and assessment result of performance indicator on respective units. The Company also give punishment to the employee that violates the Company regulations, Standard Operation Procedure (SOP), and Employee Code of Conduct. The Company give reprimand letter and discipline training for employee that violates regulations and/or SOP. Heavy sanctions in form of employment terminations shall be given to employee with heavy violations or recurring mild violations.

Punishment Giving

Types of Sanctions	Sanctioned Employee					
	2017	2016	2015	2014	2013	2012
Reprimand Letter I	16	5	35	26	16	29
Warning Letter	178	125	60	57	19	55
Warning Letter II	46	59	21	17	40	25
Warning Letter III	34	35	8	12	42	31
Employment Termination	10	5	5	1	8	10
Total	284	229	129	113	125	151

Human Resource Information System

MTF developed system and infrastructure to facilitate the need of communication and information of employee through Human Resources Information System (HRIS) to provide access on information which is important to be implemented in the field of human resources. Hence, in 2017 the Company able to provide information means for employee by online through HCIS system of among others for employee administration activity.

Rotation and Mutation Employees

In order to give the duties and responsibilities of the employees concerned at the level of higher office do a rotation and mutation. Rotation and movement for the promotion set in accordance with the Articles of Association of the Company/Decree of the Board/Management Policy No. 003/SK-Dir/MTF/I/2014 on Policy of Mutation, Promotion and Demotion of Employees.

In 2017, the level of rotation and mutation of employees recorded at 24%, the number is due to the company need in its effort to attain target achievement as well as employee development program.

Table of Employee Mutation in 2017

No	Months	Employee Mutation	Number of Employee	Mutation Percentage
1.	January	118	3569	3%
2.	February	96	3580	3%
3.	March	112	3604	3%
4.	April	45	3583	1%
5.	May	99	3570	3%
6.	June	45	3574	1%
7.	July	54	3566	2%
8.	August	115	3530	3%
9.	September	50	3514	1%
10.	October	40	3468	1%
11.	November	53	3471	2%
12.	December	43	3467	1%

Welfare and Social Security

Employee welfare is one of the right which must be compliance with by the Company, one of which must be fulfilled through remuneration to improve employees welfare. The Company applied a proportional and transparent remuneration system pursuant to the career path or position with regard to the prevailing employment laws and regulations. The Company strives to continuously improve employee’s well-being through various aspects, among others:

- Provision and improved remuneration and benefit, social security participation BPJS Health, membership in BPJS Employment, health facilities and insurance
- Employee development programs such as the program to improve education; support the needs of employees to carry out religious worship and belief in accordance with the provision of facilities and infrastructure and the budget implementation of religious activities;
- Support the need for employees to carry out sports activities with the provision of facilities and infrastructure and the budget implementation sporting activities;
- Assistance for Employees who experience grief.

Human Resource Development Plan in 2018

Human resource development and management is a continuous process. Related to that, the Company has draft HR development plan to be implemented in 2018 as follows:



2018

Organization Readiness

- Improve Effectiveness & Efficiency Organization Tools
- Leverage Productivity Measurement Tools
- Create Employee Value Proposition
- Internalization of the spirit of PERWIRA

People Readiness

- Build MTF Branding with "Duta" MTF in education Institution
- Recruitment System Online
- Optimize development program for key position
- Talent management system (talent pool, RTC)
- Leadership readiness » Leader as coach
- Develop Knowledge Management system based on Process / Technology, Products, People Profiles

Conductive Working

- Internalization IR Mgt System
- Integrated Vakue Based Remuneration with HC System
- Personalized Self Services
- Optimization Personal Data Base System

2019

Organization Readiness

- Organization Effectiveness Dashboard System
- Remodeling Business Process for Productivity Measurement Tools
- Implement EVP for MTF Employee
- Perwira Values into DNA for employee engagement increment

People Readiness

- Strengthen MTF Branding and Attract the Best Talent
- Talent Employee Engagement System
- HUMAN Capital Integration and Digital System
- Leadership readiness » Leader as Legacy
- Apply KM into IDP / IDP Programs (Talent Pool & Leadership Program)

Conductive Working

- Enhance IR Mgt System
- Integrated Personal Data Base System with HC System and Finance

2020

Organization Readiness

- Leverage agile and resilient organization to sustain business growth
- Create Value Added HC to Business Partner
- Engance Organization Effectiveness through productivity utilization
- Internalization "Perwira Culture"

People Readiness

- Optimize contribution of value creation people
- Leader as Accelerator

Conductive Working

- Industrial relation risk mitigation
- Leverage MTF as the Best place to keep fun environment, innovative and productive
- capitalize Mandirian Synergy

INFORMATION TECHNOLOGY REPORT



In the globalization era, the reliability of information technology is one of the important elements that support business processes and excellence service. Technology is the key that allows MTF provide products and services to consumers, measure and track business performance, as well as take appropriate management decisions for its survival.

In the globalization era, the reliability of information technology is one of the important elements that support business processes and excellence service. Technology is the key that allows MTF provide products and services to consumers, measure and track business performance, as well as take appropriate management decisions for its survival.

Multifinance business development in Indonesia in general, and business development specifically, obligates MTF to organize and fixed itself to prepare required technolog to support business, as well as providing best services for the customer through IT-based services. In the globalization era, the reliability of information technology is one of the important elements that support business processes and excellence service. Technology is the key that allows MTF provide products and services to consumers, measure and track business performance, as well as take appropriate management decisions for its survival. Information Technology at MTF is carried out by Information Technology (IT) Division, so that policy related to IT are more directed and is pursuant to the company vision and mission.

Information Technology Management Policy

In 2017, Information Technology Division centralized in conducting innovation by developing Customer Retention Management CRM (CRM) that is expected to become solution for customer need related to business of MTF. IT Division also implement updates of technology for core server to improve MTF server core capacity to support MTF business growth in the next 5 years. In addition, IT Division also implement thin client technology to improve budget efficiency and information system security in all branch office.

In 2017, several actions carried out by IT Division of MTF namely:

1. Thin Client Implementation

IT Division performed transformation on the computer user management by providing protection to the computer used by user to control data storage collectively in one storage. This implementaiton is expected to create a centralization of computer management and efficiency of electricity consumption due to smaller thin client form compared to computer in general.

2. Online Application Auction
IT Division prepared infrastructure for application development to help improving the value of assets sale auction of MTF.
3. Proxy Server Implementation
IT Division added special tools for internet connection management of which its need was increasing to support company's business operation.
4. Tape Library Robotic Implementation
IT Division conducted update of backup Data tools at data center with large capacity.
5. Endpoint Security Implementation
IT Division has improved system security by Endpoint Security in line with new virus development that attacks all internet user both personal and/or institutional with impact on computer system and Encrypted user data can directly affect MTF business operation.



Costs of Information Technology Development in 2017 and 2018

Provision for budget of Opex and Capex IT based on the operational need and need to procure IT infrastructure based on recommendation and through review process of MTF management. The following is the budget comparison for 2017 and 2018.

Budget	2017	2018
OPEX	Rp 5,6 billion	Rp 5,2 billion
CAPEX	Rp 22,7 billion	Rp 24,1 billion

In 2018 there is additional budget specifically given to run project. The budget project can be used when the planned project to be conducted. The amount of budget shall be allocated to implement project in 2018 is divided into Opex and Capex detailed in the following:

Budget Project	2018
OPEX	Rp5,3 billion
CAPEX	Rp 0,48 billion

Information Technology Plan Development in 2018

In 2018, Information Technology Division shall conduct revamping of drafting IT blue print to adjust IT to Company Business Plan and as basis in drafting IT policy.

To ease business process between the customer and company, IT Division together with other related division to develop Market Place System, whereas the Company can directly interact with prospective customer without going through third party i.e. sales dealer. IT Division also implement technology update for mobile survey, mobile collection, mobile report, and others.

In infrastructure IT Division also implemented physical regeneration of server core and addition of host virtualization server on Data Center (DC) and Disaster Recovery (DRC) and also conduct firewall renewal at DRC.

The project to be implemented by IT Division in 2018 namely:

1. IT Blue Print
As derivative of Company Business Plan, IT Blue Print is expected to be in line with company work plan for the next 3 to 5 years and shall be the basis of IT in making policy so that IT implementation can be more effective and efficient.
2. Market Place
IT Division together with other divisions, create market place system as media for the company to directly interact with prospective customer. Prospective customers are given the ease related o information of vehicles and vehicles unit price, acquisition process and other information.
3. Updating and Synchronizing Mobile Application
Mobile application system currently owned by the company shall contiuously be developed in accordance with development of company business process and synchronizing with system owned by the company.
4. Server Core Renewal
Renewal is directed to prepare system core to be able to hold and manage company data that continuously developed.
5. Addition Server Virtualization
Preparation of addition of server virtualization from projects to be implement 2018.
6. Firewal DRC Renewal
New firewall is required at DRC so that sever and system security at DRC is the same as the one in DC.

Basis of IT Management

In the future, it is expected that MTF IT management can reach maturity level of Financing industry average in the scale of maturity level based on COBITS. Hence, to achieve the condition, IT in general must implement improvement steps among others:

- Adding and improving function/duties.
- Development of policy and procedures.
- Performance measurement development.
- Procurement of relevant supporting application system.
- Implement IT governance evaluation.



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IN 2017, MTF SEEKS TO CAPITALIZE ON THE
MOMENTUM OF ECONOMIC IMPROVEMENT THROUGH
A COMPREHENSIVE MARKET MAPPING STRATEGY.



05

Management Discussion and Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

In 2017 the Company's total assets amounting to Rp14 trillion, or increased by 29.25% compared to 2016 amounting to Rp11 trillion. This increase was driven by increasing customer financing receivables portfolio along with the increase of customer financing volume.

FINANCIAL PERFORMANCE

In fiscal year 2017, the Company booked profit amounting to Rp350.2 billion due to increasing profit from the previous year by 4.43% compared to 2016 amounting to Rp335.4 billion. This increase is a result of the achievement of company performance can be seen from the segment operating income in the statement of profit and loss that virtually all segments have increased. Financial review is based on the Company's Financial Statements for the year ended on December 31, 2017. The Financial Statements have been audited by Purwanto, Sungkoro & Surja with fairly in all material respect opinion.

Statement of Financial Position (Assets)

(in million Rupiah)

Description	2017	2016	%
ASSETS			
Cash and Cash Equivalents			
Cash	20.198	24.074	(16,10%)
Kas pada Bank			
Third Party	8.944	21.521	(58,44%)
Related Party	131.408	212.299	(38,10%)
	160.550	257.894	(37,75%)
Customer Financing Receivables			
Third Party	11.444.554	9.956.989	14,94%
Related Party	7.957	10.532	(24,45%)
	11.452.511	9.967.521	14,90%
Less: Impairment losses allowances	(271.205)	(298.650)	(9,19%)
	11.181.306	9.668.871	15,64%



Description	2017	2016	%
Financial Leases Receivables			
Third Party	2.364.629	834.483	183,36%
Less: impairment losses allowances	(7.739)	(4.538)	70,54%
	2.356.890	829.945	183,98%
Other receivables			
Third Party	104.140	69.420	50,01%
Related Party	564.131	274.585	105,45%
	668.271	344.005	94,26%
Less: impairment losses allowances	(2.896)	(785)	268,92%
	665.375	343.220	93,86%
Deferred tax assets	38.004	23.079	64,67%
Claim for tax refund	65.538	65.538	100%
Derivative receivable	23.202	-	0,00%
Fixed assets	165.907	141.322	17,40%
Other assets			
Third Party	81.340	73.061	11,33%
Related party	1.346	1.132	18,90%
Total Assets	14.739.458	11.404.062	29,25%

FINANCIAL PERFORMANCE DISCUSSION AND ANALYSIS

The financial performance analysis is based on the Company financial statement audited by Public Accountant Firm Purwanto, Sungkoro & Surja (a member firm of Ernst & Young Global Limited) for fiscal year ended on December 31, 2017 and December 31, 2016.

FINANCIAL POSITION STATEMENT

Assets

The position on December 31, 2017, the Company's total assets reached Rp14 trillion, an increase of 29.25% compared to 2016 which amounted to Rp 11 trillion. The increase was caused by rising consumer financing receivables portfolio along with increasing consumer financing volumes. The Company business of consumer financing and business leases pursuant to PSAK No. 1 (revision 2009 on presentation of financial statement prevailing effectively retrospective since January 1, 2011) and does not present asset classification into current assets and non-current assets.

Cash and Cash Equivalents

In 2017, the Company cash and cash equivalents amounted to Rp160.55 billion, meaning that the Company cash and cash equivalents declined to Rp97.34 billion or by 37.75% compared to the balance in 2016 of Rp257.89 billion. The decline resulting of cash deposited in the bank from Rp233.82 billion in 2016 to become Rp140.35 billion in 2017.

Table of Cash and Cash Equivalents

(in million Rupiah)

Cash and Cash Equivalent	2017	2016	%
Cash	20.198	24.074	(16,10%)
Cash in bank			
Third Party	8.944	21.503	(58,41%)
Related Party	81.408	162.296	(49,84%)
Time Deposit			
a. Third Party	-	18	(1,00%)
b. Related Party	50.000	50.003	-
Total	160.550	257.894	(37,75%)

Consumer Financing Receivables

The Company consumer financing receivables in 2017 was recorded at Rp11.18 trillion, meaning that it is increasing by Rp1.51 trillion or 15.64% compared to the statement in 2016 amounted to Rp9.7 trillion. The realization of new financing for 2017 amounted to Rp19.98 trillion or increasing by Rp1.99 trillion or 11.1% from the previous year of Rp17.99 trillion.

Joint financing receivables increased by 12.51% from the previous year along with the increase of new lending of joint financing amounting to Rp2.18 trillion or 19.90% from 2016 amounted to Rp10.95 trillion to become Rp13.13 trillion in 2017. Followed by non-joint financing increasing by 10.42% from previous year, along with increase of new lending of non-joint financing amounting to Rp1.40 trillion or 18.25% from 2016 of Rp7.6 trillion to become Rp9.08 trillion in 2017. This means that the Company new lending is increasing well. Automotive industry was not growing but PT Mandiri Tunas Finance able to increase market share.

Table of Costumer Financing

(in million Rupiah unless*)

Description	2017	2016	Comparison Result	
			Change	%
Joint Financing Receivables	26.751.546	23.690.880	3.060.666	12,92%
Direct financing receivables	14.794.655	13.398.790	1.395.865	10,42%
Total of managed financing receivables	41.546.201	37.089.670	4.456.531	12,02%
Principals of joint financing receivables	23.032.176	20.470.388	2.561.788	12,51%
Total principals of financing receivables	34.484.687	30.437.909	4.046.778	13,30%
Allowance for doubtful account	(271.205)	(298.650)	(27.445)	(9,19%)
Net account receivables	11.181.306	9.668.871	1.512.435	15,64%
Non-performing Receivables Under Management *	0,80%	1,49%	(0,69%)	(46,31%)

Finance Lease Receivables

Since 2011, the Company has started to carry out finance lease transaction. The transaction has been managed by the COP and Fleet Division for financing commercial vehicles and heavy equipment company. In 2016, with the support of the Commercial and Corporate Banking of Bank Mandiri, the COP and Fleet Division intensified focus on the financing of four-wheeled vehicles, especially passenger vehicles (passenger) employees of the Company, and heavy truck vehicles to the infrastructure industry, distribution and transport. In 2017, the Company increased finance lease receivables amounting to Rp1.53 trillion to Rp2.36 trillion, compared with a balance of finance lease receivables last year amounted to only Rp829.95 billion.

Table of Finance Lease

(in million Rupiah)

Description	2017	2016	Comparison Result	
			Change	%
Finance lease receivables – Gross	2.756.597	975.598	1.780.999	182,55%
Guaranteed residual value	796.442	317.305	479.137	151,00%
Unearned leased income	(391.968)	(141.115)	(250.853)	177,76%
Security Deposit	(796.442)	(317.305)	(479.137)	151,00%
Allowance for Doubtful Account	(7.739)	(4.538)	(3.201)	70,54 %
Total finance lease receivable	2.356.890	829.945	1.526.945	183,98%

Other Receivables

Other receivables of third party mostly are billion to insurance companies in connection with claims acceptance, while other receivables related parties are transactions with PT Tunas Ridean Tbk respect to the Company's operations. The balance of other receivables of the Company in 2017 amounted Rp665.37 billion increased by Rp322.15 billion compared to the Company's accounts receivable balance in 2016 amounted to Rp343.22 billion. The increase was primarily due to higher recognition of joint financing receivables at the end of December 2017 amounted to Rp502.57 billion compared to 2016 amounting to Rp227.99 billion or increased by Rp274.58 billion.

Fixed Assets

The balance of the Company's fixed assets in 2017 amounted Rp165.9 billion, an increase of Rp24.58 billion or 17.40% compared to the balance of the Company's fixed assets in 2016 amounted to Rp141.32 billion. The increase was primarily due to the addition of assets such as land, buildings, fixtures and office equipment as well as the renovation of a building lease in line with the Company's business expansion. The addition of land assets worth Rp3.21 billion and building of Rp5.65 billion located in Jalan Ruko Palembang PTC GBB & PTC GBC. Land addition worth Rp4.9 billion and building of Rp3.48 billion located in Ruko Makassar, Jalan Petrarani. Addition as reclassification from building in the construction, office tools Rp40.6 billion, building leases renovation of Rp5.9 billion.

Deferred Tax Assets

In 2017, the balance of the Company's deferred tax assets recorded at Rp38 billion, an increase of Rp14.92 billion or 64.67% compared to the balance of the deferred tax assets of the Company in 2016 amounted to Rp23.08 billion. This increase was mainly due to higher deferred tax on additional fiscal correction of temporary differences for employee benefits, bonus, and derivative instrument for cash flow hedging.

Tax advantages bill

On January 25, 2016 and Oktober 25, 2016, the Company received tax assessment letters (SKPKB) and Tax Collection Letter (STP) of various taxes for fiscal years 2013, 2012 and 2011, which resulted in underpayment of Rp172.497. For underpayment of the Company has made payments totaling Rp67.634, where from these payments, the Company is in the process has complained of Rp65.54 billion and Rp21 billion recorded as expenses tax penalty in the statements of income and other comprehensive income. For the amount of unpaid amounted to Rp104.86 billion, the Company is already in the process of filing an objection to the Tax Office.

Other Assets

The balance of other assets of the Company in 2017 amounted Rp82.69 billion, an increase of Rp8.5 billion or 11.45% compared to the balance of other assets of the Company operations in 2016 amounted to Rp74.19 billion. The increase was primarily due to increases in the Company's deposits in transit (repayment of consumer financing through the post office, Alfamart and Pegadaian) of Rp10.5 billion over increasing assets under management of the Company.

Liability

Statement of Financial Position (Liability)

(in million Rupiah)

Description	2017	2016	Comparison Result	
			Change	%
LIABILITY				
Trade Payable	606.513	593.910	12.603	2,12 %
Other Payables				
Third Parties	194.491	150.048	44.443	29,62%
Related Parties	30.344	106.733	(76.389)	(71,57%)
Current Tax Liability	33.916	13.594	20.322	149,49%
Accrued Expenses				
Third Parties	135.559	89.259	46.300	51,87%
Related Parties	1.227	868	359	41,36%
Bank loans				
Third Parties	6.641.977	4.118.987	2.522.990	61,25%
Related Parties	1.602.605	1.502.505	100.100	6,66%
	8.244.582	5.621.492	2.623.090	46,66%
Unamortized Provision Cost	(34.152)	(12.340)	21.812	176,76%
	8.210.430	5.609.152	2.601.278	46,38%
Securites Issued				
Third Parties	2.443.300	2.284.000	159.300	6,97%

Description	2017	2016	Comparison Result	
			Change	%
Related Parties	1.231.700	1.041.000	190.700	18,32%
	3.675.000	3.325.000	350.000	10,53%
Unamortized Issuance Costs	(9.749)	(8.766)	983	11,21%
	3.665.251	3.316.234	349.017	10,52%
Derivate Payable	19.540	-	19.540	-
Employee Benefits Liabilities	73.845	50.135	23.710	47,29 %
Total Liabilities	12.971.116	9.929.933	3.041.183	30,63%

Liabilities of the Company increased by 30.63% from Rp 9.9 trillion in 2016 to Rp12.97 trillion in 2017, an increase of Rp3.04 trillion in 2017. The increase was largely attributable to the increased portfolio of securities issued which amounted to Rp3.3 trillion in 2016 increased by 10.53% or increased by Rp0.35 trillion into Rp 3.67 trillion in 2017.

The Company in its business in consumer finance and consumer finance lease in accordance with SFAS No. 1 (revised 2009 concerning the presentation of financial statements that apply retrospectively effective from January 1, 2011) was not present in classification of debt in the category of short-term debt and long-term debt.

Trade Payable

In 2017, the amount of debt the Company's business consists of the debt to a third party, either debt or debt vehicle insurance amounted Rp606.51 billion increased by 2.12% or by Rp12.6 billion compared with the amount payable to third parties in 2016 by Rp593.61 billion. The increase was due to an increase in debt to the supplier of vehicles with increased financing volume during 2017.

Other Payables

Other payables of the Company consist of debt owed to a third party loans to related parties. In 2017, the amount of other payables to third parties of the Company amounted to Rp194.49 billion, an increase of Rp44.44 billion or 29.62% compared to the amount of other payables to third parties in 2016 amounted Rp150.05 billion. The increase was due to the recognition of liabilities to third parties related to the Company's non-operational transactions. In 2017, the amount of other payables to related parties of the Company amounted to Rp30.34 billion, an increase of Rp76.39 billion or 71.57% compared with the amount of other debt other related parties amounted Rp106.73 billion in 2017.

Current Tax Payable

By 2017, the number of the Company's tax debts marked at Rp33.92 billion, rising by Rp20.32 billion or 149.49% compared with the number of Company tax debt in 2016 amounted to Rp13.59 billion.

Accrued Expenses

In 2017, the amount of accrued expenses of the Company amounted to Rp136.79 billion or increased by Rp46.66 billion or 51.77% compared to the amount of accrued expenses of the Company in 2016 amounted to Rp90.13 billion. The increase was mainly due to increasing expenses for salary and allowance of Rp27.42 billion, in 2017 of Rp64.76 billion compared to 2016 of Rp37.34 billion along with interest increase to be paid of Rp13.93 billion, in 2017 of Rp54.46 billion compared to 2016 of Rp40.52 billion.

Bank Loans

In 2017, the number of bank loans of the Company amounted to Rp8.24 trillion, an increase of Rp2.6 trillion or 46.66% compared to the number of bank loans of the Company in 2016 amounted to Rp5.62 trillion. The increase was due to higher realization of new financing funded from bank loans along with the growth of our business.

Securities Issued

By 2017, the number of securities issued by the Company amounted to Rp3.67 trillion, an increase of Rp0.35 trillion or 10.53% compared to the number of securities issued by the Company in 2016 amounted to Rp3.33 trillion. The increase was due sustainable Bonds III Phase II of Rp 0.85 trillion and the Company also settled the bonds I phase I of Rp75 billion, bonds I phase II of Rp425 billion.

Derivative Financial Instrument

In 2017, the Company executes swap contract of foreign currency and interest rate with Bank of Tokyo Mitsubitshi, UFZ, Ltd Jakarta Branch. swap contract of foreign currency and interest rate has meet the criteria and effective as cash flow hedging.

Employment benefit liabilities

By 2017, the number of the Company's liabilities for employee benefits amounting Rp73.85 billion, an increase of Rp23.71 billion or 47.29% compared with the amount of liabilities for employee benefits in 2016 amounted to Rp50.14 billion. The increase was primarily due to increases in total benefit employees receive and the number of permanent employees of the Company.

Equity

Statement of Financial Position (Equity)

(in million Rupiah)

Description	2017	2016	Comparison Result	
			Change	%
Equity				
Share Capital				
Issued and Fully Paid Up Capital	250.000	250.000	-	-
Other Comprehensive Income:				
Actuarial losses on employee benefits liabilities	(24.567)	(14.695)	9.872	67,18%
Cumulative losses on derivative instrument for cash flow hedging – net	(12.620)	-	12.620	-
Retained earnings				
Appropriated	50.000	50.000	-	-
Unappropriated	1.505.529	1.188.824	316.705	26,64%
Total Equity	1.768.342	1.474.129	294.213	19,96%

Shareholders' equity increased by 19.96% during 2017, an increase of Rp294.21 billion which in 2016 amounted to 1.47 trillion into Rp1.76 trillion. This increase was caused by an increase in unappropriated retained earnings of 26.64% or Rp316.7 billion which in 2016 amounted to Rp1.19 trillion increased to Rp 1.51 trillion in 2017.

STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME

Operating Revenues

The Company recorded a profit in 2017 amounted to Rp350.2 billion. Net income increased by 4.43% from the previous year, 2016, which amounted to only Rp335.4 billion. This increase is supported by the company's revenue increased by 11.80% from last year's revenue portfolio.

Statement of Comprehensive Income and Other Comprehensive Incomes

(in million Rupiah)

Description	2017	2016	Comparison Result	
			Change	%
Revenue				
Income from customer financing	1.830.424	1.772.265	58.159	3,28%
Financial Leases	178.983	92.307	86.676	93,90 %
Interest	9.036	10.099	(1.063)	(10,52%)
Others – Net	719.921	574.598	145.323	25,29 %
Total Revenues	2.738.364	2.449.269	289.095	11,80 %
Expenses				
Financial expenses	(1.035.442)	(921.263)	114.179	12,39%
Salaries and Benefits expense	(437.812)	(342.088)	95.724	27,98%
General and Administrative expense	(354.063)	(309.840)	44.223	14,27%
Provision for impairment losses				
Consumer Financing	(434.774)	(426.997)	7.777	1,82 %
Financial Leases	(5.784)	(196)	5.588	2.851,02%
Other Receivables	(2.111)	-	2.111	-
Total expense	(2.269.986)	(2.000.384)	(269.602)	13,48%
Income before tax expense & Income Tax	468.378	448.885	19.493	4,34%
Final tax expense	(1.807)	(2.020)	(213)	(10,54%)
Income before tax expense	466.571	446.865	19.706	4,41 %
Income tax expense	(116.329)	(111.495)	4.834	4,34 %
Current year income	350.242	335.370	14.872	4,43 %
Other Comprehensive Income:				
Item that will not be reclassified to profit or loss				
Actuarial profit (loss) on employee benefit liabilities	(13.162)	(4.266)	8.896	208,53%
Income tax effect	3.290	1.067	(2.223)	-
	(9.872)	(3.199)	6.673	208,60%
Item that will be reclassified to profit or loss				
Effective part of losses of cash flow hedging instrument	(16.826)	-	16.826	-
Income tax effect	4.206	-	4.206	-
	12.620	-	12.620	-
Other comprehensive income-net of tax	(22.492)	(3.199)	19.293	603,09%
Total Current Comprehensive Income	327.750	332.171	(4.421)	(1,33%)
Basic Earning per Share (Rupiah)	140	134	6	4,48%

Income Statement

Income

a. Consumer Financing Revenues

In 2017, consumer financing income amounted to Rp1.83 trillion, increased by 3.28% or by Rp58.16 billion compared with consumer financing income in 2016 reached Rp1.77 trillion. This increase is due to the realization of new financing has increased in 2017. The realization of new financing for 2017 amounted to Rp19.98 trillion, up 1.99 trillion or 11.1% of realization in 2016 amounted to Rp17.99 trillion.

b. Finance Lease Income

Finance lease income in 2017 was Rp 178.82 billion, increased 93.90% or increased by Rp86.68 billion compared to finance lease income in 2016 amounted Rp92.31 billion.

c. Interest income

Interest income in 2017 amounted to .04 billion, interest income in 2017 decreased by 10.52% or by Rp1.06 billion compared to revenues in 2016 reached Rp10.1 billion.

d. Other net income

The Company recorded net Other income in 2017 amounted to Rp719.92 billion, an increase of 25.29% or Rp145.31 billion when compared to other income in 2016 amounted to Rp574.60 billion. This increase was due to increased fee based income in line with the increase in new financing of the Company.

Current year profit

Current Year Profit of the Company in 2017 amounted Rp350.2 billion, an increase of 4.43% when compared to the Company's Earnings of Current Year 2016 which was recorded at Rp335.4 billion. Increase in Current Year Profit is caused by several factors, among others:

- Increased income from consumer financing and finance lease revenue decline in 2017, respectively amounted to Rp58.16 billion and Rp86.68 billion, with the growth of our business.
- Increased income from fee-based company in 2017 amounted to Rp145.32 billion, primarily from insurance commission income, penalties and revenue billing in line with business growth and diversification of products by the Company..

Table of Profit Loss

(in million Rupiah)

Description	2017	2016	Comparison Result	
			Change	%
Revenue	2.738.364	2.449.269	289.095	11,80%
Expense	2.269.986	2.000.384	269.602	13,48%
Income before tax	468.378	448.885	19.493	4,34%
Tax expense	118.136	113.515	4.621	4.07%
Current Income	350.242	335.370	14.872	4,43%
Total Comprehensive Income	327.750	332.171	-4.421	(1,33%)

Earnings Per Share

The Company recorded earnings per share of Rp134 per share in 2016 to Rp140 per share in 2017. This increase was due to an increase in earnings of the Company amounted to Rp350.2 billion in 2017 compared to 2016 which only amounted to Rp335.4 billion or rose 4.43% or Rp14.87 billion

Expenses

Total expenses incurred in 2017 amounted to Rp2.27 trillion, an increase of 13.48% from the previous year. This increase is largely influenced by increased financial expenses of 12.39% or Rp114.18 billion from previous year of Rp921.26 billion. This is in line with the increased liability company with a public offering of bonds, syndicated loan that did occur in 2017.

Expenses

a. Financial Expenses

In 2017, the Company recorded financial expenses amounting Rp1.035 billion increased by 12.39% or by Rp114.18 billion compared to the expenses in 2016 which reached Rp921.26 billion. The increase was caused by the increase in the number of securities issued by the Company amounted to Rp0.85 trillion, an increase of Rp0.35 trillion or 10.53% compared to the number of securities issued by the Company in 2016 amounted to Rp3.32 trillion. The company also carry out syndicated loan as part to support the achievement target of consumer finance company financed itself.

b. Salaries and Allowances

Salaries and employee benefits in 2017 amounted to Rp437.81 billion, an increase of Rp95.72 billion or 27.98% of salaries and allowances in 2016 amounted to Rp342.09 billion.

c. Expenses General and administrative

General and administrative expenses of the Company in 2017 amounted to Rp354.06 billion, an increase of 14.27% or Rp44.22 billion from 2016 were recorded at Rp309.84 billion. This increase was largely due to higher operating and maintenance costs of infrastructure branches during 2017 to support the new consumer financing target. Operational costs include the cost of rent, the building, maintenance, utilities office, business travel and asset management (billing) branches to support the achievement of new financing.

Table of General and Administration Expense

(in million rupiah)

Description	2017	2016	Comparison Result	
			Change	%
Collection fee	171.328	161.368	9.960	6,17%
Rent	36.882	34.681	2.201	6,35%
Depreciation	25.346	20.880	4.466	21,39 %
Business trip	13.781	6.657	7.124	107,02%
Communication service	13.325	15.297	(1.972)	(12,89%)
Repairs and Maintenance	12.217	11.896	321	2,70%
Security	11.293	11.484	(191)	(1,66%)
Third party services	11.255	6.643	4.612	69,43%
Recruitment and training	7.707	3.667	4.040	110,17%
Utilities	6.197	5.941	256	4,31%
OJK fees	6.122	4.925	1.197	24,30%
Stationeris and printings	5.501	5.660	(159)	(2,81 %)
Corporate entertainment	4.577	4.218	359	8,51%
professional fees	3.734	3.129	605	19,34%
Others	24.798	13.394	11.404	85,14%
Total general and administrative expense	354.063	309.840	44.223	14,27%

Provision for Impairment Losses

The Company has a provision for impairment losses 2017 amounted to Rp442.67 billion, an increase of 3.62% or Rp15.48 billion compared to 2016 amounted to Rp427.19 billion. The increase in expenses was due to an increase in provision for impairment losses (CKPN) from consumer financing by Rp7.77 billion, or 1.82%, from Rp426.99 billion in 2016 to Rp434.77 billion in 2017. Increase in provision for impairment losses (CKPN) of finance lease amounted to Rp 5.59 billion, in 2017 the expenses amounted to Rp 5.78 billion compared to 2016 of Rp 196 million. The expense of provision for impairment losses of 2017 amounted to Rp2 billion.

Cash Flow

Cash Flow is one component of the financial statements which includes the effect of cash from operating activities, investment activities and the activities of financing/funding transaction and the increase or decrease in net cash in an enterprise during a period.

Statement of Cash Flow

(in million Rupiah)

Description	2017	2016	Comparison Result	
			Change	%
CASH FLOW FROM OPERATION ACTIVITY				
Cash receipt from customer:				
Customer financing	29.784.343	26.126.969	3.657.374	14,00%
Finance leases	867.371	501.965	365.406	72,80%
Interest	9.053	10.132	(1.079)	(10,65%)
Penalties revenue	47.844	39.418	8.426	21,38%
Revenue from written off receivable	72.005	55.179	16.826	30,49%
Insurance premium	1.643.524	1.511.084	132.440	8.76%
Cash expenditure for:				
Joint facility financing payment	(9.844.625)	(7.815.580)	2.029.045	25,96%
Vehicle distributor payment	(22.647.364)	(19.091.556)	3.555.808	18,63%
Financial expense payment	(1.040.072)	(898.869)	141.203	15,71%
Income tax payment	(113.687)	(122.487)	(8.800)	(7,18%)
Excess tax bill payment	-	(65.538)	(65.538)	-
Salaries and benefits payment	(355.254)	(334.886)	20.368	6,08%
General and administrative expense payment	(385.014)	(326.408)	58.606	17,95%
Payment for insurance company	(1.008.229)	(919.325)	88.904	9,67%
Net cash used for operation activity	(2.970.105)	(1.329.902)	1.640.203	123,33%
CASH FLOW FROM INVESTMENT ACTIVITY				
Fix asset sale proceeds	38	89	(51)	(57,30%)
Fix asset purchase	(49.979)	(59.357)	(9.378)	(15,80%)
Net cash used for investment activity	(49.941)	(59.268)	(9.327)	(15,74%)
CASH FOR FROM FINANCING ACTIVITY				
Bank loan receipt	13.034.928	9.055.000	3.979.928	43,95%
Bond payable receipt	850.000	1.900.000	(1.050.000)	(55,26%)
Bank loan payment	(10.424.457)	(8.934.851)	1.489.606	16,67%
Securities issued payment	(500.000)	(425.000)	75.000	17,65%
Emission expense payment	(4.232)	(9.371)	(5.139)	(54,84%)
Cash dividend payment	(33.537)	(30.680)	2.857	9,31%
Net cash from financing activity	2.922.702	1.555.098	1.367.604	87,94%
Increase (decrease) net cash and cash equivalent	(97.344)	165.928	(263.272)	(158,67%)
Beginning cash and cash equivalent	257.894	91.966	165.928	180,42%
Ending cash and cash equivalent	160.550	257.894	(97.344)	(37,75%)

STATEMENT OF CASH FLOW

Cash Flow

a. Cash Flow from Operating activities

Net cash used in operating activities in 2017 amounted to Rp2.97 trillion, rise 123.33% from 2016 amounted to Rp1.33 trillion. This increase was caused by the increase in revenues from consumer financing amounted Rp3.6 trillion which is compensated by the increase in payments to dealers amounted to Rp3.56 trillion vehicles. The increase in cash used has contributed also by the increased payments joint financing facility amounting Rp2.03 trillion.

b. Cash flow from investment activities

In 2017, net cash used in investment activities amounted to Rp49.94 billion, up 15.74% compared to 2016 amounted to Rp59.27 billion. Net cash used in investing activities primarily for the acquisition of fixed assets in connection with the addition of new business networks, especially in infrastructure, furniture, office equipment, land and buildings.

c. Cash flows from financing activities

In 2017, net cash provided by financing activities amounted to Rp2.92 trillion, down by 87.94% from the year 2016 amounted to 1.56 trillion. This increase was caused by the increase in receipt of bank loans by Rp3.9 trillion where only Rp9.06 billion in 2016 compensated by the payment of banks loans of Rp1.49 billion in 2017 compared to 2016, decreasing bonds debt acceptance of Rp1.1 trillion in 2017 compared to 2016.

FINANCIAL PERFORMANCE RATIO ANALYSIS

Liquidity ratio

Liquidity in the finance company is a picture and the ability of the Company in terms of turnover manage cash flow in the short term, consisting of cash inflows or cash outflows. Liquidity risk is the risk, for which the Company does not have sufficient financial resources to meet its obligations that have matured. Given the Company's strong financial support from the Parent Company through co-financing scheme, then this risk can be managed properly.

The following table illustrates the differences in the maturity of the assets and financial liabilities of the Company on December 31, 2017:

(in million rupiah)

Description	December 31, 2017					Carrying Value
	Less than 1 month	1-6 months	More than 6 months to 1 year	More than 1 year	No contractual maturity	
ASSETS						
Cash and cash equivalent	140.352	-	-	-	20.198	160.550
Customer financing receivable	324.805	1.530.512	1.777.185	7.820.009	-	11.452.511
Finance lease receivable	84.708	419.289	487.033	1.373.599	-	2.364.629
Other receivable	668.271	-	-	-	-	668.271
Derivative receivable	-	-	-	23.202	-	23.202
Other assets	42.268	-	-	-	-	42.268
Total assets	1.260.404	1.949.801	2.264.218	9.216.810	20.198	14.711.431
LIABILITIES						
Trade payable	606.513	-	-	-	-	606.513
Other payable	134.799	-	-	-	-	134.799
Accrued interest expense	-	54.455	-	-	-	54.455

Description	December 31, 2017					
	Less than 1 month	1-6 months	More than 6 months to 1 year	More than 1 year	No contractual maturity	Carrying Value
Bank loan	279.238	1.663.342	1.799.779	4.468.071	-	8.210.430
Derivative Receivable	-	-	-	19.540	-	19.540
Securities issued	-	324.830	498.543	2.841.878	-	3.665.251
Total liabilities	1.020.550	2.042.627	2.298.322	7.329.489	-	12.690.988
Total maturity differences	239.854	(92.826)	(34.104)	1.887.321	20.198	2.020.443

The table below shows the contractual residual maturity of financial liabilities based on undiscounted cash flows on December 31, 2017: (in million Rupiah)

Description	December 31, 2017					
	Less than 1 month	1-6 months	More than 6 months to 1 year	More than 1 year	No contractual maturity	Carrying Value
LIABILITIES						
Trade payable	606.513	-	-	-	-	606.513
Other payable	134.799	-	-	-	-	134.799
Accrued interest expense	-	54.455	-	-	-	54.455
Bank loan	325.035	1.952.123	2.045.158	4.806.835	-	9.129.151
Derivative payable	-	-	-	19.540	-	19.540
Securities issued	-	493.426	650.333	3.263.513	-	4.407.272
Total	1.066.347	2.500.004	2.695.491	8.089.888	-	14.351.730

Ratios Credit Quality of Financial Assets

On December 31, 2017, the credit risk exposure of financial assets are divided into: (in million Rupiah)

Description	Neither past due nor impaired		Past due but not impaired	Impaired	Allowance for impairment losses	Total
	High grade	Standard grade				
Cash and cash equivalent	140.352	-	-	-	-	140.352
Customer financing receivable:						
Individual	4.195.304	6.424.858	693.163	139.186	(271.205)	11.181.306
Customer financing receivable:						
Corporate	1.559.415	755.726	38.815	10.673	(7.739)	2.356.890
Other receivables	668.271	-	-	-	(2.896)	665.375
Other receivables	23.202	-	-	-	-	23.202
Other assets	42.268	-	-	-	-	42.268
	6.628.812	7.180.584	731.978	149.859	(281.840)	14.409.393

Explanations of quality distribution of loans which not yet due and not impaired:

- High grade, i.e there is no doubt for the return of financial assets.
- Standard grade, that there are certain considerations relating to the client's ability to make payments at maturity. But until now there has been no delay in the payment of installments of principal and interest at maturity. Consumer financing receivables and finance lease receivables which the installment payments overdue for more than 90 days are classified as financial assets is impaired. As collateral for customer financing receivables, the Company received an assurance from the consumer in the form of certificates of ownership of motor vehicles ("BPKP") for motor vehicles financed by the Company.

The following table shows the aging analysis of accounts receivable consumer financing and finance lease receivables are past due but not impaired: (In million rupiah)

Description	December 31, 2017			
	1-30 days	31-60 days	61-90 days	Total
Customer financing receivable:				
Individual	443.837	154.881	94.445	693.163
Finance lease receivable:				
Corporate	19.148	6.300	13.367	38.815
	462.985	161.181	107.812	731.978

Financial ratios

a. Profitability

The ratio of yield on average assets used to determine the ability of the Company to profit from all of the assets invested. On December 31, 2017 and 2016, the ratio of yield on average assets amounted to 3.67% and 4.32%. Total revenue/total assets was relatively stable from 2017 amounted to 21,48% in 2016 to 18.58% in 2017.

b. Earning assets

Productive assets of the Company consist of Consumer Financing Receivables, Non Performing Loan, Liquidity and solvency, as well as other financial information. In detail, the acquisition of productive assets is as follows:

- The composition of receivables which is classified as current to total receivables per December 31, 2017 amounted to 94.84%, relatively stable compared to the previous year by 93.63%. The Company continues to maintain credit quality and do a rigorous selection of the available financing. The Company consistently perform in the financing handling troubled with more focused on principles of prudence and maintain compliance customers to make timely payments by way of reminder, charge, and risk mitigation.
- Comparison of the total liabilities to equity on December 31, 2017 and 2016 amounted 6,72x, and 6,05x. The ratio of liabilities to total assets on December 31, 2017 and 2016 are respectively 0,88x, and 0,87x. This ratio is relatively stable for 2017 and 2016.

Table of the Aging of Consumer Financing Receivables based on the Amount of the Company's Receivables Installment (In million rupiah)

Description	2017	2016	Comparison result	
			Changes	%
Current	39.403.525	34.725.908	4.677.617	13.47%
1-30 days overdue	1.179.660	1.193.057	(13.397)	(1.12%)
31-60 days overdue	403.192	412.365	(9.173)	(2,22%)
61-90 days overdue	217.098	204.628	12.470	6,09%
>90 days overdue	342.726	553.712	(210.986)	(38,10%)
Total	41.546.201	37.089.670	4.456.531	12,02%

Other Financial Information:

a. Cost Efficiency Ratio

In 2017, Cost Efficiency Ratio (CER) reached 46.50%, an increase compared to 2016 was recorded at 42.67%.

b. Financing Expenses Composition

The financial expenses of the Company on December 31, 2017 amounted to Rp1,035.44 billion, up 12.39%, an increase of Rp114.18 billion compared with the financial burden of the Company in 2016, which reached Rp921.26 billion. This is demonstrated by an increase in self-financing, the Company still conduct of efficiency in the management of the financial expenses.

Table of Cost Efficiency Ratio

Description	2017	2016	Comparison result	
			Changes	%
Cost Efficiency Ratio	46,50%	42,67%	3,83%	8,98%
Ratio of overhead cost to revenue	28,92%	26,62%	2,3%	8,64%

Table of Financing Expense Composition

(in million Rupiah)

Description	2017	2016	Comparison result	
			Changes	%
Securities	326.103	244.380	81.723	33,44%
Bank Loan	650.352	629.871	20.481	3,25%
Administration and bank provision	49.545	39.991	9.554	23,89%
Amortization of Securities Issuance Cost	3.249	5.195	(1.946)	(37,46%)
Loss on foreign exchange	3.124	-	3.124	-
Others	3.069	1.826	1.243	68,07%
Total financing expense	1.035.442	921.263	114.179	12.39%

Table of Financial Ratio in Last 2 Years

Description	2017	2016	Comparison result	
			Changes	%
PROFITABILITY				
Return On Assets	2,68%	3,25%	(0,57%)	(17,54%)
Return On Assets*	3,58%	4,36%	(0,78%)	(17,89%)
Return On Average Assets*	3,67%	4,32%	(0,65%)	(15,05%)
Return On Equity	21,60%	25,34%	(3,74%)	(14,76%)
Return On Average Equity	22,10%	25,53%	(3,43%)	(13,44%)
Total Revenues to Total Assets	18,58%	21,48%	(2,9%)	(13,50%)
PRODUCTIVE ASSETS				
Net Service Assets**	36.849.316	31.272.392	5.576.924	17,83%
Joint Financing Receivables**	23.032.176	20.470.388	2.561.788	12,51%
Managed Non-Performing Receivables	0,80%	1,49%	(0,69%)	(46,31%)
LIQUIDITY				
Total Liabilities to Total Assets (times)	0,88	0,87	0,01	1,15%
Total Liabilities to Total Equity (times)	7,34	6,74	0,60	8,9%
Gearing Ratio*** (times)	6,72	6,05	0,67%	11,07%
GROWTH				
Growth of Revenues	11,80%	23,23%	(11,43%)	(49,20%)
Growth of Profits for the Year	4,43%	9,31%	(4,88%)	(52,42%)
Growth of Assets	29,25%	23,92%	5,33%	22,28%

Description	2017	2016	Comparison result	
			Changes	%
Growth of Liabilities	30,63%	23,65%	6,98%	29,51%
Growth of Equity	19,96%	25,71%	(5,75%)	(22,36%)
OTHER RATIOS				
Income Before Income Tax Expense to Revenues	17,10%	18,33%	(1,23%)	(6,71%)
Income for the Year – Net of Tax to Revenues	12,79%	13,69%	(0,90%)	(6,57%)
Cost Efficiency Ratio	46,50%	42,67%	3,83%	8,98%

SOLVENCY

Liquidity And Solvency

Company Liquidity is the ability of the Company to meet short-term liabilities using its current assets. Liquidity is measured by using a current ratio (current ratio), which is the ratio between the current assets by current liabilities. Current assets consist of assets with maturity date of less than one year. In 2017, the Company's liquidity stood at 1.02 times. In detail, the liquidity calculation is::

$$\frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\% = \frac{5,5 \text{ trillion}}{5,4 \text{ trillion}} \times 100\% = 1,02x$$

While in 2016 the Company's liquidity stood at 0.89 times. The company managed to increase the liquidity of the Company as reflected in the current ratio over the last two years. This shows the company managed to implement the concept of a miss match between the terms of the financing with maturities of funding sources. Solvency Company is our ability to meet short-term and long-term as reflected in the ratio between the total liabilities contain interest expense with its own capital and also the ratio between total liabilities contain interest expense to total assets. Comparison between total liabilities contains interest expense with its own capital on December 31, 2017 and 2016 amounted to 6.72 times and 6.05 times. The decline in the ratio in 2017 compared to 2016 due to the Company's ability to manage its assets and obtaining funding sources efisien to fund expansion in consumer finance conducted by the Company in 2017.

Table Developments Liquidity and Solvency

Description	2017	2016	Comparison result	
			Changes	%
Current Ratio	1,02	0,89	0,13	14,61%
Ratio of liabilities to equity	7,34	6,74	0,60	8,90%

RATE OF RECEIVABLES COLLECTABILITY RATIO

The Company current receivables steady at 94.84% in 2017 and 93.63% in 2016. While the collectability of the Company stood at 0.80% in 2017. In detail, the collectability calculation is:

$$\frac{\text{overdue > 90 days}}{\text{Total Managed receivables}} \times 100\% = \frac{295,44 \text{ billion}}{36,85 \text{ trillion}} \times 100\% = 0,80\%$$

The Company consistently perform in the financing handling troubled with more emphasis precautionary principle or (Prudent) and maintain compliance customers to make timely payments by way of reminder, to collect and attractive vehicles. The Company also has credit rescue division called Accounts Receivable Management Division headed by an Accounts Receivable Division Head who oversees several people Accounts Receivable Department Head and every Accounts Receivable Head will supervise several Remedial Head and Collection Head.

Capital Structure

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return for the results of capital to shareholders or issue new shares to reduce the loan. Consistent with other industry players, the Company monitors capital based on the gearing ratio. This ratio is calculated from the net value of loans (including bonds and medium-term notes) divided by total capital. The capital amount taken from equity listed in the statement of financial position. Based on the Regulation of the Minister of Finance of the Republic of Indonesia No. 84/PMK.012/2006 dated September 26, 2006 on Financing Entity, the maximum gearing ratio was 10 times that of the total capital. The Company continues to maintain the maximum number gearing ratio is smaller than the terms defined by the analysis of alternative financing either through bank loans, bond issues or optimizing the joint financing fund. The company also calculates the cost of funds from financing alternative selected to ensure the cost of these funds to generate maximum revenue for the Company.

Company's Gearing Ratio

(in million Rupiah except*)

Description	2017	2016	Comparison result	
			Changes	%
Loan				
Loan received-Net	8.210.430	5.609.152	2.601.278	46,38%
Bond	3.665.251	3.316.234	349.017	10,52%
Total Loan	11.875.681	8.925.386	2.950.295	33,06%
Total Capital	1.768.342	1.474.129	294.213	19,96%
Gearing Ratio (times*)	6,72	6,05		

CAPITAL STRUCTURE AND CORPORATE MANAGEMENT POLICY ON CAPITAL STRUCTURE

Capital structure

The capital structure is a combination of equity and liabilities. The combination of optimal capital structure that will maximize the value of the company. Conditions achieved optimal capital structure with a Weighted Average Cost of Capital - minimal WACC. With increasing use of debt, will minimize the WACC because the cost of debt less than the cost of equity.

The capital structure of the Company is as follows:

(in million rupiah)

Description	2017	2016	Comparison result	
			Changes	%
Total Current Assets	5.474.423	3.886.897	1.587.526	40,84%
Total Non Current Assets	9.265.035	7.517.165	1.747.870	23,25%
Total Assets	14.739.458	11.404.062	3.335.396	29,25%
Total Current Liabilities	5.361.499	4.373.940	987.559	22,58%
Total Non Current Liabilities	7.609.617	5.555.993	2.053.624	36,96%
Total Liabilities	12.971.116	9.929.933	3.041.183	30,63%
Total Equity	1.768.342	1.474.129	294.213	19,96%
Total Liabilities and Equity	14.739.458	11.404.062	3.335.396	29,25%

The composition of financing between the loan and the Company's capital:

(in million rupiah)

Description	2017	2016	Comparison result	
			Changes	%
Bank Loan	8.210.430	5.609.152	2.601.278	46,38%
Securities Issued	3.665.251	3.316.234	349.017	10,52%
Other Liability	1.095.435	1.004.547	90.888	9,05%
Equity	1.768.342	1.474.129	294.213	19,96%
Total	14.739.458	11.404.062	3.335.396	29,25%

Funding Composition of the Company in 2017 comprises of 88% from loans and securities and 12% from Equity and Own Capital. This Composition is similar to that of 2016, the loans increasing from previous year, issued securities increasing by 87.07% compared to previous year. This is because the company issued the securities in line with the growth of the Company's business. Other liabilities increased by 9.05% in 2017 compared with the previous year. This is caused mainly by the increase in debt to the supplier of the vehicle. Balance of equity in 2017 amounted to Rp1.77 trillion, or an increase of 19.96% compared to the year 2016 of Rp1.47 trillion. However, in the composition of total liabilities and equity are relatively stable at 12%. This shows the composition of loans and equity relatively the same, and the Company may increase the yield of 22.10% and an increase in income for the year amounted to 4.43%. The Company's objective in managing capital is to maintain the continuity of the Company to be able to deliver results to shareholders and benefits to other stakeholders, and maintain optimization of the capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return for the results of capital to shareholders or issue new shares to reduce the loan. Consistent with other industry players, the Company monitors capital based on the gearing ratio. This ratio is calculated from the net value of loans (including bonds and medium-term notes) divided by total capital. The capital amount taken from equity listed in the statement of financial position.

MATERIAL COMMITMENT ON CAPITAL GOODS

In 2017, the Company has a bonding material used to purchase the Company's assets in the form of rights to land, buildings and infrastructure, office equipment, furniture and vehicles primarily related to the purposes of the branch. The funding sources obtained from the Company's results are entirely in Rupiah currency. In 2017, the purchase of fixed assets amounted Rp49.98 billion, decline 15.80% or Rp9.38 billion compared to 2016 amounting to Rp59.36 billion.

COMPANY MATERIAL INFORMATION

The Company does not have a corporate action in the form of investment, expansion, divestiture, merger/consolidation, acquisition and restructuring of debt or capital that occurred in 2017.

INFORMATION AND MATERIAL FACTS SUBSEQUENT REPORTING DATE

There are no subsequent events that affect the financial statements 2017.

HIGHLIGHTS OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards issued by the Indonesian Institute of Accountants (IAI) and the Regulation of Financial Services Authority (FSA) No. VIII.G.7 on "Presentation and Disclosure of Financial Statements of Public Company" contained in the Attachment of Decision of Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012.

The Basis in drafting financial statements

The financial statement is prepared based on accrual concept, except for cash flow statements, and using historical costs concept unless for those stated in the notes of relevant financial statements.

Cash flow financial statements is prepared using direct method and cash flow groupd on basis of operating activities, investment and funding. The aim of cash flow, cash and cash equivalent including cash, cash on bank and time deposits with period of three months or less, as long as it is not used as security of loan or limitation of use.

Items in Other Comprehensive Incomes are presented separately between accounts to be reclassified in the loss profit and accounts not to be reclassified to loss profit.

In formulating financial statements pursuant to Indonesia financial accounting standard, is needed the estimation and assumption affect:

- assets and liabilities value reported and disclosure of contingency assets and liabilities on financial report date; and
- total income and expenses during reporting period.

Although the estimation is made based on the best knowledge of the management on the current events and actions, the result maybe difference from the initial estimation.

The currency used in financial statements is Rupiah, as it is the functioning currency.

All numbers in this financial statements, unless specifically stated, are rounded and presented in million Rupiah, unless otherwise stated.

Financial Assets and Liabilities

Financial Assets

The Company classifies its assets finances in category (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) financial assets held to maturity, and (iv) financial assets available for sale. In classification depends on the purpose for which the financial assets. Management determines in classification of its financial assets at initial recognition.

During the current year and at the date of statement of financial position, the Company has financial assets classified as loans given and hedging derivative so that the accounting policies related to classification of financial assets outside loans given and receivables as well as hedging derivative are not disclosed.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and have not quoted in an active market, except:

- intended by the Company to be sold in the near time, which are classified as trading, and those designated upon initial recognition as measured at fair value through profit or loss;
- that upon initial recognition are designated as available for sale; or
- in the event that the Company may not recover the initial investment substantially, unless caused by a decrease in the quality of loans and accounts receivable.

At the time of initial recognition, loans and receivables are recognized at fair value plus transaction costs and revenue administration and subsequently measured at amortized cost using the effective interest rate method.

Loans and receivables include cash and cash equivalents, accounts receivable Consumer finance, finance lease receivables, other receivables and other assets (employees receivables, interest receivable, deposits in transit and security deposits).

Income from financial assets classified as loans and receivables are recorded in the statement of income and other comprehensive income and reported as “consumer financing income” and “income finance lease”.

In the case of impairment, impairment losses are reported as a deduction from the carrying value of the financial assets classified as loans and receivables, and are recognized in the income statement and other comprehensive income as “impairment loss”.

Financial Assets estimated by fair value of profit loss

Financial assets estimated by fair value of profit loss including financial assets to be traded and financial assets designated during initial recognition to be estimated on fair value of profit loss.

Derivative assets are classified into traded group unless it is designated as effective hedging instrument. The financial assets measured in fair value of profit loss is presented through financial position statement on fair value with profit or loss from fair value changes predictable in the profit loss.

Recognition

The Company uses settlement date accounting for regular contracts when recording financial assets transactions.

Impairment of financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. The impairment loss is incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (loss event) and that loss event has an impact on the estimated future cash flows the financial asset or group of financial assets that can be estimated reliably.

Financial difficulties experienced by the debtor, the possibility of debtor going bankrupt, or failure or delay in payment of installments shall be considered as an indication of impairment of the financial assets.

The Company determines impairment exists individually for financial assets that are individually significant, and for financial assets that are not individually significant, the determination of impairment is done collectively.

If the Company determines that no objective evidence of impairment for financial assets assessed individually, then the Company shall put the financial asset in a group of financial assets with similar credit risk characteristics and assessed the impairment of group value collectively. Financial assets that are individually assessed for impairment are not included in a collective assessment of impairment.

Future cash flows from a group of financial assets that are collectively evaluated for impairment are estimated based on historical loss experienced on assets that have similar credit risk characteristics with the characteristics of the group credit risk in the Company. Historical loss experience is adjusted based on current observable data to reflect current conditions that did not affect the period on the historical loss, and to remove the effects of conditions in the historical period that do not exist in the present.

When a receivable is not collectible, the receivables written off by turning the journal impairment losses. Such receivables are written off after all the necessary procedures have been performed and the amount of the loss has been determined. Impairment charges relating to loans and receivables classified in “impairment losses”.

If in a subsequent period, the amount of the impairment loss decreases and the reduction can be attributed objectively on events occurring after the impairment was recognized (such as increased ratings receivable debtor), the impairment loss previously recognized is reversed by adjusting the allowance account for impairment losses. Total recoveries of financial assets are recognized in profit or loss and other comprehensive income.

Subsequent recoveries of receivables previously written off are credited by adjusting the allowance account for impairment losses.

Financial Liabilities

The Company classifies its financial liabilities in the category (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities measured at amortized cost.

During the current year and at the date of statement of financial position, the Company has no financial liabilities at fair value through profit or loss that relates to the accounting policies in classification is not disclosed. The Company also has derivative payables recognized as effective hedging.

Financial liabilities estimated at amortized costs

During initial recognition, the financial liabilities estimated during amortized costs are measured at fair value deducted by transactional costs.

After initial recognition, the Company measured all financial liabilities estimated at amortized costs using effective interest rate method.

Financial liabilities are measured at amortized cost including trade payables, other payables, interest expense accrued, bank loans and securities issued.

Financial liabilities measured at fair value by profit or loss

Financial liabilities measured at fair value by profit or loss includes financial liabilities classified in traded group and financial liabilities during initial recognition, has been stipulated, measured at fair value by profit or loss.

Financial liabilities classified in traded group if obtained or owned for sale in the near time. Derivative liabilities are also classified into traded group except derivative stipulated as effective hedging instrument.

Profit or loss on financial liabilities in traded grouped must be recognized in profit loss.

Derecognition

Derecognition of a financial asset when the contractual rights to the cash flows from the financial assets expire or when the assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred (if substantially all the risks and rewards have not been transferred, the Company conducts an evaluation to ensure that continuing involvement on the control of which is still owned not prevent derecognition). Financial liabilities are derecognised when the obligation has been removed or canceled or expired.

Derecognition of the consumer financing receivables are impaired, will be done when debts have been written off. Doubtful accounts are written off when they are overdue more than 180 days or when determined receivables are not collectible.

Write-offs for doubtful accounts receivable is not a remove, so that collection efforts remain to be done. Consumer finance receivables can be solved by selling vehicles financed the Company.

The Company received the vehicle from the consumer and help to sell the vehicle so that consumers can settle their consumer financing payables.

Consumer authorizes the Company to sell the vehicle or take any other action in solving consumer financing receivables in the event of default on the financing agreement. Consumers are entitled to the excess of the value of sales by consumer financing receivables balance. If the differences are less, the loss is charged to profit or loss and other comprehensive income for the year.

Consumer-owned vehicle guarantee for the repayment of consumer financing receivables, stated at the lower of carrying value of related consumer financing receivables or net realization of collateral vehicles belonging to these consumers. The difference between the carrying value and net realizable value of accounts receivable is recorded as impairment losses and charged to profit or loss and other comprehensive income for the year.

Offsetting

Assets and financial liabilities are offset presented in the statement of financial position if it has a legally enforceable right to offset a book on the recognized amounts and intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Enforceable right means:

- There is no contingency in the future, and
- Enforceable right on the following conditions:
 - » normal business activities
 - » conditions of business failures; and
 - » conditions of default or bankruptcy

Financial instrument classification

The Company classified financial instrument into certain classification that reflects the information and considers the characteristic of such financial instrument. The classification are elucidated in the following table:

Category defined by PSAK No. 55 (Revision of 2014)	Group (determined by Company)	Sub-Group
Financial Assets	Loans and Receivables	cash and cash equivalent · cash · Cash in Bank · Time Deposit Consumer financing receivable Finance lease receivable Other Receivable Other Assets · Employee receivable · Interest receivable · Deposit in transit · Security deposit
	Hedging Derivative	· Cash flow hedging
Financial Liabilities	Financial liabilities which measured at amortized cost	Account payable · Vehicle payable · Insurance payable Other payables · Fiduciary registration office · Insurance premium · Accrued interest Accrued interest Bank loan Issued Securities
	Hedging Derivative	Securities Issued on Derivative Cash flow hedging

Determination of Fair Value

The fair value is the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability occurs in:

- The main market for these assets and liabilities, or
- if there is a major market, in the most advantageous market for the asset or liability.

The Company shall have access to the primary market or the most profitable markets. The fair value of assets and liabilities are measured using the assumptions that market participants would use when determining the price of the asset or liability, assuming that market participants act in their best economic interests. The Company uses valuation techniques are appropriate in the circumstances and where sufficient data are available to measure fair value, maximizing the use of unobservable inputs. All assets and liabilities whose fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, as described below, based on the level of the lowest level of input that is significant to the overall fair value measurement:

- Level 1 - quoted price (without adjustments) in active markets for identical assets or liabilities.
- Level 2 - valuation techniques in which the lowest level input that is significantly the level of the fair value measurements are observable either directly or indirectly.
- Level 3 - assessment technique in which the lowest level input that is significantly the level of the fair value measurements are not observable either directly or indirectly.

For assets and liabilities that are measured repeatedly in the financial statements, the Company determines whether the displacement between hierarchical levels have occurred by evaluating the grouping (based on the lowest level input that is significant to the overall fair value measurement) at the end of each reporting period.

Translation of Foreign Currencies

Transactions in foreign currencies are translated into Rupiah using the exchange rate prevailing at the transaction date. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date.

Gains and losses arising from foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss and other comprehensive income.

On December 31, 2017, the exchange rate used exchange rate of Bank Indonesia amounting to Rp13.548 (full amount) (December 31, 2016: Rp13.436 (full value) to one United States Dollars ("US Dollars").

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks and time deposits with maturities of three months or less, unrestricted, is not used as collateral for the loan and can be used as cash without any significant change in the value.

Consumer Financing Receivables

Consumer financing receivables are recognized initially at fair value plus transaction costs and reduced yield enhancing income that can be attributed directly and subsequently measured at amortized cost using the effective interest rate method. Consumer finance receivables are classified as loans and receivables. Please refer to Note 2c for accounting policy on loans and receivables.

Completion of the contract before the financing is treated as a cancellation of consumer financing contracts and gain or loss is recognized in profit or loss and other comprehensive income for the year on the date of transaction.

Revenue Unearned consumer financing is the difference between the total installments to be received from consumers with a principal amount of financing that will be recognized as income over the term of the contract using the effective interest rate method.

Loan restructuring can be done by way of transfer of credit, continued credit, repay back, changing the maturity, changing the tenure and/or increase the down payment.

Joint Financing

Consumer financing receivables are receivables net of joint financing where the credit risk borne by the joint financing without recourse, financing unearned income and allowance for impairment losses.

Consumer financing receivables financed together with other parties where each party bear the credit risk without recourse are presented in the statement of financial position on a net basis. Consumer financing income and interest expense related to the joint financing without recourse are presented on a net basis in the income statement and other comprehensive income.

In a joint financing without recourse, the Company reserves the right to determine the level of higher interest to customers than the interest rate determined in agreement with the joint financing providers. The difference is revenue for the Company and presented as "Consumer Financing Revenue".

Finance lease receivables

Finance lease receivables represent the number of finance lease receivables plus the residual value that will be received at the end of the lease terms reduced by deferred finance leases, security deposits and reserves for impairment losses. The difference between the gross value of accounts receivable and cash value are recognized as deferred finance lease income. Deferred finance lease income is allocated as income in the statements of income and other comprehensive income of the current year based on a constant rate of return on the net investment using the effective interest rate.

Financing tenant has the option to purchase the leased financing asset at the end of the lease terms at a price agreed upon at the inception of finance lease agreements.

Completion of the contract before the lease terms treated as a cancellation of lease contracts and gains or losses are recognized in profit or loss and other comprehensive income for the year.

Finance lease receivables are classified as loans and receivables. Please refer to Notes 2c for accounting policy on loans and receivables.

Provision for impairment losses

The Company calculate the provision for impairment losses by using the "incurred losses".

Prepaid expenses

Prepaid expenses are amortized over the useful life of each expense using the straight-line method.

Fixed assets and depreciation

The fixed assets are stated at acquisition price deducted by accumulated depreciation. The acquisition cost includes all expenditures directly related to the acquisition of fixed assets.

The cost of obtaining legal land rights in the form of Cultivation Rights Title ("HGU"), Building Rights Title ("HGB") and Right to Use Title ("HP") when the land was acquired first recognized as part of the cost of land in the account "Fixed Assets" and is not amortized.

While the cost of maintenance on the extension or renewal of legal rights to the land in the form of HGU, HGB and HP is recognized as part of "Deferred Charges, Net" in the statements of financial position and amortized over whichever is shorter between the age of legal rights and economic life of the soil.

Land which is not depreciated

Construction in progress is stated at cost and will be transferred to the respective fixed assets account when completed and ready to use.

Depreciation of fixed assets other than land is calculated using the straight line method over the estimated useful lives as follows:

Group	Benefit Period (year)	Percentage
Building	20	5,00%
Furniture and office equipment	5	20,00%
Vehicle	5	20,00%
Renovation of building leases	3 - 5	20,00% - 33,33%

The fixed assets except land and buildings under construction are depreciated to the residual value.

Costs after the initial recognition of an asset are recognized as part of the carrying value of assets as a separate asset, as appropriate, only if it is likely the Company will obtain future economic benefits associated with the item and the cost of the item can be measured reliably. The value associated with the replacement of components not recognized. All other repairs and maintenance are charged to the statement of income and other comprehensive income during the period in which the expenses occur.

The residual value and useful lives of assets are reviewed and adjusted, every statement of financial position if necessary.

When assets are retired or otherwise disposed of, their carrying values and accumulated depreciation are removed from the financial statements and the profit or losses resulting from the disposal of fixed assets are recognized in profit or loss and other comprehensive income.

If the carrying value of fixed assets is greater than the recoverable value, the carrying amount may be lowered down to its recoverable value.

Assessment is made at each reporting period whether there is any indication that an impairment loss has been recognized in previous periods that may no longer exist or may have decreased. If the indication is found, then the entity estimates the recoverable amount of the asset. Impairment losses recognized in previous periods shall be reversed only if there are changes in the assumptions used to determine the asset's recoverable amount since the last impairment loss is recognized. In this case, the carrying amount of the asset is increased to its recoverable amount.

Reversal of impairment loss is recognized in profit or loss and other comprehensive income. After such a reversal, the depreciation of these assets is adjusted in future periods to allocate the asset's revised, residual value reduction, on a systematic basis over the remaining benefit periods.

Taxation

Taxation

The taxation laws in Indonesia set up some kind of income that is final taxed. Final tax levied on the gross value of the transaction remains subject to the transaction even though the trader losses.

Referring to PSAK No. 46 (Revised 2014), "Income Taxes", Final tax is not included in the scope of which is governed by PSAK No. 46. Therefore, the Company decided to present Final tax burden with respect to interest income as a separate item.

Current Tax

Current tax assets and liabilities for the current year are measured at the amounts expected to be restituted from or paid to the taxation authorities.

Current tax expense is determined based on taxable income for the current year were calculated based on prevailing tax rates.

Shortage/excess income tax payments are recorded as part of "Income Tax Expense" in the income statement and other comprehensive income. The company also serves the interest/penalty, if any, as part of the "Income Tax Expense".

Amendments to taxation obligations are recorded when an assessment is received or, if objected, when the result of the appeal is determined.

Deferred Tax

Deferred tax assets and liabilities are recognized using the methods of financial position on the future tax consequences attributable to differences between the carrying amounts of assets and liabilities for financial reporting and the tax bases of assets and liabilities at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for temporary differences are deductible and tax loss carry forwards to the extent that the possibility of temporary differences are deductible and tax losses can be utilized to reduce taxable income in the future.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent taxable income may not be sufficient to compensate for some or all of the benefits of these deferred tax assets. At the end of each reporting period, the Company revaluing deferred tax assets not recognized. The Company recognizes deferred tax assets not previously recognized to the extent that future taxable profits will be available for recovery.

Deferred tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying value of assets and the deferred tax liabilities due to a change in tax rates is charged to current operations, except for transactions that previously charged or credited to equity.

Deferred tax assets and liabilities are presented offset in the statement of financial position, except for deferred tax assets and liabilities for different legal entities, in the same manner the current tax assets and liabilities.

Employee Benefits

Short-Term Employee Benefits

Short-term employee benefits are recognized when owed to employees on an accrual basis.

Post-Employment Benefits

Post-employment benefits, such as pensions, severance pay, cash awards and other compensation, determined in accordance with the Regulation of the Company and Labour Law No. 13/2003 ("Law 13/2003").

Due to Law 13/2003 sets the formula for calculating the minimum amount of benefits, basically, based on Law 13/2003 pension program is a defined benefit plan. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually based on one or more factors such as age, years of service or compensation.

Defined benefit pension plan liabilities are recognized in the statement of financial position is the current value of the defined benefit obligation at the date of statement of financial position, as well as adjusted for gains or losses and past service costs not yet recognized. The current value of the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The current value of the defined benefit obligation is determined by discounting the estimated future cash outflows forward using bond interest rates the Company's high quality in the same currency with the currency of remuneration to be paid and the time to maturity is approximately equal to the time to maturity remuneration is concerned.

The entire past service costs are recognized when the first between when the amendment/curtailment occurs or when a restructuring charge recognized or termination of employment. As a result, the past service cost not yet vested no longer be deferred and recognized over the vesting period of the future.

Net interest on the net defined benefit is a component of interest income on plan assets, interest costs on the defined benefit obligation and interest on the impact the upper limit of the asset.

Re-measurement of net defined benefit liabilities consist of:

- Actuarial gains and losses;
- Return on plan assets, excluding amounts included in net interest on the net defined benefit liability
- Any changes to limit the impact on the assets, excluding amounts included in net interest on the net defined benefit liability.

Termination Benefits

Termination benefits payable when the employee is terminated before the normal retirement age. The Company recognizes termination benefits when the Company is demonstrably committed to terminating the employment of current employees according to a detailed formal plan that is likely to be canceled. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

Share

Ordinary shares are classified as equity.

Dividend

Final dividend distributions are recognized as a liability in the financial statements on the date the dividends approved by the General Meeting of Shareholders.

Earnings per Share

Earnings per share are computed by dividing current income by the weighted average number of ordinary shares outstanding during the year.

Securities Issued

Includes securities issued Medium Term Notes and bond. Securities issued are classified as financial liabilities measured at amortized cost. Incremental costs directly attributable to the issuance of securities are deducted from the amount of the securities issued and amortized over the term of the securities issued using the effective interest rate method. Please refer to Notes 2c for accounting policy on financial liabilities which are measured at amortized cost.

Transactions with Related Parties

The Company has transactions with related parties. The definition of related parties used is as follows:

A party is considered related to the Company if:

- a. A person or a close family member is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is the key management personnel of the reporting entity or the parent of the reporting entity.

- b. An entity is related to a reporting entity if it meets one of the following:
- i. The entity and the reporting entity are members of the same group (meaning a parent, subsidiary and fellow subsidiary is related to each other entities).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group, which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. Entities controlled or jointly controlled by a person identified in (a).
 - vii. The person identified in subparagraph (a)(i) has significant influence over the entity or the key management personnel of the entity (or the parent of the entity).

All transactions with related parties are disclosed in the notes to the financial statements.

Derivative financial instrument

Derivative instrument firstly recognized at fair value when the contract is applicable, and then measured for the fair value. Derivative is recorded as assets if having positive fair value and as liabilities if it is negative fair value.

Recognition method of profit or loss from changes of fair value depends on whether the derivative is hedging instrument, and nature of elements in hedging.

The Company uses instrument of financial derivative, foreign currency swap and interest rate level, as part of management activity to protect risk impact of foreign currency and interest rate level on Company loans. The application of cash flow hedging accounting by the Company is when the transaction meeting the hedging accounting criteria.

During transaction, the Company prepare documents related to relation between hedging instrument and elements in hedging. The documentation process connects the derivative designated as hedging and certain assets and liabilities or with full commitment or estimated transaction.

During transaction hedging and on the next period, the Company documented assessment on derivative used as hedging transaction with high effectiveness in offsetting fair value change or cash flow from elements in hedging.

Hedging shall be effective if meeting these criteria:

- during and as long as hedging transaction period has high effectiveness in offsetting fair value changes or cash flow in hedged risk, and
- hedging effectiveness level around 80% until 125%. The Company terminated implementation of hedging accounting when such derivative is not or is no longer effective; when hedging instrument is expire or sold, terminated or paid, during the elements in hedging is due, sold or re-paid; or when estimated transaction to occur is no longer estimated to occur.

Effective part of derivative fair value changes designated and meeting qualifications of cash flow hedging, recognized as "other comprehensive income" on equity part. The profit or loss on ineffective part is directly recognized as profit or loss. Total profit or loss accumulation in equity is charged as comprehensive profit or loss when elements in hedging affecting net profit.

When hedging instrument is expired or sold, terminated, applied or no longer meeting hedging accounting criteria, the deferred cumulative profit or losses in equity is still recognized on "other comprehensive income" and reclassified into profit loss when the items in hedging recognized in the profit loss statements and other comprehensive income.

Recognition of Income and Expense

Revenue from consumer financing and lease financing, insurance commissions and cost of insurance brokerage services and interest expenses for all interest-bearing financial instruments recognized in accordance with the term of the contract based on the effective interest rate method.

The effective interest method is a method used for calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated cash payments or receipts in the future through the expected life of the financial instrument, or if appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. This calculation includes transaction costs and revenue administration.

Bank interest income and late payment penalties are recognized when incurred. Bank interest income is presented on a gross basis in the consolidated statements loss and other comprehensive income. Revenue and expenses are recognized when incurred, using the accrual basis.

Operating segments

An operating segment is a component of an entity, which:

- i. That engages in business activities that generate revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- ii. Whose operating results are regularly reviewed by the chief operating decision-making about resources to be allocated to the segment and assess its performance; and,
- iii. Financial information is available that can be separated.

The Company presents operating segments based on the information prepared internally to the chief operating decision maker. The Company's chief operating decision maker is the Board of Directors.

The Company's operating segments are presented based on business segments consisting of: fleet and retail.

Changes in Accounting Policies and Disclosures

The Company applied accounting standard on January 1, 2017 namely:

- Amendment of PSAK No. 1: Presentation of Financial Statements on Initiative Disclosure. This amendment is to clarify, not significantly amend, the PSAK No.1 requirements among others, to clarify materiality, systematic order flexibility of note presentation on financial report and identifying significant accounting policy.
- PSAK No. 3 (Adjustment 2016): Interim Financial Statements. This adjustment clarify that the required interim disclosure must be contained in interim financial statements of through cross reference from interim financial statements such as management opinions or risk report availability to the user of interim financial statement on the same period.
- PSAK No. 24 (Adjustment 2016): Employment Benefits. This adjustment to clarify that the corporate bond market with high quality is assessed based on such bonds currency denomination and not based on the location of such bonds.

- PSAK No.58 (Adjustment 2016): Non-Current Assets Owned to be Sold and Terminated Operation. This adjustment is to clarify the change from one release method to the other one is deemed as sustainable initial plan and not as new release plan. This adjustment also clarifies that the change of release method shall not change classification date as asset or release group.
- PSAK No. 60 (Adjustment 2016): Financial Instrument: Disclosure. This adjustment clarify that entity must assessed the nature of reward service contract to determine whether the continuous involvement in financial assets and whether the disclosure requirements related to continuous involvement is fulfilled.

The Company has analysed the application of accounting standard above and implementation shall have no significant effect on the financial statement.

ESTIMATES AND CONSIDERATION OF SIGNIFICANT ACCOUNTING

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Consideration

The following considerations are made by the management in order to implement the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements:

Classification of Financial Assets and Liabilities

Company sets in classification of certain assets and liabilities as financial assets and financial liabilities by considering if the definitions set PSAK No. 55 (Revised 2014) are met. Accordingly, financial assets and financial liabilities are recognized in accordance with the accounting policies of the Company.

Lease

The Company has lease agreements in which the company acts as a lessee for rent. The Company assesses whether there are significant risks and rewards of the asset lease redirected by PSAK No. 30 (Revised 2011), which requires the Company to make consideration of the estimates of the transfer of risks and rewards of ownership to the lessee.

Based on the review conducted by the Company on a lease agreement that exists today, the leasing transactions are classified as operating leases.

The Main Sources Of Estimation Uncertainty

1. Allowance for impairment losses.

The Company reviews the accounts given at each reporting date to carry out an assessment of the reserve for impairment has been recorded. Justification management is required to determine the level of required reserves.

The Company established a collective allowance for impairment losses on exposure to consumer financing receivables and finance lease receivables, where the evaluation is based on historical loss data.

2. Post-retirement benefits

Post-retirement benefits are determined based on actuarial calculations. Actuarial calculations using assumptions such as discount rates, investment returns, salary increase rate, mortality rate, rate of resignation and others. Changes in these assumptions will affect the carrying amount of the post-retirement benefit liabilities.

3. Depreciation and estimated benefit period of fixed assets

Costs of acquisition of fixed assets are depreciated using the straight-line method based on the estimated economic benefit period. Management estimates the benefit period of the assets. This is the age that generally expected in the industry in which the Company does business. Changes in the level of usage and technological developments could affect the economic benefit period and residual value of assets and therefore future depreciation charges may be revised.

4. Income tax

Significant judgment is made in determining the provision for corporate income tax. There are certain transactions and calculations that ultimately tax determination is uncertain throughout the normal course of business. The Company records a liability for corporate income tax is based on estimates of whether there are additional corporate income taxes.

5. Deferred tax

Deferred tax assets are recognized for the amount of recoverable income taxes (recoverable) in future periods as a result of deductible temporary differences.

Management justification is necessary to determine the amount of deferred tax assets that can be recognized, in accordance with precise timing and level of future taxable profits in line with the strategy of the future tax plan.

ACCOUNTING POLICIES RELATED TO EMPLOYEE BENEFITS

The amountes recognized on the financial position statements are determined as follows: (in million Rupiah)

Description	2017	2016	Comparison Result	
			Changes	%
Initial balance, January 1	50.135	36.549	13.586	37,17%
Current service expense	8.367	6.413	1.954	30,47%
Interest expense	4.160	3.313	847	25,57%
Past service expense	470	415	55	13,25%
losses payment of the year on actuarial liabilities	(2.449)	(821)	(1.628)	198,29%
Historical difference	4.443	826	3.617	437,89%
Financial assumptions	8.719	3.440	5.279	153,46%
End Balance	73.845	50.135	23.710	47,29%

Amounts recognized on profit loss statement date and other comprehensive income is as follows:

Description	2017	2016	Comparison Result	
			Changes	%
Current service expense	8.367	6.413	1.954	30,47%
Interest expense	4.160	3.313	847	25,57%
Past service expense	470	415	55	13,25%
	12.997	10.141	2.856	28,16%
Termination benefits expense	1.445	1.808	(363)	(20,08%)
Total	14.442	11.949	2.493	20,86%

Mutations employee benefits liabilities in statements of financial position are as follow:

Description	2017	2016	Comparison Result	
			Changes	%
Initial Balance, January 1	50.135	36.549	13.586	37,17%
Allowance on income	14,442	11.949	2.493	20,86%
Allowance on other comprehensive income	13.162	4.266	8.896	208,53%
Payments for the year	(3.894)	(2.629)	1.265	48,12%
End balance	73.845	50.135	23.710	47,29%

Liabilities for employee benefits at December 31, 2017 and 2016 are calculated by independent actuary PT Dayamandiri Dharmakonsilindo using the projected unit credit method in actuarial report dated January 2, 2018 and January 3, 2017. The basic assumptions used independent actuary are as follows:

Description	2017	2016
Discount rate	7.4% per year	8.5% per year
Salary increase rate	7% per year	7% per year
Death rate	TMI 3	TMI 3
Level of disability	10% dari TMI3	10% dari TMI3
Resignation rate	7% per year at the age up to 40 years and be reduced to 0.00% at age 55 years	7% per year at the age up to 40 years and be reduced to 0.00% at age 55 years
Pension rate	100,00% of normal retirement age	100,00% of normal retirement age

Compliance as Financing Company

As a finance company which has been established since 1989, the Company always obey the laws and regulations in force. The Company is in the field of financing currently regulated by the Financial Services Authority through Regulation of Financial Services Authority (POJK) No. 29/POJK.05/2014 on the Implementation of Enterprise Financing Company, and POJK No. 30/POJK.04/2015 on Corporate Governance Good For Financing Company. Several provisions in the Financial Services Authority, including the following:

No	Description	Regulation	Status	Note
1	Paid Up Capital	Minimum of Rp100 Billion	Comply	Company's paid-up capital as of December 31, 2016 amounted to Rp250 Billion
2	Authorized Capital	Minimum 50% of Paid-up capital	Comply	Company's authorized capital as of December 31, 2016 amounted to Rp900 Billion
3	Board of Directors	<ul style="list-style-type: none"> Required to have at least three members of the Board of Directors Not Having Concurrent Position in Other Companies Domiciled in the territory of the Republic of Indonesia Passed Fit and Proper Test ratings 	Comply	<ul style="list-style-type: none"> Number of Directors were three people in 2016; None of the Board of Directors concurrent positions in other financing companies; All Members of the Board of Directors are domiciled in Indonesia, and The entire Board of Directors has Passed Fit and Proper Test by OJK
4	Board of Commissioners	<ul style="list-style-type: none"> Required to have at least 2 (two) members of the Board of Commissioners Not Having Concurrent position as member of the Board of Commissioners on more than three companies; At least 1 (one) person domiciled in the territory of the Republic of Indonesia Pass on fit and proper test Required to have at least 1 (one) Independent Commissioner 	Comply	<ul style="list-style-type: none"> Number of Board of Commissioner were 3 people None of the Board of Commissioner concurrent positions in other financing companies
5	Audit Committee	Must establish audit committee	Comply	The Company has an Audit Committee headed by an Independent Commissioner
6	Total minimum of financing receivable	Minimum of 40% from total Assets	Comply	Total company's financing receivable as of December 31, 2016 amounted 92,17% by the total assets
7	Total payable	Maximum 10 times	Comply	Total Loan of the Company as of December 31, 2016 was 6,25 times for authorized capital

CONTRIBUTION TO COUNTRY

The Company's mission is to play an active role contributing to the economic development of the country. To realize the mission of the Company in fiscal year 2016, the Company's operating activities have contributed positively to the country by the following forms:

1. Contributions to the payment of taxes

During 2017, the contribution of tax payments by the Company to the Country amounted to Rp264,604,264,028 and in 2016 amounted to Rp230,504,042,227, or an increase of 14.79%. Contributions to the payment of taxes is composed of:

(in full Rupiah)

Office	Tax Regulation	Total (2017)	Total (2016)	Comparison Result	
				Change	%
Head	Corporate Income Tax	118.485.218.722	112.680.248.467	5.804.970.255	5,15%
	VAT	71.858.865.461	48.345.477.679	23.513.387.782	48,64%
Branch	Withholding Income Tax	74.148.672.865	69.392.776.834	4.755.896.031	6,85%
	Property TAXes	111.506.980	85.539.247	25.967.733	30,36%
Total		264.604.264.028	230.504.042.227	34.100.221.801	14,79%

2. To develop the segment of Small, Micro, and Medium Enterprises (SMEs)

Throughout 2017, the Company managed to channel the financing of commercial vehicles to consumers MSMEs. Some vehicles such as the type of Pick Up and units of commercial vehicles which have been financed by the Company. With the kind of vehicle finance portfolio of Pick Up, the Company has been supporting the transportation and business operations of SMEs owned by customers of the Company and are expected to develop the SME business.



“”

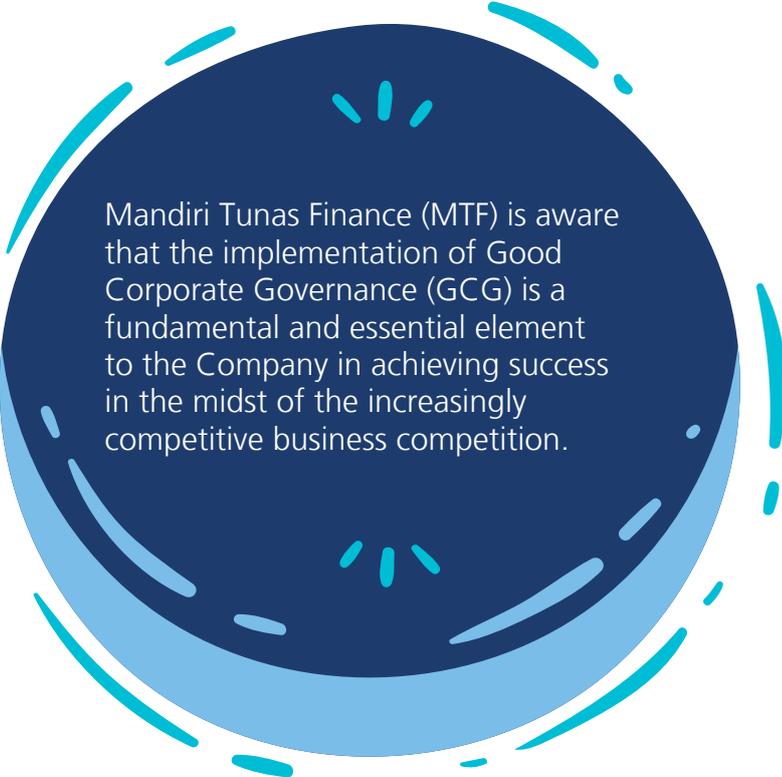
IN IMPLEMENTING THE GCG PRINCIPLES, MANDIRI TUNAS FINANCE REFERS TO A NUMBER OF POLICIES AND THE APPLICABLE LAWS AND REGULATIONS CONCERNING GCG. AS THE RESULT, GOOD CORPORATE GOVERNANCE CAN BE IMPLEMENTED OPTIMALLY BY ALL PERSONNEL OF THE COMPANY AS ITS CULTURE.



06

Good Corporate Governance

TATA KELOLA PERUSAHAAN



Mandiri Tunas Finance (MTF) is aware that the implementation of Good Corporate Governance (GCG) is a fundamental and essential element to the Company in achieving success in the midst of the increasingly competitive business competition.

Mandiri Tunas Finance (MTF) is aware that the implementation of Good Corporate Governance (GCG) is a fundamental and essential element to the Company in achieving success in the midst of the increasingly competitive business competition. To that end, MTF is always committed to actualizing the good corporate governance in every business activity performed in order to improve the quality of the Company's management, including professionalism, transparency, efficiency, and accountability. In addition, it aims to generate added value for the Company and to maintain the trust of the shareholders and stakeholders. The increased trust of the shareholders and stakeholders will lead the Company's performance to grow in a positive direction.

Statement of GCG Commitment

Mandiri Tunas Finance implements the principles of GCG as a basis of enhancement of the Company's performance by updating its guidelines, operation procedures, manual in accordance with the applicable laws and regulations, transformation programs and developments of the Company. The commitment to implementing GCG is an absolute

aspect to Mandiri Tunas Finance. This is performed through strengthening the infrastructure owned and continually improving systems and procedures to support the effectiveness of GCG implementation. The Company also takes into account the importance of GCG implementation in all working activities by always considering all stakeholders.

GCG Principles

In implementing the GCG principles, Mandiri Tunas Finance refers to a number of policies and the applicable laws and regulations concerning GCG. As the result, good corporate governance can be implemented optimally by all personnel of the Company as its culture. The principles of GCG include 5 fundamental pillars, namely: transparency, accountability, responsibility, independency, and fairness. Mandiri Tunas Finance believes upholds these 5 fundamental pillars as instruments that guide the Company in managing all business aspect performed by the Board of Commissioners, the Board Directors and the employees. This attempt is expected to generate balance in the Company's business operational.



The 5 fundamental pillars are as follows:

1. Transparency

The Company considers the principle of transparency as openness in revealing relevant material information in accurate and timely manners. The Company does not only disclose such material information to the shareholders, but also to all of the stakeholders of the Company. Accordingly, the shareholders and stakeholders are expected to obtain early information regarding the Company's business development.

2. Accountability

The principle of accountability is implemented by the Company through clarifying function, structure, system and respective responsibility of each organ of the Company, so that the Company management can be carried out effectively. By implementing the principle of accountability, the functions, rights, duties, authorities and responsibilities of the shareholders, the Board of Commissioners and the Board of Directors and other sectors of the Company has been affirmed.

3. Responsibility

Company defines the principle of responsibility as a compliance with both operational procedures and the laws and regulations that apply in every business activity carried out. The responsibility principle is also accompanied by a commitment to carry out business activities in accordance with ethical standards. In addition, supervisory role performed by the Board of Commissioners is further improved on the management of the Company by the Board of Directors to run effectively, with the achievement targets for the Board of Directors.

4. Independency

The Company defines this principle as the implementation of duties, responsibilities and authorities of each organ of the Company without any interference from other organs of the Company or other parties which is not in accordance with the legislation in force. The independency principle is actualized by mutual respect to role and function of each organ of the company and to managerial decisions of the Company through the Board of Directors decision. The principle of independency is required, especially in the process of decision-making or management policy that shall be carried out objectively and by putting the Company's interests as a top priority.

5. Fairness

The Company defines the principle of fairness or equity as equal treatment to all interested parties in accordance with the prevailing laws and regulations. In its application, among others, the Company always maintains good relationship with the employees and avoids discriminatory practices and respects the employee rights.

LEGAL BASIS OF GOOD CORPORATE GOVERNANCE IMPLEMENTATION

Mandiri Tunas Finance is continuously committed to regulations which are applicable in the implementation of Good Corporate Governance (GCG) to maintain business continuity of the company. Mandiri Tunas Finance has developed proper corporate governance structure and system by taking into account the GCG principles in accordance with the provisions and regulations and best practice. Spirit embodied in the implementation of GCG in Mandiri Tunas Finance is the will and determination of the Company's management to make Mandiri Tunas Finance as a company that continues to grow and evolve with good quality of Products and Work Processes, and has a Code of Conduct, including responsibility to the environment. Mandiri Tunas Finance's implementation of good corporate governance is guided by the following provisions:

1. Law No. 40 year 2007 on Limited Liability Companies.
2. Law No. 8 year 1995 on Capital Market.
3. Regulation of Indonesia Stock Exchange.
4. Regulation of Financial Services Authority.
5. GCG Guidelines of the National Committee on Governance Policy (KNKG)
6. Articles of Association of the Company.

OBJECTIVES GCG IMPLEMENTATION

Mandiri Tunas Finance has stipulated objectives and benefits of GCG implementation in maintaining the continuity of the company in sustainable manner. The objectives of GCG implementation in Mandiri Tunas Finance are as follows:

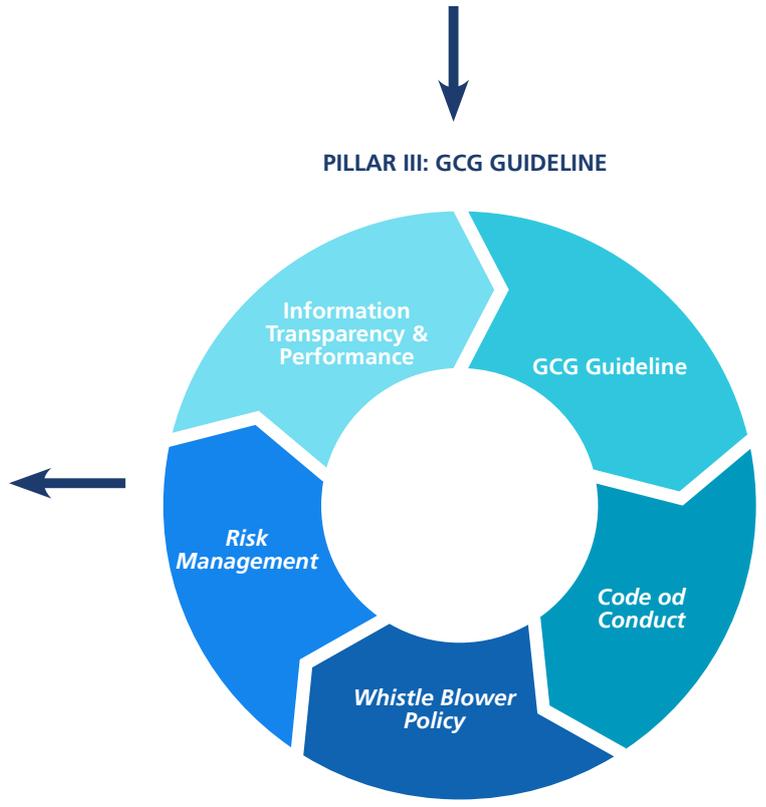
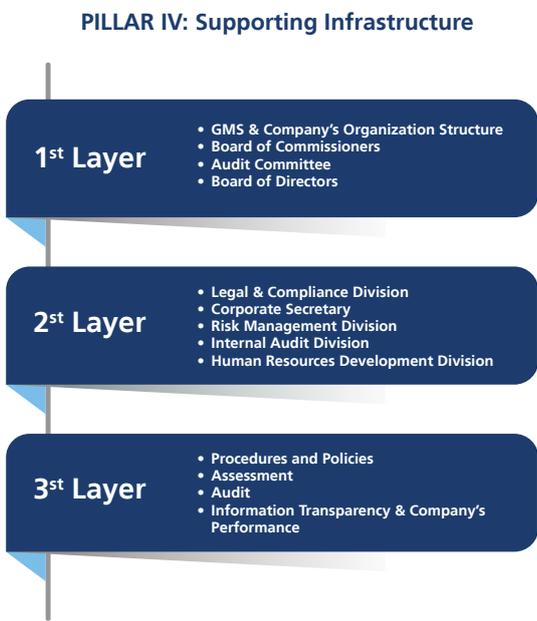
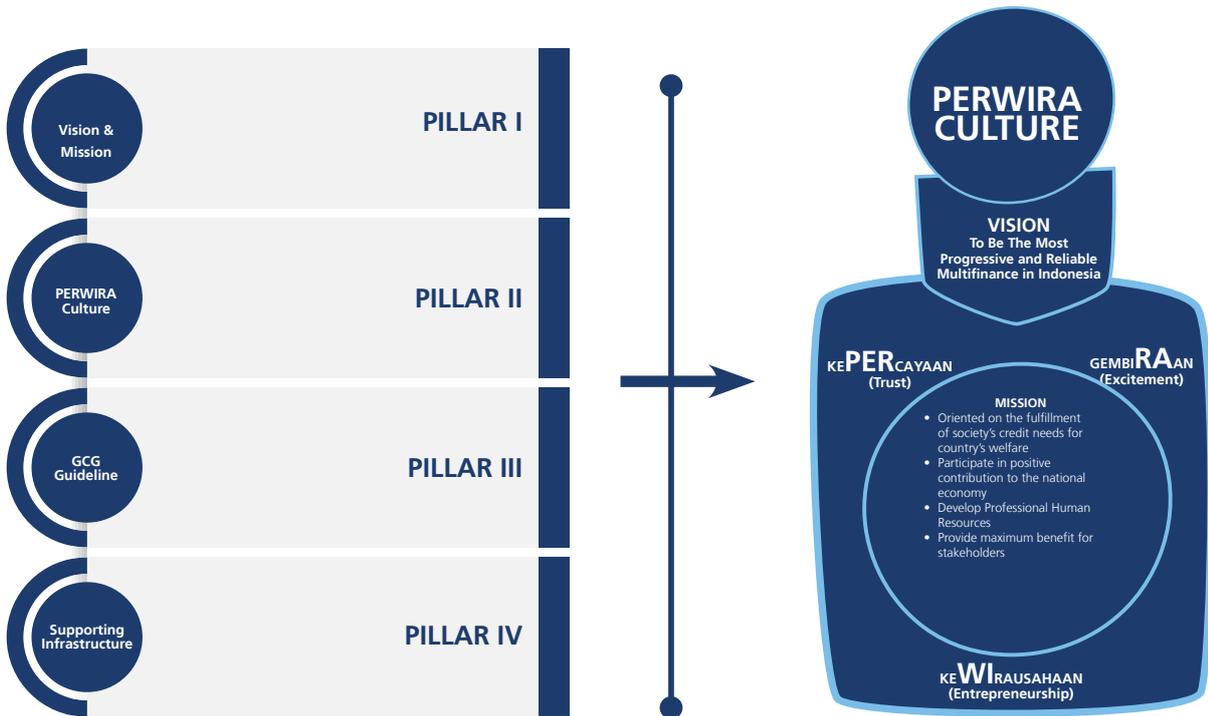
- Providing added value to both the Company and shareholders;
- Maximizing the value of the Company in order to have strong competitiveness;
- Improving regulatory compliance;
- Encouraging the management of the Company in professional, transparent and efficient manners and empowering function of the Board of Commissioners, the Board of Directors, Audit Committee, Internal Audit and Corporate Secretary;
- Encouraging every decision or policy based on high moral values and compliance with the applicable laws and regulations;
- Protecting the Board of Commissioners and Board of Directors of the possibility of lawsuits.

To achieve these objections, Mandiri Tunas Finance has the full commitment and consistently upholds the implementation of GCG with reference to some formal rules as the basis for Mandiri Tunas Finance in the implementation of GCG.

GCG ROADMAP OF MANDIRI TUNAS FINANCE

Mandiri Tunas Finance set the GCG implementation direction in the form of GCG Roadmap which is expected to be guidelines in the GCG implementation at all levels. GCG Roadmap is directed to make GCG as the reference in every operational activity. The ultimate objective of the Roadmap GCG is the realization of Mandiri Tunas Finance as a good corporate citizen. By achieving such ultimate objective, Mandiri Tunas Finance is optimistic to improve and maintain performance continuously.

The following is GCG Roadmap of Mandiri Tunas Finance



STRUCTURE AND MECHANISM OF GCG

Governance Structure

In accordance with Law No. 40 year 2007 Chapter I on General Provisions Article 1, the Company's Organs consist of a General Meeting of Shareholders, the Board of Directors and Board of Commissioners.

- General Meeting of Shareholders, hereinafter called the GMS is the Company's Organ which has authority not granted to the Board of Directors or Board of Commissioners within the limits prescribed in the Law and/or the Articles of Association.

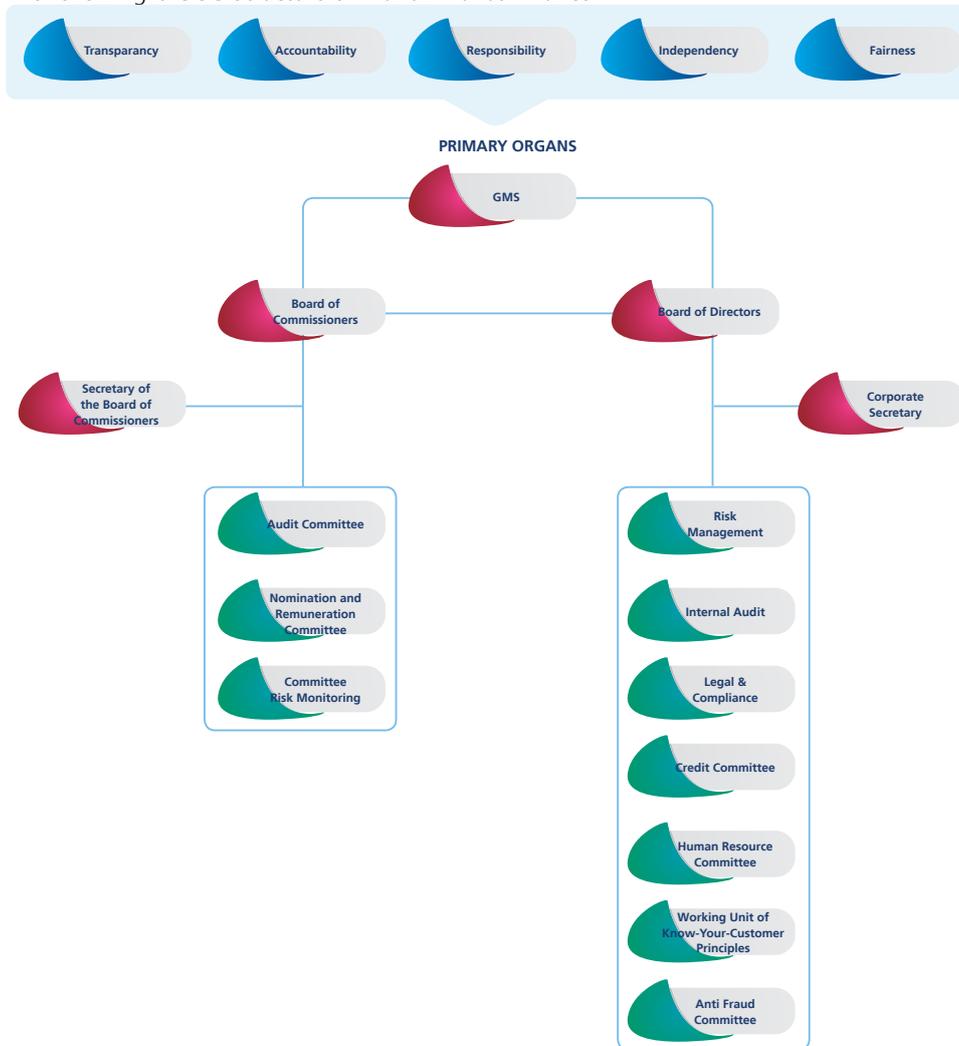
Manajemen Discussion and Analysis

Good Corporate Governance

Corporate Social Responsibility

- Board of Commissioners is an organ of the Company in charge of supervising and/or special accordance with the Statutes as well as giving advice to the Board of Directors.
- Board of Directors is an organ of the Company which possesses authority, and is fully responsible for management of the Company for the interests of the Company, in accordance with the purposes and objectives of the Company and represent the Company, both in and out of court in accordance with the provisions of the Articles of Association.

The following is GCG Structure of Mandiri Tunas Finance



The Company's organs play a key role in the continuity of GCG implementation. These organs perform their function in accordance with the laws and regulations, the Articles of Association of the Company and other provisions under the principle that all organs have independency in carrying out duties, functions, and responsibilities for interests of the Company. GMS, the Board of Commissioners and Board of Directors maintain mutual respect on their respective duties, responsibilities and authorities pursuant to the laws and regulations and the Articles of Association. In performing management duties of the company, the Board of Directors is assisted by Corporate Secretary and Internal Audit as well as other work units that perform management function of the Company. In performing supervisory duty, the Board of Commissioners may establish committees, in which one or more of members of the Board of Commissioners become the members of these committees. They are responsible to the Board of Commissioners.

Governance Mechanism

The Company's organs play a key role in the continuity of GCG implementation. These organs perform their function in accordance with the laws and regulations, the Articles of Association of the Company and other provisions under the principle that all organs have independency in carrying out duties, functions, and responsibilities for interests of the Company. GMS, the Board of Commissioners and Board of Directors maintain mutual respect on their respective duties, responsibilities and authorities pursuant to the laws and regulations and the Articles of Association. In performing management duties of the company, the Board of

Directors is assisted by Corporate Secretary and Internal Audit as well as other work units that perform management function of the Company. In performing supervisory duty, the Board of Commissioners may establish committees, in which one or more of members of the Board of Commissioners become the members of these committees. They are responsible to the Board of Commissioners.

Strengthening Implementation of Mandiri Tunas Finance GCG

MMandiri Tunas Finance has undertaken various initiatives of GCG implementation, whether conducted independently or assisted by independent parties in achieving sustainable corporate governance. During 2017, a program to strengthen the implementation of GCG in Mandiri Tunas Finance has been achieved, including:

1. The implementation of Self-assessment is attached.
2. Management Program of Gratification is not applied in the Company.
3. Whistleblowing System

Dissemination and Evaluation of GCG Implementation

Mandiri Tunas Finance periodically conducts disseminations on the implementation of Good Corporate Governance (GCG). The dissemination specifically aims to explain rules and objectives of the GCG implementation for the Company's continuity. The dissemination is conducted to all personnel of the company so that the GCG implementation runs optimally. In addition to conduct dissemination, the Company also conducts evaluation in order to review effectiveness on the GCG implementation. The evaluation results become the Company's basis to enhance the GCG implementation program of Mandiri Tunas Finance.

The following are evaluation results of the GCG implementation in 2017:

No	Parameter	Indicator	Score	
1	BOARD OF DIRECTORS	Governance Structure	1	1
			2	1
			3	1
	Governance Process	1	1	
		2	2	
		3	2	
		4	1	
	Governance Result	1	1	
		2	2	
		Average Value		1.33
2	BOARD OF COMMISSIONERS	Governance Structure	1	1
			2	2
			3	3
	Governance Process	1	1	
		2	1	
		3	1	
		4	1	
	Governance Result	1	1	
		2	1	
		3	1	
Average Value		1.30		

5	INTERNAL AUDIT UNIT	Governance Structure	1	1	
			2	1	
			3	2	
	Governance Process	1	1		
		2	1		
		3	2		
		Average Value		1.50	
	6	RISK MANAGEMENT IMPLEMENTATION	Governance Structure	1	2
				2	1
				3	2
Governance Process		1	1		
		2	2		
		3	2		
		Average Value		1.40	
7		GOVERNANCE GUIDELINES	Governance Structure	1	1
				2	1
				3	1
	Governance Process	1	1		
		2	1		
		3	1		
		Average Value		1.67	

3 INTEGRATED GOVERNANCE COMMITTEE			
Governance Structure	1	1	
	2	1	
Governance Process	1	1	
	2	1	
Governance Result	1	1	
	2	1	
	3	1	
Average Value			1.29

4 COMPLIANCE UNIT			
Governance Structure	1	1	
	2	1	
Governance Process	1	1	
Governance Result	1	1	
Average Value			1.25

8 CONFLICT OF INTEREST			
Integrated governance structure	1	1	
Integrated Governance Process	1	1	
The results of Governance are integrated	1	1	
Average Value			1.33

9 REMUNERATION POLICY			
Integrated governance structure	1	1	
Integrated Governance Process	1	1	
The results of Governance are integrated	1	1	
Average Value			1.67
TOTAL SCORE			1.26

GENERAL MEETING OF SHAREHOLDERS

GMS is a medium for the Company's shareholders to make decisions by taking into account the Articles of Association and laws and regulations. GMS cannot intervene with duties, functions and authority of the Board of Commissioners and Board of Directors, without disregarding GMS' rights to perform its authority in accordance with the Articles of Association and the laws and regulations.

The General Meeting of Shareholders has an authority that is not granted to the Board of Directors and Board of Commissioners, including the authority to approve and refuse RKAP and RJPP, determine and ratify the appointment system for Board of Directors and Board of Commissioners, appoint and dismiss the members of Board of Commissioners and Board of Directors, determine the system to assess the performance of Board of Commissioners and Board of Directors, determine the external auditors to conduct audit on the Company's financial statements and determine the amount of remuneration given to the Board of Commissioners and Board of Directors.

The Company's GMS consists of the Annual GMS,

which is the fixed agenda of all shareholders and convened once a year at the minimum, and the Extraordinary GMS, which is convened if there is an extraordinary event taking place which may affect the Company's performance. Throughout 2017, the Company convened the Annual GMS on April 10, 2017 in Jakarta.

Rights and Equality on the Fulfillment of Shareholders' Rights

The Company continues to fulfill and take into account the rights of Shareholders in fairness without differentiating the Majority or Minority Shareholders. The fairness on the fulfillment of the rights to all shareholders can be seen from the dissemination of information pre – meeting, during the meeting, and post – meeting of GMS as stipulated in the prevailing regulations. Before GMS is conducted, the Company will announce the GMS within the time period of 21 (twenty one) days at the latest since the determination of the GMS convention date. Moreover, the Company assures that it can maintain and uphold the rights of Shareholders, including:

1. Suggesting, approving the appointment and dismissal of the Board of Commissioners and Board of Directors.
2. Approving the amendment of the Articles of Association, including the change of the capital.
3. Approving the merger, consolidation, acquisition and splitting of the Company, request submission for the Company to be declared bankrupt and dissolution of the Company.
4. Requesting report and explanation regarding certain matters to the Board of Directors and Board of Commissioners of the Company by taking into account the prevailing regulations in the Capital Market in Indonesia.
5. Every one share provides 1 right of vote.
6. Attending and providing opinion in the GMS.
7. Receiving dividend and residual assets of the liquidity proceeds.
8. Implementing other rights pursuant to the regulations of limited liability companies.

Procedures of GMS Convention

In the convention of GMS, the Company refers to the Regulation of Financial Services Authority (POJK) NO.32/POJK.04/2014 and other relevant regulations.

Annual GMS Agenda

In the prevailing regulation in Indonesia, the General Meeting of Shareholders is the highest organ and has the veto power among the other organs of the Company. General Meeting of Shareholders (GMS) consists of the Annual GMS and the Extraordinary GMS. The Annual GMS is convened every year with the agenda regarding the responsibility of the Board of Directors and Board of Commissioners of the Company in implementing their duties and functions for 1 year, the Work Program for the years to come, the appointment of the Public Accountants, etc. The Annual GMS must be conducted within 6 months after the fiscal year end at maximum, which is on late June of the following year at the latest.

The Quorum Requirements and Attendance of the Board of Commissioners and Board of Directors

The requirements regarding the validity of the GMS conventions are stipulated in the Articles of Association of the Company which refers to the Law No.40 of 2007. In the Articles of Association of the Company, it is determined that GMS can be held if it fulfills the quorum requirements and attended and/or represented by at least of 2/3 of the total of Shareholders.

Previous Year of GMS

2016 Annual Meeting Results

The Company has conducted the Annual GMS on February 24, 2016 in Jakarta attended by all of the shareholders with the following resolutions:

Information	2016 Annual GMS Resolution	Realization	Realization
First Agenda	Approving and receiving the Annual Report of the Company for the fiscal year ended on December 31, 2015, as well as validating the Annual Financial Statements of the Company for the fiscal year ended on December 31, 2015 that have been audited by the Public Accountant Firm of Purwantono, Sungkoro & Suria (a member firm of Ernst & Young Global Limited) as reported on the Independent Auditor Report number RPC-246/PSS/2016 dated January 18, 2016 with fair opinions in all material matters, granting full release and discharge of responsibility (volledig acquit et decharge) to the Board of Commissioners of the Company on its supervisory duty and to the Board of Directors on its authority management and implementation that have been conducted within the fiscal year ended on December 31, 2015 provided that the action is not a criminal act and reflected in the Annual Report and Financial Statements for the fiscal year ended on December 31, 2015.	Realized	Approved and accept Company Annual Report for fiscal year ended on 31-12-2015 (thirty-ne December two thousand fifteen) and ratified Company Financial Statements for fiscal year ended on 31-12-2015 (thirty-one December two thousand fifteen) audited by Public Accountant Firm of Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited as stated in the Independent Auditor Report number RPC-246/PSS/2016 dated January 18, 2016 with fair opinions in all material matters, granting full release and discharge of responsibility (volledig acquit et decharge), to the Board of Commissioners of the Company on its supervisory duty and to the Board of Directors of the Company on its authority management and implementation that have been conducted in the fiscal year ended on 31-12-2015 (thirty-one December two thousand fifteen), as long as the action is not a criminal act and refected in the Annual Report and Financial Statements for the fiscal year ended on 31-12-2015 (thirty-one December two thousand fifteen).
Second Agenda	Approving and determining the utilization of the Net Profit of the Company of the fiscal year of 2015 amounting to Rp306.799.823.009,19,- as follows: 1. Distributing the final dividend of 10% (ten percent) from the total of the net profit of the Company to the Shareholders of the Company for the fiscal year ended on December 31, 2015 amounting to Rp30.679.982.300.92 or Rp12.27 per share which will be distributed to the shareholders proportionately to the PT Bank Mandiri (Persero) Tbk. and PT Tunas Ridean Tbk. 2. Residual of the 2015 net profit amounting to Rp276.119.840.708,27 or 90% (ninety percent) from the total net profit will be recorded as retained earnings of the Company which will be utilized to strengthen the Company's capital.	Realized	Related to distribution of net profit of the Company in 2015 (two thousand fifteen), the Company Board of Commissioners proposed the following to the shareholders: 1. Allocated final dividend of 10% (ten percent) from total annual net profit , to be paid by the Company to the Shareholders for fiscal year ended on 31-12-2015 (thirty-one December two thousand fifteen) amounted to Rp30,679,982,300.92 (thirty billion six hundred seventy-nine million nine hundred eighty-two thousand three hundred rupiah and ninety-two cent) or Rp 12.27 (twelve point twenty-seven) per share in proportion of PT Bank Mandiri (Persero) Tbk and PT Tunas Ridean Tbk. 2. Remaining net profit of 2015 (two thousand fifteen) amounted to Rp 276,119,840,708.27 (two hundred seventy-sxi billion one hundred nineteen million eight hundred forty thousand seven hundred eight rupiah and twenty-seven) or 90% (ninety percent) of total net profit booked as retained earnings of the Company to be used to strengthen the Company capital.

Information	2016 Annual GMS Resolution	Realization	Realization
Third Agenda	<ol style="list-style-type: none"> 1. Appointing the Public Accountants Firm of Purwanto, Sungkoro, & Surjala (a member firm of Ernst & Young Global Limited) as the Public Accountants that will audit the Financial Statements of the Company for the fiscal year ended on December 31, 2016. 2. Granting the power of attorney to the Board of Commissioners to determine the honorarium and other requirements for the Public Accountant Firm, as well as to appoint the replacement Public Accountants Firm in the event of the Public Accountants Firm of Purwanto, Sungkoro, & Surja (a member firm of Ernst & Young) for any reason is unable to complete the audit of the Financial Statements of the for the fiscal year ended on December 31, 2016. 	Realized	<p>Considering the technical ability including experience in auditing large scale companies by referring to the provisions and set requirements as well as evaluation results of candidate of Public Accountant Firm, the following agenda was proposed in the Meeting :</p> <ol style="list-style-type: none"> 1. Appointed Public Accountant Firm of Purwanto Sungkoro & Surja (EY) as Public Accounting Office to audit Company Financial Statement for fiscal year ended on 31-12-2016 (thirty-one December two thousand sixteen). 2. Granted power to the Board of Commissioners to stipulate honorarium and other requirements for such Public Accountant Firm, and appoint auxiliary Public Accountant Office in the event that Public Accountant Firm of Purwanto, Sungkoro & Surja (EY) due to whatsoever reason failed to conduct audit on Company Financial Statement ended on 31-12-2016 (thirty-one December two thousand sixteen).
Fourth Agenda	Granting the power of attorney to the Board of Commissioners to determine the honorarium and other requirements for the Public Accountant Firm, as well as to appoint the replacement Public Accountants Firm in the event of the Public Accountants Firm of Purwanto, Sungkoro, & Surja (a member firm of Ernst & Young) for any reason is unable to complete the audit of the Financial Statements of the for the fiscal year ended on December 31, 2016.	Realized	Granted authority and power to the Board of Commissioners by first obtained approval of Majority Shareholders to determine the amount of tantiem provided to the member of Board of Directors and Board of Commissioners of the Company for fiscal year ended on 2015 (two thousand fifteen).
Fifth Agenda	<ol style="list-style-type: none"> 1. Granting the authority and power to the Board of Commissioners with prior approval of the Majority Shareholders to determine the salary and honorarium for the members of Board of Directors and Board of Commissioners for 2016. 2. Granting the authority and power to the Board of Commissioners with prior approval of the Majority Shareholders to determine the facilities and/or benefits for the Board of Directors and Board 	Realized	<ol style="list-style-type: none"> 1. Granted authority and power to the Board of Commissioners by firstly obtained approval of the Majority Shareholders to determine the amount of salary and honorarium for member of Board of Directors and Board of Commissioners for year 2016 (two thousand sixteen) 2. Granted authority and power to the Board of Commissioners by firstly obtained approval of the Majority Shareholders to stipulate the amount of facilities and/or allowances of communication, transportation, and utilities for member of Board of Directors and Board of Commissioners for fiscal year 2016 (two thousand sixteen).
Sixth Agenda	Granting the power and authority to the Board of Directors with the approval of the Board of Commissioners of the Company, effective since the closing of the meeting, to transfer and/or to collateralize more than 50% (fifty percent) of the Company's assets on behalf of the Company in order to obtain new funding sources from banks and issuance of bonds and other securities in 1 (one) transaction or more, both related to each other or not, amounting to Rp5.500.000.000.000,- (five trillion five hundred billion rupiah) in 2017.	Realized	Granted power and authority to the Company Board of Directors, since the closing of this Meeting, to transfer and/or make more than 50% (fifty percent) of net assets of the company as debt security on behalf of the Company to obtain new financing originated from banking sources and bonds or securities issuance, within 1 (one) transaction or more, either related or not related, amounting to Rp5,500,000,000,000 (five trillion five hundred billion rupiah) in 2017 (two thousand seventeen) whereas for each transfer and/or secured net assets of the Company multiply by Rp1,000,000,000,000 (one trillion rupiah), the Board of Directors is obligated to make written report to the Board of Commissioners regarding the implementation.
Seventh Agenda	Report on the Utilization of Proceeds from Public Offering of Sustainable Bonds I of Mandiri Tunas Finance Phase III of 2015.	Realized	The Company has reported the use of proceeds from Public Offering of Sustainable Bonds I Stage III to the Financial Service Authority through letter No. 100-MTF-CSC/III/2015 dated 01-07-2015 (one July two thousand fifteen) on Realization Report of the Use of Proceeds from Public Offering of Sustainable Bonds I Mandiri Tunas Finance Stage III of 2015 (two thousand fifteen) as of 30-06-2015 (thirty June two thousand fifteen)
Eighth Agenda	Report on the Utilization of Proceeds from Public Offering of Sustainable Bonds II of Mandiri Tunas Finance Phase I of 2015.	Realized	The Company has reported the use of proceeds from Public Offering of Sustainable Bonds II Stage I amounting to Rp600,000,000 (six hundred million rupiah) has been used for work capital of financing vehicles in accordance to the prospectus.

Information	2016 Annual GMS Resolution	Realization	Realization
Ninth Agenda	1. Approving the amendment of the Articles of Association of the Company in accordance with the POJK Regulation No. 33 of 2014, namely Article 11 Paragraph 1, 3, 6, Article 13 Paragraph 1 and Article 14 Paragraph 1.	Realized	Approved the amendments for Company Articles of Association to be adjusted to POJK regulation No. 33 of 2014 (two thousand fourteen), pursuant to the order of Amendment of Articles of Association provided and elucidated to the Shareholders namely: a. Article 11 paragraph 1 and paragraph 2 b. Article 11 paragraph 3 letter a c. Adding new paragraph after Article 11 paragraph 3 to become Article 11 paragraph 4 d. Article 11 paragraph 6 e. Adding new paragraph after Article 12 paragraph 2 to become Article 13 paragraph 3 f. Adding new paragraph after Article 12 paragraph 2 to become Article 13 paragraph 3 g. Article 14 paragraph 1 h. Adding new paragraph after Article 13 paragraph 2 to become Article 13 paragraph 2 i. Article 14 paragraph 1 j. Adding new paragraph after Article 15 paragraph 11 to become Article 15 paragraph 12 k. Adding new paragraph after Article 15 paragraph 8 to become Article 15 paragraph 9 and 10 and amend Article 15 paragraph 9 to become Article 15 paragraph 11. l. Paragraph 16
	2. Granting the authority and power to the Board of Directors of the Company to transfer the power to other party, to conduct all and every necessary actions related to the resolution of the amendment of the Articles of Association of the Company.		Granted the authority and power to the Board of Directors of the Company to transfer the power to other party, to conduct all and every necessary actions related to the resolution of the amendment of the Articles of Association of the Company., including but not limited to state the meeting resolutions in a Notarial Deed and to be submitted to the authorized authority, and conduct all necessary actions related to such resolutions in accordance with the applicable laws and regulations..

Convention of the 2017 GMS

In 2017, the Company has fulfilled all regulation related to the convention of the GMS, such as:

No.	Activity	Implementation Date	Basis of Implementation
1.	Notification of GMS agenda to OJK	February 13, 2017	Article 8 POJK No.32/POJK.04/2014
2.	Notification of GMS, in minimum: • 1 (one) national daily newspaper. • IDX Website • Company Website in Indonesian, and Foreign Language, at least in English	February 13, 2017	Article 10 POJK No.32 /POJK.04/2014
4.	Last Date for the Register of Shareholders	June 26, 2009	Article 13 POJK No.32/POJK.04/2014
5.	Notification of GMS, in minimum: • 1 (one) national daily newspaper. • IDX Website • Company Website in Indonesian, and Foreign Language, at least in English	-	-
6.	Convention of GMS	April 10, 2017	Article 8 POJK No.32/POJK.04/2014
7.	Announcement of the Minutes of GMS, in minimum: • 1 (one) national daily newspaper. • IDX Website • Company Website in Indonesian, and Foreign Language, at least in English	-	-
8.	Notification to OJK on the Summary of the Minutes of the Meeting.	No Report Submitted	Article 34 POJK No.32/POJK.04/2014
9.	Submission of Minutes of GMS to OJK.	No Report Submitted	Article 33 POJK No.32/POJK.04/2014

Agenda, Resolution, and Realization of 2017 GMS

The Company has convened the Annual General Meeting of Shareholders (AGMS) on April 10, 2017 and attended by 100% shareholders.

The following is the agenda and resolution of the 2017 Annual GMS.

Description	2017 AGMS Resolutions
First Agenda	Approval of Company Annual Report and validation of Financial Statements as well as Supervisory Report of Board of Commissioners for Fiscal Year ended on 31-12-2016 (thirty-one December two thousand sixteen).
Second Agenda	Approval of the use of Company Net Profit for Fiscal Year ended on 31-12-2016 (thirty-one December two thousand sixteen)
Third Agenda	Approval to appoint Public Accountant Office to audit Company Financial Statements ended on 31-12-2017 (thirty-one December two thousand seventeen).
Fourth Agenda	Approval to stipulate salary for member of Directors, honorarium for member of Board of Commissioners and other allowances including tantiem for members of Board of Directors and Board of Commissioners of the Company.
Fifth Agenda	Approval to transfer and/or secure more than 50% of Company assets to obtain new financing originating from banking sources and/or issuance of securities.
Sixth Agenda	Accountability report of Realization of Use of Proceeds from Public Offering of Sustainable Bonds II (two) of Mandiri Tunas Finance stage II (two) of 2016 (two thousand sixteen).
Sevent Agenda	Accountability report of Relization of Use of Proceeds from Public Offering of Sustainable Bonds III (three) of Mandiri Tunas Finance stage I (one) of 2016 (two thousand sixteen)
Eight Agenda	Approval of formation changes in the Company management.

BOARD OF COMMISSIONERS

Board of Commissioners is one of the organs of the Company appointed through GMS and responsible collectively to conduct supervision and provide advices to the Board of Directors, as well as to ensure that Mandiri Tunas Finance implements GCG on all levels or organizational hierarchy. The Board of Commissioners has proper understanding on the Company, independent decision making, providing constructive input for the management in handling the Company's problem and encouraging the continuous growth and development of the Company's performance. In order to support the implementation of its duties, the Board of Commissioners is assisted by the Audit Committee and Risk Management Committee.

Duties and Responsibilities of Board of Commissioners

The Board of Commissioners is an organ of the Company that has the duty to conduct general or special supervision collectively in accordance with the Articles of Association and to provide advice to the Board of Directors. The position of each member of the Board of Commissioners, including the President Commissioner is equal. The duty of the President Commissioner as primer inter pares is to coordinate the activities of the Board of Commissioners. The Board of Commissioners is appointed and dismissed by the GMS. The responsibility of the Board of Commissioners towards the GMS is the actualization of the supervision accountability on the governance of the company in implementing the principles of GCG.

Statement on the Board of Commissioners Guidelines or Board of Commissioners Charter.

In implementing its duties, responsibilities and authorities, the Board of Commissioners refers to the Board of Commissioners Charter established by the Company. The Board Manual contains instructions on the operation for the Board of Commissioners in order to conduct its activities in a structure, systematic, and understandable manner to achieve the Company's vision and mission. As such, a high standard of work which is in line with GCG principles is expected to be achieved. The Company evaluates the Board Manual periodically to cater to the dynamics of related business activities for the sustainability of the company.

The Board of Commissioners is appointed and dismissed by the GMS in accordance with the prevailing regulations. The appointment of the Board of Commissioners must fulfill the general and special requirements established in the Board Manual.

Composition of the Board of Commissioners

The following is the composition of the Board of Commissioners as of December 31, 2017

Name	Position	Date of Fit and Proper Test	Basis of Appointment
Rico Adisurja Setiawan	President Commissioner	21 Agustus 2017 nomor : KEP-471/NB.11/2017	RUPS tahun 2017
Harry Gale	Commissioner	25 Agustus 2017 nomor : KEP-484/NB.11/2017	RUPS tahun 2017
Ravik Karsidi	Independent Commissioner	25 Agustus 2017 nomor : KEP-483/NB.11/2017	RUPS tahun 2017

The Introduction Program must be undertaken by the newly appointed Commissioner. The person in charge of the Introduction Program is the Corporate Secretary. The material of the Introduction Program covers:

- Articles of Association of Mandiri Tunas Finance
- Regulations and Laws related to the business activities of Mandiri Tunas Finance.
- Annual Report of Mandiri Tunas Finance
- Long Term Plan
- Annual Work Plan and Budget
- Work Program of Board of Commissioners
- Key Performance Indicator of Board of Commissioners

Board of Commissioners Independence

To avoid conflict of interest, the Board of Commissioners is not permitted to have blood relations with each another up to the three degree either vertically or horizontally. Moreover, the Company has the policy stipulated in the Articles of Association of the Company regarding concurrent positions which is adopted from the regulations of OJK. All members of the Board of Commissioners of Mandiri Tunas Finance act independently and free from intervention of any party.

INDEPENDENT COMMISSIONER

Mandiri Tunas Finance has the Independent Commissioner in accordance with the prevailing regulations that every public company must have Independent Commissioner of at least 30% from all members of the Board of Commissioners. The Independent Commissioners is not affiliated with the Company in both business and family relations with all members of Board of Directors and Board of Commissioners.

Family Relationship and Management in Other Companies

Among the members of the Board of Commissioners and between the Board of Commissioners members with Board of Directors have neither blood relations nor marital ties with each other up to the third degree vertically or horizontally. The family relationship and management of other companies among the members of Board of Commissioners and/or members of Board of Directors as well as shareholders during 2017 are as follows:

Name	Family Relationship with Mandiri Tunas Finance Organ					Management in Other Companies						
	Board of Commissioners		Shareholder as Board of Commissioners		Board of Directors	As Board of Commissioners		As Board of Directors		As Shareholders		
	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak
Rico Adisurja Setiawan		✓		✓		✓		✓		✓		✓
Harry Gale		✓		✓		✓		✓		✓		✓
Ravik Karsidi		✓		✓		✓		✓		✓		✓

Efforts in Minimizing Conflict of Interest

Members of the Board of Commissioners must have Special Register which contains the information of share ownership of the Board of Commissioners and/or its family member on Mandiri Tunas Finance or other companies. The Special Register is stored and administrated by the function managing Board of Commissioners of the Secretary to minimize the conflict of interest.

Remuneration of Members of Board of Commissioners

The Company provides remuneration for the members of Board of Commissioners in accordance with the resolution determined by the GMS.

Basis of Remuneration Policy of Board of Commissioners

The policy on the procedure of remuneration on the members Board of Commissioners is established by the Committee of Remuneration.

Total Remuneration

In 2017, the total remuneration for the members of Board of Commissioners amounting to Rp. 4,980,153,433 (including income tax). The remuneration is proportionate with the performance of the Board of Commissioners in the fiscal year.

The details on the remuneration structure shows that the remuneration components and total nominal per component of every member of Board of Commissioners and approved by the GMS are as follows:

Job Title Name	Salary	Allowance	Health Insurance	Jamsostek	Bonus	Total	Total
Commissioner	Rp2.037.533.334	Rp1.370.809.034	Rp31.273.772	-	Rp1.509.200.000	Rp31.337.293	Rp4.980.153.433

Board of Commissioners Meeting; Frequency of Meetings and Attendance Level of Board of Commissioners in Meeting

The Board of Commissioners holds both internal meeting of Board of Commissioners and joint meeting with the Board of Directors as well as with the committees. The decision of the Board of Commissioners meeting is based on deliberative consensus. In the case of the failure to reach a decision based on consensus, the decision is made based on the majority votes. The Board of Commissioners meeting consists of internal meeting and joint meeting with the Board of Directors to discuss various operational aspects and management of the Company's financial. Throughout 2017, the Board of Commissioners conducted 9 meetings with the following attendance level of each member:

Name	Position	Internal Meeting of Board of Commissioners		
		Total Meeting	Attendance	Percentage
Rico Adisurja Setiawan	President Commissioner	8	8	100%
Harry Gale	Commissioner	8	7	87,5%
Ravik Karsidi	Independent Commissioner	8	7	87,5%
Anton Setiawan*	President Commissioner	5	5	100%
Hanifah Purnama*	Independent Commissioner	4	4	100%
Sarastri Baskoro*	Commissioner	4	4	100%

*Served as Board of Commissioners until 2017 GMS.

Meeting Results Documentation

The Board of Commissioners always document the minutes of the meeting as the commitment of the Company to implement the principles of transparency, accountability, and responsibility. The minutes of the meeting as well as its resolution are documented properly including the dissenting opinion and the reason of the dissenting opinion. The documentation of the minutes of the meeting contains the information regarding the discussion on the meeting agenda and the meeting decision. The document is subsequently signed by all of the meeting participants and distributed in accordance with its designation.

Decision Making Mechanism in Board of Commissioners Meeting

The mechanism of the decision making in the meeting conducted by the Board of Commissioners refers to the Board Manual of the Board of Commissioners.

Minutes of the Meeting of Board of Commissioners

The following is the minutes of the Board of Commissioners meetings conducted during the fiscal year of 2017:

Date	Agenda Rapat
May 18, 2017	<ol style="list-style-type: none"> 1. Report of Company Performance until End of April 2017 2. Meeting of Audit Committee 3. Meeting of Risk Monitoring Committee 4. Meeting of Remuneration and Nomination Committee 5. Others
June 16, 2017	<ol style="list-style-type: none"> 1. Financial Highlight Q1 2017. 2. AR Management Report Q1 2017. 3. Others
July 26, 2017	<ol style="list-style-type: none"> 1. Discussion of Board of Commissioners Direction June 2017 2. Financial Highlight June 2017. 3. AR Management Report June 2017. 4. Others.
August 30, 2017	<ol style="list-style-type: none"> 1. Discussion of Board of Commissioners Direction July 2017 2. Financial Highlight July 2017. 3. AR Management Report July 2017. 4. Others.
October 25, 2017	<ol style="list-style-type: none"> 1. Discussion of Board of Commissioners Direction September 2017 2. Financial Highlight September 2017. 3. AR Management Report September 2017. 4. Others.
November 20, 2017	<ol style="list-style-type: none"> 1. Discussion of Board of Commissioners Direction October 2017 2. Financial Highlight October 2017. 3. AR Management Report October 2017. 4. Others.
December 14, 2017	Meeting of Board of Commissioners

Implementation of Duties of Board of Commissioners in 2017

One of the significant roles of the Board of Commissioners in providing direction and recommendation to achieve good business performance. The direction and suggestion strengthen the changes and balances process of the management that encourages the formulation of effective policy for the Board of Directors and its committees.

Evaluation on the Performance of the Board of Commissioners

Mandiri Tunas Finance conducts evaluation to the performance of the Board of Commissioners in GMS which is in accordance with the prevailing provisions and regulations. The evaluation of the Board of Commissioners performance related to the implementation of the duties that have been planned on the early part of the year. At the end of the year, the Board of Commissioners prepares the report on its Supervisory Duty to be subsequently submitted in the GMS to be evaluated and to be validated.

Evaluation on the Committees Under the Board of Commissioners

The Board of Commissioners have the committees to assist its supervisory function and providing advices to the Board of Directors. The Board of Commissioners provides the evaluation to the effectiveness of the committees. The Board of Commissioners has three committees that assists the Board of Commissioners in implementing its supervisory duty to the management of the Company by the Board of Directors, namely the Audit Committee and Risk Management Committee and Nomination and Remuneration Committee.

BOARD OF COMMITTEES SECRETARY

In supporting the implementation of its function and effectiveness of the role of Board of Commissioners.

Citra Judith Lupitadevi

A 33 years old Indonesian citizen, born in Gresik, April 1, 1984, resides in Bumi Serpong Damai, South Tangerang, Banten, Indonesia. Graduated as Bachelor of Industrial Engineering, Faculty of Industrial Technology – Institute Teknologi Sepuluh November Surabaya in 2006 and Bachelor of Accounting, Faculty of Economy, Airlangga University in 2009.

Joined with Mandiri Tunas Finance since 2010 in the Business Development Division (2010-2012), to become New Business Initiative & Alliance Department Head (2014-2015), Business Excellence Management Division Head (2016 – April 2017), and as Corporate Secretary & Legal Division Head as of April 21, 2017.

The functions and duties of the Secretary of the Board of Commissioners are as follows:

1. Administrating the meeting invitation of the Board of Commissioners;
2. As a liaison between the Board of Commissioners and Board of Directors,
3. Preparing outgoing letters and papers documenting the Board of Commissioners
4. Prepare the meeting materials and prepare the minutes of meetings of the Board of Commissioners,
5. Performing other secretarial duties
6. Providing assistance in the summary of management reports,
7. Collecting materials and information relevant to the implementation of the duties of the Board of Commissioners.
8. Coordinating with the Corporate Secretary on matters relating to the Board of Commissioners and Board of Directors.

BOARD OF DIRECTORS

The Board of Directors is an organ of the Company and fully responsible to the management of the Company for the interest of the Company in accordance with the purposes and goals of the Company as well as to represent the Company, both inside and outside of the court in accordance with the Articles of Association. In principle, the Board of Directors is responsible collectively to manage Mandiri Tunas Finance and implementing GCG at all levels or organizations.

The Board of Directors has the following authorities:

1. One of the organs of the Company that has full authority for the management and matters related to the interest of the Company in accordance with the purposes and goals of the Company.
2. Representing the Company to perform legal acts in the court or other matters in accordance with the prevailing regulations and Articles of Association.

The composition of the Board of Directors is adjusted to the necessity of the Company with the requirements of at least two members of the Board of Directors and one is appointed as the President Directors by taking into account the prevailing regulations.

Duties and Responsibilities of the Board of Directors

The Board of Directors conducts all management actions for the interest of the Company which are in line with the purposes and goals of the Company as stipulated in the laws, regulations, Articles of Association of the Company and resolution of GMS. As stipulated in Articles of Association of the Company, the duties and responsibilities of the Board of Directors are as follows:

The main duties of the Board of Directors in general and based on its position are as follows:

1. Main duties of the Board of Directors:
 - a. Conducting all management actions of the Company for the interest of the Company and in line with the purposes and goals of the Company.
 - b. Representing the Company inside and outside of the court regarding all matters and events with limitations as stipulated in the regulations, Articles of Association and/ or the resolution of GMS.
 - c. Controlling, mantaining, and managing the assets of the Company.
2. Collegial Duties of the Board of Directors:
 - a. Determining vision, mission, and strategy of the Company
 - b. Determining the prevailing Corporate policy.
 - c. Determining the suggestion and change in the Long Term Plan of the Company (RJPP) and Work and Budget Plan (RKAP) in accordance with prevailing regulations
 - d. Determining the target and evaluation of the performance of the Company including the dividend policy through the organization mechanism of the Company in according to prevailing regulations.
 - e. Striving to achieve the performance target which is utilized as the basis of assessment of soundness level in accordance with the performance agreement stipulated in the "GMS Approval of RKAP"

- f. Determining the approval of non-routine investment project that exceeds the authority of the Board of Directors and overseeing the implementation.
- g. Determining the organizational structure and determining the officials of the Company to certain levels as stipulated through the provisions of the Board of Directors

In addition to its duties and responsibilities, the Board of Directors also has rights and authorities to determine the policies in the management of the Company, including the policy in workforce. The policies related to the workforce are conducted based on the internal regulation of the Company and prevailing regulations in the field of workforce. The Board of Directors also has the power to set the delegation of authority/ power of the Board of Directors to represent the Company inside and outside of the court.

Responsibilities of the Board of Directors

In conducting its work, the Board of Directors also has the responsibilities to:

1. Fulfill the clear, complete and balanced Performance Assessment that has been selected, both in terms of the financial and non-financial aspects, in order to determine the achievement of the Company's vision and mission is in accordance with the prevailing regulations.
2. Actualize the implementation of RJPP and RKAP, including the achievement of financial and non-financial targets.
3. Conduct risk management.
4. Develop and utilize information technology.
5. Follow-up the findings of Audit Committee, Internal Audit and External Auditors, and subsequently report the findings to the Board of Commissioners.
6. Report relevant information to the Board of Commissioners, including the succession/transfer/ promotion plan for key managers (senior), HR development program, responsibility of risk management, and performance of the utilization of information technology system.
7. Convene the General Meeting of Shareholders (GMS) and make the minutes of the GMS.
8. Ensure that the stakeholders interest is in line with ethical values and prevailing regulations.

Obligations of Board of Directors

1. Preparing the Long Term Plan of the Company (RJPP) which is the strategic plan that contains the target and purpose of the Company for the period of 5 (five) years, jointly signing the plan with the Board of Commissioners and submitting it to the GMS to obtain approval.
2. Preparing the Work and Budget Plan of the Company (RKAP) and submitting it to the Board of Commissioners and GMS to obtain approval.
3. Preparing and implementing the accounting system which is in line with the finance accounting standard, including bookkeeping and administration based on the reliable internal control.
4. Providing responsibility and information regarding the condition and operation of the Company in other reports if requested by the GMS.
5. Determining the clear duties, responsibilities, and authorities of the management on every level.
6. Preparing and submitting the Annual Report which is jointly signed by the Board of Commissioners to the GMS to obtain approval.
7. Stating its own shareownership and/or family in other companies in the Annual Report.

Duty Division of the Board of Directors

As stipulated in Law No. 40 Article 92 Paragraph 5 of 1997 regarding Limited Liability Company, the duty division and management authority among the members of Directors are based on the GMS. The duty division of the Board of Directors to each member of the Board of Directors is explained in the following table:

Table of Description of Duties of Members of the Board of Directors

Name	Position	Description of Duties
Ignatius Susatyo Wijoyo	President Director	<ol style="list-style-type: none"> 1. Coordinating the implementation of the management of the Company as stipulated in the Articles of Association and resolution of GMS of the Company by taking into account the prevailing regulations. 2. Directing the process of necessary change and improvement to rise above the challenges of business competition by encouraging the business unit to make more dynamic and competitive products. 3. Coordinating the implementation of duties related to the Business Unit and Supporting Unit to run smoothly, effectively and efficiently. 4. Directing and supervising the divisions under the President Director. 5. Improving the image of the Company by building good relationship with all stakeholders. 6. Taking full responsibility in implementing its duty for the interest of the Company in achieving its purposes and goals. 7. Coordinating the implementation of the corporate social responsibility and encouraging the implementation of the good corporate governance principles in the Company. 8. Taking personal responsibility if guilty or negligent in implementing his duties for the business interest of the Company. 9. Possessing the right and authority to act for and on behalf of the Board of Directors as well as to represent the Company. Possessing the right to appoint one or more people as his representatives or hold his power to act in a certain manner as stipulated in the Power of Attorney Letter. 10. Coordinating the implementation of duties of other members of Board of Directors.
Arya Suprihadi	Finance Director	<ol style="list-style-type: none"> 1. Leading and directing the financial strategy, financial goal and target in the long term, medium term, and short term of the Company comprehensively. 2. Leading and directing the bookkeeping and reporting activities in order to have a financial system with accurate supervision, wisdom, and procedure to be able to produce timely, comprehensive, consistent, reliable and measured financial information. 3. Directing and supervising divisions under the Finance Director. 4. Assisting the President Director in directing the process of necessary change and improvement to rise above the challenges of business competition by encouraging the business unit to make more dynamic and competitive products. 5. Taking full responsibility in conducting his duties for the interest of the Company in order to achieve the goals and purposes. 6. Taking personal responsibility if guilty or negligent in implementing his duties for the business interest of the Company. 7. Possessing the right and authority to act for and on behalf of the Board of Directors as well as to represent the Company in the case of the absence of the President Director because for any reason which does not require to be proven by a third party.
Harjanto Tjithardjojo	Sales and Marketing Director	<ol style="list-style-type: none"> 1. Leading, directing and coordinating all business units in developing and marketing the financing products and alliance with the Group Bank Mandiri as well as Tunas Ridean to be more competitive, effective and profitable. 2. Directing and supervising the regionals and divisions under the Sales and Marketing Director. 3. Coordinating the implementation of brand awareness and marketing strategy. 4. Leading and directing the policy and strategy related to business activities and marketing for long term, medium term and short term. 5. Assisting the President Director in directing the process of necessary change and improvement to rise above the challenges of business competition by encouraging the business unit to make more dynamic and competitive products. 6. Taking full responsibility in conducting his duties for the interest of the Company in order to achieve the goals and purposes. 7. Taking personal responsibility if guilty or negligent in implementing his duties for the business interest of the Company. 8. Possessing the right and authority to act for and on behalf of the Board of Directors as well as to represent the Company in the case of the absence of the President Director because for any reason which does not require to be proven by a third party.

Statement of the Board of Commissioners Guidelines or Board of Commissioners Charter

The procedures and guidelines of the Board of Directors have been established in the Board Manual. The Guidelines binds every member of Board of Commissioners and Board of Directors and contains the responsibility, obligation, authority, right, Board of Directors ethics, as well as the management of meeting and procedure of the work relation between the Board of Commissioners and Board of Directors.

The Board Manual contains instructions on the operation for the Board of Directors in conducting its activities in a structural, systematic, and understandable manner to achieve vision and mission of the Company. As such, a high standard of work which is in line with GCG principles is expected to be achieved. The Board Manual is prepared based on the Corporate law, provisions of Articles of Association, the prevailing regulations, the Shareholders' guidance and best practices of Good Corporate Governance. The Company evaluates the Board Manual periodically to cater to the dynamics of related business activities for the sustainability of the company.

Membership Requirements of the Board of Directors

All members of the Board of Directors have fulfilled the prevailing formal and material requirements. The formal requirements are general and in accordance with the prevailing regulations. Meanwhile, the material requirements are special and adjusted to the necessity and nature of the Company's business.

Composition of the Board of Directors

The following is the composition of the Board of Directors until December 31

Name	Position	Legal Basis of Appointment	Period
Ignatius Susatyo Wijoyo	President Director	2017 AGMS	2017 – not set
Arya Suprihadi	Finance Director	2016 AGMS	2016-2019
Harjanto Tjitohardjojo	Sales and Marketing Director	2015 AGMS	2015-2018

Capability and Capacity of Board of Directors

Mandiri Tunas Finance has conducted transparent and accountable selection process to the members of the Board of Directors. Before appointed by the Company, all members of the Board of Directors has participated in the Fit and Proper test which covers the aspects of integrity, competence, reputation and experience as well as expertise which is in line with the needs of the Company. The following is the result of the fit and proper test:

Name	Position	Passed Fit & Proper Test
Ignatius Susatyo Wijoyo	President Director	✓
Arya Suprihadi	Finance Director	✓
Harjanto Tjitohardjojo	Sales and Marketing Director	✓

Independence of Board of Directors

In accordance with the Articles of Association of Mandiri Tunas Finance, among the members of the Board of Directors, and between the Board of Directors members with the members of Board of Commissioners have no family relation or martial ties with each other up to the third degree vertically or horizontally.

Name	Relationship with Mandiri Tunas Finance Organ						Management in Other Companies					
	Board of Commissioners		Board of Directors		Shareholders		As Board of Commissioners		As Board of Directors		As Shareholders	
	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak
Ignatius Susatyo Wijoyo		✓		✓		✓		✓		✓		✓
Arya Suprihadi		✓		✓		✓		✓		✓		✓
Harjanto Tjitohardjojo		✓		✓		✓		✓		✓		✓

Efforts in Minimizing Conflict of Interest

The Board of Directors must have Special Register which contains the information of share ownership of the Board of Directors and/or its family member on Mandiri Tunas Finance or other companies. The Special Register is stored and administrated by the Corporate Secretary.

Total Remuneration

In 2017, the total remuneration for the members of Board of Directors amounting to Rp. 15,622,819,474 (including income tax). The remuneration is proportionate with the performance of the Board of Directors in the fiscal year.

The details on the remuneration structure shows that the remuneration components and total nominal per component of every member of Board of Directors and approved by the GMS are as follows:

Job Title Name	Salary	Allowance	Health Insurance	Jamsostek	Bonus	THR	Total
Director	Rp4.932.720.000	Rp4.932.720.000	Rp53.687.497	Rp207.411.841	Rp 4.586.980.000	Rp448.020.000	Rp15.622.819.474

The Board of Directors Meetings

Frequency of Meetings and Attendance Level of Board of Directors in Meetings

The Board of Directors conducts both internal meeting of the Board of Directors and joint meeting with the Board of Commissioners which is routinely held every year to follow up various discussions regarding the plan and evaluation of business performance. The meeting of Board of Directors can also be conducted outside of the scheduled and agreed time in the case of extraordinary and urgent matters come up. Throughout 2017, the Board of Directors conducted 10 meetings with the attendance level of each member as follows:

Name	Position	Internal Meeting of Board of Directors		
		Total Meeting	Attendance	Percentage
Ignatius Susatyo Wijoyo	President Director	10	10	100%
Arya Suprihadi	Finance Director	10	8	80%
Harjanto Tjitohardjojo	Sales and Marketing Director	10	9	90%
Bonifatius Perana Citra Ketaren	Deputy Director	10	9	90%
Albertus Hendi	Deputy Director	10	9	90%
William Francis Indra	Deputy Director	10	9	90%

Meeting Results Documentation

The Board of Directors always document the minutes of the meeting as the commitment of the Company to implement the principles of transparency, accountability, and responsibility. The minutes of the meeting as well as its resolution are documented properly including the dissenting opinion and the reason of the dissenting opinion. The documentation of the minutes of the meeting contains the information regarding the discussion on the meeting agenda and the meeting decision. The document is subsequently signed by all of the meeting participants and distributed in accordance with its designation.

Decision Making Mechanism in Board of Directors Meeting

The mechanism of the decision making in the meeting conducted by the Board of Directors refers to the Board Manual. The decision of the Board of Directors meeting is based on deliberative consensus. In the case of the failure to reach a decision based on consensus, the decision is made based on the majority votes. The meeting of the Board of Directors consists of internal meeting and joint meeting with Board of Commissioners to discuss various aspects of the operational and financial management of the Company.

Minutes of the Meeting of Board of Directors

The following is the minutes of the Board of Directors meetings conducted during the fiscal year of 2017:

Date	Meeting Agenda
October 16, 2017	1. Internal Audit September 2017. 2. Separation of Sales Officer and Surveyor. 3. 2018 Calendar.
October 23, 2017	1. Submission of MUK. 2. ALCO & Profitability Profile. 3. Preparation Board Forum.
October 30, 2017	1. Submission of MUK PT Putra Perkasa Abadi. 2. Audit Discussion of BMRI 2017. 3. Business Discussion of Peer to Peer Landing.
November 6, 2017	1. Discussion of PQR Portfolio Fleet Division. 2. Discussion of MTF Capital Increase.
November 13, 2017	1. Discussion of MMDP Program. 2. Career Discussion of MTF Branding Program. 3. Discussion of Initiative Proposal of Corporate Plan 2018 & Capital Increase.
November 20, 2017	1. ALCO Discussion. 2. Discussion of Human Capital Information System. 3. Discussion of PP 2018/2020.
November 27, 2017	1. Financing of Work Capital and Investment. 2. Discussion of Culture Day.
December 4, 2017	1. Discussion of Changes of MPI 2018. 2. Discussion of Performance Highlight Alignment MTF 2018.. 3. Discussion of Multi Structure Company Debt. 4. Discussion of 2018 Annual Audit Plan.
December 11, 2017	1. Discussion of RKAP MTF for Bank Mandiri. 2. Discussion of Preparation of Rakernas MTF of 2018.
December 18, 2017	1. Discussion of Liquidity Condition and Pricing of MTF (ALCO) 2. Discussion of Preparation for Rakernas and 2017 Annual Report 3. Discussion of Result of Credit Head and Program Recovery Development

Evaluation on the Performance of the Board of Directors

The Shareholders evaluate the performance of the Board of Directors in the GMS in accordance with prevailing laws and regulations. Assessment on the performance of the Board of Directors regarding the implementation of tasks that have been planned at the beginning of the year. At the end of the year, the Board of Directors attaches the annual report submitted to the Shareholders in the GMS to be evaluated and submitted.

Joint Meeting of Board of Commissioners and Board of Directors

The duties and responsibilities of the Board of Commissioners and the Board of Directors as the two organs that manage the daily operation of the company are different. The main duty of the Board of Commissioners is to supervise and provide counsels while the main duty of the Board of Directors is to manage the operation of Mandiri Tunas Finance. The Board of Commissioners and Board of Directors have mutual respect for each other and understand their own duties, responsibilities, and authorities pursuant to the regulations and articles of association of the Company. The Board of Commissioners and Board of Directors continue to coordinate and cooperate to achieve the goals and continuity of the company's business for a long time as well as to become the role model for their subordinates. In order to unify their views and to solve significant problems related to the continuity of business and operation of Mandiri Tunas Finance, the Board of Commissioners and Board of Directors conduct periodic meeting in the forum of Joint Meeting of Board of Commissioners and Board of Directors.

The routine meeting is organized by the Board of Commissioners to discuss various agenda, such as work plans, operations, business opportunities, and strategic issues that require the approval of the Board of Commissioners. This meeting is a coordination to discuss the periodical reports of the Board of Directors and to provide responses, notes, and counsels in the minutes of the meeting. The resolution of the meeting is based on the principles of consensus or decided by the majority of votes and it is binding to be subsequently followed up. If there are members of the Board of Commissioners with conflict of interest during the process of voting, the members are not allowed to vote and the information regarding this matter is recorded in the minutes of the meeting. During 2017, the Board of Commissioners and Board of Directors have conducted 9 joint meetings.

The attendance level of the Board of Commissioners and Board of Directors is as follows:

Name	Position	Internal Meeting of Board of Commissioners		
		Total Meetings	Attendance	Percentage
Rico Adisurja Setiawan	President Commissioner	9	9	100%
Harry Gale	Commissioner	8	7	87,5%
Ravik Karsidi	Independent Commissioner	8	7	87,5%
Ignatius Susatyo Wijoyo	President Director	9	9	100%
Arya Suprihadi	Finance Director	9	9	100%
Harjanto Tjitohardjojo	Sales and Marketing Director	9	9	100%

Diversity Policy of the Composition of the Board of Commissioners and Board of Directors

The Composition of the Board of Commissioners and Board of Directors consists of people from various backgrounds in order to support the effectiveness of duty implementation to overcome all of the dynamic business challenges. Therefore, the composition of the Board of Commissioners and Board of Directors is based on the knowledge, expertise, professional experience, as well as education by taking into account the need and complexity of the Company.

The table of the information on the diversity composition of the Board of Commissioners and Board of Directors is below.

Name	Position	Education	Age
Rico Adisurja Setiawan	President Commissioner	S2	47
Harry Gale	Commissioner	S2	45
Ravik Karsidi	Independent Commissioner	S3	59
Ignatius Susatyo Wijoyo	President Director	S2	49
Arya Suprihadi	Finance Director	S2	47
Harjanto Tjitohardjojo	Sales and Marketing Director	S1	50

Board of Directors Training

In order to improve the quality and develop the competence, the Board of Directors continues to attend training programs or seminar conducted by the Company or external party. The members of the Board of Directors attended 9 seminar and training activities during the 2017 fiscal year with the detail as follows:

Implementation date	Forms of activity	Theme of Activity	Location
24/2/2018	Training	The Challenges In Developing Multifinance Company	Bali
14/2/2018	Training	Riding The Wave Of Asean Bond Market Integration	Malaysia
25/4/2018	Training	Menyongsong Era Konsumen Keuangan Digital	Jakarta
8/8/2018	Training	Finance Companies And Its Issues In Asia	Singapura
14/9/2018	Training	Seminar Nasional Dan Infobank Multifinance Awards 2017	Jakarta
11/9/2018	Training	The 9 th Indonesia HR Summit	Jogjakarta
20/10/2018	Training	Seminar Nasional "Peluang Dan Tantangan Tahun 2018"	Jogjakarta
2/3/2017	Training	Sertifikasi Ahli Pembiayaan	Jakarta
5/12/2018	Training	Peluang Kerjasama Perusahaan Pembiayaan Dengan Perbankan & Fintech	Jakarta

Affiliation between Board of Commissioners, Board of Directors, Major or Controlling Shareholders

Name	Position	Family Relation with Mandiri Tunas Finance Organ						Financial Relation with					
		Board of Commissioners & Board of Directos		Shareholder as a Board of Commissioners		As a Board of Directors		As a Board of Commissioners		As a Board of Directors		As a Shareholders	
		Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak
Rico Adisurja Setiawan	President Commissioner		✓		✓		✓		✓		✓		✓
Harry Gale	Commissioner		✓		✓		✓		✓		✓		✓
Ravik Karsidi	Independent Commissioner		✓		✓		✓		✓		✓		✓
Ignatius Susatyo Wijoyo	President Director		✓		✓		✓		✓		✓		✓
Arya Suprihadi	Finance Director		✓		✓		✓		✓		✓		✓
Harjanto Tjitohardjojo	Sales and Marketing		✓		✓		✓		✓		✓		✓

AUDIT COMMITTEE

The Board of Commissioners has established the Audit Committee to support the implementation of Good Corporate Governance in Mandiri Tunas Finance. The duty of the Audit Committee is to assist the Board of Commissioners in supervising the implementation of function of the Board of Directors in managing the Company to be in accordance with the good corporate governance principle. The duties are providing opinion and support to the Board of Commissioners in fulfilling its responsibility in supervising the system and process of Financial Statement reporting, audit process on the Financial Statement of the Company, evaluation on the implementation of the internal control of the Company, evaluation on the performance of the Internal Auditor of the Company, supervision on the technical and operational performance and compliance on the other provisions and regulations. The Audit Committee of Mandiri Tunas Finance is established pursuant to the Decree of the Board of Commissioners Nomor: KEP. KOM/002/2017 on the Appointment of Audit Committee

Objective of the Establishment of Audit Committee

In general, the Audit Committee is established with the objective to safeguard the business activities of PT. Mandiri Tunas Finance, in implementing its oversight function, particularly in improving the quality of financial statement, the effectiveness of internal control on the corporate government and compliance to the prevailing laws and regulations. The following is the objectives of the Audit Committee:

- Audit Committee is established to assist the Board of Commissioners in conducting its supervisory role in the company, particularly in the following matters:
- Improving the quality of financial statement.
- Ensuring the effectiveness of the internal control system to avoid any violation in the corporate governance.
- Supervising the qualification and independence of the external and internal audit to improve the performance and effectiveness of the function of internal audit and external audit.
- Identifying matters that require the concern of the Board of Commissioners, including the compliance towards the prevailing laws and regulations.

Position

- Audit Committee is established by the Board of Commissioners and responsible directly to the Board of Commissioners.
- Audit Committee works collectively and implements its duty independently from the management of the company.
- Audit Committee reports its finding and evaluation to the Board of Commissioners.

Audit Committee Membership

Members of the Audit Committee must understand the business activities of the Company and possess high integrity, ability, knowledge, experience related to the field of occupation and able to communicate properly. The members of Audit Committee must also understand the financial statement, audit process, risk management and adequate knowledge regarding capital market regulations and other related regulations.

Audit Committee Structure

- Audit Committee membership consists of at least 1 (one) independent commissioner and 2 (two) members.
- Audit Committee Chairman is one of the Audit Committee members and also an independent commissioner of the Company.
- Members of the Audit Committee are experts that are not the employees of the Company and have no financial relation with the Company.

Audit Committee Membership Requirements

- Possess high integrity, ability, knowledge and adequate experience related to the education background as well as able to communicate properly.
- One of the members of Audit Committee must have an education background in accounting or financing at the minimum.
- Possess adequate knowledge to read and understand financial statement.
- Possess adequate knowledge regarding the regulations of capital market and other related regulations.
- Not an insider of Public Accountant Firm, Legal Consultant Firm or other party that provides audit services, non-audit services, dan or other consultation services to the Company in the last 6 (six) months before appointed by the Board of Commissioners.
- Not a person who has authority and responsibility to plan, lead, or control the activity of the Company in the last 6 (six) months before appointed by the Board of Commissioners with the exception of the Independent Commissioners.
- Has no direct or indirect share ownership of the Company.
- Does not possess:
 - Family relations as a result of marriage and two degree familial relatives, either horizontally or vertically with the Board of Commissioners, Board of Directors or Majority Shareholders of the Company, and / or
 - Direct or indirect business relation related to the business activity of the Company.

Term of Office

- Members of Audit Committee are appointed and dismissed by the Board of Commissioners. The change of the Audit Committee is conducted in stages and / or not simultaneously.
- Term of office of the Audit Committee members must not exceed the term of office of the Board of Commissioners as stipulated in the articles of association and able to be reappointed only for the next 1 (one) period.
- Audit Committee Chairman has the right to suggest the replacement candidate, honorarium, and benefits of the Audit Committee member if the term of office of one of the members of the Audit Committee ends. The replacement is conducted in stages / not simultaneously, resigns, or terminated.

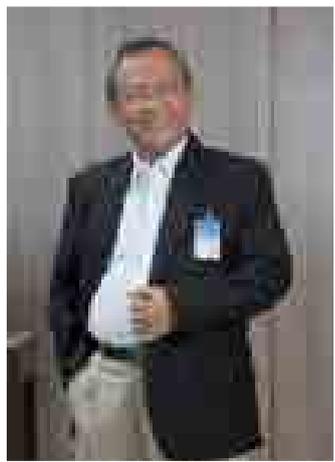
Audit Committee Member Composition

Audit Committee consist of at least 3 (three) members from an Independent Commissioners and a Party from outside of an Issuer or a Public Company. Audit Committee is headed by the Independent Commissioner

Composition of Audit Committee Membership

Name	Position	Information on Concurrent Position	Legal Basis of Appointment
Ravik Karsidi	Chairman	Independent Commissioner	Decision Letter of Board of Commissioners No. KEP. KOM/002/2017 on the Appointment of Audit Committee
Irene Yudhistira Junarso	Member	Member	Decision Letter of Board of Commissioners No. KEP. KOM/002/2017 on the Appointment of Audit Committee
Allen Situngkir	Member	Member	Decision Letter of Board of Commissioners No. KEP. KOM/002/2017 on the Appointment of Audit Committee

Audit Committee Profile



Ravik Karsidi (Chairman)

Nationality : Indonesia
Age : 59 years old
Domicile : Solo, Jawa Tengah

He has served as the Audit Committee Chairman since April 2017 pursuant to the Decree of the Board of Commissioners No. KEP.KOM/002/2017 on the Appointment of Audit Committee experience in the field of education as he once served as the Vice Rector I of Academics in UNS, Surakarta. Currently, he serves as the National Jury of Outstanding Students and Lecturers of the Directorate General of Higher Education of the Ministry of Education and Culture (2004 – present), National Jury of Students Scientific Paper of the Directorate General of Higher Education of the Ministry of Education and Culture (2002 – present), Assessor of Higher Education Study Program and Institution in the National Accreditation Agency for Higher Education (BAN-PT) (2003 – present), Teaching Staff of Postgraduate program in UNS (Master Study Program of Communication Science, Master/Doctorate Program of Development Counseling Science/Society Development Management, and Master Program of PKLH, Master Program in Cultural Studies, Master Management Program, Doctorate Program of Education Science, and Doctorate Program of Economics) (2001 – present), Teaching Staff of the Education Science Major FKIP UNS (1981 – present).

He received his Bachelor degree in Education from State University of Sebelas Maret in 1980, Master degree in Science of Rural Sociology Study Program for Development Study, from Bogor Agricultural University (IPB), Bogor in 1994 & Doctorate degree in the Study Program of Development Counseling from Bogor Agricultural University (IPB), Bogor (Cum Laude) in 1999. Currently, he also has a concurrent position as Independent Commissioner pursuant to the Deed of Statement of Resolution of Annual General Meeting of Shareholders No.23 dated April 26, 2017 prepared by Lenny Janis Ishak, SH, a Notary in South Jakarta, with the term of office until the Closing of the Annual General Meeting of Shareholders (AGMS) in 2020.



Irene Yudhistira Junarso (Member)

Nationality : Indonesia
Age : 51 years old
Domicile : Jakarta

She started her career in the Public Accountant Firm of Prasetyo Utomo (Currently Earnst & Young) as Senior Auditor (1987 – 1990). She improved her career as she served in various significant positions in PT Bank Bali Group – Holding Company (1990 – 2002). She also served as President Director and Shareholder in PT Grahaniaga Anugerah (2002 – 2008 & 2013 – 2016), Associate Director – Commercial Sales Director in PT Jones Lang Lasalle Indonesia (Procon) (2008 – 2013), GM Property Management Mangga Dua Square in PT Mandiri Dipta Cipta (2004 – 2005), Finance & Administration Director in PT Asuransi Sarjaya – General Insurance (1999 – 2002), President Director in PT Bali Tunas Finance (1998 – 1999) Director of Building Management in PT Yacolt Graha (1996 – 1998). She received her Bachelor degree from Tarumanegara University majoring in Accounting. She has served as the Audit Committee of the Company since April 2017 until present. Currently, she also has a concurrent position as Director of Investment & Business Development in PT Nai Indonesia.



Allen Situngkir (Member)

Nationality : Indonesia
 Age : 58 Years Old
 Domicile : Jakarta

He has served as a member of the Audit Committee since April 2017. Previously he served as Bekasi Branch Head of PT Cakrawala Mitra Bersama (cash management) (2015), various significant positions until the last one was as Assistant Vice President in PT Bank Mandiri (Persero) Tbk (1998 – 2015), also as various Head of Departments in Bank Ekspor Impor Indonesia, Bandar Lampung (1994 - 1998). He started his professional career in Bank Ekspor Impor Indonesia, Jakarta Headquarters as Senior Clerk – Assistant Auditor (1984 – 1993). He received his Diploma (D3) degree from Accounting Academy of YKPN Yogyakarta in 1983.

Audit Committee Independence

All members of the Audit Committee are professionals and have no relation with the Committee in order to maintain their independence in implementing their duties and responsibilities. The Audit Committee established by the Company has fulfilled the independence criteria, expertise, experience, and integrity. Audit Committee is also not related with the Board of Directors, Board of Commissioners, and shareholders. Audit Committee is from outside of the company that has no personal interest that may have negative impact and conflict of interest with the Company. The Audit Committee must comply to the prevailing laws and regulations of the Company.

Audit Committee Independence Table

Audit Committee Independence			
Independence Aspect	Ravik Karsidi	Irene Yudhistira Junarso	Allen Situngkir
Possess No Financial Relations with the Board of Commissioners and Board of Directors	✓	✓	✓
Possess No Management Relations within the Company or Affiliated Companies.	✓	✓	✓
Possess No Share Ownership Relations in the Company	✓	✓	✓
Possess No Family Relations with the members of Board of Commissioners and Board of Directors and fellow members of the Committee	✓	✓	✓
Possess No Financial Relations with the Board of Commissioners and Board of Directors	✓	✓	✓
Not Serving as Political Party Administrator, Regional Government Administrator	✓	✓	✓

Audit Committee Charter

In order to safeguard the business activities of PT Mandiri Tunas Finance, as well as to provide the foundation and guideline for the Audit Committee to assist the Board of Commissioners in implementing its oversight function, particularly in improving the quality of financial statement, effectiveness of internal control on the corporate governance, and compliance to the prevailing laws and regulations, the Audit Committee Charter of PT Mandiri Tunas Finance is established. Audit Committee Charter is prepared pursuant to the Decision of the Chairman of the Capital Market Supervisory Agency No.KEP-29/PM/2004 dated September 24, 2004, regarding: Guidelines on Establishment and Working Implementation of Audit Committee.

Description of Duties, Authorities and Responsibilities of Audit Committee

Duties and responsibilities of the Audit Committee as stipulated in the Audit Committee Charter have been approved by the Board of Commissioners to act as guidelines and code of conduct of the members of Audit Committee in implementing the duties and responsibilities professionally and independently, in accordance to the Regulation of the Financial Services Authority Number 55/POJK.04/2015 in 2015 regarding the Guidelines on Establishment and Working Implementation of Audit Committee (POJK No.55/2015)

Duties and Responsibilities of Audit Committee.

- a. Reviewing the financial information that will be issued by the company such as financial statements, projections and other financial information.
- b. Conducting periodic review of the audit implementation by both internal and external audits.
- c. Conducting periodic review on the company's compliance to the laws and regulations related to the activities of the company.
- d. Providing recommendations regarding the improvement of the internal control system of the company and its implementation.
- e. Reporting to the Board of Commissioners of various risks faced by the company and the implementation of risk management by the Board of Directors.
- f. Carrying out tasks assigned by the Board of Commissioners along within the scope of duties and responsibilities of the Audit Committee.
- g. Maintaining the confidentiality of documents, data and information on the company and used only for the interest of the tasks implementation.

The Audit Committee complies with the Regulation of Capital Market Supervisory Agency No.IX.1.5 Attachment of the Decision of the Chairman of Capital Market Supervisory Agency and LK No. Kep. 643/BL/2012 dated December 7, 2012 regarding the Guidelines on Establishment and Working Implementation of Audit Committee as well as the Audit Committee Charter dated September 25, 2013 in implementing its duties.

In conducting its function, the Audit Committee implements its duties that are in relation to the duties of Board of Commissioners, namely:

- Reviewing financial information issued by the company, such as financial statements, projections, and other financial information.
- Reviewing the implementation of audit by the internal and external auditor.
- Reviewing the compliance of the Company on regulations related to the activities of the Company.
- Providing recommendation regarding the improvement of internal control system of the company and its implementation.
- Reporting to the Board of Commissioners regarding the various potential risks for the company and implementation of risk management by the Board of Directors.
- Conducting the duties designated by the Board of Commissioners as long as it is in the scope of duties and obligations of Audit Committee.
- Maintaining the confidentiality of documents, data, and information of the company and only utilize it for the interest of implementing Audit Committee duties.

Authorities

Other than duties and responsibilities, the Audit Committee is also granted special authorization to support the implementation of its duty to be in line with the Audit Committee Charter. The Authorities are as follows:

- Members of Audit Committee must recognize and understand their roles and responsibilities in accordance with the Audit Committee Charter which is also the Work Guidelines of Audit Committee.
- Audit Committee accepts the authority and duty from the Board of Commissioners by taking into account the regulations related to the capital market.
- The Audit Committee is authorized to access the record or information regarding employees, funds, or assets as well as other resources of the company related to the implementation of its duty.
- The Audit Committee has the right for the access of information in the company from the Board of Directors, internal audit, and all organizational units of the company when there is a case / or indication of violation which requires the audit committee to investigate or clarify the cases.
- Audit Committee with the approval of the Board of Commissioners may ask for suggestions and assistance from experts and other professionals at the expense of the Company.

Relation with Relevant Parties

In implementing its duties and responsibilities, the Audit Committee communicates with the external auditor, internal auditor and management of the company.

- The role of Audit Committee in its relation with external auditor:
 - a. Reviewing the work of external auditor.
 - b. Discussing the audit result with external auditor.
 - c. The Audit Committee may discuss the audit result with the management, external and internal auditor if necessary.
 - d. Reviewing the performance of the external auditor to ensure the compliance of external auditor to the prevailing professional standard, including external auditor.
- The role of Audit Committee in its relation with internal auditor:
 - a. Receiving and reviewing the report of internal auditor.
 - b. Monitoring the follow up of the result of internal audit.
 - c. Requesting internal auditor to conduct special / certain investigation with the approval from the Board of Commissioners.
 - d. Providing opinions regarding the content of Internal Audit Charter.
 - e. Coordinating with the internal auditor and external auditor to achieve a comprehensive and optimum audit result.
 - f. Reviewing the report of internal audit related to the conflict of interest, and / or the violation of law.
- The role of Audit Committee in its relation with the Company Management:
 - a. Evaluating the adequacy of the disclosure of materials in the financial statement of the company.
 - b. Assessing the adequacy of the internal control and policy of risk management of the company.
 - c. Assessing the policy of the company related to the compliance towards the prevailing internal or external regulation of the company, code of conduct and conflict of interest.
 - d. Ensuring that the management of the company conducts the follow up to the recommendation from the internal audit and external audit.
 - e. Identifying and monitoring problems that require the Board of Commissioners concern.
 - f. Inviting the management of the company to attend the Audit Committee meeting if necessary.

Report

The Audit Committee must submit a written report in conducting its work or regarding the findings related to the problems of the Company to the Board of Commissioners.

- The Audit Committee prepares the report of every special task designated by the Board of Commissioners.
- In the event of the Audit Committee discovers material matters which expected to disrupt the activities of the Company, the Audit Committee will report it to the Board of Commissioners.
- The Audit Committee prepares the Annual Report of the implementation of Audit Committee activities to the Board of Commissioners.

Meeting of Audit Committee

The Audit Committee conducts periodic meetings with the internal members, Board of Commissioners and Board of Directors. The meetings conducted by the Audit Committee, namely:

- Quarterly meeting of the Audit Committee is conducted four times in one year with specified schedule and focus on the discussion of Financial Statement (Balance Sheet and Profit and Loss) and the Quarterly Performance of the Company.
- Monthly Meeting of the Audit Committee is conducted once every month with the agenda that has been agreed beforehand. Monthly meeting is not conducted in the month when quarterly meeting is conducted. The focus of the monthly meeting is the discussion of the result of General Internal Audit.
- Chairman of the Audit Committee may invite the Board of Commissioners, Board of Directors, Internal Auditor, External Auditor, Shareholders Representative and other required parties.
- Result of the Audit Committee is recorded in the minutes of the meeting signed by all Audit Committee members present and distributed to the members of the meeting to be followed up.
- Audit Committee may attend the meeting of the Board of Commissioners or joint meeting of the Board of Directors and Board of Commissioners if necessary.

Throughout 2017, the Audit Committee conducted 11 meetings with the attendance level of each member as follows:

Name	Position	Total Meetings	Total Attendance	Frequency
Ravik Karsidi	Chairman	8	8	100%
Irene Yudhistira Junarso	Member	8	8	100%
Allen Situngkir	Member	8	8	100%

Conflict of Interest and Code of Conduct

The Audit Committee is committed to the principles of Good Corporate Governance, namely transparency, accountability, independence and fairness to avoid any potential conflict of interest. Moreover, in implementing its duties, the Audit Committee adheres to the Code of Conduct related to both the expertise of each member of the Audit Committee and the Code of Conduct of the Audit Committee.

- To avoid any potential conflict, the Audit Committee upholds the principles of Good Corporate Governance which include transparency, accountability, responsibility, independence and fairness.
- In performing its duties, the Company's Audit Committee is guided by the profession code of conduct, both related to the expertise of each member of the Audit Committee, as well as the profession code of conduct of the Audit Committee.

Implementation of the Activities of the Audit Committee in 2017

The Audit Committee is established to assist the Board of Commissioners in its supervisory function towards the professional and independence management of the Company. The Audit Committee submits periodic reports regarding the implementation of its duties and responsibilities to the Board of Commissioners.

Training and Development of Audit Committee Members in 2017

The Audit Committee attended the following training and development activities in order to improve the skill, competence, and knowledge of all Audit Committee members in 2017:

Topic	Training Organizer	Date
SEMINAR NASIONAL "PELUANG DAN TANTANGAN TAHUN 2018"	APPI	20/10/2018

NOMINATION AND REMUNERATION COMMITTEE

The duty of the nomination and Remuneration Committee is to assist the Board of Commissioners in monitoring, supervising, and assessing the effectiveness of nomination and remuneration activities. The Nomination and Remuneration Committee is established pursuant to the Law No. 40 of 2007 on Limited Liability Companies and the purpose of its establishment is to perform the nomination and remuneration function for the members of Board of Commissioners, Board of Directors, Committees under the Board of Commissioners and all executives and employees of the Company.

The process of Nomination and Remuneration of the executives and other organs of the Company is conducted in transparent and accountable manner with the establishment of the Nomination and Remuneration Committee in accordance with the business development of the Company and subsequently improve the trust of shareholders and stakeholders on the management of the Company.

Basis of Establishment of the Nomination and Remuneration Committee

The Nomination & Remuneration Committee of Mandiri Tunas Finance is established pursuant to the Decree of the Board of Commissioners No. KEP.KOM/003/2017 dated April 10, 2017. The guidelines and work foundation of the Nomination and Remuneration Committee is stipulated in the work guidelines and foundations of the Nomination & Remuneration Committee. The establishment and foundation of the Nomination & Remuneration Committee is in accordance with the Regulation of Financial Services Authority No. 34/POJK.04/2014.

Nomination and Remuneration Committee Membership Requirements

The Nomination and Remuneration Committee members must fulfill the ability and experience requirements as well as the independence requirement, namely:

1. Possess high integrity, objectivity, and good ethics.
2. Possess adequate knowledge which includes the prevailing laws and regulations;
3. One of the members of Nomination and Remuneration Committee must have an education background and/or professional experience in the nomination and remuneration of the employees, or Human Resource Development;
4. Capable to act independently in implementing the duties professionally without any conflict of interest and influence/pressure from any party;
5. Willing to continuously improve the competence through education and training;
6. Not an insider of Public Accountant Firm, Legal Consultant Firm, Human Resource Consultant Firm, Business Development Firm, or other party that provides assurance services, non-assurance services, and/or other consultation services to the Company in the period of the last 6 (six) months before appointed as the member of the Committee by the Board of Commissioners.

Appointment and Dismissal of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is established pursuant to the Decree of the Board of Commissioners and responsible to the Board of Commissioners. Nomination and Remuneration Committee implements its duty collectively and independently towards the management of the Company. The Nomination and Remuneration Committee consists of at least 3 (three) members with one Independent Commissioner and the other members can be from the member of Board of Commissioners and managers under the Board of Directors which is in accordance with the Nomination and Remuneration Committee Charter of PT Mandiri Tunas Finance that was ratified in Jakarta on October 29, 2014. The appointment of the members of Nomination and Remuneration Committee of PT Mandiri Tunas Finance is decided through the Decree of the Board of Commissioners Number KEP.KOM/01/2014 dated November 26, 2014. The member of the Committee is appointed for a certain term of office and can be reappointed as the member of the Committee. The term of office of the Board of Commissioners member with concurrent position as a member of the Committee is the same with the term of office as the Board of Commissioners determined by the Articles of Association of the Company or the General Meeting of Shareholders. The term of office of the other member of the Committee which is not from the Board of Commissioners must not be longer than the term of office of the Board of Commissioners. The Board of Commissioners may dismiss the member of the Committee that is not the member of the Board of Commissioners at any time, by taking into account that the Chairman of the Committee does not conduct its duty properly.

Table of the Composition of the Nomination and Remuneration Committee is as follows:

Name	Position	Concurrent Position	Legal Basis of Appointment	Term of Office in the Committee	End of Tenure in the Committee
Ravik Karsidi	Chairman	Independent Commissioner	Legal Basis of Appointment of Decision Letter of Board of Commissioners No. KEP. KOM/003/2017	Chairman	2018 AGMS
Harry Gale	Member	Commissioner		Member	2018 AGMS
Vivid Zulprimiadhanni	Member	Head of Human Capital Division		Member	2018 AGMS



Profile

CHAIRMAN

Name : Ravik Karsidi
 Nationality : WNI
 Age : 59 years old
 Education : Doctorate of Science Development IPB (1999)
 Work Experience : Serves as Independent Commissioner and Chairman of Audit Committee of the Company since April 2017 until present. Previously served as Vice Rector I of Academic of UNS, Surakarta. Currently also serves as Judge of National Excell Students and Lecturers of Directorate General of Ministry of Research, Technology and Higher Education (2004-present); as Judge of National Competition of Students Research, Directorate General of Ministry of Research, Technology and Higher Education (2002-present); Assesor of Study Program and Higher Education Institution at BANPT (Higher Education National Accreditation Agency) (2003-present), Post-Graduate Lecturer UNS (Lecturer for Master Degree of Communication, Lecturer for Master and Doctoral Degree of Science Development/Managemnet of Community Development, Lecturer of Master of PKLH, Cultural Study, Magister Management, Education Science, Economic Science (2001-present), Lecturer of Education Science of FKIP UNS (1981-present)



MEMBER

Name : Harry Gale
 Nationality : WNI
 Education : Post Magister Management UGM (2007)
 Work Experience : Serves as the Company Commissioner since April 2017 until present. Previously served as Group Head of Consumer Loans Group PT Bank Mandiri (Persero) Tbk (2016-present), CEO Regional XII Papua PT Bank Mandiri (Persero) Tbk (January 2015-2016), Regional Manager X Makassar PT Bank Mandiri (Persero) Tbk (January 2014-2015), and served in other strategic positions at PT Bank Mandiri (Persero) Tbk, since 2003. He began his career at PT Bank Mandiri (Persero) Tbk in 1997.



MEMBER

Name : Vivid Zulprimiadanni
 Nationality : WNI
 Education : Post Magister Management Prasetya Mulya (2014)
 Work Experience : Serves as Human Capital Division Head of PT Mandiri Tunas Finance starting from February 1, 2017 until present, Senior Manager Organization Development PT Astra Credit Companies (2013-2015), Senior Manager Talent and Performance Management PT Astra Credit Companies (2008-2013) and Manager Recruitment and People Development PT Astra Credit Companies (2003-2008).

Nomination and Remuneration Committee Independence

Members of the Nomination and Remuneration Committee are professionals and possess no relation with the Company to maintain their independence in implementing their duties and responsibilities. The Nomination and Remuneration Committee is established by the Company to fulfill the independence, expertise, experience, and integrity criteria. The Nomination and Remuneration Committee also has no relation with the Board of Directors, Board of Commissioners, and shareholders. The Nomination and Remuneration Committee complies with the prevailing laws and regulations in the Company. The Independence of Nomination and Remuneration Committee also covers:

1. Possess high integrity, objectivity, and good ethics.
2. Possess adequate knowledge which includes the prevailing laws and regulations;
3. One of the members of Nomination and Remuneration Committee must have an education background and/or professional experience in the nomination and remuneration of employees, or Human Resource Development;
4. Capable to act independently in implementing the duties professionally without any conflict of interest and influence/pressure from any party;
5. Willing to continuously improve competence through education and training;
6. Not an insider of Public Accountant Firm, Legal Consultant Firm, Human Resource Consultant Firm, Business Development Firm, or other party that provides assurance services, non-assurance services, and/or other consultation services to the Company in the period of the last 6 (six) months before appointed as the member of the Committee by the Board of Commissioners.

Table of Nomination and Remuneration Committee Independence

Nomination and Remuneration Committee Independence			
Independence Aspect	Ravik Karsidi	Harry Gale	Vivid Zulprimiadanni
Possess No Financial Relations with the Board of Commissioners and Board of Directors	✓	✓	✓
Possess No Management Relations within the Company or Affiliated Companies.	✓	✓	✓
Possess No Share Ownership Relations in the Company	✓	✓	✓
Possess No Family Relations with the members of Board of Commissioners and Board of Directors and fellow members of the Committee	✓	✓	✓
Possess No Financial Relations with the Board of Commissioners and Board of Directors	✓	✓	✓
Not Serving as Political Party Administrator, Regional Government Administrator	✓	✓	✓

Nomination and Remuneration Committee Charter

Nomination and Remuneration Committee Charter

Nomination and Remuneration Committee of PT Mandiri Tunas Finance has its own Charter that is ratified on October 29, 2014 to support the implementation of its function and role. The Charter of Nomination and Remuneration Committee regulates matters related to:

- a. Duties and Responsibilities of the Committee,
- b. Authorities of the Committee,
- c. Meetings of the Committee,
- d. Organization of the Committee.

The Nomination and Remuneration Charter is reviewed in routinely to ensure that the guideline is in line with the needs and regulations that are related with the Company's business.

Functions and Authorities of the Nomination and Remuneration Committee

In implementing its duty, the Nomination and Remuneration Committee has its own functions and authorities that are in accordance with the provision stipulated in the Nomination and Remuneration Charter.

Functions

1. Preparing, implementing, and analyzing the nomination criteria and procedures for Board of Directors and Board of Commissioners candidates as well as the dismissal procedures of the Board of Directors and Board of Commissioners;
2. Identifying the Board of Directors and Board of Commissioners candidates from both inside and outside of the company that have fulfilled the requirements to be submitted/appointed as the Board of Directors or Board of Commissioners;
3. Preparing the criteria of performance assessment of the Board of Directors;
4. Proposing an adequate remuneration system which for the Board of Directors and Board of Commissioners in the form of salary system, facilities, allowances, options, and retirement system;
5. Ensuring that the Company complies to the provisions and or regulations of OJK, Ministry of Manpower, and other related regulations including the resolutions of the GMS of the Company; and
6. Supporting the professional human resources development activities.

Authorities

1. The Committee has the access to the record or information regarding the Company's employees in relation with the implementation of the duty of the Committee.
2. In implementing the authority stipulated in point 1, the Committee cooperates with its work partners, such as the Secretary of the Board of Commissioners, Committees Under the Board of Commissioners, related teams in the management level, particularly the Human Resources Development Division and other relevant work units (if necessary);
3. The Committee has the authority to communicate directly with the employees, including the Board of Directors and parties related to the implementation of the Committee's duty;
4. If necessary, the Committee may involve specialists and/or consultants/independent parties outside of the Committee or establish an ad hoc team to assist the implementation of its duty at the expense of the Company;
5. The Committee carries out other authorities granted by the Board of Commissioners.

Duties and Responsibilities of Nomination and Remuneration Committee

Duties and Responsibilities related to the Remuneration Function are;

1. Evaluating the remuneration policy of the Company regarding Salary, Honorarium, Holiday Allowances, Benefits (Medical, Health, Loan Facility, and others), Bonus / Incentive (for employees), and Tantiem (for Board of Commissioners and Board Directors); and
2. Providing recommendations to the Board of Commissioners regarding the remuneration policy for the members of Board of Directors and/or Board of Commissioners to be subsequently submitted to the GMS as well as the remuneration policy for the Executives and all employees to be submitted to the Board of Directors;
3. Ensuring that the remuneration policy of the Company is in accordance with the financial performance and reserves of the Company according the prevailing regulations, evaluation on individual's work achievement, peer group fairness inside and outside of the Company, and the long term development strategy.

Duties and Responsibilities related to the Nomination Function are;

1. Providing recommendation to the Board of Commissioners regarding the composition of the members of Board of Directors and/or Board of Commissioners;
2. Providing recommendation to the Board of Commissioners regarding the required policy and criteria in the nomination of members of the Board of Directors and / or Board of Commissioners;
3. Providing recommendation to the Board of Commissioners regarding the name of Board of Directors and Board of Commissioners candidates;
4. Reviewing and suggesting the succession plan of members of Board of Directors and/or Board of Commissioners;
5. Evaluating based on the prepared benchmark for performance evaluation materials and capacity building of the Board of Directors and/or Board of Commissioners;
6. Providing recommendation to the Board of Commissioners regarding the performance evaluation policy for the members of Board of Directors and/or Board of Commissioners;
7. Providing recommendation regarding independent party that will be the member of the Committee under the Board of Commissioners.
8. Recommending the approval for the changes in the organizational structure up to one level under the Board of Directors.

Meeting of Nomination and Remuneration Committee

Nomination and Remuneration Committee conducts meeting once in a year at the minimum in accordance with the Work Guidelines of Nomination and Remuneration Committee. The decision making in the meeting held by the Nomination and Remuneration Committee is conducted based on the consensus principles or the majority votes if it does not reach a consensus. The result of the meeting of the Committee must be stipulated in the minutes of the meeting signed by all members present and documented properly by the Corporate Secretary. In the case of dissenting opinions in the decision making process in the Committee's meeting, it must be stated clearly in the minutes of the meeting as well as the reason for the dissenting opinions.

Implementation of Nomination and Remuneration Committee Activities in 2017

Nomination and Remuneration Committee is established to assist the Board of Commissioners in implementing its supervisory function professionally and independently to the governance of the Company that is related to the nomination of the Board of Directors and Board of Commissioners candidate as well as their remuneration.

Remuneration of Board of Commissioners and Board of Directors

The remuneration of the Board of Directors and the Board of Commissioners shall refer to the decision of the shareholders as stipulated in the Shareholders General Meeting (RUPS) taking into account the results of the review conducted by the Company. In-depth review the determination of remuneration takes into account aspects such as:

1. Financial performance and Key Performance Indicator (KPI) achievement of the Company.
2. Individual's work achievement.
3. Fairness with other companies.
4. Consideration to the long term strategy and strategy of the Company.

The result of the analysis is the materials for the suggestion of the Board of Commissioners to be subsequently submitted to the Shareholders. Pursuant to the Law No.40 Article 96, Paragraph (1) regarding Limited Liabilities Companies which regulates that the amount of salary and benefits for the Board of Directors are based on the resolution of the GMS. The authority is delegated to the Board of Commissioners as stipulated in Article 96, Paragraph (2).

Remuneration Implementation Indicator

The Board of Commissioners designates the basis of the determination of remuneration for the Board of Directors based on the balance scorecard method using the determined parameters. The assessment of the Board of Directors performance during 2017 is conducted based on the balance scorecard method and using the following parameters:

1. Performance achievement is in accordance with the Work Plan and Budget of the Company which includes the achievement of financial numbers targets, such as the financing volume, profitability, joint financing, cost efficiency ratio, cost of credit and receivables of non – performing financing.
2. Improvement and Development of business financing process, which includes among others, credit process, operational process, marketing process, and collection process.
3. Expansion of business network and improvement of the alliance cooperation.
4. Being strategic with the Group and cooperation development with dealers and showrooms.
5. Development of human resources and improvement of corporate branding.

Remuneration Structure of Board of Commissioners and Board of Directors

Position	Salary	Allowance	Health Insurance	Jamsostek	Bonus	THR
Board of Directors	Rp4.932.720.000	Rp5.394.000.136	Rp53.687.497	Rp207.411.841	Rp4.586.980.000	Rp448.020.000
Board of Commissioners	Rp2.037.533.334	Rp1.370.809.034	Rp31.273.772	-	Rp1.509.200.000	Rp31.337.293
Total	Rp6.970.253.334	Rp6.764.809.170	Rp84.961.269	Rp207.411.841	Rp6.096.180.000	Rp479.357.293

RISK OVERSIGHT COMMITTEE

In supporting the implementation of its duty, the Board of Commissioners has established the Risk Oversight Committee to oversee the implementation of risk management of the Company which is prepared by the Board of Directors.

Basis of Establishment and Appointment of Risk Oversight Committee

Risk Oversight Committee of Mandiri Tunas Finance is established through the Decree of the Board of Commissioners No. KEP. KOM/01/2016 dated September 28, 2016. Risk Oversight Committee also has Risk Oversight Committee Charter as work guidelines and foundations of the Risk Oversight Committee. The establishment and work foundation of the Risk Oversight Committee is in accordance with the Regulation of OJK No.34/POJK.04/2014.

The establishment of the Risk Oversight Committee complies to and based on the prevailing regulations, namely:

1. Regulation of the Financial Services Authority Number 10/POJK.05 / 2014 on the Risk Level Assessment of Non - Bank Financial Services Institutions.
2. Regulation of the Financial Services Authority Number 1/POJK.05/2015 on the Application of Risk Management for Non – Bank Financial Services Institutions.
3. Circular of the Financial Services Authority Number 4/ SEOJK.05/2015 on the Risk Level Assessment of Financing Companies.
4. Circular of the Financial Services Authority Number 1/ SEOJK.05/2016 on the Assessment of Financial Soundness of Financing Companies.
5. Circular of the Financial Services Authority Number 10/ SEOJK.05/2016 on Guidelines for Implementation of Risk Management and Report of Self-Assessment of Risk Management for Non – Bank Financial Services Institutions.

Risk Oversight Committee Membership Requirements

- a. Based on the Risk Oversight Committee Charter, members of the Committee must fulfill various criteria and requirements. Members of the Committee must have independence, integrity and knowledge regarding the business conducted by the Company. The requirements of the Risk Oversight Committee Membership are as follows:
 1. Members of the Committee must have high integrity, ability, and experience in accordance with their professional field and capable to communicate properly.
 2. At least one member of the Risk Oversight Committee must have the background of risk management.
 3. Understand the company's business, particularly in risk management and prevailing regulations relevant to the financing business.
- b. Have the adequate knowledge to read and understand financial statements and reports related to the oversight of risk management policy implementation of financing companies.
- c. Willing to continuously improve the competence through education and training.
- d. Not a member of Board of the Directors with integrity and knowledge of business of the Company.

Term of Office

Pursuant to the Decree of the Board of Commissioners No. KEP. KOM/01/2016 dated September 28, 2016 regarding the Establishment and Appointment of the Risk Oversight Committee, it is established that the term of office of the Committee's members must not exceed the term of office of the Board of Commissioners as stipulated in the Articles of Association with the Board of Commissioners has the right to dismiss the Committee members at any time.

Risk Oversight Committee

Pursuant to the Decree of the Board of Commissioners No. KEP.KOM/01/2016 dated September 28, 2016 regarding the Establishment and Appointment of Risk Oversight Committee which consists of at least 1 (one) Independent Commissioner and 2 (two) Committee members.

Name	Position	Information on Concurrent Position	Legal Basis of Appointment
Ravik Karsidi	Chairman of the Committee	Independent Commissioner	Decree of the Board of Commissioners No. KEP. KOM /01/2016 dated September 28, 2016
Rico Setiawan	Member of the Committee	President Commissioner	Decree of the Board of Commissioners No. KEP. KOM/01/2016 dated September 28, 2016.
Harry Gale	Member of the Committee	Commissioner	Decree of the Board of Commissioners No. KEP. KOM/01/2016 dated September 28, 2016.
Irene Yudhistira Junarso	Member of the Committee	-	Decree of the Board of Commissioners No. KEP. KOM/01/2016 dated September 28, 2016.

Risk Oversight Committee Independence

Members of the Risk Oversight Committee are professional and have no relation with the Company, in order to maintain their independence in implementing duties and responsibilities. The Risk Oversight Committee is established to fulfill the independence, expertise, experience, and criteria.

Tabel independensi Komite Pemantau Risiko

Risk Oversight Committee Independence				
Independence Aspect	Ravik Karsidi	Rico Setiawan	Harry Gale	Irene Yudhistira Junarso
Possess No Financial Relations with the Board of Commissioners and Board of Directors	✓	✓	✓	✓
Possess No Management Relations within the Company or Affiliated Companies.	✓	✓	✓	✓
Possess No Share Ownership Relations in the Company	✓	✓	✓	✓
Possess No Family Relations with the members of Board of Commissioners and Board of Directors and fellow members of the Committee	✓	✓	✓	✓
Possess No Financial Relations with the Board of Commissioners and Board of Directors	✓	✓	✓	✓
Not Serving as Political Party Administrator, Regional Government Administrator	✓	✓	✓	✓

Risk Oversight Committee Charter

In implementing its duty, the Risk Oversight Committee of PT Mandiri Tunas Finance refers to the Risk Oversight Committee Charter.

Authorities, Duties, and Responsibility of Risk Oversight Committee

The Risk Oversight Committee has the authority to access the document, data, and information of the Company, and to communicate directly with the employees, including the Board of Directors and the party that conducts internal audit function and risk management. The Committee also has the authority to involve the required independent party and other authorities granted by the Board of Commissioners in order to be capable and responsible to implement the duty of the Risk Oversight Committee which covers, among others:

1. Directing the policy, strategy and framework of risk management in accordance with risk appetite and risk tolerance;
2. Reviewing the conformity of risk management policy of the company and the implementation of the policy;
3. Monitoring the implementation of the duty of Risk Management work unit;
4. Reviewing the risk profile report and/or risk level report;
5. Reviewing the report of financial health of the Company;
6. Monitoring the adequacy of identification process, oversight management, risk management system and control.

Risk Oversight Committee Meeting

The Risk Oversight Committee should hold quarterly meetings held four times a year. The Committee may also conduct monthly meeting whenever it is required as agreed beforehand. In the implementation, the Chairman of the Committee invites all members of the Committee and all members of the Board of Commissioners to attend the meeting led by the Chairman of the Committee or the appointed member in a written form whenever the Chairman is not able to attend the meeting. The meeting of the Risk Oversight Committee is considered valid if it is attended by more than ½ (one-half) of the total members including a commissioner and independent party. In 2017, the Risk Oversight Committee has conducted 4 (four) meetings.

CORPORATE SECRETARY

In assisting the duties of the Board of Directors, the Company has appointed the Corporate Secretary to establish and maintain good relations with internal and external parties, such as regulators, Capital Market, shareholders and other stakeholders which are in line with the spirit of information transparency of the Company. The Corporate Secretary is also responsible for the publication of the Company's activities and to maintain the fairness, consistency, and transparency regarding matters related to the governance of the company and corporate actions.

Legal Basis of the Appointment of Corporate Secretary

The Appointment of the Corporate Secretary is based on the Appointment Letter No. No.2428/SK-HCP.SVC/HC/IV/2017 which appoints Citra Judith Lupitadevi as the Corporate Secretary of PT Mandiri Tunas Finance replacing Nenny Lasmanawati. The Corporate Secretary is appointed and dismissed based on the decision of the Board of Directors. The legal basis of the appointment of the Corporate Secretary is in line with the requirements of information transparency, the company has appointed the Corporate Secretary of PT Mandiri Tunas Finance pursuant to: 1. Regulation of the Financial Services Authority (POJK) No. 35/POJK.04/2014 dated December 8, 2014 regarding Corporate Secretary of Issuer or Public Company.

Requirements of Corporate Secretary

Corporate Secretary of Mandiri Tunas Finance carries out the mission to support the creation of the good image of the company consistently and continuously through an effective communication program to all stakeholders. The requirements to be the Corporate Secretary are as follows:

1. Proficient in taking legal actions;
2. Have the knowledge and understanding in the fields of law, finance and corporate governance;
3. Understand the business activities of the Company;
4. Have the ability to communicate well; and
5. Based in Indonesia.

Company Secretary is responsible directly to the President Director and make periodic reports of at least 1 (one) time a year.

Corporate Secretary Profile



Citra Judith Lupitadevi

Nationality : Indonesia
 Age : 34 years old
 Domicile : South Tangerang, Banten

Mrs. Citra Judith Lupitadevi joined Mandiri Tunas Finance since 2010 in the Business Development Division (2010-2012), became the New Business Initiative & Alliance Department Head (2012 – 2014), Business Initiative Development Department Head (2014 – 2015), Business Excellence Management Division Head (2016 – April 2017), then appointed as Corporate Secretary & Legal Division Head per April 21, 2017. She was born in Gresik and received her Bachelor degree in Industrial Engineering, from the Faculty of Industrial Engineering, Institute of Technology of Sepuluh Nopember, Surabaya in 2006. She subsequently received her Bachelor degree in Accounting, from the Faculty of Economics, Airlangga University in 2009.

Duties and Responsibilities of Corporate Secretary

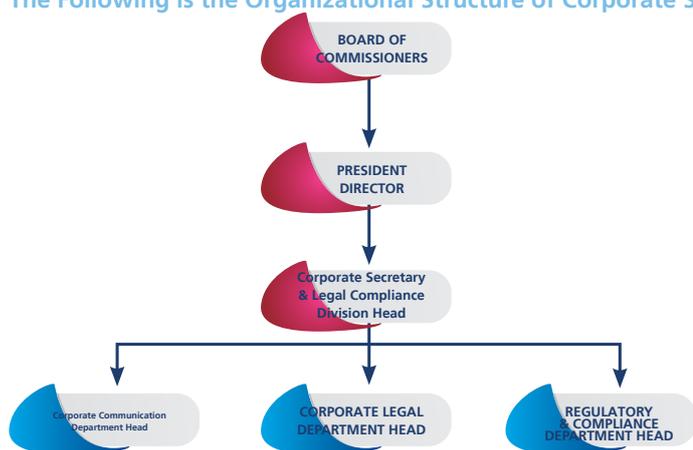
Based on the Decree No.2428/SK-HCP.SVC/HC/IV/2017 the functions and duties of the Corporate Secretary of PT Mandiri Tunas Finance are as follows:

1. Following the development of the capital market, especially the prevailing regulations in the field of capital markets and disseminating the information to the Board of Commissioners, Board of Directors and the Company's stakeholders.
2. Providing insights to the Board of Directors and Board of Commissioners of the Company to comply with the regulations in the field of capital markets.
3. Assisting the Board of Directors and the Board of Commissioners in the implementation of corporate governance, including:
 - a. Disclosure of information to the public;
 - b. Submission of reports to regulators on a timely basis;
 - c. Implementation and documentation of the GMS including the preparation process.

Organizational Structure of Corporate Secretary

Structurally, the Corporate Secretary is one level under the Board of Directors. The Corporate Secretary itself oversees the Communication Department Head, Corporate Legal Head and Regulatory and Compliance Department Head. The Corporate Secretary is expected to assist the Board of Directors in implementing the information management of the Company and to ensure that the Company complies with the regulations on transparency which is in line with the Good Corporate Governance principles.

The Following is the Organizational Structure of Corporate Secretary of PT Mandiri Tunas Finance



Trainings and Educations of Corporate Secretary in 2017

To increase its competency and knowledge in conducting its functions, the Corporate Secretary has attended the following trainings and educations:

Topik	Training Organizer	Date
National Seminar of "Political Economy Outlook 2018: The Future of Consumer Banking in the Disruption Era"	PT Sinergi Indonesia Asia Pintar	22/11/2017
CORPORATE SECRETARY - THE CG OFFICER BATCH 4	ICSA	13/12/2017

Company Information Publication

PT Mandiri Tunas Finance is committed to always implement the principle of the Company information transparency by publishing various activities or information regarding the company throughout the fiscal year of 2017 which is in line with the Regulation of Bapepam and LK No.X.K.1 (Decision of the Chairman of Bapepam and LK No. Kep-86/PM/1996 dated January 24, 1996) and Regulation of Jakarta Stock Exchange No. I-E.IV (Decision of the Board of Directors of PT Bursa Efek Jakarta No. Kep-306/BEJ/07-2004 dated July 19, 2004). The disclosure of material information is conducted by the Company through reports or press release. In order to improve the dissemination of the material information, all information for the press and reports are prepared in two languages, Indonesian and English.

Monthly Financial Statement of Financing Company

Pursuant to the Regulation of the Financial Services Authority No.3/POJK.05/2013 regarding Monthly Financial Statement of Non – Bank Financial Services Institution, the Financing Company must submit the monthly statements to OJK no later than the 10th day of the month. In the case of the 10th day of the month is a holiday, the Monthly Financial Statement must be submitted on the next business day. During 2017, the Company has reported the Monthly Financial Statement to the OJK in a timely manner and in accordance with the prevailing regulations as follows:

Monthly Financial Statement	Submission Date to OJK
January 2017	February 10, 2017
February 2017	March 10, 2017
March 2017	April 10, 2017
April 2017	May 10, 2017
May 2017	June 9, 2017
June 2017	July 7, 2017
July 2017	August 8, 2017
August 2017	September 8, 2017
September 2017	October 10, 2017
October 2017	November 9, 2017
November 2017	December 7, 2017
December 2017	January 9, 2017

Obligation of the Submission of Foreign Currency Debt Data

Based on the Circular Letter of the Regulation of Financial Services Authority (OJK) No. S-30/PM.2/2013 dated February 7, 2013 and No. S-124/PM.23/2013 dated February 23, 2017 regarding the Request for the Data of Debt / Liability in Foreign Currencies, Issuer or Public Company is requested to submit:

1. Report on the total of debt/liability in foreign currencies;
2. Projection on the payment of debt/liability in foreign currencies per month;
3. Information on the maturity date of debt/liability in foreign currencies.

In the case of the issuer does not have or possess debt/liability in foreign currencies, the issuer is still requested to report it to OJK using the predetermined form. The report must be submitted to OJK within the 10th day of every month at the latest by using the form attached in the Circular Letter of OJK No.S-30/PM.2/2013 dated February 7, 2013.

The Company during the fiscal year 2017 does not own or have any debt, information or liabilities in foreign currency, however thus the Company continues to fulfill its obligation to provide debt data in foreign currency with nil condition to OJK on a timely basis in accordance with a pre-determined form.

Activities in Developin Relations with Mass Media

Mandiri Tunas Finance continues to develop good relation with the Mass Media as the partner in information dissemination regarding the condition of the company. To improve the communication with the mass media, the Company routinely holds various activities with the mass media.

Activities in Developing Relations with Mass Media

The role of mass media for the Company certainly has a significant role, especially in terms of publication of business activities undertaken. Throughout 2017, the Company runs several activities involving the mass media including:

Table Media Activity in 2017

No.	Date	Activity	Location	Topic
1	January 26, 2017	CSR Activity	Aceh	Post-Earthquake Donation Handover in Aceh
2	March 8, 2017	xposure of 2016 MTF Performance	Jakarta	2016 MTF Performance
3	March 25, 2017	Inauguration of Luwuk Branch, Mamuju, Kotamobagu	Luwuk, Mamuju, Kotamobagu	Inauguration of Luwuk Branch, Mamuju, Kotamobagu
4	April 5, 2017	MTF Autofiesta Makassar	Makassar	MTF Autofiesta Automotive Exhibition
5	May 16, 2017	MTF Autofiesta Manado	Manado	MTF Autofiesta Automotive Exhibition
6	August 2, 2017	Mini Press Conference BSM Oto	Jakarta	Exposure of BSM Oto product
7	August 8, 2017	Nongkrong Bareng MTF	Jakarta	GIIAS dan Writing Competition
8	August 11, 2017	Press Conference GIIAS	BSD City	GIIAS
9	September 26, 2017	Opening of Jayapura Branch	Jayapura Branch Office	Opening of Jayapura Branch
10	September 29, 2017	Opening of Sorong Branch	Sorong Branch Office	Opening of Sorong Branch
11	September 30, 2017	Opening of Ambon Branch	Ambon Branch Office	Opening of Ambon Branch
12	October 17, 2017	Opening of Banyuwangi Branch	Banyuwangi Branch Office	Opening of Banyuwangi Branch
13	October 18, 2017	MTF Autofiesta Batam	Batam	MTF Autofiesta Batam
14	November 1, 2017	Surabaya Automotive Exhibition	Surabaya	Surabaya Automotive Exhibition
15	November 6, 2017	Makassar Automotive Exhibition	Makassar	Makassar Automotive MTF Exhibition
16	November 22, 2017	Semarang Automotive Expo	Semarang	Semarang Automotive Expo
17	November 29, 2017	Syndicated Loan II MTF	Jakarta	Plan of 2018 Syndicated Loan of MTF
18	December 11, 2017	MTF Culture Day	Jakarta	MTF Care for Disabled Person

DATA ACCESS AND COMPANY INFORMATION

Mandiri Tunas Finance provides various means and media to ensure the fulfillment and availability of information for stakeholders through:

- Website : www.mtf.co.id
- Email : customer.service@mtf.co.id
- Care center : 1500059
- Mobile Application :
- MTF Mobile Application
- Social Media
 - » Instagram : MTFAutoLoan
 - » Facebook : MTFAutoLoan
 - » Youtube : MTFAutoLoan
 - » Google Plus : MTFAutoLoan
 - » Twitter : @MTF_AutoLoan

INTERNAL CONTROL SYSTEM

To achieve the Company's objective through effective and efficient activities, the Company established Internal Control System which aims to create financial reporting reliability, company asset security, and compliance with the laws and regulations, therefore creating good corporate culture in good corporate governance context. The followings are the objective of the implementation of Internal Control System in Mandiri Tunas Finance:

1. Maintaining and securing the assets of the Company,
2. Ensuring the availability of a more accurate reports,
3. Improving compliance with applicable regulations,
4. Reducing the impact of losses of irregularities, including fraud, and violation against the prudence principle, and
5. Improving the organizational effectiveness and efficiency of resources.

Internal Control System is implemented from the determination of target and strategy in all organization, identification of the possibility of an event that may affect the said target and strategy, and the risk management to be in the range of risk appetite, to provide reasonable assurance to reach the Company's objective. Framework of the internal control system that becomes the Company's reference is the best practice that have been practiced by companies in the world, namely COSO Internal Control Framework that includes the following components:

1. The internal control environment in the Company, which consists of integrity, values, ethics and competence of Commissioners, Directors and all employees of the Company, including management and leadership styles in a way in which exercise powers and responsibilities, organization and development of human resources and attention and referrals made by the Commissioner and the Board of Directors.
2. Risk management, which includes the identification, analysis, assessment and mitigation of or response to the risks that are relevant to the Company's line of business.
3. Control Activities, includes actions undertaken so that the whole process in a controlled company in accordance targets, among other activities related to the organizational structure include the authority, authorization, verification, reconciliation, assessment of job performance, job distribution and asset security company.
4. Information systems and communications, including activities related to the presentation of the activity report of the Company and its delivery to the parties involved, which include information and communication activities of the operational, financial activities, and the observance of rules.
5. Monitoring, include activity or process of assessment of the quality of the internal control system including the quality of the Internal Audit function and quality of work units in the organizational structure of the Company, so that the internal control system can be implemented optimally and irregularities that occurred immediately reported to the Board of Directors and Commissioners through the Committee audit.

Operational and Financial Control

The Company is committed to disclose the reports to all interested party fairly and transparently based on the prevailing accounting standards in Indonesia. Therefore, the Company always maintains the internal control system that guarantees the reliability and adequacy of every transaction. The presentation of financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity) in each fiscal year is made to meet the interest of all parties related to the Company. To meet all of the principles above, the Company has a policy that guarantees that transactions are recorded immediately, accurately, and equipped with adequate supporting document. Transactions recorded in accounting system had obtained approval from the management who is in charge of such necessity and recorded correctly. Each fair and accurate financial statements of the Company describes the actual transaction without any effort to hide the fact to the reader of the report. The Board of Directors, Board of Commissioners, and employees who are responsible for the functions, shall understand and implement the policy on internal control system and procedure for financial accounting recording of the Company.

Review on the Effectiveness of Internal Control System

An internal control system is in place to safeguard assets against misuse and transfer of ownership unauthorized, maintaining the validity of accounting records and the reliability of financial information used within the company or published. Management The Company continuously assesses the effectiveness of internal control over financial reporting of the Company. In addition, an evaluation of the effectiveness of internal control over financial reporting is also undertaken by the Public Accounting Firm during the annual financial reporting process.

Sistem Pengawasan Internal

Mandiri Tunas Finance has had Internal Audit Function which is run by Internal Audit Unit to audit the Company's performance. The Internal Audit Unit is a work unit that runs internal control and audit to support the management and other Work Unit in achieving the implementation of duties and obligations. Internal Audit Unit is led by a Head of Internal Audit Unit which is appointed and dismissed President Director with approval from the Board of Commissioners.

INTERNAL AUDIT

Function of Internal Audit is to evaluate the function and work unit of the Company regularly to assist the Board of Directors in ensuring the implementation of internal control system. The function is implemented by Internal Audit Division, an independent unit that is responsible directly to President Director. In the implementation, Internal Audit Division also reports its activities to the Board of Commissioners through Audit Committee. Internal Audit is led by a Division Head that is appointed and dismissed by President Director on the approval of the Board of Commissioners.

In 2017, Internal Audit Division implemented assurance function using risk-based audit (RBA). In the method, the determination of work unit that will be audited and the scope of audit are carried out based on risk evaluation which was carried out periodically. Throughout 2017, Internal Audit Division implemented 66 (sixty six) general audit consisting of 63 (sixty three) assignments in Branch Offices and 3 (three) assignments in Head Office.

Internal Audit Division also continuously carried out desk monitoring on operational data of branch office. Indication of weakness of the result of the on desk monitoring will be submitted to client (branch) every month as a form of early warning signal form strategic partner and the follow-up will be monitored.

Result of the on desk monitoring is communicated to related work unit in Head Office to be improved.

In general, the function of Internal Audit Division is divided into 2, namely assurance and consulting function.

1. Assurance Function

The implementation of assurance function by Internal Audit Division is to ensure that the internal control of risk management and governance has been implemented by all work units in accordance with the written policies and procedures of the Company as well as external regulations. The results of the assessment are reported by Internal Audit Division periodically to Board of Directors and Board of Commissioners through Audit Committee. In carrying out its assurance functions, Internal Audit Division uses Risk-Based Audit methods. In the methods, the determination of work units that will be audited is done based on risk assessments conducted periodically. During 2017, the Internal Audit Division has conducted 66 general audit assignments, consisting of 63 assignment at branch office and 3 assignment at head office. Each audit assignment reported to the Management of the Company and the auditee is equipped with a corrective action plan, including sanctions, if necessary. The progress of corrective actions must be reported by the auditee to the Internal Audit Division periodically to ensure that each party being audited is always working to make improvements or repairs.

2. Consulting Function

To increase the effectiveness and efficiency of process, the Company implemented consulting functions by the Internal Audit Division. The consulting function serves as strategic partner through control and risk review on a process or activities that will be prepared or evaluated by the Company and provided advice and suggestion for process improvement. In carrying out the functions of consulting, Internal Audit Division analyzes conducts self-analysis or cooperates with another unit or division. In 2017, the focus of the audit was directed to evaluate the effectiveness of internal control regarding key business risks faced by the Company as one of the mitigation measures that should be carried out. In the process of prioritization of key risks mitigation to be evaluated, Internal Audit Division has received inputs from related working units and the direction of the Board of Directors. The inputs and directions include the main risks in business processes and supporting processes, particularly in the branch office network to support the creation of higher quality provision of financing and a decrease in AR Loss according to the targets set by the Company.

Legal Basis of Appointment

The appointment of the Head of Internal Audit of Mandiri Tunas Finance is based on Appointment Letter No. 02648/SK-PGS/HRD/II/2015 that appoint Dayu Rasmini as Head of Internal Audit.

Composition of Internal Audit Division



Dayu Rasmini (Head of Internal Audit)

Nationality : Indonesia
Age : 44 years old
Domicile : Jakarta

She earned Bachelor’s degree majoring in Accounting from Padjajaran University in 1995. Prior to serving as the Head of Internal Audit Division since July 1, 2016, Mrs. Dayu Rasmini had worked at PT Bank Mandiri and experienced in Retail Banking Audit, Commercial Banking Audit, Audit Development, Personnel Performance & Budgeting, and Corporate Banking Audit.

Total Employees of Internal Audit Division

In supporting the implementation of duties, the Head of Internal Audit Division is assisted by Department Head, Supervisor, and staffs. As of December 31, 2017, employees of Internal Audit were 22 with 2 person obtained certification. The composition of Internal Audit Division is as follows:

Position	Total (person)	Certification
Division Head	Dayu Rasmini	Sertifikasi APPI dan Sertifikasi QIA
Department Head	Ricky Haris	Sertifikasi APPI

Total Employees of Internal Audit Division

As of December 31, 2017, employees of Internal Audit Division were 22 employees with the following composition:

Position	Total (person)
Division Head	1
Department Head	1
Supervisor	9
Staff	11
Total	22

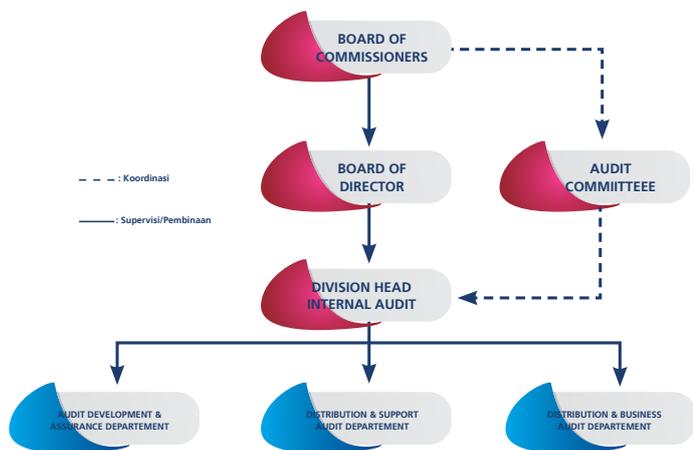
Total employees were the results of identification and review on internal control system management and effectiveness of the supervision that were carried out by the Company's management.

Organizational Structure and Position of Internal Audit Division

To meet the Regulation of Bapepam-LK No.IX.I.7 on Establishment and Guidelines for Preparation of Internal Audit Charter that is also regulated in Decree of the Head of BAPEPAM-LK No.KEP-496/BL/2008 dated November 28, 2008, the Company has established Internal Audit Charter that has been approved by the Board of Directors and approved by the Board of Commissioners, with the latest revision on December 1, 2015.

The Internal Audit Charter contains:

1. Internal Audit Division is led by a Division Head that is appointed and dismissed by President Director on the approval of the Board of Commissioners.
2. The Head of Internal Audit Division is directly responsible to President Director and coordinates with Audit Committee.
3. Appointment, substitution, or dismissal of the Head of Internal Audit Division will be reported immediately to authorities that are authorized to regulate and supervise the Company's activities.
4. Internal Auditors in Internal Audit Division are responsible to the Head of Internal Audit Division.



Independence of Internal Audit Division

Members of Internal Audit Division are professional and do not have any relations with the Company to maintain independency in the implementation of duties and responsibilities. Internal Audit Division has fulfilled the criteria of independency, expertise, experience, and integrity.

Table of Independency of Internal Audit Division

Independency of Internal Audit		
Aspect of Independency	Dayu Rasmini	Ricky Haris
Possess No Financial Relations with the Board of Commissioners and Board of Directors	✓	✓
Possess No Management Relations within the Company or Affiliated Companies.	✓	✓
Possess No Share Ownership Relations in the Company	✓	✓
Possess No Family Relations with the members of Board of Commissioners and Board of Directors and fellow members of the Committee	✓	✓
Possess No Financial Relations with the Board of Commissioners and Board of Directors	✓	✓
Not Serving as Political Party Administrator, Regional Government Administrator	✓	✓

Statement of Having Internal Audit Charter

The Company established Internal Audit Charter that has been validated by the Board of Directors and approved by the Board of Commissioners with the latest revision on December 1, 2015 as the reference or guideline for Internal Audit Division in implementing its duties, obligations, and authorities.

The Internal Audit Charter states that:

1. Internal Audit Division is led by a Division Head that is appointed and dismissed by President Director on approval from the Board of Commissioners.
2. The Head of Internal Audit Division is directly responsible to President Director and coordinates with Audit Committee.
3. Appointment, replacement, or dismissal of the Head of Internal Audit will be reported immediately to authorities in charge of regulating and supervising the Company's activities.
4. Internal Auditor in Internal Audit Division is responsible to the Head of Internal Audit Division.

Responsibilities of Internal Audit Division:

1. Planning and implementing the Annual Audit Plan.
2. Planning and implementing Internal Audit Activities with emphasis on field/activity having high risk and evaluating the existing procedure/control system to obtain assurance that the Company's objective and target can be achieved optimally and continuously.
3. Composing programs to evaluate the implemented internal audit activities.
4. Preparing audit results report and submitting the report to President Director and other members of Board of Directors, as well as to the Board of Commissioners through the Audit Committee.
5. Monitoring, analyzing and reporting the follow-ups on the Internal Audit Activities and Investigation Activities.
6. Cooperating with the Audit Committee.
7. Carrying out special audit, if necessary.
8. Having no responsibility to carry out operational activities.

Authorities of Internal Audit Division:

1. Conducting the audit assignment to the activities of all working units and branches in the Company's organization.
2. Gaining access to all data and documents in the form of hardcopy and softcopy as well as the audit object information in the employee records, resources and other things that are considered necessary to support the audit activities.
3. Investigating any indications of cases / problems in every aspect and element of activities in the form of fraud, forgery, embezzlement, thievery, or other matters which could lead to material and immaterial losses for the Company. This investigation is limited to the disclosure and reporting to the management.
4. Conducting regular communication with members of the Board of Directors, the Board of Commissioners, and the Audit Committee.

Code of Conduct is the foundation of professionalism of internal auditors in the audit implementation. Internal Auditors' Code of Conduct refers to the principles that are relevant to the profession and audit activities in line with the standards of conduct of The Institute of Internal Auditors (IIA). Violation to Code of Conduct is a violation of the Company's discipline which may result a warning for Internal Auditor, dismissal from duty in the Internal Audit and or being disciplined in line with the level of offense committed.

The Internal Auditors must uphold and comply with the Code of Conduct, as follows:

1. Integrity

Having personality that is based on the principles of honesty, bravery, wisdom, and responsibility to build trusts in order to strengthen the decision-making process.

2. Objectivity

Upholding the principle of impartiality and professionalism in collecting, evaluating and processing audit data/information.

3. Secrecy

Respecting the value and ownership of information received and not revealing the information without adequate authorization unless there are rules and laws that require the information to be disclosed.

4. Competency

Having the knowledge, expertise, experiences and skills that are required to carry out the duties and responsibilities.

Training and Development for Internal Audit Division in 2017

To improve the skill, competence, and capabilities, all members of Internal Audit Division participated in training and development activities in 2017. Training and development in 2017 can be seen as follows:

Topic	Organizer
Writing Audit Report	Tempo

Audit Implementation in 2017

Method of audit used in 2017 includes:

1. General Audit

General audit assignment with the scope of audit covers key risks that exist in the Branch Top Risks with reference to the inputs from Board of Directors of the Company at the time of Annual Audit Plan preparation. The target is 64% of Branch Office Networks or 60 branches and 3 divisions at Head Office.

a. IT Audit

General audit assignment with the scope of audit covers the main risks on the use of Information Technology System in the Company that is the main risk in network management, software and hardware. Result of implementation and evaluation of general audit is as follows:

Have been carried out 66 times with 63 at the branch offices and 3 times at head office.

2. Special Audit

- a. Special assignment on various risks in the process of withdrawing units from non-performing debtors in pool.
- b. Special assignment to follow up on the latest information on the whistleblowing system and Early Detection System (EDS).
- c. Special assignment to do a review of some projects implemented in 2016.

Result of implementation and evaluation of general audit is as follows:

Implementation of On Desk Monitoring conducted once a month to all branches of the Company.

EXTERNAL AUDIT

External audit function in Mandiri Tunas Finance is implemented by external auditor using Public Accountant service that is appointed by the Company. The external auditor is needed to state fair opinion in all material respects, financial position, business outcome, change in equity and cash flow in accordance with the prevailing accounting principle in Indonesia or it can be said that statement of Public Accountant is the opinion of independent party on fairness of Financial Statements. Public Accounting Firm that examines the Company's financial statements for 2017 fiscal year was determined through Annual General Meeting of Shareholders (AGM) pursuant to recommendation from the Board of Commissioners and Audit Committee. To ensure the independency and quality of examination, the appointed external auditor shall not have conflict of interest with every rank level in the Company.

MECHANISMS FOR APPOINTMENT OF PUBLIC ACCOUNTING

The appointment of Public Accounting Firm was determined through AGM pursuant to recommendation from the Board of Commissioners and Audit Committee. In the implementation, the Company also refers to Regulation of Financial Services Authority No.13/POJK.03/2017 on the Use of Public Accounting Service and Public Accounting Firm in Financial Service Activities. In 2017, consolidated financial statements of PT Mandiri Tunas Finance was audited by E&Y with audit expense of Rp506.000.000 (including 10%VAT).

The Company determined 4 (four) requirements or criteria that shall be owned by Public Accounting Firm in the appointment procedure, namely as follows:

- Registered in OJK;
- KAP that is categorized in The Big Four;
- Has international affiliation;
- Has experience in audit listed company.

Data of External Auditor of Mandiri Tunas Finance:

Year	Public Accounting Firm	Contract	Partner of the Implementation
2017	Purwanto, Sungkoro, & Surja (EY)	Rp 506.000.000	Danil Setiadi Handjaja, CPA
2016	Purwanto, Sungkoro&Surja	Rp 460.000.000	Yasir, CPA
2015	Purwanto, Sungkoro, & Surja (EY)	RP 423.500.000	Danil Setiadi Handjaja, CPA
2014	Purwanto, Suherman, & Surja (EY)	-	Danil Setiadi Handjaja, CPA
2013	Purwanto, Suherman, & Surja (EY)	-	Peter Surja, CPA
2012	Purwanto, Suherman, & Surja (EY)	-	Peter Surja, CPA

PROCUREMENT OF GOODS AND SERVICES

Mandiri Tunas Finance implements goods and services procurement efficiently, accountably, and transparently. The legal basis of the implementation of good and services procurement refers to the regulations of Standard Operational Procedure of the Company on Procurement of Goods and Services. Therefore, the procurement of good and service is carried out carefully, from the planning, procurement, selection of goods and services, to supervision of the procurement by taking into account the following aspects:

1. Being Efficient, means that the procurement of goods/services has to be accountable and procured by as fewer funds and resources as possible to achieve the targets set within the shortest time.
2. Being Effective, means that the procurement of goods/services must be in line with the requirements that have been established and can provide maximum benefits in accordance with the target set.
3. Being Open and Competitive, means that the procurement of goods/services should be open to the providers of goods/services that meet the requirements and is carried out through healthy competition among providers of Goods/Services in an equal manner and fulfills specific requirements/criteria based on the clear and transparent rules and procedures.
4. Being Transparent, means that all the provisions and information on procurement of goods/services, including the technical requirements of administration of procurement, evaluation procedures, evaluation results, and determination of prospective suppliers of goods/services, are transparent to the interested suppliers of goods/service providers and the public at large.
5. Being Fair/Not Discriminative, means that equal treatment is given to all prospective suppliers of goods/services without intention to give personal gain to a particular party with any reason or method whatsoever.
6. Being Accountable, means that there must be an achievement, both physical and financial targets, as well as benefits for the convenience of public administration and community services in line with the principles and applicable regulations of the procurement of goods/services. Procedure for Procurement of Goods and Services In procuring goods and services, the Company has applied the following procedures:

a. Procurement Executor:

There are 3 (three) groups of procurement executors who can process the procurement of goods and services for the Company, namely:

- Procurement and General Affair Department,
- Procurement team that consists of Procurement and General Affair Department and other related work units, and
- The Procurement committee that consists of Procurement and General Affair Department and/or the related and Legal Divisions to procure goods and services which is basically conducted in a way of Public Auction/Limited Tender or General Selection/Limited Selection.

b. Procurement Documents: Each goods and services procurement activity must be documented so as to be used as an authentic evidence of the procurement of goods and services.

c. List of goods and services providers: The providers need to meet the determined qualification, thus the procurement of goods and services is in line with the specification set.

d. Offering Delivery System: The Offering Delivery procedures can be chosen from one of the three determined applicable systems in the procurement documents, namely:

- One Cover system: this system is applicable to all procurements of goods and services with technical specifications and methods of work and products that can be clearly and accurately made.
- Two-Cover System: this system is applicable to particular goods and services that have specific range (corridor) in every technical aspect, thus in-depth technical evaluation is required to guarantee the quality of goods and services before the price evaluation process is carried out.

- Gradual System: this system is only applied to the procurement of complex, high-tech goods and services with relatively large procurement value that requires adjustment of technical/ performance/ design criteria to balance the technical specifications among the providers of goods and services that are required in the procurement documents.
- e. The offering evaluation system: divided into 2 parts:
 - Offering Evaluation System for the procurement of goods and services consisting of knockout system, value system, and costs for the economic life assessment system
 - Offering Evaluation System for the procurement of consulting services that are divided into quality evaluation system, quality and cost evaluation system, and lowest cost evaluation system.
- f. Form and Type of Work Contract:
 - The form of work contract consists of: proof of goods purchasing, SPK, Work Contract.
 - The type of work contract consists of: Lump sum contract, unit price and volume contract, lump sum and unit price contract, turnkey contract, unit price without definite order volume contract, gradual submission with maximum volume limit contract, cost plus fee contract, and percentage contract.
- g. Guarantee in the procurement of goods and services: In the procurement of goods and services, it must be realized that there will be risks that may arise, including the resignation of the providers of goods and services, default, risk of advances withdrawal, and other risks.

Types of Auction

- a. Public Auction, Limited Auction The implementation of this method is applied if the tender value is predicted to be more than Rp5 billion with the following terms and conditions:
 - Pre-qualification announcement
 - Pre-qualification document input
 - Procurement document invitation
 - Auction description
 - Offers input and opening
 - Offers evaluation
 - Preparation of the minutes of the auction result
 - Auction winners determination
 - Auction winner announcement
 - Auction participant's rebuttal
 - Contract signing
 - Down payment
- b. Direct Election The Procurement of goods and services by using direct appointment is conducted through these following processes:
 - Invitation to goods and services providers
 - Procurement document description delivery
 - Offers delivery
 - Offers opening
 - Offers evaluation
 - Negotiation and technical clarification
 - Determination of the selected supplier of goods and services
 - Appointment of supplier of goods and services
 - Contract assignment

RISK MANAGEMENT

In implementing the business, Mandiri Tunas Finance realizes the risk potential that will be faced, especially in financing industry. Therefore, the Company implements risk management to identify, analyze, and implement mitigation strategy on the upcoming risk. Corporate risk management becomes a demand since its success is a key factor in achieving objectives and winning the global competition. In its business, Mandiri Tunas Finance faces several inherent risks, namely:

1. Strategy Risk

Risk strategy is the risk that arises as a result of failure in the planning, establishment and implementation of a strategy, making the right business decisions in order to achieve the objectives and targets of MTF.

2. Operational Risk

Operational risk is the risk that arises as a result of impropriety or failed internal processes, people, information technology systems and/or the events that originate outside of the MTF.

3. Assets and Liabilities Risk

Risk assets and liabilities are risks that arise as a result of the failure of the management of assets and liabilities, which has created a shortage of funds in the fulfillment of obligations MTF.

4. Management Risk

Risk management is a risk that appeared as a result of management failure in maintaining the best composition of its management, Board of Directors and the Board of Commissioners who have the competence and integrity.

5. Governance Risk

Governance risk is the risk that arise because of a potential failure in the implementation good governance (GCG), inaccuracies management style, the control environment in the MTF.

6. Fund Support Risk

The risk of financial support is the risk arising due to insufficiency of funds/ capital existing on the MTF, including lack of access to additional funding in the face of loss or unexpected cash needs.

7. Financing Risk

Financing risk is the risk arising from the failure of customer and/or other parties to meet obligations to the MTF.

Mandiri Tunas Finance had established Risk Management Division so that the risk management is more maximum and measured, therefore preventing the impact of loss for the Company. Risk Management Division is led by the Head of Risk Management Division that was appointed pursuant to Decree No ... dated .. on Risk Management. Meanwhile, in supporting the implementation of performance, Risk Management Division refers to Risk Management guidelines that regulate the duties, obligation, and authorities.

Profile of Head of Risk Management Division



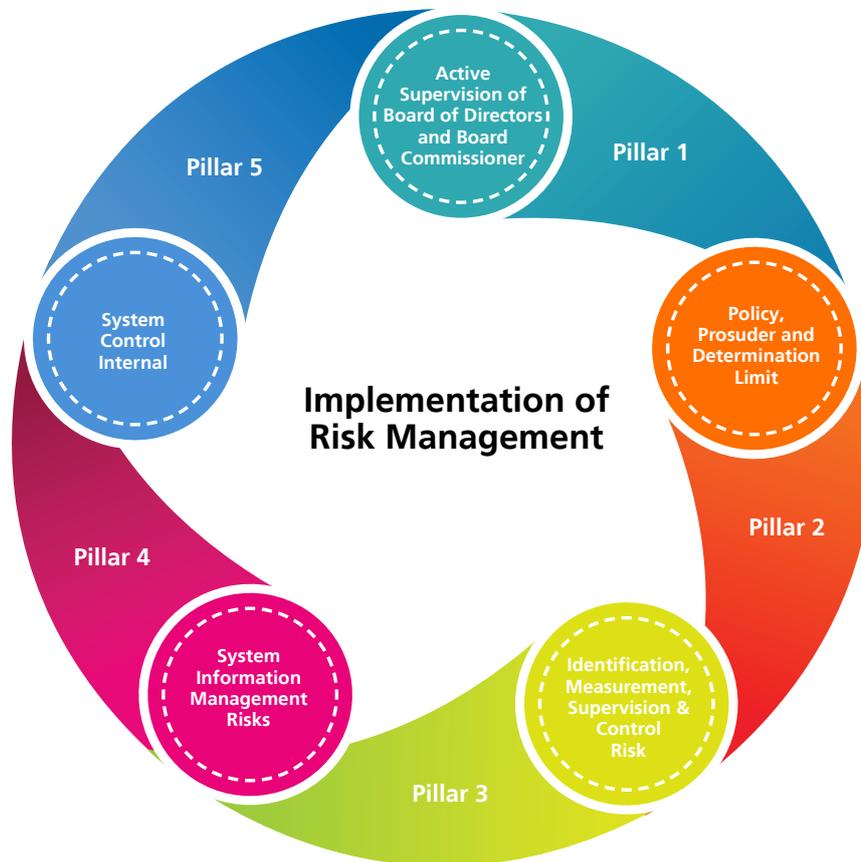
RM Indra Wardhana

Nationality : Indonesia
Age : 49 years old
Domicile : Jakarta

Mr. Indra Wardhana serves as the Head of Risk Management Division of Mandiri Tunas Finance since 2015 to present. He is experienced in the field of risk management. He served as Risk Management Division Head at PT Bank Mandiri (Persero) Tbk (2008-2015). He had worked at Consumer Risk Department Head at PT Bank Mandiri (Persero) Tbk (2005-2008), Consumer Collection Department Head at PT Bank Mandiri (Persero) Tbk (2002-2005), Consumer Collection Section Head at PT Bank Mandiri (2001-2002), Manager of PT Bank Mandiri Ternate Branch (1999-2001), Retail Officer at PT Bank Mandiri Manado Branch (1998-1999), Retail Office at PT Bank Mandiri Gorontalo Branch (1996-1998). He started his career as Development Program Officer at PT Bank Bumi Daya. He holds a Bachelor's degree in Industrial Engineering from Pasundan University (1988-1996).

Implementation of Risk Management

The objective of risk management of Mandiri Tunas Finance is to maintain the Company's capital, increase the Company's value, optimize the risk-return profile, support the decision-making, and protect the Company's reputation. In accordance with POJK No.1/POJK.05/2015 dated March 26, 2015 on The Implementation of Risk Management for Non-Bank Financial Service Institution, the Company rests on 5 pillars outlined as follows:



Pillar 1. Active Supervision of the Board of Directors and Board of Commissioners

Active supervision is reflected from business planning through:

- The establishment of policies and risk management strategies including the establishment of the authority in granting limits as well as a review of the quality of the portfolio on a regular basis;
- To supervise and actively mitigate risks
- Ensuring adequate organizational structure
- Evaluation of risk management policies on a regular basis;
- The presence of the Audit Committee, the Compliance Work Unit, Division of Risk Management and Risk Monitoring Committee as part of an organ the Board in carrying out its oversight function;

Pillar 2. Policies, Procedures and Limit

The Company prepare policies related to risk management is checked regularly and always adjusted to the current business situation. Risk Management Policy is a written brief in implementing risk management and in line with the vision, mission, business strategy of the Company and in its development should be coordinated with work related function or unit. The policy is translated into the Standard Operating Procedure (SOP) were disseminated to all employees. The company also has set risk limits in accordance with the level of risk appetite, risk tolerance and overall corporate strategy by taking into account the ability of the Company's capital to absorb risk exposure or losses incurred. In order to control risk, limit is used as a threshold to determine the intensity level of risk mitigation by management. Limit well understood by all parties concerned and communicated if there is a change. The

Company also has a limitation on policies regarding approval/authorization for credit transactions and non-credit transactions. Loss provisioning policy is also in line with the Company's receivables provisioning policy in the Parent Company are in accordance and compliance with regulatory provisions.

Pillar 3. Identification, Measurement, Monitoring and Control of Risk

The Company has the tools to identify, measure, monitor and control risks existing seven regular basis, either monthly, quarterly and semester. Identification, measurement, monitoring, and controlling risk is a major part of the process of implementation of Risk Management. Proactive Risk Identification, covers all business activities of the Company and performed in order to analyze the source and possible risks and impacts.

Furthermore, the Company has conducted risk assessment in accordance with the characteristics and complexity of business activities. In monitoring the risk measurement results, the Company establishes an independent working unit of the parties to a transaction to monitor and analyze the level and trend toward risk. In addition, the effectiveness of risk management Risk management is supported by taking into account the results of the measurement and monitoring of risk.

Pillar 4. Risk Management Information System

In order to support the identification, measurement, monitoring and risk control, MTF has developed an information management system that is tailored to the characteristics, activities and business complexity. As an example of MTF Reports that contain leading indicators, coincidence and lagging-based mobile that provides information accurate, complete, informative, timely, and reliable so that the Board of Directors, Board of Commissioners and heads of related units can be quick in making decisions.

Pillar 5. Internal Control Systems

MTF has the Internal Audit Unit are independently reporting process and the results of the audit to the Board and the Managing Director. Accountability of the Internal Audit Unit include:

- Provide an assessment of the adequacy and effectiveness of all processes within the Company;
- Report significant issues related to process control activities within the Company, including potential improvements to those processes; and
- Coordination with controllers and other supervisory functions (risk management, compliance, legal and external audit).

In addition, MTF, a Subsidiary of PT Bank Mandiri (Persero) Tbk has also done Consolidated Risk with parent company where this activity is proof of compliance with Bank Indonesia Regulation No. 8/6/PBI/2006 dated January 30, 2006 and Regulation of the Financial Services Authority No. 17/POJK.03/2014 dated 19 November 2014 on Integrated Risk Management Application For Financial Conglomerate, which is where the implementation of enterprise risk management is an integrated and consistent approach in conducting reviewing, measuring, monitoring and managing risks to all components of the Company group. The development of this consolidation periodically communicated Bank Mandiri to the regulator.

The concept of consolidation with the Parent Company's risk management is divided into two (2) major parts, namely:

1. First Line, relating to fulfillment of the provisions of PBI No. 8/6/PBI/2006 concerning Application of Consolidated Risk Management for Banks Performing Control Against subsidiaries.
2. Second Line, which is more of an approach to the internal needs of the Company as a whole which includes tools, risk awareness, corporate governance, and risk management information system.

Various forms of activities undertaken in order to consolidate the risks include:

- Annual Risk Consolidation Conference (ARCC) between the Parent Company and all its subsidiaries;
- Integrated Risk Committee Forum (FIRC) held with the Bank on a quarterly basis to discuss developments Inherent Risk Profile and Quality Risk Management (KPMR) in MTF;
- Implementation of Risk Appetite Statement (RAS) in conjunction with the Bank as one of the tools of Risk Management to measure the level of risk that is acceptable to support the Company's business strategy;

- Implementation of an integrated stress testing the Bank with a subsidiary every quarter, using some assumptions / scenarios as a form of corporate action in anticipation of bad business environment;
- The application scoring model created and calibrated periodically by the Bank in accordance with business conditions MTF;
- Monitoring the liquidity condition of the companies on a weekly basis to be reported to the Parent Company as a form of risk consolidation.
- Risk Awareness Survey (RAWs) conducted annually to determine the development of risk awareness of employees MTF;
- Risk Based Bank Rating conducted every semester to determine the development of the ability of capital and profitability levels MTF;
- Integrated Central Liabilities System (ICLS) is a system that contains the data set Bank Mandiri customers and all subsidiaries.

Risk Management

In accordance with the run business, there are 3 major risks faced by Mandiri Tunas Finance, namely credit risk, operational risk, and assets and liabilities risk at an acceptable level, making it as a concern for the Company in mitigation.

Financing Risk Management

Financing risks is derived from the provision of financing activity. Financing risk management aims to quantify, anticipate and minimize losses due to failure of the debtor to meet its obligations.

- **Financing Policy**
Financing policy deployment is operationally manifested in a Standard Operating Procedure (SOP). Financing management process begins with the determination of the target market, do a risk assessment and monitoring of the provision of financing. The Company applied the precautionary principle in the provision of financing, in which the functions of credit analysis performed by the business units and units of independent financing risks, credit approval functions performed by "four eyes principle"; a concept of credit approval carried out by sales function with credit function using credit scoring system developed and maintained by Risk Management Division and Mandiri Bank.
- **Financing Agreement**
In assessing credit applications, MTF always abides by the regulations and prudential banking principles based on factors including assessment of ability to pay, the debtor's business prospects and performance. MTF has implemented a mobile survey in order to improve the quality of loan disbursement. Credit processes and risk management segment of retail financing is done through the process end-to-end integrated in the system of e-Star. The decision making process in the corporate segment and fleet made through Credit Committee Meeting (RKK). While in the retail segment is done through a system of credit scoring. Credit scoring models periodically validated to ensure its accuracy. To speed up the decision-making process of the credit, the Company has given authority to decide on credit to any officer appointed by certain qualifications.
- **Financing Monitoring**
Monitoring of financing in the corporate segment and fleet were calculated using a Watch List method. Watch List is a standard method, structured and comprehensive in monitoring the performance of the debtor, so that early treatment can be done to prevent a decline in the credit quality of borrowers. Monitoring is conducted on a daily basis with their special work function account handling problems/ potentially problematic in the work unit fleet. Monitoring to be done at the retail credit portfolio level through portfolio analysis of various aspects (quality and quantity of various angles portfolio analysis) as outlined in the monthly portfolio reviews. The Company also conducts periodic monitoring of the official holders of loan approval authority to monitor the quality of decisions. As anticipatory measures (early warning signal), a process simulation and stress testing of the portfolio periodically to determine changes in the quality of the portfolio against macroeconomic changes. The simulation results provide guidance for the Company to more closely monitor sectors or debtors which may experience deterioration in quality as well as to establish the anticipatory measures to prevent the bad effects.
- **Credit Collection and Recovery**
The Company specifically running handling collection and recovery policies that created a more focused, systematic, aggressive and integrated by product type and each bucket collection. The policy is supported by the Automatic Collection System that are end-to-end and fitted with a collection reports. MTF has also implemented a mobile collection is equipped with EDC to facilitate field collector in collecting.

Operational Risk Management

Operational risk faced by Mandiri Tunas Finance occurred because the internal process is not functioned, human error, system failure, or external factor that affects the Company's operations. An effective operational risk management may suppress the loss due to operational risk. To improve the effectiveness of the implementation of operational risk management, the Company carried out matters, such as adjusting the methodology of Risk Based Audit through risk library synchronization; providing communication media to President Director titled "letter to CEO" as Whistleblowing System; and implementing the device called Operational Risk Management Tools (ORM Tools). ORM Tools is described as follows:

a. Quality Assurance (QA)

QA is a tool that is used to ensure the quality of financing so that it complies with the prevailing regulations.

b. Risk Control & Self-Assessment (RCSA)

RCSA is used to identify and assess the risks inherent in the activity, as well as assessing the quality of control that have been conducted quarterly.

c. Loss Events Database of the Company (MLED)

MLED is a form that is used to record all losses caused by operational risks that occur in the work unit. The recording is performed by each work unit every month by online/web-based.

d. Early Detection System of the Company (MEDS)

MEDS is an early detection system for loan acquisition and collection process, as well as fraud events that may arise in the business process with potential of loss.

e. Business Continuity Management

Aside from the tools above, to guarantee the sustainability of the Company's operation in emergency situation, the Company has a comprehensive plan that consists of the steps that need to be taken before, during, and after the occurrence of emergency. The Company's policy in ensuring the sustainability of business operations is stipulated in Business Continuity Plan (BCP). At present, the Company is developing BCP into Business Continuity Management (BCM) which includes Business Continuity Plan (BCP), Disaster Recovery Plan (DRP) and the Emergency Response Procedure (ERP).

1. Disaster Recovery Plan (DRP)

DRP is a thorough planning of the actions to be taken before, during and after a disruptive event and cause a loss of information systems. Interest DRP is tackling the crisis in order to process the operational activities of the Company remains in good standing when the server system downtime by using backup systems (back up) that had been prepared.

2. Emergency Response Plan (ERP)

ERP is a planning strategy to anticipate and cope with emergencies with a team that has the duty and responsibility to provide rescue action in the event of an emergency.

3. Business Continuity Plan (BCP)

BCP is a plan that is focused to maintain the continuity of business functions during a critical disruption caused by natural disasters or man-made that could potentially cause a loss so as to minimize the effects of interference and to allow the business to continue.

In terms of operational risk management, the Risk Management serves as the second line of defense while Internal Audit serves as the third line of defense. The risk owner unit serves as the first line of defense that is responsible for operational risk management in each work unit.

Assets and Liabilities Risk Management

The main focus on asset and liability risk management is in the Company's liquidity problem. Liquidity risk may occur if the Company fails to provide liquidity at a reasonable and competitive price for business. Every month, the Company manages its liquidity risk through the Asset Liability Committee (ALCO). The Company has entered into agreements with Bank Mandiri in terms of Joint Financing, thus generating the provision of funding commitment from Bank Mandiri during the year. In addition to joint financing, the Company has also received loan commitment from several local banks and international private banks with a fairly long period of time and covered the debtors' loan tenor.

Other Risks

Besides the credit risk, operational risk and liquidity risk, the Company also pays attention to the other risks that must be managed, such as: market, compliance, legal, reputation, strategic and inter group risks. All these risks are managed each quarter in an integrated manner with Bank Mandiri through the Integrated Risk Committee Forum (FIRC). In terms of risk management, the Company uses indicators/parameters such as the establishment of procedures and the legality of the documents relating to the appointment and dismissal of the Board of Directors/Board of Commissioners, the ownership composition and the proportion of Directors/ Board of Commissioners in accordance with the provisions of existing law, and the determination of the criteria of competence and integrity good for the Board of Directors/ Board of Commissioners. In terms of risk management, the Company uses indicators/ parameters such as completeness of adequate governance guidelines, the principles of transparency, accountability, responsibility, independence, fairness and equality, as well as Risk Management is implemented properly.

In terms of strategic risk, the Company conducted a review of performance and evaluation of policy formulation business targets and undertake corrective measures in the plan strategy and business targets in accordance with Risk Appetite and to consider internal and external conditions. In terms of risk Support Fund, the Company uses indicators / parameters of the ability of the Company funding and additional funding the Company is regularly evaluated through achievement ratio Financial Soundness (TKK).

Evaluation on the Effectiveness of Risk Management System

In 2017, Mandiri Tunas Finance implemented new policies and regulations contained in Standard Operational Procedure (SOP) and disseminated it to all work units so that they have the same perception and understanding. Meanwhile, to maintain and increase the quality of portfolio, MTF will implement collection scoring model. In addition, MTF will also develop profitability account measurement methodology in accordance with the determined segment target, therefore they will be able to increase the Company's profit.

Focus And Initiative of Risk Management in 2018

Focus and initiative of risk management in 2018 remain on Strategic Risk, Financing Risk, and Operational Risk. It is seen in KPI of MTF which largely focuses on the quality of portfolio under management. In 2018, MTF will implement new policies and regulations contained in Standard Operational Procedure (SOP) and disseminate it to all work units, so that they have the same perception and understanding. As an example, SOP of Financial Technology (Fintech) will be prepared in 2018.

To maintain and improve the quality of portfolio, MTF will implement reminder scoring and collection scoring concepts and develop psychometric model as one of acquisition tools to develop the market share. MTF will also develop new business initiative as a step to achieve profit target in 2018. Examples of business development in 2018, namely multipurpose, peer to peer lending, and BSM-OTO Product. In addition, to monitor the Company's profit, MTF had developed profitability account measurement methodology in accordance with the determined target.

LEGAL CASE

As of the end of 2017, the Company had 31 law suits. Lawsuits faced by the Company are in general related to the guarantee of debt repayment from its consumers. Civil lawsuits faced by the Company increased/decreased from the same period in the previous year, namely from 37 lawsuits to 31 civil lawsuits. Lawsuits faced by Mandiri Tunas Finance, members of the Board of Directors and the Board of Commissioners in 2017 namely:

No	Counterparty	Case No. & Registration Date	Position	Case	Case Status	Charges	Affect on Financial Condition	Administrative Sanction & Capital Market Institution
1	Sari Antoni	464 K/Pdt.Sus-BPSK.2017	Respondent on Appeal	Cassation Law Efforts in the Supreme Court through Pekanbaru District Court	Starting from consumer complaint at BPSK, after MTF announced as winner the counterparty submit appeal on the District Court, Judges pronounced MTF as winner, and the counterparty submitted appeal to the Supreme Court and the Supreme Court pronounced MTF as winner and has permanent legal power.	Rp1,449,559,600	None	None

No	Counterparty	Case No. & Registration Date	Position	Case	Case Status	Charges	Affect on Financial Condition	Administrative Sanction & Capital Market Institution
2	Wahyu Thomi Whijaya	113/Pdt.Sus-PKPU/2016/PN.Niaga.Jkt.Pst	Other Creditor	Consumer Bankruptcy Case on behalf of Wahyu Thomi Whijaya in the Central Jakarta Trade Court	MTF obtained information that PKPU Application submitted by PT Bank J Trust against PT Diners Jaya Indonesia International & Wahyu Thomi Whijaya was granted by Trade Court Council DKI Jakarta at the District Court of Central Jakarta (pursuant to Decision No: 113/Pdt.Sus-PKPU/2016/PJ.Niaga.Jkt.Pst, dated November 2, 2016). Hence, MTF as party owning invoice to be payable by Wahyu Thomi Whijaya, submits invoice to Management Team, and until present bankruptcy case is still ongoing.	Rp2,188,980,900	None	None
3	Mampe	459/Pdt.G/2016/PN.Jkt.Tim	Defendant	Submission of Tort by YLPKK as consumer attorney on behalf of Mampe	MTF pronounced as the winner by Panel of Judges and has permanent legal power.	Rp713,048,000	None	None
4	YLPKK(Witono SE)	121/Pdt.G/2016/PN.Bjm	Defendant	Submission of PMH Claim by YLPKK as consumer attorney on behalf of Witono SE at Banjarmasin District Court	Case was solved in by Mediation at Banjarmasin District Court, the Plaintiff revokes the lawsuit and the case was pronounced solved.	Rp226,795,300	None	None
5	YLPKK (Andreas Suryana)	121/Pdt.G/2016/PN.Bjm	Defendant	Submission of PMH Claim by YLPKK as consumer attorney on behalf of Suryana at Banjarmasin District Court	Case was solved by Mediation in the Banjarmasin District Court, Plaintiff revokes the lawsuit and the case was pronounced solved.	Rp344,507,700	None	None
6	lin Inayah	10/Pdt.G/2016/PN.Srg.	Defendant on Appeal	Submission of Appeal by consumer on behalf of lin Inayah at High Court of Serang	lin Inayah filed an unlawful lawsuit to Serang District Court, but MTF can prove that the arguments presented by lin Inayah in his lawsuit are incorrect, so the PN Tangerang Assembly rejects lin Inayah's lawsuit. Since lin inayah did not accept the verdict of Tangerang District Court, lin inayah appealed to PT Serang, until now the case is still ongoing.	Immateril : Rp 520,800,000 ; Immateril : Rp 2,000,000,000	None	None
7	Muhamad Nawawi	220/Pdt.G/2016/PN.TNG	Defendant on Appeal	Submission of Appeal by Muhamad Nawawi at High Court of Serang	Muhamad Nawawi once submitted tort to Tangerang District Court, and the statements of Muhamad Nawawi were proven invalid by MTF, so the Council of Tangerang District Court deny the tort submitted by Muhamad Nawawi. Subsequently Muhamad Nawawi submitted appeal to Serang High Court and until present the case is still on going.	Immateril : Rp 500,428,000 ; Immateril : Rp 2,000,000,000	None	None
8	Andri Bayu Permana (YPK Senopati)	22/Pdt.G/2016/PN.JKT.SEL	Defendant on Appeal	Submission of Appeal by consumer Andri Bayu Permana	Andri Bayu Permana submitted tort to South Jakarta District Court, and the statements of Andri Bayu Permana was proven invalid by MTF, so the Council of South Jakarta District Court deny the tort submitted by Andri Bayu Permana. Subsequently Andri Bayu Permana submitted appeal to DKI Jakarta District Court.	Immateril : Rp 200,784,000 ; Immateril : Rp 2,000,000,000	None	None

No	Counterparty	Case No. & Registration Date	Position	Case	Case Status	Charges	Affect on Financial Condition	Administrative Sanction & Capital Market Institution
9	Pirman Sastra	52/Pdt.G/2016/Pn.Psm	Defendant on Appeal	Submission of Appeal by Pirman Sastra at Bandung High Court	Consumer submitted complaint at Tasikmalaya BPSK, MTF was pronounced as the winner and the Consumer submitted appeal at Tasikmalaya District Court, MTF once more pronounced winner; subsequently the Consumer, again, submitted appeal to Bandung High Court and Judges also pronounced MTF as winner and has permanent legal power.	Rp75,500,000	None	None
10	Lucy	072/Pdr.G/2017/Pn.Jkt.Sel	Defendant	Pengajuan Gugat Perbuatan Melawan Hukum oleh konsumen a.n Lucy di Pengadilan Negeri Jakarta Selatan	The Consumer submitted tort at South Jakarta District Court, the appeal was denied by Judges and pronounced MTF as winner and has permanent legal power.	Immateril : Rp 999,829,000 ; Immateril : Rp1,000,000,000	None	None
11	Abdul Hakim Hafid	07/Pdt.G/2017/PN.Gto	Defendant	Submission of Tort by consumer at Gorontalo District Court	The Consumer submitted Tort to Gorontalo District Court, and was denied by the Judges due to lack of proof, and MTF was pronounced winner with permanent legal power.	-	None	None
12	Isra Mardianto	18/Pdt.G/2017/PN.Pdg,	Petitioner on Appeal	Submission of Application for Appeal by MTF	The Consumer submitted application for consumer dispute to BPSK of Padang City. The Consumer was overruled by the Court decision due to the fact that withdrawal conducted by MTF is based on the procedure and consumer was stated as events of default. Subsequently the Consumer submitted petition for objection to Padang District Court and conclude that MTF as the winner. The Consumer once again submitted Tort at Padang District Court and Judges approve part of the claims submitted by the consumer, on such decision MTF submit appeal at West Sumatera High Court through Padang District Court, on the appeal, the Panel of Judges deny part of the MTF appeal application, and afterward MTF submit cassation appeal to Supreme Court which is currently is still in examination process.	Rp126,522,600	None	None
13	Raden Nawawi	2597 K/PDT/2017	Respondent on Appeal	Submission of Cassation Appeal to Supreme Court on the Tort submitted by Debtor, Raden Nawawi through Jambi District Court	Starting from the Tort submitted by consumer at Jambi District Court, MTF was pronounced as the winner by panel of judges, subsequently consumer submitted petition for appeal to High Court and MTF was, again, pronounced winner. Afterward, the cosumer submitted cassation to Supreme Court and the court is still continuing at the Supreme Court.	Rp165,977,000	None	None
14	Oloan Gultom	68/Pdt.G/2017/PN.Pbr	Defendant	Submission of Tort at Pekanbaru District Court	Case wassolved through Mediation at Pekanbaru District Court.	Rp97,765,000	None	None
15	CV Mulia Restu Mandiri	37/Pdt.G/2016/PN.Kds	Respondent on Appeal	Cassation appeal at Supreme Court through Kudus District Court	Starting from Tort submitted by consumer at Kudus District Court and MTF was pronounced winner by panel of judges. Subsequently consumer submitted appeal to High Court; again, MTF was pronounced as winner. On the decision consumer submitted cassation to Supreme Court and the court is still on going until present.	Rp4,751,608,000	None	None

No	Counterparty	Case No. & Registration Date	Position	Case	Case Status	Charges	Affect on Financial Condition	Administrative Sanction & Capital Market Institution
16	PT Mulia Restu Mandiri Group	541/PDT.G/2016/PN.JKT.PST	Defendant	Submission of Petition for Appeal to High Court on Tort by Debtor of PT Mulia Restu Mandiri Group through Central Jakarta District Court	Debtor sue MTF by Tort at Central Jakarta District Court, Panel of Judges pronounced MTF as winner and on such decision Debtor submitted petition for appeal to High Court and currently the court process is still continuing.	Rp5,620,516,600	None	None
17	PT Citra Maharlika Nusantara Corpora	111/Pdt.Sus-PKPU/2016/PN.Niaga.Jkt.Pst	Other Creditor	PT CMN pronounced Bankrupt at Central Trade District Court	PT CMNC was declared bankrupt and currently in the process of assets liquidation owned by PT CMNC	Rp1,011,011,400	None	None
18	PT Multi Structure	66/Pdt.Sus-Pkpu/2017/PN.Jkt.Pst	Other Creditor	Debtor PT Multi Structure was pronounced PKPU at the Central Jakarta Trade Court	Panel of Judges of Trade Court Approved the PKPU Application submitted by Other Creditor. Presently the process is still ongoing by PKPU handling (Discussion of Settlement Proposal) (Homologation Potential)	Rp21,436,793,846	None	None
19	Nuryanto	37/Pdt.Sus-PKPU/2017/Pn.Niaga.Jkt.Pst	Other Creditor	Debtor NURYANTO (Pandawa) was pronounced BANKRUPT at Central Jakarta Trade Court	Nuryanto, one of MTF debtor, was declared bankrupt by Central Jakarta Trade Court. The current development shows that the assets are being liquidated by curator.	Rp273,061,800	None	None
20	Nuryanto	37/Pdt.Sus-PKPU/2017/Pn.Niaga.Jkt.Pst	Other Creditor	Debtor NURYANTO (Pandawa) was pronounced BANKRUPT at Central Jakarta Trade Court	Nuryanto, one of MTF debtor, was declared bankrupt by Central Jakarta Trade Court. The current development shows that the assets are being liquidated by curator.	Rp50,446,900	None	None
21	Choirul Anam	148/PDt.G/2017/PN.Skt	Defendant	Submission of Tort by Choirul Anam at Surakarta District Court	The case is being processed in the Surakarta District Court	Rp104,163,400	None	None
22	Siti Maimunah	35/PDT.G/2017/PN.BJB	Defendant	Submission of Tort by Debtor Siti Maimunah at Banjar Baru District Court	In the court process, the last agenda was Verification from Debtor and MTF, followed by Conclusion from Debtor and MTF.	Rp414,000,000	None	None
23	Tri Mitra	476/Pdt.G/2017/PN.Jkt.Sel	Defendant	Submission of TORT by LPK as consumer on behalf of Tri Mitra at South Jakarta District Court	The case is being processed at the South Jakarta District Court.	Rp85,600,000	None	None
24	Imam sanoesi	700/Pdt.G/2017/PN.Sby	Defendant	Submission of Tort by consumer at Surabaya District Court	The case is being processed at Surabaya District Court and until January 2018, the agenda was witnesses from plaintiff	Rp175,745,800	None	None
25	Ahmad Bahrhun	110/Pdt.G/2017/PN.Sel	Defendant	Submission of Tort by Ahmad Bahrhun at Selong District Court	The parties agreed to settle the case, and currently waiting for Stipulation from Selong District Court	Rp510,723,400	None	None
26	Julianus Ramli Arianto Sihotang	580/Pdt.G/2017/PN.Mdn	Defendant	Claim by Julianus Ramli Arianto at Medan District Court	The case is being processed at Medan District Court	Rp288,240,500	None	None
27	Edi	51/Pdt.G/2017/PN.kwg	Defendant	Claim by Didi Suwardi & partners as attorney for EDI (Debtor) at Karawang District Court on September 19, 2017	The case is still being processed at the Karawang District Court	Rp258,703,300	None	None
28	Agung Kurniawan	602/Pdt.G/2017/PN.Jkt.Pst	Defendant	Claim by Debtor; Agung Kurniawan at Central Jakarta District Court	The case is still being processed at the Central Jakarta District Court	Rp655,001,000	None	None

No	Counterparty	Case No. & Registration Date	Position	Case	Case Status	Charges	Affect on Financial Condition	Administrative Sanction & Capital Market Institution
29	Abdul Basyit	601/ Pdt.G/2017/ PN.Jkt.Pst	Defendant	Claim from YAPERMA as attorney of Debtor Abdul Basyit at Central Jakarta District Court	The case is still being processed at the Central Jakarta District Court	Rp814,156,000	None	None
30	Eni Suharyanti	633/ Pdt.G/2017/ PN.Jkt.Pst	Defendant	Claim from YAPERMA as attorney of Debtor Eni Suharyanti at Central Jakarta District Court	The case is still being processed at the Central Jakarta District Court	Rp710,280,000	None	None
31	Cepi Sopian	586/ Pdt.G/2017/ PN.Jkt.Utr	Defendant	Claim from Debtor Cepi Sopian at North Jakarta District Court	The case is still being processed at the Central Jakarta District Court	Rp723,840,000	None	None

Information on Administrative Sanction Imposed to the Company, Members of the Board of Directors and Board of Commissioners by Bapepam and Other Authorities in 2017

As of the end of 2017, there was no administrative sanctions imposed to the Company, members of the Board of Directors and Board of Commissioners by Bapepam and other authorities.

CODE OF CONDUCT AND INTEGRITY PACT

MMandiri Tunas Finance is committed to implementing good corporate governance consistently, one of which is carried out through Corporate Code of Conduct as the guideline of the implementation of the Company's business which prevail to all employees in Mandiri Tunas Finance. The policy of Code of Conduct has been approved and validated by the Board of Commissioners and the Board of Directors on March 11, 2013 and expected to increase the integrity and willingness of all components in the Company to achieve the vision and mission to provide added value to the Company, shareholders, and other stakeholders.

Benefit and Objective of the Implementation of Code of Conduct

The Company strives to implement Corporate Code of Conduct consistently, therefore providing long-term benefit to shareholders, the Company, the Board of Commissioners, and Board of Directors, as well as employees, customers, business partners, and the community. The objectives of the implementation of Corporate Code of Conduct are as follows:

1. As a joint commitment to realize the vision and implement the mission professionally and ethically by taking into account the stakeholders' interest, therefore ultimately realizing maximum work standard to all individuals and referring to the prevailing regulations.
2. Minimizing risks that cause conflict of interest and lawsuits or litigation process due to error by individual in the Company.
3. As a means to create harmonious, synergic, and mutual relationship among stakeholders of the Company.
4. For long-term, encouraging improvement of consumer service quality, company management, company value development, and ultimately improving the Company's reputation.

Dissemination and Implementation of the Code of Conduct

Dissemination is an important phase in Corporate Code of Conduct. Mandiri Tunas Finance is committed to implementing dissemination effectively and thoroughly through the following steps:

1. Disseminating Corporate Code of Conduct to all ranks in the Company, customers, and business partner and carrying out refreshment regularly;
2. Evaluating the understanding of ranks in the Company, both in orientation period and during the employment;
3. Regularly reviewing the points of Corporate Code of Conduct for further development and improvement. In the event of a more detailed regulation is necessary, it will be prepared in the Company's policies and regulations.

The dissemination is followed with implementation and the implementation of sanction for individual who violates the regulation. In 2017, no employees were imposed to sanction.

WHISTLEBLOWING SYSTEM

To support the implementation of Good Corporate Governance, the Company has prepared and developed whistleblowing system procedure. Whistleblowing system is a reporting system on the allegation of fraud indication conducted by employee of Mandiri Tunas Finance. The Company ensures the secrecy of identity and provides protection to the whistleblower. The whistleblowing mechanism is in accordance with the prevailing SOP in the Company.

Total Complaints and the Follow-up in 2017

In 2017, Mandiri Tunas Finance received 1 complaint and has been registered. Of the total complaints, as of the end of 2017, no reports had been followed-up with investigation, and no reports were rejected since the reports did not fulfill the reporting requirements.

As of the end 2017, 1 report has been processed and followed-up, where 1 report was not proved and no reports proved and the parties who violated the regulation have been imposed to sanctions in accordance with the prevailing regulations.

Anti-Corruption Policy

The Company is committed to conduct business with anti-corruption spirit, namely by avoiding corruption, collusion, and nepotism embedded in all employees of MTF. Therefore, MTF always upholds fair competition, sportsmanship, and professionalism, as well as GCG principles, therefore encouraging healthy business competition. The commitment is the reflection of the implementation of the prevailing laws and regulations, for instance:

- Law No.8 year 2010 on Prevention and Eradication of Money Laundry, and
- Law No.20 year 2001 on Amendment to Law No. 31 year 1999 on Eradication of Corruption

Gratification Policy

MTF strives to avoid gratification practice in implementing its business. Gratification is potential to affect the independence of performance of the Company's instrument, therefore causing bad impact to the Company. Thus, to maintain the business relationship with stakeholders, the Company regulates matters related to gratification and procedures or mechanisms for reporting.



“”

SUCCESSFUL IMPLEMENTATION OF CSR IN THE LONG RUN IS BELIEVED TO HAVE AN EFFECT PRIMARILY ON THE ASPECT OF THE GROWTH OF TRUST, THE CREATION OF HARMONY AND ENHANCING REPUTATION WHICH IN TURN HAS IMPLICATIONS FOR THE CREATION OF ADDED VALUE THAT ENCOURAGES THE SMOOTH STABILITY AND GROWTH OF THE COMPANY'S BUSINESS.



07

**Corporate Social
Responsibility**

TANGGUNG JAWAB SOSIAL PERUSAHAAN



The implementation of CSR program by MTF complies with the prevailing laws and regulations, thus the implementation of policy has its legal basis and is more aimed, structured, and takes place in the right place. All CSR activities by the Company are based on the prevailing regulations and policies in Indonesia

PT Mandiri Tunas Finance Tbk (MTF) is fully aware that the success of a company is not only being considered from its operational and financial performances, but also the advantage given to its operational environment and how the advantage impacts the community's life and all Stakeholders. The relationship that has been developed continuously and sustainably is believed to be able to support the Company's business continuity by creating favorable and safe business environment through the community's development in education, health, and environmental management, manpower, and matters that are responsive to natural disaster and other disaster in the community. This will create constructive and reciprocal response among stakeholders in the future, therefore impacting the increase of value for satisfaction of all stakeholders and benefits for wider community. As a company that is aware of its surrounding, MTF always strives to give the best to its surrounding and had implemented corporate social responsibility to grow harmoniously with the community. The implementation of Corporate Social Responsibility (CSR) is planned by taking into account the objective of sustainable

development that is aimed to fulfill the current needs, without ignoring the rights of the future generation. MTF management fully supports the implementation of activities related to the social responsibility as seen from the establishment of function in organization that is responsible for the implementation and success of the corporate social responsibility.

Objectives of the Implementation

MTF believes that the CSR implementation will provide benefits to the Company. The successful implementation of CSR in the long-term is believed to be influential, especially in terms of trust, creating harmony and enhance the reputation which in turn has implications for the creation of added value that encourages fluency of stability and growth of the Company.

Basis of Policy

The implementation of CSR program by MTF complies with the prevailing laws and regulations, thus the implementation



of policy has its legal basis and is more aimed, structured, and takes place in the right place. All CSR activities by the Company are based on the prevailing regulations and policies in Indonesia, namely:

1. Law No.8 year 1999 on Consumer Protection
2. Law No.13 year 2003 on Manpower
3. Law No.40 year 2007 on Limited Liability Company
4. Government Regulation (PP) No.47 year 2012 on Social and Responsibility of Limited Liability Company
5. CSR Guidelines for Environmental Affairs from the Ministry of Environment

Scope of CSR Activities

Scope of CSR activities of the Company that have been made includes:

1. Manpower, Occupational Health and Safety
2. Environment
3. Social and Community Development
4. Responsibility to Customer

Method of CSR Program

Activities and programs related to CSR have been prepared and planned systematically with participative method, namely by empowering the existing local potential, therefore it will increase the capability, income, and welfare continuously. MTF always evaluates and monitors on CSR programs, thus CSR programs are able achieve the determined objectives.

CSR Management Structure

KCSR activities at MTF is to establish special unit or organization that handle the implementation of CSR activities, therefore the CSR activities can be managed properly and provide maximum results. CSR activities are handled by Corporate Secretary.

Duties and responsibilities of CSR include:

- Plan, determine, develop, control, and upgrade the system, guidance, and guideline of the implementation of CSR development
- Plan and control the cost of CSR management
- Supervise the implementation of development

- Evaluate the performance of development
- Prepare periodic report on the implementation of development of the developed business partners

CSR Program and Budget

Budget

CSR programs that have been prepared are implemented by using budget that is carried out transparently and accountably in accordance with the laws and regulations, therefore all implementation of CSR programs can be accounted for, both on activities aspect and budget usage. Total budget for CSR programs in 2017 was Rp350,000,000, increased compared to that of 2016.

Berikut tabel besaran anggaran yang digunakan untuk program CSR:

Year	Cost Incurred
2014	344.744.736
2015	400.372.050
2016	331.000.000
2017	350.000.000

CSR Program

Pursuant to Regulation of Financial Services Authority No.29/POJK.04/2016 and Circular Letter of Financial Service Authority No.30/SEOJK.04/2016, the implementation of CSR shall comply with the following aspects:

- Responsibility to social and partnership;
- Responsibility to environment;
- Responsibility for manpower, occupational health and safety; and
- Responsibility to consumer

Social Responsibility to Environment

The continuity of environment in the surrounding area of the Company is the concern for CSR program of MTF. The Company's social responsibility to environment is among others concerning environmental management with effort to preserve the environment to prevent damages, for instance water pollution, air pollution, noise, and other damages that are able to harm health, comfort, and safety of employees and the community.

Social Responsibility on Partnership and Social Development

CSR policy of MTF on partnership and social responsibility focuses on education and health.

In 2017, CSR of MTF implemented constructive activities in development in partnership and social field. One of the featured programs in CSR responsibility of MTF in partnership and social field, namely 'Direksi Mengajar' (the Board of Directors Teaching). In the occasion, the Board of Directors of MTF shared their knowledge, experience, as well as motivated the youths to be more creative and innovative to be able to face the challenges in the future. The 'Direksi Mengajar' activity took place in several public and private universities in Indonesia, particularly those in operational area of MTF.

- **'Direksi Mengajar'**

1. January 5, 2017

MTF through management trainee program batch 3 held CSR in SDN Tunas Karya Parongpong, West Bandung. In the occasion, the participants of MT batch 3 held teaching activity as a part of character building. In addition, MTF also donated a number of books, school bags, and school equipment to all students. MTF also donated cleaning equipment.

2. April 18, 2017

President Director of PT Mandiri Tunas Finance (MTF), Ignatius Susatyo Wijoyo, delivered public lecture titled "Mengenal Lebih Jauh Bisnis Pembiayaan" (Learning More About Financing Business) at Andalas University, Padang.

3. May 16, 2017

As a part of efforts to improve the financial literacy and at the same time support OJK's program. MTF actively holds 'Direksi Mengajar' activity at various universities in Indonesia. On this occasion, 'Direksi Mengajar' activity was held at Sam Ratulangi University, Manado. 191 students attended and listened to the explanation from Director of PT Mandiri Tunas Finance (MTF), Harjanto Tjitohardjojo, delivered public lecture titled "Mengetahui Lebih Jauh Bisnis Pembiayaan" (Knowing More About Financing Business). In the event, Mr. Harjanto Tjitohardjojo handed over souvenir to Mr. Dr. Herman Karamoy as the Dean of Economics and Business Faculty of Sam Ratulangi University.

4. September 26, 2017

'Direksi Mengajar' was held at Economics Faculty of Cendrawasih University, Jayapura. On this occasion, Ignatius Susatyo Wijoyo, President Director of the Company, acted as the speaker. The event was also attended by Deputy Dean 3 of Economics Faculty of Cendrawasih University.

5. October 31, 2017

'Direksi Mengajar' was held at Bogor Agricultural University. On this occasion, Harjanto Tjitohardjojo, Director of the Company, acted as the speaker. This activity was attended by undergraduate to doctoral students.

6. December 7, 2017

Padjajaran University was the last university in 2017 for the 'Direksi Mengajar' activity. William Francis Indra, Deputy Director of the Company, acted as the speaker for this activity. This activity was implemented at Information Engineering Faculty by students and lecturers from Information Engineering Faculty.

• **Educational Assistance**

July 28, 2017

To support and develop the education, PT Mandiri Tunas Finance (MTF) donated computers for SD Tunas Karya, Parongpong, West Java. On the occasion, Mr. William Francis Indra, Deputy Director of the Company, also shared the knowledge on using computer and access internet or computer literacy to 45 students from 4th, 5th, 6th, and 10 teachers. In addition to donating 4 computers and 1 wifi modem to SD Tunas Karya, MTF also donated 1 unit computer and 1 wifi modem to mosque and 1 unit computer and 1 printer to RW office.

• **Humanitarian Assistance**

January 26, 2017

PT Mandiri Tunas Finance held charity activity in which all collected donations are given to BPBA (Badan Penanggulangan Bencana Aceh). The handover of the donation is given directly by Ignatius Susatyo Wijoyo, President Director of MTF.

• **Blood Donation**

March 20, 2017

One of CSR activities held by MTF is blood donation. Blood donation in 2017 was held at Bandung branch and head office.

April 17

Welcoming the Kartini Day, MTF held blood donation activity whereas President Director of MTF, Ignatius Susatyo Wijoyo, participated in the activity. On the occasion, MTF with PMI Tangerang collected 72 blood bags from 120 participants.

April 4, 2017

The first blood donation in 2017 held at Head Office. This activity was not only participated by MTF employee but also several employees from other companies in Graha Mandiri.

• **'Perwira Mengabdi'**

A series of event to Celebrate International Disability Day on December 3, 2017 by visiting YPAC, and donations of items required by YPAC. These activities are part of Culture Day in celebrating PERWIRA cultural year on December 11, 2017. Implementation of Perwira Mengabdi was simultaneously celebrated in cities namely Jakarta, Balikpapan, Semarang, Medan, Palembang, Bandung, Surabaya and Makassar.

• **'Perwira Mengajar'**

CSR activities organized by participants of Management Trainee (MT) program in a series of Character Building. In 2017, perwira mengajar was continuously organized by participants of MT Batch 3 & Batch 4 at SD Negeri Tunas Karya Parongpong and SDN Mega Mendung Kelas Jauh. In these activities the participants were engaged with students through media of story-telling, singing and playing national traditional games.

• **‘Perwira Membangun Negeri’**

CSR activities organized by participants of Manager Development Program (MDP) in a series of Business Journey activities. Each participants are grouped to start selling their products. All profit was then used for CSR Perwira Membangun Negeri activity. The CSR activities was implemented at Panyindangan Village, Jatiluhur District, with the following activities:

- Renovation of Water Tank
- Renovation of Toilets & Water Tank
- Painting of Islamic School & Majelis
- Gate Construction
- Ceremony & Liwetan Activities
- Other aids

CSR Related to Manpower, Occupational Health and Safety

MTF ensures the right and obligation of employees in accordance with the laws and regulations of the Company as a policy on manpower and to create harmonious industrial relations between the Company and employees. Concern and high commitment on manpower policy is also implemented by strengthening the OHS structure as well as the implementation on field.

Plan for Activities in 2017

Plan for CSR activities related to manpower in 2017 is carrying out HR management by implementing opportunity equality system in the implementation of recruitment, work opportunity, and employee development programs as well as implementation of industrial relations.

Activities in 2017

MTF regularly holds activities related to OHS every year, both in internal and external scope. The aim is to increase the knowledge, understanding, concern, supervision, and implementation of OHS in all aspects in accordance with corporate culture.

Work Opportunity and Equality

The Company ensures the fulfilment of all employees to be treated equally and fairly. The principle of equality is upheld by providing work opportunity to every gender fairly, providing leave right to employees who take maternity leave, providing equal opportunity to employee to develop and obtain career development. Other form is representing the principle of equality, among others through provision of employee rewards in accordance with career path, responsibility, as well as competence and opportunity to obtain training for the competence for position. The Company has also provided equal work opportunity to recruitment process, without discriminating the background of applicant’s identity, for instance religion, ethnic group, social class, and gender. The recruitment process held by the Company is guaranteed to be free from discrimination.

Occupational Health and Safety

Occupational health and safety becomes an important factor for the Company in running the business. MTF is obliged to ensure that every employee is safe during the time they implement their duties. Occupational health and safety (OHS) practice includes prevention, sanction imposition, compensation, wound healing, and treatment for employees.

Social Responsibility to Customer

As a company that engages in financing, MTF sees consumer as strategic partner in business development, both for present and in the future. Therefore, MTF is highly committed to fulfill the responsibility to all of its customers.

Responsibility to customer in providing excellent service by facilitating the consumer to submit information, questions and complaints on products.

Customer Complaint Handling

Handling and settlement of customer's complaint are performed through Customer Care & Services at Head Office or branch offices by coordinating with related work unit. The customer can submit their complaints through various media provided by the Company to accelerate and smooth the process of customer submitting their complaints which among others through:

Types of Media	Information
Website	www.mtf.co.id
Email	customer.service@mtf.co.id
Care Center	1500059
Facebook	MTFAutoLoan
Google+	MTFAutoLoan
Youtube	MTF AutoLoan
Twitter	@MTF_AutoLoan
Instagram	@mtf_autoloan
LinkedIn	Mandiri Tunas Finance

Total Customer Complaint in 2017

Throughout 2017, there were 229 complaints submitted, with the highest complaints in collection category of 78 complaints.

Months	Number of Complaints
Jan	53
Feb	22
Mar	22
Apr	12
Mei	12
Jun	5
Jul	18
Agt	14
Sep	28
Oct	18
Nov	14
Des	11
Total	229



January 26, 2017

Post-Earthquake Disaster Assistance in Aceh

PT Mandiri Tunas Finance grant donation post-earthquake at Pidie Jaya Regency, Aceh as part of MTF social care in Aceh following the disaster. The donation was given through Badan Penanggulangan Bencana Aceh (BPBA).



April 13, 2017

Blood Donation in Commemoration of Kartini Day

Welcoming the Kartini Day, MTF held blood donation activity at Graha Mandiri head office. President Director of MTF, Ignatius Susatyo Wijoyo, participated in the activity along with Director of MTF, Harjanto Tjitohardjojo, and Director of MTF Albertus Hendi. On the occasion, MTF with PMI Tangerang collected 72 blood bags from 120 participants.



April 18, 2017

'Direksi Mengajar' at Andalas University, Padang

MTF held 'Direksi Mengajar' Program at Andalas University, Padang. President Director of PT Mandiri Tunas Finance (MTF), Ignatius Susatyo Wijoyo, delivered public lecture titled "Mengetahui Lebih Jauh Bisnis Pembiayaan" (Knowing More About Financing Business) at Andalas University, Padang.



May 16, 2017

'Direksi Mengajar' at Sam Ratulangi University, Manado

'Direksi Mengajar' activity was held at Sam Ratulangi University, Manado. 191 students attended and paid attention to the explanation from Director of PT Mandiri Tunas Finance (MTF), Harjanto Tjitohardjojo, delivered public lecture titled "Mengetahui Lebih Jauh Bisnis Pembiayaan" (Knowing More About Financing Business). In the event, Mr. Harjanto Tjitohardjojo handed over souvenir to Mr. Dr. Herman Karamoy as the Dean of Economics and Business Faculty of Sam Ratulangi University.



July 28, 2017

Computer Assistance and Computer Literation for SD Tunas Karya, Parongpong

As a part of effort to support and develop the education, PT Mandiri Tunas Finance (MTF) donated computers for SD Tunas Karya, Parongpong, West Java. On the occasion, Mr. William Francis Indra, Deputy Director of the Company, also shared the knowledge on using computer and access internet or computer literacy to 45 students from 4th, 5th, 6th, and 10 teachers.



August 7, 2017

Blood Donation in Celebration of Indonesia Independence Day

Blood donation activity as part of the Company's CSR activities. Blood donation held every 3 months at Head Office. This event involved not only MTF employees, but also other employees of other companies addressed at Graha Mandiri



September 1, 2017

Celebration of Eid al-Adha Mubarak Day 1438 H

Mandiri Tunas Finance engaged in activities organized by Mandiri Amal Insani to commemorate Eid al-Adha Mubarak 1438 H . Mr Arya Suprihadi as Director of MTF handed over sacrificial animal of cow during religious day. The Eid al-Adha Mubarak was simultaneously organized in several Mandiri Regional Offices throughout Indonesia.



September 26, 2017

'Direksi Mengajar' at Cendrawasih University

PT Mandiri Tunas Finance held another 'Direksi Mengajar' which is part of Company's Corporate Social Responsibility. The activity was held at Cendrawasih University on September 26, 2017 at Economy Faculty Building, Cendrawasih University, Jayapura. Mr Ignatius Susatyo Wijoyo as President Director became speaker in the event participated by 100 students.



October 31, 2017

'Direksi Mengajar' at Bogor Agricultural Institute

PT Mandiri Tunas Finance held another 'Direksi Mengajar' as one of reputable financing company has held 'Direksi Mengajar' activity with theme of "Further Education of Financing Company Business" at Bogor Agricultural Institute (IPB). Harjanto Tjito Harjoto as Director of MTF was present and became speaker at such event. The event was participated by 53 IPB students and was also attended by Head of Career Development and Alumni Affair (CDA) IPB.



December 7, 2017

'Direksi Mengajar' at Padjajaran University

PT Mandiri Tunas Finance held another 'Direksi Mengajar' at Informatics Engineering of Padjajaran University as part of CSR program. William Francis Indra as Deputy Director became speaker in the event. The activity was participated by 99 students and 9 lecturers of Informatics Engineering of Padjajaran University.



December 11, 2017

MTF Disability Awareness

'Pewira Mengabdikan' program was simultaneously held at Disabled Child Foundation (YPAC) in 8 cities in Indonesia namely, Medan, Palembang, Bandung, Jakarta, Semarang, Surabaya, Balikpapan and Makassar. The program was attended by 100 MTF employees carrying out painting piggy bank together with 539 disabled person.

Peak commemoration of Corporate Culture Celebration held at Graha Mandiri, December 11, 2017 was also presented by Angkie Yudistia, who gave knowledge sharing regarding how she push her limits beyond her disability as deaf person and inspire MTF employees who attended the event.

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Statement of Members of Board of Commissioners and Board of Directors on the Responsibility for the 2017 Annual Report of PT Mandiri Tunas Finance

We, the undersigned, testify that all information in the Annual Report of PT Mandiri Tunas Finance for 2017 is presented in its entirety and we are fully responsible for the correctness of the contents in the Annual Report and Financial Report of the Company.

This statement is hereby made in all truthfulness.

Jakarta, March 2018

Board of Commissioners



Rico Adisurja Setiawan
President Commissioner



Harry Gale
Commissioner



Ravik Karsidi
Independent Commissioner

Board of Directors



Ignatius Susatyo Wijoyo
President Director



Harjanto Tjitohardjo
Director



Arya Suprihadi
Director

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08

Financial Report

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PT Mandiri Tunas Finance

Laporan keuangan
tanggal 31 Desember 2017 dan
untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/

***Financial statements
as of 31 December 2017 and
for the year then ended
with independent auditors' report***

**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2017
DAN UNTUK TAHUN YANG BERAKHIR
PADA TANGGAL TERSEBUT**

**BOARD OF DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY FOR THE
FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2017
AND FOR THE YEAR THEN ENDED**

PT MANDIRI TUNAS FINANCE

PT MANDIRI TUNAS FINANCE

Kami yang bertanda tangan dibawah ini:

We, the undersigned:

1. Nama : Ignatius Susatyo Wijoyo
Alamat kantor : Gedung Graha Mandiri Lt. 3A
Jl. Imam Bonjol No. 61
Menteng Jakarta Pusat 10310
Alamat domisili : Citra Gran Blok 30 No 03
sesuai KTP atau RT 006/RW 011
kartu identitas Kel.Jatikarya, Kec.Jatisampurna
lain Kota Bekasi
Nomor Telepon : (021) 2305608
Jabatan : Presiden Direktur
2. Nama : Arya Suprihadi
Alamat kantor : Gedung Graha Mandiri Lt. 3A
Jl. Imam Bonjol No. 61
Menteng Jakarta Pusat 10310
Alamat domisili : Jl. Wijaya XII No. 38
sesuai KTP atau RT 001/RW 004
kartu identitas Kel. Melawai,
lain Kec. Kebayoran Baru,
Jakarta Selatan
Nomor Telepon : (021) 2305608
Jabatan : Direktur Keuangan

1. Name : *Ignatius Susatyo Wijoyo*
Office address : *Gedung Graha Mandiri Lt. 3A
Jl. Imam Bonjol No. 61
Menteng Jakarta Pusat 10310*
Domicile address : *Citra Gran Blok 30 No 03
appropriate ID RT 006/RW 011
card or other Kel.Jatikarya, Kec.Jatisampurna
identification card Kota Bekasi*
Telephone : *(021) 2305608*
Function : *President Director*
2. Name : *Arya Suprihadi*
Office address : *Gedung Graha Mandiri Lt. 3A
Jl. Imam Bonjol No. 61
Menteng Jakarta Pusat 10310*
Domicile address : *Jl. Wijaya XII No. 38
appropriate ID RT 001/RW 004
card or other Kel. Melawai,
identification card Kec. Kebayoran Baru,
Jakarta Selatan*
Telephone : *(021) 2305608*
Function : *Finance Director*

menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT Mandiri Tunas Finance ("Perseroan");
2. Laporan keuangan Perseroan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan Perseroan telah dimuat secara lengkap dan benar;
b. Laporan keuangan Perseroan tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Bertanggung jawab atas sistem pengendalian internal dalam Perseroan

declare that:

1. We are responsible for the preparation and presentation of the financial statements of PT Mandiri Tunas Finance (the "Company");
2. The Company's financial statements have been prepared and presented in accordance with the Indonesian Financial Accounting Standards;
3. a. All information in the Company's financial statements has been disclosed in a complete and truthful manner;
b. The Company's financial statements do not contain any incorrect information or material facts, nor do they omit information or material facts;
4. We are responsible for the Company's internal control system.

Demikian pernyataan ini dibuat dengan sebenarnya.

We certify the accuracy of this statement.

Jakarta, 30 Januari 2018 / 30 January 2018

Atas nama dan mewakili Direksi / For and on behalf of the Board of Directors



Ignatius Susatyo Wijoyo
Presiden Direktur / President Director

Arya Suprihadi
Direktur Keuangan / Finance Director

The original financial statements included herein are in the Indonesian language.

**PT MANDIRI TUNAS FINANCE
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2017
DAN UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PT MANDIRI TUNAS FINANCE
FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2017
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

Daftar Isi

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The original report included herein is in the Indonesian language.

Laporan Auditor Independen

Independent Auditors' Report

Laporan No. RPC-5644/PSS/2018

Report No. RPC-5644/PSS/2018

**Pemegang Saham, Dewan Komisaris dan Direksi
PT Mandiri Tunas Finance**

*The Shareholders, Boards of Commissioners
and Directors
PT Mandiri Tunas Finance*

Kami telah mengaudit laporan keuangan PT Mandiri Tunas Finance terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2017, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

We have audited the accompanying financial statements of PT Mandiri Tunas Finance, which comprise the statement of financial position as of 31 December 2017, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Tanggung jawab manajemen atas laporan keuangan

Management's responsibility for the financial statements

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Tanggung jawab auditor

Auditors' responsibility

Tanggung jawab kami adalah untuk menyalakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

Laporan Auditor Independen (lanjutan)

Independent Auditors' Report (continued)

Laporan No. RPC-5644/PSS/2018 (lanjutan)

Report No. RPC-5644/PSS/2018 (continued)

Tanggung jawab auditor (lanjutan)

Auditors' responsibility (continued)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajiban estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

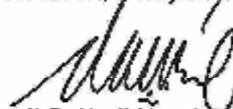
Opini

Opinion

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Mandiri Tunas Finance tanggal 31 Desember 2017, serta kinerja keuangan, arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Mandiri Tunas Finance as of 31 December 2017, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Purwantono, Sungkoro & Surja



Danil Setladi Handaja, CPA

Registrasi Akuntan Publik No. AP.1008/Public Accountant Registration No. AP.1008

30 Januari 2018/30 January 2018

The original financial statements included herein are in the Indonesian language.

PT MANDIRI TUNAS FINANCE
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2017
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)

PT MANDIRI TUNAS FINANCE
STATEMENT OF FINANCIAL POSITION
As of 31 December 2017
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	31 Desember/ 31 December 2017	31 Desember/ 31 December 2016	
ASET				ASSETS
Kas dan setara kas	2c,2e,2f 4,26			Cash and cash equivalents
Kas		20.198	24.074	Cash on hand
Kas pada bank				Cash in banks
Pihak ketiga		8.944	21.521	Third parties
Pihak berelasi	2r,4,25a	131.408	212.299	Related parties
		160.550	257.894	
Piutang pembiayaan konsumen	2c,2d,2g,5, 26,27,28			Consumer financing receivables
Pihak ketiga		11.444.554	9.956.989	Third parties
Pihak berelasi	2r,5,25a	7.957	10.532	Related parties
		11.452.511	9.967.521	
Dikurangi: cadangan kerugian penurunan nilai	2i	(271.205)	(298.650)	Less: allowance for impairment losses
		11.181.306	9.668.871	
Piutang sewa pembiayaan	2c,2d,2h,6, 26,27			Financial leases receivable
Pihak ketiga		2.364.629	834.483	Third parties
Dikurangi: cadangan kerugian penurunan nilai	2i	(7.739)	(4.538)	Less: allowance for impairment losses
		2.356.890	829.945	
Piutang lain-lain	2c,7,26			Other receivables
Pihak ketiga		104.140	69.420	Third parties
Pihak berelasi	2r,7,25a	564.131	274.585	Related parties
		668.271	344.005	
Dikurangi: cadangan kerugian penurunan nilai	2i	(2.896)	(785)	Less: allowance for impairment losses
		665.375	343.220	
Aset pajak tangguhan	2l,8d	38.004	23.079	Deferred tax assets
Tagihan kelebihan pajak	8a	65.538	65.538	Claim for tax refund
Piutang derivatif	2c,2s,15,27	23.202	-	Derivative receivables
Aset tetap (setelah dikurangi akumulasi penyusutan masing-masing sebesar Rp102.750 dan Rp80.059 pada tanggal 31 Desember 2017 dan 2016)	2k,9	165.907	141.322	Fixed assets (net of accumulated depreciation of Rp102,750 and Rp80,059 as of 31 December 2017 and 2016, respectively)
Aset lain-lain	2c,2j,10, 26,28			Other assets
Pihak ketiga		81.340	73.061	Third parties
Pihak berelasi	2r,10,25a	1.346	1.132	Related parties
TOTAL ASET		14.739.458	11.404.062	TOTAL ASSETS

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

The original financial statements included herein are in the Indonesian language.

**PT MANDIRI TUNAS FINANCE
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2017
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT MANDIRI TUNAS FINANCE
STATEMENT OF FINANCIAL POSITION
(continued)
As of 31 December 2017
(Expressed in millions of Rupiah,
unless otherwise stated)**

	Catatan/ Notes	31 Desember/ 31 December 2017	31 Desember/ 31 December 2016	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
Utang usaha	2c,11,26	606.513	593.910	Trade payables
Utang lain-lain	2c,12,26			Other payables
Pihak ketiga		194.491	150.048	Third parties
Pihak berelasi	2r,12,25b	30.344	106.733	Related parties
Utang pajak kini	2l,8b	33.916	13.594	Current tax liabilities
Beban yang masih harus dibayar	2c,13,26			Accrued expenses
Pihak ketiga		135.559	89.259	Third parties
Pihak berelasi	2r,13,25b	1.227	868	Related parties
Pinjaman bank	2c,2d,2e,14,26,27			Bank loans
Pihak ketiga		6.641.977	4.118.987	Third parties
Pihak berelasi	2r,14,25b	1.602.605	1.502.505	Related parties
		8.244.582	5.621.492	
Biaya provisi yang belum diamortisasi		(34.152)	(12.340)	Unamortized provision cost
		8.210.430	5.609.152	
Surat berharga yang diterbitkan	2c,2d,2q,16,26,27			Securities issued
Pihak ketiga		2.443.300	2.284.000	Third parties
Pihak berelasi	2r,16,25b	1.231.700	1.041.000	Related parties
		3.675.000	3.325.000	
Beban emisi yang belum diamortisasi		(9.749)	(8.766)	Unamortized issuance cost
		3.665.251	3.316.234	
Utang derivatif	2c,2s, 15, 27	19.540	-	Derivative payables
Liabilitas imbalan kerja karyawan	2m,17	73.845	50.135	Employee benefits obligation
TOTAL LIABILITAS		12.971.116	9.929.933	TOTAL LIABILITIES
EKUITAS				EQUITY
Modal saham				Share capital
Modal dasar - 10.000.000.000 lembar saham biasa dengan nilai nominal Rp100 (nilai penuh) per saham				Authorized capital - 10,000,000,000 ordinary shares with a par value of Rp100 (full amount) per share
Modal ditempatkan dan disetor penuh - 2.500.000.000 lembar saham	2n,18	250.000	250.000	Issued and fully paid up capital - 2,500,000,000 ordinary shares
Penghasilan komprehensif lain: Pengukuran kembali atas liabilitas imbalan kerja karyawan- neto	2m,17	(24.567)	(14.695)	Other comprehensive income: Remeasurement of employee benefits obligation- net
Kerugian kumulatif atas instrumen derivatif untuk lindung nilai arus kas- neto	2s	(12.620)	-	Cumulative loss on derivative instrument for cash flow hedges- net
Saldo laba				Retained earnings
Sudah ditentukan penggunaannya	19	50.000	50.000	Appropriated
Belum ditentukan penggunaannya		1.505.529	1.188.824	Unappropriated
TOTAL EKUITAS		1.768.342	1.474.129	TOTAL EQUITY
TOTAL LIABILITAS DAN EKUITAS		14.739.458	11.404.062	TOTAL LIABILITIES AND EQUITY

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT MANDIRI TUNAS FINANCE
LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2017
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)

PT MANDIRI TUNAS FINANCE
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Year Ended
31 December 2017
(Expressed in millions of Rupiah,
unless otherwise stated)

		Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	Catatan/ Notes	2017	2016	
PENDAPATAN	2t			REVENUE
Pembiayaan konsumen	2r,20a,25c	1.830.424	1.772.265	Consumer financing
Sewa pembiayaan	20b	178.983	92.307	Financial lease
Bunga	2r,20c,25c	9.036	10.099	Interest
Lain-lain - neto	2r,20d,25c	719.921	574.598	Others - net
Total pendapatan		2.738.364	2.449.269	Total revenue
BEBAN	2t			EXPENSES
Beban keuangan	2r,2s,21,25d	(1.035.442)	(921.263)	Financial charges
Gaji dan tunjangan	2r,22,25d	(437.812)	(342.088)	Salaries and benefits
Umum dan administrasi	2r,23,25d	(354.063)	(309.840)	General and administration
Penyisihan kerugian penurunan nilai:				Provision for impairment losses:
Pembiayaan konsumen	2c,2i,5	(434.774)	(426.997)	Consumer financing
Sewa pembiayaan	2c,2i,6	(5.784)	(196)	Financial leases
Piutang lain-lain	2c,2i,7	(2.111)	-	Other receivables
Total beban		(2.269.986)	(2.000.384)	Total expenses
LABA SEBELUM BEBAN PAJAK FINAL DAN PAJAK PENGHASILAN		468.378	448.885	INCOME BEFORE FINAL TAX AND INCOME TAX EXPENSE
Beban pajak final	2l	(1.807)	(2.020)	Final tax expense
LABA SEBELUM BEBAN PAJAK PENGHASILAN		466.571	446.865	INCOME BEFORE INCOME TAX EXPENSE
BEBAN PAJAK PENGHASILAN	2l,8c	(116.329)	(111.495)	INCOME TAX EXPENSE
LABA TAHUN BERJALAN		350.242	335.370	INCOME FOR THE YEAR
PENGHASILAN KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME
Pos yang tidak akan direklasifikasi ke laba rugi:				Item that will not be reclassified to profit or loss:
Pengukuran kembali atas liabilitas imbalan kerja karyawan	2m,17	(13.162)	(4.266)	Remeasurement of employee benefits obligation
Pajak penghasilan terkait		3.290	1.067	Income tax effect
		(9.872)	(3.199)	
Pos yang akan direklasifikasi ke laba rugi:				Item that will be reclassified to profit or loss:
Bagian efektif dari kerugian instrumen lindung nilai dalam rangka lindung nilai arus kas	2s	(16.826)	-	Effective portion of loss on hedging instruments in a cash flow hedge
Pajak penghasilan terkait		4.206	-	Income tax effect
		(12.620)	-	
Penghasilan komprehensif lain - setelah pajak		(22.492)	(3.199)	Other comprehensive income - net of tax
TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN		327.750	332.171	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
LABA PER SAHAM DASAR (Rupiah penuh)	2p,24	140	134	BASIC EARNINGS PER SHARE (Full amount)

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

**PT MANDIRI TUNAS FINANCE
LAPORAN PERUBAHAN EKUITAS
Untuk Tahun yang Berakhir
Pada Tanggal 31 Desember 2017
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT MANDIRI TUNAS FINANCE
STATEMENT OF CHANGES IN EQUITY
For the Year Ended
31 December 2017
(Expressed in millions of Rupiah,
unless otherwise stated)**

	Catatan/ Notes	Modal saham/ Share capital	Pengukuran kembali atas liabilitas imbalan kerja karyawan- neto/ Remeasurement of employee benefits obligation- net	Kerugian kumulatif atas instrumen derivatif untuk lindung nilai Cummulative loss on derivative instrument for cash flow hedges- net	Saldo laba sudah ditentukan penggunaannya/ Appropriated retained earnings	Saldo laba belum ditentukan penggunaannya/ Unappropriated retained earnings	Ekuitas/ Equity	
Saldo 31 Desember 2015		250.000	(11.496)	-	50.000	884.134	1.172.638	Balance 31 December 2015
Pengukuran kembali atas liabilitas imbalan kerja karyawan – setelah pajak	2m,17	-	(3.199)	-	-	-	(3.199)	Remeasurement of employee benefit obligation- net of tax
Laba tahun berjalan 2016		-	-	-	-	335.370	335.370	Income for the year 2016
Dividen yang dibayarkan	2o,19	-	-	-	-	(30.680)	(30.680)	Dividends paid
Saldo 31 Desember 2016		250.000	(14.695)	-	50.000	1.188.824	1.474.129	Balance 31 December 2016
Pengukuran kembali atas liabilitas imbalan kerja karyawan – setelah pajak	2m,17	-	(9.872)	-	-	-	(9.872)	Remeasurement of employee benefit obligation- net of tax
Kerugian bersih atas instrumen derivatif untuk lindung nilai arus kas	2s	-	-	(12.620)	-	-	(12.620)	Net loss on derivative instrument for cash flow hedging
Laba tahun berjalan 2017		-	-	-	-	350.242	350.242	Income for the year 2017
Dividen yang dibayarkan	2o,19	-	-	-	-	(33.537)	(33.537)	Dividends paid
Saldo 31 Desember 2017		250.000	(24.567)	(12.620)	50.000	1.505.529	1.768.342	Balance 31 December 2017

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT MANDIRI TUNAS FINANCE
LAPORAN ARUS KAS
Untuk Tahun yang Berakhir
Pada Tanggal 31 Desember 2017
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)

PT MANDIRI TUNAS FINANCE
STATEMENT OF CASH FLOW
For the Year Ended
31 December 2017
(Expressed in millions of Rupiah,
unless otherwise stated)

		Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	Catatan/ Notes	2017	2016	
ARUS KAS DARI				CASH FLOWS FROM
AKTIVITAS OPERASI				OPERATING ACTIVITIES
Penerimaan kas dari konsumen:				Cash received from customers:
Pembiayaan konsumen		29.784.343	26.126.969	Consumer financing
Sewa pembiayaan		867.371	501.965	Financial leases
Bunga		9.053	10.132	Interest
Pendapatan penalti		47.844	39.418	Late payment penalties
Penerimaan dari piutang yang telah dihapusbukukan		72.005	55.179	Recovery from written-off receivables
Premi asuransi		1.643.524	1.511.084	Insurance premiums
Pengeluaran kas untuk:				Cash disbursements for:
Pembayaran fasilitas pembiayaan bersama		(9.844.625)	(7.815.580)	Repayments of joint financing facilities
Pembayaran kepada penyalur kendaraan		(22.647.364)	(19.091.556)	Payments to car dealers
Pembayaran beban keuangan		(1.040.072)	(898.869)	Payments for financial charges
Pembayaran pajak penghasilan		(113.687)	(122.487)	Payments for income tax
Pembayaran tagihan kelebihan pajak		-	(65.538)	Payments for claim for tax refund
Pembayaran gaji dan tunjangan		(355.254)	(334.886)	Payments for salaries and allowances
Pembayaran beban umum dan administrasi		(385.014)	(326.408)	Payments for general and administrative expenses
Pembayaran kepada perusahaan asuransi		(1.008.229)	(919.325)	Payments to insurance companies
Kas neto yang digunakan untuk aktivitas operasi		(2.970.105)	(1.329.902)	Net cash used in operating activities
ARUS KAS DARI AKTIVITAS INVESTASI				CASH FLOWS FROM INVESTING ACTIVITIES
Hasil penjualan aset tetap	9	38	89	Proceeds from sales of fixed assets
Pembelian aset tetap	9	(49.979)	(59.357)	Purchased of fixed assets
Kas neto yang digunakan untuk aktivitas investasi		(49.941)	(59.268)	Net cash used in investing activities

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

The original financial statements included herein are in the Indonesian language.

**PT MANDIRI TUNAS FINANCE
LAPORAN ARUS KAS
(lanjutan)
Untuk Tahun yang Berakhir
Pada Tanggal 31 Desember 2017
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT MANDIRI TUNAS FINANCE
STATEMENT OF CASH FLOWS
(continued)
For the Year Ended
31 December 2017
(Expressed in millions of Rupiah,
unless otherwise stated)**

	Catatan/ Notes	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
		2017	2016	
ARUS KAS DARI AKTIVITAS PENDANAAN				CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan pinjaman bank		13.034.928	9.055.000	Proceeds from bank loans
Penerimaan utang obligasi		850.000	1.900.000	Proceeds from bonds issued
Pembayaran pinjaman bank		(10.424.457)	(8.934.851)	Repayment of bank loans
Pembayaran surat berharga yang diterbitkan	16	(500.000)	(425.000)	Repayment of securities issued
Pembayaran beban emisi surat berharga	16	(4.232)	(9.371)	Payment of securities issuance costs
Pembayaran dividen kas	19	(33.537)	(30.680)	Payment of cash dividends
Kas neto yang diperoleh dari aktivitas pendanaan		2.922.702	1.555.098	Net cash provided by financing activities
(Penurunan) kenaikan neto kas dan setara kas		(97.344)	165.928	Net (decrease) increase in cash and cash equivalents
Kas dan setara kas pada awal tahun		257.894	91.966	Cash and cash equivalents at beginning of year
Kas dan setara kas pada akhir tahun		160.550	257.894	Cash and cash equivalents at end of year

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

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1. INFORMASI UMUM

PT Mandiri Tunas Finance ("Perseroan") didirikan dengan nama PT Tunas Financindo Corporation pada tanggal 17 Mei 1989 berdasarkan Akta Notaris Misahardi Wilamarta, S.H., Notaris di Jakarta, No. 262. Akta pendirian ini disahkan oleh Menteri Kehakiman dalam Surat Keputusan No. C2-4868.HT.01.01.TH'89 tanggal 1 Juni 1989 serta diumumkan dalam Lembaran Berita Negara Republik Indonesia No. 57, Tambahan No. 1369 tanggal 18 Juli 1989. Pada tanggal 18 Agustus 2000, Perseroan melakukan perubahan nama menjadi PT Tunas Financindo Sarana berdasarkan Akta Notaris Adam Kasdarmadji S.H., M.H., Notaris di Jakarta No. 49. Akta perubahan ini disetujui oleh Menteri Hukum dan Perundang-Undangan melalui Surat Keputusan No. C-21195HT.01.04.TH2000 tanggal 22 September 2000. Pada tanggal 30 November 2007, Perseroan melakukan penyesuaian Anggaran Dasar terhadap Undang-Undang Nomor 40 Tahun 2007 tentang Perseroan Terbatas berdasarkan Akta Notaris Herawati, S.H., Notaris di Jakarta, No. 94. Akta tersebut telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia dalam Surat Keputusan No. AHU-06708.AH.01.02.Tahun 2008 tanggal 12 Februari 2008.

Pada tanggal 26 Juni 2009, Perseroan mengubah nama Perseroan menjadi PT Mandiri Tunas Finance berdasarkan perubahan Anggaran Dasar sesuai dengan Akta Notaris Dr. Irawan Soerodjo, S.H., Msi., Notaris di Jakarta, No. 181. Anggaran Dasar Perseroan telah mengalami beberapa kali perubahan, perubahan terakhir dengan Akta, No. 23 tanggal 24 Februari 2016 yang dibuat dihadapan Lenny Janis Ishak, S.H., Notaris di Jakarta. Perubahan ini telah diterima dan dicatatkan dalam database Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-AH.01.03-0032175 tanggal 17 Maret 2016.

Perubahan susunan Direksi dan anggota Dewan Komisaris yang terakhir dilakukan pada tanggal 26 April 2017, sebagaimana ternyata dalam Akta No. 23 yang dibuat oleh Lenny Janis Ishak, S.H., Notaris di Jakarta, yang penerimaan pemberitahuan perubahan data Perseroannya telah diterima dan dicatat di dalam database sistem administrasi Badan Hukum di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-AH.01.03-0132306 tanggal 2 Mei 2017.

1. GENERAL INFORMATION

PT Mandiri Tunas Finance (the "Company") was incorporated with the name of PT Tunas Financindo Corporation on 17 May 1989 based on Notarial Deed of Misahardi Wilamarta, S.H., Notary in Jakarta, No. 262. The Company's Articles of Association were approved by the Ministry of Justice in its Decision Letter No. C2-4868.HT.01.01.TH'89 dated 1 June 1989 and were published in the State Gazette of the Republic of Indonesia No. 57, Supplement No. 1369 dated 18 July 1989. On 18 August 2000, the Company changed its name to PT Tunas Financindo Sarana based on Notarial Deed of Adam Kasdarmadji S.H., M.H., Notary in Jakarta No. 49. This deed was approved by the Minister of Law and Regulation in its Decision Letter No. C-21195HT.01.04.TH2000 dated 22 September 2000. On 30 November 2007, The Company complied its Articles of Association to The Law Number 40 of 2007 concerning Limited Liability Company based on Notarial Deed Herawati, S.H., Notary in Jakarta, No. 94. This Deed approved by Minister of Law and Human Rights in Decision Letter No. AHU-06708.AH.01.02.Tahun 2008 dated 12 February 2008.

On 26 June 2009, the Company changed its name to PT Mandiri Tunas Finance based on the amendment of the Articles of Association by the Notarial Deed of Dr. Irawan Soerodjo, S.H., Msi., Notary in Jakarta, No. 181. The Articles of Association have been amended from time to time, the latest amendment by the Deed of No. 23 dated 24 February 2016 made before Lenny Janis Ishak, S.H., Notary in Jakarta. This deed was approved by the Minister of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.03-0032175 dated 17 March 2016.

The latest change in the composition of Directors and the composition of the Board of Commissioner conducted on 26 April 2017 as stated on the Deed No. 23, was made before Lenny Janis Ishak, S.H., Notary in Jakarta, which the notification receipt of the change in the corporate data has been received and recorded in the database administration system of legal entity in the Ministry of Laws and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0132306 dated 2 May 2017.

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1. INFORMASI UMUM (lanjutan)

Kegiatan komersial Perseroan dimulai pada tahun 1989. Perseroan memperoleh ijin usaha sebagai Perseroan pembiayaan dalam bidang sewa guna usaha, anjak piutang dan pembiayaan konsumen dari Menteri Keuangan berdasarkan Surat Keputusan No. 1021/KMK.013/1989 tanggal 7 September 1989, sebagaimana diubah dengan Surat Keputusan No. 54/KMK.013/1992 tanggal 15 Januari 1992 dan No. 19/KMK.017/2001 tanggal 19 Januari 2001 dan terakhir diubah dengan Surat Keputusan Menteri Keuangan No. KEP-352/KM.10/2009 tanggal 29 September 2009. Saat ini, Perseroan bergerak dalam kegiatan usaha pembiayaan investasi, modal kerja, multiguna dan kegiatan usaha lain berdasarkan persetujuan Otoritas Jasa Keuangan.

Perseroan berdomisili di Jakarta Pusat dan mempunyai 99 kantor cabang dan 20 kantor selain kantor cabang yang berlokasi di beberapa tempat di Indonesia.

Pada tanggal 6 Februari 2009, PT Tunas Ridean Tbk. dan PT Tunas Mobilindo Parama mengalihkan kepemilikan sahamnya di Perseroan sejumlah masing-masing 650.000.000 lembar saham dan 625.000.000 lembar saham atau sebesar 51% dari total saham ditempatkan dan disetor penuh kepada PT Bank Mandiri (Persero) Tbk. dengan akta notaris Dr. A. Partomuan Pohan, S.H., LL.M., No. 8 tanggal 6 Februari 2009.

Perseroan menerbitkan dan mendaftarkan Obligasi Mandiri Tunas Finance ke Bursa Efek Indonesia sebagai berikut:

Obligasi/Bonds	Tanggal terbit/Issue date	Nilai nominal/Nominal value
I	29 Mei/May 2003	500.000
II	22 Juni/June 2004	350.000
III	8 Juli/July 2005	350.000
IV	22 Februari/February 2007	600.000
V	20 Februari/February 2008	600.000
VI	6 Mei/May 2011	600.000
Berkelanjutan I tahap I/ <i>Continuing Bonds I Phase I</i>	5 Juni/June 2013	500.000
Berkelanjutan I tahap II/ <i>Continuing Bonds I Phase II</i>	23 Mei/May 2014	600.000
Berkelanjutan I tahap III/ <i>Continuing Bonds I Phase III</i>	9 Juni/June 2015	150.000
Berkelanjutan II tahap I/ <i>Continuing Bonds II Phase I</i>	18 Desember/December 2015	600.000
Berkelanjutan II tahap II/ <i>Continuing Bonds II Phase II</i>	1 Juni/June 2016	1.400.000
Berkelanjutan III tahap I/ <i>Continuing Bonds III Phase I</i>	7 Oktober/October 2016	500.000
Berkelanjutan III tahap II/ <i>Continuing Bonds III Phase II</i>	8 Mei/May 2017	850.000

1. GENERAL INFORMATION (continued)

The Company commenced commercial activities in 1989. The Company obtained a business license to operate in leasing, factoring and consumer financing from the Ministry of Finance in its Decision Letter No. 1021/KMK.013/1989 dated 7 September 1989, as amended by the Decision Letter No. 54/KMK.013/1992 dated 15 January 1992 and No. 19/KMK.017/2001 dated 19 January 2001 and the latest amendment by the Ministry of Finance Decision Letter No. KEP-352/KM.10/2009 dated 29 September 2009. Currently, the Company is engaged investing, capitalize financing, multipurpose financing and other financing base on approval Otoritas Jasa Keuangan.

The Company is domiciled in Central Jakarta and has 99 branches and 20 other branches that located throughout Indonesia.

On 6 February 2009, PT Tunas Ridean Tbk. and PT Tunas Mobilindo Parama have transferred their ownership in the Company amounting to 650,000,000 shares and 625,000,000 shares, respectively, representing 51% of total issued and fully paid-up shares, to PT Bank Mandiri (Persero) Tbk. by the Notarial Deed of Dr. A. Partomuan Pohan, S.H., LL.M., No. 8 dated 6 February 2009.

The Company issued and registered Mandiri Tunas Finance Bonds on the Indonesian Stock Exchange as follows:

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1. INFORMASI UMUM (lanjutan)

Pada tanggal 20 Mei 2011, Perseroan telah menerbitkan dan mendaftarkan Obligasi Mandiri Tunas Finance VI tahun 2011 ("Obligasi VI") ke Bursa Efek Indonesia. Penerbitan Obligasi VI tahun 2011 serta Penunjukan Wali Amanat dilakukan sesuai dengan Perjanjian No. 29 tanggal 25 Februari 2011 jo. Add.1 No. 7 tanggal 5 April 2011, jo. Add II No. 16 tanggal 11 April 2011, jo. Add III No. 1 tanggal 2 Mei 2011 yang dibuat antara Perseroan dengan PT Bank Mega Tbk., yang bertindak selaku Wali Amanat pemegang Obligasi VI.

Pada tanggal 7 Juni 2013, Perseroan telah menerbitkan dan mendaftarkan Obligasi Berkelanjutan I Tahap I Tahun 2013 ("Obligasi Berkelanjutan I Tahap I") ke Bursa Efek Indonesia. Penerbitan Obligasi Berkelanjutan I Tahap I ini serta Penunjukan Wali Amanat dilakukan berdasarkan Akta Perjanjian Perwalianan No. 29 tanggal 22 Maret 2013, jo. Addendum I No. 61 tanggal 17 April 2013, jo. Addendum II No. 47 tanggal 20 Mei 2013 yang dibuat antara Perseroan dengan PT Bank Mega Tbk., yang bertindak selaku Wali Amanat pemegang Obligasi Berkelanjutan I Tahap I.

Pada tanggal 26 Mei 2014, Perseroan telah menerbitkan dan mendaftarkan Obligasi Berkelanjutan I Tahap II Tahun 2014 ("Obligasi Berkelanjutan I Tahap II") ke Bursa Efek Indonesia. Penerbitan Obligasi Berkelanjutan I Tahap II ini serta Penunjukan Wali Amanat dilakukan berdasarkan Akta Perjanjian Perwalianan No. 5 tanggal 2 Mei 2014 yang dibuat antara Perseroan dengan PT Bank Mega Tbk., yang bertindak selaku Wali Amanat pemegang Obligasi Berkelanjutan I Tahap II.

Pada tanggal 9 Juni 2015, Perseroan telah menerbitkan dan mendaftarkan Obligasi Berkelanjutan I Tahap III Tahun 2015 ("Obligasi Berkelanjutan I Tahap III") ke Bursa Efek Indonesia. Penerbitan Obligasi Berkelanjutan I Tahap III ini serta Penunjukan Wali Amanat dilakukan berdasarkan Akta Perjanjian Perwalianan No. 29 tanggal 19 Mei 2015 yang dibuat antara Perseroan dengan PT Bank Mega Tbk., yang bertindak selaku Wali Amanat pemegang Obligasi Berkelanjutan I Tahap III.

1. GENERAL INFORMATION (continued)

On 20 May 2011, the Company issued and registered Bonds Mandiri Tunas Finance VI ("Bonds VI") on Indonesia Stock Exchange. The issuance of Bonds VI 2011 and Trusteeship Agreements No. 29 dated 25 February 2011 jo. Add.1 No. 7 dated 5 April 2011, jo. Add II No. 16 dated 11 April 2011, jo. Add III No. 1 dated 2 Mei 2011 was signed by the Company and PT Bank Mega Tbk., as the Trustee for the Bonds VI holders.

On 7 June 2013, the Company issued and registered Mandiri Tunas Finance Continuing Bonds I Phase I Year 2013 ("Continuing Bonds I Phase I") on the Indonesia Stock Exchange. The issuance of Continuing Bonds I Phase I and Trusteeship Agreements No. 29 dated 22 March 2013, jo. Addendum I No. 61 dated 17 April 2013, jo. Addendum II No. 47 dated 20 May 2013 was signed by the Company and PT Bank Mega Tbk., as the Trustee for the Continuing Bonds I Phase I.

On 26 May 2014, the Company issued and registered Mandiri Tunas Finance Continuing Bonds I Phase II Year 2014 ("Continuing Bonds I Phase II") on the Indonesia Stock Exchange. The issuance of Continuing Bonds I Phase II and appointment of Trustee based on Trusteeship Agreements No. 5 dated 2 May 2014 was signed by the Company and PT Bank Mega Tbk., as the Trustee for the Continuing Bonds I Phase II.

On 9 June 2015, the Company issued and registered Mandiri Tunas Finance Continuing Bonds I Phase III Year 2015 ("Continuing Bonds I Phase III") on the Indonesia Stock Exchange. The issuance of Continuing Bonds I Phase III and appointment of Trustee based on Trusteeship Agreements No. 29 dated 19 May 2015 was signed by the Company and PT Bank Mega Tbk., as the Trustee for the Continuing Bonds I Phase III.

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1. INFORMASI UMUM (lanjutan)

Pada tanggal 18 Desember 2015, Perseroan telah menerbitkan dan mendaftarkan Obligasi Berkelanjutan II Tahap I Tahun 2015 ("Obligasi Berkelanjutan II Tahap I") ke Bursa Efek Indonesia. Penerbitan Obligasi Berkelanjutan II Tahap I ini serta Penunjukan Wali Amanat dilakukan berdasarkan Akta Perjanjian Perwaliamanatan No. 7 tanggal 5 Oktober 2015 yang dibuat antara Perseroan dengan PT Bank Mega Tbk., yang bertindak selaku Wali Amanat pemegang Obligasi Berkelanjutan II Tahap I.

Pada tanggal 1 Juni 2016, Perseroan telah menerbitkan dan mendaftarkan Obligasi Berkelanjutan II Tahap II Tahun 2016 ("Obligasi Berkelanjutan II Tahap II") ke Bursa Efek Indonesia. Penerbitan Obligasi Berkelanjutan II Tahap II ini serta Penunjukan Wali Amanat dilakukan berdasarkan Akta Perjanjian Perwaliamanatan No. 28 tanggal 12 Mei 2016, yang dibuat antara Perseroan dengan PT Bank Mega Tbk., yang bertindak selaku Wali Amanat Pemegang Obligasi Berkelanjutan II Tahap II.

Pada tanggal 7 Oktober 2016, Perseroan telah menerbitkan dan mendaftarkan Obligasi Berkelanjutan III Tahap I Tahun 2016 ("Obligasi Berkelanjutan III Tahap I") ke Bursa Efek Indonesia. Penerbitan Obligasi Berkelanjutan III Tahap I ini serta Penunjukan Wali Amanat dilakukan berdasarkan Akta Perjanjian Perwaliamanatan No. 2 tanggal 1 Agustus 2016 yang dibuat antara Perseroan dengan PT Bank Mega Tbk., yang bertindak selaku Wali Amanat pemegang Obligasi Berkelanjutan III Tahap I.

Pada tanggal 8 Mei 2017, Perseroan telah menerbitkan dan mendaftarkan Obligasi Berkelanjutan III Tahap II Tahun 2017 ("Obligasi Berkelanjutan III Tahap II") ke Bursa Efek Indonesia. Penerbitan Obligasi Berkelanjutan III Tahap II ini serta Penunjukan Wali Amanat dilakukan berdasarkan Akta Perjanjian Perwaliamanatan No. 16 tanggal 8 Mei 2017 yang dibuat antara Perseroan dengan PT Bank Mega Tbk., yang bertindak selaku Wali Amanat pemegang Obligasi Berkelanjutan III Tahap II.

1. GENERAL INFORMATION (continued)

On 18 December 2015, the Company issued and registered Mandiri Tunas Finance Continuing Bonds II Phase I Year 2015 ("Continuing Bonds II Phase I") on the Indonesia Stock Exchange. The issuance of Continuing Bonds II Phase I and Trusteeship Agreements No. 7 dated 5 October 2015 was signed by the Company and PT Bank Mega Tbk., as the Trustee for the Continuing Bonds II Phase I.

On 1 June 2016, the Company issued and registered Mandiri Tunas Finance Continuing Bonds II Phase II Year 2016 ("Continuing Bonds II Phase II") on the Indonesia Stock Exchange. The issuance of Continuing Bonds II Phase II and Trusteeship Agreements No. 28 dated 12 May 2016, was signed by the Company and PT Bank Mega Tbk., as the Trustee for the Continuing Bonds II Phase II.

On 7 October 2016, the Company issued and registered Mandiri Tunas Finance Continuing Bonds III Phase I Year 2016 ("Continuing Bonds III Phase I") on the Indonesia Stock Exchange. The issuance of Continuing Bonds III Phase I and appointment of Trustee based on Trusteeship Agreements No. 2 dated 1 August 2016 was signed by the Company and PT Bank Mega Tbk., as the Trustee for the Continuing Bonds III Phase I.

On 8 May 2017, the Company issued and registered Mandiri Tunas Finance Continuing Bonds III Phase II Year 2017 ("Continuing Bonds III Phase II") on the Indonesia Stock Exchange. The issuance of Continuing Bonds III Phase II and appointment of Trustee based on Trusteeship Agreements No. 16 dated 8 May 2017 was signed by the Company and PT Bank Mega Tbk., as the Trustee for the Continuing Bonds III Phase II.

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1. INFORMASI UMUM (lanjutan)

Susunan anggota Dewan Komisaris, Direksi dan Komite Audit Perseroan adalah sebagai berikut:

	31 Desember/ December 2017
Dewan Komisaris	
Komisaris Utama	Rico Adisurja Setiawan
Komisaris	Harry Gale
Komisaris Independen	Ravik Karsidi
Direksi	
Direktur Utama	Ignatius Susatyo
Direktur	Wijoyo
Direktur	Arya Suprihadi
Direktur	Harjanto Tjitohardjojo
Komite Audit	
Ketua	Ravik Karsidi
Anggota	Allen Situngkir
Anggota	Irene Yudhistira
Anggota	Junarso

Pembentukan Komite Audit Perseroan telah sesuai dengan Peraturan Otoritas Jasa Keuangan No. 55/POJK.04/2015 tanggal 23 Desember 2015.

Sekretaris Perusahaan Perseroan dan Kepala Divisi Audit Internal Perseroan adalah sebagai berikut:

	31 Desember/ December 2017
Sekretaris Perusahaan	Citra Judith Lupitadevi
Kepala Divisi Audit Internal	Dayu Rasmini

Pembentukan Sekretaris Perusahaan Perseroan telah sesuai dengan Peraturan Otoritas Jasa Keuangan No. 35/POJK.04/2014 tanggal 8 Desember 2014.

Pembentukan Divisi Audit Internal Perseroan telah sesuai dengan Peraturan Otoritas Jasa Keuangan No. 56/POJK.04/2015 tanggal 23 Desember 2015.

Pada tanggal 31 Desember 2017, Perseroan memiliki 3.467 karyawan (31 Desember 2016: 3.577 karyawan) (tidak diaudit).

Entitas induk langsung dan entitas induk terakhir Perseroan adalah PT Bank Mandiri (Persero) Tbk, Badan Usaha Milik Negara (BUMN) yang dimiliki oleh Pemerintah Republik Indonesia.

1. GENERAL INFORMATION (continued)

The members of the Company's Board of Commissioners, Directors and Audit Committee are as follows:

	31 Desember/ December 2016	
	Anton Setiawan	Board of Commissioners
	Sarastrri Baskoro	President Commissioner
	Hanifah Purnama	Commissioner
		Independent Commissioner
		Directors
	Ignatius Susatyo	President Director
	Wijoyo	Director
	Arya Suprihadi	Director
	Harjanto Tjitohardjojo	
		Audit Committee
	Hanifah Purnama	Chairman
	Sunardi Edirianto	Member
	Rodion Wikanto	
	Njotowidjojo	Member

The appointment of the Company's Audit Committee in compliance with Otoritas Jasa Keuangan Regulation No. 55/POJK.04/2015 dated 23 December 2015.

The Company's Corporate Secretary and the Head of Internal Audit Division are as follows:

	31 Desember/ December 2016	
	Nenny Lasmanawati	Corporate Secretary
	Dayu Rasmini	Head of Internal Audit Division

Establishment of the Company's Corporate Secretary is in compliance with Otoritas Jasa Keuangan Regulation No. 35/POJK.04/2014 dated 8 December 2014.

Establishment of the Company's Internal Audit Division is in compliance with Otoritas Jasa Keuangan Regulation No. 56/POJK.04/2015 dated 23 December 2015.

As of 31 December 2017, the Company has 3,467 employees (31 December 2016: 3,577 employees) (unaudited).

The direct and ultimate holding entity of the Company is PT Bank Mandiri (Persero) Tbk, state-owned company owned by the Government of the Republic of Indonesia.

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2. KEBIJAKAN AKUNTANSI

Kebijakan akuntansi yang signifikan, yang diterapkan dalam penyusunan laporan keuangan Perseroan adalah sebagai berikut:

a. Pernyataan kepatuhan

Laporan keuangan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia yang diterbitkan oleh Ikatan Akuntan Indonesia (IAI) dan Peraturan Otoritas Jasa Keuangan (OJK) No. VIII.G.7 tentang "Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perseroan Publik" yang terdapat dalam Lampiran Keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tanggal 25 Juni 2012.

b. Dasar penyusunan laporan keuangan

Laporan keuangan disusun berdasarkan konsep akrual, kecuali laporan arus kas, dan menggunakan konsep biaya historis kecuali seperti yang disebutkan dalam catatan atas laporan keuangan yang relevan.

Laporan arus kas disusun menggunakan metode langsung dan arus kas dikelompokkan atas dasar aktivitas operasi, investasi dan pendanaan. Untuk tujuan laporan arus kas, kas dan setara kas mencakup kas, kas pada bank dan deposito berjangka dengan jangka waktu jatuh tempo tiga bulan atau kurang, sepanjang tidak digunakan sebagai jaminan atas pinjaman atau dibatasi penggunaannya.

Pos-pos dalam Penghasilan Komprehensif Lainnya disajikan terpisah antara akun - akun yang akan direklasifikasikan ke laba rugi dan akun - akun yang tidak akan direklasifikasikan ke laba rugi.

Dalam penyusunan laporan keuangan sesuai dengan standar akuntansi keuangan Indonesia, dibutuhkan estimasi dan asumsi yang mempengaruhi:

- nilai aset dan liabilitas dilaporkan dan pengungkapan atas aset dan liabilitas kontinjensi pada tanggal laporan keuangan, dan
- jumlah pendapatan dan beban selama periode pelaporan.

Walaupun estimasi ini dibuat berdasarkan pengetahuan terbaik manajemen atas kejadian dan tindakan saat ini, hasil yang timbul mungkin berbeda dengan jumlah yang diestimasi semula.

2. ACCOUNTING POLICIES

The significant accounting policies, applied in the preparation of the Company's financial statements were as follows:

a. Statement of compliance

The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards as issued by the Indonesian Institute of Accountants and the Financial Service Authority (OJK) Regulation No. VIII.G.7 regarding "Emiten or Public Company's Financial Statements Presentation and Disclosure Guidelines" as included in the Appendix of the Decision Decree of the Chairman of Bapepam-LK No. KEP-347/BL/2012 dated 25 June 2012.

b. Basis of preparation of the financial statements

The financial statements have been prepared on the accrual basis, except for the statement of cash flows, and using the historical cost concept of accounting, except as disclosed in the relevant notes herein.

The statement of cash flows are prepared based on the direct method by classifying cash flows on the basis of operating, investing and financing activities. For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, cash in banks and time deposits with original maturity of three months or less, as long as they are not being pledged as collateral for borrowings or restricted.

The items under Other Comprehensive Income (OCI) are presented separately between items to be reclassified to profit or loss and those items not to be reclassified to profit or loss.

The preparation of financial statements in conformity with Indonesian financial accounting standards requires the use of estimates and assumptions that affects:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and
- the reported amounts of revenues and expenses during the reported period.

Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from those estimates.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

b. Dasar penyusunan laporan keuangan (lanjutan)

Mata uang penyajian yang digunakan pada laporan keuangan adalah Rupiah, yang merupakan mata uang fungsional.

Seluruh angka dalam laporan keuangan ini, kecuali dinyatakan secara khusus, dibulatkan menjadi dan disajikan dalam jutaan Rupiah kecuali dinyatakan lain.

c. Aset dan liabilitas keuangan

Aset keuangan

Perseroan mengklasifikasikan aset keuangannya dalam kategori (i) aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, (ii) pinjaman yang diberikan dan piutang, (iii) aset keuangan dimiliki hingga jatuh tempo, dan (iv) aset keuangan tersedia untuk dijual. Klasifikasi ini tergantung dari tujuan perolehan aset keuangan tersebut. Manajemen menentukan klasifikasi aset keuangan tersebut pada saat awal pengakuannya.

Selama tahun berjalan dan pada tanggal laporan posisi keuangan, Perseroan memiliki aset keuangan yang diklasifikasikan sebagai pinjaman yang diberikan dan serta derivatif lindung nilai sehingga kebijakan akuntansi berkaitan dengan klasifikasi aset keuangan di luar pinjaman yang diberikan dan piutang serta derivatif lindung nilai tidak diungkapkan.

Pinjaman yang diberikan dan piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuota di pasar aktif, kecuali:

- yang dimaksudkan oleh Perseroan untuk dijual dalam waktu dekat, yang diklasifikasikan dalam kelompok diperdagangkan, serta yang pada saat pengakuan awal ditetapkan sebagai diukur pada nilai wajar melalui laporan laba rugi;
- yang pada saat pengakuan awal ditetapkan dalam kelompok tersedia untuk dijual; atau
- dalam hal Perseroan mungkin tidak akan memperoleh kembali investasi awal secara substansial, kecuali yang disebabkan oleh penurunan kualitas pinjaman yang diberikan dan piutang.

2. ACCOUNTING POLICIES (continued)

b. Basis of preparation of the financial statements (continued)

The presentation currency used in the financial statements is Indonesian Rupiah, which is the functional currency.

Amounts in the financial statements are rounded to and stated in millions of Rupiah unless otherwise stated.

c. Financial assets and liabilities

Financial assets

The Company classifies its financial assets in the following categories of (i) financial assets measured at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity financial assets, and (iv) available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

During the year and at the date of statement of financial position, the Company only has financial assets classified as loans and receivables and hedging derivatives. Therefore, the accounting policies related to classifications other than loans and receivables and hedging derivatives are not disclosed.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the Company intends to sell immediately or in the near future, which are classified as held-for-trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- those that the Company upon initial recognition designates as available-for-sale; or
- those for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration and receivables.

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c. Aset dan liabilitas keuangan (lanjutan)

Aset keuangan (lanjutan)

Pinjaman yang diberikan dan piutang (lanjutan)

Pada saat pengakuan awal, pinjaman yang diberikan dan piutang diakui pada nilai wajarnya ditambah biaya transaksi dan pendapatan administrasi dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Pinjaman yang diberikan dan piutang meliputi kas dan setara kas, piutang pembiayaan konsumen, piutang sewa pembiayaan, piutang lain-lain dan aset lain-lain (piutang karyawan, piutang bunga, setoran dalam perjalanan dan uang jaminan).

Pendapatan dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang dicatat di dalam laporan laba rugi dan penghasilan komprehensif lain dan dilaporkan sebagai "Pendapatan pembiayaan konsumen" dan "Pendapatan sewa pembiayaan".

Dalam hal terjadi penurunan nilai, cadangan kerugian penurunan nilai dilaporkan sebagai pengurang dari nilai tercatat dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang, dan diakui di dalam laporan laba rugi dan penghasilan komprehensif lain sebagai "penyisihan kerugian penurunan nilai".

Aset keuangan yang diukur pada nilai wajar melalui laba rugi

Aset keuangan yang diukur pada nilai wajar melalui laba rugi termasuk aset keuangan untuk diperdagangkan dan aset keuangan yang ditetapkan pada saat pengakuan awal untuk diukur pada nilai wajar melalui laba rugi.

Aset derivatif diklasifikasikan sebagai kelompok diperdagangkan kecuali mereka ditetapkan sebagai instrumen lindung nilai efektif. Aset keuangan yang diukur pada nilai wajar melalui laba rugi disajikan dalam laporan posisi keuangan pada nilai wajar dengan keuntungan atau kerugian dari perubahan nilai wajar diakui dalam laba rugi.

Pengakuan

Perseroan menggunakan akuntansi tanggal penyelesaian untuk kontrak reguler ketika mencatat transaksi aset keuangan.

2. ACCOUNTING POLICIES (continued)

c. Financial assets and liabilities (continued)

Financial assets (continued)

Loans and receivables (continued)

Loans and receivables are initially recognized at fair value plus transaction costs and administration income and subsequently measured at amortized cost using the effective interest rate method.

Loans and receivables consist of cash and cash equivalent, consumer financing receivables, finance lease receivables, other receivables and other assets (employee receivables, interest receivables, deposit in transit and security deposit).

Income from financial assets classified as loans and receivables is included in the statement of profit or loss and other comprehensive income and is reported as "Consumer financing income" and "Financial leases income".

In the case of impairment, allowance for impairment losses is reported as a deduction from the carrying value of the financial assets classified as loan and receivables recognized in the statement of profit or loss and other comprehensive income as "provision for impairment losses".

Financial assets at fair value measured through profit or loss

Financial assets at fair value measured through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

Derivative assets are classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with gains or losses recognized in the profit or loss.

Recognition

The Company uses settlement date accounting for regular way contracts when recording financial assets transactions.

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c. Aset dan liabilitas keuangan (lanjutan)

Aset keuangan (lanjutan)

Penurunan nilai dari aset keuangan

Pada setiap tanggal laporan posisi keuangan, Perseroan mengevaluasi apakah terdapat bukti yang obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Kerugian penurunan nilai terjadi, jika dan hanya jika, terdapat bukti yang obyektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut (peristiwa yang merugikan), dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara andal.

Kesulitan keuangan yang dialami debitur, kemungkinan debitur akan bangkrut, atau kegagalan atau penundaan pembayaran angsuran dapat dipertimbangkan sebagai indikasi adanya penurunan nilai atas aset keuangan tersebut.

Perseroan menentukan penurunan nilai secara individual atas aset keuangan yang signifikan secara individual, dan untuk aset keuangan yang tidak signifikan secara individual, penentuan penurunan nilai dilakukan secara kolektif.

Jika Perseroan menentukan tidak terdapat bukti obyektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, maka Perseroan memasukkan aset keuangan tersebut ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang serupa dan menilai penurunan nilai kelompok tersebut secara kolektif. Aset keuangan yang penurunan nilainya dinilai secara individual tidak termasuk dalam penilaian penurunan nilai secara kolektif.

Arus kas masa datang dari kelompok aset keuangan yang penurunan nilainya dievaluasi secara kolektif, diestimasi berdasarkan kerugian historis yang pernah dialami atas aset-aset yang memiliki karakteristik risiko kredit yang serupa dengan karakteristik risiko kredit kelompok tersebut di dalam Perseroan. Kerugian historis yang pernah dialami kemudian disesuaikan berdasarkan data terkini yang dapat diobservasi untuk mencerminkan kondisi saat ini yang tidak berpengaruh pada periode terjadinya kerugian historis tersebut, dan untuk menghilangkan pengaruh kondisi yang ada pada periode historis namun sudah tidak ada lagi saat ini.

2. ACCOUNTING POLICIES (continued)

c. Financial assets and liabilities (continued)

Financial assets (continued)

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Significant financial difficulties of the debtors, probability that the debtors will bankrupt and default or delinquency in payments are considered as indicators that the financial assets are impaired.

The Company assesses impairment of financial assets individually for financial assets that are individually significant, and collectively for financial assets that are not significant individually.

If the Company determines that no objective evidence of impairment exists for individually assessed financial assets, it includes the financial assets in a group of financial assets with similar credit risk characteristic and collectively assesses them for impairment. Financial assets that are individually assessed for impairment are not included in a collective assessment of impairment.

Future cash flows from a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Company. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

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c. Aset dan liabilitas keuangan (lanjutan)

Aset keuangan (lanjutan)

Penurunan nilai dari aset keuangan (lanjutan)

Ketika suatu piutang tidak tertagih, piutang tersebut dihapus buku dengan menjurnal balik cadangan kerugian penurunan nilai. Piutang tersebut dapat dihapus buku setelah semua prosedur yang diperlukan telah dilakukan dan jumlah kerugian telah ditentukan. Beban penurunan nilai yang terkait dengan pinjaman yang diberikan dan piutang diklasifikasikan ke dalam "cadangan kerugian penurunan nilai".

Jika pada periode berikutnya, jumlah kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif pada peristiwa yang terjadi setelah penurunan nilai diakui (seperti meningkatnya peringkat piutang debitur), maka kerugian penurunan nilai yang sebelumnya diakui harus dipulihkan, dengan menyesuaikan akun cadangan kerugian penurunan nilai. Jumlah pemulihan aset keuangan diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Penerimaan kemudian atas piutang yang telah dihapusbukukan, dikreditkan dengan menyesuaikan pada akun cadangan kerugian penurunan nilai.

Liabilitas keuangan

Perseroan mengklasifikasikan liabilitas keuangan dalam kategori (i) liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi dan (ii) liabilitas keuangan yang diukur pada biaya perolehan diamortisasi.

Selama tahun berjalan dan pada tanggal laporan posisi keuangan, Perseroan tidak memiliki liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi sehingga kebijakan akuntansi berkaitan dengan klasifikasi ini tidak diungkapkan. Perseroan juga memiliki utang derivatif yang diakui sebagai lindung nilai yang efektif.

Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi

Pada saat pengakuan awal, liabilitas keuangan yang diukur pada biaya perolehan diamortisasi diukur pada nilai wajar dikurangi biaya transaksi.

Setelah pengakuan awal, Perseroan mengukur seluruh liabilitas keuangan yang diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

2. ACCOUNTING POLICIES (continued)

c. Financial assets and liabilities (continued)

Financial assets (continued)

Impairment of financial assets (continued)

When a receivable is uncollectible, it is written off against the related allowance for impairment losses. Such receivables are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and receivables are classified into "allowance for impairment losses".

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's receivable rating), the previously recognized impairment loss is reversed by adjusting the allowance for impairment losses. The amount of the impairment reversal is recognized in the statement of profit or loss and other comprehensive income.

Subsequent recoveries of receivable written off are credited by adjusting the allowance for impairment losses account.

Financial liabilities

The Company classifies its financial liabilities in the category of (i) financial liabilities measured at fair value through profit or loss and (ii) financial liabilities measured at amortized cost.

During the year and at the date of statement of financial position, the Company does not have financial liabilities that was measured at fair value through profit or loss. Therefore, the accounting policies related to this classification are not disclosed. The Company has derivatives payables that are accounted for as effective hedge.

Financial liabilities measured at amortized cost

Financial liabilities at amortized cost are initially recognized at fair value less transaction costs.

After initial recognition, the Company measures all financial liabilities at amortized cost using effective interest rates method.

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c. Aset dan liabilitas keuangan (lanjutan)

Liabilitas keuangan (lanjutan)

Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi (lanjutan)

Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi antara lain utang usaha, utang lain-lain, beban bunga yang masih harus dibayar, pinjaman bank dan surat berharga yang diterbitkan.

Liabilitas keuangan yang diukur pada nilai wajar melalui laba atau rugi

Liabilitas keuangan yang diukur pada nilai wajar melalui laba atau rugi mencakup liabilitas keuangan yang diklasifikasikan dalam kelompok diperdagangkan dan liabilitas keuangan yang pada saat pengakuan awalnya, telah ditetapkan, diukur pada nilai wajar melalui laba atau rugi.

Liabilitas keuangan diklasifikasikan dalam kelompok diperdagangkan jika diperoleh atau dimiliki untuk tujuan dijual dalam waktu dekat. Liabilitas derivatif juga diklasifikasikan dalam kelompok diperdagangkan kecuali derivatif yang ditetapkan sebagai instrumen lindung nilai yang efektif.

Laba atau rugi atas liabilitas keuangan dalam kelompok diperdagangkan harus diakui dalam laba rugi.

Penghentian pengakuan

Penghentian pengakuan aset keuangan dilakukan ketika hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir, atau ketika aset keuangan tersebut telah ditransfer dan secara substansial seluruh risiko dan manfaat atas kepemilikan aset tersebut telah ditransfer (jika secara substansial seluruh risiko dan manfaat tidak ditransfer, maka Perseroan melakukan evaluasi untuk memastikan keterlibatan berkelanjutan atas kendali yang masih dimiliki tidak mencegah penghentian pengakuan). Liabilitas keuangan dihentikan pengakuannya ketika liabilitas telah dilepaskan atau dibatalkan atau kadaluwarsa.

2. ACCOUNTING POLICIES (continued)

c. Financial assets and liabilities (continued)

Financial liabilities (continued)

Financial liabilities measured at amortized cost (continued)

Financial liabilities measured at amortized cost are trade payables, other payables, accrued interest expenses, bank loans and securities issued.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if these are incurred for the purpose of selling in the near term. Derivative liabilities are also classified as held for trading unless these are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognized in profit or loss.

Derecognition

Financial assets are derecognized when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (if substantially all the risk and rewards were not transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognized when they have been redeemed or otherwise extinguished.

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c. Aset dan liabilitas keuangan (lanjutan)

Penghentian pengakuan (lanjutan)

Penghentian pengakuan piutang pembiayaan konsumen yang mengalami penurunan nilai, akan dilakukan ketika piutang telah dihapusbukukan. Piutang ragu-ragu akan dihapusbukukan setelah menunggak lebih dari 180 hari atau pada saat piutang tersebut diputuskan tidak dapat tertagih. Penghapusbukuan piutang ragu-ragu ini bukan merupakan hapus tagih, sehingga upaya penagihan tetap dilakukan. Piutang pembiayaan konsumen dapat diselesaikan dengan menjual kendaraan yang dibiayai Perseroan.

Perseroan menerima kendaraan dari konsumen dan membantu untuk menjual kendaraan tersebut sehingga konsumen dapat melunasi utang pembiayaan konsumennya.

Konsumen memberi kuasa kepada Perseroan untuk menjual kendaraan ataupun melakukan tindakan lainnya dalam upaya penyelesaian piutang pembiayaan konsumen bila terjadi wanprestasi terhadap perjanjian pembiayaan. Konsumen berhak atas selisih lebih antara nilai penjualan dengan saldo piutang pembiayaan konsumen. Jika terjadi selisih kurang, kerugian yang terjadi dibebankan pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Jaminan kendaraan milik konsumen untuk pelunasan piutang pembiayaan konsumen, dinyatakan sebesar nilai terendah antara nilai tercatat piutang pembiayaan konsumen terkait atau realisasi neto dari jaminan kendaraan milik konsumen tersebut. Selisih antara nilai tercatat dan nilai realisasi neto piutang dicatat sebagai cadangan kerugian penurunan nilai dan dibebankan pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

2. ACCOUNTING POLICIES (continued)

c. Financial assets and liabilities (continued)

Derecognition (continued)

Consumer financing receivables are derecognized when the receivables have been written off. Doubtful debts are written off when they have been overdue for more than 180 days or determined to be not collectible. The write-off of doubtful accounts do not eliminate the right to collect and hence are still to be pursued for collection continuously. Consumer financing receivables could be settled by selling their motor vehicle that financed by the Company.

The Company receives motor vehicles from customers and assist them in selling their motor vehicles so that the customers are able to settle their consumer financing payables.

The customers give the right to the Company to sell the motor vehicles or take any other actions to settle the outstanding consumer financing receivables in the events of default. Customers are entitled to the positive difference between the proceeds from sale of the motor vehicles and the outstanding consumer financing receivables. If difference is negative, the resulting loss is charged to the current year statement of profit or loss and other comprehensive income.

Motor vehicle collaterals owned by customers for settlement of their consumer financing receivables, presented at the lower of carrying value of the related consumer financing receivables or the net realizable value of motor vehicle collaterals. The difference between the carrying value and the net realizable value of receivables is recorded as allowance for impairment losses and charged to the current year statement of profit or loss and other comprehensive income.

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c. Aset dan liabilitas keuangan (lanjutan)

Saling hapus

Aset dan liabilitas keuangan saling hapus disajikan dalam laporan posisi keuangan jika memiliki hak yang berkekuatan hukum untuk melakukan saling hapus buku atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan. Hak yang berkekuatan hukum berarti:

- a. tidak terdapat kontinjensi di masa yang akan datang, dan
- b. hak yang berkekuatan hukum pada kondisi-kondisi berikut ini:
 - i. kegiatan bisnis normal;
 - ii. kondisi kegagalan usaha; dan
 - iii. kondisi gagal bayar atau bangkrut.

Klasifikasi instrumen keuangan

Perseroan mengklasifikasikan instrumen keuangan ke dalam klasifikasi tertentu yang mencerminkan sifat dari informasi dan mempertimbangkan karakteristik dari instrumen keuangan tersebut. Klasifikasi ini dapat dilihat pada tabel berikut:

2. ACCOUNTING POLICIES (continued)

c. Financial assets and liabilities (continued)

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is intention to settle on a net basis or to realize the asset and settle the liability simultaneously. This means that the right to set off:

- a. must not be contingent on a future event, and
- b. must be legally enforceable in all of the following circumstances:
 - i. the normal course of business
 - ii. the event of default
 - iii. the event of insolvency or bankruptcy.

Classification of financial instruments

The Company classifies the financial instruments into classes that reflects the nature of information and take into account the characteristic of those financial instruments. The classification can be seen in the table below:

Kategori yang didefinisikan oleh PSAK No.55 (Revisi 2014)/ Category as defined by SFAS No.55 (Revised 2014)	Golongan (ditentukan oleh Perseroan)/ Class (as determined by the Company)	Subgolongan/ Subclasses
Aset keuangan/ Financial assets	Pinjaman yang diberikan dan piutang/ Loans receivables and	Kas dan setara kas/ Cash and cash equivalents - Kas/ Cash on hand - Kas pada bank/ Cash in banks - Deposito berjangka/ Time deposit
		Piutang pembiayaan konsumen/ Consumer financing receivables Piutang sewa pembiayaan/ Finance lease receivables
		Piutang lain-lain/ Other receivables
		Aset lain-lain/ Other assets - Piutang karyawan/ Employee receivables - Piutang bunga/ Interest receivables - Setoran dalam perjalanan/ Deposit in transit - Uang jaminan/ Security deposit
Derivatif lindung nilai/ Hedging derivatives	Lindung nilai atas nilai arus kas/ Hedging instruments in cash flow hedges - Piutang derivatif/ Derivative receivables	
Liabilitas keuangan/ Financial liabilities	Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi/ Financial liabilities at amortized cost	Utang usaha/ Trade payables - Utang kendaraan/ Vehicle payables - Utang asuransi/ Insurance payables
		Utang lain-lain/ Other payables - Kantor pendaftaran fidusia/ Fiduciary register office - Premi asuransi/ Insurance premium - Pembiayaan bersama/ Joint financing Lain-lain/ Others
		Beban bunga yang masih harus dibayar/ Accrued interest expenses
		Pinjaman bank/ Bank loans
		Surat berharga yang diterbitkan/ Securities issued
		Derivatif lindung nilai/ Hedging derivatives

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2. KEBIJAKAN AKUNTANSI (lanjutan)

d. Penentuan nilai wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran. Pengukuran nilai wajar berdasarkan asumsi bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi di:

- pasar utama untuk aset dan liabilitas tersebut, atau
- jika terdapat pasar utama, di pasar yang paling menguntungkan untuk aset atau liabilitas tersebut.

Perseroan harus memiliki akses ke pasar utama atau pasar yang paling menguntungkan tersebut.

Nilai wajar aset dan liabilitas diukur menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset atau liabilitas tersebut, dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomi terbaiknya.

Perseroan menggunakan teknik penilaian yang sesuai dalam keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, memaksimalkan penggunaan input yang tidak dapat diobservasi.

Semua aset dan liabilitas yang nilai wajarnya diukur atau diungkapkan dalam laporan keuangan dikategorikan dalam hirarki nilai wajar, sebagaimana dijelaskan di bawah ini, berdasarkan tingkatan level input yang terendah yang signifikan terhadap pengukuran nilai wajar secara keseluruhan:

- Level 1 - harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik.
- Level 2 - teknik penilaian di mana tingkat level input terendah yang signifikan terhadap pengukuran nilai wajar dapat diobservasi baik secara langsung atau tidak langsung.
- Level 3 - teknik penilaian di mana tingkat level input terendah yang signifikan terhadap pengukuran nilai wajar tidak dapat diobservasi baik secara langsung atau tidak langsung.

Untuk aset dan liabilitas yang diukur secara berulang dalam laporan keuangan, Perseroan menentukan apakah perpindahan antar level hirarki telah terjadi dengan melakukan evaluasi pengelompokan (berdasarkan level input yang terendah yang signifikan terhadap pengukuran nilai wajar secara menyeluruh) pada setiap akhir periode pelaporan.

2. ACCOUNTING POLICIES (continued)

d. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- *in the principal market for the asset or liability, or*
- *in the absence of the principal market, in the most advantageous market for the asset or liability.*

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.*
- *Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.*
- *Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.*

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

e. Penjabaran mata uang asing

Transaksi dalam mata uang asing dijabarkan ke mata uang Rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Pada tanggal laporan posisi keuangan, aset dan liabilitas moneter dalam mata uang asing dijabarkan dengan kurs yang berlaku pada tanggal laporan posisi keuangan.

Keuntungan dan kerugian selisih kurs yang timbul dari transaksi dalam mata uang asing dan dari penjabaran aset dan liabilitas moneter dalam mata uang asing, diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Pada tanggal 31 Desember 2017, kurs nilai tukar yang digunakan kurs tengah Bank Indonesia sebesar Rp13.548 (nilai penuh) (31 Desember 2016: Rp13.436 (nilai penuh) untuk 1 Dolar Amerika Serikat ("Dolar AS").

f. Kas dan setara kas

Kas dan setara kas mencakup kas, kas di bank dan deposito berjangka dengan jangka waktu jatuh tempo tiga bulan atau kurang, yang tidak dibatasi penggunaannya, tidak digunakan sebagai jaminan atas pinjaman dan dapat segera dijadikan kas tanpa terjadi perubahan nilai yang sangat signifikan.

g. Piutang pembiayaan konsumen

Piutang pembiayaan konsumen diakui pada awalnya dengan nilai wajar ditambah biaya-biaya transaksi dan dikurangi *yield enhancing income* yang dapat diatribusikan secara langsung dan selanjutnya diukur dengan biaya perolehan diamortisasi menggunakan metode tingkat bunga efektif. Piutang pembiayaan konsumen diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2c untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

Penyelesaian kontrak sebelum masa pembiayaan konsumen berakhir diperlakukan sebagai pembatalan kontrak pembiayaan konsumen dan laba atau rugi yang terjadi diakui dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan pada tanggal terjadinya transaksi.

2. ACCOUNTING POLICIES (continued)

e. Foreign currency translation

Transactions denominated in a foreign currency are translated into Rupiah at the exchange rate prevailing at the date of the transaction. At the date of statement of financial position, monetary assets and liabilities in foreign currencies are translated at the exchange rates prevailing at that date.

Exchange gains and losses arising on transactions in foreign currency and on the translation of foreign currency monetary assets and liabilities are recognized in the statement of profit or loss and other comprehensive income.

As of 31 December 2017, the exchange rates used are the Bank Indonesia middle rate of Rp13,548 (full amount) (31 December 2016: Rp13,436 (full amount) for 1 United States Dollar ("US Dollar").

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks and time deposits with original maturity of three months or less, which are not restricted and are not pledged as collateral for any borrowing and that are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

g. Consumer financing receivables

Consumer financing receivables are recognized initially at fair value, added with directly attributable transactions costs and deducted by yield enhancing income, and subsequently measured at amortized cost using the effective interest rate method. Consumer financing receivables are classified as loans and receivables. Refer to Note 2c for the accounting policy for loans and receivables.

Early termination is treated as a cancellation of an existing contract and the resulting gain or loss is credited or charged to the current year statement of profit or loss and other comprehensive income at the transaction date.

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g. Piutang pembiayaan konsumen (lanjutan)

Pendapatan pembiayaan konsumen yang belum diakui merupakan selisih antara jumlah keseluruhan pembayaran angsuran yang akan diterima dari konsumen dengan jumlah pokok pembiayaan yang akan diakui sebagai penghasilan sesuai dengan jangka waktu kontrak dengan menggunakan metode tingkat suku bunga efektif.

Restrukturisasi kredit dapat dilakukan dengan cara pengalihan kredit, melanjutkan kredit, mengangsur kembali, merubah jatuh tempo, merubah tenor dan/atau menambah *down payment*.

Pembiayaan bersama

Piutang pembiayaan konsumen merupakan jumlah piutang setelah dikurangi dengan bagian pembiayaan bersama dimana risiko kredit ditanggung oleh pemberi pembiayaan bersama sesuai dengan porsinya (*without recourse*), pendapatan pembiayaan yang belum diakui dan cadangan kerugian penurunan nilai.

Piutang pembiayaan konsumen yang dibiayai bersama pihak-pihak lain dimana masing-masing pihak menanggung risiko kredit sesuai dengan porsinya (*without recourse*) disajikan di laporan posisi keuangan secara bersih. Pendapatan pembiayaan konsumen dan beban bunga yang terkait dengan pembiayaan bersama *without recourse* disajikan secara bersih di laporan laba rugi dan penghasilan komprehensif lain.

Dalam pembiayaan bersama *without recourse*, Perseroan berhak menentukan tingkat bunga yang lebih tinggi kepada pelanggan dari tingkat bunga yang ditetapkan dalam perjanjian dengan pemberi pembiayaan bersama. Selisihnya merupakan pendapatan bagi Perseroan dan disajikan sebagai "Pendapatan Pembiayaan Konsumen".

2. ACCOUNTING POLICIES (continued)

g. Consumer financing receivables (continued)

Unearned consumer financing income is the difference between total installments to be received from customers and the total financing which is recognized as income over the term of the contract using the effective interest rate.

Credit restructuring can be done by over contract, asset replacement, repay back, change the due date, change the tenor and/or increase the down payment.

Joint financing

Consumer financing receivables are stated net of joint financing receivables where joint financing providers bear credit risk in accordance with its portion (without recourse), unearned consumer financing income and allowance for impairment losses.

Joint financing receivables where the Company and joint financing providers bear credit risk in accordance with their portion (without recourse) are presented on a net basis in the statement of financial position. Consumer financing income and interest expenses related to joint financing without recourse are also presented on a net basis in the statement of profit or loss and other comprehensive income.

For joint financing without recourse, the Company has the right to set higher interest rates to customers than those as stated in the joint financing agreements with joint financing providers. The difference is recognized as the Company's revenue and disclosed as "Consumer Financing Income".

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2. KEBIJAKAN AKUNTANSI (lanjutan)

h. Piutang sewa pembiayaan

Piutang sewa pembiayaan merupakan jumlah piutang sewa pembiayaan ditambah nilai sisa yang akan diterima pada akhir masa sewa pembiayaan dikurangi dengan pendapatan sewa pembiayaan tangguhan, simpanan jaminan dan cadangan kerugian penurunan nilai. Selisih antara nilai piutang usaha bruto dan nilai tunai piutang diakui sebagai pendapatan sewa pembiayaan tangguhan. Pendapatan sewa pembiayaan tangguhan dialokasikan sebagai pendapatan di laporan laba rugi dan penghasilan komprehensif lain tahun berjalan berdasarkan suatu tingkat pengembalian konstan atas investasi bersih dengan menggunakan suku bunga efektif.

Penyewa pembiayaan memiliki hak opsi untuk membeli aset yang disewa-pembiayakan pada akhir masa sewa pembiayaan dengan harga yang telah disetujui bersama pada saat dimulainya perjanjian sewa pembiayaan.

Penyelesaian kontrak sebelum masa sewa pembiayaan berakhir diperlakukan sebagai pembatalan kontrak sewa dan laba atau rugi yang timbul diakui dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Piutang sewa pembiayaan diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2c untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

i. Cadangan kerugian penurunan nilai

Perseroan melakukan perhitungan cadangan kerugian penurunan nilai dengan menggunakan metode "incurred losses". Lihat Catatan 2c.

j. Beban dibayar di muka

Beban dibayar di muka diamortisasi selama masa manfaat masing-masing biaya dengan menggunakan metode garis lurus.

k. Aset tetap dan penyusutan

Aset tetap diakui sebesar harga perolehan setelah dikurangi dengan akumulasi penyusutan.

Harga perolehan mencakup semua pengeluaran yang terkait secara langsung dengan perolehan aset tetap.

Biaya pengurusan legal hak atas tanah dalam bentuk Hak Guna Usaha ("HGU"), Hak Guna Bangunan ("HGB") dan Hak Pakai ("HP") ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun "Aset Tetap" dan tidak diamortisasi.

2. ACCOUNTING POLICIES (continued)

h. Finance lease receivables

Finance lease receivables represent lease receivables plus the residual value at the end of the lease period and stated net of unearned lease income, security deposits and allowances for impairment losses. The difference between the gross lease receivable and the present value of the lease receivable is recognized as unearned lease income. Unearned lease income is allocated to current year statement of profit or loss and other comprehensive income based on a constant rate of return on the net investment using effective interest rates.

The lessee has the option to purchase the leased asset at the end of the lease period at a price mutually agreed upon at the commencement of the agreement.

Early termination is treated as a cancellation of an existing contract and the resulting gain or loss is credited or charged to the current year statement of profit or loss and other comprehensive income.

Finance lease receivables are classified as loans and receivables. Refer to Note 2c for the accounting policy of loans and receivables.

i. Allowance for impairment losses

The Company calculates the allowance for impairment losses using the "incurred losses" methodology. Refer to Note 2c.

j. Prepaid expenses

Prepaid expenses are amortized over the periods benefited using the straight-line method.

k. Fixed assets and depreciation

Fixed assets are carried at cost less accumulated depreciation.

Acquisition cost covers all expenditure that is directly attributable to the acquisition of the items.

The legal cost of land rights in the form of Business Usage Rights ("Hak Guna Usaha" or "HGU"), Building Usage Right (Hak Guna Bangunan or "HGB") and Usage Rights ("Hak Pakai" or "HP") when the land was acquired initially are recognized as part of the cost of the land under the "Fixed Assets" account and not amortized.

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k. Aset tetap dan penyusutan (lanjutan)

Sementara biaya pengurusan atas perpanjangan atau pembaruan legal hak atas tanah dalam bentuk HGU, HGB dan HP diakui sebagai bagian dari akun "Beban Ditangguhkan, Neto" pada laporan posisi keuangan dan diamortisasi sepanjang mana yang lebih pendek antara umur hukum hak dan umur ekonomik tanah.

Tanah tidak disusutkan.

Aset dalam penyelesaian dinyatakan sebesar biaya perolehan dan akan dipindahkan ke masing-masing aset tetap yang bersangkutan pada saat selesai dan siap digunakan.

Penyusutan aset tetap selain tanah dihitung dengan menggunakan metode garis lurus sepanjang estimasi masa manfaatnya sebagai berikut:

Golongan	Masa manfaat (tahun)/ Useful life (years)	Persentase/ Percentage	Classification
Bangunan	20	5,00%	Buildings
Perabotan dan peralatan kantor	5	20,00%	Furniture and office equipment
Kendaraan	5	20,00%	Vehicles
Renovasi bangunan sewa	3 - 5	20,00% - 33,33%	Leasehold improvement

Aset tetap kecuali tanah dan bangunan dalam pengerjaan disusutkan sampai dengan nilai sisanya.

Biaya-biaya setelah pengakuan awal aset diakui sebagai bagian dari nilai tercatat aset atau sebagai aset yang terpisah, sebagaimana seharusnya, hanya apabila kemungkinan besar Perseroan akan mendapatkan manfaat ekonomis di masa depan berkenaan dengan aset tersebut dan biaya perolehan aset dapat diukur dengan andal. Nilai yang terkait dengan penggantian komponen tidak diakui. Biaya perbaikan dan pemeliharaan dibebankan ke dalam laporan laba rugi dan penghasilan komprehensif lain selama periode dimana biaya-biaya tersebut terjadi.

Nilai residu dan umur manfaat aset ditelaah dan disesuaikan, setiap tanggal laporan posisi keuangan jika diperlukan.

Apabila aset tetap tidak digunakan lagi atau dijual, maka nilai tercatat dan akumulasi penyusutannya dikeluarkan dari laporan keuangan dan keuntungan atau kerugian yang dihasilkan dari penjualan aset tetap diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

2. ACCOUNTING POLICIES (continued)

k. Fixed assets and depreciation (continued)

Meanwhile the extension or the legal renewal costs of land rights in the form of HGU, HGB and HP were recognized as part of "Deferred Charges, Net" account in the statement of financial position and were amortized over the shorter of the rights' legal life and land's economic life.

Land is not depreciated.

Construction in progress is stated at cost and transferred to the respective fixed asset account when completed and ready to use.

Depreciation on fixed assets other than land is calculated using the straight-line method over their estimated useful lives as follows:

Fixed assets except land and construction in progress are depreciated to their residual value.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Amounts in respect of replaced parts are derecognized. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of statement of financial position.

When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are eliminated from the financial statements and the resulting gain or loss on the disposal of fixed assets is recognized in the statement of profit or loss and other comprehensive income.

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k. Aset tetap dan penyusutan (lanjutan)

Apabila nilai tercatat aset tetap lebih besar dari nilai yang dapat diperoleh kembali, nilai tercatat aset diturunkan menjadi sebesar nilai yang dapat diperoleh kembali.

Penilaian dilakukan pada akhir setiap periode pelaporan apakah terdapat indikasi bahwa rugi penurunan nilai yang telah diakui dalam periode sebelumnya mungkin tidak ada lagi atau mungkin telah menurun. Jika indikasi yang dimaksud ditemukan, maka entitas mengestimasi jumlah terpulihkan aset tersebut. Kerugian penurunan nilai yang telah diakui dalam periode sebelumnya dibalik hanya jika terdapat perubahan asumsi-asumsi yang digunakan untuk menentukan jumlah terpulihkan aset tersebut sejak rugi penurunan nilai terakhir diakui. Dalam hal ini, jumlah tercatat aset dinaikkan ke jumlah terpulihkannya.

Pembalikan rugi penurunan nilai diakui dalam laporan laba rugi dan penghasilan komprehensif lain. Setelah pembalikan tersebut, penyusutan aset tersebut disesuaikan di periode mendatang untuk mengalokasikan jumlah tercatat aset yang direvisi, dikurangi nilai sisanya, dengan dasar yang sistematis selama sisa umur masa manfaatnya.

l. Perpajakan

Pajak Final

Peraturan perpajakan di Indonesia mengatur beberapa jenis penghasilan dikenakan pajak yang bersifat final. Pajak final yang dikenakan atas nilai bruto transaksi tetap dikenakan walaupun atas transaksi tersebut pelaku transaksi mengalami kerugian.

Mengacu pada PSAK No. 46 (Revisi 2014), "Pajak Penghasilan", pajak final tersebut tidak termasuk dalam lingkup yang diatur oleh PSAK No. 46. Oleh karena itu, Perusahaan memutuskan untuk menyajikan beban pajak final sehubungan dengan pendapatan bunga sebagai pos tersendiri.

Pajak Kini

Aset dan liabilitas pajak kini untuk tahun berjalan diukur sebesar jumlah yang diharapkan dapat direstitusi dari atau dibayarkan kepada otoritas perpajakan.

Beban pajak kini ditentukan berdasarkan laba kena pajak tahun berjalan yang dihitung berdasarkan tarif pajak yang berlaku.

2. ACCOUNTING POLICIES (continued)

k. Fixed assets and depreciation (continued)

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

An assessment is made at each reporting period as to whether there is any indication that previously recognized impairment losses recognized may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

Reversal of an impairment loss is recognized in the statement of profit or loss and other comprehensive income. After such a reversal, the depreciation charge on the asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

l. Taxation

Final Tax

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction recognizing losses.

Referring to PSAK No. 46 (Revised 2014), "Income Tax", final tax is no longer governed by PSAK No. 46. Therefore, the Company has decided to present all of the final tax arising from interest income as separate line item.

Current Tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authority.

Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

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I. Perpajakan (lanjutan)

Pajak Kini (lanjutan)

Kekurangan/kelebihan pembayaran pajak penghasilan dicatat sebagai bagian dari "Beban Pajak Penghasilan" dalam laporan laba rugi dan penghasilan komprehensif lain. Perusahaan juga menyajikan bunga/denda, jika ada, sebagai bagian dari "Beban Pajak Penghasilan".

Koreksi terhadap liabilitas perpajakan diakui pada saat surat ketetapan pajak diterima atau, jika diajukan keberatan, pada saat keputusan atas keberatan ditetapkan.

Pajak Tangguhan

Aset dan liabilitas pajak tangguhan diakui menggunakan metode posisi keuangan atas konsekuensi pajak pada masa mendatang yang timbul dari perbedaan jumlah tercatat aset dan liabilitas menurut laporan keuangan dengan dasar pengenaan pajak aset dan liabilitas pada setiap tanggal pelaporan. Liabilitas pajak tangguhan diakui untuk semua perbedaan temporer kena pajak dan aset pajak tangguhan diakui untuk perbedaan temporer yang boleh dikurangkan dan akumulasi rugi fiskal, sepanjang besar kemungkinan perbedaan temporer yang boleh dikurangkan dan akumulasi rugi fiskal tersebut dapat dimanfaatkan untuk mengurangi laba kena pajak pada masa depan.

Jumlah tercatat aset pajak tangguhan ditelaah ulang pada akhir setiap periode pelaporan dan diturunkan apabila laba fiskal mungkin tidak memadai untuk mengkompensasi sebagian atau semua manfaat aset pajak tangguhan tersebut. Pada akhir setiap periode pelaporan, Perusahaan menilai kembali aset pajak tangguhan yang tidak diakui. Perusahaan mengakui aset pajak tangguhan yang sebelumnya tidak diakui apabila besar kemungkinan bahwa laba fiskal pada masa depan akan tersedia untuk pemulihannya.

Pajak tangguhan dihitung dengan menggunakan tarif pajak yang berlaku atau secara substansial telah berlaku pada tanggal pelaporan. Perubahan nilai tercatat aset dan liabilitas pajak tangguhan yang disebabkan oleh perubahan tarif pajak dibebankan pada usaha tahun berjalan, kecuali untuk transaksi-transaksi yang sebelumnya telah langsung dibebankan atau dikreditkan ke ekuitas.

2. ACCOUNTING POLICIES (continued)

I. Taxation (continued)

Current Tax (continued)

Underpayment/overpayment of income tax are presented as part of "Income Tax Expense" in the statement of profit or loss and other comprehensive income. The Company also presented interest/penalty, if any, as part of "Income Tax Expense".

Amendments to tax obligations are recorded when a tax assessment letter is received or, if appealed against, when the result of the appeal is determined.

Deferred Tax

Deferred tax assets and liabilities are recognized using the financial position method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current year operations, except to the extent that they relate to items previously charged or credited to equity.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

I. Perpajakan (lanjutan)

Pajak Tangguhan (lanjutan)

Aset dan liabilitas pajak tangguhan disajikan secara saling hapus dalam laporan posisi keuangan, kecuali aset dan liabilitas pajak tangguhan untuk entitas yang berbeda, sesuai dengan penyajian aset dan liabilitas pajak kini.

m. Imbalan kerja

Imbalan kerja jangka pendek

Imbalan kerja jangka pendek diakui pada saat terutang kepada karyawan berdasarkan metode akrual.

Imbalan pasca-kerja

Imbalan pasca-kerja, seperti pensiun, uang pisah, uang penghargaan, dan imbalan lainnya, ditentukan sesuai dengan Peraturan Perseroan dan Undang-Undang Ketenagakerjaan No. 13/2003 ("UU 13/2003").

Karena UU 13/2003 menentukan rumus tertentu untuk menghitung jumlah minimal imbalan pensiun, pada dasarnya, program pensiun berdasarkan UU 13/2003 adalah program imbalan pasti. Program pensiun imbalan pasti adalah program pensiun yang menentukan jumlah imbalan pensiun yang akan diberikan, biasanya berdasarkan pada satu faktor atau lebih seperti usia, masa kerja atau kompensasi.

Liabilitas program pensiun imbalan pasti yang diakui di laporan posisi keuangan adalah nilai kini liabilitas imbalan pasti pada tanggal laporan posisi keuangan, serta disesuaikan dengan keuntungan atau kerugian aktuarial dan biaya jasa lalu yang belum diakui. Nilai kini liabilitas imbalan pasti dihitung setiap tahun oleh aktuaris independen menggunakan metode *projected unit credit*.

Nilai kini liabilitas imbalan pasti ditentukan dengan mendiskontokan estimasi arus kas keluar masa depan dengan menggunakan tingkat obligasi pemerintah jangka panjang dalam mata uang yang sama dengan mata uang imbalan yang akan dibayarkan dan waktu jatuh tempo yang kurang lebih sama dengan waktu jatuh tempo imbalan yang bersangkutan.

2. ACCOUNTING POLICIES (continued)

I. Taxation (continued)

Deferred Tax (continued)

Deferred tax assets and liabilities are offset in the statement of financial position, except if they are for different legal entities, consistent with the presentation of current tax assets and liabilities.

m. Employee benefits

Short-term employee benefits

Short-term employee benefits are recognized when it is liable to the employees based on accrual method.

Post-employment benefits

Post-employment employee benefits, such as pensions, severance pay, service pay, and other benefits are provided in accordance with the Company's Regulations and Labor Law No. 13/2003 ("Law 13/2003").

Since Law 13/2003 sets the formula for determining the minimum amount of benefits, in substance pension plans under this Law 13/2003 represent defined benefit plans. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of statement of financial position, together with adjustments for unrecognized actuarial gains or losses and past service cost. The present value of defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using yields on Indonesian Government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

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m. Imbalan kerja (lanjutan)

Imbalan pasca-kerja (lanjutan)

Seluruh biaya jasa lalu diakui pada saat yang lebih dulu antara ketika amandemen/kurtailmen terjadi atau ketika biaya restrukturisasi atau pemutusan hubungan kerja diakui. Sebagai akibatnya, biaya jasa lalu yang belum vested tidak lagi dapat ditangguhkan dan diakui selama periode vesting masa depan.

Bunga neto atas imbalan pasti neto merupakan komponen pendapatan bunga dari aset program, biaya bunga atas liabilitas imbalan pasti dan bunga atas dampak batas atas dari aset.

Pengukuran kembali liabilitas imbalan pasti neto terdiri atas:

- keuntungan dan kerugian aktuarial
- imbal hasil atas aset program, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas imbalan pasti neto
- setiap perubahan dampak batas atas aset, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas imbalan pasti neto.

Pesangon pemutusan hubungan kerja

Pesangon pemutusan hubungan kerja terutang ketika karyawan dihentikan kontrak kerjanya sebelum usia pensiun normal. Perseroan mengakui pesangon pemutusan hubungan kerja ketika Perseroan menunjukkan komitmennya untuk memutuskan hubungan kerja dengan karyawan berdasarkan suatu rencana formal terperinci yang kecil kemungkinannya untuk dibatalkan. Pesangon yang akan dibayarkan dalam waktu lebih dari 12 bulan setelah tanggal laporan posisi keuangan didiskontokan untuk mencerminkan nilai kini.

n. Saham

Saham biasa diklasifikasikan sebagai ekuitas.

o. Dividen

Pembagian dividen final diakui sebagai liabilitas dalam laporan keuangan pada tanggal dividen tersebut disetujui Rapat Umum Pemegang Saham Perseroan.

p. Laba per saham

Laba per saham dihitung dengan membagi laba tahun berjalan dengan jumlah rata-rata tertimbang saham biasa yang beredar pada tahun yang bersangkutan.

2. ACCOUNTING POLICIES (continued)

m. Employee benefits (continued)

Post-employment benefits (continued)

All past service costs are recognized at the earlier of when the amendment/curtailment occurs and when the related restructuring or termination costs are recognized. As a result, unvested past service costs can no longer be deferred and recognized over the future vesting period.

Net interest on the net defined benefit liabilities is the interest income component of plan assets, interest expense of defined benefit obligation and interest on the effect of asset ceiling.

Remeasurements of the net defined benefit obligation consists of:

- Actuarial gains and losses
- Return on plan assets, excluding amount included in net interest on the net defined benefit obligation
- Any change in effect of the asset ceiling, excluding amount included in net interest on the net defined benefit obligation.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date. The Company recognizes termination benefits when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan and the possibility to withdraw the plan is low. Benefits falling due more than 12 months after statement of financial position's date are discounted to reflect its present value.

n. Share capital

Ordinary shares are classified as equity.

o. Dividends

Final dividend distributions are recognized as a liability in the financial statements at the date when the dividends are approved in the Company's General Meeting of Shareholders.

p. Earnings per share

Earnings per share is calculated by dividing income for the year by the weighted average number of ordinary shares outstanding during the year.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

q. Surat berharga yang diterbitkan

Surat berharga yang diterbitkan meliputi *Medium-Term Notes* dan utang obligasi. Surat berharga yang diterbitkan diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Biaya tambahan yang dapat diatribusikan secara langsung dengan penerbitan surat berharga dikurangkan dari jumlah surat berharga yang diterbitkan dan diamortisasi selama jangka waktu surat berharga yang diterbitkan tersebut dengan menggunakan metode suku bunga efektif. Lihat Catatan 2c untuk kebijakan akuntansi atas liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

r. Transaksi dengan pihak-pihak berelasi

Perseroan mempunyai transaksi dengan pihak berelasi. Definisi pihak berelasi yang dipakai adalah sebagai berikut:

Suatu pihak dianggap berelasi dengan Perseroan jika:

- a. Orang atau anggota keluarga dekatnya mempunyai relasi dengan entitas pelapor jika orang tersebut:
 - (i) memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
 - (ii) memiliki pengaruh signifikan atas entitas pelapor; atau
 - (iii) merupakan personil manajemen kunci entitas pelapor atau entitas induk dari entitas pelapor.
- b. suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:
 - (i) entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya saling berelasi dengan entitas lainnya).
 - (ii) satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang mana entitas lain tersebut adalah anggotanya).
 - (iii) kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama.
 - (iv) satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga.

2. ACCOUNTING POLICIES (continued)

q. Securities issued

Securities issued consist of Medium-Term Notes and bonds payable. Securities issued are classified as financial liabilities at amortized cost. Incremental costs directly attributable to the issuance of securities are deducted from the amount of securities issued and amortized over the period of the securities issued using the effective interest rate method. Refer to Note 2c for the accounting policy of financial liabilities at amortized cost.

r. Transactions with related parties

The Company has transactions with related parties. The definition of related parties used is as follows:

The Company considers the following as its related parties:

- a. *a person or a close member of that person's family is related to a reporting entity if that person:*
 - (i) has control or joint control of the reporting entity;*
 - (ii) has significant influence over the reporting entity; or*
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.*
- b. *an entity is related to a reporting entity if any of the following conditions applies:*
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).*
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).*
 - (iii) Both entities are joint ventures of the same third party.*
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.*

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2. KEBIJAKAN AKUNTANSI (lanjutan)

r. Transaksi dengan pihak-pihak berelasi (lanjutan)

Suatu pihak dianggap berelasi dengan Perseroan jika: (lanjutan)

- b. suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut: (lanjutan)
- (v) entitas tersebut adalah suatu program imbalan pascakerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor. Jika entitas pelapor adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan entitas pelapor.
 - (vi) entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (a).
 - (vii) orang yang diidentifikasi dalam huruf (a)(i) memiliki pengaruh signifikan atas entitas atau merupakan personel manajemen kunci entitas (atau entitas induk dari entitas).

Seluruh transaksi dengan pihak-pihak berelasi telah diungkapkan di catatan atas laporan keuangan.

s. Instrumen keuangan derivatif

Instrumen derivatif diakui pertama-tama pada nilai wajar pada saat kontrak tersebut dilakukan, dan selanjutnya diukur pada nilai wajarnya. Derivatif dicatat sebagai aset apabila memiliki nilai wajar positif dan sebagai liabilitas apabila memiliki nilai wajar negatif.

Metode pengakuan keuntungan atau kerugian dari perubahan nilai wajar tergantung pada apakah derivatif tersebut adalah instrumen lindung nilai, dan sifat dari unsur yang dilindungi nilainya.

Perseroan menggunakan instrumen keuangan derivatif, pertukaran (swap) mata uang asing dan tingkat suku bunga, sebagai bagian dari aktivitas manajemen untuk melindungi dampak risiko mata uang asing dan tingkat suku bunga atas pinjaman Perusahaan. Perusahaan menerapkan akuntansi lindung nilai arus kas pada saat transaksi tersebut memenuhi kriteria perlakuan akuntansi lindung nilai.

Pada saat terjadinya transaksi, Perseroan membuat dokumentasi mengenai hubungan antara instrumen lindung nilai dan unsur yang dilindungi nilainya, juga tujuan manajemen risiko dan strategi yang diterapkan dalam melakukan transaksi lindung nilai. Proses dokumentasi ini menghubungkan derivatif yang ditujukan sebagai lindung nilai dengan aset dan liabilitas tertentu atau dengan komitmen penuh tertentu atau transaksi yang diperkirakan.

2. ACCOUNTING POLICIES (continued)

r. Transactions with related parties (continued)

The Company considers the following as its related parties: (continued)

- b. an entity is related to a reporting entity if any of the following conditions applies: (continued)
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

All transactions with related parties are disclosed in the notes to the financial statements.

s. Derivative financial instruments

Derivative instruments are initially recognized at fair value on the date the contracts are entered into and are subsequently re-measured at their fair values. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The method of recognizing the fair value gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Company uses derivative instruments, cross currency and interest rate swap as part of its management activities to manage exposures to foreign currency and interest rate on the Company's bank loan. The Company applies cash flow hedge accounting when transactions meet the specified criteria for hedge accounting treatment.

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking hedge transactions. This process includes linking all derivatives designated as hedges to specific assets and liabilities or to specific firm commitments or forecast transactions.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

s. Instrumen keuangan derivatif (lanjutan)

Pada saat terjadinya transaksi lindung nilai dan pada periode berikutnya, Perseroan juga membuat dokumentasi atas penilaian apakah derivatif yang digunakan sebagai transaksi lindung nilai memiliki efektivitas yang tinggi dalam menandingi (offsetting) perubahan nilai wajar atau arus kas dari unsur yang dilindungi nilainya.

Lindung nilai dinyatakan efektif oleh Perseroan hanya jika memenuhi kriteria sebagai berikut:

- i) pada saat terjadinya dan sepanjang umur transaksi lindung nilai memiliki efektivitas yang tinggi dalam menandingi (offsetting) perubahan nilai wajar atau arus kas yang melekat pada risiko - risiko yang dilindungi nilainya dan
- ii) tingkat efektivitas lindung nilai berkisar antara 80% sampai dengan 125%. Perusahaan menghentikan penerapan akuntansi lindung nilai ketika derivatif tersebut tidak atau tidak lagi efektif; ketika instrumen lindung nilai kadaluwarsa atau dijual, dihentikan atau dibayar, pada saat unsur yang dilindungi tersebut jatuh tempo, dijual atau dibayar kembali; atau ketika transaksi yang diperkirakan akan terjadi tidak lagi diperkirakan akan terjadi.

Bagian yang efektif atas perubahan nilai wajar derivatif yang ditujukan dan memenuhi kualifikasi sebagai lindung nilai arus kas, diakui sebagai "penghasilan komprehensif lain" pada bagian ekuitas. Keuntungan atau kerugian atas bagian yang tidak efektif diakui langsung sebagai laba atau rugi. Jumlah akumulasi keuntungan atau kerugian dalam ekuitas dibebankan sebagai laba atau rugi komprehensif ketika unsur yang dilindungi nilainya mempengaruhi laba neto.

Ketika instrumen lindung nilai kadaluwarsa atau dijual, dihentikan, dilaksanakan, atau tidak lagi memenuhi kriteria akuntansi lindung nilai, keuntungan atau kerugian kumulatif yang ditangguhkan di ekuitas tetap diakui pada "penghasilan komprehensif lain" dan direklasifikasi ke laba rugi ketika item yang dilindungi nilai diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

2. ACCOUNTING POLICIES (continued)

s. Derivative financial instruments (continued)

The Company also documents its assessment, both at the hedge inception and on an ongoing basis, as to whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The Company assesses a hedge as highly effective only if the following criteria are met:

- i) At inception of the hedge and throughout its life, the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risks, and*
- ii) Actual results of the hedge are within a range of 80% to 125%. The Company discontinues hedge accounting when it determines that a derivative is not, or has ceased to be, highly effective as a hedge; when the derivative expires or is sold, terminated or exercised; when the hedged item matures, is sold or repaid; or when a forecast transaction is no longer deemed highly probable.*

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognized in "other comprehensive income" and reported to equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Amounts accumulated in equity are recycled to profit or loss in the periods in which the hedged item will affect net profit.

When the hedging instrument expires or sold, terminated, exercised or no longer qualifies for hedge accounting, the cumulative amount deferred in equity remains in the "other comprehensive income" and is subsequently transferred to profit or loss when the hedged item is recognized in the statement of profit or loss and other comprehensive income.

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t. Pengakuan pendapatan dan beban

Pendapatan dari pembiayaan konsumen dan sewa pembiayaan, komisi asuransi dan biaya jasa perantara asuransi serta beban bunga untuk semua instrumen keuangan dengan *interest bearing* diakui sesuai dengan jangka waktu kontrak berdasarkan metode suku bunga efektif.

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari aset keuangan atau liabilitas keuangan dan metode untuk mengalokasikan pendapatan bunga atau beban bunga selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari instrumen keuangan, atau jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari aset keuangan atau liabilitas keuangan.

Pada saat menghitung suku bunga efektif, Perseroan mengestimasi arus kas dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, namun tidak mempertimbangkan kerugian kredit di masa datang. Perhitungan ini mencakup biaya transaksi dan pendapatan administrasi.

Pendapatan bunga bank dan denda keterlambatan pembayaran diakui pada saat terjadinya. Pendapatan bunga bank disajikan secara bruto pada laporan laba rugi dan penghasilan komprehensif lain.

Pendapatan dan beban diakui pada saat terjadinya, menggunakan dasar akrual.

u. Segmen Operasi

Segmen operasi adalah suatu komponen dari entitas, dimana:

- i. yang terlibat dalam aktivitas bisnis yang memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban yang terkait dengan transaksi dengan komponen lain dari entitas yang sama);
- ii. hasil operasinya dikaji ulang secara berkala oleh kepala operasional untuk pembuatan keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan,
- iii. tersedia informasi keuangan yang dapat dipisahkan.

Perseroan menyajikan segmen operasi berdasarkan informasi yang disiapkan secara internal untuk pengambil keputusan operasional. Pengambil keputusan operasional Perseroan adalah Direksi.

2. ACCOUNTING POLICIES (continued)

t. Income and expense recognition

Income from consumer financing and finance leases, insurance commission and insurance brokerage fee and expense for all interest bearing financial instruments are recognized over the term of the respective contracts using the effective interest rate method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. These calculations include transaction costs and administration income.

Interest income and late payment penalties are recognized upon receipt. Interest income is presented on a gross basis in the statement of profit or loss and other comprehensive income.

Income and expense are recognized as incurred on an accrual basis.

u. Operating Segment

An operating segment is a component of entity which:

- i. *involves with business activities to generate income and expenses (including income and expenses relating to the transactions with other components with the same entity);*
- ii. *operation result is observed regularly by chief decision maker to make decisions regarding the allocation of resources and to evaluate the works; and,*
- iii. *separate financial information is available.*

The Company presents operating segments based on the information that is internally provided to the chief operating decision maker. The Company's chief operating decision maker is the Directors.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

u. Segmen Operasi (lanjutan)

Segmen operasi Perseroan disajikan berdasarkan segmen usaha yang terdiri dari: *fleet* dan *retail* (lihat Catatan 29).

v. Perubahan kebijakan akuntansi dan pengungkapan

Perseroan telah menerapkan standar akuntansi berikut pada tanggal 1 Januari 2017 yang dianggap relevan:

- Amandemen PSAK No. 1: Penyajian Laporan Keuangan tentang Prakarsa Pengungkapan. Amandemen ini mengklarifikasi, bukan mengubah secara signifikan, persyaratan PSAK No. 1, antara lain, mengklarifikasi mengenai materialitas, fleksibilitas urutan sistematis penyajian catatan atas laporan keuangan dan pengidentifikasian kebijakan akuntansi signifikan.
- PSAK No. 3 (Penyesuaian 2016): Laporan Keuangan Interim. Penyesuaian ini mengklarifikasi bahwa pengungkapan interim yang dipersyaratkan harus dicantumkan dalam laporan keuangan interim atau melalui referensi silang dari laporan keuangan interim seperti komentar manajemen atau laporan risiko yang tersedia untuk pengguna laporan keuangan interim dan pada saat yang sama.
- PSAK No. 24 (Penyesuaian 2016): Imbalan Kerja. Penyesuaian ini mengklarifikasi bahwa pasar obligasi korporasi berkualitas tinggi dinilai berdasarkan denominasi mata uang obligasi tersebut dan bukan berdasarkan negara di mana obligasi tersebut berada.
- PSAK No. 58 (Penyesuaian 2016): Aset Tidak Lancar yang Dimiliki Untuk Dijual dan Operasi yang Dihentikan. Penyesuaian ini mengklarifikasi bahwa perubahan dari satu metode pelepasan ke metode pelepasan lainnya dianggap sebagai rencana awal yang berkelanjutan dan bukan sebagai rencana pelepasan baru. Penyesuaian ini juga mengklarifikasi bahwa perubahan metode pelepasan ini tidak mengubah tanggal klasifikasi sebagai aset atau kelompok lepasan.

2. ACCOUNTING POLICIES (continued)

u. Operating Segment (continued)

The Company discloses the operating segment is presented based on business segment which consists of: *fleet* and *retail* (refer to Note 29).

v. Changes in accounting policies and disclosures

The Company adopted the following accounting standards, which are considered relevant, starting on 1 January 2017:

- Amendments to SFAS No. 1: Presentation of Financial Statements on Disclosures Initiative. This amendments clarify, rather than significantly change, existing SFAS No. 1 requirements, among others, to clarify the materiality, flexibility as to the order in which they present the notes to financial statements and identification of significant accounting policies.
- SFAS No. 3 (2016 Improvement): Interim Financial Reporting. This improvement clarifies that the interim disclosures required should be included in the interim financial statements or through cross-references of the interim financial statements, such as management commentary or risk management report, that available to users of the interim financial statements and should at the same time.
- SFAS No. 24 (2016 Improvement): Employee Benefits. This improvement clarifies that the market of high quality corporate bonds is valued by denominated bonds and not based on the country in which the bonds are.
- SFAS No. 58 (2016 Improvement): Non-Current Assets, Held for Sale and Discontinued Operation. This improvement clarifies that a change from one disposal method to the other disposal methods are considered as the beginning of a sustainable plan and not as a new disposal plan. This improvement also clarifies that the change in the disposal method does not change the date of classification as an asset or disposal group.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

v. Perubahan kebijakan akuntansi dan pengungkapan (lanjutan)

- PSAK No. 60 (Penyesuaian 2016): Instrumen Keuangan: Pengungkapan. Penyesuaian ini mengklarifikasi bahwa entitas harus menilai sifat dari imbalan kontrak jasa untuk menentukan apakah entitas memiliki keterlibatan berkelanjutan dalam aset keuangan dan apakah persyaratan pengungkapan terkait keterlibatan berkelanjutan terpenuhi.

Perseroan telah menganalisa penerapan standar akuntansi tersebut di atas dan penerapan tersebut tidak memiliki pengaruh yang signifikan terhadap laporan keuangan.

3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING

Penyusunan laporan keuangan Perseroan mengharuskan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi jumlah yang dilaporkan atas pendapatan, beban, aset dan liabilitas dan pengungkapan atas liabilitas kontinjensi, pada akhir periode pelaporan.

Ketidakpastian mengenai asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat aset dan liabilitas dalam periode pelaporan berikutnya.

Pertimbangan

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Perseroan yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan:

Klasifikasi Aset dan Liabilitas Keuangan

Perseroan menetapkan klasifikasi aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan bila definisi yang ditetapkan PSAK No. 55 (Revisi 2014) dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Perseroan seperti diungkapkan pada Catatan 2c.

Sewa

Perseroan mempunyai perjanjian-perjanjian sewa dimana perseroan bertindak sebagai lessee untuk sewa tempat. Perseroan mengevaluasi apakah terdapat risiko dan manfaat yang signifikan dari aset sewa yang diahlikan berdasarkan PSAK No. 30 (Revisi 2011), yang mensyaratkan Perseroan untuk membuat pertimbangan dengan estimasi dari pengalihan risiko dan manfaat terkait dengan kepemilikan aset.

2. ACCOUNTING POLICIES (continued)

v. Changes in accounting policies and disclosures (continued)

- SFAS No. 60 (2016 Improvement): Financial Instruments. This improvement clarifies that an entity must assess the nature of the service contract benefits to determine whether the entity has a continuing involvement in financial assets and whether the disclosure requirements related to the continuing involvement are met.

The Company has assessed that the adoption of the above mentioned accounting standards and do not have significant impact to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

Classification of Financial Assets and Financial Liabilities

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in SFAS No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2c.

Leases

The Company has several leases whereby the Company act as lessee in respect of rental location. The Company evaluates whether significant risks and rewards of ownership of the leased assets are transferred based on SFAS No. 30 (Revised 2011) which requires the Company to make judgment and estimates of the transfer of risks and rewards related to the ownership of assets.

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3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING (lanjutan)

Pertimbangan (lanjutan)

Sewa (lanjutan)

Berdasarkan hasil penelaahan yang dilakukan Perseroan atas perjanjian sewa tempat yang ada saat ini, maka transaksi sewa tersebut diklasifikasikan sebagai sewa operasi.

Sumber utama ketidakpastian estimasi

a. Cadangan kerugian penurunan nilai

Perseroan melakukan revaluasi atas piutang yang diberikan pada setiap tanggal laporan untuk melakukan penilaian atas cadangan penurunan nilai yang telah dicatat. Justifikasi manajemen diperlukan dalam menentukan tingkat cadangan yang dibutuhkan.

Perseroan membentuk cadangan kerugian penurunan nilai kolektif atas eksposur piutang pembiayaan konsumen dan piutang sewa pembiayaan, dimana evaluasi dilakukan berdasarkan data kerugian historis (lihat Catatan 2c).

b. Imbalan pasca kerja

Imbalan pasca kerja ditentukan berdasarkan perhitungan aktuarial. Perhitungan aktuarial menggunakan asumsi-asumsi seperti tingkat diskonto, tingkat pengembalian investasi, tingkat kenaikan gaji, tingkat kematian, tingkat pengunduran diri dan lain-lain. Perubahan asumsi ini akan mempengaruhi jumlah tercatat liabilitas imbalan pasca kerja (lihat Catatan 2m).

c. Penyusutan dan estimasi umur manfaat aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan estimasi masa manfaat ekonomisnya. Manajemen mengestimasi masa manfaat ekonomis aset tetap seperti diungkapkan pada Catatan 2k. Ini adalah umur yang secara umum diharapkan dalam industri dimana Perusahaan menjalankan bisnisnya. Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi.

d. Pajak penghasilan

Pertimbangan signifikan dilakukan dalam menentukan provisi atas pajak penghasilan badan. Terdapat transaksi dan perhitungan tertentu yang penentuan pajak akhirnya adalah tidak pasti sepanjang kegiatan usaha normal. Perusahaan mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah terdapat tambahan pajak penghasilan badan.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Judgments (continued)

Leases (continued)

Based on the review performed by the Company for the current rental agreement of rental location accordingly, the rent transactions were classified as operating lease.

Source of uncertainty in estimates

a. Allowance for impairment losses

The Company reviews its receivables at reporting date to evaluate the allowance for impairment losses. Management's judgment is applied in the estimation when determining the level of allowance required.

The Company estimates the collective impairment allowance for its consumer financing receivables and finance lease receivables based on historical loss experience (refer to Note 2c).

b. Post-employment benefits

Post-employment benefits are determined based on actuarial valuation. The actuarial valuation involves making assumptions about discount rate, expected rate of return, on investments, future salary increases, mortality rate, resignation rate and others. Any changes in these assumptions will impact the carrying amount of post-employment benefits obligations (refer to Note 2m).

c. Depreciation and estimated useful lives of fixed assets

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives. Management properly estimates the useful lives of these fixed assets as disclosed in Note 2k. These are common life expectancies applied in the industries where the Company conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

d. Income Tax

Significant judgment is involved in determining provision for corporate income tax. There are certain transaction and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due.

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3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING (lanjutan)

Sumber utama ketidakpastian estimasi (lanjutan)

e. Pajak tangguhan

Aset pajak tangguhan diakui atas jumlah pajak penghasilan terpulihkan (*recoverable*) pada periode mendatang sebagai akibat perbedaan temporer yang boleh dikurangkan.

Justifikasi manajemen diperlukan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, sesuai dengan waktu yang tepat dan tingkat laba fiskal di masa mendatang sejalan dengan strategi rencana perpajakan ke depan (Catatan 2l).

4. KAS DAN SETARA KAS

	31 Desember/ December 2017	31 Desember/ December 2016
Kas	20.198	24.074
Kas pada bank		
Pihak ketiga		
<u>Rupiah</u>		
PT Bank Central Asia Tbk	8.280	17.587
PT BPR Karyajatnika Sadaya	391	364
PT Bank Mega Tbk	54	23
PT Bank Panin Tbk	47	3.292
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	30	24
PT Bank KEB Hana Indonesia	24	21
Bank of China Limited, Cabang Jakarta	23	23
PT Bank OCBC NISP Tbk	20	18
PT Bank Danamon Indonesia Tbk	17	36
PT Bank DKI	17	14
PT Bank CTBC Indonesia	14	19
PT Bank HSBC Indonesia (dahulu The Hongkong & Shanghai Banking Corporation Limited, Cabang Jakarta)	11	13
PT Bank UOB Indonesia	5	3
Bank of Tokyo Mitsubishi UFJ, Ltd, Cabang Jakarta	5	7
Maybank Indonesia	5	
PT Bank Bukopin Tbk	1	1
PT Bank CIMB Niaga Tbk	-	35
PT Bank Commonwealth	-	23
	<u>8.944</u>	<u>21.503</u>
Pihak berelasi		
<u>Rupiah</u>		
PT Bank Mandiri (Persero) Tbk	79.640	160.950
PT Bank Rakyat Indonesia (Persero) Tbk	1.734	1.296
PT Bank Negara Indonesia (Persero) Tbk	27	43
PT Bank Mandiri Taspen (dahulu PT Bank Mandiri Taspen Pos)	7	7
	<u>81.408</u>	<u>162.296</u>

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Source of uncertainty in estimates (continued)

e. Deferred tax assets

Deferred tax assets are recognized for the future recoverable taxable income arising from temporary difference.

Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing on level of future taxable profits together with future strategic planning (Note 2l).

4. CASH AND CASH EQUIVALENTS

	Cash on hand
	Cash in banks
	Third parties
<u>Rupiah</u>	<u>Rupiah</u>
PT Bank Central Asia Tbk	17.587
PT BPR Karyajatnika Sadaya	364
PT Bank Mega Tbk	23
PT Bank Panin Tbk	3.292
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	24
PT Bank KEB Hana Indonesia	21
Bank of China Limited, Jakarta Branch	23
PT Bank OCBC NISP Tbk	18
PT Bank Danamon Indonesia Tbk	36
PT Bank DKI	14
PT CTBC Indonesia	19
PT Bank HSBC Indonesia (formerly The Hongkong & Shanghai Banking Corporation Limited, Jakarta Branch)	13
PT Bank UOB Indonesia	3
Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch	7
Maybank Indonesia	
PT Bank Bukopin Tbk	1
PT Bank CIMB Niaga Tbk	35
PT Bank Commonwealth	23

Related parties

<u>Rupiah</u>
PT Bank Mandiri (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk
PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos)

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4. KAS DAN SETARA KAS (lanjutan)

	31 Desember/ December 2017	31 Desember/ December 2016
Deposito berjangka		
Pihak ketiga		
<u>Rupiah</u>		
PT Bank Mega Tbk	-	18
Pihak Berelasi		
<u>Rupiah</u>		
PT Bank Mandiri Taspen (dahulu PT Bank Mandiri Taspen Pos)	50.000	50.000
PT Bank Tabungan Negara (Persero) Tbk	-	3
	<u>50.000</u>	<u>50.003</u>
	160.550	257.894

4. CASH AND CASH EQUIVALENTS (continued)

Time deposits
Third parties
<u>Rupiah</u>
PT Bank Mega Tbk
Related Parties
<u>Rupiah</u>
PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos)
PT Bank Tabungan Negara (Persero) Tbk

Tingkat suku bunga deposito berjangka dan giro dalam mata uang Rupiah untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016, berkisar sebagai berikut:

The interest rates for time deposits and current accounts for year ended 31 December 2017 and 2016, are as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/ Year ended 31 December	
	2017	2016
Deposito	7,25%	4,75% - 8,50%
Giro	0,00% - 1,90%	0,00% - 3,00%

Penempatan deposito pada PT Bank Mandiri Taspen (dahulu PT Bank Mandiri Taspen Pos) sebesar Rp50.000 adalah penempatan atas dana hasil usaha yang berasal dari laba neto Perseroan seperti yang dipersyaratkan oleh Undang-Undang No. 40 pasal 70 tentang "Perseroan Terbatas" yaitu kewajiban perusahaan untuk melakukan pencadangan atas jumlah tertentu dari laba neto setiap tahun.

Placement of time deposit at PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos) amounting to Rp50,000 represents the placement of the funds derived from the Company's net income as required by Law No. 40 article 70 concerning "Limited Liability Companies" whereby the Company shall make a provision for a certain amount of the net income each year.

Lihat Catatan 25a untuk rincian saldo dan transaksi dengan pihak berelasi.

Refer to Note 25a for details of balances and transaction with related parties.

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5. PIUTANG PEMBIAYAAN KONSUMEN

5. CONSUMER FINANCING RECEIVABLES

	<u>31 Desember/ December 2017</u>	<u>31 Desember/ December 2016</u>	
Piutang pembiayaan konsumen - bruto:	41.546.201	37.089.670	Consumer financing receivables - gross:
Dikurangi:			Less:
Piutang pembiayaan yang dibiayai bersama pihak-pihak lain <i>without recourse</i> - bruto:			Joint financing <i>without recourse</i> - gross:
<u>Rupiah</u>			<u>Rupiah</u>
Pihak berelasi	(26.751.546)	(23.690.880)	Related parties
Piutang pembiayaan konsumen - bruto: Pembiayaan sendiri	14.794.655	13.398.790	Consumer financing receivables - gross: Direct financing
Dikurangi:			Less:
Pendapatan pembiayaan konsumen yang belum diakui:			Unearned income on consumer financing:
<u>Rupiah</u>			<u>Rupiah</u>
Pihak Ketiga	(7.061.514)	(6.651.761)	Third parties
Dikurangi:			Less:
Piutang pembiayaan yang dibiayai bersama pihak-pihak lain <i>without recourse</i> - bruto:			Joint financing <i>without recourse</i> - gross:
<u>Rupiah</u>			<u>Rupiah</u>
Pihak berelasi	3.719.370	3.220.492	Related parties
Pendapatan pembiayaan konsumen yang belum diakui: Pembiayaan sendiri	(3.342.144)	(3.431.269)	Unearned income on consumer financing: Direct financing
Dikurangi:			Less:
Cadangan kerugian penurunan nilai	(271.205)	(298.650)	Allowance for impairment losses
Neto	<u>11.181.306</u>	<u>9.668.871</u>	Net

Seluruh kontrak pembiayaan yang disalurkan Perseroan adalah untuk kendaraan bermotor, multiguna, investasi, dan modal kerja.

All consumer financing contracts provided by Company are for motor vehicles, multipurpose, investment, and working capital.

Jangka waktu kontrak pembiayaan yang disalurkan oleh Perseroan atas kendaraan bermotor berkisar antara 12 - 84 bulan.

The period of consumer financing contracts for motor vehicles ranged between 12 - 84 months.

Angsuran dari saldo piutang pembiayaan konsumen - bruto per 31 Desember 2017 dan 2016 yang akan diterima dari konsumen berdasarkan tanggal jatuh temponya adalah sebagai berikut:

Installments of consumer financing receivables - gross balance as of 31 December 2017 and 2016 which will be received from customers based on the maturity dates are as follows:

	<u>31 Desember/ December 2017</u>	<u>31 Desember/ December 2016</u>	
<u>Tahun</u>			
2017	-	14.958.019	2017
2018	16.755.018	11.168.998	2018
2019	12.317.949	6.820.529	2019
2020	7.660.716	3.181.878	2020
2021	3.653.352	912.824	2021
2022	1.099.565	37.636	2022
2023 dan sesudahnya	59.601	9.786	2023 and onward
	<u>41.546.201</u>	<u>37.089.670</u>	

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5. PIUTANG PEMBIAYAAN KONSUMEN (lanjutan)

Rata-rata suku bunga efektif yang dikenakan kepada konsumen untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016, adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2017	2016	
Mobil	12,97%	14,06%	Car
Sepeda Motor	13,39%	21,82%	Motorcycle
Investasi	13,50%	13,31%	Investment
Multiguna	17,63%	15,47%	Multipurpose
Modal Kerja	10,36%	-	Working Capital

Analisa umur piutang pembiayaan konsumen - bruto adalah sebagai berikut:

	31 Desember/ December 2017	31 Desember/ December 2016	
Belum jatuh tempo	39.403.525	34.725.908	Current
Lewat jatuh tempo:			Overdue:
1 - 90 hari	1.799.950	1.810.050	1 - 90 days
91 - 120 hari	139.881	193.538	91 - 120 days
121 - 180 hari	177.069	294.660	121 - 180 days
> 180 hari	25.776	65.514	> 180 days
	41.546.201	37.089.670	

Mutasi cadangan kerugian penurunan nilai untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	31 Desember/ December 2017	31 Desember/ December 2016	
Saldo awal	298.650	270.477	Beginning balance
Penyisihan selama tahun berjalan	434.774	426.997	Provision made during the year
Penghapusan piutang ragu-ragu	(533.362)	(451.285)	Receivables written-off
Pemulihan kembali piutang yang telah dihapus-bukukan	71.143	52.461	Recovery from receivables written-off
Saldo akhir	271.205	298.650	Ending balance

Seluruh piutang pembiayaan konsumen pada tanggal 31 Desember 2017 dan 2016 dievaluasi secara kolektif terhadap penurunan nilai dan Perseroan telah mencadangkan cadangan kerugian penurunan nilai.

Piutang pembiayaan konsumen yang direstrukturisasi pada tanggal 31 Desember 2017 adalah sebesar 0,0447% dari saldo piutang pembiayaan konsumen - bruto (31 Desember 2016: 0,2199%).

Pada tanggal 31 Desember 2017, piutang pembiayaan konsumen yang digunakan sebagai jaminan atas pinjaman bank yang diterima oleh Perseroan dan utang obligasi seperti yang dijelaskan pada Catatan 14 dan 16 adalah sejumlah Rp6.674.756 (31 Desember 2016: Rp6.103.601).

5. CONSUMER FINANCING RECEIVABLES (continued)

Average effective interest rates charged to customers for the year ended 31 December 2017 and 2016, are as follows:

The aging analysis of consumer financing receivables - gross are as follows:

The movements in the allowance for impairment losses for years 31 December 2017 and 2016 are as follows:

All consumer financing receivables as of 31 December 2017 and 2016 are collectively evaluated for impairment and the Company has provided allowance for impairment losses.

The percentage of restructured consumer financing receivables as of 31 December 2017 is 0.0447% of the consumer financing receivables balance - gross (31 December 2016: 0.2199%).

As of 31 December 2017, total consumer financing receivables pledged as collateral for bank loans and bonds payable as disclosed in Notes 14 and 16 amounted to Rp6,674,756 (31 December 2016: Rp6,103,601).

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5. PIUTANG PEMBIAYAAN KONSUMEN (lanjutan)

Manajemen berkeyakinan bahwa cadangan kerugian penurunan nilai tersebut adalah cukup untuk menutupi kemungkinan kerugian dari tidak tertagihnya piutang pembiayaan konsumen.

5. CONSUMER FINANCING RECEIVABLES (continued)

Management believes that the allowance for impairment losses is sufficient to cover any possible losses from uncollectible consumer financing receivables.

6. PIUTANG SEWA PEMBIAYAAN

	31 Desember/ December 2017	31 Desember/ December 2016
Piutang sewa pembiayaan		
Pihak ketiga		
<u>Rupiah</u>		
Piutang sewa pembiayaan - bruto	2.756.597	975.598
Nilai sisa yang terjamin	796.442	317.305
Pendapatan sewa pembiayaan yang ditangguhkan	(391.968)	(141.115)
Simpanan jaminan	(796.442)	(317.305)
Piutang sewa pembiayaan	2.364.629	834.483
Cadangan kerugian penurunan nilai	(7.739)	(4.538)
Neto	2.356.890	829.945

	Finance lease receivables
	<i>Third parties</i>
	<u>Rupiah</u>
	<i>Finance lease receivable - gross</i>
	<i>Guaranteed residual value</i>
	<i>Unearned leased income</i>
	<i>Security deposit</i>
	<i>Finance lease receivable</i>
	Allowance for impairments losses
	Net

Jangka waktu kontrak pembiayaan yang disalurkan oleh Perseroan atas kendaraan bermotor dan alat berat berkisar antara 12 - 60 bulan.

The period of consumer financing contracts for motor vehicles and heavy equipment ranged between 12 - 60 months.

Piutang sewa pembiayaan - bruto sesuai dengan tanggal jatuh temponya:

Finance lease receivables - gross based on maturity date:

	31 Desember/ December 2017	31 Desember/ December 2016	
<u>Tahun</u>			<u>Year</u>
2017	-	475.659	2017
2018	1.224.643	303.444	2018
2019	949.452	153.503	2019
2020	510.070	38.921	2020
2021	65.315	4.071	2021
2022 dan seterusnya	7.117	-	2022 and onward
	2.756.597	975.598	

Mutasi cadangan kerugian penurunan nilai untuk tahun yang berakhir 31 Desember 2017 dan 2016, adalah sebagai berikut:

The movements in the allowance for impairment losses for the year ended 31 December 2017 and 2016, are as follows:

	31 Desember/ December 2017	31 Desember/ December 2016	
Saldo awal	4.538	5.791	<i>Beginning balance</i>
Penyisihan selama tahun berjalan	5.784	196	<i>Provision for during the year</i>
Penghapusan piutang	(3.445)	(4.167)	<i>Receivables written-off</i>
Pemulihan kembali piutang yang telah dihapusbukukan	862	2.718	<i>Recovery of written-off receivables</i>
Saldo akhir	7.739	4.538	Ending balance

Seluruh piutang sewa pembiayaan pada tanggal 31 Desember 2017 dan 2016 dievaluasi secara kolektif terhadap penurunan nilai dan Perseroan telah mencadangkan cadangan kerugian penurunan nilai.

All finance lease receivables as of 31 December 2017 and 2016 are collectively evaluated for impairment and the Company has provided allowance for impairment losses.

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6. PIUTANG SEWA PEMBIAYAAN (lanjutan)

Rata-rata suku bunga efektif yang dikenakan kepada konsumen untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016, adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December	
	2017	2016
Mobil	11,98%	13,09%
Alat berat	12,10%	12,60%
Mesin	14,65%	-

Analisa umur piutang sewa pembiayaan - bruto adalah sebagai berikut:

	31 Desember/ December 2017	31 Desember/ December 2016
Belum jatuh tempo	2.695.432	922.613
Lewat jatuh tempo:		
1 - 90 hari	45.730	39.393
91 - 120 hari	9.374	6.904
121 - 180 hari	5.227	6.538
> 180 hari	834	150
	2.756.597	975.598

Pada saat transaksi sewa pembiayaan ditandatangani, penyewa pembiayaan memberikan uang jaminan yang akan diperhitungkan dengan nilai jual aset sewa pembiayaan pada saat transaksi berakhir bila penyewa pembiayaan menggunakan hak opsinya untuk membeli aset sewa pembiayaan tersebut. Jika penyewa tidak menggunakan hak opsinya, jaminan tersebut akan dikembalikan kepada penyewa pembiayaan.

Pada tanggal 31 Desember 2017 dan 2016, piutang sewa pembiayaan yang digunakan sebagai jaminan atas pinjaman bank yang diterima oleh Perseroan dan utang obligasi seperti yang dijelaskan pada Catatan 14 dan 16 adalah sejumlah Rp1.328.105 (31 Desember 2016: Rp432.874).

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai yang dibentuk adalah cukup untuk menutup kerugian yang mungkin timbul akibat tidak tertagihnya piutang sewa pembiayaan.

6. FINANCE LEASE RECEIVABLES (continued)

Average effective interest rates charged to customers for year ended 31 December 2017 and 2016, are as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December	
	2017	2016
Mobil	11,98%	13,09%
Alat berat	12,10%	12,60%
Mesin	14,65%	-

The aging analysis of finance lease receivables - gross are as follows:

	31 Desember/ December 2017	31 Desember/ December 2016
Belum jatuh tempo	2.695.432	922.613
Lewat jatuh tempo:		
1 - 90 hari	45.730	39.393
91 - 120 hari	9.374	6.904
121 - 180 hari	5.227	6.538
> 180 hari	834	150
	2.756.597	975.598

Upon signing of lease contracts, the lessee is required to pay a security deposit, which will be applied against the selling price of the leased asset at the end of the lease term if the lessee exercises his option to purchase the leased asset. Otherwise, the security deposit will be refunded to the lessee.

As of 31 December 2017 and 2016, total finance lease receivables pledged as collateral for bank loans and bonds payable as disclosed in Notes 14 and 16 amounted to Rp1,328,105 (31 December 2016: Rp432,874).

Management believes that the existing allowance for impairment losses is adequate to cover possible losses arising from uncollectible finance lease receivable.

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7. PIUTANG LAIN-LAIN

	31 Desember/ December 2017	31 Desember/ December 2016
Pihak ketiga		
Piutang akseptasi klaim	51.515	34.162
Piutang asuransi	21.709	15.500
Piutang penjualan kendaraan jaminan	8.288	6.921
Lain-lain	22.628	12.837
	<u>104.140</u>	<u>69.420</u>
Dikurangi:		
Cadangan kerugian penurunan nilai	(2.896)	(785)
	<u>101.244</u>	<u>68.635</u>
Pihak berelasi		
Piutang pembiayaan bersama	502.570	227.994
Piutang akseptasi klaim	53.699	45.971
Lain-lain	7.862	620
	<u>564.131</u>	<u>274.585</u>
	<u>665.375</u>	<u>343.220</u>

Lihat catatan 25a untuk rincian saldo dan transaksi dengan pihak berelasi.

Mutasi cadangan kerugian penurunan nilai untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	31 Desember/ December 2017	31 Desember/ December 2016
Saldo awal	785	785
Penambahan selama tahun berjalan	2.111	-
Saldo akhir	<u>2.896</u>	<u>785</u>

Manajemen berkeyakinan bahwa cadangan kerugian penurunan nilai adalah cukup untuk menutupi kemungkinan kerugian dari tidak tertagihnya piutang.

8. PERPAJAKAN

a. Tagihan Kelebihan Pajak

	31 Desember/ December 2017	31 Desember/ December 2016
Pajak pertambahan nilai:		
Tahun pajak 2011	14.582	14.582
Tahun pajak 2012	21.442	21.442
Tahun pajak 2013	29.495	29.495
	<u>65.519</u>	<u>65.519</u>
Pajak penghasilan badan:		
Tahun pajak 2013	19	19
	<u>65.538</u>	<u>65.538</u>

7. OTHER RECEIVABLES

Third parties
Claim acceptance receivables
Insurance receivables
Receivables from sales of collateral vehicle
Others
Less:
Allowance for impairment losses
Related parties
Joint financing receivables
Claim acceptance receivables
Others

Refer to Note 25a for details of balances and transactions with related parties.

The movements in the allowance for impairment losses for the years ended 31 December 2017 and 2016 are as follows:

8. TAXATION

a. Claim for tax refund

Value added tax:
Fiscal year 2011
Fiscal year 2012
Fiscal year 2013
Corporate income tax:
Fiscal year 2013

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8. PERPAJAKAN (lanjutan)

8. TAXATION (continued)

b. Utang pajak kini

b. Current tax liabilities

	31 Desember/ December 2017	31 Desember/ December 2016	
Pajak penghasilan badan	3.916	5.300	<i>Corporate income tax</i>
Pasal 25	30.000	8.294	<i>Article 25</i>
	33.916	13.594	

c. Beban pajak

c. Tax expense

	Tahun yang Berakhir pada tanggal 31 Desember / Year ended 31 December		
	2017	2016	
Kini - non final	123.758	113.600	<i>Current - non final</i>
Tangguhan (lihat Catatan 8d)	(7.429)	(2.105)	<i>Deferred (refer to Note 8d)</i>
	116.329	111.495	

Rekonsiliasi antara beban pajak penghasilan dengan hasil perkalian laba akuntansi sebelum pajak penghasilan dan tarif pajak yang berlaku adalah sebagai berikut:

The reconciliation between income tax expense and the theoretical tax amount on the Company's income before tax expense are as follows:

	Tahun yang Berakhir pada tanggal 31 Desember / Year ended 31 December		
	2017	2016	
Laba sebelum beban pajak penghasilan	468.378	448.885	<i>Income before income tax expense</i>
Pajak dihitung pada tarif pajak	117.095	112.221	<i>Tax calculated at tax rates</i>
Penghasilan bunga dikenakan pajak final	(2.259)	(2.525)	<i>Interest income subjected to final tax</i>
Beban yang tidak dapat dikurangkan	1.493	1.799	<i>Non-deductible expenses</i>
Beban pajak	116.329	111.495	<i>Tax expense</i>

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8. PERPAJAKAN (lanjutan)

c. Beban pajak (lanjutan)

Rekonsiliasi antara laba sebelum beban pajak menurut laporan laba rugi dan penghasilan komprehensif lain dengan penghasilan kena pajak adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember / Year ended 31 December	
	2017	2016
Laba sebelum beban pajak penghasilan	468.378	448.885
Koreksi fiskal:		
Beda temporer		
Selisih antara nilai buku aset tetap komersial dan fiskal	(4.228)	(1.141)
Penyisihan imbalan kerja karyawan	10.548	9.320
Penyisihan bonus	20.453	(278)
Penyisihan pos suspend	834	518
Penyisihan piutang lain	2.111	-
	29.718	8.419
Beda tetap		
Beban yang tidak dapat dikurangkan	5.972	7.194
Penghasilan bunga dikenakan pajak final	(9.036)	(10.099)
	(3.064)	(2.905)
Penghasilan kena pajak	495.032	454.399
Beban pajak	123.758	113.600
Dikurangi:		
Pajak dibayar di muka		
Pasal 23	(4.237)	(4.872)
Pasal 25	(115.605)	(103.428)
Utang pajak penghasilan badan	3.916	5.300
Pendapatan bunga yang dikenakan pajak final	9.036	10.099
Pajak penghasilan pasal 4 (2) - final	1.807	2.020
Dikurangi:		
Pajak dibayar di muka	(1.807)	(2.020)
	-	-

Laba kena pajak hasil rekonsiliasi tahun 2017 dan 2016 menjadi dasar dalam pengisian Surat Pemberitahuan Tahunan (SPT) Pajak Penghasilan Badan.

8. TAXATION (continued)

c. Tax expense (continued)

Reconciliation between income before tax expense, as shown in the statement of profit or loss and other comprehensive income, and estimated taxable income is as follows:

Income before income tax expense	468.378	448.885
Fiscal corrections:		
Temporary differences		
Difference in net book value between commercial and fiscal	(4.228)	(1.141)
Provision for employee benefits	10.548	9.320
Provision for bonus	20.453	(278)
Provision for suspend accounts	834	518
Other receivables provision	2.111	-
	29.718	8.419
Permanent differences		
Non-deductible expenses	5.972	7.194
Interest income subjected to final tax	(9.036)	(10.099)
	(3.064)	(2.905)
Taxable income	495.032	454.399
Tax expense	123.758	113.600
Less:		
Prepaid taxes		
Article 23	(4.237)	(4.872)
Article 25	(115.605)	(103.428)
Corporate income tax payable	3.916	5.300
Interest income subjected to final tax	9.036	10.099
Income tax article 4 (2) - final	1.807	2.020
Less:		
Prepaid tax	(1.807)	(2.020)
	-	-

Taxable income which is a result from the reconciliation for the years 2017 and 2016 will be used as basis in submission of the Company's Annual Corporate Tax Return.

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8. PERPAJAKAN (lanjutan)

8. TAXATION (continued)

d. Aset/(liabilitas) pajak tangguhan - neto

d. Deferred tax assets/(liabilities) - net

31 Desember/December 2017				
Saldo awal/ Beginning balance	Manfaat (beban) pajak tangguhan/ Deferred tax income (expenses)	Saldo akhir/ Ending balance		
Aset pajak tangguhan dampak dari laporan laba rugi dan penghasilan komprehensif lain				Deferred tax assets effect from statement of profit or loss and other comprehensive income
Cadangan kerugian penurunan nilai	196	528	724	Allowance for impairment losses
Selisih antara nilai buku aset tetap komersial dan fiskal	464	(1.057)	(593)	Difference in net book value of fixed assets between commercial and fiscal
Penyisihan imbalan kerja karyawan	7.636	2.637	10.273	Provision for employee benefits
Penyisihan bonus	9.306	5.113	14.419	Provision for bonus
Penyisihan pos <i>suspend</i>	579	208	787	Provision for suspense accounts
Aset pajak tangguhan dampak dari ekuitas				Deferred tax assets effect from equity
Pengukuran kembali atas liabilitas imbalan kerja karyawan	4.898	3.290	8.188	Remeasurement of employee benefits obligation
Kerugian bersih atas instrumen derivatif untuk lindung nilai arus kas	-	4.206	4.206	Net loss on derivative instrument for cash flow hedging
	23.079	14.925	38.004	
31 Desember/December 2016				
Saldo awal/ Beginning balance	Manfaat (beban) pajak tangguhan/ Deferred tax income (expenses)	Saldo akhir/ Ending balance		
Aset pajak tangguhan dampak dari laporan laba rugi dan penghasilan komprehensif lain				Deferred tax assets effect from statement of profit or loss and other comprehensive income
Cadangan kerugian penurunan nilai	196	-	196	Allowance for impairment losses
Selisih antara nilai buku aset tetap komersial dan fiskal	750	(286)	464	Difference in net book value of fixed assets between commercial and fiscal
Penyisihan imbalan kerja karyawan	5.306	2.330	7.636	Provision for employee benefits
Penyisihan bonus	9.375	(69)	9.306	Provision for bonus
Penyisihan pos <i>suspend</i>	449	130	579	Provision for suspense accounts
Aset pajak tangguhan dampak dari ekuitas				Deferred tax assets effect from equity
Pengukuran kembali atas liabilitas imbalan kerja karyawan	3.831	1.067	4.898	Remeasurement of employee benefits obligation
	19.907	3.172	23.079	

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8. PERPAJAKAN (lanjutan)

e. Surat ketetapan pajak

Tahun pajak 2013, 2012 dan 2011

Pada tanggal 25 Januari 2016 dan 25 Oktober 2016, Perseroan menerima Surat Ketetapan Pajak Kurang Bayar (SKPKB) dan Surat Tagihan Pajak (STP) atas berbagai macam pajak untuk tahun pajak 2013, 2012 dan 2011, yang menghasilkan jumlah kurang bayar sebesar Rp172.497. Atas kurang bayar tersebut, Perseroan telah melakukan pembayaran sebesar Rp67.634, dimana dari pembayaran tersebut, Perseroan telah mengajukan keberatan sebesar Rp65.538 dan sebesar Rp2.096 dicatat sebagai Beban denda pajak di dalam laporan laba rugi dan penghasilan komprehensif lain. Untuk jumlah yang belum dibayarkan sebesar Rp104.863, Perseroan mengajukan keberatan ke Kantor Pajak.

Pada tahun 2017, Kantor Pajak menolak semua keberatan untuk tahun fiskal 2013, 2012, dan 2011. Pada tahun yang sama, Perseroan mengajukan banding atas keputusan tersebut ke Pengadilan Pajak. Sampai dengan tanggal laporan posisi keuangan Perseroan belum mengetahui keputusan Pengadilan Pajak. Manajemen berkeyakinan bahwa seluruh taksiran tagihan pajak penghasilan tersebut dapat dipulihkan.

f. Administrasi

Berdasarkan Undang-Undang Perpajakan yang berlaku di Indonesia, Perseroan menghitung, menetapkan dan membayar sendiri besarnya jumlah pajak yang terutang. Direktur Jenderal Pajak dapat menetapkan atau mengubah liabilitas pajak dalam jangka waktu tertentu. Untuk tahun pajak 2008 dan seterusnya, jangka waktunya adalah lima tahun sejak saat terutangnya pajak.

8. TAXATION (continued)

e. Tax assessment letter

Fiscal year 2013, 2012 and 2011

On 25 January 2016 and 25 October 2016, the Company received an underpayment tax assessment letter (SKPKB) and tax billing (STP) on various taxes for fiscal years 2013, 2012 and 2011, which resulted in net tax underpayment of Rp172,497. For this underpayment, the Company has paid the amount of Rp67,634 and for the said payment, the Company has submitted an objection for the amount of Rp65,538 and the amount of Rp2,096 was recorded as tax penalty in the statement of profit or loss and other comprehensive income. For the remaining unpaid balance amounting to Rp104,863, the Company filed on objection to the Tax Office.

In 2017, the Tax Office has rejected all objections for fiscal year 2013, 2012, and 2011. In the same year, the Company appealed the decision to the Tax Court. Until the report date of the Company's financial position has not been informed of the decision of the Tax Court. Management believes that all of the estimated claim for income tax can be recovered.

f. Administration

Under the Taxation Laws of Indonesia, the Company submits tax returns on the basis of self assessment. The Director General of Taxes may assess or amend taxes within a certain period. For the fiscal years of 2008 and onwards, the period is within five years from the time the tax becomes due.

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9. ASET TETAP

9. FIXED ASSETS

31 Desember / December 2017						
	1 Januari/ January	Penambahan/ Additions	(Pengurangan)/ (Deductions)	Reklasifikasi/ Reclassifications	30 Desember/ December	
Aset tetap						Fixed assets
Kepemilikan langsung						Direct ownership
Harga perolehan						Cost
Tanah	34.343	-	-	8.102	42.445	Land
Bangunan	32.986	437	-	9.132	42.555	Buildings
Kendaraan	13	15	-	-	28	Vehicles
Perabotan dan peralatan kantor	112.568	40.603	(2.703)	-	150.468	Furniture and office equipment
Renovasi bangunan sewa	25.917	5.869	-	-	31.786	Leasehold improvement
Aset dalam penyelesaian	15.554	3.055	-	(17.234)	1.375	Construction in progress
	221.381	49.979	(2.703)	-	268.657	
Akumulasi penyusutan						Accumulated depreciation
Bangunan	(4.890)	(1.593)	-	-	(6.483)	Buildings
Kendaraan	(2)	(6)	-	-	(8)	Vehicles
Perabot dan peralatan kantor	(54.299)	(20.542)	2.655	-	(72.186)	Furniture and office equipment
Renovasi bangunan sewa	(20.868)	(3.205)	-	-	(24.073)	Leasehold improvement
	(80.059)	(25.346)	2.655	-	(102.750)	
Nilai buku neto	141.322				165.907	Net book value

31 Desember / December 2016						
	1 Januari/ January	Penambahan/ Additions	(Pengurangan)/ (Deductions)	Reklasifikasi/ Reclassifications	31 Desember/ December	
Aset tetap						Fixed assets
Kepemilikan langsung						Direct ownership
Harga perolehan						Cost
Tanah	28.585	-	-	5.758	34.343	Land
Bangunan	28.960	-	-	4.026	32.986	Buildings
Kendaraan	6	13	(6)	-	13	Vehicles
Perabotan dan peralatan kantor	84.894	30.784	(3.110)	-	112.568	Furniture and office equipment
Renovasi bangunan sewa	22.495	3.422	-	-	25.917	Leasehold improvement
Aset dalam penyelesaian	200	25.138	-	(9.784)	15.554	Construction in progress
	165.140	59.357	(3.116)	-	221.381	
Akumulasi penyusutan						Accumulated depreciation
Bangunan	(3.528)	(1.362)	-	-	(4.890)	Buildings
Kendaraan	(2)	(3)	3	-	(2)	Vehicles
Perabot dan peralatan kantor	(41.831)	(15.574)	3.106	-	(54.299)	Furniture and office equipment
Renovasi bangunan sewa	(16.927)	(3.941)	-	-	(20.868)	Leasehold improvement
	(62.288)	(20.880)	3.109	-	(80.059)	
Nilai buku neto	102.852				141.322	Net book value

Rincian aset dalam penyelesaian pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

Details of construction in progress as of 31 December 2017 and 2016, are as follows:

31 Desember/December 2017			
	Jumlah/ Amount	Estimasi tahun penyelesaian/ Estimated year of completion	Persentase penyelesaian/ Percentage of completion
Renovasi dalam penyelesaian untuk pembukaan jaringan usaha baru	1.375	2018	75%
			Renovation in progress for new business networks

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9. ASET TETAP (lanjutan)

9. FIXED ASSETS (continued)

31 Desember/December 2016

	Jumlah/ Amount	Estimasi tahun penyelesaian/ Estimated year of completion	Persentase penyelesaian/ Percentage of completion	
Renovasi dalam penyelesaian untuk pembukaan jaringan usaha baru	15.554	2017	92%	<i>Renovation in progress for new business networks</i>

Seluruh aset tetap kepemilikan langsung kecuali tanah, telah diasuransikan dengan pihak berelasi, PT Mandiri Axa General Insurance dengan jumlah pertanggungan asuransi sebesar Rp131.610 dan Rp115.700 pada tanggal 31 Desember 2017 dan 2016 yang menurut manajemen cukup untuk menutupi kemungkinan kerugian karena kebakaran, banjir, huru-hara dan gempa bumi.

Directly owned fixed assets, except for land, are insured with a related party, PT Mandiri Axa General Insurance, for a sum insured of Rp131,610 and Rp115,700 as of 31 December 2017 and 2016, respectively which according to the management is sufficient to cover possible losses due to fire, flood, public disorder/riots and earthquake.

Tanah Perseroan berupa sertifikat Hak Guna Bangunan ("HGB") yang mempunyai masa manfaat selama 20 sampai dengan 30 tahun yang akan jatuh tempo antara 30 Juni 2018 sampai dengan 21 October 2037. Manajemen berpendapat bahwa HGB tersebut dapat diperbaharui atau diperpanjang pada saat jatuh tempo.

Land is held in the form of certificates of Hak Guna Bangunan ("HGB") which have useful lives of 20 to 30 years, which will be due ranging from 30 June 2018 to 21 October 2037. Management believes that the HGB can be renewed or extended upon expiration.

Rincian keuntungan atas pelepasan aset tetap adalah sebagai berikut:

Details of gain on disposal of fixed assets are as follows:

	Tahun yang berakhir pada tanggal 31 Desember/Year ended 31 December		
	2017	2016	
Hasil pelepasan aset tetap	38	89	<i>Proceed from disposal of fixed assets</i>
Nilai buku aset tetap	(48)	(7)	<i>Book value</i>
(Rugi) laba atas pelepasan aset tetap	(10)	82	<i>(Loss) gain on disposal of fixed assets</i>

Kerugian atau keuntungan atas pelepasan aset tetap diakui sebagai bagian dari "pendapatan lain-lain" pada laporan laba rugi dan penghasilan komprehensif lain.

Loss or gain on disposal of fixed assets is recognized as part of "other income" in the statement of profit or loss and other comprehensive income.

Manajemen berpendapat tidak terdapat indikasi penurunan nilai atas aset tetap yang dimiliki Perseroan pada tanggal 31 Desember 2017 dan 2016.

Management believes that there is no impairment of Company's fixed assets as of 31 December 2017 and 2016.

Pada 31 Desember 2017 dan 2016, jumlah bruto dari aset tetap yang telah disusutkan penuh dan masih digunakan adalah masing-masing sebesar Rp48.557 dan Rp39.942.

As of 31 December 2017 and 2016, the gross amount of fixed assets which have been fully depreciated and still being used amounted to Rp48,557 and Rp39,942 respectively.

Tidak ada aset tetap yang dijadikan jaminan pada tanggal 31 Desember 2017 dan 2016.

There were no fixed assets pledged as collateral as of 31 December 2017 and 2016.

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10. ASET LAIN-LAIN

	31 Desember/ December 2017	31 Desember/ December 2016
Pihak ketiga		
Setoran dalam perjalanan	45.669	35.160
Sewa dibayar di muka	21.650	17.271
Uang muka	3.366	7.616
Setoran jaminan	3.316	2.334
Piutang karyawan	403	449
Asuransi dibayar di muka	224	186
Piutang bunga	180	198
Lain-lain	6.532	9.847
	81.340	73.061
Pihak berelasi		
Sewa dibayar di muka	1.346	1.132
	82.686	74.193

10. OTHER ASSETS

Third parties
Deposit in transit
Prepaid rent
Advance payments
Security deposits
Employee receivables
Prepaid insurance
Interest receivable
Others
Related parties
Prepaid rent

Lain-lain merupakan persediaan materai Perseroan, biaya provisi dibayar di muka, biaya emisi, biaya dibayar di muka dan pajak dibayar di muka.

Others mainly represents the Company's stamp duty, prepaid provision cost, issuance cost, prepaid expenses and prepaid taxes.

Lihat Catatan 25a untuk rincian saldo dan transaksi dengan pihak berelasi.

Refer to Note 25a for details of balances and transactions with related parties.

11. UTANG USAHA

	31 Desember/ December 2017	31 Desember/ December 2016
Pihak ketiga		
Utang kendaraan	469.144	472.535
Utang asuransi	137.369	121.375
	606.513	593.910

11. TRADE PAYABLES

Third parties
Vehicle payables
Insurance payables

Utang usaha merupakan utang kepada pemasok atas pembiayaan kendaraan bermotor dan utang kepada perusahaan asuransi yang berkaitan dengan pembiayaan kendaraan bermotor.

Trade payables represent payables to suppliers for motor vehicle financing and payables to insurance companies in relation to motor vehicle financing.

12. UTANG LAIN-LAIN

	31 Desember/ December 2017	31 Desember/ December 2016
Pihak ketiga		
Titipan konsumen	68.264	46.444
Liabilitas pajak		
Pasal 21	6.364	6.202
Pasal 23	1.139	1.057
PPh final	128	209
PPN keluaran	75.955	74.759
Lain-lain	42.641	21.377
	194.491	150.048

12. OTHER PAYABLES

Third parties
Customer deposits
Tax liabilities
Article 21
Article 23
Final tax
VAT out
Others

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12. UTANG LAIN-LAIN (lanjutan)

	31 Desember/ December 2017
Pihak berelasi	
Pembiayaan bersama	30.104
Lain-lain	240
	<u>30.344</u>
	<u>224.835</u>

Titipan konsumen terutama berhubungan dengan cicilan pembayaran piutang pembiayaan konsumen yang masih dalam proses identifikasi.

Lain-lain terutama terdiri dari utang kepada pihak ketiga yang berkaitan dengan biaya notaris, fidusia, utang Jamkrindo dan pembelian aset tetap.

Lihat Catatan 25b untuk rincian saldo dan transaksi pihak berelasi.

12. OTHER PAYABLES (continued)

	31 Desember/ December 2016
	106.493
	<u>240</u>
	<u>106.733</u>
	<u>256.781</u>

Customer deposits represent installment of consumer financing receivables which are still in identification process.

Others mainly consist of payables to third parties related to notary fee, fiduciary, Jamkrindo payable and purchasing of fixed assets.

Refer to Note 25b for details of balances and transactions with related parties.

Related parties
 Joint financing
 Others

13. BEBAN YANG MASIH HARUS DIBAYAR

	31 Desember/ December 2017
Pihak ketiga	
Gaji dan tunjangan	64.758
Bunga yang masih harus dibayar	53.228
Promosi	6.810
Telepon	1.028
Perbaikan dan pemeliharaan	916
Jasa profesional	852
Listrik dan air	515
Lain-lain	7.452
	<u>135.559</u>
Pihak berelasi	
Bunga yang masih harus dibayar	1.227
	<u>136.786</u>

Lain-lain terutama terdiri dari beban yang masih harus dibayar jamuan, materai, sewa PC, sewa kendaraan, perjalanan dinas dan pelatihan.

Lihat Catatan 25b untuk rincian saldo dan transaksi pihak berelasi.

13. ACCRUED EXPENSES

	31 Desember/ December 2016
	37.338
	<u>39.654</u>
	<u>4.465</u>
	<u>1.581</u>
	<u>553</u>
	<u>752</u>
	<u>528</u>
	<u>4.388</u>
	<u>89.259</u>
	<u>868</u>
	<u>90.127</u>

Others mainly consist of entertainment, materai, PC rent, vehicles rent, travelling and training.

Refer to Note 25b for details of balances and transactions with related parties.

Third parties
 Salaries and allowances
 Accrued interest
 Promotion
 Telephone
 Repairs and maintenance
 Professional fee
 Utilities
 Others

Related parties
 Accrued interest

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14. PINJAMAN BANK

14. BANK LOANS

	31 Desember/ December 2017	31 Desember/ December 2016	
<i>Revolving</i>	268.194	348.194	<i>Revolving</i>
<i>Non revolving</i>	7.976.388	5.273.298	<i>Non revolving</i>
	8.244.582	5.621.492	
Biaya provisi yang belum diamortisasi	(34.152)	(12.340)	<i>Unamortized provision cost</i>
	8.210.430	5.609.152	

	Jumlah fasilitas yang ditarik/ Withdrawn facility amount		Jumlah pinjaman/ Loan amount		Jatuh tempo fasilitas/ Maturity date of the facility	
	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016
<i>Revolving</i>						
Rupiah						
Pihak ketiga/Third parties						
PT Bank Central Asia Tbk	55.000	55.000	-	-	Maret/ March 2018	Maret/ March 2017
PT Bank Panin Tbk	-	300.000	-	-	-	Maret/ March 2017 Mei/ May 2017
PT Bank OCBC NISP Tbk	150.000	150.000	-	-	Februari/ February 2018	November/ November 2017
PT Bank Danamon Tbk	-	100.000	-	25.000	-	Maret March 2017
	-	100.000	-	-	-	Juni/ June 2017
	-	11.805	-	-	-	Juni/ June 2017
	65.000	65.000	41.528	63.194	November/ November 2019	November/ November 2019
	50.000	50.000	33.333	50.000	Desember/ December 2019	Desember/ December 2019
	100.000	-	-	-	Agustus/ August 2018	-
	31.806	-	-	-	Agustus/ August 2018	-
	52.000	-	43.333	-	Juni/ June 2020	-
PT Bank HSBC Indonesia (dahulu The Hongkong & Shanghai Banking Corporation Limited, Cabang Jakarta)/(formerly The Hongkong & Shanghai Banking Corporation Limited, Jakarta Branch)	-	150.000	-	-	-	Juli/ July 2017
Bank of Tokyo Mitsubishi UFJ, Ltd, Cabang Jakarta/Jakarta Branch	150.000	-	-	-	Juli/ July 2018	-
PT Bank UOB Indonesia	-	500.000	-	-	Februari/ February 2018	Februari/ February 2017
	300.000	-	-	-	-	Juni / June 2017
PT Bank DKI	-	100.000	-	-	November/ November 2018	-
	-	-	-	-	-	Juli/ July 2017
	1.631.206	2.559.005	118.194	138.194		
<i>Revolving</i>						
Rupiah						
Pihak berelasi/Related parties						
PT Bank Mandiri (Persero) Tbk	100.000	-	-	-	Desember/ December 2018	-
	300.000	300.000	-	210.000	Desember December 2018	Desember/ December 2017
	150.000	-	150.000	-	Desember December 2020	-
	550.000	300.000	150.000	210.000		
Jumlah/Total revolving	2.181.206	2.859.005	268.194	348.194		

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14. PINJAMAN BANK (lanjutan)

14. BANK LOANS (continued)

	Jumlah fasilitas yang ditarik/ Withdrawn facility amount		Jumlah pinjaman/ Loan amount		Jatuh tempo fasilitas/ Maturity date of the facility	
	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016
Non revolving						
Rupiah						
Pihak ketiga/Third parties						
PT Bank Central Asia Tbk	-	100.000	-	25.000	-	Juni/ June 2017
	-	150.000	-	37.500	-	Juni/ June 2017
	-	150.000	-	37.500	-	Juni/ June 2017
	-	100.000	-	25.000	-	Maret/ March 2017
	50.000	50.000	34.375	45.833	Agustus/ August 2020	Agustus/ August 2020
	-	450.000	-	-	-	Maret/ March 2017
	250.000	-	180.556	-	Februari/ February 2020	-
	200.000	-	150.000	-	Maret/ March 2020	-
	200.000	-	172.222	-	Juli/ July 2020	-
	100.000	-	91.667	-	Agustus/ August 2020	-
PT Bank Chinatrust Indonesia	-	20.000	-	6.667	-	Desember/ December 2017
	-	80.000	-	26.667	-	Desember/ December 2017
PT Bank Commonwealth	-	50.000	-	8.333	-	Juni/ June 2017
	-	19.000	-	3.167	-	Juni/ June 2017
PT. Bank UOB Indonesia	300.000	-	-	-	November/ November 2018	-
PT. Maybank Indonesia	500.000	-	-	-	Desember/ December 2018	-
PT Bank Panin Tbk	-	20.000	-	-	-	Desember/ December 2016
	-	50.000	-	3.125	-	Maret/ March 2017
	-	10.000	-	-	-	Desember/ December 2016
	-	200.000	-	16.667	-	Maret/ March 2017
	-	190.000	-	15.833	-	Maret/ March 2017
	-	100.000	-	8.333	-	Maret/ March 2017
	-	10.000	-	1.389	-	Mei/ May 2017
	-	80.000	-	13.333	-	Juni/ June 2017
	-	120.000	-	20.000	-	Juni/ June 2017
	-	200.000	-	33.333	-	Juni/ June 2017
	-	40.000	-	8.889	-	Agustus/ August 2017
	-	50.000	-	12.500	-	September/ September 2017
	-	200.000	-	100.000	-	Desember/ December 2018
	-	50.000	-	16.667	-	Desember/ December 2017
	-	50.000	-	16.667	-	Desember/ December 2017
	-	70.000	-	23.333	-	Desember/ December 2017
	100.000	100.000	27.660	53.192	Januari/ January 2019	Januari/ January 2019

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14. PINJAMAN BANK (lanjutan)

14. BANK LOANS (continued)

	Jumlah fasilitas yang ditarik/ Withdrawn facility amount		Jumlah pinjaman/ Loan amount		Jatuh tempo fasilitas/ Maturity date of the facility	
	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016
<i>Non revolving (lanjutan/continued)</i>						
Rupiah (lanjutan/continued)						
Pihak ketiga (lanjutan)/Third parties (continued)						
PT Bank Panin Tbk (lanjutan/continued)	30.000	30.000	8.478	16.304	Januari/ January 2019	Januari/ January 2019
	100.000	100.000	13.889	47.222	Mei/ May 2018	Mei/ May 2018
	100.000	100.000	13.889	47.222	Mei/ May 2018	Mei/ May 2018
	100.000	100.000	13.889	47.222	Mei/ May 2018	Mei/ May 2018
	100.000	100.000	16.667	50.000	Juni/ June 2018	Juni/ June 2018
	100.000	100.000	16.667	50.000	Juni/ June 2018	Juni/ June 2018
	150.000	150.000	25.000	75.000	Juni/ June 2018	Juni/ June 2018
	100.000	100.000	16.667	50.000	Juni/ June 2018	Juni/ June 2018
	100.000	100.000	27.778	61.111	Oktober/ October 2018	Oktober/ October 2018
	100.000	100.000	27.778	61.111	Oktober/ October 2018	Oktober/ October 2018
	100.000	100.000	27.778	61.111	Oktober/ October 2018	Oktober/ October 2018
	100.000	100.000	27.778	61.111	Oktober/ October 2018	Oktober/ October 2018
	100.000	100.000	30.556	63.889	November/ November 2018	November/ November 2018
	100.000	100.000	47.917	72.917	November/ November 2019	November/ November 2019
	100.000	100.000	30.556	63.889	November/ November 2018	November/ November 2018
	100.000	100.000	30.556	63.889	November/ November 2018	November/ November 2018
	100.000	100.000	33.333	66.667	Desember/ December 2018	Desember/ December 2018
	100.000	100.000	33.333	66.667	Desember/ December 2018	Desember/ December 2018
	150.000	150.000	58.333	108.333	Februari/ February 2019	Februari/ February 2019
	100.000	100.000	38.889	72.222	Februari/ February 2019	Februari/ February 2019
	100.000	100.000	56.250	81.250	Maret/ March 2020	Maret/ March 2020
	200.000	200.000	83.333	150.000	Maret/ March 2019	Maret/ March 2019
	100.000	100.000	56.250	81.250	Maret/ March 2020	Maret/ March 2020
	100.000	100.000	58.333	83.333	April/ April 2020	April/ April 2020
	100.000	100.000	50.000	83.333	Juni/ June 2019	Juni/ June 2019
	100.000	100.000	52.778	86.111	Juli/ July 2019	Juli/ July 2019
	100.000	100.000	52.778	86.111	Juli/ July 2019	Juli/ July 2019
	100.000	100.000	52.778	86.111	Juli/ July 2019	Juli/ July 2019
	100.000	100.000	52.778	86.111	Juli/ July 2019	Juli/ July 2019
	100.000	100.000	58.333	91.667	September/ September 2019	September/ September 2019
	25.000	25.000	18.229	24.479	November/ November 2020	November/ November 2020
	50.000	50.000	37.500	50.000	Desember/ December 2020	Desember/ December 2020
	-	825.000	-	-	Maret/ March 2020	Maret/ March 2020
	200.000	-	50.000	-	Desember/ December 2018	-
	150.000	-	115.625	-	Desember/ December 2020	-
	150.000	-	114.894	-	Desember/ December 2020	-
	100.000	-	80.000	-	Desember/ December 2020	-
	100.000	-	81.818	-	Desember/ December 2020	-
	100.000	-	81.818	-	Desember/ December 2020	-

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14. PINJAMAN BANK (lanjutan)

14. BANK LOANS (continued)

	Jumlah fasilitas yang ditarik/ Withdrawn facility amount		Jumlah pinjaman/ Loan amount		Jatuh tempo fasilitas/ Maturity date of the facility	
	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016
Non revolving (lanjutan/continued)						
Rupiah (lanjutan/continued)						
Pihak ketiga (lanjutan)/Third parties (continued)						
PT Bank Panin Tbk (lanjutan/continued)	125.000	-	102.273	-	Desember/ December 2020	-
	100.000	-	81.818	-	Desember/ December 2020	-
	200.000	-	200.000	-	Desember/ December 2020	-
	800.000	-	-	-	April/ April 2018	-
PT Bank KEB Hana Indonesia	50.000	50.000	4.838	22.889	Maret/ March 2018	Maret/ March 2018
	50.000	50.000	6.420	24.304	April/ April 2018	April/ April 2018
	50.000	50.000	12.605	29.834	Agustus/ August 2018	Agustus/ August 2018
	50.000	50.000	14.116	31.184	September/ September 2018	September/ September 2018
	100.000	100.000	28.232	62.369	September/ September 2018	September/ September 2018
	100.000	100.000	28.232	62.369	September/ September 2018	September/ September 2018
	100.000	100.000	50.949	82.822	Mei/ May 2019	Mei/ May 2019
	100.000	100.000	53.728	85.337	Juni/ June 2019	Juni/ June 2019
PT Bank DKI	-	25.000	-	811	-	Januari/ January 2017
	-	35.500	-	11.085	-	Oktober/ October 2017
	-	30.000	-	11.138	-	Desember/ December 2017
	35.000	35.000	1.139	14.013	Januari/ January 2018	Januari/ January 2018
	30.000	30.000	1.944	12.876	Februari/ February 2018	Februari/ February 2018
	50.000	50.000	4.838	22.889	Maret/ March 2018	Maret/ March 2018
	50.000	50.000	4.838	22.889	Maret/ March 2018	Maret/ March 2018
	19.500	19.500	2.504	9.479	April/ April 2018	April/ April 2018
	50.000	50.000	18.521	35.121	Desember/ December 2018	Desember/ December 2018
	100.000	100.000	48.331	80.406	April/ April 2019	April/ April 2019
	150.000	150.000	72.358	120.518	April/ April 2019	April/ April 2019
	-	125.000	-	-	-	Januari/ January 2017
	25.000	25.000	16.750	24.394	November/ November 2019	November/ November 2019
	50.000	50.000	34.827	50.000	Desember/ December 2019	Desember/ December 2019
	125.000	-	90.363	-	Januari/ January 2020	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	-	50.000	-	5.715	-	April/ April 2017
	-	75.000	-	6.618	-	Maret/ March 2017
	-	50.000	-	5.882	-	April/ April 2017
	-	100.000	-	33.333	-	Desember/ December 2017
	100.000	100.000	14.286	48.571	Mei/ May 2018	Mei/ May 2018
	100.000	100.000	15.625	53.125	Mei/ May 2018	Mei/ May 2018
	100.000	100.000	33.333	66.667	Desember/ December 2018	Desember/ December 2018
	100.000	100.000	33.333	66.667	Desember/ December 2018	Desember/ December 2018
	75.000	75.000	35.417	60.417	Mei/ May 2019	Mei/ May 2019
	75.000	75.000	37.500	62.500	Juni/ June 2019	Juni/ June 2019
	-	400.000	-	-	-	April/ April 2017

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14. PINJAMAN BANK (lanjutan)

14. BANK LOANS (continued)

	Jumlah fasilitas yang ditarik/ Withdrawn facility amount		Jumlah pinjaman/ Loan amount		Jatuh tempo fasilitas/ Maturity date of the facility	
	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016
<i>Non revolving (lanjutan/continued)</i>						
Rupiah (lanjutan/continued)						
Pihak ketiga (lanjutan)/Third parties (continued)						
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (lanjutan/continued)	100.000	-	75.000	-	Maret/ March 2020	-
	100.000	-	80.000	-	April/ April 2020	-
	100.000	-	82.353	-	April/ April 2020	-
	100.000	-	82.353	-	April/ April 2020	-
	100.000	-	97.222	-	November/ November 2020	-
	100.000	-	100.000	-	Desember/ December 2020	-
	<u>9.364.500</u>	<u>9.339.000</u>	<u>3.915.752</u>	<u>3.980.793</u>		
Mata Uang Asing/ foreign currency						
Kredit sindikasi I/ Syndication credit I	1.194.750	-	1.117.751	-	September/ September 2020	-
	1.491.600	-	1.490.280	-	November/ November 2020	-
	<u>2.686.350</u>	<u>-</u>	<u>2.608.031</u>	<u>-</u>		
<i>Non revolving</i>						
Rupiah (lanjutan/continued)						
Pihak berelasi/Related parties						
PT Bank Mandiri (Persero) Tbk	-	98.000	-	-	Desember/ December 2016	-
	-	25.000	-	805	Januari/ January 2017	-
	-	98.000	-	3.158	Januari/ January 2017	-
	-	49.000	-	3.154	Februari/ February 2017	-
	-	49.000	-	3.154	Februari/ February 2017	-
	-	49.000	-	3.165	Februari/ February 2017	-
	-	49.000	-	3.165	Februari/ February 2017	-
	-	49.000	-	4.741	Maret/ March 2017	-
	-	40.000	-	3.870	Maret/ March 2017	-
	-	41.000	-	7.847	Juni/ June 2017	-
	-	49.000	-	13.869	September/ September 2017	-
	-	49.000	-	13.869	September/ September 2017	-
	-	49.000	-	13.869	September/ September 2017	-
	-	49.000	-	13.869	September/ September 2017	-
	-	49.000	-	15.338	Oktober/ October 2017	-
	-	49.000	-	15.338	Oktober/ October 2017	-
	-	49.000	-	16.753	November/ November 2017	-
	-	49.000	-	16.753	November/ November 2017	-
	-	49.000	-	16.753	November/ November 2017	-
	-	49.000	-	16.753	November/ November 2017	-
	-	49.000	-	18.192	Desember/ December 2017	-
	-	49.000	-	18.193	Desember/ December 2017	-
	-	49.000	-	18.193	Desember/ December 2017	-
	49.000	49.000	1.595	19.619	Januari/ January 2018	Januari 2018
	49.000	49.000	1.595	19.619	Januari/ January 2018	Januari 2018
	49.000	49.000	1.595	19.619	Januari/ January 2018	Januari 2018

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14. PINJAMAN BANK (lanjutan)

14. BANK LOANS (continued)

	Jumlah fasilitas yang ditarik/ Withdrawn facility amount		Jumlah pinjaman/ Loan amount		Jatuh tempo fasilitas/ Maturity date of the facility	
	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016
<i>Non revolving (lanjutan/continued)</i>						
Rupiah (lanjutan/continued)						
Pihak berelasi (lanjutan)/Related parties (continued)						
PT Bank Mandiri (Persero) Tbk (lanjutan/continued)	49.000	49.000	3.175	21.031	Februari/ February 2018	Februari/ February 2018
	49.000	49.000	3.175	21.031	Februari/ February 2018	Februari/ February 2018
	49.000	49.000	4.741	22.431	Maret/ March 2018	Maret/ March 2018
	49.000	49.000	4.741	22.431	Maret/ March 2018	Maret/ March 2018
	20.000	20.000	1.935	9.156	Maret/ March 2018	Maret/ March 2018
	40.000	40.000	7.633	21.676	Juni/ June 2018	Juni/ June 2018
	34.000	34.000	9.599	21.205	September/ September 2018	September/ September 2018
	100.000	100.000	56.465	87.824	Juli/ July 2019	Juli/ July 2019
	100.000	100.000	59.198	90.299	Agustus/ August 2019	Agustus/ August 2019
	100.000	100.000	59.198	90.299	Agustus/ August 2019	Agustus/ August 2019
	50.000	50.000	29.599	45.150	Agustus/ August 2019	Agustus/ August 2019
	100.000	100.000	61.839	92.734	September/ September 2019	September/ September 2019
	50.000	50.000	33.516	48.790	November/ November 2019	November/ November 2019
	50.000	50.000	33.516	48.790	November/ November 2019	November/ November 2019
	100.000	100.000	69.607	100.000	Desember/ December 2019	Desember/ December 2019
	100.000	100.000	69.607	100.000	Desember/ December 2019	Desember/ December 2019
	150.000	150.000	104.410	150.000	Desember/ December 2019	Desember/ December 2019
	100.000	-	72.245	-	Januari/ January 2020	-
	100.000	-	80.042	-	April/ April 2020	-
	100.000	-	82.602	-	Mei/ May 2020	-
	100.000	-	82.602	-	Mei/ May 2020	-
	100.000	-	82.602	-	Mei/ May 2020	-
	100.000	-	85.144	-	Juni/ June 2020	-
	100.000	-	85.144	-	Juni/ June 2020	-
	100.000	-	85.144	-	Juni/ June 2020	-
	100.000	-	87.667	-	Juli/ July 2020	-
	95.000	-	92.674	-	November/ November 2020	-
	-	100.000	-	-	-	Juli/ July 2017
	2.332.000	2.621.000	1.452.605	1.292.505		
Jumlah/Total non-revolving	14.382.850	11.960.000	7.976.388	5.273.298		
Jumlah/Total	16.564.056	14.819.005	8.244.582	5.621.492		

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14. PINJAMAN BANK (lanjutan)

Berdasarkan perjanjian sindikasi tanggal 19 Juli 2017, Perusahaan memperoleh fasilitas pinjaman dari Anggota Sindikasi, dengan batas kredit maksimum sejumlah AS \$200.000.000. Dengan nilai pinjaman sebesar:

14. BANK LOANS (continued)

Based on the syndication agreement dated 19 July 2017, the Company obtained a loan facility from a Syndicated Member, with a maximum credit limit of US \$200,000,000. With loan amount of:

	31 Desember/ December 2017	
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Jakarta Branch	391.204	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Jakarta Branch
Industrial and Commercial Bank of China Limited, Singapore Branch	208.642	Industrial and Commercial Bank of China Limited, Singapore Branch
RHB Bank Berhad	202.122	RHB Bank Berhad
BDO Unibank, Inc., Hong Kong Branch	156.482	BDO Unibank, Inc., Hong Kong Branch
Eastspring Investments SICAV-FIS - Asia Pacific Loan Fund	156.482	Eastspring Investments SICAV-FIS – Asia Pacific Loan Fund
The Gunma Bank, Ltd.	156.482	The Gunma Bank, Ltd.
PT. Bank CTBC Indonesia	130.402	PT. Bank CTBC Indonesia
Bank of Taiwan, Offshore Banking Branch	91.281	Bank of Taiwan, Offshore Banking Branch
Chang Hwa Commercial Bank, Ltd., Offshore Banking Branch	91.281	Chang Hwa Commercial Bank, Ltd., Offshore Banking Branch
The Export - Import Bank of the Republic of China	91.281	The Export - Import Bank of the Republic of China
Far Eastern International Bank	91.281	Far Eastern International Bank
The Hyakugo Bank, Ltd	91.281	The Hyakugo Bank, Ltd
KGI Bank	91.281	KGI Bank
Land Bank of Taiwan, Singapore Branch	91.281	Land Bank of Taiwan, Singapore Branch
Mega International Commercial Bank Co., Ltd., Offshore Banking Branch	91.281	Mega International Commercial Bank Co., Ltd., Offshore Banking Branch
Taiwan Cooperative Bank, Offshore Banking Branch	91.281	Taiwan Cooperative Bank, Offshore Banking Branch
Taiwan Shin Kong Commercial Bank	91.281	Taiwan Shin Kong Commercial Bank
The Korea Development Bank	78.241	The Korea Development Bank
The Korea Development Bank, Singapore Branch	78.241	The Korea Development Bank, Singapore Branch
BDO Private Bank, Inc.	45.641	BDO Private Bank, Inc.
Hua Nan Commercial Bank, Ltd., Offshore Banking Branch	45.641	Hua Nan Commercial Bank, Ltd., Offshore Banking Branch
Hua Nan Commercial Bank, Ltd., Singapore Branch	45.641	Hua Nan Commercial Bank, Ltd., Singapore Branch
Total	2.608.031	Total

Cicilan pinjaman bank dan pinjaman sindikasi sesuai dengan tanggal jatuh temponya.

Bank loan and syndicated loans' installment based on maturity date.

	31 Desember/ December 2017	31 Desember/ December 2016	
<u>Tahun</u>			<u>Year</u>
2017	-	3.075.165	2017
2018	3.856.712	1.792.080	2018
2019	2.809.092	706.851	2019
2020 dan sesudahnya	1.578.778	47.396	2020 and there after
	8.244.582	5.621.492	

Pinjaman bank dalam rupiah di atas dikenakan bunga antara 7,23% - 12,00% per tahun dan 9,00% - 12,00% per tahun pada tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016. Pinjaman bank dalam mata uang asing dikenakan bunga LIBOR 3M+1,13% per tahun pada tahun yang berakhir pada tanggal 31 Desember 2017.

The bank loans denominated in Rupiah bear interest rates ranging between 7.23% - 12.00% per annum and 9.00% - 12.00% per annum for the ended 31 December 2017 and 2016, respectively. The bank loan denominated in foreign currency bear interest LIBOR 3M+1.13% per annum for the year ended 31 December 2017.

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14. PINJAMAN BANK (lanjutan)

Selama tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016, Perseroan telah melakukan pembayaran cicilan pokok dan bunga pinjaman sesuai jadwal yang ditetapkan.

Pinjaman-pinjaman ini dijamin dengan piutang pembiayaan konsumen sejumlah Rp4.671.455 pada tanggal 31 Desember 2017 (31 Desember 2016: Rp4.267.156) dan piutang sewa pembiayaan sejumlah Rp1.126.406 pada tanggal 31 Desember 2017 (31 Desember 2016: Rp274.319).

Fasilitas pinjaman dari beberapa bank dan bank sindikasi tersebut mensyaratkan Perseroan untuk memberikan pemberitahuan tertulis dalam hal pembagian dividen, perubahan modal dan pemegang saham, perubahan susunan direksi dan komisaris, perubahan bisnis utama, investasi dan perolehan pinjaman baru dari bank lain. Dalam perjanjian pinjaman tersebut, Perseroan juga diwajibkan untuk memenuhi persyaratan keuangan seperti rasio jumlah utang bunga terhadap ekuitas tidak melebihi rasio 10:1 dan kewajiban penyampaian laporan lainnya. Pada tanggal 31 Desember 2017 dan 2016, Perseroan telah memenuhi persyaratan-persyaratan di atas.

Fasilitas-fasilitas pinjaman ini dipergunakan untuk modal kerja kegiatan usaha Perseroan.

Lihat Catatan 25b untuk rincian saldo dan transaksi dengan pihak berelasi.

Lihat Catatan 28 untuk perjanjian kerjasama pembiayaan bersama dan penyaluran pemberian kredit.

14. BANK LOANS (continued)

During year ended 31 December 2017 and 2016, the Company has paid the loan principal and interests installments on schedule.

These loans are secured by consumer financing receivables amounting to Rp4,671,455 as of 31 December 2017 (31 December 2016: Rp4,267,156) and finance lease receivables amounting to Rp1,126,406 as of 31 December 2017 (31 December 2016: Rp274,319).

The loan facilities from those banks and syndicated banks require the Company to provide a written notice in respect of dividend payments, changes of capital and shareholders, changes of directors and commissioners, changes of main business, investment and obtaining new loan facilities from other banks. Under the loan agreements, the Company is also obliged to comply with financial covenants such as gearing ratio not exceeding 10:1 and other reporting obligations. As of 31 December 2017 and 2016, the Company has complied with the above requirements.

The loan facilities are used for the Company's working capital.

Refer to Note 25b for details of balances and transactions with related parties.

Refer to Note 28 for joint financing and credit channeling cooperation agreements.

15. INSTRUMEN KEUANGAN DERIVATIF

15. DERIVATIVE FINANCIAL INSTRUMENTS

Instrumen	2017			Instruments
	Jumlah nosional mata uang asing/ (jumlah penuh) <i>Notional amount foreign currency (full amount)</i>	Nilai wajar/Fair values		
		Piutang derivatif/ <i>Derivative receivables</i>	Utang derivatif/ <i>Derivative payables</i>	
Terkait nilai tukar dan suku bunga				Exchange and interest rate related
Swap mata uang asing dan suku bunga				Cross currency swaps and interest rate
Bank of Tokyo Mitsubishi UFJ, Ltd, cabang Jakarta	USD90.000.000	23.202	-	Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta branch
Bank of Tokyo Mitsubishi UFJ, Ltd, cabang Jakarta	USD110.000.000	-	19.540	Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta branch

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15. INSTRUMEN KEUANGAN DERIVATIF (lanjutan)

Bank of Tokyo Mitsubishi UFJ, Ltd, cabang Jakarta

Pada tahun 2017, Perseroan melakukan kontrak swap mata uang dan suku bunga dengan Bank of Tokyo Mitsubishi UFJ, Ltd, cabang Jakarta sebagai berikut:

Dasar pinjaman/ Underlying loan	Nilai kontrak/ Contract value	Tanggal perjanjian/ Agreement date	Tanggal jatuh tempo/ Maturity date	Jenis kontrak swap/ Type of swap contract
Kredit sindikasi I/ Syndication credit I	USD90.000.000	19 Juli/July 2017	25 September/ 25 September 2020	Swap mata uang dan suku bunga/ Cross currency interest rate swaps
Kredit sindikasi I/ Syndication credit I	USD110.000.000	19 Juli/July 2017	20 November/ 20 November 2020	Swap mata uang dan suku bunga/ Cross currency interest rate swaps

Perseroan membayar angsuran pokok dan bunga setiap 3 (tiga) bulan dengan tingkat suku bunga tetap berkisar antara 7,23%- 7,74%, dan menerima dengan tingkat bunga mengambang LIBOR 3M+1,13% untuk kontrak swap mata uang dan suku bunga.

Kontrak swap mata uang dan suku bunga Perseroan telah memenuhi kriteria dan berlaku efektif sebagai lindung nilai arus kas. Oleh karenanya, nilai wajar instrumen lindung nilai yang belum mempengaruhi laba rugi disajikan pada penghasilan komprehensif lainnya di bagian ekuitas. Aset atau liabilitas terkait yang timbul dari transaksi swap tersebut disajikan pada piutang atau utang derivatif.

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta branch

In 2017, the Company has several outstanding cross-currency swap contracts with Bank of Tokyo-Mitsubishi UFJ, Ltd. The details of these contracts are as follows:

The Company pays quarterly principal installment and interest with annual fixed interest rate ranging from 7.23%- 7.74% and has received with a floating rate LIBOR 3M+1.13% for cross currency and interest rate swap.

The Company's cross currency and interest rate swap contracts are designated as effective cash flow hedge. Therefore, the fair value of the hedging instrument which has not yet affected the profit and loss is presented under other comprehensive income in the equity section. The related assets or liabilities arising from the swap transaction is presented under derivative receivables or payables.

16. SURAT BERHARGA YANG DITERBITKAN

	31 Desember/ December 2017	31 Desember/ December 2016
Obligasi Berkelanjutan I Tahap I	-	75.000
Obligasi Berkelanjutan I Tahap II	175.000	600.000
Obligasi Berkelanjutan I Tahap III	150.000	150.000
Obligasi Berkelanjutan II Tahap I	600.000	600.000
Obligasi Berkelanjutan II Tahap II	1.400.000	1.400.000
Obligasi Berkelanjutan III Tahap I	500.000	500.000
Obligasi Berkelanjutan III Tahap II	850.000	-
	3.675.000	3.325.000
Dikurangi:		
Beban emisi yang belum diamortisasi:		
Saldo awal	8.766	4.590
Penambahan	4.232	9.371
Amortisasi (lihat Catatan 21)	(3.249)	(5.195)
	9.749	8.766
Total	3.665.251	3.316.234

16. SECURITIES ISSUED

Continuing Bonds I Phase I
Continuing Bonds I Phase II
Continuing Bonds I Phase III
Continuing Bonds II Phase I
Continuing Bonds II Phase II
Continuing Bonds III Phase I
Continuing Bonds III Phase II
Less:
Unamortized issuance costs:
Beginning balance
Additions
Amortization (refer to Note 21)

Total

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16. SURAT BERTAHAGA YANG DITERBITKAN
(lanjutan)

Surat berharga yang diterbitkan sesuai dengan jatuh temponya:

	31 Desember/ December 2017	31 Desember/ December 2016
<u>Tahun</u>		
2017	-	500.000
2018	825.000	825.000
2019	1.120.000	1.120.000
2020	710.000	100.000
2021 dan sesudahnya	1.020.000	780.000
	3.675.000	3.325.000

a. Utang obligasi

Obligasi Berkelanjutan I

Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap I Tahun 2013

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap per tahun/ Fixed interest rate per annum
Seri/Series B	75.000	7,80%

Obligasi tersebut dijamin dengan piutang pembiayaan konsumen Perseroan sebesar minimum 60% untuk Obligasi Berkelanjutan I Tahap I dari pokok obligasi terutang. Pada tanggal 31 Desember 2017 dan 2016, piutang pembiayaan konsumen yang dijamin adalah sejumlah Rp nihil dan Rp45.000 dan piutang sewa pembiayaan yang dijamin adalah sejumlah Rp nihil dan Rp nihil (lihat Catatan 5 dan 6). Jika jumlah piutang pembiayaan konsumen kurang dari yang dipersyaratkan, maka akan dipenuhi dari uang tunai yang ditempatkan pada rekening penampungan atas nama Perseroan yang ditunjuk oleh PT Bank Mega Tbk. selaku wali amanat untuk Obligasi Berkelanjutan I Tahap I.

Dalam perjanjian perwalianamanatan juga diatur beberapa pembatasan yang harus dipenuhi oleh Perseroan, antara lain memberikan jaminan fidusia berupa piutang pembiayaan konsumen dan rasio jumlah pinjaman terhadap ekuitas tidak melebihi rasio 10:1. Selain itu, selama pokok obligasi belum dilunasi, Perseroan tidak diperkenankan, antara lain melakukan penggabungan usaha kecuali dilakukan pada bidang usaha yang sama serta menjual atau mengalihkan lebih dari 50% aset Perseroan kecuali untuk kegiatan usaha Perseroan sehari-hari.

16. SECURITIES ISSUED (continued)

Securities issued based on maturity profile:

	31 Desember/ December 2017	31 Desember/ December 2016	Year
	-	500.000	2017
	825.000	825.000	2018
	1.120.000	1.120.000	2019
	710.000	100.000	2020
	1.020.000	780.000	2021 and there after
	3.675.000	3.325.000	

a. Bonds payable

Continuing Bonds I

Mandiri Tunas Finance Continuing Bonds I Phase I Year 2013

Jatuh tempo/ Due date	Cicilan pokok Obligasi/ Bonds principal instalment
5 Juni/June 2017	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.

These bonds are secured by the Company's consumer financing receivables for a minimum amount of 60% of the nominal value of Continuing Bonds I Phase I. As of 31 December 2017 and 2016, the amount of consumer financing receivables that was pledged as security for bonds payable are Rp nihil and Rp45,000 and finance lease receivables that was pledged are Rp nihil and Rp nihil (refer to Notes 5 and 6). If the amount of consumer financing receivables is less than the requirement, the Company has to place sufficient cash into an escrow account established by PT Bank Mega Tbk. as trustee for Continuing Bonds I Phase I

The trustee agreement provides several negative covenants to the Company, among others, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio not to exceed 10:1. Moreover, during the year that the bonds principals are still outstanding, the Company is not allowed to, among others, merge unless performed on the same business and to sell or assign more than 50% of the Company's asset, except for Company's normal business transactions.

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16. SURAT BERTAGIH YANG DITERBITKAN
(lanjutan)

a. Utang obligasi (lanjutan)

Obligasi Berkelanjutan I (lanjutan)

Obligasi Berkelanjutan I Mandiri Tunas Finance
Tahap I Tahun 2013 (lanjutan)

Perseroan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian tersebut diatas.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. 333/PEFDir/III/2015 tanggal 9 Maret 2015 telah menetapkan kembali peringkat idAA (*Double A*) untuk Obligasi Berkelanjutan I Tahap I untuk periode 6 Maret 2015 sampai dengan 1 Maret 2016.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. 1244/PEFDir/IX/2015 tanggal 30 September 2015 telah menetapkan kembali peringkat idAA (*Double A*) untuk Obligasi Berkelanjutan I Tahap I untuk periode 30 September 2015 sampai dengan 1 September 2016.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. 1240/PEF-Dir/VII/2016 tanggal 28 Juli 2016 telah menaikkan peringkat dari idAA (*Double A*) menjadi idAA+ (*Double A Plus*) untuk Obligasi Berkelanjutan I Tahap I untuk periode 28 Juli 2016 sampai dengan 1 Juli 2017.

Perseroan telah melunasi utang Obligasi Berkelanjutan I Tahap I Seri A sebesar Rp425.000 pada tanggal 3 Juni 2016.

Perseroan telah melunasi utang Obligasi Berkelanjutan I Tahap I Seri B sebesar Rp75.000 pada tanggal 2 Juni 2017.

Obligasi Berkelanjutan I Mandiri Tunas Finance
Tahap II Tahun 2014

Pada tanggal 23 Mei 2014, Perseroan telah menerbitkan Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap II Tahun 2014 ("Obligasi Berkelanjutan I Tahap II") dengan nilai nominal Rp600.000 yang terdiri atas dua seri:

16. SECURITIES ISSUED (continued)

a. Bonds payable (continued)

Continuing Bonds I (continued)

Mandiri Tunas Finance Continuing Bonds I
Phase I Year 2013 (continued)

The Company has complied with the covenants on the trustee agreements.

In the Annual Monitoring, PT Pefindo through letter No. 333/PEF-Dir/III/2015 dated 9 March 2015 has rated idAA (*Double A*) for the Continuing Bonds I Phase I for the period 6 March 2015 until 1 March 2016.

In the Annual Monitoring, PT Pefindo through letter No. 1244/PEF-Dir/IX/2015 dated 30 September 2015 has rated idAA (*Double A*) for the Continuing Bonds I Phase I for the period 30 September 2015 until 1 September 2016.

In the Annual Monitoring, PT Pefindo through letter No. 1240/PEF-Dir/VII/2016 dated 28 July 2016 has raised rating from idAA (*Double A*) to idAA+ (*Double A Plus*) for the Continuing Bonds I Phase I for the period 28 July 2016 until 1 July 2017.

The Company has settled bonds Continuing Bonds I Phase I Series A amounting Rp425,000 on 3 June 2016.

The Company has settled bonds Continuing Bonds I Phase I Series B amounting Rp75,000 on 2 June 2017.

Mandiri Tunas Finance Continuing Bonds I
Phase II Year 2014

On 23 May 2014, the Company issued Mandiri Tunas Finance Continuing Bonds I Phase II Year 2014 ("Continuing Bonds I Phase II") with a nominal value of Rp600,000 which consist of two series:

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16. SURAT BERTAHAP YANG DITERBITKAN
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16. SECURITIES ISSUED (continued)

a. Utang obligasi (lanjutan)

a. Bonds payable (continued)

Obligasi Berkelanjutan I (lanjutan)

Continuing Bonds I (continued)

Obligasi Berkelanjutan I Mandiri Tunas Finance
Tahap II Tahun 2014

Mandiri Tunas Finance Continuing Bonds I
Phase II Year 2014

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap per tahun/ Fixed interest rate per annum
Seri/Series A	425.000	10,70%
Seri/Series B	175.000	10,85%

Jatuh tempo/ Due date	Cicilan pokok Obligasi/ Bonds principal instalment
23 Mei/May 2017	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.
23 Mei/May 2018	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.

Obligasi tersebut dijamin dengan piutang pembiayaan konsumen Perseroan sebesar minimal 60% untuk Obligasi Berkelanjutan I Tahap II dari pokok obligasi terutang. Pada tanggal 31 Desember 2017 dan 2016, piutang pembiayaan konsumen yang dijamin adalah sejumlah Rp104.854 dan Rp294.389 dan piutang sewa pembiayaan sejumlah Rp146 dan Rp65.611 (lihat Catatan 5 dan 6). Jika jumlah piutang pembiayaan konsumen dan piutang sewa pembiayaan kurang dari yang dipersyaratkan, maka akan dipenuhi dari uang tunai yang ditempatkan pada rekening penampungan atas nama Perseroan yang ditunjuk oleh PT Bank Mega Tbk. selaku wali amanat untuk Obligasi Berkelanjutan I Tahap II.

These bonds are secured by the Company's consumer financing receivables for a minimum amount of 60% of the nominal value of Continuing Bonds I Phase II. As of 31 December 2017 and 2016, the amount of consumer financing receivables that was pledged as security for bonds payable is Rp104,854 and Rp294,389 and finance lease receivables Rp146 and Rp65,611 (refer to Notes 5 and 6). If the amount of consumer financing receivables and finance lease receivables is less than the requirement, the Company has to place sufficient cash into an escrow account established by PT Bank Mega Tbk. as trustee for Continuing Bonds I Phase II.

Kemudian dalam pemantauan tahunan PT Pefindo melalui suratnya No. 333/PEF-Dir/III/2015 tanggal 9 Maret 2015 telah menetapkan kembali peringkat idAA (Double A) untuk Obligasi Berkelanjutan I Tahap II untuk periode 6 Maret 2015 sampai dengan 1 Maret 2016.

Then in the Annual Monitoring, PT Pefindo through letter No. 333/PEF-Dir/III/2015 dated 9 March 2015 has rated idAA (Double A) for the Continuing Bonds I Phase II for the period 6 March 2015 until 1 March 2016.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. 1244/PEF-Dir/IX/2015 tanggal 30 September 2015 telah menetapkan kembali peringkat idAA (Double A) untuk Obligasi Berkelanjutan I Tahap II untuk periode 30 September 2015 sampai dengan 1 September 2016.

In the Annual Monitoring, PT Pefindo through letter No. 1244/PEF-Dir/IX/2015 dated 30 September 2015 has rated idAA (Double A) for the Continuing Bonds I Phase II for the period 30 September 2015 until 1 September 2016.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. 1240/PEF-Dir/VII/2016 tanggal 28 Juli 2016 telah menaikkan peringkat dari idAA (Double A) menjadi idAA+ (Double A Plus) untuk Obligasi Berkelanjutan I Tahap II untuk periode 28 Juli 2016 sampai dengan 1 Juli 2017.

In the Annual Monitoring, PT Pefindo through letter No. 1240/PEF-Dir/VII/2016 dated 28 July 2016 has raised rating from idAA (Double A) to idAA+ (Double A Plus) for the Continuing Bonds I Phase II for the period 28 July 2016 until 1 July 2017.

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16. SURAT BERTAGIH YANG DITERBITKAN
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a. Utang obligasi (lanjutan)

Obligasi Berkelanjutan I (lanjutan)

Obligasi Berkelanjutan I Mandiri Tunas Finance
Tahap II Tahun 2014 (lanjutan)

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. RC-584/PEF-DIR/VII/2017 tanggal 12 Juli 2017 telah menetapkan kembali peringkat idAA+ (*Double A Plus*) untuk Obligasi Berkelanjutan I Tahap II untuk periode 11 Juli 2017 sampai dengan 1 Juli 2018.

Perseroan telah melunasi utang Obligasi Berkelanjutan I Tahap II Seri A sebesar Rp425.000 pada tanggal 22 Mei 2017

Obligasi Berkelanjutan I Mandiri Tunas Finance
Tahap III Tahun 2015

Pada tanggal 9 Juni 2015, Perseroan telah menerbitkan Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap III Tahun 2015 ("Obligasi Berkelanjutan I Tahap III") sebagai berikut:

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap per tahun/ Fixed interest rate per annum
Obligasi Berkelanjutan I Tahap III/ <i>Continuing Bonds I Phase III</i>	150.000	9,75%

Obligasi tersebut dijamin dengan piutang pembiayaan konsumen Perseroan sebesar minimal 60% untuk Obligasi Berkelanjutan I Tahap III dari pokok obligasi terutang. Pada tanggal 31 Desember 2017 dan 2016, piutang pembiayaan konsumen yang dijamin adalah sejumlah Rp35.938 dan Rp90.000 dan piutang sewa pembiayaan sejumlah Rp 54.062 dan Rp nihil (lihat Catatan 5 dan 6). Jika jumlah piutang pembiayaan konsumen dan piutang sewa pembiayaan kurang dari yang dipersyaratkan, maka akan dipenuhi dari uang tunai yang ditempatkan pada rekening penampungan atas nama Perseroan yang ditunjuk oleh PT Bank Mega Tbk. selaku wali amanat untuk Obligasi Berkelanjutan I Tahap III.

PT Pefindo melalui suratnya No. 769/PEF-Dir/V/2015 tanggal 19 Mei 2015 telah menetapkan kembali peringkat idAA (*Double A*) untuk Obligasi Berkelanjutan I Tahap III untuk periode 6 Maret 2015 sampai dengan 1 Maret 2016.

16. SECURITIES ISSUED (continued)

a. Bonds payable (continued)

Continuing Bonds I (continued)

Mandiri Tunas Finance Continuing Bonds I
Phase II Year 2014 (continued)

In the Annual Monitoring, PT Pefindo through letter No. RC-584/PEF-DIR/VII/2017 dated 12 July 2017 has rated idAA+ (*Double A plus*) for the Continuing Bonds I Phase II for the period 11 July 2017 until 1 July 2018.

The Company has settled bonds Continuing Bonds I Phase II Series A amounting Rp425,000 on 22 May 2017.

Mandiri Tunas Finance Continuing Bonds I
Phase III Year 2015

On 9 June 2015, the Company issued Mandiri Tunas Finance Continuing Bonds I Phase III Year 2015 ("Continuing Bonds I Phase III") as follows:

Jatuh tempo/ Due date	Cicilan pokok Obligasi/ Bonds principal instalment
9 Juni/June 2018	Pembayaran penuh pada saat jatuh tempo/ <i>Bullet payment on due date.</i>

These bonds are secured by the Company's consumer financing receivables for a minimum amount of 60% of the nominal value of Continuing Bonds I Phase III. As of 31 December 2017 and 2016, the amount of consumer financing receivables that was pledged as security for bonds payable is Rp35,938 and Rp90,000 and finance lease receivables Rp54,062 and Rp nil (refer to Notes 5 and 6). If the amount of consumer financing receivables and finance lease receivables is less than the requirement, the Company has to place sufficient cash into an escrow account established by PT Bank Mega Tbk. as trustee for Continuing Bonds I Phase III.

PT Pefindo through letter No. 769/PEF-Dir/V/2015 dated 19 May 2015 has rated idAA (*Double A*) for the Continuing Bonds I Phase III for the period 6 March 2015 until 1 March 2016.

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16. SECURITIES ISSUED (continued)

a. Utang obligasi (lanjutan)

a. Bonds payable (continued)

Obligasi Berkelanjutan I (lanjutan)

Continuing Bonds I (continued)

Obligasi Berkelanjutan I Mandiri Tunas Finance
Tahap III Tahun 2015 (lanjutan)

Mandiri Tunas Finance Continuing Bonds I
Phase III Year 2015 (continued)

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. 1244/PEF-Dir/IX/2015 tanggal 30 September 2015 telah menetapkan kembali peringkat idAA (*Double A*) untuk Obligasi Berkelanjutan I Tahap III untuk periode 30 September 2015 sampai dengan 1 September 2016.

In the Annual Monitoring, PT Pefindo through letter No. 1244/PEF-Dir/IX/2015 dated 30 September 2015 has rated idAA (*Double A*) for the Continuing Bonds I Phase III for the period 30 September 2015 until 1 September 2016.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. 1240/PEF-Dir/VII/2016 tanggal 28 Juli 2016 telah menaikkan peringkat dari idAA (*Double A*) menjadi idAA+ (*Double A Plus*) untuk Obligasi Berkelanjutan I Tahap III untuk periode 28 Juli 2016 sampai dengan 1 Juli 2017.

In the Annual Monitoring, PT Pefindo through letter No. 1240/PEF-Dir/VII/2016 dated 28 July 2016 has raised rating from idAA (*Double A*) to idAA+ (*Double A Plus*) for the Continuing Bonds I Phase III for the period 28 July 2016 until 1 July 2017.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. RC-584/PEF-DIR/VII/2017 tanggal 12 Juli 2017 telah menetapkan kembali peringkat idAA+ (*Double A Plus*) untuk Obligasi Berkelanjutan I Tahap III untuk periode 11 Juli 2017 sampai dengan 1 Juli 2018.

In the Annual Monitoring, PT Pefindo through letter No. RC-584/PEF-DIR/VII/2017 dated 12 July 2017 has rated idAA+ (*Double A plus*) for the Continuing Bonds I Phase III for the period 11 July 2017 until 1 July 2018.

Obligasi Berkelanjutan II Mandiri Tunas Finance
Tahap I Tahun 2015

Mandiri Tunas Finance Continuing Bonds II
Phase I Year 2015

Pada tanggal 11 Desember 2015, Perseroan telah memperoleh persyaratan efektif dari Otoritas Jasa Keuangan melalui surat No. S-596/D.04/2015 dalam rangka penawaran umum Obligasi Berkelanjutan II Mandiri Tunas Finance Tahap I Tahun 2015 ("Obligasi Berkelanjutan II") dengan nilai nominal Rp600.000 yang terdiri atas dua seri:

On 11 December 2015, the Company received the effective notification from the Financial Services Authority through its letter No. S-596/D.04/2015 in conjunction with continuing public offering of Mandiri Tunas Finance continuing Bonds II Phase I Year 2015 ("continuing Bonds II") with a nominal value of Rp600,000 which consist of two series:

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap per tahun/ Fixed interest rate per annum	Jatuh tempo/ Due date	Cicilan pokok Obligasi/ Bonds principal instalment
Seri/Series A	500.000	10,20%	18 Desember/ December 2018	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.
Seri/Series B	100.000	10,80%	18 Desember/ December 2020	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.

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16. SURAT BERTAGIH YANG DITERBITKAN
(lanjutan)

a. Utang obligasi (lanjutan)

Obligasi Berkelanjutan II (lanjutan)

Obligasi Berkelanjutan II Mandiri Tunas Finance
Tahap I Tahun 2015 (lanjutan)

Obligasi tersebut dijamin dengan piutang pembiayaan konsumen Perseroan sebesar minimum 60% untuk Obligasi Berkelanjutan II Tahap I dari pokok obligasi terutang. Pada tanggal 31 Desember 2017 dan 2016, piutang pembiayaan konsumen yang dijamin adalah sejumlah Rp351.464 dan Rp333.871 dan piutang sewa pembiayaan yang dijamin adalah sejumlah Rp8.536 dan Rp26.129 (lihat Catatan 5 dan 6). Jika jumlah piutang pembiayaan konsumen kurang dari yang dipersyaratkan, maka akan dipenuhi dari uang tunai yang ditempatkan pada rekening penampungan atas nama Perseroan yang ditunjuk oleh PT Bank Mega Tbk. selaku wali amanat untuk Obligasi Berkelanjutan II Tahap I.

Dalam perjanjian perwalianan juga diatur beberapa pembatasan yang harus dipenuhi oleh Perseroan, antara lain memberikan jaminan fidusia berupa piutang pembiayaan konsumen dan rasio jumlah pinjaman terhadap ekuitas tidak melebihi rasio 10:1. Selain itu, selama pokok obligasi belum dilunasi, Perseroan tidak diperkenankan, antara lain melakukan penggabungan usaha kecuali dilakukan pada bidang usaha yang sama serta menjual atau mengalihkan lebih dari 50% aset Perseroan kecuali untuk kegiatan usaha Perseroan sehari-hari.

Perseroan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian tersebut diatas.

PT Pefindo telah menetapkan peringkat idAA (Double A) terhadap obligasi berkelanjutan sesuai suratnya No. 1244/PEF-Dir/IX/2015 tanggal 30 September 2015 untuk periode 30 September 2015 sampai dengan 1 September 2016

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. 1240/PEF-Dir/VII/2016 tanggal 28 Juli 2016 telah menaikkan peringkat dari idAA (Double A) menjadi idAA+ (Double A Plus) untuk Obligasi Berkelanjutan I Tahap III untuk periode 28 Juli 2016 sampai dengan 1 Juli 2017.

16. SECURITIES ISSUED (continued)

a. Bonds payable (continued)

Continuing Bonds II (continued)

Mandiri Tunas Finance Continuing Bonds II
Phase I Year 2015 (continued)

These bonds are secured by the Company's consumer financing receivables for a minimum amount of 60% of the nominal value of Continuing Bonds II Phase I. As of 31 December 2017 and 2016, the amount of consumer financing receivables that was pledged as security for bonds payable are Rp351,464 and Rp333,871 and finance lease receivables that was pledged are Rp8,536 and Rp26,129 (refer to Notes 5 and 6). If the amount of consumer financing receivables is less than the requirement, the Company has to place sufficient cash into an escrow account established by PT Bank Mega Tbk. as trustee for Continuing Bonds II Phase I.

The trustee agreement provides several negative covenants to the Company, among others, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio not to exceed 10:1. Moreover, during the year that the bonds principals are still outstanding, the Company is not allowed to, among others, merge unless performed on the same business and to sell or assign more than 50% of the Company's asset, except for Company's normal business transactions.

The Company has complied with the covenants on the trustee agreements.

PT Pefindo has rated idAA (Double A) the Continuing Bonds based on its report No. 1244/PEF-Dir/IX/2015 dated 30 September 2015 for period 30 September 2015 until 1 September 2016.

In the Annual Monitoring, PT Pefindo through letter No. 1240/PEF-Dir/VII/2016 dated 28 July 2016 has raised rating from idAA (Double A) to idAA+ (double A Plus) for the Continuing Bonds I Phase III for the period 28 July 2016 until 1 July 2017.

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16. SECURITIES ISSUED (continued)

a. Utang obligasi (lanjutan)

a. Bonds payable (continued)

Obligasi Berkelanjutan II (lanjutan)

Continuing Bonds II (continued)

Obligasi Berkelanjutan II Mandiri Tunas Finance Tahap I Tahun 2015 (lanjutan)

Mandiri Tunas Finance Continuing Bonds II Phase I Year 2015 (continued)

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. RC-584/PEF-DIR/VII/2017 tanggal 12 Juli 2017 telah menetapkan kembali peringkat idAA+ (*Double A Plus*) untuk Obligasi Berkelanjutan II Tahap I untuk periode 11 Juli 2017 sampai dengan 1 Juli 2018.

In the Annual Monitoring, PT Pefindo through letter No. RC-584/PEF-DIR/VII/2017 dated 12 July 2017 has rated idAA+ (*Double A plus*) for the Continuing Bonds II Phase I for the period 11 July 2017 until 1 July 2018.

Obligasi Berkelanjutan II Mandiri Tunas Finance Tahap II Tahun 2016

Mandiri Tunas Finance Continuing Bonds II Phase II Year 2016

Pada tanggal 1 Juni 2016, Perseroan telah menerbitkan Obligasi Berkelanjutan II Mandiri Tunas Finance Tahap II Tahun 2016 ("Obligasi Berkelanjutan II Tahap II") sebagai berikut:

On 1 June 2016, the Company issued Mandiri Tunas Finance Continuing Bonds II Phase II Year 2016 ("Continuing Bonds II Phase II") as follows:

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap per tahun/ Fixed interest rate per annum	Jatuh tempo/ Due date	Cicilan pokok Obligasi/ Bonds principal instalment
Seri/Series A	720.000	8,95%	1 Juni/June 2019	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.
Seri/Series B	680.000	9,25%	1 Juni/June 2021	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.

Obligasi tersebut dijamin dengan piutang pembiayaan konsumen Perseroan sebesar minimum 60% untuk Obligasi Berkelanjutan II Tahap II dari pokok obligasi terutang. Pada tanggal 31 Desember 2017 dan 2016, piutang pembiayaan konsumen yang dijamin adalah sejumlah Rp751.903 dan Rp780.423 dan piutang sewa pembiayaan yang dijamin adalah sejumlah Rp88.097 dan Rp59.577 (lihat Catatan 5 dan 6). Jika jumlah piutang pembiayaan konsumen kurang dari yang dipersyaratkan, maka akan dipenuhi dari uang tunai yang ditempatkan pada rekening penampungan atas nama Perseroan yang ditunjuk oleh PT Bank Mega Tbk. selaku wali amanat untuk Obligasi Berkelanjutan II Tahap II.

These bonds are secured by the Company's consumer financing receivables for a minimum amount of 60% of the nominal value of Continuing Bonds II Phase II. As of 31 December 2017 and 2016, the amount of consumer financing receivables that was pledged as security for bonds payable are Rp751,903 and Rp780,423 and finance lease receivables that was pledged are Rp88,097 and Rp59,577 (refer to Notes 5 and 6). If the amount of consumer financing receivables is less than the requirement, the Company has to place sufficient cash into an escrow account established by PT Bank Mega Tbk. as trustee for Continuing Bonds II Phase II

Dalam perjanjian perwaliamanatan juga diatur beberapa pembatasan yang harus dipenuhi oleh Perseroan, antara lain memberikan jaminan fidusia berupa piutang pembiayaan konsumen dan rasio jumlah pinjaman terhadap ekuitas tidak melebihi rasio 10:1. Selain itu, selama pokok obligasi belum dilunasi, Perseroan tidak diperkenankan, antara lain melakukan penggabungan usaha kecuali dilakukan pada bidang usaha yang sama serta menjual atau mengalihkan lebih dari 50% aset Perseroan kecuali untuk kegiatan usaha Perseroan sehari-hari.

The trustee agreement provides several negative covenants to the Company, among others, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio not to exceed 10:1. Moreover, during the year that the bonds principals are still outstanding, the Company is not allowed to, among others, merge unless performed on the same business and to sell or assign more than 50% of the Company's asset, except for Company's normal business transactions.

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(lanjutan)

a. Utang obligasi (lanjutan)

Obligasi Berkelanjutan II (lanjutan)

Obligasi Berkelanjutan II Mandiri Tunas Finance
Tahap II Tahun 2016 (lanjutan)

Perseroan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian tersebut diatas.

PT Pefindo telah menegaskan kembali peringkat idAA (*Double A*) terhadap obligasi Berkelanjutan II Tahap II sesuai suratnya No. 847/PEF-Dir/V/2016 tanggal 11 Mei 2016 untuk periode 30 September 2015 sampai dengan 1 September 2016.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. 1240/PEF-Dir/VII/2016 tanggal 28 Juli 2016 telah menaikkan peringkat dari idAA (*Double A*) menjadi idAA+ (*Double A Plus*) untuk Obligasi Berkelanjutan II Tahap II untuk periode 28 Juli 2016 sampai dengan 1 Juli 2017.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. RC-584/PEF-DIR/VII/2017 tanggal 12 Juli 2017 telah menetapkan kembali peringkat idAA+ (*Double A Plus*) untuk Obligasi Berkelanjutan II Tahap II untuk periode 11 Juli 2017 sampai dengan 1 Juli 2018.

Obligasi Berkelanjutan III Mandiri Tunas
Finance Tahap I Tahun 2016

Pada tanggal 7 Oktober 2016, Perseroan telah memperoleh persyaratan efektif dari Otoritas Jasa Keuangan melalui surat No.S-543/D.04/2016 dalam rangka penawaran umum Obligasi Berkelanjutan III Mandiri Tunas Finance Tahap I Tahun 2016 ("Obligasi Berkelanjutan III") dengan nilai nominal Rp500.000 yang terdiri atas dua seri:

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap per tahun/ Fixed interest rate per annum	Jatuh tempo/ Due date	Cicilan pokok Obligasi/ Bonds principal instalment
Seri/Series A	400.000	8,20%	7 Oktober /7 October 2019	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.
Seri/Series B	100.000	8,55%	7 Oktober /7 October 2021	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.

16. SECURITIES ISSUED (continued)

a. Bonds payable (continued)

Continuing Bonds II (continued)

Mandiri Tunas Finance Continuing Bonds II
Phase II Year 2016 (continued)

The Company has complied with the covenants on the trustee agreements.

PT Pefindo has rated idAA (*Double A*) the Continuing Bonds II Phase II based on its report No. 847/PEF-Dir/V/2016 tanggal 11 May 2016 for period 30 September 2015 until 1 September 2016.

In the Annual Monitoring, PT Pefindo through letter No. 1240/PEF-Dir/VII/2016 dated 28 July 2016 has raised rating from idAA (*Double A*) to idAA+ (*Double A Plus*) for the Continuing Bonds II Phase II for the period 28 July 2016 until 1 July 2017.

In the Annual Monitoring, PT Pefindo through letter No. RC-584/PEF-DIR/VII/2017 dated 12 July 2017 has rated idAA+ (*Double A plus*) for the Continuing Bonds II Phase II for the period 11 July 2017 until 1 July 2018.

Mandiri Tunas Finance Continuing Bonds III
Phase I Year 2016

On 7 October 2016, the Company received the effective notification from the Financial Services Authority through its letter No. S-543/D.04/2016 in conjunction with continuing public offering of Mandiri Tunas Finance continuing Bonds III Phase I Year 2016 ("continuing Bonds III") with a nominal value of Rp500,000 which consist of two series:

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16. SURAT BERTAHAP YANG DITERBITKAN
(lanjutan)

a. Utang obligasi (lanjutan)

Obligasi Berkelanjutan III (lanjutan)

Obligasi Berkelanjutan III Mandiri Tunas
Finance Tahap I Tahun 2016 (lanjutan)

Obligasi tersebut dijamin dengan piutang pembiayaan konsumen Perseroan sebesar minimum 60% untuk Obligasi Berkelanjutan III Tahap I dari pokok obligasi terutang. Pada tanggal 31 Desember 2017 dan 2016, piutang pembiayaan konsumen yang dijamin adalah sejumlah Rp268.893 dan Rp292.762. Piutang sewa pembiayaan yang dijamin adalah sejumlah Rp31.107 dan Rp7.238 (lihat Catatan 5 dan 6). Jika jumlah piutang pembiayaan konsumen kurang dari yang dipersyaratkan, maka akan dipenuhi dari uang tunai yang ditempatkan pada rekening penampungan atas nama Perseroan yang ditunjuk oleh PT Bank Mega Tbk. selaku wali amanat untuk Obligasi Berkelanjutan III Tahap I.

Dalam perjanjian perwalianamanatan juga diatur beberapa pembatasan yang harus dipenuhi oleh Perseroan, antara lain memberikan jaminan fidusia berupa piutang pembiayaan konsumen dan rasio jumlah pinjaman terhadap ekuitas tidak melebihi rasio 10:1. Selain itu, selama pokok obligasi belum dilunasi, Perseroan tidak diperkenankan, antara lain melakukan penggabungan usaha kecuali dilakukan pada bidang usaha yang sama serta menjual atau mengalihkan lebih dari 50% aset Perseroan kecuali untuk kegiatan usaha Perseroan sehari-hari.

Perseroan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian tersebut diatas.

PT Pefindo telah menetapkan peringkat idAA+ (*Double A plus*) terhadap obligasi berkelanjutan sesuai suratnya No. 1238/PEF-Dir/RC/VII/2016 tanggal 28 Juli 2016 untuk periode 28 Juli 2016 sampai dengan 1 Juli 2017.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. RC-583/PEF-DIR/VII/2017 tanggal 12 Juli 2017 telah menetapkan kembali peringkat idAA+ (*Double A Plus*) untuk Obligasi Berkelanjutan III Tahap I untuk periode 11 Juli 2017 sampai dengan 1 Juli 2018.

Obligasi Berkelanjutan III Mandiri Tunas
Finance Tahap II Tahun 2017

Pada tanggal 6 Juni 2017 Perseroan telah menerbitkan Obligasi Berkelanjutan III Mandiri Tunas Finance Tahap II Tahun 2017 ("Obligasi Berkelanjutan III Tahap II") sebagai berikut:

16. SECURITIES ISSUED (continued)

a. Bonds payable (continued)

Continuing Bonds III (continued)

Mandiri Tunas Finance Continuing Bonds III
Phase I Year 2016 (continued)

These bonds are secured by the Company's consumer financing receivables for a minimum amount of 60% of the nominal value of Continuing Bonds III Phase I. As of 31 December 2017 and 2016, the amount of consumer financing receivables that was pledged as security for bonds payable are Rp268,893 and Rp292,762. Finance lease receivables that was pledged are Rp31,107 and Rp7,238 (refer to Notes 5 and 6). If the amount of consumer financing receivables is less than the requirement, the Company has to place sufficient cash into an escrow account established by PT Bank Mega Tbk. as trustee for Continuing Bonds III Phase I.

The trustee agreement provides several negative covenants to the Company, among others, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio not to exceed 10:1. Moreover, during the year that the bonds principals are still outstanding, the Company is not allowed to, among others, merge unless performed on the same business and to sell or assign more than 50% of the Company's asset, except for Company's normal business transactions.

The Company has complied with the covenants on the trustee agreements.

PT Pefindo has rated idAA+ (Double A plus) the Continuing Bonds based on its report No. 1238/PEF-Dir/RC/VII/2016 dated 28 July 2016 for period 28 July 2016 until 1 July 2017.

In the Annual Monitoring, PT Pefindo through letter No. RC-583/PEF-DIR/VII/2017 dated 12 July 2017 has rated idAA+ (Double A plus) for the Continuing Bonds III Phase I for the period 11 July 2017 until 1 July 2018.

Mandiri Tunas Finance Continuing Bonds III
Phase II Year 2017

On 6 June 2017, the Company issued Mandiri Tunas Finance Continuing Bonds III Phase II Year 2017 ("Continuing Bonds III Phase II") as follows:

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16. SURAT BERTAHAP YANG DITERBITKAN
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16. SECURITIES ISSUED (continued)

a. Utang obligasi (lanjutan)

a. Bonds payable (continued)

Obligasi Berkelanjutan III (lanjutan)

Continuing Bonds III (continued)

Obligasi Berkelanjutan III Mandiri Tunas
Finance Tahap II Tahun 2017 (lanjutan)

Mandiri Tunas Finance Continuing Bonds III
Phase II Year 2017 (continued)

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap per tahun/ Fixed interest rate per annum	Jatuh tempo/ Due date	Cicilan pokok Obligasi/ Bonds principal instalment
Seri/Series A	610.000	8,5%	6 Juni /6 June 2020	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.
Seri/Series B	240.000	8,85%	6 Juni /6 June 2022	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date.

Obligasi tersebut dijamin dengan piutang pembiayaan konsumen Perseroan sebesar minimum 60% untuk Obligasi Berkelanjutan III Tahap II dari pokok obligasi terutang. Pada tanggal 31 Desember 2017, piutang pembiayaan konsumen yang dijamin adalah sejumlah Rp490.249 dan piutang sewa pembiayaan yang dijamin adalah sejumlah Rp19.751 (lihat Catatan 5 dan 6). Jika jumlah piutang pembiayaan konsumen kurang dari yang dipersyaratkan, maka akan dipenuhi dari uang tunai yang ditempatkan pada rekening penampungan atas nama Perseroan yang ditunjuk oleh PT Bank Mega Tbk. selaku wali amanat untuk Obligasi Berkelanjutan III Tahap II.

These bonds are secured by the Company's consumer financing receivables for a minimum amount of 60% of the nominal value of Continuing Bonds III Phase II. As of 31 December 2017, the amount of consumer financing receivables that was pledged as security for bonds payable are Rp490,249 and finance lease receivables that was pledged are Rp19,751 (refer to Notes 5 and 6). If the amount of consumer financing receivables is less than the requirement, the Company has to place sufficient cash into an escrow account established by PT Bank Mega Tbk. as trustee for Continuing Bonds III Phase II.

Dalam perjanjian perwaliamanatan juga diatur beberapa pembatasan yang harus dipenuhi oleh Perseroan, antara lain memberikan jaminan fidusia berupa piutang pembiayaan konsumen dan rasio jumlah pinjaman terhadap ekuitas tidak melebihi rasio 10:1. Selain itu, selama pokok obligasi belum dilunasi, Perseroan tidak diperkenankan, antara lain melakukan penggabungan usaha kecuali dilakukan pada bidang usaha yang sama serta menjual atau mengalihkan lebih dari 50% aset Perseroan kecuali untuk kegiatan usaha Perseroan sehari-hari.

The trustee agreement provides several negative covenants to the Company, among others, collateral with fiduciary transfer of consumer financing receivables and debt to equity ratio not to exceed 10:1. Moreover, during the year that the bonds principals are still outstanding, the Company is not allowed to, among others, merge unless performed on the same business and to sell or assign more than 50% of the Company's asset, except for Company's normal business transactions.

Perseroan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian tersebut diatas.

The Company has complied with the covenants on the trustee agreements.

Dalam pemantauan tahunan PT Pefindo melalui suratnya No. RC-583/PEF-DIR/VII/2017 tanggal 12 Juli 2017 telah menetapkan peringkat idAA+ (Double A Plus) untuk Obligasi Berkelanjutan III Tahap II untuk periode 11 Juli 2017 sampai dengan 1 Juli 2018.

In the Annual Monitoring, PT Pefindo through letter No. RC-583/PEF-DIR/VII/2017 dated 12 July 2017 has rated idAA+ (Double A plus) for the Continuing Bonds III Phase II for the period 11 July 2017 until 1 July 2018.

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17. LIABILITAS IMBALAN KERJA KARYAWAN

Jumlah yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2017	2016	
Biaya jasa kini	8.367	6.413	Current service costs
Biaya bunga	4.160	3.313	Interest costs
Biaya jasa lalu	470	415	Past service costs
	12.997	10.141	
Biaya pesangon pemutusan hubungan kerja	1.445	1.808	Termination
Total	14.442	11.949	Total

17. EMPLOYEE BENEFITS OBLIGATION

The amounts recognized in the statement of profit or loss and other comprehensive income are as follows:

Mutasi liabilitas imbalan kerja karyawan pada laporan posisi keuangan adalah sebagai berikut:

	31 Desember/ December 2017	31 Desember/ December 2016	
Saldo awal, 1 Januari	50.135	36.549	Beginning balance, 1 January
Penyisihan pada laba rugi	14.442	11.949	Provision in profit or loss
Penyisihan pada penghasilan komprehensif lain	13.162	4.266	Provision in other comprehensive income
Pembayaran tahun berjalan	(3.894)	(2.629)	Payment during the year
Saldo akhir	73.845	50.135	Ending balance

The movements in employee benefits obligation in the statement of financial position are as follows:

Mutasi nilai kini kewajiban imbalan kerja karyawan yang diakui pada laporan posisi keuangan adalah sebagai berikut:

	31 Desember/ December 2017	31 Desember/ December 2016	
Saldo awal, 1 Januari	50.135	36.549	Beginning balance, 1 January
Biaya jasa kini	8.367	6.413	Current service costs
Biaya bunga	4.160	3.313	Interest costs
Biaya jasa lalu	470	415	Past service cost
Pembayaran tahun berjalan (Keuntungan)/kerugian pada kewajiban aktuarial:	(2.449)	(821)	Payments during the year
Perbedaan historis	4.443	826	Actuarial (gains)/losses on obligation:
Asumsi keuangan	8.719	3.440	Experience adjustment
			Financial assumption
Saldo akhir	73.845	50.135	Ending balance

The movements of present value of employee benefit obligation in the statement of financial position are as follows:

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17. LIABILITAS IMBALAN KERJA KARYAWAN
(lanjutan)

Mutasi kerugian aktuarial yang diakui sebagai penghasilan komprehensif lain, bruto pajak tangguhan:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2017	2016	
Saldo awal, 1 Januari	19.593	15.327	Beginning balance, 1 January
Kerugian aktuarial yang diakui sebagai penghasilan komprehensif lain	13.162	4.266	Actuarial losses charged to other comprehensive income
Saldo akhir	32.755	19.593	Ending balance

17. EMPLOYEE BENEFITS OBLIGATION
(continued)

The movements in the balance of actuarial loss charged to other comprehensive income, gross deferred tax:

Liabilitas imbalan kerja karyawan pada tanggal 31 Desember 2017 dan 2016 didasarkan atas estimasi perhitungan aktuarial untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 yang tercantum pada laporan PT Dayamandiri Dharmakonsilindo dengan menggunakan metode *projected unit credit* dalam laporan aktuariannya tanggal 2 Januari 2018 dan 3 Januari 2017. Asumsi-asumsi dasar yang digunakan aktuaris independen adalah sebagai berikut:

The liability for employee benefits as of 31 December 2017 and 2016 are based on estimated actuarial calculation for the year ending 31 December 2017 and 2016, as stated in PT Dayamandiri Dharmakonsilindo's which used the *projected unit credit method* in its report dated 2 January 2018 and 3 January 2017. The principal actuarial assumptions used by the independent actuary were as follows:

	2017	2016	
Tingkat diskonto	7,4% per tahun/per annum	8,5% pertahun/per annum	Discount rate
Tingkat kenaikan gaji	7% per tahun/per annum	7% per tahun/per annum	Salary increment rate
Tingkat kematian	TMI 3	TMI 3	Rate of mortality
Tingkat cacat	10% dari/from TMI 3	10% dari/from TMI 3	Rate of disability
Tingkat pengunduran diri	7% per tahun pada usia sampai dengan 40 tahun dan berkurang hingga 0,00% pada usia 55 tahun/ 7% per annum up to 40 years old and decrease linearly up to 0.00% at 55 years old	7% per tahun pada usia sampai dengan 40 tahun dan berkurang hingga 0,00% pada usia 55 tahun/ 7% per annum up to 40 years old and decrease linearly up to 0.00% at 55 years old	Rate of resignations
Tingkat pensiun	100,00% usia pensiun normal/ 100,00% at normal retirement age	100,00% usia pensiun normal/ 100,00% at normal retirement age	Rate of retirements

Tabel berikut menunjukkan sensitivitas atas kemungkinan perubahan tingkat diskonto dan tingkat kenaikan gaji sebesar 1%, dengan variabel lain dianggap tetap, terhadap nilai kini kewajiban imbalan kerja karyawan:

The following table demonstrates the sensitivity to a reasonably possible change in discount rates and salary increment rate of 1%, with all other variables held constant, of the present value of employee benefits obligation:

	31 Desember/December 2017				
	Tingkat diskonto/ Discount rate		Tingkat kenaikan gaji/ Salary increment rate		
	Kenaikan/ Increase	Penurunan/ Decrease	Kenaikan/ Increase	Penurunan/ Decrease	
Dampak pada nilai kini kewajiban imbalan kerja karyawan	(7.106)	8.282	8.470	(7.404)	Effect on present value of employee benefit obligation
	31 Desember/December 2016				
	Tingkat diskonto/ Discount rate		Tingkat kenaikan gaji/ Salary increment rate		
	Kenaikan/ Increase	Penurunan/ Decrease	Kenaikan/ Increase	Penurunan/ Decrease	
Dampak pada nilai kini kewajiban imbalan kerja karyawan	(4.619)	5.365	5.570	(4.878)	Effect on present value of employee benefit obligation

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17. LIABILITAS IMBALAN KERJA KARYAWAN (lanjutan)

Analisa profil jatuh tempo pembayaran imbalan kerja karyawan pada tanggal 31 Desember 2017 dan 2016:

	31 Desember/ December 2017
1 tahun	4.132
2 - 5 tahun	14.039
Lebih dari 5 tahun	179.888
Saldo akhir	198.059

Durasi rata-rata tertimbang dari nilai kini kewajiban imbalan kerja karyawan diakhir periode pelaporan tanggal 31 Desember 2017 dan 2016 adalah 14,87 tahun dan 14,67 tahun.

18. MODAL SAHAM

Komposisi pemegang saham Perseroan pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

Pemegang saham	Jumlah saham/ Number of shares	Nilai/ Value
PT Bank Mandiri (Persero) Tbk	1.275.000.000	127.500
PT Tunas Ridean Tbk	1.225.000.000	122.500
	2.500.000.000	250.000

19. PENGGUNAAN LABA

Cadangan wajib telah dibentuk sesuai dengan Undang-undang No. 40/2007 mengenai Perseroan Terbatas, yang mengharuskan perseroan Indonesia untuk membuat penyisihan cadangan wajib untuk ditentukan penggunaannya sebesar sekurang-kurangnya 20,00% dari jumlah modal Perseroan yang ditempatkan dan disetor penuh. Undang-undang tersebut tidak mengatur jangka waktu untuk mencapai cadangan wajib minimum tersebut. Saldo cadangan wajib pada tanggal 31 Desember 2017 dan 2016 adalah Rp50.000.

Rapat Umum Pemegang Saham Tahunan tanggal 10 April 2017 memutuskan hal-hal sebagai berikut:

- Menyetujui pembagian dividen final tahun 2016 sejumlah Rp33.537 dari laba neto tahun 2016.

Rapat Umum Pemegang Saham Tahunan tanggal 24 Februari 2016 memutuskan hal-hal sebagai berikut:

- Menyetujui pembagian dividen final tahun 2015 sejumlah Rp30.680 dari laba neto tahun 2015.

17. EMPLOYEE BENEFITS OBLIGATION (continued)

The maturity profile analysis of the employee benefits payments as of 31 December 2017 and 2016:

	31 Desember/ December 2016	
	2.378	1 years
	12.439	2 - 5 years
	123.184	More than 5 years
Ending balance	138.001	

The weighted average duration of the present value of employee benefits obligation at the end of reporting period as of 31 December 2017 and 2016 is 14.87 years and 14.67 years, respectively.

18. SHARE CAPITAL

The composition of the Company's shareholders as of 31 December 2017 and 2016 are as follows:

	Persentase kepemilikan/ Percentage of ownership (%)	Shareholders
	51,00	PT Bank Mandiri (Persero) Tbk
	49,00	PT Tunas Ridean Tbk
	100,00	

19. PROFIT DISTRIBUTIONS

A general reserve has been established in accordance with the Indonesian Limited Company Law No. 40/2007 which requires Indonesian companies to set up a general reserve amounting to at least 20.00% of the Company's issued and paid up share capital. There is no set period of time over which this amount should be accumulated. The balance of the general reserve as of 31 December 2017 and 2016 is Rp50,000.

The Annual General Shareholders Meeting on 10 April 2017 resolved the following:

- Approval of the declaration of 2016 final dividends amounting to Rp33,537 from the 2016 net income.

The Annual General Shareholders Meeting on 24 February 2016 resolved the following:

- Approval of the declaration of 2015 final dividends amounting to Rp30,680 from the 2015 net income.

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20. PENDAPATAN

20. REVENUE

a. Pembiayaan konsumen

a. Consumer financing

Tahun yang Berakhir pada tanggal
 31 Desember/Year ended 31 December

	2017	2016	
Pihak ketiga			Third parties
Realisasi pendapatan pembiayaan konsumen	874.342	773.086	Realized consumer financing income
Amortisasi biaya transaksi dan <i>yield enhancing income</i>	133.908	91.976	Amortization of transaction cost and yield enhancing income
Pendapatan dari piutang yang mengalami penurunan nilai	7.230	14.352	Income from impaired asset
Pendapatan dari pembiayaan bersama <i>without recourse</i>	813.935	891.600	Income from without recourse joint financing
	<u>1.829.415</u>	<u>1.771.014</u>	
Pihak berelasi			Related parties
Realisasi pendapatan pembiayaan konsumen	1.009	1.251	Realized consumer financing income
	<u>1.830.424</u>	<u>1.772.265</u>	

Lihat Catatan 25c untuk rincian saldo dan transaksi pihak berelasi.

Refer to Note 25c for details of balances and transactions with related parties.

b. Sewa pembiayaan

b. Financial lease

Tahun yang Berakhir pada tanggal
 31 Desember/Year ended 31 December

	2017	2016	
Pihak ketiga			Third parties
Realisasi pendapatan Sewa pembiayaan	176.879	93.296	Realized financial lease income
Amortisasi biaya transaksi dan <i>yield enhancing income</i>	2.104	(989)	Amortization of transaction cost and yield enhancing income
	<u>178.983</u>	<u>92.307</u>	

c. Bunga

c. Interest

Tahun yang Berakhir pada tanggal
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	2017	2016	
Pihak ketiga			Third parties
Deposito berjangka dan rekening koran	2.281	2.246	Time deposits and current accounts
Pihak berelasi			Related parties
Deposito berjangka dan rekening koran	6.755	7.853	Time deposits and current accounts
	<u>9.036</u>	<u>10.099</u>	

Lihat Catatan 25c untuk rincian saldo dan transaksi dengan pihak berelasi.

Refer to Note 25c for details of balances and transactions with related parties.

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20. PENDAPATAN (lanjutan)

20. REVENUE (continued)

d. Lain-lain - neto

d. Others - net

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2017	2016	
Pihak ketiga			Third parties
Komisi asuransi	233.753	230.894	Insurance commissions
Pendapatan akseptasi klaim	178.038	103.119	Acceptance claim income
Pendapatan penagihan	71.715	44.191	Collection income
Pendapatan penalti	47.844	39.418	Penalty income
Lain-lain	77.678	59.742	Others
	609.028	477.364	
Pihak berelasi			Related parties
Pendapatan akseptasi klaim	110.893	97.234	Acceptance claim income
	719.921	574.598	

Komisi asuransi merupakan pendapatan premi asuransi yang diterima oleh Perseroan sehubungan dengan kegiatan pembiayaan konsumen. Pendapatan akseptasi klaim merupakan pendapatan yang diterima Perseroan sehubungan dengan pengelolaan administrasi penerimaan asuransi. Utang kepada perusahaan asuransi dicatat sebagai utang usaha di laporan posisi keuangan (lihat Catatan 11).

Insurance commissions represents insurance premiums income received by the Company in relation to consumer financing activities. Acceptance claim income represents income received by the Company in relation to handling the administrative insurance acceptance. The related payables to insurance companies are recorded as trade payables in the statement of financial position (refer to Note 11).

Lihat Catatan 25c untuk rincian saldo dan transaksi dengan pihak berelasi.

Refer to Note 25c for details of balances and transactions with related parties.

21. BEBAN KEUANGAN

21. FINANCIAL CHARGES

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2017	2016	
Pihak ketiga			Third parties
Bunga pinjaman bank	505.032	525.039	Interest on bank loans
Bunga surat berharga yang diterbitkan			Securities issued interest:
Utang obligasi	326.103	244.380	Bonds payable
Administrasi dan provisi bank	49.545	39.991	Administration and bank provisions
Amortisasi biaya emisi surat berharga yang diterbitkan:			Amortization of securities issuance cost:
Utang obligasi	3.249	5.195	Bonds payable
Rugi selisih kurs	3.124	-	Forex Loss
Lain-lain	3.069	1.826	Others
	890.122	816.431	
Pihak berelasi			Related parties
Bunga pinjaman bank	145.320	104.832	Interest on bank loans
	1.035.442	921.263	

Lihat Catatan 25d untuk rincian saldo dan transaksi pihak berelasi.

Refer to Note 25d for details of balances and transactions with related parties.

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22. BEBAN GAJI DAN TUNJANGAN

22. SALARIES AND BENEFITS EXPENSES

	Tahun yang Berakhir pada tanggal 31 Desember / Year ended 31 December		
	2017	2016	
Pihak ketiga			Third parties
Gaji dan tunjangan	403.773	312.157	Salaries and allowances
Imbalan pasca kerja karyawan	10.548	9.320	Post employment benefits
Biaya pesangon	2.888	2.967	Termination
	<u>417.209</u>	<u>324.444</u>	
Pihak berelasi			Related parties
Gaji dan tunjangan	14.507	12.891	Salaries and allowances
Tantiem	6.096	4.753	Tantiem
	<u>20.603</u>	<u>17.644</u>	
	<u>437.812</u>	<u>342.088</u>	

Lihat Catatan 25d untuk rincian saldo dan transaksi pihak berelasi.

Refer to Note 25d for details of balances and transactions with related parties.

23. BEBAN UMUM DAN ADMINISTRASI

23. GENERAL AND ADMINISTRATIVE EXPENSES

	Periode yang Berakhir pada tanggal 31 Desember / Year ended 31 December		
	2017	2016	
Pihak ketiga			Third parties
Biaya penagihan	171.328	161.368	Collection fee
Sewa	26.884	27.215	Rent
Penyusutan aset tetap (Catatan 9)	25.346	20.880	Depreciation of fixed assets (Note 9)
Perjalanan dinas	13.781	6.657	Travelling
Komunikasi	13.325	15.297	Communications
Perbaikan dan pemeliharaan	12.217	11.896	Repairs and maintenance
Kemamanan	11.293	11.484	Security
Jasa pihak ketiga	11.255	6.643	Third parties service
Rekrutmen dan pelatihan	7.707	3.667	Recruitment and training
Listrik dan air	6.197	5.941	Utilities
Iuran OJK	6.122	4.925	OJK fees
Alat tulis dan cetakan	5.501	5.660	Stationeries and printings
Jamuan bisnis	4.577	4.218	Corporate entertainment
Jasa profesional	3.734	3.129	Professional fees
Lain-lain	24.798	13.394	Others
	<u>344.065</u>	<u>302.374</u>	
Pihak berelasi			Related parties
Sewa	9.998	7.466	Rent
	<u>354.063</u>	<u>309.840</u>	

Lain-lain merupakan beban legal, perijinan, piknik perayaan, iklan, marketing, asuransi, sumbangan, publikasi, koran, ekspedisi dan majalah.

Others represents legal, corporate event, advertising, marketing, insurance expenses, donation, publication, newspaper, expedition and magazine.

Lihat Catatan 25d untuk rincian saldo dan transaksi pihak berelasi.

Refer to Note 25d for details of balances and transactions with related parties.

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24. LABA PER SAHAM

24. EARNINGS PER SHARE

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2017	2016	
Laba tahun berjalan	350.242	335.370	Income for the year
Jumlah saham biasa yang beredar (dalam ribuan) (lihat Catatan 18)	2.500.000	2.500.000	Number of ordinary shares outstanding (in thousands) (refer to Note 18)
Laba per saham dasar (nilai penuh)	140	134	Basic earnings per share (full amount)

25. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI

25. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Sifat hubungan dengan pihak berelasi

The nature of relationships with related parties

Sifat hubungan dengan pihak berelasi adalah sebagai berikut:

The nature of relationships with related parties are as follows:

Pihak berelasi/Related parties	Sifat hubungan dengan pihak berelasi/ Nature of relationship with the related parties
PT Bank Mandiri (Persero) Tbk. PT Tunas Ridean Tbk. PT Bumi Daya Plaza	Pemegang saham mayoritas/Controlling shareholder Pemegang saham minoritas/Minority shareholder Mayoritas dimiliki oleh PT Bank Mandiri (Persero) Tbk./ Majority owned by PT Bank Mandiri (Persero) Tbk.
PT Bank Mandiri Taspen (dahulu/formerly PT Bank Mandiri Taspen Pos)	Mayoritas dimiliki oleh PT Bank Mandiri (Persero) Tbk./ Majority owned by PT Bank Mandiri (Persero) Tbk.
PT AXA Mandiri Financial Service	Mayoritas dimiliki oleh PT Bank Mandiri (Persero) Tbk./ Majority owned by PT Bank Mandiri (Persero) Tbk.
PT Mandiri AXA General Insurance	Mayoritas dimiliki oleh PT Bank Mandiri (Persero) Tbk./ Majority owned by PT Bank Mandiri (Persero) Tbk.
PT Mandiri Sekuritas	Mayoritas dimiliki oleh PT Bank Mandiri (Persero) Tbk./ Majority owned by PT Bank Mandiri (Persero) Tbk.
Dana Pensiun Bank Mandiri DPLK Bank Mandiri PT Bank Rakyat Indonesia (Persero) Tbk. PT Bank Negara Indonesia (Persero) Tbk. PT Bank Tabungan Negara (Persero) Tbk. PT Adhi Karya PT Taspen (Persero) PT Asuransi Jasa Indonesia (Persero) PT Asuransi Jasa Raharja Putera PT Perikanan Nusantara PT Jamkrindo	Bank Mandiri sebagai pendiri/Bank Mandiri as founder Bank Mandiri sebagai pendiri/Bank Mandiri as founder Badan usaha milik negara/State-owned company Badan usaha milik negara/State-owned company

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25. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

Sifat hubungan dengan pihak berelasi (lanjutan)

Sifat hubungan dengan pihak berelasi adalah sebagai berikut: (lanjutan)

Pihak berelasi/Related parties

PT Berdikari (Persero)
 PT Wahana Optima Permai

Personil manajemen kunci Grup

Dalam kegiatan normal usaha, Perseroan melakukan transaksi dengan pihak berelasi karena hubungan kepemilikan dan/atau kepengurusan. Transaksi dengan pihak berelasi tersebut dilaksanakan dengan syarat dan kondisi yang sama sebagaimana dilakukan dengan pihak tidak berelasi. Perseroan mendapatkan suku bunga yang serupa untuk fasilitas pinjaman bank dengan pihak berelasi dan pihak ketiga. Perseroan juga menggunakan suku bunga yang serupa antara pihak berelasi dan pihak ketiga dalam rangka pemberian piutang pembiayaan konsumen.

Saldo dan transaksi dengan pihak berelasi adalah sebagai berikut:

a. Aset

	31 Desember/ December 2017	31 Desember/ December 2016
Kas dan setara kas		
Kas pada bank (lihat Catatan 4)		
PT Bank Mandiri (Persero) Tbk	79.640	160.950
PT Bank Rakyat Indonesia (Persero) Tbk	1.734	1.296
PT Bank Negara Indonesia (Persero) Tbk	27	43
PT Bank Mandiri Taspen (dahulu PT Bank Mandiri Taspen Pos)	7	7
	<u>81.408</u>	<u>162.296</u>
Deposito berjangka		
PT Bank Mandiri Taspen (dahulu PT Bank Mandiri Taspen Pos)	50.000	50.000
PT Bank Tabungan Negara (Persero) Tbk	-	3
	<u>50.000</u>	<u>50.003</u>

25. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

The nature of relationships with related parties (continued)

The nature of relationships with related parties are as follows: (continued)

**Sifat hubungan dengan pihak berelasi/
Nature of relationship with the related parties**

Badan usaha milik negara/State-owned company
 Dikendalikan oleh Dana Pensiun Bank Mandiri/Controlled by Bank Mandiri's Pension Fund
 Personil manajemen kunci Group Bank Mandiri/
 Key management personnel of Bank Mandiri Group

In normal course of business, the Company enters into certain transactions with parties which are related to the management and/or owned by the same ultimate shareholder. Transactions with related parties were conducted under terms and conditions similar to those granted to third parties. The Company obtained similar interest rate for bank loan facilities from related parties and third parties. The Company also used similar interest rate between related parties and third parties for the consumer finance receivables.

Balances and transactions with related parties are as follows:

a. Assets

Cash and cash equivalents
Cash in banks (refer to Note 4)
PT Bank Mandiri (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk
PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos)
Time deposits
PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos)
PT Bank Tabungan Negara (Persero) Tbk

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25. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

Saldo dan transaksi dengan pihak berelasi adalah sebagai berikut: (lanjutan)

a. Aset (lanjutan)

	31 Desember/ December 2017	31 Desember/ December 2016
Piutang pembiayaan konsumen		
Personel manajemen kunci Grup	7.953	10.522
PT Perikanan Nusantara	4	3
PT Adhi Karya (Persero) Tbk	-	4
PT Berdikari (Persero)	-	3
	<u>7.957</u>	<u>10.532</u>
Piutang lain-lain		
(lihat Catatan 7)		
PT Bank Mandiri (Persero) Tbk	502.570	227.994
PT Asuransi Jasa Indonesia (Persero)	53.632	36.181
PT Jamkrindo	7.309	-
PT Tunas Ridean Tbk	620	620
PT Mandiri AXA General Insurance	-	9.790
	<u>564.131</u>	<u>274.585</u>
Sewa dibayar di muka		
(lihat Catatan 10)		
PT Bumi Daya Plaza	1.337	1.123
PT Wahana Optima Permai	9	9
	<u>1.346</u>	<u>1.132</u>
Total aset kepada pihak berelasi	<u>704.842</u>	<u>498.548</u>
Persentase terhadap total aset	<u>4,78%</u>	<u>4,37%</u>

Piutang lain-lain kepada pihak berelasi kepada PT Tunas Ridean Tbk, PT Jamkrindo, dan PT Asuransi Jasa Indonesia (Persero) terutama berhubungan dengan transaksi usaha.

Piutang lain-lain kepada pihak berelasi kepada PT Bank Mandiri (Persero) Tbk merupakan pembayaran ke dealer untuk porsi pembiayaan bersama yang dibayarkan terlebih dahulu oleh Perseroan.

25. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

Balances and transactions with related parties are as follows: (continued)

a. Assets (continued)

Consumer financing receivable
Group's key management personnel
PT Perikanan Nusantara
PT Adhi Karya (Persero) Tbk
PT Berdikari (Persero)
Other receivables
(refer to Note 7)
PT Bank Mandiri (Persero) Tbk
PT Asuransi Jasa Indonesia (Persero)
PT Jamkrindo
PT Tunas Ridean Tbk
PT Mandiri AXA General Insurance
Prepaid rent
(refer to Note 10)
PT Bumi Daya Plaza
PT Wahana Optima Permai
Total assets associated with related parties
Percentage to total assets

Other receivables from related parties to PT Tunas Ridean Tbk, PT Jamkrindo, and PT Asuransi Jasa Indonesia (Persero) are in respect of trade activities.

Other receivables from related party to PT Bank Mandiri (Persero) Tbk represent payment to dealers for joint financing portion which was paid in advance by the Company.

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25. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

25. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Liabilitas

b. Liabilities

	31 Desember/ December 2017	31 Desember/ December 2016	
Utang lain-lain (lihat Catatan 12)			Other payables (refer to Note 12)
PT Bank Mandiri (Persero) Tbk	30.104	106.493	PT Bank Mandiri (Persero) Tbk
PT Tunas Ridean Tbk	240	240	PT Tunas Ridean Tbk
	<u>30.344</u>	<u>106.733</u>	
Beban yang masih harus dibayar (lihat Catatan 13)			Accrued expenses (refer to Note 13)
PT Bank Mandiri (Persero) Tbk	1.227	868	PT Bank Mandiri (Persero) Tbk
	<u>1.227</u>	<u>868</u>	
Pinjaman bank (lihat Catatan 14)			Bank loans (refer to Note 14)
PT Bank Mandiri (Persero) Tbk	1.602.605	1.502.505	PT Bank Mandiri (Persero) Tbk
	<u>1.602.605</u>	<u>1.502.505</u>	
Surat berharga yang diterbitkan (lihat Catatan 16)			Securities issued (refer to Note 16)
PT Taspen (Persero)	794.000	620.000	PT Taspen (Persero)
PT Bank Rakyat Indonesia (Persero)	273.700	200.000	PT Bank Rakyat Indonesia (Persero)
Dana Pensiun Bank Mandiri	133.000	148.000	Dana Pensiun Bank Mandiri
PT AXA Mandiri Financial Service	24.000	34.000	PT AXA Mandiri Financial Service
PT Asuransi Jasa Indonesia (Persero)	3.000	3.000	PT Asuransi Jasa Indonesia (Persero)
PT Bumi Daya Plaza	2.000	7.000	PT Bumi Daya Plaza
PT Mandiri AXA General Insurance	2.000	2.000	PT Mandiri AXA General Insurance
PT Mandiri Sekuritas	-	21.000	PT Mandiri Sekuritas
PT Asuransi Jasa Raharja Putra	-	5.000	PT Asuransi Jasa Raharja Putra
DPLK Bank Mandiri	-	1.000	DPLK Bank Mandiri
	<u>1.231.700</u>	<u>1.041.000</u>	
Total liabilitas kepada pihak berelasi	<u>2.865.876</u>	<u>2.651.106</u>	Total liabilities associated with related parties
Persentase terhadap total liabilitas	22,09%	26,70%	Percentage to total liabilities

Utang lain-lain kepada pihak berelasi terutama berhubungan dengan utang angsuran pokok termasuk bunga kepada pemberi pembiayaan bersama.

Other payables to related parties are mainly in respect of payables related with installments including interest to joint financing principals providers.

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25. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

25. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

c. Pendapatan

c. Revenue

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2017	2016	
Pembiayaan konsumen (lihat Catatan 20a)			Consumer financing (refer to Note 20a)
Personil manajemen kunci Grup	1.005	1.239	Group's key management personnel
PT Perikanan Nusantara	4	5	PT Perikanan Nusantara
PT Adhi Karya (Persero) Tbk	-	5	PT Adhi Karya (Persero) Tbk
PT Berdikari (Persero)	-	2	PT Berdikari (Persero)
	1.009	1.251	
Bunga (lihat Catatan 20c)			Interest (refer to Note 20c)
PT Bank Mandiri Taspen (dahulu PT Bank Mandiri Taspen Pos)	4.106	6.124	PT Bank Mandiri Taspen (formerly PT Bank Mandiri Taspen Pos)
PT Bank Mandiri (Persero) Tbk	2.631	1.702	PT Bank Mandiri (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	18	27	PT Bank Rakyat Indonesia (Persero) Tbk
	6.755	7.853	
Lain-lain (lihat Catatan 20d)			Others (refer to Note 20d)
PT Asuransi Jasa Indonesia (Persero)	102.053	70.986	PT Asuransi Jasa Indonesia (Persero)
PT Mandiri AXA General Insurance	8.175	26.248	PT Mandiri AXA General Insurance
PT Jamkrindo	665	-	PT Jamkrindo
	110.893	97.234	
Total pendapatan dari pihak berelasi	118.657	106.338	Total revenue associated with related parties
Persentase terhadap total pendapatan	4,33%	4,34%	Percentage to total revenue

Pendapatan bunga berkaitan dengan penempatan dana kepada pihak berelasi dengan tingkat bunga 0,00% - 8,50% (2016: 0,00% - 8,50%).

Interest income relates to funds placement to related parties with interest rate from 0.00% - 8.50% (2016: 0.00% - 8.50%).

d. Beban

d. Expenses

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2017	2016	
Beban umum dan administrasi (lihat Catatan 23)			General and administrative expenses (refer to Note 23)
Beban sewa gedung			Building rental expense
PT Bumi Daya Plaza	9.880	7.378	PT Bumi Daya Plaza
PT Wahana Optima Permai	118	88	PT Wahana Optima Permai
	9.998	7.466	

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25. SALDO DAN TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

25. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

d. Beban (lanjutan)

d. Expenses (continued)

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December		
	2017	2016	
Beban gaji dan tunjangan (lihat Catatan 22)			Salaries and benefits (refer to Note 22)
Kompensasi Dewan Komisaris dan Direksi			Boards of Commissioners and Directors compensation
Dewan Komisaris			Board of Commissioners
Imbalan kerja jangka pendek:			Short-term employee benefits:
Gaji dan tunjangan	3.471	3.693	Salaries and allowances
Tantiem	1.509	1.372	Tantiem
Direksi			Directors
Imbalan kerja jangka pendek:			Short-term employee benefits:
Gaji dan tunjangan	11.036	9.198	Salaries and allowances
Tantiem	4.587	3.381	Tantiem
	<u>20.603</u>	<u>17.644</u>	
Beban keuangan (lihat Catatan 21)			Financial charges (refer to Note 21)
PT Bank Mandiri (Persero) Tbk	145.320	103.861	PT Bank Mandiri (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk	-	971	PT Bank Negara Indonesia (Persero) Tbk
	<u>145.320</u>	<u>104.832</u>	
Total beban kepada pihak berelasi	<u>175.921</u>	<u>129.942</u>	Total expenses associated with related parties
Persentase terhadap total beban	<u>7,75%</u>	<u>6,49%</u>	Percentage to total expenses

26. MANAJEMEN RISIKO KEUANGAN

26. FINANCIAL RISK MANAGEMENT

Pendahuluan dan gambaran umum

Introduction and overview

Perseroan memiliki eksposur terhadap risiko-risiko sebagai berikut:

The Company has exposure to the following risks:

- Risiko pasar
- Risiko kredit
- Risiko likuiditas
- Risiko operasional

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Kerangka manajemen risiko

Konsep manajemen risiko Perseroan adalah mengacu dari konsep *Enterprise Risk Management* (ERM) yang digunakan oleh induk entitas Perseroan yaitu PT Bank Mandiri (Persero) Tbk yang disesuaikan dengan kebutuhan bisnis dan operasional Perseroan. ERM adalah sebuah proses pengelolaan risiko yang melekat dalam proses bisnis Perseroan, artinya pengelolaan risiko menjadi bagian yang menyatu dalam pengambilan keputusan bisnis Perseroan sehari-hari. Dengan ERM, Perseroan akan memiliki kerangka kerja pengelolaan risiko yang sistematis dan menyeluruh (risiko kredit, risiko pasar dan risiko operasional) dengan menghubungkan pengelolaan modal dan proses bisnis dengan risiko yang dihadapi secara utuh. Tahun ini merupakan kelanjutan dari tahun-tahun sebelumnya terkait dengan "Penerapan Manajemen Risiko secara Konsolidasi bagi Bank yang Melakukan Pengendalian terhadap Entitas Anak", yang dilaksanakan Perseroan dalam kapasitasnya sebagai Entitas Anak dari PT Bank Mandiri (Persero) Tbk, pemegang saham pengendali Perseroan. Kerangka pengelolaan risiko ini mengacu pada Peraturan Bank Indonesia (PBI) No. 5/8/PBI/2003 tanggal 19 Mei 2003 tentang Penerapan Manajemen Risiko bagi Bank Umum, sebagaimana telah diubah dengan PBI No. 11/25/PBI/2009 tanggal 1 Juli 2009 tentang Perubahan atas Peraturan Bank Indonesia Nomor 5/8/PBI/2003 tentang Penerapan Manajemen Risiko bagi Bank Umum. Kerangka ini tercantum dalam Kebijakan Manajemen Risiko Bank Mandiri (KMRBM) agar sejalan dengan rencana penerapan Basel II Accord secara bertahap di Indonesia. Dalam kerangka pengelolaan risiko tersebut diatur berbagai kebijakan agar manajemen risiko berfungsi sebagai *business enabler* sehingga bisnis dapat tetap tumbuh dalam koridor prinsip kehati-hatian dengan menerapkan proses manajemen risiko yang ideal (identifikasi - pengukuran - pemantauan - pengendalian risiko) pada semua level organisasi.

Lebih lanjut, kemitraan antara Perseroan dengan Entitas Induk merupakan hal yang sangat penting, mengingat keduanya menghadapi tantangan regional dan global yang sama dalam mengelola pertumbuhan bisnis yang cepat dan dalam suasana kompetisi yang ketat, namun pada saat yang bersamaan Perseroan harus tetap mampu menyelenggarakan praktik bisnis tersebut berdasarkan dan mengacu kepada prinsip kehati-hatian.

26. FINANCIAL RISK MANAGEMENT (continued)

Risk management framework

The concept of risk management of the Company refers to *Enterprise Risk Management (ERM)* implemented by PT Bank Mandiri (Persero) Tbk (parent company) which were adopted to the needs of business and operational of the Company. ERM is an inherent business risk management process in the Company's business process, which means, risk management becomes part of daily business decision making. By using ERM, the Company will have systematic and comprehensive framework for risk management (credit risk, market risk and operational risk) by connecting capital management and business risk encountered as whole. This year is a continuation from previous years in term of "Implementation Of Consolidated Risk Management For Bank's Controlling Subsidiary Companies", which is implemented by the Company in its capacity as the Subsidiary of PT Bank Mandiri (Persero) Tbk, the controlling shareholder of the Company. This risk management framework refers to Bank Indonesia regulation (PBI) No 5/8/PBI/2003 dated 19 May 2003 concerning the Application of Risk Management for Commercial Bank as amended by PBI No.11/25/PBI/2009 dated on 1 July 2009 concerning the Amendment on Bank Indonesia Regulation No. 5/8/PBI/2003 concerning the Application of Risk Management for Commercial Bank. This framework is included in the Risk Management Policy of Bank Mandiri (KMRBM) in line with the plan to apply Basel II Accord gradually in Indonesia. Within this risk management framework, the Company set up a range of policies in order for risk management to function as a business enabler so that bussines can still grow within the corridor of prudential principle by applying the ideal risk management process (risk identification - measurement - monitoring - management risk) at all level of organization.

Further, the partnership between the Company and the parent company is a very important thing considering both have to faced the same regional and global challenge in managing fast business growth and strict competition, but at the same time the Company must implement such of business practices based on prudential principle.

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Kerangka manajemen risiko (lanjutan)

Sebagai perusahaan yang bergerak di bidang pembiayaan, manajemen Perseroan memiliki komitmen penuh untuk menerapkan manajemen risiko secara komprehensif yang secara esensi mencakup kecukupan kebijakan, prosedur dan metodologi pengelolaan risiko sehingga kegiatan usaha Perseroan tetap dapat terarah dan terkendali pada batasan risiko yang dapat diterima, serta tetap menguntungkan Perseroan. Divisi Manajemen Risiko yang berperan secara aktif dalam mengkoordinasikan tindakan-tindakan pencegahan, proaktif dan responsif dengan seluruh karyawan dari berbagai tingkatan yang ada di dalam Perseroan untuk mendukung penerapan manajemen risiko ini, karena semua bagian di dalam Perseroan masing-masing akan memainkan peranan penting.

Dalam penerapan manajemen risiko, Perseroan menyadari pentingnya untuk memiliki sebuah mekanisme yang memadai dalam mengakomodasi risiko-risiko yang dihadapi oleh Perseroan. Perseroan memiliki suatu mekanisme yang bertumpu pada 4 (empat) pilar manajemen risiko, yang dapat diuraikan sebagai berikut:

Pilar 1: Pengawasan Aktif Dewan Komisaris dan Direksi

Pengawasan aktif tersebut tercermin sejak perencanaan bisnis tahunan, yang mencakup:

- Menyetujui dan melakukan evaluasi kebijakan manajemen risiko secara berkala;
- Melakukan evaluasi dan menyetujui aktivitas yang memerlukan persetujuan dari Dewan Komisaris atau Direksi;
- Menetapkan kebijakan dan strategi manajemen risiko termasuk penetapan otoritas dalam pemberian batasan serta tinjauan atas kualitas portofolio secara berkala;
- Terdapatnya Komite Audit dan sebagai organ Dewan Komisaris dalam melaksanakan fungsi pengawasannya; dan melalui Surat Edaran No. 030/SE/MTF/VI/2012 membentuk *Forum Enterprise Risk Management* dengan dikoordinir oleh Direktorat Risk Management PT Bank Mandiri (Persero) Tbk sebagai bentuk konsolidasi manajemen risiko.

26. FINANCIAL RISK MANAGEMENT (continued)

Risk management framework (continued)

As a company engages in financing activities, the Company's management is fully committed to implement risk management comprehensively, which essentially covers the adequacy of policies, procedures and risk management methodology, hence, the Company's business activities could remain be directed and controlled at an acceptable risk limit, at the same time the Company can still be profitable. Risk Management Division is playing an active role in coordinating preventive, proactive and responsive actions with all employees from various levels within the Company in order to support the implementation of risk management, because all divisions of the Company will play their respective important roles.

In the implementation of risk management, the Company realizes the importance of having an adequate mechanism to accommodate the risks faced by the Company. The Company has a mechanism that is based upon 4 (four) risk management pillars, which could be described as follows:

Pillar 1: Active Supervision by Boards of Commissioners and Directors

Active supervision is reflected since annual business planning, which includes:

- Approving and evaluating risk management policies on a regular basis;
- Evaluating and approving activities that require approval from the Board of Commissioners or Directors;
- Establishing risk management policies and strategies, which include determining the authorization in limits and reviewing the quality of portfolio on a regular basis;
- The presence of the Audit Committee as an organ of the Board of Commissioners in carrying out their supervisory functions; and through Circular Letter No. 030/SE/MTF/VI/2012 established *Enterprised Risk Management Forum* coordinated by PT Bank Mandiri (Persero) Tbk Risk Management Directorate in term of implementation of consolidated risk management.

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Kerangka manajemen risiko (lanjutan)

Pilar 1: Pengawasan Aktif Dewan Komisaris dan Direksi (lanjutan)

Kerangka konsolidasi manajemen risiko dengan Entitas Induk dibentuk dengan menempatkan wakil dari Entitas Induk sebagai Kepala Divisi yang membawahi fungsi manajemen risiko Perseroan. Kerangka tersebut juga dilaksanakan melalui pemeriksaan kinerja secara berkala oleh Entitas Induk terhadap Perseroan, menyangkut kinerja keuangan, pengawasan sistem informasi akuntansi, serta tingkat kesehatan dan profil risiko dari piutang pembiayaan konsumen.

Pilar 2: Kebijakan dan Penerapan Batasan

Perseroan menyusun kebijakan-kebijakan manajemen risiko yang diperiksa secara berkala dan selalu disesuaikan dengan keadaan usaha terkini. Kebijakan tersebut diterjemahkan ke dalam Prosedur Operasi Standar dan Memo Internal yang disosialisasikan kepada seluruh karyawan. Perseroan juga memiliki kebijakan-kebijakan mengenai batasan persetujuan/otorisasi untuk transaksi kredit maupun yang bukan transaksi kredit.

Salah satu contoh kemitraan dalam pengelolaan manajemen risiko antara Perseroan dan Entitas Induk adalah perjanjian kerjasama pemberian kredit *without recourse* dimana Perseroan bertindak sebagai agen untuk kegiatan seleksi konsumen, penagihan dan pengurusan dokumen administrasi berdasarkan batasan produk ataupun kriteria yang telah ditentukan sebelumnya oleh Entitas Induk. Kebijakan penyisihan kerugian penurunan nilai piutang Perseroan juga mengikuti kebijakan penyisihan pada Entitas Induk yang sejalan dan patuh terhadap Standar Akuntansi Keuangan di Indonesia.

Pilar 3: Identifikasi, Pengukuran, Pengawasan dan Sistem Informasi Manajemen

Perseroan memiliki perangkat untuk mengidentifikasi, mengukur dan mengawasi risiko terutama risiko kredit dan risiko operasional melalui mekanisme pelaporan dan sistem informasi manajemen yang ada serta melalui pertemuan berkala Forum Enterprise Risk Management (FERMA) dengan Entitas induk. Selain itu, sistem teknologi informasi utama Perseroan mampu menyediakan data/informasi secara cepat dan akurat kepada pihak manajemen, Entitas Induk atau pihak ketiga yang terkait lainnya.

26. FINANCIAL RISK MANAGEMENT (continued)

Risk management framework (continued)

Pillar 1: Active Supervision by Boards of Commissioners and Directors (continued)

The consolidated risk management framework with Parent Company is established through assigning representatives from Parent Company as Division Head of Risk Management. The framework is also implemented through regular performance assessment by the Parent Company on the Company, concerning the financial performance, monitoring on accounting information system, as well as the level of soundness and risk profile of the Company's consumer financing receivables.

Pillar 2: Policy and Implementation of Limits

The Company develops policies related to risk management, which are assessed periodically and aligned constantly to fit the most recent business situation. The policy is translated into Standard Operating Procedures and Internal Memo, which are being socialized to all employees. The Company also has policies regarding limitation on approval/authorization for both credit and non-credit transactions.

An example of partnership between the Company and Parent Company in managing risk is joint financing without recourse agreement where the Company acts as an agent to underwrite, collect and administer consumer financing based on limitation of product or pre-determined criteria established by Parent Company. The Company's policy in relation with allowance for impairment losses on receivables also comply with the Parent Company's policy, which is in line and in compliance with Indonesian Financial Accounting Standards.

Pillar 3: Identification, Measurement, Monitoring and Management Information System

The Company has a set of tools to identify, measure and monitor risks, especially credit risk and operational risk through the existing reporting and management information system mechanism, as well as through the regular meetings of the Company's Enterprise Risk Management Forum (FERMA) with Parent Company. In addition, the Company's major information technology system is capable of providing instant and accurate data/information to the management, Parent Company or other related third parties.

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Kerangka manajemen risiko (lanjutan)

Pilar 3: Identifikasi, Pengukuran, Pengawasan dan Sistem Informasi Manajemen (lanjutan)

Kerangka konsolidasi manajemen risiko dengan Entitas Induk terlaksana melalui penyampaian paparan risiko Perseroan yang ada secara berkala kepada Komite Manajemen Risiko Entitas Induk, termasuk penyampaian laporan berkala terkait aspek kepatuhan, hukum dan lainnya kepada Entitas Induk.

Pilar 4: Pengendalian Internal

Perseroan memiliki Divisi Audit Internal yang secara independen melaporkan proses dan hasil pemeriksaannya kepada Direktur Utama dan melakukan koordinasi dengan Komite Audit secara rutin setiap bulan. Akuntabilitas dari Divisi Audit Internal mencakup:

- Menyediakan penilaian atas kecukupan dan efektivitas dari semua proses yang ada di dalam Perseroan;
- Melaporkan masalah-masalah penting yang terkait dengan proses pengendalian aktivitas-aktivitas didalam Perseroan, termasuk perbaikan yang potensial terhadap proses-proses tersebut; dan
- Koordinasi dengan fungsi pengendali dan pengawasan lainnya (manajemen risiko, kepatuhan, hukum dan audit eksternal).

Kerangka konsolidasi manajemen risiko dengan Entitas Induk juga dicerminkan dengan dilaksanakannya audit reguler/audit teknologi informasi/audit terintegrasi atas unit-unit di Perseroan oleh Satuan Kerja Audit Internal (SKAI) Entitas Induk.

Guna penguatan pengendalian internal dan proses konsolidasi antara Entitas Induk dengan Entitas Anak, Kepala Divisi Internal Audit perseroan diseleksi dan ditetapkan oleh Entitas Induk sebelum ditempatkan di Perseroan.

Risiko pasar

Risiko pasar merupakan risiko yang terutama disebabkan karena perubahan tingkat suku bunga, nilai tukar mata uang Rupiah, harga komoditas dan harga modal atau pinjaman, yang dapat membawa risiko bagi Perseroan. Dalam perencanaan usaha Perseroan, risiko pasar yang memiliki dampak langsung kepada Perseroan adalah dalam hal pengelolaan tingkat bunga.

26. FINANCIAL RISK MANAGEMENT (continued)

Risk management framework (continued)

Pillar 3: Identification, Measurement, Monitoring and Management Information System (continued)

The consolidated risk management framework with Parent Company is conducted through the reporting of the Company's risk exposure periodically to Parent Company's Risk Management Committee, including the periodic reporting in relation to the compliance, legal and other aspects to the Parent Company.

Pillar 4: Internal Control

The Company has an Internal Audit Division which independently reports on the process and assessment result to the President Director and regularly coordinate with Audit Committee monthly. The accountability of the Internal Audit Division includes:

- Providing assessment on the adequacy and effectiveness of all existing processes within the Company;
- Reporting on important issues related to the control process of activities within the Company, including potential improvements to these processes; and
- Coordinating with other controlling and supervisory functions (risk management, compliance, legal and external audit).

The consolidated risk management framework with Parent Company is also reflected in the implementation of regular audit/information technology audit/integrated audit on the business units in the Company by Parent Company's Internal Audit Unit (SKAI).

For the purpose of strengthening Internal Control and consolidation process between Parent Company and Subsidiary Company, Head of Internal Audit Division is selected and determined by Parent Company before being assigned in the Company.

Market risk

Market risk is the risk which is primarily caused by the changes in interest rates, exchange rate of Rupiah currency, commodity prices and the price of capital or loans, which could expose to the Company. In the Company's business planning, market risk with direct impact to the Company is in terms of interest rates management.

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko pasar (lanjutan)

Perubahan tingkat bunga acuan akan menjadi risiko pada saat perubahannya, terutama ketika tingkat bunga dinaikkan, yang menyebabkan kerugian bagi Perseroan sehingga dapat menyebabkan risiko kredit Perseroan meningkat. Untuk itu, Perseroan menerapkan pengelolaan tingkat bunga tetap secara konsisten dengan menyesuaikan tingkat bunga kredit terhadap tingkat bunga pinjaman dan beban dana.

Sumber pendanaan Perseroan yang terbesar berasal dari skema pembiayaan bersama dengan PT Bank Mandiri (Persero) Tbk dengan tingkat bunga tetap dan jangka waktu yang sama dengan piutang pembiayaan konsumen.

Perseroan juga menerbitkan obligasi dan *medium-term notes* yang sebagian besar mempunyai jangka waktu yang panjang, yaitu 3 (tiga) - 5 (lima) tahun dengan tingkat bunga tetap serta sejumlah kecil pinjaman dari bank swasta nasional dan asing dengan tingkat bunga tetap dan mengambang.

Dengan pola aktivitas usaha yang dijalankan Perseroan saat ini, risiko pasar Perseroan adalah minimal. Perseroan tidak mempunyai kegiatan usaha pembiayaan konsumen dalam mata uang asing.

Tabel berikut menggambarkan rincian aset dan liabilitas keuangan Perseroan yang dikelompokkan menurut mana yang lebih awal antara tanggal *repricing* atau tanggal jatuh tempo kontraktual untuk melihat dampak perubahan tingkat suku bunga (bruto):

26. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Changes in interest rates would become a risk at the point of change, especially when the interest rate is raised, which would cause losses to the Company, hence resulting in increased Company's credit risk. Therefore, the Company consistently implements fixed interest rate management by doing adjustment on lending interest rate and cost of funds.

The largest source of funding for the Company comes from a joint financing scheme with PT Bank Mandiri (Persero) Tbk with fixed interest rate and same period with the consumer financing receivables.

The Company's funding source is also derived from the issuance of bonds and medium-term notes mostly for long-term, i.e. for 3 (three) - 5 (five) years, with fixed interest rates and as well as a small number of loans from the national and foreign private banks with fixed and floating interest rates.

With the pattern of business activity currently operated by the Company, the market risk of the Company is minimal. The Company does not have consumer financing business in foreign currency.

The following tables summarize the Company's financial assets and liabilities categorized by the earlier of contractual repricing or maturity dates to see the impact of changes in interest rates (gross):

		31 Desember/December 2017							
		Tingkat bunga tetap/Fixed interest rate							
	Bunga mengambang <3 bulan/ Floating Rate < 3 months	Kurang dari 1 bulan/Less than 1 month	1 bulan sampai 3 bulan/ 1 month to 3 months	Lebih dari 3 bulan sampai 1 tahun/Over 3 months to 1 year	Lebih dari 1 tahun sampai 2 tahun/ Over 1 year to 2 years	Lebih dari 2 tahun/Over 2 years	Tidak dikenakan bunga/No interest rate charges	Jumlah/Total	
Aset keuangan									Financial assets
Kas dan setara kas	140.352	-	-	-	-	-	20.198	160.550	Cash and cash equivalents
Piutang pembiayaan konsumen	-	324.806	641.025	2.666.672	3.263.760	4.556.248	-	11.452.511	Consumer financing receivable
Piutang sewa pembiayaan	-	84.708	170.599	735.722	829.833	543.767	-	2.364.629	Finance lease receivables
Piutang lain-lain	-	-	-	-	-	-	668.271	668.271	Other receivables
Piutang derivatif	-	-	-	-	-	23.202	-	23.202	Derivative receivables
Aset lain-lain	-	-	-	-	-	-	42.268	42.268	Other assets
Jumlah aset keuangan	140.352	409.514	811.624	3.402.394	4.093.593	5.123.217	730.737	14.711.431	Total financial assets
Liabilitas keuangan									Financial liabilities
Utang usaha	-	-	-	-	-	-	606.513	606.513	Trade payables
Utang lain-lain	-	-	-	-	-	-	134.799	134.799	Other payables
Beban bunga yang masih harus dibayar	-	-	54.455	-	-	-	-	54.455	Accrued interest expenses
Pinjaman bank	-	279.238	667.994	2.795.126	2.850.228	1.617.844	-	8.210.430	Bank loans
Utang derivatif	-	-	-	-	-	19.540	-	19.540	Derivative payables
Surat berharga yang diterbitkan	-	-	-	823.374	1.117.148	1.724.729	-	3.665.251	Securities issued
Jumlah liabilitas keuangan	-	279.238	722.449	3.618.500	3.967.376	3.362.113	741.312	12.690.988	Total financial liabilities
Jumlah selisih penilaian bunga	140.352	130.276	89.175	(216.106)	126.217	1.761.104	(10.575)	2.020.443	Total interest repricing gap

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko pasar (lanjutan)

Tabel berikut menggambarkan rincian aset dan liabilitas keuangan Perseroan yang dikelompokkan menurut mana yang lebih awal antara tanggal repricing atau tanggal jatuh tempo kontraktual untuk melihat dampak perubahan tingkat suku bunga (bruto): (lanjutan)

26. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

The following tables summarize the Company's financial assets and liabilities categorized by the earlier of contractual repricing or maturity dates to see the impact of changes in interest rates (gross): (continued)

		31 Desember/December 2016								
		Tingkat bunga tetap/Fixed interest rate								
	Bunga mengambang <3 bulan/ Floating Rate < 3 months	Kurang dari 1 bulan/Less than 1 month	1 bulan sampai 3 bulan/ 1 month to 3 months	Lebih dari 3 bulan sampai 1 tahun/Over 3 months to 1 year	Lebih dari 1 tahun sampai 2 tahun/ Over 1 year to 2 years	Lebih dari 2 tahun/ Over 2 years	Tidak dikenakan bunga/No interest rate charges	Jumlah/Total		
Aset keuangan									Financial assets	
Kas dan setara kas	233.820	-	-	-	-	-	24.074	257.894	Cash and cash equivalents	
Piutang pembiayaan konsumen	-	241.879	485.978	2.191.289	2.816.876	4.231.499	-	9.967.521	Consumer financing receivable	
Piutang sewa pembiayaan	-	37.679	71.936	281.095	262.868	180.905	-	834.483	Finance lease receivables	
Piutang lain-lain	-	-	-	-	-	-	344.005	344.005	Other receivables	
Aset lain-lain	-	-	-	-	-	-	38.142	38.142	Other assets	
Jumlah aset keuangan	233.820	279.558	557.914	2.472.384	3.079.744	4.412.404	406.221	11.442.045	Total financial assets	
Liabilitas keuangan									Financial liabilities	
Utang usaha	-	-	-	-	-	-	593.910	593.910	Trade payables	
Utang lain-lain	-	-	-	-	-	-	171.134	171.134	Other payables	
Beban bunga yang masih harus dibayar	-	-	40.522	-	-	-	-	40.522	Accrued interest expenses	
Pinjaman bank	-	501.393	570.336	1.996.755	1.788.168	752.500	-	5.609.152	Bank loans	
Surat berharga yang diterbitkan	-	-	-	499.889	823.016	1.993.329	-	3.316.234	Securities issued	
Jumlah liabilitas keuangan	-	501.393	610.858	2.496.644	2.611.184	2.745.829	765.044	9.730.952	Total financial liabilities	
Jumlah selisih penilaian bunga	233.820	(221.835)	(52.944)	(24.260)	468.560	1.666.575	(358.823)	1.711.093	Total interest repricing gap	

Risiko kredit

Pengelolaan risiko kredit perseroan diarahkan untuk meningkatkan keseimbangan antara ekspansi kredit yang sehat dengan pengelolaan kredit secara prudent agar terhindar dari penurunan kualitas atau menjadi Non Performing Loan (NPL), serta mengelola penggunaan modal untuk memperoleh return yang optimal. Dimulai dari proses awal penerimaan aplikasi kredit yang selektif dan ditangani dengan prinsip kehati-hatian, yang mana aplikasi kredit akan melalui proses survey dan analisa kredit sebelum disetujui oleh Komite Kredit. Perseroan juga menerapkan Pedoman Penerapan Prinsip Mengenal Nasabah yang diatur oleh Peraturan Menteri Keuangan No.30/PMK.010/2010 tentang Penerapan Prinsip Mengenal Nasabah bagi Lembaga Keuangan Non Bank dan Peraturan Ketua Bapepam-LK No.PER-05/BL/2011 tentang Pedoman Penerapan Prinsip Mengenal Nasabah bagi Perseroan Pembiayaan. Tahun 2012, Perseroan juga telah menjalankan aturan uang muka kendaraan sesuai dengan Peraturan Menteri Keuangan No.43/PMK.010/2012 tentang Uang Muka Pembiayaan Konsumen untuk kendaraan Bermotor Pada Perusahaan Pembiayaan serta Surat Edaran BI No.14/10/DPNP tanggal 15 Maret 2012 tentang Penerapan Manajemen Risiko pada Bank yang Melakukan Pemberian Kredit Pemilikan Rumah dan Kredit Kendaraan Bermotor yang diberlakukan sejak 15 Juni 2012.

Credit risk

The Company's credit risk management is directed to improve the balance between healthy credit expansion with a prudent credit management to avoid from the decline in the quality or being Non Performing Loan (NPL), as well as, capital management to earn optimal return. It starts from the process of receiving credit applications selectively and handling them with prudence principle, where by the credit application would go through survey and credit analysis process before being approved by the Credit Committee. The Company also implemented the Manual for Implementation of Know Your Customer Principles as regulated in the Ministry of Finance Regulation No.30/PMK.010/2010 regarding the Implementation of Know Your Customer Principles for Non-Banking Financial Institutions and the Chairman of the Capital Market and Financial Institution Supervisory Board (Bapepam-LK) Regulation No.PER-05/BL/2011 regarding the Manual for Implementation of Know Your Customer Principles for Multifinance Companies. In 2012, the Company also has implemented down payment regulation as regulated in the Ministry of Finance Regulation No.43/PMK.010/2012 concerning Down Payment for Consumer Financing, and Bank Indonesia Circular Letter No.14/10/DPNP dated 15 March 2012 concerning The Application of Bank's Risk Management on Mortgages and Motor Vehicle Credit effective 15 June 2012.

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko kredit (lanjutan)

Untuk setiap kategori aset keuangan, Perseroan harus mengungkapkan eksposur maksimum terhadap risiko kredit dan analisa konsentrasi risiko kredit.

i. Eksposur maksimum terhadap risiko kredit

Nilai tercatat dari aset keuangan Perseroan selain piutang sewa pembiayaan dan piutang pembiayaan konsumen menggambarkan eksposur maksimum atas risiko tersebut. Dalam hal piutang pembiayaan konsumen dan sewa pembiayaan, Perseroan menggunakan agunan untuk meminimalkan risiko kredit. Perseroan menetapkan jenis dan nilai agunan yang diterima antara lain tanah, bangunan dan Bukti Pemilikan Kendaraan Bermotor (BPKB) atas kendaraan yang dibiayai Perseroan. Apabila terjadi *default* (gagal bayar), Perseroan akan menggunakan agunan tersebut sebagai pilihan terakhir untuk pemenuhan kewajiban *counterparty*.

ii. Analisis konsentrasi risiko kredit

Konsentrasi risiko kredit timbul ketika sejumlah pelanggan bergerak dalam aktivitas usaha yang sama atau aktivitas dalam wilayah geografis yang sama, atau ketika mereka memiliki karakteristik yang sejenis yang akan menyebabkan kemampuan untuk memenuhi kewajiban kontraktualnya sama-sama dipengaruhi oleh perubahan kondisi ekonomi atau yang lainnya.

Perseroan bergerak di bidang usaha pembiayaan konsumen yang pelanggannya kebanyakan adalah individu dan tidak terkonsentrasi pada wilayah geografis tertentu.

Tabel berikut menggambarkan jumlah risiko kredit dan konsentrasi risiko aset keuangan konsumen yang dimiliki Perseroan (bruto):

a. Sektor geografis

31 Desember/December 2017							
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others	Jumlah/ Total	
Kas dan setara kas	139.556	375	183	205	33	140.352	Cash and cash equivalents
Piutang pembiayaan konsumen:							Consumer financing receivables:
perorangan	7.352.207	2.029.396	860.746	1.184.658	25.504	11.452.511	individual
Piutang sewa pembiayaan:							Finance lease receivables:
korporasi	2.332.438	4.116	2.146	25.929	-	2.364.629	corporate
Piutang lain-lain	19.544	5.382	2.238	2.269	638.838	668.271	Other receivables
Piutang derivatif	23.202	-	-	-	-	23.202	Derivative receivables
Aset lain-lain	484	(40)	6	7	41.811	42.268	Other assets
	9.867.431	2.039.229	865.319	1.213.068	706.186	14.691.233	

31 Desember/December 2016							
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others	Jumlah/ Total	
Kas dan setara kas	232.524	720	279	297	-	233.820	Cash and cash equivalents
Piutang pembiayaan konsumen:							Consumer financing receivables:
perorangan	6.779.693	1.743.318	661.274	783.236	-	9.967.521	individual
Piutang sewa pembiayaan:							Finance lease receivables:
korporasi	766.315	291	2.944	64.933	-	834.483	corporate
Piutang lain-lain	10.449	2.392	1.082	972	329.110	344.005	Other receivables
Aset lain-lain	335	(50)	15	4	37.838	38.142	Other assets
	7.789.316	1.746.671	665.594	849.442	366.948	11.417.971	

26. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

For each financial asset category, the Company should disclose maximum exposure to credit risk and concentration of credit risk analysis.

i. Maximum exposure to credit risk

The carrying amount of the Company's financial assets other than finance lease receivables and consumer financing receivables represent the maximum exposure of credit. In case of consumer financing and finance lease receivables, the Company uses the collateral to minimize the credit risk. The Company determined the type and value of collaterals accepted such as land, buildings, and Certificate of Ownership of the vehicles financed by the Company. In times of default, the Company will use the collateral as the last resort in recovering the obligation of the counterparty.

ii. Concentration of credit risk analysis

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The Company is currently engaged in consumer financing business in which the customers are mainly individuals and they are not concentrated in the specific geographic region.

The following tables set out the total credit risk and risk concentration of financial assets of the Company (gross):

a. Geographical sector

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

26. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit (lanjutan)

Credit risk (continued)

ii. Analisis konsentrasi risiko kredit (lanjutan)

ii. Concentration of credit risk analysis (continued)

b. Sektor industri

b. Industry sector

31 Desember/December 2017

	Lembaga Keuangan/ Financial Institution	Konsumen/ Customers	Lain-lain/ Others	Jumlah/ Total	
Kas dan setara kas	140.352	-	-	140.352	Cash and cash equivalents
Piutang pembiayaan konsumen:					Consumer financing receivables:
perorangan	-	11.452.511	-	11.452.511	individual
Piutang sewa pembiayaan:					Finance lease receivables:
korporasi	-	2.364.629	-	2.364.629	corporate
Piutang lain-lain	-	-	668.271	668.271	Other receivables
Piutang derivatif	23.202	-	-	23.202	Derivative receivables
Aset lain-lain	-	-	42.268	42.268	Other assets
	163.554	13.817.140	710.539	14.691.233	

31 Desember/December 2016

	Lembaga Keuangan/ Financial Institution	Konsumen/ Customers	Lain-lain/ Others	Jumlah/ Total	
Kas dan setara kas	233.820	-	-	233.820	Cash and cash equivalents
Piutang pembiayaan konsumen:					Consumer financing receivables:
perorangan	-	9.967.521	-	9.967.521	individual
Piutang sewa pembiayaan:					Finance lease receivables:
korporasi	-	834.483	-	834.483	corporate
Piutang lain-lain	-	-	344.005	344.005	Other receivables
Aset lain-lain	-	-	38.142	38.142	Other assets
	233.820	10.802.004	382.147	11.417.971	

c. Berdasarkan kualitas kredit dari aset keuangan

c. Based on quality of financial assets

Pada tanggal 31 Desember 2017 dan 2016, eksposur risiko kredit atas aset keuangan terbagi atas:

As of 31 December 2017 and 2016, credit risk exposure of financial asset is divided into:

31 Desember/December 2017

	Belum jatuh tempo dan tidak mengalami penurunan nilai/ Neither past due nor impaired		Jatuh tempo dan tidak mengalami penurunan nilai/Past due but not impaired	Mengalami penurunan nilai/ Impaired	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	Jumlah/ Total	
	High grade	Standard grade					
Kas dan setara kas	140.352	-	-	-	-	140.352	Cash and cash equivalent
Piutang pembiayaan konsumen:							Consumer financing receivables:
perorangan	4.195.304	6.424.858	693.163	139.186	(271.205)	11.181.306	individual
Piutang sewa pembiayaan:							Finance lease receivables:
korporasi	1.559.415	755.726	38.815	10.673	(7.739)	2.356.890	corporate
Piutang lain-lain	668.271	-	-	-	(2.896)	665.375	Other receivables
Piutang derivatif	23.202	-	-	-	-	23.202	Derivative receivables
Aset lain-lain	42.268	-	-	-	-	42.268	Other assets
	6.628.812	7.180.584	731.978	149.859	(281.840)	14.409.393	

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

26. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit (lanjutan)

Credit risk (continued)

ii. Analisis konsentrasi risiko kredit (lanjutan)

ii. Concentration of credit risk analysis (continued)

c. Berdasarkan kualitas kredit dari aset keuangan (lanjutan)

c. Based on quality of financial assets (continued)

Pada tanggal 31 Desember 2017 dan 2016 eksposur risiko kredit atas aset keuangan terbagi atas: (lanjutan)

As of 31 December 2017 and 2016 credit risk exposure of financial asset is divided into: (continued)

31 Desember/December 2016

	Belum jatuh tempo dan tidak mengalami penurunan nilai/Neither past due nor impaired		Jatuh tempo dan tidak mengalami penurunan nilai/Past due but not impaired	Mengalami penurunan nilai/Impaired	Cadangan kerugian penurunan nilai/Allowance for impairment losses	Jumlah/Total	
	High grade	Standard grade					
Kas dan setara kas	233.820	-	-	-	-	233.820	Cash and cash equivalent
Piutang pembiayaan konsumen:							Consumer financing receivables:
perorangan	9.056.501	292	649.780	260.948	(298.650)	9.668.871	individual
Piutang sewa pembiayaan:							Finance lease receivables:
korporasi	788.684	-	35.031	10.768	(4.538)	829.945	corporate
Piutang lain-lain	344.005	-	-	-	-	344.005	Other receivables
Aset lain-lain	38.142	-	-	-	-	38.142	Other assets
	10.461.152	292	684.811	271.716	(303.188)	11.114.783	

Penjelasan pembagian kualitas kredit yang diberikan yang belum jatuh tempo dan tidak mengalami penurunan nilai:

- *High grade*, yaitu tidak pernah mengalami tunggakan sebelumnya.
- *Standard grade*, yaitu pernah mengalami tunggakan sebelumnya, namun sampai saat ini belum terdapat keterlambatan dalam pembayaran cicilan pokok dan bunga.

Piutang pembiayaan konsumen dan piutang sewa pembiayaan yang piutang pembayaran angsurannya menunggak lebih dari 90 hari diklasifikasikan sebagai aset keuangan yang mengalami penurunan nilai.

Sebagai jaminan atas piutang pembiayaan konsumen yang diberikan, Perseroan menerima jaminan dari konsumen berupa Bukti Pemilikan Kendaraan Bermotor ("BPKB") atas kendaraan bermotor yang dibiayai Perseroan.

Tabel berikut menunjukkan *aging analysis* terhadap piutang pembiayaan konsumen dan piutang sewa pembiayaan yang telah jatuh tempo tetapi tidak mengalami penurunan nilai.

The explanation of loan under quality "neither past due nor impaired" were as follows:

- *High grade*, which never have past due in the past.
- *Standard grade*, which have past due in the past but until now there has not been overdue in payment of principal and interest.

Consumer financing and finance lease receivables which installments are overdue for more than 90 days are classified as impaired financial assets.

As collateral to the consumer financing receivables, the Company receives the Certificates of Ownership ("BPKB") of the motor vehicles financed by the Company.

The following table summarizes the aging analysis of consumer financing receivables and finance lease receivables which are past due but not impaired.

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

26. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit (lanjutan)

Credit risk (continued)

ii. Analisis konsentrasi risiko kredit (lanjutan)

ii. Concentration of credit risk analysis (continued)

c. Berdasarkan kualitas kredit dari aset keuangan (lanjutan)

c. Based on quality of financial assets (continued)

31 Desember/December 2017					
	1-30 hari/days	31-60 hari/days	61-90 hari/days	Jumlah/ Total	
Piutang pembiayaan konsumen: perorangan	443.837	154.881	94.445	693.163	Consumer financing receivables: individual
Piutang sewa pembiayaan: korporasi	19.148	6.300	13.367	38.815	Finance lease receivables: corporate
	462.985	161.181	107.812	731.978	
31 Desember/December 2016					
	1-30 hari/days	31-60 hari/days	61-90 hari/days	Jumlah/ Total	
Piutang pembiayaan konsumen: perorangan	405.370	156.665	87.745	649.780	Consumer financing receivables: individual
Piutang sewa pembiayaan: korporasi	21.139	11.902	1.990	35.031	Finance lease receivables: corporate
	426.509	168.567	89.735	684.811	

Risiko likuiditas

Liquidity risk

Risiko likuiditas merupakan risiko, yang mana Perseroan tidak memiliki sumber keuangan yang mencukupi untuk memenuhi kewajibannya yang telah jatuh tempo. Mengingat Perseroan memperoleh dukungan keuangan yang kuat dari Entitas Induk melalui skema pembiayaan bersama, maka risiko ini dapat dikelola dengan baik.

Liquidity risk is the risk, whereby the Company does not have sufficient financial resources to discharge its matured liabilities. As the Company receives strong financial support from Parent Company through joint financing scheme, this risk could be managed properly.

Tabel berikut menggambarkan profil perbedaan jatuh tempo atas aset dan liabilitas keuangan Perseroan pada tanggal 31 Desember 2017 dan 2016:

The following table summarizes the maturity gap profile of the Company's financial assets and liabilities as of 31 December 2017 and 2016:

31 Desember/December 2017							
	Kurang dari satu bulan/ Less than one month	1-6 bulan/ months	Lebih dari 6 bulan sampai 1 tahun/Over than 6 months up to 1 year	Lebih dari 1 tahun/ Over than 1 year	Tidak mempunyai kontrak jatuh tempo/No contractual maturity	Nilai tercatat/ Carrying value	
ASET							ASSETS
Kas dan setara kas	140.352	-	-	-	20.198	160.550	Cash and cash equivalents
Piutang pembiayaan konsumen	324.805	1.530.512	1.777.185	7.820.009	-	11.452.511	Consumer financing receivables
Piutang sewa pembiayaan	84.708	419.289	487.033	1.373.599	-	2.364.629	Finance lease receivables
Piutang lain-lain	668.271	-	-	-	-	668.271	Other receivables
Piutang derivatif	-	-	-	23.202	-	23.202	Derivative receivables
Aset lain-lain	42.268	-	-	-	-	42.268	Other assets
Total aset	1.260.404	1.949.801	2.264.218	9.216.810	20.198	14.711.431	Total assets
LIABILITAS							LIABILITIES
Utang usaha	606.513	-	-	-	-	606.513	Trade payables
Utang lain-lain	134.799	-	-	-	-	134.799	Other payables
Beban bunga yang masih harus dibayar	-	54.455	-	-	-	54.455	Accrued interest expenses
Pinjaman bank	279.238	1.663.342	1.799.779	4.468.071	-	8.210.430	Bank loans
Utang derivatif	-	-	-	19.540	-	19.540	Derivative payables
Surat berharga yang diterbitkan	-	324.830	498.543	2.841.878	-	3.665.251	Securities issued
Total liabilitas	1.020.550	2.042.627	2.298.322	7.329.489	-	12.690.988	Total liabilities
Total perbedaan jatuh tempo	239.854	(92.826)	(34.104)	1.887.321	20.198	2.020.443	Total maturity gap

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko likuiditas (lanjutan)

Tabel berikut menggambarkan profil perbedaan jatuh tempo atas aset dan liabilitas keuangan Perseroan pada tanggal 31 Desember 2017 dan 31 Desember 2016: (lanjutan)

31 Desember/December 2016							
	Kurang dari satu bulan/ Less than one month	1-6 bulan/ months	Lebih dari 6 bulan sampai 1 tahun/ Over than 6 months up to 1 year	Lebih dari 1 tahun/ Over than 1 year	Tidak mempunyai kontrak jatuh tempo/ No contractual maturity	Nilai tercatat/ Carrying value	
ASET							ASSETS
Kas dan setara kas	233.820	-	-	-	24.074	257.894	Cash and cash equivalents
Piutang pembiayaan konsumen	241.879	1.217.795	1.459.472	7.048.375	-	9.967.521	Consumer financing receivables
Piutang sewa pembiayaan	37.679	169.672	183.360	443.772	-	834.483	Finance lease receivables
Piutang lain-lain	343.220	-	-	-	785	344.005	Other receivables
Aset lain-lain	-	-	-	-	38.142	38.142	Other assets
Total aset	856.598	1.387.467	1.642.832	7.492.147	63.001	11.442.045	Total assets
LIABILITAS							LIABILITIES
Utang usaha	593.910	-	-	-	-	593.910	Trade payables
Utang lain-lain	171.134	-	-	-	-	171.134	Other payables
Beban bunga yang masih harus dibayar	-	40.522	-	-	-	40.522	Accrued interest expenses
Pinjaman bank	501.393	1.307.326	1.259.765	2.540.668	-	5.609.152	Bank loans
Surat berharga yang diterbitkan	-	499.890	-	2.816.344	-	3.316.234	Securities issued
Total liabilitas	1.266.437	1.847.738	1.259.765	5.357.012	-	9.730.952	Total liabilities
Total perbedaan jatuh tempo	(409.839)	(460.271)	383.067	2.135.135	63.001	1.711.093	Total maturity gap

Tabel di bawah ini menunjukkan sisa jatuh tempo kontraktual dari liabilitas keuangan berdasarkan pada *undiscounted cash flows* pada tanggal 31 Desember 2017 dan 2016:

The tables below show the remaining contractual maturities of financial liabilities based on *undiscounted cash flows* as of 31 December 2017 and 2016:

31 Desember/December 2017							
	Kurang dari satu bulan/ Less than one month	1-6 bulan/ months	Lebih dari 6 bulan sampai 1 tahun/ Over than 6 months up to 1 year	Lebih dari 1 tahun/ Over than 1 year	Tidak mempunyai kontrak jatuh tempo/ No contractual maturity	Nilai tercatat/ Carrying value	
LIABILITAS							LIABILITIES
Utang usaha	606.513	-	-	-	-	606.513	Trade payables
Utang lain-lain	134.799	-	-	-	-	134.799	Other payables
Beban bunga yang masih harus dibayar	-	54.455	-	-	-	54.455	Accrued interest expenses
Pinjaman bank	325.035	1.952.123	2.045.158	4.806.835	-	9.129.151	Bank loans
Utang Derivatif	-	-	-	19.540	-	19.540	Derivative payables
Surat berharga yang diterbitkan	-	493.426	650.333	3.263.513	-	4.407.272	Securities issued
Total	1.066.347	2.500.004	2.695.491	8.089.888	-	14.351.730	Total
31 Desember/December 2016							
	Kurang dari satu bulan/ Less than one month	1-6 bulan/ months	Lebih dari 6 bulan sampai 1 tahun/ Over than 6 months up to 1 year	Lebih dari 1 tahun/ Over than 1 year	Tidak mempunyai kontrak jatuh tempo/ No contractual maturity	Nilai tercatat/ Carrying value	
LIABILITAS							LIABILITIES
Utang usaha	593.910	-	-	-	-	593.910	Trade payables
Utang lain-lain	171.134	-	-	-	-	171.134	Other payables
Beban bunga yang masih harus dibayar	-	40.522	-	-	-	40.522	Accrued interest expenses
Pinjaman bank	549.189	1.509.160	1.433.122	2.752.355	-	6.243.826	Bank loans
Surat berharga yang diterbitkan	-	657.603	-	3.482.153	-	4.139.756	Securities issued
Total	1.314.233	2.207.285	1.433.122	6.234.508	-	11.189.148	Total

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko operasional

Perseroan juga sangat peduli terhadap risiko operasional, karena permasalahan yang timbul sehubungan dengan risiko ini dapat berdampak dan berpengaruh luas terhadap kinerja Perseroan secara keseluruhan. Secara umum, risiko operasional merupakan risiko yang disebabkan karena kekurangan dan kegagalan proses internal, kesalahan manusia, kegagalan *system* ataupun permasalahan-permasalahan yang berdampak pada operasi Perseroan. Penanganan risiko operasional dalam Perseroan dilakukan dengan 3 (tiga) langkah, yaitu:

- Pengidentifikasian risiko
- Pengukuran risiko
- Manajemen, pengawasan dan pengendalian risiko

Ketiga langkah di atas merupakan satu kesatuan proses yang tidak terpisahkan. Langkah di atas telah diterjemahkan Perseroan dalam mekanisme manajemen risiko operasional sebagai berikut:

Operational Risk Management System (ORMS)

ORMS merupakan implementasi dari kewajiban Perseroan sebagai Perseroan Anak dari PT Bank Mandiri (Persero) Tbk untuk melakukan pengendalian risiko operasional dengan cara melakukan pencatatan kejadian berisiko pada saat terjadinya kejadian berisiko tersebut, seperti yang diatur di dalam Peraturan Bank Indonesia No. 8/6/PBI/2006 tertanggal 30 Januari 2006 perihal "Penerapan Manajemen Risiko secara Konsolidasi bagi Bank yang Melakukan Pengendalian terhadap Perseroan Anak".

ORMS adalah sebuah aplikasi intranet berbasis web yang digunakan sebagai alat bantu pengelola risiko operasional yang dirancang agar pencatatan kejadian berisiko dapat dilakukan pada saat terjadinya kejadian berisiko tersebut dan direkam ke dalam *database*. Laporan yang terekam melalui menu laporan tersebut kemudian akan dipindahkan ke dalam aplikasi ORMS Entitas Induk sebagai bentuk dari perwujudan konsolidasi Laporan Risiko Operasional Bank.

Manajemen permodalan

Tujuan Perseroan dalam mengelola permodalannya adalah menjaga kelangsungan usaha Perseroan untuk dapat memberikan hasil kepada pemegang saham dan manfaat kepada pemangku kepentingan lainnya, dan memelihara optimalisasi struktur permodalan untuk mengurangi biaya modal.

26. FINANCIAL RISK MANAGEMENT (continued)

Operational risk

The Company is also very concerned about the operational risk, because the problems arised in relation with this risk could bring significant impact and affect to the overall Company's performance. In general, operational risk is the risk caused by shortcomings and failures of internal processes, human errors, system failures or problems that could bring impact to the Company's operations. The operational risks in the Company are handled through 3 (three) steps as follows:

- Risk identification
- Risk measurement
- Risk management, supervision and control

The three steps above are inseparable unified process. The steps above have been converted to the Company's operational risk management mechanism as follows:

Operational Risk Management System (ORMS)

ORMS is an implementation of the obligation of the Company as a Subsidiary of PT Bank Mandiri (Persero) Tbk to carry out operational risk control by recording risk event at the time this risk event occurred, as regulated in Bank Indonesia Regulation No. 8/6/PBI/2006 dated 30 January 2006 regarding "Implementation of Consolidated Risk Management for Banks Performing Control on Subsidiary Companies".

ORMS is a web-based intranet application that is used as an operational risk management tool and is designed for recording the operational risk event at the time of occurrence of this risk event and stored into database. The report stored through the reporting menu would then be transferred to Parent Company's ORMS application as the form of the consolidated Bank's Operational Risk Report.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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26. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Manajemen permodalan (lanjutan)

Dalam rangka memelihara atau menyesuaikan struktur permodalan, Perseroan dapat menyesuaikan jumlah dividen yang dibayarkan kepada pemegang saham, imbalan hasil modal kepada pemegang saham atau menerbitkan saham baru untuk mengurangi pinjaman.

Konsisten dengan pelaku industri lainnya, Perseroan memonitor permodalan berdasarkan *gearing ratio*. Rasio ini dihitung dari nilai bersih pinjaman (termasuk obligasi dan *medium-term notes*) dibagi dengan jumlah modal. Jumlah modal diambil dari ekuitas yang tercantum dalam laporan posisi keuangan.

Berdasarkan Peraturan Menteri Keuangan Republik Indonesia No. 84/PMK.012/2006 tanggal 26 September 2006 tentang Perusahaan Pembiayaan, jumlah maksimum *gearing ratio* adalah sebesar 10 kali dari total modal.

	31 Desember/ December 2017	31 Desember/ December 2016
Pinjaman		
Pinjaman yang diterima - neto	8.210.430	5.609.152
Obligasi	3.665.251	3.316.234
Total Pinjaman	11.875.681	8.925.386
Jumlah Modal	1.768.342	1.474.129
Gearing Ratio	6,72	6,05

Perseroan senantiasa menjaga jumlah maksimum *gearing ratio* lebih kecil dari ketentuan yang ditetapkan melalui analisa alternatif pembiayaan baik melalui pinjaman bank, penerbitan obligasi ataupun optimalisasi dana *joint financing*. Perseroan juga menghitung biaya dana dari alternatif pembiayaan yang dipilih untuk memastikan biaya dana tersebut dapat menghasilkan pendapatan maksimum bagi Perseroan.

26. FINANCIAL RISK MANAGEMENT (continued)

Capital management (continued)

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares to reduce debt.

Consistent with other players in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (including bonds payable and medium-term notes) divided by total capital. Total capital is calculated as equity shown in the statements of financial position.

Based on Minister of Finance of the Republic of Indonesia Regulation No. 84/PMK.012/2006 dated 26 September 2006 regarding Multifinance Company, the maximum gearing ratio is 10 times from total capital.

	31 Desember/ December 2017	31 Desember/ December 2016
Debt		
Borrowings - net	8.210.430	5.609.152
Bonds Payable	3.665.251	3.316.234
Total Debt	11.875.681	8.925.386
Total Capital	1.768.342	1.474.129
Gearing Ratio	6,72	6,05

The Company always maintains the maximum amount of gearing ratio at lower level than the applicable regulation by performing an analysis to determine financing alternative whether through the bank loans, bonds issuance or joint financing fund optimization. The Company also calculates the cost of fund of each financing alternative selected by the Company to ensure it could generate a maximum income for the Company.

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27. NILAI WAJAR ASET DAN LIABILITAS KEUANGAN

Pada tanggal 31 Desember 2017 dan 2016, nilai tercatat dari aset dan liabilitas keuangan Perseroan memiliki nilai yang hampir sama dengan nilai wajarnya kecuali untuk instrumen berikut:

27. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

As of December 31, 2017 and 2016, the carrying value of the Company's financial assets and liabilities approximates their fair value except for the following financial instruments:

31 Desember/December 2017

	Pinjaman yang diberikan dan piutang/Loans and receivables	Biaya perolehan diamortisasi lainnya/ Other amortized cost	Derivatif lindung nilai/ Hedging derivatives	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
ASET KEUANGAN						FINANCIAL ASSETS
Piutang pembiayaan konsumen	11.181.306	-	-	11.181.306	11.935.962	Consumer financing receivables
Piutang sewa pembiayaan	2.356.890	-	-	2.356.890	2.571.662	Finance lease receivables
Piutang derivatif	-	-	23.202	23.202	23.202	Derivative receivables
Total aset keuangan	13.538.196	-	23.202	13.561.398	14.530.826	Total financial assets
LIABILITAS KEUANGAN						FINANCIAL LIABILITIES
Pinjaman bank	-	8.210.430	-	8.210.430	8.209.363	Bank loans
Surat berharga yang diterbitkan	-	3.665.251	-	3.665.251	3.635.760	Securities issued
Utang derivatif	-	-	19.540	19.540	19.540	Derivative payables
Total liabilitas keuangan	-	11.875.681	19.540	11.895.221	11.864.663	Total financial liabilities

31 Desember/December 2016

	Pinjaman yang diberikan dan piutang/Loans and receivables	Biaya perolehan diamortisasi lainnya/ Other amortized cost	Derivatif lindung nilai/ Hedging derivatives	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
ASET KEUANGAN						FINANCIAL ASSETS
Piutang pembiayaan konsumen	9.668.871	-	-	9.668.871	10.519.966	Consumer financing receivables
Piutang sewa pembiayaan	829.945	-	-	829.945	928.918	Finance lease receivables
Total aset keuangan	10.498.816	-	-	10.498.816	11.448.884	Total financial assets
LIABILITAS KEUANGAN						FINANCIAL LIABILITIES
Pinjaman bank	-	5.609.152	-	5.609.152	5.644.324	Bank loans
Surat berharga yang diterbitkan	-	3.316.234	-	3.316.234	3.304.169	Securities issued
Total liabilitas keuangan	-	8.925.386	-	8.925.386	8.948.493	Total financial liabilities

Tabel di bawah ini menyajikan analisa atas instrumen keuangan tersebut sesuai dengan masing-masing tingkat dalam hirarki nilai wajar:

The tables below present the analysis of the above financial instruments by the level in the fair value hierarchy:

31 Desember/December 2017

	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Total	
ASET KEUANGAN						FINANCIAL ASSETS
Piutang pembiayaan konsumen	11.181.306	-	11.935.962	-	11.935.962	Consumer financing receivables
Piutang sewa pembiayaan	2.356.890	-	2.571.662	-	2.571.662	Finance lease receivables
Piutang derivatif	23.202	-	23.202	-	23.202	Derivative receivables
Total	13.561.398	-	14.530.826	-	14.530.826	Total

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27. NILAI WAJAR ASET DAN LIABILITAS KEUANGAN (lanjutan)

Tabel di bawah ini menyajikan analisa atas instrumen keuangan tersebut sesuai dengan masing-masing tingkat dalam hirarki nilai wajar: (lanjutan)

31 Desember/December 2017					
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Total
LIABILITAS KEUANGAN					
Pinjaman bank	8.210.430	-	8.209.363	-	8.209.363
Surat berharga yang diterbitkan	3.665.251	-	3.635.760	-	3.635.760
Utang derivatif	19.540	-	19.540	-	19.540
Total	11.895.221	-	11.864.663	-	11.864.663
31 Desember/December 2016					
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Total
ASET KEUANGAN					
Piutang pembiayaan konsumen	9.668.871	-	10.519.966	-	10.519.966
Piutang sewa pembiayaan	829.945	-	928.918	-	928.918
Total	10.498.816	-	11.448.884	-	11.448.884
LIABILITAS KEUANGAN					
Pinjaman bank	5.609.152	-	5.644.324	-	5.644.324
Surat berharga yang diterbitkan	3.316.234	-	3.304.169	-	3.304.169
Total	8.925.386	-	8.948.493	-	8.948.493

Metode dan asumsi yang digunakan untuk estimasi nilai wajar adalah sebagai berikut:

Nilai wajar kas dan setara kas, piutang lain-lain, aset lain-lain, utang usaha, beban bunga yang masih harus dibayar dan utang lain-lain mendekati nilai tercatat karena jangka waktu jatuh tempo yang singkat atas instrumen keuangan tersebut.

Nilai wajar piutang pembiayaan konsumen, piutang sewa pembiayaan, piutang derivatif, utang derivatif, pinjaman bank dan surat berharga yang diterbitkan dinilai menggunakan diskonto arus kas berdasarkan tingkat suku bunga pasar pada tanggal 31 Desember 2017 dan 2016.

28. PERJANJIAN KERJASAMA

Pembiayaan bersama

Perseroan mempunyai perjanjian kerjasama pembiayaan bersama *without recourse* dengan PT Bank Mandiri (Persero) Tbk. Perseroan bertindak sebagai agen untuk kegiatan seleksi konsumen, penagihan dan pengurusan dokumen administrasi dan mendapatkan pendapatan atas selisih margin yang diterima dari konsumen dan yang dibayarkan ke pemberi pembiayaan bersama.

27. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The tables below present the analysis of the above financial instruments by the level in the fair value hierarchy: (continued)

FINANCIAL LIABILITIES
Bank loans
Securities issued
Derivative payables

FINANCIAL ASSETS
Consumer financing receivables
Finance lease receivables

FINANCIAL LIABILITIES
Bank loans
Securities issued

The following methods and assumptions are used to estimate the fair values:

The fair value of cash and cash equivalents, other receivables, other assets, trade payables, accrued interest expenses and other payables approximate their carrying amounts largely due to short-term maturities of these instruments.

The fair value of consumer financing receivables, finance lease receivables, derivative receivable, derivative payable, bank loan and securities issued are determined by discounting cash flows using market interest rate as of 31 December 2017 and 2016.

28. COOPERATION AGREEMENTS

Joint financing

The Company entered into a joint financing without recourse agreement with PT Bank Mandiri (Persero) Tbk. The Company acts as an agent to underwrite collect and administer consumer financing and earns the spread between the margin received from customers and the interest paid to the joint financing provider.

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28. PERJANJIAN KERJASAMA (lanjutan)

Pembiayaan bersama (lanjutan)

Dalam perjanjian kerjasama dengan PT Bank Mandiri (Persero) Tbk, porsi fasilitas pembiayaan yang akan diberikan untuk konsumen dari masing-masing pihak adalah minimal 5,00% dari Perseroan dan maksimal 95,00% dari pemberi pembiayaan bersama. Sejak tanggal 20 Desember 2013, porsi fasilitas pembiayaan yang akan diberikan untuk konsumen dari masing-masing pihak adalah minimal 1,00% dari Perseroan dan maksimal 99,00% dari pemberi pembiayaan bersama.

Pada tanggal 6 Februari 2009, Perseroan dan PT Bank Mandiri (Persero) Tbk menandatangani Perjanjian Kerjasama Pembiayaan Kendaraan Bermotor dengan total fasilitas pembiayaan bersama sebesar Rp2.000.000, dimana Perseroan menanggung risiko kredit sesuai dengan porsi pembiayaannya (*without recourse*).

Pada tanggal 29 Agustus 2013, Perseroan dan PT Bank Mandiri (Persero) Tbk menandatangani Perjanjian Kerjasama Pengambilalihan Piutang Pembiayaan dengan total fasilitas pembiayaan sebesar Rp1.100.000, dimana Perseroan menanggung risiko kredit sesuai dengan porsi pembiayaannya (*without recourse*).

Perjanjian ini telah mengalami beberapa kali perubahan, perubahan terakhir melalui amandemen Perjanjian Kerjasama Kendaraan Bermotor antara PT Mandiri Tunas Finance dan PT Bank Mandiri (Persero) Tbk tertanggal 15 Maret 2017, yang menaikkan fasilitas pembiayaan bersama dan fasilitas pengambilalihan piutang pembiayaan menjadi sebesar Rp23.500.000 dengan porsi fasilitas pembiayaan bersama sebesar minimal 1,00% dari Perseroan dan maksimal 99,00% dari pemberi pembiayaan bersama. Perjanjian ini telah diperpanjang dengan jangka waktu sampai dengan tanggal 28 Februari 2018.

Jumlah pembiayaan bersama dengan Bank Mandiri yang dikelola oleh Perseroan pada tanggal 31 Desember 2017 dan 2016:

	31 Desember/ December 2017	31 Desember/ December 2016	
Jumlah pembiayaan	23.032.176	20.470.388	<i>Amount financed</i>
Rata - rata jangka pembiayaan (tahun)	3	3	<i>Average of financing period (years)</i>

28. COOPERATION AGREEMENTS (continued)

Joint financing (continued)

Based on the agreements with PT Bank Mandiri (Persero) Tbk, the amount of funds to be financed by each party is a minimum of 5.00% from the Company and a maximum of 95.00% from joint financing providers. Since 20 December 2013, the amount of funds to be financed by each party is a minimum of 1.00% from the Company and a maximum of 99.00% from joint financing providers.

On 6 February 2009, the Company and PT Bank Mandiri (Persero) Tbk signed a Joint Financing Agreement with the total joint financing facility in the amount of Rp2,000,000, where by the Company bears the credit risk in accordance with its financing portion (without recourse).

On 29 August 2013, the Company and PT Bank Mandiri (Persero) Tbk signed a Customer Asset Purchase Agreement with the total facility in the amount of Rp1,100,000, whereby the Company bears the credit risk in accordance with its financing portion (without recourse).

The agreement was amended several times, the latest by the amendment of the Joint Financing agreement between PT Mandiri Tunas Finance and PT Bank Mandiri (Persero) Tbk dated 15 March 2017, which increase the total joint financing and Customer Asset Purchase Agreement facility to Rp23,500,000 with the portion of joint financing facility minimum of 1.00% from the Company and a maximum of 99.00% from joint financing providers. The agreement was extended with periods up to 28 February 2018.

Total joint financing amount with Bank Mandiri managed by the Company as of 31 December 2017 and 2016, are as follows:

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28. PERJANJIAN KERJASAMA (lanjutan)

Asuransi

Dalam menjalankan usahanya, Perseroan bekerja sama dengan PT Asuransi Jasa Indonesia, PT Asuransi Sinar Mas, PT Asuransi Cakrawala Proteksi Indonesia, PT Asuransi Central Asia, PT Asuransi Bina Dana Arta Tbk, PT Asuransi Adira, PT AXA Mandiri Financial Services, PT Mandiri AXA General Insurance (MAGI), PT Asuransi Wahana Tata, PT Asuransi Artarindo, PT MNC Asuransi Indonesia, PT Bess Central Insurance, PT Asuransi Kresna Mitra Tbk, PT Pan Pacific Insurance, PT Jasindo Life, PT Asuransi Raksa Pratikara, PT Asuransi Jiwa InHealth Indonesia, PT Asuransi Mitra Pelindung Mustika (MPM), PT Chubb General Insurance Indonesia, PT Asuransi Ramayana, Perum Jamkrindo, dan PT Sampo Insurance Indonesia.

Sewa gedung

Pada tanggal 31 Agustus 2009, Perseroan menandatangani perjanjian sewa ruangan kantor dengan PT Bumi Daya Plaza yang tidak dapat dibatalkan untuk periode lima tahun. Perjanjian tersebut akan berakhir pada tahun 2014 dengan ketentuan pembayaran di muka sebesar Rp507 untuk setiap jangka waktu 3 bulan dan akan ditinjau kembali setiap satu tahun sekali dengan kenaikan tarif maksimal sebesar 5,00% per tahun.

Pada tanggal 21 Agustus 2014, Perseroan menandatangani pembaruan perjanjian sewa ruangan kantor dengan PT Bumi Daya Plaza yang tidak dapat dibatalkan untuk periode lima tahun. Perjanjian tersebut akan berakhir pada tahun 2019 dengan ketentuan pembayaran di muka sebesar Rp882 untuk setiap jangka waktu 3 bulan pada tahun pertama, Rp988 untuk setiap jangka waktu 3 bulan pada tahun kedua, Rp1.106 untuk setiap jangka waktu 3 bulan pada tahun ketiga, Rp1.239 untuk setiap jangka waktu 3 bulan pada tahun keempat, dan Rp1.388 untuk setiap jangka waktu 3 bulan pada tahun kelima.

Selama tahun 2017, Perseroan mencatat beban sewa masing-masing sebesar Rp4.692 (2016: Rp4.109) dari sewa ruangan kantor ini.

Pada 31 Desember 2017 dan 2016, pembayaran sewa minimum masa depan dalam sewa operasi yang tidak dapat dibatalkan berdasarkan perjanjian sewa tersebut adalah sebagai berikut:

	31 Desember/ December 2017	31 Desember/ December 2016
Sampai dengan satu tahun	5.255	4.692
Lebih dari satu tahun sampai lima tahun	2.776	8.030
Total	8.031	12.722

28. COOPERATION AGREEMENTS (continued)

Insurance

In the course of business, the Company entered into insurance agreements with PT Asuransi Jasa Indonesia, PT Asuransi Sinar Mas, PT Asuransi Cakrawala Proteksi Indonesia, PT Asuransi Central Asia, PT Asuransi Bina Dana Arta Tbk, PT Asuransi Adira, PT AXA Mandiri Financial Services, PT Mandiri AXA General Insurance (MAGI), PT Asuransi Wahana Tata, PT Asuransi Artarindo, PT MNC Asuransi Indonesia, PT Bess Central Insurance, PT Asuransi Kresna Mitra Tbk, PT Pan Pacific Insurance, PT Jasindo Life, PT Asuransi Raksa Pratikara, PT Asuransi Jiwa InHealth Indonesia, PT Asuransi Mitra Pelindung Mustika (MPM), PT Chubb General Insurance Indonesia, PT Asuransi Ramayana, Perum Jamkrindo, and PT Sampo Insurance Indonesia

Building rental

On 31 August 2009, the Company signed an office space rental agreement with PT Bumi Daya Plaza which is non-cancellable for the period of five years and will expire in 2014. The Company is required to pay in advance of Rp507 for each quarter. The tariff will be reviewed on annual basis with a maximum tariff increase of 5.00% per annum.

On 21 August 2014, the Company signed a renewal of the office space rental agreement with PT Bumi Daya Plaza which is non-cancellable for the period of five years and will expire in 2019, in which the Company is required to pay in advance of Rp882 for each quarter in the first year, Rp988 for each quarter in the second year, Rp1,106 for each quarter in the third year, Rp1,239 for each quarter in the fourth year, and Rp1,388 for each quarter in the fifth year.

During 2017, the Company recorded rental expense of Rp4,692 (2016: Rp4.109), from this office space rental.

As of 31 December 2017 and 2016, the future minimum rental payments under non-cancellable operating leases under these lease agreement are as follows:

Within one year
 After one year but not more than
 five years

Total

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29. SEGMENT OPERASI

Segmen operasi Perseroan dibagi berdasarkan kelompok nasabah utama dan produk, sebagai berikut: *Fleet* dan *Retail*. Dalam menentukan hasil segmen, beberapa akun aset dan liabilitas serta pendapatan dan biaya yang terkait diatribusikan ke masing-masing segmen berdasarkan kebijakan pelaporan internal manajemen.

Ringkasan berikut menjelaskan operasi masing-masing segmen dalam pelaporan segmen Perseroan:

- *Fleet*
 Termasuk dalam pelaporan segmen *fleet* adalah seluruh indikator penilaian segmen operasi yang secara nyata dapat diatribusikan sebagai bagian dari pembiayaan untuk nasabah korporasi.
- *Retail*
 Termasuk dalam pelaporan segmen *retail* adalah seluruh indikator penilaian segmen operasi yang secara nyata dapat diatribusikan sebagai bagian dari pembiayaan konsumen untuk nasabah individu.
- *Lain-lain*
 Termasuk dalam pelaporan segmen lain-lain adalah informasi pelaporan segmen operasi terkait dengan aktivitas treasury dan kantor pusat seperti pendapatan bunga bank dan beban umum dan administrasi yang tidak dapat dialokasikan.

Informasi mengenai hasil dari masing-masing bisnis segmen disajikan di bawah ini. Kinerja diukur berdasarkan laba segmen sebelum pajak penghasilan, sebagaimana dilaporkan dalam laporan internal manajemen yang ditelaah oleh manajemen Perseroan. Keuntungan segmen digunakan untuk mengukur kinerja dimana manajemen berkeyakinan bahwa informasi tersebut paling relevan dalam mengevaluasi hasil segmen tersebut relatif terhadap entitas lain yang beroperasi dalam industri tersebut.

29. OPERATING SEGMENT

The Company's operating segments represent the key customer and product groups, as follows: *Fleet* and *Retail*. In determining the segment results, certain assets and liabilities items and related revenues and expenses are attributed to each segment based on internal management reporting policies.

The following summary describes the operations in each of the Company's reportable segments:

- *Fleet*
 Included in the fleet segment reporting are operating segments assessment indicators that can be actually be attributed as part of financing to corporate customers.
- *Retail*
 Included in the retail segment reporting are operating segments assessment indicators that can be actually be attributed as part of consumer financing to individual customers.
- *Others*
 Included in the other segment reporting is reporting segment information associated with treasury and head office activities such as bank interest income and general and administrative expenses that can not be allocated.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's management. Segment profit is used to measure performance of that business segment as management believes that such information is the most relevant in evaluating the results of those segments relative to other entities that operate within these industries.

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Informasi segmen usaha	Retail		Fleet		Lain/ Other	Jumlah/ Total	Information by business segments
	Mobil/ Car	Motor/ Motorcycle	Mobil/ Car	Motor/ Motorcycle			
Pendapatan							Revenue
Pembiayaan konsumen	1.640.512	50.531	138.328	1.053	-	1.830.424	Consumer financing
Sewa pembiayaan	8.171	-	170.812	-	-	178.983	Financial lease
Bunga	17	-	-	-	9.019	9.036	Interest
Lain-lain - neto	622.409	23.087	74.126	299	-	719.921	Others - net
Total pendapatan	2.271.109	73.618	383.266	1.352	9.019	2.738.364	Total revenue
Beban							Expenses
Beban keuangan	(794.857)	(23.482)	(216.915)	(188)	-	(1.035.442)	Financial charges
Beban gaji dan tunjangan	(236.708)	(17.478)	(10.749)	-	(172.877)	(437.812)	Salaries and benefits
Beban umum dan administrasi	(252.095)	(9.298)	(6.360)	-	(86.310)	(354.063)	General and administration expenses
Penyisihan kerugian penurunan nilai	(422.903)	(6.772)	(12.946)	(48)	-	(442.669)	Provision for impairment losses
Total beban	(1.706.563)	(57.030)	(246.970)	(236)	(259.187)	(2.269.986)	Total expenses
Laba (rugi) sebelum beban pajak final dan pajak penghasilan	564.546	16.588	136.296	1.116	(250.168)	468.378	Income (loss) before final tax and income tax expense
Total aset	10.185.813	200.944	3.277.540	8.269	1.066.892	14.739.458	Total assets
Total liabilitas	9.634.949	190.171	2.879.681	7.324	258.991	12.971.116	Total liabilities

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29. SEGMENT OPERASI (lanjutan)

29. OPERATING SEGMENT (continued)

31 Desember/December 2016							
Informasi segmen usaha	Retail		Fleet		Lain/ Other	Jumlah/ Total	Information by business segments
	Mobil/ Car	Motor/ Motorcycle	Mobil/ Car	Motor/ Motorcycle			
Pendapatan							Revenue
Pembiayaan konsumen	1.609.802	71.570	89.664	1.229	-	1.772.265	Consumer financing
Sewa pembiayaan	13.894	-	78.413	-	-	92.307	Financial lease
Bunga	12	1	-	-	10.086	10.099	Interest
Lain-lain - neto	526.726	16.069	31.621	182	-	574.598	Others - net
Total pendapatan	2.150.434	87.640	199.698	1.411	10.086	2.449.269	Total revenue
Beban							Expenses
Beban keuangan	(768.338)	(33.820)	(118.211)	(894)	-	(921.263)	Financial charges
Beban gaji dan tunjangan	(199.648)	(14.335)	(10.404)	(23)	(117.678)	(342.088)	Salaries and benefits
Beban umum dan administrasi	(232.605)	(10.696)	(5.323)	(1)	(61.215)	(309.840)	General and administration expenses
Penyisihan kerugian penurunan nilai	(366.227)	(33.988)	(27.007)	29	-	(427.193)	Provision for impairment losses
Total beban	(1.566.818)	(92.839)	(160.945)	(889)	(178.893)	(2.000.384)	Total expenses
Laba (rugi) sebelum beban pajak final dan pajak penghasilan	583.616	(5.199)	38.753	522	(168.807)	448.885	Income (loss) before final tax and income tax expense
Total aset	8.633.460	254.727	1.713.167	8.255	794.453	11.404.062	Total assets
Total liabilitas	7.966.907	233.786	1.531.315	7.374	190.551	9.929.933	Total liabilities

Informasi wilayah geografis adalah sebagai berikut:

Geographical information are as follows:

Tahun yang Berakhir pada tanggal 31 Desember/Year ended 31 December			
	2017	2016	
Pendapatan			Revenue
Regional I (Sumatera)	198.320	214.756	Region I (Sumatera)
Regional II (Sumatera)	266.412	270.366	Region II (Sumatera)
Regional III (Jabodetabek)	321.595	259.325	Region III (Jabodetabek)
Regional IV (Jabodetabek)	367.521	455.569	Region IV (Jabodetabek)
Regional V (Jawa Barat)	256.629	215.481	Region V (Jawa Barat)
Regional VI (Jawa Tengah, Yogyakarta)	219.282	196.075	Region VI (Jawa Tengah, Yogyakarta)
Regional VII (Jawa Timur)	272.365	244.758	Region VII (Jawa Timur)
Regional VIII (Kalimantan)	199.662	184.555	Region VIII (Kalimantan)
Regional IX (Sulawesi)	242.941	197.189	Region IX (Sulawesi)
Fleet	384.618	201.109	Fleet
Lainnya	9.019	10.086	Others
Total pendapatan	2.738.364	2.449.269	Total revenue
Beban			Expenses
Regional I (Sumatera)	(150.583)	(194.420)	Region I (Sumatera)
Regional II (Sumatera)	(194.377)	(250.667)	Region II (Sumatera)
Regional III (Jabodetabek)	(260.031)	(173.579)	Region III (Jabodetabek)
Regional IV (Jabodetabek)	(289.515)	(312.920)	Region IV (Jabodetabek)
Regional V (Jawa Barat)	(179.072)	(138.784)	Region V (Jawa Barat)
Regional VI (Jawa Tengah, Yogyakarta)	(180.227)	(143.445)	Region VI (Jawa Tengah, Yogyakarta)
Regional VII (Jawa Timur)	(188.569)	(153.210)	Region VII (Jawa Timur)
Regional VIII (Kalimantan)	(150.104)	(152.359)	Region VIII (Kalimantan)
Regional IX (Sulawesi)	(171.115)	(140.273)	Region IX (Sulawesi)
Fleet	(247.206)	(161.834)	Fleet
Lainnya	(259.187)	(178.893)	Others
Total beban	(2.269.986)	(2.000.384)	Total expenses
Laba sebelum beban pajak final dan pajak penghasilan	468.378	448.885	Income before final tax and income tax expense

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29. SEGMENT OPERASI (lanjutan)

Informasi wilayah geografis adalah sebagai berikut:
(lanjutan)

	31 Desember/ December 2017	31 Desember/ December 2016
Aset		
Regional I (Sumatera)	784.021	738.456
Regional II (Sumatera)	1.210.355	946.235
Regional III (Jabodetabek)	1.482.875	1.164.410
Regional IV (Jabodetabek)	1.692.481	1.942.579
Regional V (Jawa Barat)	1.008.700	798.423
Regional VI (Jawa Tengah, Yogyakarta)	1.044.953	785.905
Regional VII (Jawa Timur)	1.093.190	1.031.294
Regional VIII (Kalimantan)	847.869	645.177
Regional IX (Sulawesi)	1.222.313	835.708
Fleet	3.285.809	1.721.422
Lainnya	1.066.892	794.453
Total aset	14.739.458	11.404.062
Liabilitas		
Regional I (Sumatera)	775.394	682.986
Regional II (Sumatera)	1.123.177	856.667
Regional III (Jabodetabek)	1.416.819	1.077.563
Regional IV (Jabodetabek)	1.578.839	1.772.840
Regional V (Jawa Barat)	980.295	745.512
Regional VI (Jawa Tengah, Yogyakarta)	979.962	724.912
Regional VII (Jawa Timur)	1.047.884	976.408
Regional VIII (Kalimantan)	774.565	599.040
Regional IX (Sulawesi)	1.148.185	764.765
Fleet	2.887.005	1.538.689
Lainnya	258.991	190.551
Total liabilitas	12.971.116	9.929.933

30. LIABILITAS KONTINJENSI

Pada tanggal 31 Desember 2017 dan 2016 Perseroan tidak mempunyai liabilitas kontinjensi yang signifikan.

31. PERNYATAAN STANDAR AKUNTANSI KEUANGAN YANG DIREVISI

Berikut ini adalah beberapa standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK) yang dipandang relevan terhadap pelaporan keuangan Perseroan namun belum berlaku efektif untuk laporan keuangan tahun 2017:

- Amandemen PSAK No. 2: Laporan Arus Kas tentang Prakarsa Pengungkapan, berlaku efektif 1 Januari 2018 dengan penerapan dini diperkenankan.

Amandemen ini mensyaratkan entitas untuk menyediakan pengungkapan yang memungkinkan pengguna laporan keuangan untuk mengevaluasi perubahan pada liabilitas yang timbul dari aktivitas pendanaan, termasuk perubahan yang timbul dari arus kas maupun perubahan non-kas.

29. OPERATING SEGMENT (continued)

Geographical information are as follows:
(continued)

	31 Desember/ December 2016	31 Desember/ December 2016
Assets		
Regional I (Sumatera)	738.456	738.456
Regional II (Sumatera)	946.235	946.235
Regional III (Jabodetabek)	1.164.410	1.164.410
Regional IV (Jabodetabek)	1.942.579	1.942.579
Regional V (Jawa Barat)	798.423	798.423
Regional VI (Jawa Tengah, Yogyakarta)	785.905	785.905
Regional VII (Jawa Timur)	1.031.294	1.031.294
Regional VIII (Kalimantan)	645.177	645.177
Regional IX (Sulawesi)	835.708	835.708
Fleet	1.721.422	1.721.422
Others	794.453	794.453
Total assets	11.404.062	11.404.062
Liabilities		
Regional I (Sumatera)	682.986	682.986
Regional II (Sumatera)	856.667	856.667
Regional III (Jabodetabek)	1.077.563	1.077.563
Regional IV (Jabodetabek)	1.772.840	1.772.840
Regional V (Jawa Barat)	745.512	745.512
Regional VI (Jawa Tengah, Yogyakarta)	724.912	724.912
Regional VII (Jawa Timur)	976.408	976.408
Regional VIII (Kalimantan)	599.040	599.040
Regional IX (Sulawesi)	764.765	764.765
Fleet	1.538.689	1.538.689
Others	190.551	190.551
Total liabilities	9.929.933	9.929.933

30. CONTINGENT LIABILITIES

The Company does not have any significant contingent liabilities as of 31 December 2017 and 2016.

31. REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS

The following are several accounting standard and interpretations issued by the Indonesian Financial Accounting Standards Board (DSAK) that are considered relevant to the financial reporting of the Company but not yet effective for 2017 financial statements:

- Amendments to SFAS 2: Statement of Cash Flows on the Disclosures Initiative, effective 1 January 2018 with earlier application is permitted.

This amendments requires entities to provide disclosures that enable the financial statements users to evaluate the changes in liabilities arising from financing activities, including changes from cash flow and non-cash.

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31. PERNYATAAN STANDAR AKUNTANSI KEUANGAN YANG DIREVISI (lanjutan)

Berikut ini adalah beberapa standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK) yang dipandang relevan terhadap pelaporan keuangan Perseroan namun belum berlaku efektif untuk laporan keuangan tahun 2017: (lanjutan)

- Amandemen PSAK No. 46: Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi, berlaku efektif 1 Januari 2018 dengan penerapan dini diperkenankan.

Amandemen ini mengklarifikasi bahwa untuk menentukan apakah laba kena pajak akan tersedia sehingga perbedaan temporer yang dapat dikurangkan dapat dimanfaatkan; estimasi atas kemungkinan besar laba kena pajak masa depan dapat mencakup pemulihan beberapa aset entitas melebihi jumlah tercatatnya.

- PSAK 71: Instrumen Keuangan, yang diadopsi dari IFRS 9, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan.

PSAK ini mengatur klasifikasi dan pengukuran instrumen keuangan berdasarkan karakteristik dari arus kas kontraktual dan model bisnis entitas; metode kerugian kredit ekspektasian untuk penurunan nilai yang menghasilkan informasi yang lebih tepat waktu, relevan dan dimengerti oleh pemakai laporan keuangan; akuntansi untuk lindung nilai yang merefleksikan manajemen risiko entitas lebih baik dengan memperkenalkan persyaratan yang lebih umum berdasarkan pertimbangan manajemen.

- PSAK 72: Pendapatan dari Kontrak dengan Pelanggan, yang diadopsi dari IFRS 15, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan.

PSAK ini adalah standar tunggal untuk pengakuan pendapatan yang merupakan hasil dari joint project yang sukses antara International Accounting Standards Board dan Financial Accounting Standards Board, mengatur model pengakuan pendapatan dari kontrak dengan pelanggan, sehingga entitas diharapkan dapat melakukan analisis sebelum mengakui pendapatan.

31. REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (continued)

The following are several accounting standard and interpretations issued by the Indonesian Financial Accounting Standards Board (DSAK) that are considered relevant to the financial reporting of the Company but not yet effective for 2017 financial statements: (continued)

- Amendments to SFAS No. 46: Income Taxes on the Recognition of Deferred Tax Assets for Unrealized Losses, effective 1 January 2018 with earlier application is permitted.

This amendments clarifies that to determine whether the taxable income will be available so that the deductible temporary differences can be utilized; estimates of the most likely future taxable income can include recovery of certain assets of the entity exceeds its carrying amount.

- PSAK 71: Financial Instruments, adopted from IFRS 9, effective 1 January 2020 with earlier application is permitted.

This PSAK provides for classification and measurement of financial instruments based on the characteristics of contractual cash flows and business model of the entity; expected credit loss impairment model that resulting information more timely, relevant and understandable to users of financial statements; accounting for hedging that reflect the entity's risk management better by introduce a more general requirements based on management's judgment.

- PSAK 72: Revenue from Contracts with Customers, adopted from IFRS 15, effective 1 January 2020 with earlier application is permitted.

This PSAK is a single standards that a joint project between the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB), provides revenue recognition from contracts with customers, and the entity is expected to have analyzing before recognizing the revenue.

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31. PERNYATAAN STANDAR AKUNTANSI KEUANGAN YANG DIREVISI (lanjutan)

Berikut ini adalah beberapa standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK) yang dipandang relevan terhadap pelaporan keuangan Perseroan namun belum berlaku efektif untuk laporan keuangan tahun 2017: (lanjutan)

- PSAK 73: Sewa, yang diadopsi dari IFRS 16, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan untuk entitas yang juga telah menerapkan PSAK 72: Pendapatan dari Kontrak dengan Pelanggan.

PSAK ini menetapkan prinsip pengakuan, pengukuran, penyajian, dan pengungkapan atas sewa dengan memperkenalkan model akuntansi tunggal dengan mensyaratkan untuk mengakui aset hak-guna (right-of-use assets) dan liabilitas sewa. Terdapat 2 pengecualian opsional dalam pengakuan aset dan liabilitas sewa, yakni untuk: (i) sewa jangka-pendek dan (ii) sewa yang aset dasarnya (underlying assets) bernilai-rendah.

- ISAK 33 – Transaksi Valuta Asing dan Imbalan di Muka, berlaku efektif 1 Januari 2019 dengan penerapan dini diperkenankan.

Amandemen ini mengklarifikasi penggunaan tanggal transaksi untuk menentukan kurs yang digunakan pada pengakuan awal aset, beban atau penghasilan terkait pada saat entitas telah menerima atau membayar imbalan di muka dalam valuta asing.

Perseroan sedang mengevaluasi dampak dari standar akuntansi tersebut dan belum menentukan dampaknya terhadap laporan keuangan Perseroan.

32. PENYELESAIAN LAPORAN KEUANGAN

Manajemen Perseroan bertanggung jawab penuh atas penyusunan laporan keuangan yang disetujui untuk diterbitkan pada tanggal 30 Januari 2018.

31. REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (continued)

The following are several accounting standard and interpretations issued by the Indonesian Financial Accounting Standards Board (DSAK) that are considered relevant to the financial reporting of the Company but not yet effective for 2017 financial statements: (continued)

- PSAK 73: Leases, adopted from IFRS 16, effective 1 January 2020 with earlier application is permitted, but not before an entity applies PSAK 72: Revenue from Contracts with Customers.

This PSAK establishes the principles of recognition, measurement, presentation, and disclosure of the lease by introducing a single accounting model, with the requirement to recognize the right-of-use assets and liability of the lease; there are 2 optional exclusions in the recognition of the lease assets and liabilities: (i) short-term lease and (ii) lease with low-value underlying assets.

- ISAK 33 – Foreign currency Transaction and Advance Consideration, effective 1 January 2019 with earlier application is permitted.

This amendment clarifies the use of the transaction date to determine the exchange rate used in the initial recognition of the related asset, expense or income at the time the entity has received or paid advance consideration in the foreign currency.

The Company is presently evaluating and has not yet determined the effects of these accounting standards on its financial statements.

32. COMPLETION OF THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of these financial statements which were authorized for issue on 30 January 2018.

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