



**PT. GARUDA INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2018 (UNAUDITED) AND DECEMBER 31, 2017, 2016
AND 2015 AND FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2018 AND 2017 (UNAUDITED), AND FOR THE YEARS
ENDED DECEMBER 31, 2017, 2016 AND 2015**

AND INDEPENDENT AUDITOR'S REPORT

PT. GARUDA INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
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DIRECTOR'S STATEMENT LETTER
RELATING TO THE RESPONSIBILITY
ON THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2018, DECEMBER 31, 2017, 2016, AND 2015
AND FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017
AND FOR THE YEARS ENDED DECEMBER 31, 2017, 2016, AND 2015

PT GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES

We the undersigned:

- | | | |
|-------------------------------|---|---|
| 1. Name | : | Pahala Nugraha Mansury |
| Office address | : | Gd. Garuda Indonesia
Jl. Kebon Sirih No. 46A, Jakarta – 10110, Indonesia |
| Domicile as stated in ID card | : | Jl. Empu Sendok No. 23 RT 008/RW 003
Selong, Kebayoran Baru, Jakarta Selatan |
| Phone number | : | +62 21 25601324 |
| Position | : | President & CEO |
| 2. Name | : | Helmi Imam Satriyono |
| Office address | : | Gd. Garuda Indonesia
Jl. Kebon Sirih No. 46A, Jakarta – 10110, Indonesia |
| Domicile as stated in ID card | : | Jl. Benda No. 40B, RT 005/RW 001
Ciganjur, Jagakarsa, Jakarta Selatan |
| Phone number | : | +62 21 25601306 |
| Position | : | Director of Finance & Risk Management |

State that:

1. Responsible for the preparation and presentation of the PT Garuda Indonesia (Persero) Tbk and Its Subsidiaries' consolidated financial statements;
2. PT Garuda Indonesia (Persero) Tbk and Its Subsidiaries' consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information contained in the PT Garuda Indonesia (Persero) Tbk and Its Subsidiaries' consolidated financial statements is complete and correct;
b. PT Garuda Indonesia (Persero) Tbk and Its Subsidiaries' consolidated financial statements do not contain misleading material information or facts, and do not omit material information and facts;
4. Responsible for the PT Garuda Indonesia (Persero) Tbk and Its Subsidiaries' internal control system.

This statement letter is made truthfully.

For and on behalf of the Board of Directors
Jakarta, May 2 , 2018

  Pahala Nugraha Mansury President & CEO 1 8 0 1 0 5 3	  Helmi Imam Satriyono Director of Finance & Risk Management 1 8 0 0 5 5 3
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Report on Review of Interim Financial Information

No. SR118 0051 GIA ALH

The Stockholders, Boards of Commissioners and Directors
PT. Garuda Indonesia (Persero) Tbk

Introduction

We have reviewed the accompanying interim consolidated financial statements of PT. Garuda Indonesia (Persero) Tbk and its subsidiaries, which comprise the interim consolidated statement of financial position as of March 31, 2018, and the interim consolidated statements of profit or loss and other comprehensive income, interim consolidated statements of changes in equity, and interim consolidated statements of cash flows for the three-month periods ended March 31, 2018 and 2017, and summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Our responsibility is to express a conclusion on this interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", established by the Indonesian Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of PT. Garuda Indonesia (Persero) Tbk and its subsidiaries as of March 31, 2018, and their consolidated financial performance and their cash flows for the three-month periods ended March 31, 2018 and 2017, in accordance with Indonesian Financial Accounting Standards.

SATRIO BING ENY & REKAN



Ali Hery
Public Accountant License No. AP.0555

May 2, 2018

Satrio Bing Eny & Rekan

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PT. GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2018 (UNAUDITED), DECEMBER 31, 2017, 2016 AND 2015

	Notes	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5,46	305,074,980	306,918,945	578,702,739	519,972,655
Trade accounts receivables					
Related parties	6,46	7,613,548	7,738,669	3,716,431	2,318,588
Third parties - net of allowance for impairment loss of USD 7,981,349 at March 31, 2018, USD 7,826,683 at December 31, 2017, USD 7,279,906 at December 31, 2016 and USD 5,487,220 at December 31, 2015		295,069,853	221,511,419	187,579,134	119,209,053
Other receivables	7	41,242,723	42,993,404	21,172,730	17,581,553
Inventories - net	8	137,019,460	131,155,717	108,954,457	91,631,231
Advances and prepaid expenses	9	233,060,996	249,279,058	220,275,067	177,104,409
Prepaid taxes	10	31,704,591	27,144,415	44,732,744	80,030,516
Total Current Assets		1,050,786,151	986,741,627	1,165,133,302	1,007,848,005
NON CURRENT ASSETS					
Maintenance reserve fund and security deposits	11,49,50	1,608,821,013	1,506,626,547	1,241,870,703	1,012,753,651
Advances for purchase of aircraft	12	172,687,989	172,590,300	169,738,910	204,469,384
Investment in associates	13	551,491	511,344	427,479	399,772
Deferred tax assets	10	91,439,306	69,511,409	108,493,964	104,990,628
Property and equipment - net of accumulated depreciation of USD 714,022,784 at March 31, 2018, USD 680,664,849 at December 31, 2017, USD 625,778,389 at December 31, 2016 and USD 591,322,702 at December 31, 2015	14	903,895,247	900,657,607	926,666,977	867,089,209
Investment properties	15	67,312,134	67,433,865	57,772,474	55,390,166
Intangible assets - net	16	2,942,792	3,424,645	4,992,892	4,648,523
Deferred charges - net		1,122,527	1,210,992	1,307,310	2,193,582
Other assets - net	17,46	52,983,867	54,583,757	61,165,379	50,228,066
Total Non Current Assets		2,901,756,366	2,776,550,466	2,572,436,088	2,302,162,981
TOTAL ASSETS		3,952,542,517	3,763,292,093	3,737,569,390	3,310,010,986

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT. GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2018 (UNAUDITED), DECEMBER 31, 2017, 2016 AND 2015 - Continued

	Notes	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Loan from banks	18,46	1,014,754,003	868,378,784	698,011,118	361,254,270
Trade accounts payable					
Related parties	19,46	97,730,658	95,136,627	91,412,955	44,963,436
Third parties		146,599,596	128,886,122	129,019,003	104,392,331
Factoring Payable	20	45,067,772	-	-	-
Other payables	21	52,132,605	43,412,813	35,583,709	49,901,950
Taxes payable	10	43,022,911	49,698,754	39,458,951	80,997,046
Accrued expenses	22	223,279,412	202,761,501	197,983,396	181,042,507
Unearned revenues	23	265,997,028	253,439,521	229,846,173	176,531,019
Advances received		68,526,245	36,963,563	30,932,877	24,549,496
Current maturities of long term liabilities					
Long-term loans	24,46	52,509,605	64,001,397	61,696,994	103,936,071
Lease liabilities	25	13,897,747	13,801,586	22,311,219	15,125,233
Estimated liability for aircraft return and maintenance cost	26	23,826,474	18,045,272	27,319,726	53,155,762
Bonds payable	27	145,145,786	147,320,207	-	-
Total Current Liabilities		<u>2,192,489,842</u>	<u>1,921,846,147</u>	<u>1,563,576,121</u>	<u>1,195,849,121</u>
NON CURRENT LIABILITIES					
Non current maturities of long-term liabilities:					
Long-term loans	24,46	54,852,695	60,355,645	132,418,213	133,022,468
Lease liabilities	25	63,368,326	66,893,867	138,588,227	106,055,960
Estimated liability for aircraft return and maintenance cost	26	98,157,133	101,346,802	86,550,585	69,448,854
Bonds payable	27	495,228,113	494,707,567	641,041,165	635,947,442
Deferred tax liabilities	10	1,550,713	1,685,345	2,055,561	1,661,989
Employment benefits obligation	29	132,324,236	133,234,790	116,009,808	177,519,224
Other non current liabilities	28	44,675,098	45,752,730	47,432,491	39,782,743
Total Non Current Liabilities		<u>890,156,314</u>	<u>903,976,746</u>	<u>1,164,096,050</u>	<u>1,163,438,680</u>
EQUITY					
Capital stock - Rp 459 par value per share for Series A Dwiwarna share and Series B shares Authorized - 1 of Series A Dwiwarna share and 29,999,999,999 Series B shares Issued and paid-up capital - 1 Series A Dwiwarna shares and 25,886,576,253 Series B shares at March 31, 2018 and December 31, 2017, and 25,868,926,632 Series B shares at December 31, 2016 and 2015	30	1,310,326,950	1,310,326,950	1,309,433,569	1,309,433,569
Additional paid-in capital	31	23,526,520	23,526,520	(33,948,489)	(33,948,489)
Stock option	33	-	-	2,770,970	2,770,970
Retained earnings					
Deficit amounting USD 1,385,459,977 as of January 1, 2012 was eliminated in connection with quasi reorganization (Note 54)					
- Appropriated	34	6,081,861	6,081,861	6,081,861	6,081,861
- Unappropriated		(514,131,392)	(449,484,287)	(221,069,730)	(220,046,387)
Other comprehensive income	14,32	320,859	4,330,661	(70,462,233)	(130,770,768)
Equity attributable to owners of the company		826,124,798	894,781,705	992,805,948	933,520,756
Non controlling interest	35	43,771,563	42,687,495	17,091,271	17,202,429
Total Equity		<u>869,896,361</u>	<u>937,469,200</u>	<u>1,009,897,219</u>	<u>950,723,185</u>
TOTAL LIABILITIES AND EQUITY		<u>3,952,542,517</u>	<u>3,763,292,093</u>	<u>3,737,569,390</u>	<u>3,310,010,986</u>

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017 (UNAUDITED), AND FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

	Notes	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
OPERATING REVENUES						
Scheduled airline services	36	828,498,130	782,116,661	3,401,980,804	3,279,806,762	3,208,469,733
Non-scheduled airline services	36	19,769,542	23,786,343	301,498,970	192,145,848	261,899,138
Others	36	134,738,669	104,929,741	473,846,007	391,968,955	344,620,874
Total Operating Revenues		<u>983,006,341</u>	<u>910,832,745</u>	<u>4,177,325,781</u>	<u>3,863,921,565</u>	<u>3,814,989,745</u>
OPERATING EXPENSES						
Flight operations	37	641,646,105	613,848,898	2,478,025,975	2,187,316,263	2,190,607,282
Maintenance and overhaul	38	98,998,142	89,816,499	429,361,211	393,308,458	376,500,961
User charges and station	39	96,608,692	92,106,575	382,651,073	334,047,207	301,880,822
Ticketing, sales and promotion	40	75,995,292	76,714,936	323,723,174	310,187,732	309,608,281
Passenger services	41	72,366,208	76,800,533	298,973,443	286,289,766	270,750,084
General and administrative	42	56,909,681	61,984,464	265,808,770	226,797,925	224,907,111
Hotel operation		7,410,520	6,285,006	26,125,254	28,180,038	29,698,564
Transportation operations		6,061,503	4,523,876	21,028,192	17,848,699	17,528,744
Network operation		3,904,059	2,614,825	12,076,240	11,951,555	10,303,636
Total Operating Expenses		<u>1,059,900,202</u>	<u>1,024,695,612</u>	<u>4,237,773,332</u>	<u>3,795,927,643</u>	<u>3,731,785,485</u>
OTHER OPERATING (INCOME) CHARGES						
Tax amnesty expenses		-	-	50,307,992	-	-
Loss (gain) on foreign exchange		(10,097,135)	(1,653,573)	(14,777,069)	19,170,712	(15,213,543)
Others	43	(717,929)	682,797	(19,797,296)	(50,280,729)	(70,327,638)
Net		<u>(10,815,064)</u>	<u>(970,776)</u>	<u>15,733,627</u>	<u>(31,110,017)</u>	<u>(85,541,181)</u>
PROFIT (LOSS) FROM OPERATIONS		<u>(66,078,797)</u>	<u>(112,892,091)</u>	<u>(76,181,178)</u>	<u>99,103,939</u>	<u>168,745,441</u>
Equity in net gain (loss) of associates		47,460	55,489	192,617	(215,172)	(98,259)
Finance income		987,351	1,934,848	6,196,164	7,180,597	6,597,482
Finance cost	44	<u>(18,719,664)</u>	<u>(21,382,265)</u>	<u>(88,388,240)</u>	<u>(88,278,664)</u>	<u>(68,584,517)</u>
PROFIT (LOSS) BEFORE TAX		<u>(83,763,650)</u>	<u>(132,284,019)</u>	<u>(158,180,637)</u>	<u>17,790,700</u>	<u>106,660,147</u>
Current tax	10	(3,794,118)	(4,157,972)	(18,883,554)	(18,126,148)	(16,480,302)
Deferred tax	10	<u>23,285,620</u>	<u>35,223,401</u>	<u>(36,325,487)</u>	<u>9,700,306</u>	<u>(12,205,684)</u>
TAX EXPENSES		<u>19,491,502</u>	<u>31,065,429</u>	<u>(55,209,041)</u>	<u>(8,425,842)</u>	<u>(28,685,986)</u>
NET PROFIT (LOSS) FOR THE CURRENT YEAR		<u>(64,272,148)</u>	<u>(101,218,590)</u>	<u>(213,389,678)</u>	<u>9,364,858</u>	<u>77,974,161</u>
OTHER COMPREHENSIVE INCOME						
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS						
Gain on revaluation of property and equipment - net		-	1,582,295	50,984,648	48,017,873	26,847,140
Remeasurement of defined benefit obligation		1,197,258	(6,329,588)	(16,816,713)	(14,236,271)	(3,428,663)
Income tax relating to items that will not be reclassified		<u>(299,315)</u>	<u>1,186,823</u>	<u>(1,942,785)</u>	<u>(6,678,568)</u>	<u>(1,079,565)</u>
Subtotal		<u>897,943</u>	<u>(3,560,470)</u>	<u>32,225,150</u>	<u>27,103,034</u>	<u>22,338,912</u>
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS						
Unrealized gain on hedge transaction		(2,233,412)	1,380,407	28,245,899	13,154,916	(10,708,281)
Exchange differences on translating foreign operations		<u>(1,965,222)</u>	<u>5,018,898</u>	<u>(2,450,101)</u>	<u>9,551,226</u>	<u>(18,349,198)</u>
Subtotal		<u>(4,198,634)</u>	<u>6,399,305</u>	<u>25,795,798</u>	<u>22,706,142</u>	<u>(29,057,479)</u>
Total other comprehensive income		<u>(3,300,691)</u>	<u>2,838,835</u>	<u>58,020,948</u>	<u>49,809,176</u>	<u>(6,718,567)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE CURRENT YEAR		<u>(67,572,839)</u>	<u>(98,379,755)</u>	<u>(155,368,730)</u>	<u>59,174,034</u>	<u>71,255,594</u>
PROFIT (LOSS) ATTRIBUTABLE TO:						
Owners of the Company		(65,344,370)	(100,641,319)	(216,582,416)	8,069,365	76,480,236
Non controlling interest	35	<u>1,072,222</u>	<u>(577,271)</u>	<u>3,192,738</u>	<u>1,295,493</u>	<u>1,493,925</u>
NET PROFIT (LOSS) FOR THE YEAR		<u>(64,272,148)</u>	<u>(101,218,590)</u>	<u>(213,389,678)</u>	<u>9,364,858</u>	<u>77,974,161</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:						
Owners of the Company		(68,656,907)	(99,472,422)	(153,621,663)	59,285,192	70,022,788
Non controlling interest	35	<u>1,084,068</u>	<u>1,092,667</u>	<u>(1,747,067)</u>	<u>(111,158)</u>	<u>1,232,806</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		<u>(67,572,839)</u>	<u>(98,379,755)</u>	<u>(155,368,730)</u>	<u>59,174,034</u>	<u>71,255,594</u>
EARNINGS (LOSS) PER SHARE - BASIC						
attributable to owner of the parent compan	45	(0.00252)	(0.00389)	(0.00837)	0.00031	0.00296

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT. GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017 (UNAUDITED), AND FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

Notes	Other comprehensive income											
	Capital stock USD	Additional paid-up capital USD	Stock option USD	Retained Earning		Revaluation Surplus USD	Translation adjustments USD	Unrealized gain on hedge transaction USD	Total other comprehensive income USD	Sub total USD	Non controlling interest USD	Total equity USD
				Appropriated USD	Unappropriated USD							
Balance as of January 1, 2015	1,309,433,569	(33,948,489)	2,770,970	6,081,861	(293,955,127)	99,066,192	(225,921,238)	(29,770)	(126,884,816)	863,497,968	15,969,623	879,467,591
Total comprehensive income for the year	-	-	-	-	73,908,740	24,888,279	(18,065,950)	(10,708,281)	(3,885,952)	70,022,788	1,232,806	71,255,594
Balance as of December 31, 2015	1,309,433,569	(33,948,489)	2,770,970	6,081,861	(220,046,387)	123,954,471	(243,987,188)	(10,738,051)	(130,770,768)	933,520,756	17,202,429	950,723,185
Total comprehensive income for the year	-	-	-	-	(1,023,343)	36,350,455	10,803,164	13,154,916	60,308,535	59,285,192	(111,158)	59,174,034
Balance as of December 31, 2016	<u>1,309,433,569</u>	<u>(33,948,489)</u>	<u>2,770,970</u>	<u>6,081,861</u>	<u>(221,069,730)</u>	<u>160,304,926</u>	<u>(233,184,024)</u>	<u>2,416,865</u>	<u>(70,462,233)</u>	<u>992,805,948</u>	<u>17,091,271</u>	<u>1,009,897,219</u>
Balance as of January 1, 2017	1,309,433,569	(33,948,489)	2,770,970	6,081,861	(221,069,730)	160,304,926	(233,184,024)	2,416,865	(70,462,233)	992,805,948	17,091,271	1,009,897,219
Total comprehensive income for the year	-	-	-	-	(106,756,105)	1,186,721	4,716,556	1,380,407	7,283,684	(99,472,421)	1,092,666	(98,379,755)
Balance as of March 31, 2017 (Unaudited)	<u>1,309,433,569</u>	<u>(33,948,489)</u>	<u>2,770,970</u>	<u>6,081,861</u>	<u>(327,825,835)</u>	<u>161,491,647</u>	<u>(228,467,468)</u>	<u>3,797,272</u>	<u>(63,178,549)</u>	<u>893,333,527</u>	<u>18,183,937</u>	<u>911,517,464</u>
Balance as of January 1, 2017	1,309,433,569	(33,948,489)	2,770,970	6,081,861	(221,069,730)	160,304,926	(233,184,024)	2,416,865	(70,462,233)	992,805,948	17,091,271	1,009,897,219
Capital increase relating to GEP without preemptive rights	30	893,381	(893,381)	-	-	-	-	-	-	-	-	-
Additional paid-in capital from initial public offering of subsidiary	31	-	55,007,051	-	-	-	-	-	-	55,007,051	27,343,291	82,350,342
Tax amnesty	31	-	590,369	-	-	-	-	-	-	590,369	-	590,369
Stock option	33	-	2,770,970	(2,770,970)	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(228,414,557)	44,607,049	1,939,946	28,245,899	74,792,894	(153,621,663)	(1,747,067)	(155,368,730)
Balance as of December 31, 2017	1,310,326,950	23,526,520	-	6,081,861	(449,484,287)	204,911,975	(231,244,078)	30,662,764	4,330,661	894,781,705	42,687,495	937,469,200
Total comprehensive income for the year	-	-	-	-	(64,647,105)	-	(1,776,390)	(2,233,412)	(4,009,802)	(68,656,907)	1,084,068	(67,572,839)
Balance as of March 31, 2018 (Unaudited)	<u>1,310,326,950</u>	<u>23,526,520</u>	<u>-</u>	<u>6,081,861</u>	<u>(514,131,392)</u>	<u>204,911,975</u>	<u>(233,020,468)</u>	<u>28,429,352</u>	<u>320,859</u>	<u>826,124,798</u>	<u>43,771,563</u>	<u>869,896,361</u>

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2018 AND 2017 (UNAUDITED), AND FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	1,001,782,142	932,557,673	4,108,864,583	3,868,012,178	3,769,410,803
Cash paid to suppliers	(893,574,823)	(862,689,725)	(3,540,737,186)	(3,170,901,643)	(3,102,317,745)
Cash paid to employees	(124,074,683)	(115,897,551)	(510,589,158)	(482,507,564)	(405,976,381)
Cash generated from operations	(15,867,364)	(46,029,603)	57,538,239	214,602,971	261,116,677
Interest and financial charges paid	(15,120,078)	(13,074,493)	(93,266,467)	(84,522,027)	(69,855,783)
Income taxes paid	(5,486,108)	(1,822,932)	(25,937,065)	(22,548,680)	(11,861,546)
Net Cash Provided from (Used in) Operating Activities	(36,473,550)	(60,927,028)	(61,665,293)	107,532,264	179,399,348
CASH FLOWS FROM INVESTING ACTIVITIES					
Refund of advance payments for purchase of aircraft	-	2,317,291	19,976,942	59,111,963	232,788,003
Receipts of aircraft maintenance reimbursements	7,245,222	26,392,685	43,288,153	29,487,113	9,336,989
Receipts of security deposit	768,700	10,795,940	15,302,946	39,144,528	20,680,984
Interest received	1,135,528	2,290,245	6,196,164	7,180,596	6,597,482
Proceeds from disposal of property and equipment	140	193,606	427,949	5,698,791	1,659,360
Proceeds from sale of investment property	-	-	-	1,441,498	-
Dividend received	496,020	376,390	457,237	433,502	10,686,697
Payments for aircraft maintenance reserve fund	(95,280,085)	(93,672,242)	(380,483,559)	(354,844,553)	(315,919,637)
Advance payments for purchase aircrafts	(120,103)	(11,362,934)	(36,993,228)	(24,748,673)	(70,282,089)
Acquisition of property and equipment	(6,541,316)	(11,591,198)	(29,256,957)	(39,260,341)	(43,135,095)
Payments for aircraft maintenance and aircraft leased asset	(4,668,243)	(3,049,847)	(7,864,706)	(7,490,197)	(16,528,215)
Payments for security deposit	(214,279)	(2,039,251)	(4,494,259)	(17,166,487)	(26,363,964)
Advance payments for property and equipment	-	-	(2,789,355)	(4,749,209)	(12,115,837)
Payment to other investing activities	-	-	-	(1,329,643)	2,642,824
Net Cash Used in Investing Activities	(97,178,416)	(79,349,315)	(376,232,673)	(307,091,112)	(199,952,498)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds of long-term loan	-	-	-	59,656,335	78,196,510
Proceeds of loans from banks	599,468,466	520,120,321	1,763,933,988	1,359,271,806	1,173,194,154
Proceeds from initial public offering of shares of subsidiaries - net	-	-	82,350,342	-	496,280,000
Payments of long-term loan	(19,712,263)	(22,098,193)	(88,938,020)	(126,456,343)	(676,547,731)
Payments of loans from banks	(447,004,874)	(391,616,099)	(1,594,938,764)	(1,024,441,948)	(892,533,705)
Increase (decrease) in restricted cash	(18,838)	513,765	374,009	(49,615)	3,618,439
Payment for aircraft return and maintenance	-	-	-	(237,613)	(67,483)
Payment for other financing activities	(434,982)	(218,030)	(1,147,959)	(261,711)	(753,205)
Net Cash Provided from Financing Activities	132,297,509	106,701,764	161,633,596	267,480,911	181,386,979
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,354,457)	(33,574,579)	(276,264,370)	67,922,063	160,833,829
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	306,918,945	578,702,739	578,702,739	519,972,655	434,327,498
Effect of foreign exchange rate changes	(489,508)	3,382,244	4,480,576	(9,191,979)	(75,188,672)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	305,074,980	548,510,404	306,918,945	578,702,739	519,972,655

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

1. GENERAL

a. Establishment and General Information

PT Garuda Indonesia (Persero) Tbk ("the Company") was established based on Notarial Deed No. 137 dated March 31, 1950 of Raden Kadiman. The deed was approved by the Minister of Law of the Republic of Indonesia in his Decision Letter No. J.A.5/12/10 dated March 31, 1950 and published in the State Gazette of the Republic of Indonesia No. 30 dated May 12, 1950, Supplement No. 136. The Company was previously a State Company, based on Deed No. 8 dated March 4, 1975 of Notary Soeleman Ardjasmita, S.H., and has changed into a state-owned limited liability company pursuant to Government Regulation No. 67 in 1971. This change was published in the State Gazette of the Republic of Indonesia No. 68 dated August 26, 1975, Supplement No. 434.

The Company's Articles of Association has been amended several times, most recently by Deed No. 62 dated April 27, 2017 of Aryanti Artisari, S.H.M.Kn., notary in Jakarta concerning on the Government Equity Participation (GEP) without preemptive rights in accordance with Government Regulation No. 36 year 2016. These changes have been approved by the Minister of Justice and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.03-0134244 dated April 27, 2017.

The Company's head office is located at Jl. Kebon Sirih No. 46A, Jakarta.

In accordance with article 3 of the Company's Articles of Association, the scope of its activities comprises of the following:

1. Undertaking scheduled commercial air transportation of domestic or international passengers, cargoes and mails;
2. Undertaking non-scheduled commercial air transportation of domestic or international passengers, cargoes and mails;
3. Providing aircraft repair and maintenance, to satisfy own needs and the needs of third party;
4. Rendering support services for commercial air transportation operation, such as catering services and ground handling services, to satisfy own needs and the needs of third party;
5. Providing information systems services relating to aviation industry, to satisfy own needs and the needs of third party;
6. Providing consulting services relating to aviation industry;
7. Providing education and training services relating to aviation industry, to satisfy own needs and the needs of third party; and
8. Providing health care services for aircrew to satisfy own needs and the needs of third party.

The Company currently operates all its scope of activities except for providing consulting services relating to aviation industry.

The Company started commercial operations in 1950. The Company and subsidiaries ("the Group") total employees as of March 31, 2018, December 31, 2017, 2016 and 2015 were 16,627, 16,551, 16,735 and 16,792, respectively.

Starting in 2012, the Company has maintained their accounting records in English language and in United States Dollar (USD) as approved by the Directorate General of Tax No. KEP-289/WPJ.19/2012.

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b. Board of Commissioners and Directors

The Company's management at March 31, 2018 and December 31, 2017 as stated in Notarial Deed No. 61 dated April 27, 2017 made before Aryanti Artisari S.H., M.Kn, notary in Jakarta, at December 31, 2016 and 2015 as stated in Notarial Deed No. 2 dated April 15, 2016 and Notarial Deed No. 4 dated May 15, 2015 made before Aulia Taufani, S.H., M.Kn., notary in Tangerang District are as follows:

	March 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
President Commissioner	Jusman Syafii Djamal	Jusman Syafii Djamal	Jusman Syafii Djamal	Jusman Syafii Djamal
Commissioners	M uzaffar Ismail	M uzaffar Ismail	M uzaffar Ismail	M uzaffar Ismail
	Isa Rachmatarwata	Isa Rachmatarwata	Isa Rachmatarwata	Isa Rachmatarwata
	Dony Oskaria	Dony Oskaria	Dony Oskaria	Dony Oskaria
	Chairal Tanjung	Chairal Tanjung	Chairal Tanjung	Chairal Tanjung
Independent Commissioners	Jusman Syafii Djamal	Jusman Syafii Djamal	Jusman Syafii Djamal	Jusman Syafii Djamal
	Hasan M . Soedjono	Hasan M . Soedjono	Hasan M . Soedjono	Hasan M . Soedjono
President & CEO	Pahala Nugraha Mansury	Pahala Nugraha Mansury	M . Arif Wibowo	M . Arif Wibowo
Director of Finance & Risk Management	Helmi Imam Satriyono	Helmi Imam Satriyono	Helmi Imam Satriyono	IGN Askhara Danadiputra
Director of Services	Nicodemus P . Lampe	Nicodemus P . Lampe	Nicodemus P . Lampe	Nicodemus P . Lampe
Director of Production	Puji Nur Handayani	Puji Nur Handayani	-	-
Director of Marketing & Information Technology	Nina Sulistyowati	Nina Sulistyowati	Agus Toni Soetirto	Handayani
Director of Human Capital & Corporate Affairs	Linggarsari Suharso	Linggarsari Suharso	Linggarsari Suharso	Heriyanto Agung Putra
Director of Cargo	Sigit Muhartono	Sigit Muhartono	Sigit Muhartono	-
Director of Maintenance	I Wayan Susena *)	I Wayan Susena *)	Iwan Joeniarto	Iwan Joeniarto
Director of Operations	Triyanto Moeharsono *)	Triyanto Moeharsono *)	Novianto Herupratomo	Novianto Herupratomo

*) appointed as a Director Level since May 12, 2017

c. Audit Committee, Corporate Secretary and Internal Audit

The Company's Audit Committee, Corporate Secretary and Internal Audit as of March 31, 2018, December 31, 2017, 2016 and 2015 are the following:

	March 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Audit Committee				
Chairman	Hasan M . Soedjono	Hasan M . Soedjono	Hasan M . Soedjono	Hasan M . Soedjono
Members	Regina Jansen Arsjah	Regina Jansen Arsjah	Regina Jansen Arsjah	Regina Jansen Arsjah
	Asril F. Syamas	Asril F. Syamas	Prasetyo Suhardi	Prasetyo Suhardi
Corporate Secretary	Hengki Heriandono	Hengki Heriandono	Hengki Heriandono	Heri Akhyar
Internal Audit	Sri Mulyati	Sri Mulyati	Sri Mulyati	Sri Mulyati

d. Public Offering of Shares of the Group

1. On February 1, 2011, the Company obtained the Notice of Effectivity from the Capital Market and Financial Institutions Supervisory Board (BAPEPAM-LK) in its Letter No. S-325 /BL/2011 for the offering to the public of 6,335,738,000 shares. On February 11, 2011, all of these shares are listed on the Indonesia Stock Exchange.
2. On March 21, 2014, the Company obtained the Notice of Effectivity from Financial Service Authority/Otoritas Jasa Keuangan (also known as OJK) (formerly BAPEPAM-LK) in its Letter No. S-171/D.04/2014 regarding the limited public offering of the Company's 3,227,930,663 shares to the shareholder through Rights Issue. Each holder of 701,409 old shares whose names are recorded in the Company's register of shareholder on April 4, 2014 at 04:00 PM is entitled to 100,000 rights with exercise price of Rp 460 per share. On April 8, 2014, all additional shares have been listed on Indonesia Stock Exchange.

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3. On November 30, 2016, the Company received approval from Indonesia Stock Exchange through letter S-07414/BEI.PP2/11-2016, namely the listing of shares as result of the capital increase without rights issue in advance. The number of shares listed totaled to 17,649,621 shares with nominal value of share of Rp 459 per share and exercise price of Rp 476 per share at the listing date of December 9, 2016.

As of March 31, 2018, all of the Company's share or 25,886,576,254 shares have been listed on the Indonesia Stock Exchange.

e. Consolidated Subsidiaries

The Company has ownership interest of more than 50%, directly or indirectly, in the following subsidiaries:

Subsidiaries	Domicile	Main business activities	Percentage of ownership			
			March 31, 2018 (Unaudited)	December 31, 2017	December 31, 2016	December 31, 2015
			%	%	%	%
PT Sabre Travel Network Indonesia (STNI)	Jakarta	Computerize reservation system services provider	95.00	95.00	95.00	95.00
PT Garuda Maintenance Facility Aero Asia, Tbk (GMFAA)**)	Jakarta	Aircraft maintenance and overhaul	89.99	89.99	99.99	99.99
PT Aero Systems Indonesia (ASI) **)	Jakarta	Information technology services	99.99	99.99	99.99	99.99
PT Citilink Indonesia (CT)**)	Jakarta	Air transportation services	99.99	99.99	99.99	99.99
Garuda Indonesia Holiday France S.A.S (GIHF)**)	Paris	Travel agent, ticketing service and aircraft rental service	100.00	100.00	100.00	100.00
PT Gapura Angkasa (GA)	Jakarta	Groundhandling services	58.75	58.75	58.75	58.75
PT Aero Wisata and subsidiaries (AWS)	Jakarta	Hotel, catering,	99.99	99.99	99.99	99.99
PT Mirtasari Hotel Development (MHD)*)	Denpasar	Hotel	99.99	99.99	99.99	99.99
PT Aerofood Indonesia (ACS) *)	Jakarta	Aircraft catering services	99.99	99.99	99.99	99.99
PT Aero Globe Indonesia (AGI) *)	Jakarta	Travel agent	99.99	99.99	99.99	99.99
PT Aerotrans Services Indonesia (ATS) *)	Jakarta	Transportation services	99.99	99.99	99.99	99.99
PT Aerojasa Perkasa (AJP) *)	Jakarta	Ticketing	99.87	99.87	99.87	99.87
PT Senggigi Pratama Internasional (SPI) *)	Lombok	Hotel	99.99	99.99	99.99	99.99
Garuda Orient Holidays, Pty, Limited (GOHA) *) ***)	Sydney	Travel agent	99.99	99.99	99.99	99.99
Garuda Orient Holidays Korea Co, Limited (GOHK) *)	Korea	Travel agent	60.00	60.00	60.00	60.00
Garuda Orient Holidays Japan Co, Ltd (GOHJ) *)	Japan	Travel agent	60.00	60.00	60.00	60.00
PT Bina Inti Dinamika (BID) *)	Bandung	Hotel	61.89	61.89	61.89	61.89
PT Aero Hotel Management (AHM) *)	Jakarta	Hotel management	99.99	99.99	99.99	99.99
PT GIH Indonesia (GIH) *)	Jakarta	Travel agent	60.00	60.00	60.00	60.00
PT Belitung Intipermari (BIP) *)	Jakarta	Hotel	99.99	99.99	99.99	99.99
PT Aerojasa Cargo ("AJC")*)	Jakarta	Cargo services	99.99	99.99	99.99	99.99
PT Citra Lintas Angkasa("CLA")*), Owned by AJC	Jakarta	Regulated Agent/ Cargo Services	60.00	60.00	60.00	60.00

*) Indirect ownership

**) Direct and Indirect ownership

***) Under liquidation in 2016.

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Subsidiaries	Start of commercial operation	Total assets before elimination			
		March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
PT Sabre Travel Network Indonesia (STNI)	1996	10,425,077	9,870,132	9,122,468	7,743,001
PT Garuda Maintenance Facility Aero Asia, Tbk (GMFAA)**)	2002	611,226,759	539,150,882	445,589,107	312,994,597
PT Aero Systems Indonesia (ASI) **)	2005	28,442,432	26,788,716	30,191,823	29,455,937
PT Citilink Indonesia (CT)**)	2012	424,528,277	397,048,931	329,715,603	245,462,136
Garuda Indonesia Holiday France S.A.S (GIHF)**)	2014	652,225,045	588,565,201	376,469,516	191,737,536
PT Gapura Angkasa (GA) **)	1998	69,145,732	67,819,174	131,262,753	72,837,271
PT Aero Wisata and subsidiaries (AWS)	1973	249,252,611	246,575,051	228,504,152	212,486,909
PT Mirtasari Hotel Development (MHD)**)	1974	30,653,350	30,600,890	25,211,234	23,278,984
PT Aerofood Indonesia (ACS) *)	1974	103,811,278	102,214,586	98,305,265	94,394,387
PT Aero Globe Indonesia (AGI) *)	1967	9,909,978	9,678,729	8,630,257	7,173,363
PT Aerotrans Services Indonesia (ATS) *)	1989	34,349,947	34,096,321	34,520,848	25,807,101
PT Aerojasa Perkasa (AJP) *)	1989	913,602	1,031,470	2,145,717	2,462,942
PT Senggigi Pratama Internasional (SPI) *)	1988	13,386,169	13,574,486	12,990,410	11,174,450
Garuda Orient Holidays, Pty, Limited (GOHA) *) ***)	1981	724,423	738,899	692,518	4,228,112
Garuda Orient Holidays Korea Co., Limited (GOHK) *)	2008	1,135,412	1,196,881	869,124	656,359
Garuda Orient Holidays Japan Co., Ltd (GOHU) *)	2009	4,993,378	3,557,831	4,868,357	4,011,412
PT Bina Inti Dinamika (BID) *)	1989	2,808,034	2,898,924	3,275,338	3,154,573
PT Aero Hotel Management (AHM) *)	2010	1,366,723	1,381,111	992,705	894,268
PT GIH Indonesia (GIH) *)	2012	865,007	779,891	889,814	708,769
PT Belitung Intipermi (BIP) *)	Under development stage	2,401,827	2,420,528	2,390,362	2,171,475
PT Aerojasa Cargo ("AJC")*)	2003	2,120,863	1,907,452	1,410,149	803,478
PT Citra Lintas Angkasa("CLA"*)*), Owned by AJC	2014	340,250	371,839	500,383	255,758

*) Indirect ownership

**) Direct and Indirect ownership

***) Under liquidation in 2016.

GMFAA, a subsidiary obtained the Notice of Effectivity from Financial Service Authority/Otoritas Jasa Keuangan (OJK) in its Letter No. S-424/D.04/2017 dated September 29, 2017 about the Notice of Registration on Statement of Effectivity for the offering to the public such initial public offering of share diluted the Group ownership into 89.99%.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATIONS OF PSAK ("ISAK")

a. Standards effective in the current year

In the current year, the Group has applied a number of amendments and an interpretation to PSAK issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant to its operations and effective for accounting period beginning on or after January 1, 2018.

- PSAK 2: (amendment), Statement of Cash Flows about Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific format to disclose financing activities; however, an entity may fulfill the disclosure objective by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

- PSAK 46: (amendment), Income Tax: Recognition on Deferred Tax Assets for Unrealized Losses,

The amendments clarify the following:

1. When the carrying amount of fixed -rate debt instrument measured at fair value is less than cost for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;
2. When an entity assesses whether taxable profits will be available against which it can utilize a deductible temporary difference, and the tax law restricts the utilization of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this, and
4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The application of these amendments has not resulted in any impact on the consolidated financial performance or financial position of the Group.

The application of the following amendments and interpretation to standards have not resulted to material impact to disclosures or on the amounts recognized in the current and prior year consolidated financial statements:

- PSAK 13: (amendment), Transfers of Investment Property,
- PSAK 15: (improvement), Investments in Associates and Joint Ventures,
- PSAK 53: (amendment), Classification and Measurement of Share-based Payment Transactions, and
- PSAK 67: (improvement), Disclosures of Interest in Other Entities.

b. Standards and interpretations issued not yet adopted

Interpretation to standard effective for periods beginning on or after January 1, 2019, with early application permitted are:

- ISAK 33: Foreign Currency Transactions and Advance Consideration

Standards and amendments to standards relevant to the Group operations that are effective for periods beginning on or after January 1, 2020, with early application permitted are:

- PSAK 15: (amendment), Investments in Associates and Joint Ventures: Long Term Interest in Associate and Joint Ventures,
- PSAK 71: Financial Instruments,
- PSAK 71: (amendment), Financial Instruments: Prepayment Features with Negative Compensation,
- PSAK 72: Revenue from Contracts with Customers, and
- PSAK 73: Leases.

As of the issuance date of the consolidated financial statements, the effect of adoption of these standards, amendments and interpretations of the consolidated financial statements is not known nor reasonably estimable by management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards.

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values and using accrual basis except for the consolidated statement of cash flow at the end of each reporting period, as explained in the accounting policies below. The presentation currency used in the preparation of the consolidated financial statements is the United States Dollar (USD).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and for disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of PSAK 30, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in PSAK 14 or value in use in PSAK 48.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated statements of cash flows are prepared using the direct method with classification of cash flows into operating, investing and financing activities.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved where the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including (i) the size of the Company's holding of voting rights relative to the size and dispersion of holding of the other vote holders; (ii) potential voting rights held by the Company, other vote holders or other parties; (iii) rights arising from other contractual arrangements; and (iv) any additional facts and circumstances that indicates that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income are attributed to owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustment are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transaction between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable accounting standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under PSAK 55, Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

d. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after the reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another accounting standard.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured subsequent to reporting dates in accordance with PSAK 55 or PSAK 57; Provisions, Contingent Liabilities and Contingent Assets with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interests were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognized as of that date.

e. Business Combination Under Common Control

Business combination of entities under common control that qualifies as a business are accounted for under pooling of interest method where assets and liabilities acquired in the business combination are recorded by the acquirer at their book values.

The difference between the transfer price and the book value is presented as Additional Paid in Capital and is not recycled to profit and loss when control is lost.

The pooling of interest method is applied as if the entities had been combined from the period in which the merging entities were placed under common control.

f. Foreign Currency Transactions and Translations

The management has determined the currency of the primary economic environment in which Group operates (its functional currency) to be U.S. Dollar (USD), except GA, ASI, AWS and its subsidiaries. In preparing the financial statements of each group entity, transaction in currencies other than the entity's functional currency (foreign currency) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period which they arise except for:

- Exchange differences on foreign currency borrowing relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowing.
- Exchange differences on transaction entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign currency operation for which settlement is neither planned nor likely to occur (therefor forming part of the net investment in the foreign operation, which are recognized initially on other comprehensive income and reclassified from equity to profit or loss on repayment of monetary items.

For the purpose of presenting the consolidated financial statements, assets and liabilities of certain subsidiaries at reporting date are translated into USD using the exchange rates prevailing at the end of each reporting period. Income and expenses are translated using the average rates of exchange for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transaction are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in the separate equity (attributed to non-controlling interest as appropriate).

On the disposal of foreign operation (i.e., a disposal of the Group's entire interest in foreign operation, or disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

The main exchange rates used, based on the mid rates published by Bank Indonesia are as follows:

	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
	USD	USD	USD	USD
Currencies				
IDR 1	0.0001	0.0001	0.0001	0.0001
EURO 1	1.2325	1.1938	1.0540	1.0924
YEN 100	0.9382	0.8874	0.8589	0.8302
SGD 1	0.7623	0.7480	0.6921	0.7069
AUD 1	0.7654	0.7793	0.7238	0.7296
GBP 1	1.4078	1.3447	1.2286	1.4825

g. Transactions with Related Parties

The Group enters into transactions with related parties as defined in PSAK No. 7 "Related Party Disclosures". All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

h. Cash and Cash Equivalents

For cash flows presentation purposes, cash and cash equivalents comprise of cash on hand, cash in bank and all unrestricted investments with maturities of three months or less from the date of placement.

i. Financial Assets

Financial assets are recognized when a group entity becomes a party to the contractual provisions of the instruments.

All financial assets are recognized and derecognized on trade date basis. Regular way purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

The Group financial assets are classified as follows:

- Fair value through profit or loss (FVTPL)

Financial derivatives are classified in this category unless designated as hedging derivatives. Gain or loss on non-hedging derivative is recognized in profit or loss.

Fair value is determined in the manner described in Note 47.

- Available for sale (AFS)

Long-term investments in shares, except investments in associates, are classified in this category. As there is no active market for these investments and the fair value cannot be reliably measured, these investments are measured at cost, less impairment.

Dividends on AFS equity instruments, if any, are recognised in profit or loss when the Group's right to receive the dividends is established.

- Loans and receivables

Cash and cash equivalents, maintenance reserve funds and security deposits on operating leases, trade and other receivables that have fixed or determinable payments that are not quoted in active market, are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method, less impairment.

Interest is recognized by applying the effective interest method, except for short term receivable where the recognition or interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss (FVTPL), are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial assets original effective interest rate.

For financial asset carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in equity are reclassified to profit or loss.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in other comprehensive income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of financial asset other than its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

j. Financial Liabilities and Equity Instruments

Financial liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities, as appropriate, in initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "at amortized cost". The Group financial liabilities are classified as "at amortized cost".

Financial liabilities – at amortized cost

Loans from banks, long-term loans, bonds payable and trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, their obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

k. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

l. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

m. Investments in Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is arrangement whereby the parties that have joint control of the arrangement have rights to net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results of operations and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with PSAK 58 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Any excess of the cost of the acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the acquisition, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of PSAK 55, Financial Instruments: Recognition and Measurement, are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with PSAK 48, Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PSAK 48 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with PSAK 55. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest (if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities).

When a group entity transacts with an associate or a joint venture of the Group, profit and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

n. Investment Properties

Investment properties are properties (land or a building – or part of a building – or both) held to earn rentals or for capital appreciation or both.

Investment properties are recorded initially at cost and subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in fair value are recognized in profit or loss in the period in which they arise.

Investment properties shall be derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

o. Property and Equipment

Aircraft, land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

PT. GARUDA INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
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AND FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015 - Continued

Any revaluation increase arising on the revaluation of aircraft, land and buildings is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus, except to the extent that it reverses a revaluation decrease, for the same asset which was previously recognized in profit or loss, in which case the increase is credited to profit and loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such aircraft, land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of such aircraft, land and buildings.

The revaluation surplus in respect of aircrafts, land and buildings is directly transferred to retained earnings when the asset is derecognized.

Aircraft assets are depreciated using the straight-line method to an estimated residual value based on their estimated useful lives, as follows:

	Years
Airframe	18 - 27
Engine	18 - 27
Simulator	10
Rotable parts	12
Maintenance assets	
Inspeksi rangka pesawat	Next inspection period
Overhaul mesin	Next overhaul period

Non aircraft assets except land and buildings, are stated at cost less accumulated depreciation and impairment, if any, and are depreciated using the straight-line method based on the estimated useful lives of the asset, as follows:

	Years
Buildings and infrastructure	40 - 50
Vehicles	3 - 5
Other fixed assets (office equipment, hardware and installation)	2 - 10

Land is not depreciated.

Assets held under finance lease are depreciated based on the same estimated useful life with owned assets or where shorter, the term of the relevant lease.

The estimated useful lives, residual values and depreciation method are reviewed at least each year end and the effect of any changes in estimate accounted for on a prospective basis.

In 2017, GMFAA has assessed and changed its accounting estimate with regards to estimated useful lives of building and improvements, resulting into useful life of 50 years. The changes have been applied prospectively in accordance with PSAK No. 25 (Revised 2015) "Accounting Policies, Changes in Accounting Estimates and Error".

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Construction in progress is stated at cost which includes borrowing costs during construction on debts incurred to finance the construction. Construction in progress is transferred to the respective property and equipment account when complete and ready to use.

For borrowings that are not specific to the acquisition, construction or production of qualifying assets, the amount capitalized is determined by applying a capitalization rate to the expenditures on qualifying asset. The capitalization rate is the weighted average of the borrowing costs applicable to the total outstanding borrowings during the period, excluding borrowings directly attributable to financing of other qualifying assets.

Properties under BOT (build, operate and transfer) are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over 20 - 30 years.

p. Tax Amnesty Assets and Tax Amnesty Liabilities

Tax amnesty assets are assets that arise from tax amnesty based on Reference Letter on Tax Amnesty.

Tax amnesty assets are initially recognized at cost, measured using the deemed cost as stated in reference letter and subsequently measured at cost less accumulated depreciation. Depreciation is computed using the straight-line method for a period of 1 - 5 years.

Tax amnesty liabilities are liabilities that are directly related to the acquisition of the tax amnesty assets.

Tax amnesty liabilities is measured using the contractual obligation to deliver cash and cash equivalent to settle the obligation that are directly related with acquisition of tax amnesty assets.

The Group recognizes the difference of tax amnesty assets and tax amnesty liabilities in equity as additional paid in capital.

q. Non-Current Assets Held For Sale

Non-current assets held for sale (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

r. Impairment of Non-Financial Asset

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease (as disclosed in Note 3o).

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss has been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase (as disclosed in Note 3o).

Accounting policy for impairment of financial assets is disclosed in Note 3i.

s. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases, which do not meet these criteria, are classified as operating leases.

As Lessor

Amounts due from lessee under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

As Lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter, the term of the relevant lease.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate amount of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Sale and Leaseback

Assets sold under a sale and leaseback transaction are accounted for as follows:

- If the sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount of the asset is deferred and amortized over the lease term.
- If the sale and leaseback transaction results in an operating lease and the transaction is established at fair value, any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

For operating leases, if the fair value at the time of a sale and leaseback transaction is less than the carrying amount of the asset, a loss equal to the amount of the difference between the carrying amount and fair value is recognized immediately.

For finance leases, no such adjustment is necessary unless there has been impairment in value. In which case the carrying amount is reduced to recoverable amount.

t. Heavy Maintenance Costs of Aircraft

Major airframe inspection cost relating to heavy maintenance visit and engine overhauls for owned aircraft and those held on finance lease is capitalized and amortized over the period until the next expected major inspection or overhaul.

If there is a commitment related to maintenance of aircraft held under operating lease arrangements, a provision is made during the lease term for the lease return obligations specified within those lease agreements. The provision is made based on historical experience, manufacturers' advice and if relevant, contractual obligations, to determine the present value of the estimated future major airframe inspections cost and engine overhauls.

All other repair and maintenance costs are expensed as incurred.

u. Deferred Charges

Other charges that meet the asset recognition criteria are deferred and amortized using the straight-line method over their beneficial periods.

v. Revenue and Expense Recognition

Passenger ticket and cargo waybill sales are initially recorded as unearned transportation revenue. Revenue is recognized when transportation service is rendered. Revenue also includes recoveries from surcharges during the period.

Revenue from short-term aircraft maintenance and overhaul contract is recognized when the service is rendered. Revenue from long-term aircraft maintenance and overhaul contracts is recognized using the percentage-of-completion method.

Revenues from hotels, catering, travel agency services, reservation system services and other services related to flight operations are recognized when the services are rendered.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investment in shares is recognized when the shareholders' rights to receive such dividend have been established.

Expenses are recognized when incurred.

w. Frequent Flyer Program

The Company operates a frequent flyer program called "Garuda Miles" that provides travel awards to its members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits, estimated based on expected utilization of these benefits, is deferred until they are utilized. These deferrals of revenue are recorded as unearned revenue. Any remaining unutilized benefits are recognized as revenue upon expiry.

x. Post-Employment Benefits and Long-Term Benefits

Defined contribution plan

Payments made to defined contribution plan are charged as an expense as they fall due. Payments made to pension plan are dealt with as payments to defined contribution plans.

Defined benefits plan

Post-employment benefits accounted for as defined benefit plan are determined using the Projected Unit Credit Method with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on - plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows: (i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); (ii) net interest expense or income; and (iii) remeasurement.

The Group presents the first two components of defined benefit cost in profit or loss. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Long-Term Benefits

Long-term benefits are determined using the Projected Unit Credit Method. Past service cost and actuarial gains (losses) are recognized immediately in the current operations.

The long-term employee benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

y. Provision

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

z. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences and fiscal losses can be utilized.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the consumption of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized in the temporary differences arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of 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 profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. There current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

aa. Derivative Financial Instruments

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently measured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Changes in fair value of derivative financial instruments that are designated as effective hedges of future cash flows are recognized as part of other comprehensive income and the ineffective portion is recognized immediately in earnings. If the hedged transaction results in the recognition of an asset or liability, the accumulated gains and losses under other comprehensive income are reclassified into earnings in the same period in which the related asset or liability affects earnings. For hedges that do not result in the recognition of an asset or liability, amounts deferred in other comprehensive income are recognized in earnings in the same period in which the hedged item affects profit or loss.

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged and such changes are recognized immediately in earnings.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

A derivative is presented as non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

bb. Earnings per Share

Basic earnings per share is computed by dividing net income attributable to owners of the Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share is computed by dividing net income attributable to owners of the Company by the weighted average number of shares outstanding as adjusted for the effects of all dilutive potential ordinary shares.

cc. Segment Information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performances.

An operating segment is a component of an entity:

- a) that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to the transaction with other components of the same entity);
- b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decision about resources to be allocated to the segments and assess its performance; and
- c) for which discrete financial information is available.

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of their performance is more specifically focused on the category of each product.

dd. Intangible Assets

Software and licenses are capitalized on the basis of the cost incurred to acquire and to prepare the assets for intended use. These costs are amortized using the straight-line method over the estimated useful life of 3 – 8 years.

ee. Manufacturer's Incentive

The Company receives credits from vendors in connection with the acquisition of certain avionic equipments. Depending on their nature, these credits are recorded as a reduction to the cost of the related avionic equipments. The credits are either settled as cash back on subsequent purchases or net-off with payable to vendors.

ff. Management and Employee Stock Option Program

The Company provides stock option program to its members of management and eligible employees (MESOP). The program consists of stock option plan that upon exercise is settled through issuance of shares (equity-settled share based payment arrangement) which is accounted as equity transaction.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in consolidated statements of profit or loss and other comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

gg. Quasi-Reorganization

As of January 1, 2012, the Company carried out a quasi-reorganization in accordance with the Statement of Financial Accounting Standards (PSAK) No. 51 (revised 2003), "Accounting for Quasi-Reorganization".

The quasi-reorganization was carried out using the accounting for reorganization method, wherein assets and liabilities are revalued at their fair values using market value and discounted cash flows model. The revaluation surplus of asset and liabilities is recognized as difference in revaluation of assets and liabilities and used for eliminating deficit. Details of the elimination of deficit are discussed in Note 54. In addition, the fair value of those assets and liabilities as used in the quasi-reorganization becomes their initial carrying amount in the consolidated financial statements commencing January 1, 2012 and are subsequently measured using the relevant accounting policies.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Critical Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimation (see below) that management has made in the process of applying the accounting policies and that have the most significant impact on the amounts recognized in the consolidated financial statements:

i. Operating Lease Commitments – As Lessee

The Company has entered into commercial leases on its aircraft. The Company has determined, based on an evaluation of the substance of the terms and conditions of the arrangements, that the lessor retains all the significant risks and rewards of ownership of these aircrafts and so accounts for the contracts as operating leases. The operating lease commitments are disclosed in Note 49.

ii. Sale and Leaseback

The Company has entered into sale and leaseback of certain newly acquired aircrafts. The Company has determined, based on an evaluation of the substance of the terms and conditions of the arrangements, that sale and leaseback transaction results in an operating lease, and the transaction is established at fair value. Sale and leaseback transactions are disclosed in Note 49.

iii. Factoring Payable

GMFAA, a subsidiary entered into factoring arrangement with third parties on its trade receivables. GMFAA has determined, based on an evaluation of the substance of the terms and conditions of the arrangement, that the cash flow result from the factoring arrangement are presented in operating activities. Factoring payable are disclosed in Note 20.

Key Sources of Estimation Uncertainty

The preparation of consolidated financial statements in accordance with Indonesian Financial Accounting Standards requires management to make estimates and assumptions that has an effect to the carrying amount of assets and liabilities and disclosure of contingent liabilities at the date of consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could be different from those estimates.

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, that have the significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Estimated Useful Lives of Property and Equipment

Management has estimated the useful lives of property and equipment based on expected asset utilization based on business plans and strategies that also consider expected future technological developments and market behavior. The estimation of the useful lives of property and equipment is based on the Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives are reviewed at least each financial period-end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The carrying amount of property and equipment is disclosed in Note 14.

ii. Provision for Aircraft Return and Maintenance Cost

Whenever there is a commitment to maintain aircraft held under operating lease arrangements, a provision is made during the lease term for the lease return obligations specified within those lease agreements. The provision is based upon historical experience, manufacturers' advice and, where appropriate, contractual obligations in determining the present value of the estimated future costs of major airframe inspections and engine overhauls. Estimates are required to be made in respect of the timing of maintenance. The carrying amount of estimated liability is disclosed in Note 26.

iii. Post-Employment Benefits Obligation

The cost of defined benefit plan and present value of the pension obligation are determined based on actuarial valuation which makes use of various assumptions such as discount rates, expected rates of return on plan assets, rates of compensation increases and mortality rates. The defined benefit obligation is highly sensitive to changes in the assumptions. The carrying amount of the obligation is disclosed in Note 29.

iv. Income Tax

In certain circumstances, the Group may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Group applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with PSAK 57, "Provisions, Contingent Liabilities and Contingent Asset. Income tax is disclosed in Note 10c.

v. Impairment Loss on Loans and Receivables

The Group assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is an objective evidence that loss event has occurred. Management also makes judgement as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of loans and receivables are disclosed in Notes 6 and 7.

vi. Allowance for Decline in Value of Inventories

The Group provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will impact the result of the Groups' operations. The carrying amount of inventories is disclosed in Note 8.

vii. Fair value measurement and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial purpose. Management determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where Level 1 input are not available, the Group engages third party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 14 and 15.

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5. CASH AND CASH EQUIVALENTS

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Cash on hand				
Rupiah	3,622,959	2,779,975	2,308,586	2,091,104
U.S. Dollar	68,780	77,192	94,517	18,033
Other foreign currencies	234,592	258,392	186,038	131,130
Total cash on hand	3,926,331	3,115,559	2,589,141	2,240,267
Banks				
Related parties (Note 46)				
PT Bank Rakyat Indonesia (Persero) Tbk	75,007,396	83,705,432	34,048,811	87,945,474
PT Bank Negara Indonesia (Persero) Tbk	49,730,514	34,579,814	62,077,546	19,128,107
PT Bank Mandiri (Persero) Tbk	17,126,125	32,838,658	39,561,736	22,693,876
PT Bank Mega Tbk	4,435,769	4,150,791	1,934,943	1,236,620
PT Bank Syariah Mandiri	501,196	371,618	1,629,035	2,013,201
PT Bank Negara Indonesia Syariah	132,556	53,801	3,077,529	3,230,055
PT Bank Tabungan Negara (Persero) Tbk	40,659	13,565	1,798	4,543
PT Bank Rakyat Indonesia Syariah	10,030	4,501	12,547	-
PT Bank Exim Indonesia	-	-	295,549	295,364
Third parties				
Citibank N.A.	22,868,458	20,660,858	56,083,995	69,903,920
Bank of China	12,559,942	6,016,076	38,852,957	33,571,578
Industrial Commercial Bank of China	7,960,835	3,309,839	9,697,853	3,590,401
PT Bank Permata Tbk	7,513,310	2,437,328	7,850,764	6,946,516
ANZ Bank	7,169,676	6,180,381	12,002,296	21,202
Saudi Arabian Bank	4,083,393	3,804,688	3,864,840	4,388,796
PT CIMB Niaga Tbk	4,075,101	8,676,026	840,019	1,091,627
Commonwealth Bank of Australia	3,177,018	3,232,351	2,961,784	10,190,948
PT Bank Central Asia Tbk	2,856,297	1,244,031	13,494,440	7,219,004
The Bank of Tokyo- Mitsubishi UFJ	1,965,814	1,476,513	1,939,719	1,736,171
PT Bank Maybank Indonesia Tbk	1,842,002	465,543	1,450,152	4,873,130
Industrial Bank of Korea	1,277,016	781,408	526,522	-
Standard Chartered Bank	1,130,921	1,474,254	16,310,078	55,635,367
Sumitomo Mitsui Bank	1,018,735	1,184,464	131,835	1,303,476
Mizuho Bank	849,589	336,503	1,027,728	756,521
Banca di Roma	848,796	822,425	727,001	753,488
Bank DKI	480,787	230,562	2,277	1,354
Bangkok Bank Limited	404,660	358,721	392,724	520,954
Bank HSBC Indonesia	344,415	353,919	232,039	173,408
United Overseas Bank	313,867	854,790	1,610,452	1,344,033
Westpack Bank	310,398	190,072	147,836	126,605
Other Banks (each below USD 300,000)	1,824,689	2,762,760	3,089,335	3,411,638
Total bank	231,859,964	222,571,692	315,876,140	344,107,377
Time deposits				
Related parties (Note 46)				
PT Bank Negara Indonesia (Persero) Tbk	5,603,132	44,601,752	37,095,823	6,996,646
PT Bank Rakyat Indonesia (Persero) Tbk	3,271,300	22,789,459	157,602,003	38,915,737
PT Bank Tabungan Negara (Persero) Tbk	1,817,389	1,845,291	-	-
PT Bank Mandiri (Persero) Tbk	528,616	536,731	524,182	869,880
PT Bank Mega Tbk	436,173	442,870	16,637,392	89,724,030
PT Bank Mega Syariah	-	-	2,158,380	-
Third parties				
PT Bank Muamalat Indonesia Tbk	4,202,698	3,230,335	8,590,061	16,119,477
PT Industrial Commercial Bank of China	3,602,831	3,602,831	-	-
PT Bank Bukopin Tbk	1,477,024	2,981,330	4,733,804	6,129,511
PT Bank BJB Syariah	292,031	-	18,396,844	371,723
PT Bank Maybank Indonesia Tbk	254,434	-	-	-
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	-	-	1,800,000	-
PT Bank CIMB Niaga Tbk	-	-	-	8,191,374
PT Bank Permata Tbk	-	-	-	2,899,601
PT Bank BTPN Tbk	-	-	-	1,812,251
United Overseas Bank	-	-	-	1,449,801
PT Bank Danamon Tbk	-	-	-	144,980
Total time deposits	21,485,628	80,030,599	247,538,489	173,625,011
Restricted cash				
Related Parties (Note 46)				
PT Bank Negara Indonesia (Persero) Tbk	29,831,404	401,189	-	-
PT Bank Rakyat Indonesia (Persero) Tbk	17,114,772	-	-	-
PT Bank Mandiri (Persero) Tbk	266,534	-	-	-
PT Bank Syariah Mandiri	-	13,963	-	-
Third parties				
PT Bank Central Asia Tbk	590,347	785,943	1,698,969	-
Standard Chartered Bank	-	-	10,000,000	-
California Bank	-	-	1,000,000	-
Total restricted cash	47,803,057	1,201,095	12,698,969	-
Total	305,074,980	306,918,945	578,702,739	519,972,655

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	March 31, 2018 (Unaudited)	December 31, 2017	December 31, 2016	December 31, 2015
Interest rate per annum on time deposit:				
Rupiah	2,80% - 7,25%	3,90% - 7,25%	4,50% - 9,25%	4,5% - 10,25%
U.S. Dollar	1,50% - 2,00%	0,50% - 3,13%	0,75% - 2,10%	0,75% - 3,00%

Cash and cash equivalents by currency:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
U.S. Dollar	105,718,166	149,677,019	289,581,278	267,518,306
Rupiah	138,252,603	111,394,661	180,353,895	160,690,131
Chinese Renminbi	32,322,191	17,396,574	61,930,609	50,010,620
Australian Dollar	9,948,976	9,311,968	14,911,457	12,035,240
Japanese Yen	5,622,216	5,765,845	9,174,564	8,239,562
Saudi Arabian Riyal	4,128,269	3,871,360	3,903,293	4,413,595
Korean Won	2,084,684	1,253,998	3,250,305	2,104,528
Euro	1,857,898	3,346,863	4,748,937	4,779,139
Singapore Dollar	1,380,719	1,533,709	3,740,531	2,683,330
Hongkong Dollar	1,051,227	906,697	1,034,989	1,361,168
Thailand Baht	721,078	508,249	1,651,787	1,683,686
Great Britain Poundsterling	305,965	292,103	2,045,386	1,471,173
United Arab Emirates Dirham	107,032	17,020	366,059	924,460
Other currencies (each under USD 300,000)	1,573,956	1,642,879	2,009,649	2,057,717
Total	305,074,980	306,918,945	578,702,739	519,972,655

6. TRADE ACCOUNTS RECEIVABLES

a. By Debtors

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Related parties (Note 46)				
PT Pos Indonesia	1,075,276	513,280	371,126	572,383
Sabre Asia Pasific Pte., Ltd.	1,006,292	630,556	534,151	544,607
PT Jiwasraya	928,413	1,137,216	578,037	710,006
PT Kereta Api Indonesia	885,759	926,469	43,936	-
PT PLN (Persero) Tbk	791,189	1,085,140	-	-
PT Angkasa Pura II	769,097	568,769	171,134	256,939
PT Bukit Asam (Persero) Tbk	18,240	115,000	372,255	135,069
Others	2,139,282	2,762,239	1,645,792	99,584
Total	7,613,548	7,738,669	3,716,431	2,318,588
Third parties				
Airlines services				
Passenger agents	73,027,707	39,321,276	36,975,741	34,278,320
Cargo agents	18,027,930	17,687,210	16,083,785	14,075,716
Credit cards	16,063,364	15,090,648	13,247,684	4,918,520
Airlines	10,140,204	9,832,635	8,094,008	8,995,006
Others	8,577,081	6,464,979	9,742,214	5,449,221
Sub total	125,836,286	88,396,748	84,143,432	67,716,783
Non airlines services	177,214,916	140,941,354	110,715,608	56,979,490
Total	303,051,202	229,338,102	194,859,040	124,696,273
Allowance for impairment loss	(7,981,349)	(7,826,683)	(7,279,906)	(5,487,220)
Total - net	295,069,853	221,511,419	187,579,134	119,209,053
Total Trade Accounts Receivables	302,683,401	229,250,088	191,295,565	121,527,641

As of March 31, 2018 account receivable from PT Sriwijaya Air amounted to USD 6,280,839 and Rp 119,775,660,818 (equivalent to USD 8,707,158) are under factoring arrangement with PT Bank Negara Indonesia (Persero) Tbk (Note 20).

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b. By Currency

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
U.S. Dollar	135,197,098	102,752,163	88,081,880	35,889,108
Rupiah	130,920,325	96,298,476	74,233,720	52,243,119
Japanese Yen	7,165,256	4,585,635	5,006,930	5,312,832
Euro	6,649,592	4,957,987	4,272,259	2,818,350
Korean Won	3,082,099	2,250,961	2,101,821	5,842,010
Chinese Renmimbi	2,807,731	2,248,128	1,796,399	3,220,315
Australian Dollar	2,778,373	3,543,720	2,035,606	2,090,078
Saudi Arabian Riyal	2,766,080	3,089,301	2,436,298	4,012,773
Singapore Dollar	1,864,824	1,455,599	1,139,496	953,828
Malaysian Ringgit	317,112	294,604	1,492,720	3,928,512
Other currencies	17,116,260	15,600,197	15,978,342	10,703,936
Total	310,664,750	237,076,771	198,575,471	127,014,861
Allowance for impairment loss	(7,981,349)	(7,826,683)	(7,279,906)	(5,487,220)
Total - net	302,683,401	229,250,088	191,295,565	121,527,641

c. Aging of Trade Accounts Receivable

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Not yet due	204,400,224	158,411,563	139,249,124	83,649,039
Past due				
1 - 60 days	46,852,235	34,234,059	25,045,739	15,997,153
61 - 180 days	31,409,344	22,078,718	17,023,576	7,666,370
181 - 360 days	7,693,786	5,846,419	3,207,431	8,288,246
> 360 days	12,327,812	8,679,329	6,769,695	5,926,833
Total	302,683,401	229,250,088	191,295,565	121,527,641

The average credit term is 30 - 60 days for the three-month periods ended March 31, 2018 and for the years ended December 31, 2017, 2016 and 2015. No interest is charged on overdue trade accounts receivables, except non airlines services receivable with PT Sriwijaya Air which bears interest of 0.1% per day of the total unpaid invoice.

Changes in the allowance for impairment loss:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Beginning balance	7,826,683	7,279,906	5,487,220	6,599,637
Addition	1,685,809	2,864,037	3,631,616	1,873,763
Recovery	(1,531,143)	(2,317,260)	(1,838,930)	(2,986,180)
Ending balance	7,981,349	7,826,683	7,279,906	5,487,220

The age of impaired trade accounts receivables is above 360 days.

Allowance for impairment loss from individual and collective impairment are as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Individual assessments	1,473,413	1,347,735	2,199,089	1,170,831
Collective assessments	212,396	1,516,302	1,432,527	702,932
Total	1,685,809	2,864,037	3,631,616	1,873,763

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In determining the recoverability of a trade accounts receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited as the customer base is large and unrelated.

Based on management's identification for trade accounts receivables that are past due but not impaired, management considers that those receivables are still realizable because based on its assessment there is no significant change in credit quality from those customers. For accounts receivables from non-airlines services, the Group does not maintain any collateral or credit enhancement over those accounts receivable and does not have any legal right of offset against any amounts owed by the Group to the counterparty. For receivable from sales of airline ticket, further discussion about credit policy is set forth in Note 47 about credit risk.

Individually impaired trade receivables consist of accounts which management considers are no longer recoverable based on its assessment of credit quality and financial condition of the customers. The Group does not have any collateral over those balances.

Management believes that the allowance for impairment losses from third parties is adequate. Management also believes that there are no significant concentrations of credit risk in third party receivable. No allowance for impairment loss was provided on receivables from related parties, as management believes that all such receivables are collectible.

7. OTHER RECEIVABLES

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Derivative Asset (Note 48)	25,211,845	26,830,643	1,043,700	-
PT Asuransi Jasa Indonesia (Note 46)	6,599,125	6,612,827	6,537,331	6,784,871
Employee receivables	6,063,039	6,001,012	6,719,011	2,612,614
Accrued revenues	1,710,198	1,772,358	4,936,431	3,185,847
Others	1,658,516	1,776,564	1,936,257	4,998,221
Total	<u>41,242,723</u>	<u>42,993,404</u>	<u>21,172,730</u>	<u>17,581,553</u>

Receivable from PT Asuransi Jasa Indonesia ("Jasindo") is the excess premium paid by the Company to Jasindo.

Management believes that all such receivables are collectible thus allowance for impairment losses was not provided.

8. INVENTORIES

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Spare parts	123,159,675	117,593,836	93,367,485	76,812,786
Catering	13,667,280	13,758,283	13,408,114	12,464,443
Ticketing document	1,268,102	1,261,702	1,192,254	1,021,124
Others	4,585,285	4,104,249	3,671,127	3,532,656
Total	<u>142,680,342</u>	<u>136,718,070</u>	<u>111,638,980</u>	<u>93,831,009</u>
Allowance for decline in value	<u>(5,660,882)</u>	<u>(5,562,353)</u>	<u>(2,684,523)</u>	<u>(2,199,778)</u>
Net amount	<u>137,019,460</u>	<u>131,155,717</u>	<u>108,954,457</u>	<u>91,631,231</u>

Changes in the allowance for decline in value of inventories are as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Beginning balance	5,562,353	2,684,523	2,199,778	1,394,807
Additions	98,529	2,878,877	497,502	881,582
Recovery	-	(1,047)	(12,757)	(76,611)
Ending balance	<u>5,660,882</u>	<u>5,562,353</u>	<u>2,684,523</u>	<u>2,199,778</u>

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Management believes that the allowance for decline in value of inventories is adequate to cover possible losses on the decline in inventory value.

As of March 31, 2018, December 31, 2017, 2016 and 2015, the inventories of the Company were insured with PT Asuransi Jasa Indonesia (Persero), a related party (Note 46), against fire and other risks under pool policies with total sum insured of USD 99,501,201, USD 99,617,637, USD 86,758,093 and USD 96,635,768, respectively. Management believes that the insurance coverage is adequate to cover possible losses on the inventories insured.

As of March 31, 2018, December 31, 2017, 2016 and 2015, no inventories were used as collateral except inventory of PT Aerofood Indonesia, a subsidiary, which were used as collateral for the long term loan credit facility from PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") (Note 24).

9. ADVANCES AND PREPAID EXPENSES

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Prepaid rent	90,809,107	88,740,322	89,574,099	79,884,510
Aircraft rental	87,464,830	86,404,502	71,134,059	52,216,303
Spare parts	18,862,101	16,663,353	25,600,830	12,187,444
Aircraft maintenance	7,222,731	36,919,484	13,840,915	15,625,958
Insurance	6,140,669	2,002,824	2,086,426	2,347,583
Duty trip	4,498,839	3,784,501	2,551,508	2,033,673
Building rental	3,253,036	2,525,677	3,500,437	3,082,130
Fuel	2,705,760	2,063,964	5,193,307	3,903,193
Others	12,103,923	10,174,431	6,793,486	5,823,615
Total	<u>233,060,996</u>	<u>249,279,058</u>	<u>220,275,067</u>	<u>177,104,409</u>

10. TAXATION

a. Prepaid Taxes

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
<u>The Company</u>				
Estimated Overpayment of Corporate Income Tax				
Year 2018	849,578	-	-	-
Year 2017	1,517,486	1,520,539	-	-
Year 2016	1,012,780	1,012,780	1,026,380	-
Year 2015	-	-	2,580,194	2,272,938
Year 2014	-	-	-	5,096,888
Value Added Tax	139,432	138,483	20,601,626	42,549,932
Other tax	-	-	-	1,279,908
Sub total	<u>3,519,276</u>	<u>2,671,802</u>	<u>24,208,200</u>	<u>51,199,666</u>
<u>Subsidiaries</u>				
Estimated Overpayment of Corporate Income Tax				
Year 2018	4,764,148	-	-	-
Year 2017	9,268,329	9,910,717	-	-
Year 2016	3,650,693	4,244,793	4,487,837	-
Year 2015	1,116,054	1,183,713	2,982,115	3,232,884
Year 2014	1,687	1,853	755,786	3,349,425
Year 2013	-	-	-	337,651
Value Added Tax	9,320,288	8,299,469	11,605,721	21,910,890
Other taxes	64,116	832,068	693,085	-
Sub total	<u>28,185,315</u>	<u>24,472,613</u>	<u>20,524,544</u>	<u>28,830,850</u>
Total	<u>31,704,591</u>	<u>27,144,415</u>	<u>44,732,744</u>	<u>80,030,516</u>

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b. Value Added Tax on Utilization of Taxable Services

Referring to Government Regulation No. 38 Year 2003 on Amendment to Government Regulation No. 146 Year 2000 about import and/or delivery of taxable goods and/or Taxable Services that are exempted from Value Added Tax.

Referring to letter of Directorate General of Tax, Regulation Director I No. S-1007/PJ.02/2014 dated October 29, 2014 concerning the treatment of VAT on Imported Ships or Aircrafts stating that the aircraft lease transactions with operating lease scheme is subject to VAT.

The Company and subsidiaries have VAT due on aircraft rental charge as of March 31, 2018, December 31, 2017, 2016 and 2015 amounting to Rp 229,234,908,098 (equivalent to USD 16,664,358), Rp 82,714,107,866 (equivalent to USD 6,105,263), Rp 180,974,329,425 (equivalent to USD 13,469,361) and Rp 735,707,309,348 (equivalent to USD 54,716,988), respectively.

c. Tax on Fixed Asset Revaluation

Based on the Finance Minister Regulation (PMK) No. 191/PMK.010/2015 dated October 15, 2015, as amended by PMK No. 233/ PMK.03/2015 dated on December 21, 2015, the applicant of fixed asset revaluation for tax purpose filed until the date of December 31, 2015, will receive special treatment in the form of final income tax rate at 3%. The petition filed on the date of January 1, 2016 until June 30, 2016, the final income tax rate of 4% is final.

On December 22, 2015, the Company filed an "Application of fixed asset revaluation for tax purposes in 2015 by tax payers who have not revalued fixed assets" to the Head of Tax payer Office through letter No. GARUDA/JKTDF/ 20459/15. The Company availed of the special treatment of tax for several buildings and subject to final income tax totalling to Rp 18,919,735,206 (equivalent USD 1,353,823) (Note 32).

The Company obtained the "Approval of Fixed Asset Revaluation for Tax Purposes for the requester that filed in 2015 and 2016" with the issuance of the Director General of Taxation No. KEP-305/WPJ.19/2016.

d. Taxes Payable

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
<u>The Company</u>				
Income taxes				
Article 21	5,679,231	2,360,248	1,808,503	1,240,893
Article 22	4,289	5,933	6,194	7,629
Article 4 (2)	36,142	41,260	22,692	37,828
Article 23	4,570,835	2,176,995	1,046,152	1,396,818
Article 26	3,098,930	2,974,022	818,698	2,059,448
Value Added Taxes	8,485,436	16,971,499	8,470,493	8,297,493
Other taxes	344,637	417,314	12,880,397	54,774,773
Sub total	22,219,500	24,947,271	25,053,129	67,814,882
<u>Subsidiaries</u>				
Income taxes				
Article 21	964,353	2,625,158	2,381,905	2,265,072
Article 23	748,681	561,610	598,400	673,841
Article 25	814,053	814,364	664,131	281,004
Article 4 (2)	177,005	175,030	180,187	178,561
Article 26	55,927	22,040	405,670	294,928
Article 29	5,015,662	4,962,676	6,084,618	7,518,098
Value Added Taxes	10,308,403	12,414,969	1,823,454	747,532
Local Government Taxes 1	1,065,956	997,318	1,245,689	1,191,672
Other taxes	1,653,371	2,178,318	1,021,768	31,456
Sub total	20,803,411	24,751,483	14,405,822	13,182,164
Total	43,022,911	49,698,754	39,458,951	80,997,046

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e. Tax Benefit (Expense)

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) (One year) USD	2016 (One year) (One year) USD	2015 (One year) (One year) USD
<u>Current tax</u>					
The Company	-	-	-	-	-
Subsidiaries	(3,780,115)	(4,147,902)	(18,804,354)	(17,960,427)	(16,146,760)
Total current tax	(3,780,115)	(4,147,902)	(18,804,354)	(17,960,427)	(16,146,760)
<u>Deferred tax</u>					
The Company	18,081,849	28,116,493	(38,743,807)	13,908,099	(8,543,661)
Subsidiaries	5,203,771	7,106,908	2,418,320	(4,207,793)	(3,662,023)
Total deferred tax	23,285,620	35,223,401	(36,325,487)	9,700,306	(12,205,684)
Tax expense of subsidiaries in connection with SKP and SPT correction	(14,003)	(10,070)	(79,200)	(165,721)	(333,542)
Total	19,491,502	31,065,429	(55,209,041)	(8,425,842)	(28,685,986)

Current Tax

A reconciliation between profit (loss) before tax per consolidated statements of profit or loss and other comprehensive income and taxable income (fiscal loss) of the Company is as follows:

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) (One year) USD	2016 (One year) (One year) USD	2015 (One year) (One year) USD
Profit (loss) before tax per consolidated statements of of profit or loss and other comprehensive income	(83,763,650)	(132,284,019)	(158,180,637)	17,790,700	106,660,147
Elimination and adjustment	8,316,128	14,198,078	(20,491,273)	(81,732,171)	(72,091,606)
Profit (loss) before tax of the Company	(75,447,522)	(118,085,941)	(178,671,910)	(63,941,471)	34,568,541
<u>Temporary differences:</u>					
Allowance for impairment losses of accounts receivable	(3,416)	(3,324,103)	(3,258,738)	70,288	(480,211)
Allowance for decline in value of inventories	-	-	1,212,870	(487,384)	(8,430)
Depreciation expense	3,921,200	1,817,128	8,165,602	20,640,617	22,088,715
Impairment of assets	-	-	(5,740,287)	(17,865,566)	(5,222,126)
Maintenance assets	(32,378,056)	(18,265,478)	(84,438)	(14,497,540)	(11,461,331)
Post employment benefits	815,622	1,622,644	4,131,811	(59,302,798)	(10,017,805)
Sub total	(27,644,650)	(18,149,809)	4,426,820	(71,442,383)	(5,101,188)
<u>Non deductible expenses/ Non taxable income:</u>					
Lease liabilities	(4,167,155)	(4,132,154)	(16,578,715)	(16,426,306)	(15,652,057)
Income subjected to final tax	(740,214)	(1,417,020)	(13,558,267)	(5,428,666)	(34,078,715)
Expenses that are not deductible for tax purposes	11,068,882	11,273,122	52,283,423	52,641,552	51,578,823
Sub total	6,161,513	5,723,948	22,146,441	30,786,580	1,848,051
Fiscal loss before fiscal loss carryforward	(96,930,659)	(130,511,802)	(152,098,649)	(104,597,274)	31,315,404
Fiscal loss carryforward	(256,573,757)	(104,597,274)			
Fiscal loss of 2013 - adjusted after SPT taxable income for the year 2015	-	(19,994)	-	(19,994)	(37,720,783)
Fiscal loss 2014 - adjusted after SKP in 2016	-	(311,184,644)	-	(311,184,644)	(316,747,017)
Fiscal loss 2016 - SPT in 2016	-	-	(104,475,108)	-	-
Accumulated fiscal loss	(353,504,416)	(546,313,714)	(256,573,757)	(415,801,912)	(323,152,396)

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The details of current tax expense and tax payable (overpayment) are as follow:

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
<u>The Company</u>					
Current tax expense	-	-	-	-	-
Less prepaid taxes					
Income tax - Article 15	-	(67,871)	(113,942)	(5,707)	(378,155)
Income tax - Article 22	(568,942)	(399,024)	(590,191)	(471,628)	(894,801)
Income tax - Article 23	(280,636)	(371,823)	(816,406)	(549,045)	(150,213)
Income tax - Article 25	-	-	-	-	(849,769)
Sub total	<u>(849,578)</u>	<u>(838,718)</u>	<u>(1,520,539)</u>	<u>(1,026,380)</u>	<u>(2,272,938)</u>
Over payment of current tax	<u>(849,578)</u>	<u>(838,718)</u>	<u>(1,520,539)</u>	<u>(1,026,380)</u>	<u>(2,272,938)</u>
<u>Subsidiaries</u>					
Current tax expense					
PT Garuda Maintenance Facility Aero Asia, Tbk	2,294,184	3,131,227	15,782,460	13,341,794	10,569,212
PT Aero Wisata and subsidiaries	263,974	544,721	1,536,109	3,438,799	3,968,376
Garuda Indonesia Holiday France	239,653	221,312	1,133,565	396,990	20,941
PT Sabre Travel Network Indonesia	108,959	156,691	219,534	372,341	277,882
PT Gapura Angkasa	873,345	-	132,686	237,691	1,192,807
PT Aero Systems Indonesia	-	93,953	-	172,812	117,542
Total	<u>3,780,115</u>	<u>4,147,904</u>	<u>18,804,354</u>	<u>17,960,427</u>	<u>16,146,760</u>
Less prepaid taxes	<u>(3,528,601)</u>	<u>(320,083)</u>	<u>(23,752,395)</u>	<u>(16,363,646)</u>	<u>(11,861,546)</u>
(Over) under payment of current tax	<u>251,514</u>	<u>3,827,821</u>	<u>(4,948,041)</u>	<u>1,596,781</u>	<u>4,285,214</u>
Presented as:					
Prepaid taxes	(4,764,148)	(3,319,919)	(9,910,717)	(4,487,837)	(3,232,884)
Taxes payable	5,015,662	7,147,740	4,962,676	6,084,618	7,518,098
Net	<u>251,514</u>	<u>3,827,821</u>	<u>(4,948,041)</u>	<u>1,596,781</u>	<u>4,285,214</u>

Taxable income reported on SPT 2015 amounted to USD 35,483,965 is different from amount stated on financial statements and has impact to recognition of 2013 fiscal loss utilization which amounted to USD 19,994.

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Deferred Tax

Details of deferred tax assets and liabilities are as follows:

	January 1, 2018	Credited (charged) to profit or loss for the period	Recognized in other comprehensive income	Translation Adjustment	March 31, 2018 (Unaudited)
	USD	USD	USD	USD	USD
Deferred tax assets (liabilities)					
<u>The Company</u>					
Allowance for impairment loss of accounts receivables	3,817,642	(575)	-	-	3,817,067
Allowance for decline in value of inventories	378,347	-	-	-	378,347
Depreciation	(19,725,254)	208,285	-	-	(19,516,969)
Impairment of asset	(1,076,113)	-	-	-	(1,076,113)
Impairment of investment in Merpati	1,147,028	-	-	-	1,147,028
Provision for long term receivable	8,429,674	(279)	-	-	8,429,395
Maintenance assets	(54,771,257)	(7,231,559)	-	-	(62,002,816)
Estimated liabilities for aircraft return and maintenance cost	21,682,449	669,407	-	-	22,351,856
Post employment benefits	9,825,043	203,906	322,546	-	10,351,495
Tax loss carry forward	64,143,440	24,232,664	-	-	88,376,104
Total	33,850,999	18,081,849	322,546	-	52,255,394
<u>Subsidiaries</u>					
PT Citilink Indonesia	19,908,862	4,987,556	(23,105)	-	24,873,313
PT Sabre Travel Network Indonesia	125,944	14,194	(997)	-	139,141
PT Garuda Maintenance Facility Aero Asia Tbk	8,263,984	(291,095)	(306,392)	-	7,666,497
PT Aero Wisata and its subsidiaries	3,362,645	(24,413)	(180,185)	(8,918)	3,149,129
PT Garuda Angkasa	3,615,667	382,216	(76,890)	(944,343)	2,976,650
PT Aero Systems Indonesia	383,308	49,923	(48,252)	(5,797)	379,182
Total	35,660,410	5,118,381	(635,821)	(959,058)	39,183,912
Deferred tax asset - net	69,511,409	23,200,230	(313,275)	(959,058)	91,439,306
Deferred tax liabilities - net					
<u>Subsidiaries</u>					
PT Aero Wisata and its subsidiaries	(1,685,345)	85,390	(5,509)	54,751	(1,550,713)
Deferred tax liabilities - net	(1,685,345)	85,390	(5,509)	54,751	(1,550,713)

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	January 1, 2017 USD	Credited (charged) to profit or loss for the period USD	Recognized in other comprehensive income USD	Translation Adjustment USD	December 31, 2017 USD
Deferred tax assets (liabilities)					
<u>The Company</u>					
Allowance for impairment loss of accounts receivables	4,632,173	(814,531)	-	-	3,817,642
Allowance for decline in value of inventories	75,129	303,218	-	-	378,347
Depreciation	(12,421,298)	(4,448,647)	(2,855,309)	-	(19,725,254)
Impairment of asset	(922,776)	(153,337)	-	-	(1,076,113)
Impairment of investment in Merpati	1,147,028	-	-	-	1,147,028
Provision for long term receivable	8,429,828	(154)	-	-	8,429,674
Maintenance assets	(58,738,239)	3,966,982	-	-	(54,771,257)
Estimated liabilities for aircraft return and maintenance cost	20,505,702	1,176,747	-	-	21,682,449
Post employment benefits	6,399,993	1,032,953	2,392,097	-	9,825,043
Tax loss carry forward	103,950,478	(39,807,038)	-	-	64,143,440
Total	73,058,018	(38,743,807)	(463,212)	-	33,850,999
<u>Subsidiaries</u>					
PT Citilink Indonesia	18,780,551	2,549,732	(142,142)	-	19,908,862
PT Sabre Travel Network Indonesia	144,138	(32,230)	14,036	-	125,944
PT Garuda Maintenance Facility Aero Asia Tbk	9,211,083	(1,020,061)	72,962	-	8,263,984
PT Aero Wisata and its subsidiaries	2,930,185	(77,539)	523,643	(13,644)	3,362,645
PT Gapura Angkasa	4,369,989	(1,254,909)	557,501	(56,914)	3,615,667
PT Aero Systems Indonesia	-	-	383,308	-	383,308
Total	35,435,946	164,993	130,029	(70,558)	35,660,410
Deferred tax asset - net	108,493,964	(38,578,814)	(333,183)	(70,558)	69,511,409
Deferred tax liabilities - net					
<u>Subsidiaries</u>					
PT Aero Systems Indonesia	(447,649)	1,101,855	(371,514)	(282,692)	-
PT Aero Wisata and its subsidiaries	(521,769)	65,329	(1,238,088)	9,183	(1,685,345)
PT Gapura Angkasa	(1,086,143)	1,086,143	-	-	-
Deferred tax liabilities - net	(2,055,561)	2,253,327	(1,609,602)	(273,509)	(1,685,345)

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Deferred tax assets (liabilities)					
<u>The Company</u>					
Allowance for impairment loss of accounts receivables	4,627,944	4,229	-	-	4,632,173
Allowance for decline in value of inventories	209,216	(134,087)	-	-	75,129
Depreciation	(25,202,524)	21,927,258	(9,146,032)	-	(12,421,298)
Impairment of asset	(996,189)	73,413	-	-	(922,776)
Impairment of investment in Merpati	1,147,028	-	-	-	1,147,028
Provision for long term receivable	8,429,344	484	-	-	8,429,828
Maintenance assets	(45,955,265)	(12,782,974)	-	-	(58,738,239)
Estimated liabilities for aircraft return and maintenance cost	24,022,604	(3,516,902)	-	-	20,505,702
Post employment benefits	22,688,450	(14,825,699)	(1462,758)	-	6,399,993
Tax loss carry forward	80,788,101	23,162,377	-	-	103,950,478
Total	69,758,709	13,908,099	(10,608,790)	-	73,058,018
<u>Subsidiaries</u>					
PT Citilink Indonesia	17,540,876	2,082,384	(842,709)	-	18,780,551
PT Sabre Travel Network Indonesia	120,321	23,104	713	-	144,138
PT Garuda Maintenance Facility Aero Asia	12,466,185	(5,914,875)	2,659,773	-	9,211,083
PT Aero Wisata and its subsidiaries	2,249,540	90,481	592,246	(2,082)	2,930,185
PT Gapura Angkasa	2,854,997	394,986	989,228	130,778	4,369,989
Total	35,231,919	(3,323,920)	3,399,251	128,696	35,435,946
Deferred tax asset - net	104,990,628	10,584,179	(7,209,539)	128,696	108,493,964
Deferred tax liabilities - net					
<u>Subsidiaries</u>					
PT Aero Systems Indonesia	(318,690)	(127,694)	(1,265)	-	(447,649)
PT Aero Wisata and its subsidiaries	(1,343,299)	394,298	418,857	8,375	(521,769)
PT Gapura Angkasa	-	(1,150,477)	113,379	(49,045)	(1,086,143)
Deferred tax liabilities - net	(1,661,989)	(883,873)	530,971	(40,670)	(2,055,561)

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	January 1, 2015 USD	Credited (charged) to profit or loss for the period USD	Recognized in other comprehensive income USD	Translation Adjustment USD	December 31, 2015 USD
Deferred tax assets (liabilities)					
<u>The Company</u>					
Allowance for impairment loss of accounts receivables	4,746,025	(118,081)	-	-	4,627,944
Allowance for decline in value of inventories	211,028	(1812)	-	-	209,216
Depreciation	(31,774,844)	7,799,853	(1,227,533)	-	(25,202,524)
Impairment of asset	(1,060,603)	64,414	-	-	(996,189)
Impairment of investment in Merpati	1,147,028	-	-	-	1,147,028
Provision for long term receivable	8,431,316	(1,972)	-	-	8,429,344
Maintenance assets	(37,448,998)	(8,506,267)	-	-	(45,955,265)
Estimated liabilities for aircraft return and maintenance cost	21,368,400	2,654,204	-	-	24,022,604
Post employment benefits	25,124,460	(2,504,451)	68,441	-	22,688,450
Tax loss carry forward	88,717,650	(7,929,549)	-	-	80,788,101
Total	79,461,462	(8,543,661)	(1,159,092)	-	69,758,709
<u>Subsidiaries</u>					
PT Citilink Indonesia	20,978,989	(2,984,523)	(453,590)	-	17,540,876
PT Sabre Travel Network Indonesia	69,085	42,580	8,656	-	120,321
PT Garuda Maintenance Facility Aero Asia	12,852,829	(1,295,616)	908,972	-	12,466,185
PT Aero Wisata and its subsidiaries	2,204,684	534,175	(167,121)	(322,198)	2,249,540
PT Garuda Angkasa	4,083,462	(643,797)	(94,828)	(489,840)	2,854,997
Total	40,189,049	(4,347,181)	202,089	(812,038)	35,231,919
Deferred tax asset - net	119,650,511	(12,890,842)	(957,003)	(812,038)	104,990,628
Deferred tax liabilities - net					
<u>Subsidiaries</u>					
PT Aero Systems Indonesia	(250,672)	(12,475)	(55,543)	-	(318,690)
PT Aero Wisata and its subsidiaries	(2,280,466)	697,633	(67,019)	306,553	(1,343,299)
Deferred tax liabilities - net	(2,531,138)	685,158	(122,562)	306,553	(1,661,989)

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A reconciliation between the total tax benefit and the amounts computed by applying the effective tax rate to profit (loss) before income taxes as follows:

	March 31, 2018 (Unaudited) USD	March 31, 2017 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Profit (loss) before tax per consolidated statements of profit or loss and other comprehensive income	(83,763,650)	(132,284,019)	(158,180,637)	17,790,700	106,660,147
Tax expense at effective tax rates	20,940,913	33,071,005	39,545,159	(4,447,675)	(26,665,037)
Tax effects of non deductible expenses:					
The Company	(780,032)	(1,404,992)	(83,411,783)	(2,077,269)	(462,013)
Subsidiaries	(591,051)	(37,855)	(11,106,852)	(1,735,177)	(2,119,424)
Adjustment recognized in current year related to the prior year deferred tax	(64,325)	(552,659)	(156,365)	-	894,030
Tax expenses of subsidiaries in connection with SKP and SPT adjustment	(14,003)	(10,070)	(79,200)	(165,721)	(333,542)
Tax expense	19,491,502	31,065,429	(55,209,041)	(8,425,842)	(28,685,986)

f. Tax Amnesty

The Company and Subsidiaries participated in Tax Amnesty program and had submitted Asset Declaration Letter for Tax Amnesty to Finance Minister of Republic of Indonesia.

Tax Amnesty Approval had been issued by Minister of Finance of the Republic of Indonesia in April 2017.

The following is the details of Tax Amnesty Asset recognized:

Entity	Tax Amnesty Approval	Date	Tax Amnesty Assets	
			IDR	Equivalent (USD)
The Company	KET- 285/PP/WPJ.19/2017	April 3, 2017	12,258,692,211	898,731
PT Garuda Maintenance Facility Aero Asia, Tbk	KET- 280/PP/WPJ.19/2017	April 3, 2017	2,078,500,000	156,020
PT Citilink Indonesia	KET- 391/PP/WPJ.19/2017	April 10, 2017	627,246,285	49,117
PT Aero Systems Indonesia	KET- 387/PP/WPJ.19/2017	April 10, 2017	135,769,000	10,021
PT Sabre Travel Network Indonesia	KET- 282/PP/WPJ.19/2017	April 3, 2017	39,000,000	2,928
Total			15,139,207,496	1,116,817
Accumulated Depreciation				(398,105)
Net (Note 17)				718,712

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There is no Tax Amnesty Liabilities recorded.

Increase in Tax Amnesty Asset recorded as Additional Paid in Capital amounted to USD 590,369 (Note 31).

Redemption money, unrecoverable prepaid taxes and unrecoverable accumulated tax loss charged to profit or loss amounted to USD 138,343,638.

11. MAINTENANCE RESERVE FUND AND SECURITY DEPOSITS

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Aircraft maintenance reserve funds (Note 49)	1,457,085,848	1,355,559,097	1,086,996,070	826,618,920
Operating lease security deposits (Note 49)	151,735,165	151,067,450	154,874,633	186,134,731
Total	<u>1,608,821,013</u>	<u>1,506,626,547</u>	<u>1,241,870,703</u>	<u>1,012,753,651</u>

12. ADVANCES FOR PURCHASE OF AIRCRAFT

This account represents advances for the purchase of Boeing 777-300ER, Boeing 737 MAX 8, Airbus A330-200, Airbus A320-200, ATR 72-600, aircraft engine and simulator equipment. Details of related agreements have been disclosed in Note 50.

Below are the details of advances for purchase of aircraft:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Beginning balance	172,590,300	169,738,910	204,469,384	388,883,491
Additions	97,689	39,035,159	31,414,917	93,076,274
Deductions	-	(36,183,769)	(66,145,391)	(277,490,381)
Ending balance	<u>172,687,989</u>	<u>172,590,300</u>	<u>169,738,910</u>	<u>204,469,384</u>

13. INVESTMENT IN ASSOCIATES

	Main business	Domicile	Percentage of Ownership %	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
PT Aeroprima	Aircraft catering services	Jakarta	40.00	506,478	463,760	382,466	347,063
PT Aeronurti Catering Services	Aircraft catering services	Jakarta	45.00	<u>45,013</u>	<u>47,584</u>	<u>45,013</u>	<u>52,709</u>
Total				<u>551,491</u>	<u>511,344</u>	<u>427,479</u>	<u>399,772</u>

The associates of the Group are operating exclusively in Indonesia. All of the above associates are accounted for using the equity method in these consolidated financial statements.

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Changes in investments in associates:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
PT Aeroprima				
Balance at beginning of year	463,760	382,466	347,063	477,417
Equity share in net income	50,031	181,091	180,056	(34,041)
Translation adjustment	(7,313)	(99,797)	(144,653)	(96,313)
Balance at end of year	<u>506,478</u>	<u>463,760</u>	<u>382,466</u>	<u>347,063</u>
PT Aeronurti Catering Services				
Balance at beginning of year	47,584	45,013	52,709	68,230
Equity share in net income	(2,571)	11,526	3,471	(6,138)
Translation adjustment	-	(8,955)	(11,167)	(9,383)
Balance at end of year	<u>45,013</u>	<u>47,584</u>	<u>45,013</u>	<u>52,709</u>

Summarized financial information in respect of associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance Indonesian Financial Accounting Standards.

	PT Aeroprima				PT Aeronurti Catering Services			
	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Assets	<u>3,176,725</u>	<u>3,010,768</u>	<u>2,684,491</u>	<u>2,476,607</u>	<u>541,748</u>	<u>568,981</u>	<u>540,100</u>	<u>614,926</u>
Liabilities	<u>1,911,946</u>	<u>1,880,220</u>	<u>1,757,179</u>	<u>1,632,861</u>	<u>532,354</u>	<u>563,340</u>	<u>562,079</u>	<u>633,249</u>
Equity attributable to owners of the Group	<u>758,867</u>	<u>678,329</u>	<u>556,387</u>	<u>506,248</u>	<u>5,167</u>	<u>3,103</u>	<u>(11,594)</u>	<u>(7,790)</u>
Non-controlling interest	<u>505,911</u>	<u>452,219</u>	<u>370,925</u>	<u>337,498</u>	<u>4,227</u>	<u>2,538</u>	<u>(9,485)</u>	<u>(10,533)</u>
Total	<u>3,176,725</u>	<u>3,010,768</u>	<u>2,684,491</u>	<u>2,476,607</u>	<u>541,748</u>	<u>568,981</u>	<u>541,000</u>	<u>614,926</u>
Revenue	<u>1,115,473</u>	<u>5,409,670</u>	<u>4,604,072</u>	<u>4,392,330</u>	<u>182,283</u>	<u>1,199,531</u>	<u>1,299,311</u>	<u>1,159,829</u>
Expenses	<u>(990,966)</u>	<u>(4,956,942)</u>	<u>(4,153,932)</u>	<u>(4,477,433)</u>	<u>(203,219)</u>	<u>(1,173,918)</u>	<u>(1,291,598)</u>	<u>(1,173,470)</u>
Profit	<u>124,507</u>	<u>452,728</u>	<u>450,140</u>	<u>(85,103)</u>	<u>(20,936)</u>	<u>25,613</u>	<u>7,713</u>	<u>(13,641)</u>
Profit (Loss) and other comprehensive income attributable to:								
Owner of the Company	<u>74,476</u>	<u>271,637</u>	<u>270,084</u>	<u>(51,062)</u>	<u>(18,365)</u>	<u>14,087</u>	<u>4,242</u>	<u>(7,503)</u>
Non controlling interest	<u>50,031</u>	<u>181,091</u>	<u>180,056</u>	<u>(34,041)</u>	<u>(2,571)</u>	<u>11,526</u>	<u>3,471</u>	<u>(6,138)</u>
Total profit and other comprehensive income for the year	<u>124,507</u>	<u>452,728</u>	<u>450,140</u>	<u>(85,103)</u>	<u>(20,936)</u>	<u>25,613</u>	<u>7,713</u>	<u>(13,641)</u>

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14. PROPERTY AND EQUIPMENT

	January 1, 2018	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluations surplus	March 31, 2018	March 31, 2018 (Unaudited)	
	USD	USD	USD	USD	USD	USD	USD	USD	Cost	Revaluation
Acquisition Cost/Revaluation:										
Aircraft assets										
Direct Acquisition										
Airframes	60,236,988	-	(61,805)	-	-	60,175,183	-	60,175,183	-	60,175,183
Engines	92,156,533	5,791,757	(216,945)	5,979,606	-	103,710,951	-	103,710,951	-	103,710,951
Simulators	97,930,214	-	-	-	-	97,930,214	-	97,930,214	97,930,214	-
Rotable parts	172,567,784	307,210	-	-	-	172,874,994	-	172,874,994	172,874,994	-
Maintenance assets										
Airframes	65,188,605	1,287,531	-	-	-	66,476,136	-	66,476,136	66,476,136	-
Engines	86,531,066	27,130,812	-	-	-	113,661,878	-	113,661,878	113,661,878	-
Assets under construction	9,734,648	-	-	(5,979,606)	-	3,755,042	-	3,755,042	3,755,042	-
Leased assets										
Airframes	113,228,095	-	-	-	-	113,228,095	-	113,228,095	113,228,095	-
Engines	52,931,254	2,711,992	(1,000,000)	-	-	54,643,246	-	54,643,246	54,643,246	-
Leasehold improvement	84,688,675	-	-	-	-	84,688,675	-	84,688,675	84,688,675	-
Non aircraft assets										
Direct Acquisition										
Equipment	268,459,431	2,435,394	(210)	12,125	(448,815)	270,457,925	-	270,457,925	270,457,925	-
Hardware	17,284,062	40,540	(667,800)	(338,434)	(623,206)	15,695,162	-	15,695,162	15,695,162	-
Vehicles	87,504,185	419,330	(282,686)	(309,626)	(101,5361)	86,315,842	-	86,315,842	86,315,842	-
Engines	25,164,497	106,631	-	535,000	(209,941)	25,596,187	-	25,596,187	25,596,187	-
Installation	8,038,320	2,624	-	6,344	(121,657)	7,925,631	-	7,925,631	7,925,631	-
Land	166,109,948	-	-	-	(1,614,096)	164,495,852	-	164,495,852	164,495,852	-
Land right	123,590	-	-	-	(389)	123,201	-	123,201	123,201	-
Buildings and infrastructure	134,790,655	140,783	-	640,917	(1,055,475)	134,516,880	-	134,516,880	134,516,880	-
Assets under construction	15,031,396	3,488,368	-	(1,263,051)	(45,966)	17,210,747	-	17,210,747	17,210,747	-
Leased assets										
Vehicles	1,698,864	-	-	-	(25,688)	1,673,176	-	1,673,176	1,673,176	-
Leasehold improvement										
Buildings	21,069,780	1,195,812	-	64,520	(408,053)	21,922,059	-	21,922,059	21,922,059	-
Building, operate, transfer										
Buildings and infrastructure	627,164	-	-	-	(9,483)	617,681	-	617,681	617,681	-
Engines	124,454	-	-	-	(1,882)	122,572	-	122,572	122,572	-
Installation	102,248	-	-	-	(1,546)	100,702	-	100,702	100,702	-
Total	1,581,322,456	45,058,784	(2,229,446)	(652,205)	(5,581,558)	1,617,918,031	-	1,617,918,031	1,155,019,165	462,898,866

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	January 1, 2018	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluation surplus	March 31, 2018 (Unaudited)
	USD	USD	USD	USD	USD	USD	USD	USD
Accumulated depreciation:								
Aircraft assets								
Direct Acquisition								
Airframes	1,704,864	4,675,656	(61,805)	-	-	6,318,715	-	6,318,715
Engines	2,395,096	8,307,847	(216,945)	-	-	10,485,998	-	10,485,998
Simulators	66,038,584	1,078,792	-	-	-	67,117,376	-	67,117,376
Rotable parts	135,616,670	1,534,003	-	-	-	137,150,673	-	137,150,673
Maintenance assets								
Airframes	23,268,760	1,832,099	-	-	-	25,100,859	-	25,100,859
Engines	45,066,314	6,957,356	-	-	-	52,023,670	-	52,023,670
Leased assets								
Airframes	23,714,331	1,255,193	-	-	-	24,969,524	-	24,969,524
Engines	20,302,247	1,147,651	(1,000,000)	-	-	20,449,898	-	20,449,898
Leasehold improvement	41,768,296	2,236,552	-	-	-	44,004,848	-	44,004,848
Non aircraft assets								
Direct Acquisition								
Equipment	189,552,199	3,226,520	(210)	-	(430,231)	192,348,278	-	192,348,278
Hardware	12,101,318	632,346	-	-	(150,191)	11,231,745	-	11,231,745
Vehicles	85,019,956	1,290,528	(153,215)	(232,361)	(881,668)	85,043,240	-	85,043,240
Engine	12,531,374	656,981	-	-	(181,557)	13,006,798	-	13,006,798
Installation	5,082,815	167,315	-	-	(114,741)	5,135,389	-	5,135,389
Land right	109,265	1,184	-	-	(389)	110,060	-	110,060
Buildings & Infrastructure	2,345,258	2,816,232	-	-	(526,386)	4,635,104	-	4,635,104
Leased assets								
Vehicles	378,096	53,254	-	-	(8,082)	423,268	-	423,268
Leasehold improvement								
Buildings	12,843,187	401,474	-	-	407,286	13,651,947	-	13,651,947
Buildings, operate, transfer								
Buildings and Infrastructure	612,145	1,219	-	-	(9,654)	603,710	-	603,710
Engine	111,826	876	-	-	(1,720)	110,982.00	-	110,982
Installation	102,248	-	-	-	(1,546)	100,702	-	100,702
Total	680,664,849	38,273,078	(1,432,175)	(232,361)	(3,250,607)	714,022,784	-	714,022,784
Net carrying value	900,657,607							903,895,247

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AND FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015 - Continued

	January 1, 2017	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluations surplus	December 31, 2017	December 31, 2017	
	USD	USD	USD	USD	USD	USD	USD	USD	Cost	Revaluation
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Acquisition Cost/Revaluation:										
Aircraft assets										
Direct Acquisition										
Airframes	60,367,679	-	-	(17,108,059)	-	43,259,620	16,977,368	60,236,988	-	60,236,988
Engines	100,736,390	27,775,479	(6,742,054)	(29,007,844)	-	92,761,971	(605,438)	92,156,533	-	92,156,533
Simulators	97,930,214	-	-	-	-	97,930,214	-	97,930,214	97,930,214	-
Rotable parts	166,650,600	5,917,184	-	-	-	172,567,784	-	172,567,784	172,567,784	-
Maintenance assets										
Airframes	58,238,273	7,287,657	(337,325)	-	-	65,188,605	-	65,188,605	65,188,605	-
Engines	79,630,054	28,064,337	(21,163,325)	-	-	86,531,066	-	86,531,066	86,531,066	-
Assets under construction	9,123,977	610,671	-	-	-	9,734,648	-	9,734,648	9,734,648	-
Leased assets										
Airframes	113,228,095	-	-	-	-	113,228,095	-	113,228,095	113,228,095	-
Engines	53,335,186	1,614,343	(2,018,275)	-	-	52,931,254	-	52,931,254	52,931,254	-
Leasehold improvement	67,473,519	17,215,156	-	-	-	84,688,675	-	84,688,675	84,688,675	-
Non aircraft assets										
Direct Acquisition										
Equipment	258,774,227	11,914,737	(1,102,280)	1,686,472	(2,813,725)	268,459,431	-	268,459,431	268,459,431	-
Hardware	4,556,812	3,172,759	-	9,220,216	334,275	17,284,062	-	17,284,062	17,284,062	-
Vehicles	92,680,395	2,837,930	(3,061,964)	(4,989,311)	37,135	87,504,185	-	87,504,185	87,504,185	-
Engines	21,820,009	1,351,356	(11,523)	2,106,418	(101,763)	25,164,497	-	25,164,497	25,164,497	-
Installation	7,553,720	460,899	(54,931)	235,353	(156,721)	8,038,320	-	8,038,320	8,038,320	-
Land	138,419,539	-	-	723,070	527,184	139,669,793	26,440,155	166,109,948	-	166,109,948
Land right	62,202	959	-	-	60,429	123,590	-	123,590	123,590	-
Buildings and infrastructure	120,109,876	1,651,551	-	(6,021,024)	2,454,615	118,195,018	16,595,637	134,790,655	-	134,790,655
Assets under construction	7,365,714	17,287,967	-	(9,487,234)	(135,051)	15,031,396	-	15,031,396	15,031,396	-
Leased assets										
Vehicles	74,753,042	31,810,326	(104,850,343)	-	(14,161)	1,698,864	-	1,698,864	1,698,864	-
Hardware	3,971,126	-	-	(3,971,126)	-	-	-	-	-	-
Leasehold improvement										
Buildings	14,735,455	210,765	-	196,830	5,926,730	21,069,780	-	21,069,780	21,069,780	-
Building, operate, transfer										
Buildings and infrastructure	708,784	-	(76,392)	-	(5,228)	627,164	-	627,164	627,164	-
Engines	117,380	-	(6,043)	-	13,117	124,454	-	124,454	124,454	-
Installation	103,098	-	-	-	(850)	102,248	-	102,248	102,248	-
Total	1,552,445,366	159,184,076	(139,424,455)	(56,416,239)	6,125,986	1,521,914,734	59,407,722	1,581,322,456	1,128,028,332	453,294,124

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AND FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015 - Continued

	January 1, 2017	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluation surplus	December 31, 2017
	USD	USD	USD	USD	USD	USD	USD	USD
Accumulated depreciation:								
Aircraft assets								
Direct Acquisition								
Aircrafts	1,485,001	14,606,393	-	(14,386,530)	-	1,704,864	-	1,704,864
Engines	2,031,580	29,088,711	(6,742,054)	(2,198,314)	-	2,395,096	-	2,395,096
Simulators	61,739,560	4,299,024	-	-	-	66,038,584	-	66,038,584
Rotable parts	129,098,271	6,518,399	-	-	-	135,616,670	-	135,616,670
Maintenance assets								
Aircrafts	17,381,287	6,224,798	(337,325)	-	-	23,268,760	-	23,268,760
Engines	43,123,648	23,105,991	(2,163,325)	-	-	45,066,314	-	45,066,314
Leased assets								
Aircrafts	18,693,558	5,020,773	-	-	-	23,714,331	-	23,714,331
Engines	15,486,250	6,834,272	(2,018,275)	-	-	20,302,247	-	20,302,247
Leasehold improvement	34,042,607	7,725,689	-	-	-	41,768,296	-	41,768,296
Non aircraft assets								
Direct Acquisition								
Equipment	182,513,356	9,198,096	(838,684)	(167,811)	(1,152,758)	189,552,199	-	189,552,199
Hardware	2,120,207	2,413,582	-	4,170,598	3,396,931	12,101,318	-	12,101,318
Vehicles	85,913,623	5,795,583	(2,701,501)	(2,759,893)	(1,227,856)	85,019,956	-	85,019,956
Engine	9,071,178	2,550,671	(11,523)	985,972	(64,924)	12,531,374	-	12,531,374
Installation	4,513,716	707,154	(54,931)	78,322	(16,144)	5,082,815	-	5,082,815
Land right	5,199	4,717	-	-	99,349	109,265	-	109,265
Buildings & Infrastructure	795,920	10,094,536	-	(9,144,979)	599,781	2,345,258	-	2,345,258
Leased assets								
Vehicles	3,859,482	7,808,981	(9,416,584)	-	(1,873,783)	378,096	-	378,096
Hardware	3,218,013	-	-	(3,218,013)	-	-	-	-
Leasehold improvement								
Buildings	9,791,735	1,306,357	-	(270,845)	2,015,940	12,843,187	-	12,843,187
Buildings, operate, transfer								
Buildings and Infrastructure	690,275	4,877	(76,392)	-	(6,615)	612,145	-	612,145
Engine	101,179	3,504	(6,043)	-	13,186	111,826	-	111,826
Installation	102,744	-	-	-	(496)	102,248	-	102,248
Total	625,778,389	143,312,108	(43,366,637)	(46,696,320)	1,637,309	680,664,849	-	680,664,849
Net carrying value	926,666,977							900,657,607

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	January 1, 2016	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluations surplus	December 31, 2016	December 31, 2016	
	USD	USD	USD	USD	USD	USD	USD	USD	Cost	Revaluation
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Acquisition Cost/ Revaluation:										
Aircraft assets										
Direct Acquisition										
Aircrafts	71,631,704	-	(1,639,846)	(26,161,173)	-	43,830,685	16,536,994	60,367,679	-	60,367,679
Engines	107,860,655	3,432	(3,507,209)	(38,771,739)	-	65,585,139	35,151,251	100,736,390	-	100,736,390
Simulators	97,930,214	-	-	-	-	97,930,214	-	97,930,214	97,930,214	-
Rotable parts	157,448,640	7,359,150	-	1,842,810	-	166,650,600	-	166,650,600	166,650,600	-
Maintenance assets										
Aircrafts	54,606,213	8,150,299	(4,515,239)	(3,000)	-	58,238,273	-	58,238,273	58,238,273	-
Engines	100,306,242	40,545,258	(56,032,753)	(5,188,693)	-	79,630,054	-	79,630,054	79,630,054	-
Assets under construction	-	-	-	9,123,977	-	9,123,977	-	9,123,977	9,123,977	-
Leased assets										
Aircrafts	113,228,095	-	-	-	-	113,228,095	-	113,228,095	113,228,095	-
Engines	52,588,773	746,413	-	-	-	53,335,186	-	53,335,186	53,335,186	-
Leasehold improvement	67,473,519	-	-	-	-	67,473,519	-	67,473,519	67,473,519	-
Non aircraft assets										
Direct Acquisition										
Equipment	236,031,807	19,556,207	(370,918)	3,109,181	447,950	258,774,227	-	258,774,227	258,774,227	-
Hardware	4,292,252	215,088	-	-	49,472	4,556,812	-	4,556,812	4,556,812	-
Vehicles	83,756,125	9,843,554	(3,191,679)	(2,918,291)	5,190,686	92,680,395	-	92,680,395	92,680,395	-
Engines	12,475,499	3,530,871	(96,566)	5,577,078	333,127	21,820,009	-	21,820,009	21,820,009	-
Installation	6,512,653	513,622	(75,763)	419,437	183,771	7,553,720	-	7,553,720	7,553,720	-
Land	126,789,667	256,071	-	(3,253,994)	7,547,207	131,338,951	7,080,588	138,419,539	-	138,419,539
Land right	62,202	-	-	-	-	62,202	-	62,202	62,202	-
Buildings and infrastructure	125,444,391	2,601,938	(1,725,346)	(11,798,666)	(2,258,513)	112,263,804	7,846,072	120,109,876	-	120,109,876
Assets under construction	6,499,424	7,432,018	(3,854)	(6,873,461)	311,587	7,365,714	-	7,365,714	7,365,714	-
Leased assets										
Vehicles	15,551,729	59,232,171	(24,659)	-	(6,199)	74,753,042	-	74,753,042	74,753,042	-
Hardware	3,971,126	-	-	-	-	3,971,126	-	3,971,126	3,971,126	-
Leasehold improvement										
Buildings	12,869,845	130,678	(137,527)	1,815,867	56,592	14,735,455	-	14,735,455	14,735,455	-
Building, operate, transfer										
Buildings and infrastructure	855,202	-	(247,779)	-	101,361	708,784	-	708,784	708,784	-
Engines	117,337	-	(5,065)	-	5,108	117,380	-	117,380	117,380	-
Installation	108,597	-	(12,447)	-	6,948	103,098	-	103,098	103,098	-
Total	1,458,411,911	160,116,770	(71,586,650)	(73,080,667)	11,969,097	1,485,830,461	66,614,905	1,552,445,366	1,132,811,882	419,633,484

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	January 1, 2016	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluation surplus	December 31, 2016
	USD	USD	USD	USD	USD	USD	USD	USD
Accumulated depreciation:								
Aircraft assets								
Direct Acquisition								
Airframes	2,328,858	25,111,105	(1,639,847)	(24,315,115)	-	1,485,001	-	1,485,001
Engines	3,393,395	40,612,834	(3,202,911)	(38,771,738)	-	2,031,580	-	2,031,580
Simulators	57,408,247	4,315,169	-	16,144	-	61,739,560	-	61,739,560
Rotable parts	123,740,358	5,357,913	-	-	-	129,098,271	-	129,098,271
Maintenance assets								
Airframes	15,220,708	8,108,688	(4,515,239)	(1,432,870)	-	17,381,287	-	17,381,287
Engines	62,026,492	34,003,580	(52,906,424)	-	-	43,123,648	-	43,123,648
Leased assets								
Airframes	13,672,784	5,151,708	-	(130,934)	-	18,693,558	-	18,693,558
Engines	10,346,788	5,139,462	-	-	-	15,486,250	-	15,486,250
Leasehold improvement	27,107,690	6,934,917	-	-	-	34,042,607	-	34,042,607
Non aircraft assets								
Direct Acquisition								
Equipment	170,670,638	10,127,612	(354,764)	1,751,732	318,138	182,513,356	-	182,513,356
Hardware	1,294,247	680,326	-	-	145,634	2,120,207	-	2,120,207
Vehicles	81,120,295	6,279,418	(1,976,562)	(1,393,880)	1,884,352	85,913,623	-	85,913,623
Engine	5,417,605	2,059,197	(54,524)	1,672,827	(23,927)	9,071,178	-	9,071,178
Installation	3,934,955	683,752	(75,763)	13,921	(43,149)	4,513,716	-	4,513,716
Land right	5,199	-	-	-	-	5,199	-	5,199
Buildings & Infrastructure	960,600	8,938,712	(72,380)	(5,502,732)	(3,528,280)	795,920	-	795,920
Leased assets								
Vehicles	445,909	3,318,140	(8,733)	-	104,166	3,859,482	-	3,859,482
Hardware	3,218,013	-	-	-	-	3,218,013	-	3,218,013
Leasehold improvement								
Buildings	7,969,601	1,829,882	(33,236)	-	25,488	9,791,735	-	9,791,735
Buildings, operate, transfer								
Buildings and Infrastructure	833,897	4,471	(241,193)	-	93,100	690,275	-	690,275
Engine	98,181	3,504	(5,065)	-	4,559	101,179	-	101,179
Installation	108,242	-	(12,447)	-	6,949	102,744	-	102,744
Total	591,322,702	168,660,390	(65,099,088)	(68,092,645)	(1,012,970)	625,778,389	-	625,778,389
Net carrying value	867,089,209							926,666,977

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	January 1, 2015	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluations surplus	December 31, 2015	December 31, 2015	
	USD	USD	USD	USD	USD	USD	USD	USD	Cost	Revaluation
Acquisition Cost/Revaluation:										
Aircraft assets										
Direct Acquisition										
Airframes	88,037,553	-	(1,723,358)	(21,814,912)	-	64,499,283	7,132,421	71,631,704	-	71,631,704
Engines	127,619,245	24,296,519	(25,683,718)	(23,340,782)	-	102,891,264	4,969,391	107,860,655	-	107,860,655
Simulators	97,677,170	253,044	-	-	-	97,930,214	-	97,930,214	97,930,214	-
Rotable parts	148,312,198	4,372,406	(539,555)	5,303,591	-	157,448,640	-	157,448,640	157,448,640	-
Maintenance assets										
Airframes	44,165,526	16,232,769	(5,577,794)	(214,288)	-	54,606,213	-	54,606,213	54,606,213	-
Engines	110,438,165	27,497,368	(33,694,006)	(3,935,285)	-	100,306,242	-	100,306,242	100,306,242	-
Leased assets										
Airframes	182,476,240	-	-	(1,774,626)	-	180,701,614	-	180,701,614	180,701,614	-
Engines	54,100,000	507,048	(2,018,275)	-	-	52,588,773	-	52,588,773	52,588,773	-
Non aircraft assets										
Direct Acquisition										
Equipment	224,358,018	3,557,175	(1,379,554)	11,528,595	(2,032,427)	236,031,807	-	236,031,807	236,031,807	-
Hardware	7,326,574	230,567	-	(3,264,889)	-	4,292,252	-	4,292,252	4,292,252	-
Vehicles	91,394,762	3,432,869	(6,147,904)	(916,480)	(4,007,122)	83,756,125	-	83,756,125	83,756,125	-
Engines	9,949,624	1,700,096	(105,092)	1,965,220	(1,034,349)	12,475,499	-	12,475,499	12,475,499	-
Installation	6,549,135	601,406	-	76,952	(714,840)	6,512,653	-	6,512,653	6,512,653	-
Land	117,085,738	383,512	-	(65,337)	(9,864,496)	107,539,417	19,250,250	126,789,667	-	126,789,667
Land right	62,202	-	-	-	-	62,202	-	62,202	62,202	-
Buildings and infrastructure	89,875,744	4,258,598	(20,672)	34,480,113	(4,023,600)	124,570,183	874,208	125,444,391	-	125,444,391
Assets under construction	56,865,396	6,903,885	(168,099)	(56,780,925)	(320,833)	6,499,424	-	6,499,424	6,499,424	-
Leased assets										
Vehicles	-	15,582,327	-	-	(30,598)	15,551,729	-	15,551,729	15,551,729	-
Hardware	-	-	-	3,971,126	-	3,971,126	-	3,971,126	3,971,126	-
Leasehold improvement										
Buildings	12,128,177	944,334	(371,504)	462,495	(293,657)	12,869,845	-	12,869,845	12,869,845	-
Building, operate, transfer										
Buildings and infrastructure	1,621,940	-	(22)	(706,237)	(60,479)	855,202	-	855,202	855,202	-
Engines	119,151	20,729	(13,277)	-	(9,266)	117,337	-	117,337	117,337	-
Installation	120,426	-	-	-	(11,829)	108,597	-	108,597	108,597	-
Total	1,470,282,984	110,774,652	(77,442,830)	(55,025,669)	(22,403,496)	1,426,185,641	32,226,270	1,458,411,911	1,026,685,494	431,726,417

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	January 1, 2015	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluation surplus	December 31, 2015
	USD	USD	USD	USD	USD	USD	USD	USD
Accumulated depreciation:								
Aircraft assets								
Direct Acquisition								
Airframes	2,183,399	26,771,711	(1,162,756)	(25,463,496)	-	2,328,858	-	2,328,858
Engines	4,825,848	46,049,305	(22,994,863)	(24,486,895)	-	3,393,395	-	3,393,395
Simulators	53,098,251	4,309,996	-	-	-	57,408,247	-	57,408,247
Rotable parts	118,830,636	5,112,415	(202,693)	-	-	123,740,358	-	123,740,358
Maintenance assets								
Airframes	9,769,979	7,914,165	(5,577,794)	3,114,358	-	15,220,708	-	15,220,708
Engines	58,378,117	37,342,381	(33,694,006)	-	-	62,026,492	-	62,026,492
Leased assets								
Airframes	9,021,725	5,279,572	-	(628,513)	-	13,672,784	-	13,672,784
Engines	7,430,422	4,934,641	(2,018,275)	-	-	10,346,788	-	10,346,788
Leasehold improvement	19,930,773	7,176,917	-	-	-	27,107,690	-	27,107,690
Non aircraft assets								
Direct Acquisition								
Equipment	165,440,274	9,766,407	(1,260,160)	416,029	(3,691,912)	170,670,638	-	170,670,638
Hardware	1,510,166	309,578	-	(525,487)	-	1,294,247	-	1,294,247
Vehicles	80,815,206	8,206,237	(3,295,859)	(878,259)	(3,727,030)	81,120,295	-	81,120,295
Engine	4,294,074	2,005,662	(104,904)	-	(777,227)	5,417,605	-	5,417,605
Installation	3,879,340	632,904	-	-	(577,289)	3,934,955	-	3,934,955
Land right	-	5,199	-	-	-	5,199	-	5,199
Buildings & Infrastructure	585,756	7,254,514	(20,672)	(6,555,949)	(303,049)	960,600	-	960,600
Leased assets								
Vehicles	36,149	415,281	-	-	(5,521)	445,909	-	445,909
Hardware	-	885,027	-	2,332,986	-	3,218,013	-	3,218,013
Leasehold improvement								
Buildings	5,990,812	2,223,369	-	(67,361)	(177,219)	7,969,601	-	7,969,601
Buildings, operate, transfer								
Buildings and Infrastructure	1,028,127	4,877	(22)	(115,339)	(83,746)	833,897	-	833,897
Engine	119,151	689	(13,277)	-	(8,382)	98,181	-	98,181
Installation	120,427	-	-	-	(12,185)	108,242	-	108,242
Total	547,288,622	176,600,847	(70,345,281)	(52,857,926)	(9,363,560)	591,322,702	-	591,322,702
Net carrying value	922,994,362							867,089,209

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Depreciation expense charged to operations for the three months ended March 31, 2018, the year ended December 31, 2017, 2016 and 2015 amounted to USD 38,273,078, USD 143,312,108, USD 168,660,390, and USD 176,600,847 respectively.

Disposal of property and equipment are as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Net carrying value	129,471	96,057,818	3,056,932	4,795,573
Lease Liabilities (Note 25)	-	(93,373,479)	-	-
Proceeds net of selling expenses	140	427,949	2,431,082	4,919,424
Gain (Loss) on disposal of property and equipment	(129,331)	(2,256,390)	(625,850)	123,851

In 2015, the Company dispose an aircraft B737-500 with Serial Number 28730 and Register Number PK-GGF to Indonesian National Army – Air Force with net carrying and selling cost value amounting to USD 3,249,457. The agreed price is Rp 44,972,584,207 or equivalent USD 3,260,064. Gain on sale of the aircraft is Rp 129,346,416 or equivalent to USD 10,607.

The revaluation of land, buildings and aircrafts was performed by independent appraisers, KJPP Abdullah Fitriantoro & Rekan for 2017 as stated in report dated January 31, 2018. KJPP Fuadah, Rudi & Rekan for 2016 as stated in report dated January 27, 2017. KJPP Iskandar & Rekan for 2015 as stated in report dated December 28, 2015. These independent appraisers are registered in OJK. The revaluation of fixed assets used the financial information as of November 30, 2017, 2016 and 2015, respectively.

Based on the appraisal report, the valuation was performed in accordance with the Indonesian Appraisal Standards (SPI), referring to recent arm's length market transaction and Bapepam-LK's rule No. VIII.C.4. regarding valuation and presentation of asset valuation report in capital market. Appraisal method were based on the market value and cost approach.

Details of the Group's land, building and aircraft and information about the fair value hierarchy as of March 31, 2018, are as follows:

	Level 1	Level 2	Level 3
Land	-	√	-
Building and improvement	-	-	√
Aircraft	-	√	-

There were no transfer between Level 1 and level 2 during the period.

The difference between the fair value and carrying amount of the assets net of tax, was recorded in other comprehensive income and accumulated in equity as "Revaluation Surplus" reserve.

If property and equipment, aircraft, land, building and improvements were stated at the historical cost basis, the carrying amount would be as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Aircraft	59,313,948	62,789,134	88,992,999	123,916,289
Land	30,910,332	31,295,542	30,575,683	30,483,635
Building and improvement	80,763,350	80,381,956	79,407,605	80,308,871
Total	170,987,630	174,466,632	198,976,287	234,708,795

Management believes that there is no significant difference between the fair value and carrying value of property and equipment, if those assets (excluding aircraft, land, building and infrastructure) have been measured at fair value basis.

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As of March 31, 2018, assets under construction consisted of the following:

	March 31, 2018 (Unaudited)			
	Carrying amount	Total contract	Percentage of	Estimated
	USD	USD	completion %	completion
Machine installation	11,483,803	12,928,243	89%	2018
Building construction	3,906,876	8,501,221	46%	2018
Equipment	1,024,113	1,537,504	67%	2018
Software	795,955	2,264,594	35%	2018
	<u>17,210,747</u>	<u>25,231,562</u>		

Gross carrying amount of property and equipment that have been fully depreciated and still in use as of March 31, 2018 amounted to USD 141,637,467.

Property and equipment of the Group are used as collateral for bank loans, long-term loans and lease liabilities (Notes 18, 24 and 25).

The Company changed the estimated useful life of Airbus 320 – 300 in 2016 from 22 to 25 years and Boeing 747-400 in 2015 from 22 to 27 years. Such change in estimate was accounted prospectively resulting to reduction in depreciation expense by USD 5,749,749 in 2016 and USD 7,264,555 in 2015.

As of March 31, 2018, five Boeing 737-300 aircrafts, one Boeing 737-500 aircraft, and one engine spare Boeing 737-300 owned by PT Citilink Indonesia, a subsidiary, are temporarily idle with carrying amount of USD 5,277,307.

As of March 31, 2018, December 31, 2017, 2016 and 2015, property and equipment except land, were insured with insurance companies against fire, theft and other possible risk as follows:

Period	Insurance company	Sum insured	
		USD	Rupiah
March 31, 2018	Related parties (Note 46)		
	PT Asuransi Jasa Indonesia and PT Tugu Pratama Indonesia	162,949,839	3,809,160,307,689
	Third parties		
December 31, 2017	PT Asuransi FPG Indonesia, PT Asuransi Sinar Mas dan PT Asuransi Raksa Pratikara	-	20,281,168,600
	Related parties (Note 46)		
	PT Asuransi Jasa Indonesia and PT Tugu Pratama Indonesia	168,027,076	3,809,160,307,689
December 31, 2016	Third parties		
	PT Asuransi FPG Indonesia	-	13,950,000
	Related parties (Note 46)		
December 31, 2015	PT Asuransi Jasa Indonesia and PT Tugu Pratama Indonesia	119,270,508	3,947,442,624,014
	Third parties		
	PT Asuransi Bina Dana Artha and PT Himalaya Pelindung	504,322	13,251,820,000
December 31, 2015	Related parties (Note 46)		
	PT Asuransi Jasa Indonesia and PT Tugu Pratama Indonesia	165,382,413	2,899,878,025,547
	Third parties		
	PT Asuransi Bina Dana Artha and PT Himalaya Pelindung	1,057,566	14,993,560,000

Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

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15. INVESTMENT PROPERTIES

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Beginning balance	67,433,865	57,772,474	55,390,166	26,818,510
Gain on revaluation	-	9,477,707	366,651	28,665,833
Addition	-	951,232	7,572	-
Deduction	-	-	(1,495,580)	-
Reclassification (Note 14)	-	(730,783)	3,462,612	65,337
Translation	(121,731)	(36,765)	41,053	(159,514)
Ending balance	<u>67,312,134</u>	<u>67,433,865</u>	<u>57,772,474</u>	<u>55,390,166</u>

The Group has investment properties in land and building.

The revaluation of investment properties was performed by independent appraisers registered with OJK, KJPP Abdullah Fitriantoro & Rekan for 2017, KJPP Fuadah, Rudi & Rekan for 2016 and KJPP Iskandar & Rekan for 2015. The revaluation of investment property used the financial information as of November 30, 2017, 2016 and 2015, respectively.

On January 15, 2016 GOHA, disposed its investment property building with net carrying value amounted to USD 1,495,580 and agreed price amounted to AUD 2,050,000 (equivalent USD 1,441,498).

Based on the appraisal reports the valuation was performed in accordance with the Indonesian Appraisal Standards (SPI), referring to recent arm's length market transaction and Bapepam-LK's rule No. VIII.C.4. regarding valuation and presentation of asset valuation report in capital market. Appraisal method were based on the market value and cost approach.

The difference between the fair value and carrying amount of the asset is recorded as gain on revaluation of investment properties. As of March 31, 2018, the Group's investment properties fair value is categorised as Level 2, and there were no transfers between Level 1 and Level 2 during the year.

16. INTANGIBLE ASSETS- NET

	January 1, 2018 USD	Additions USD	Deductions USD	Reclassifications USD	Translation USD	March 31, 2018 (Unaudited) USD
Acquisition cost:						
Direct acquisitions						
Software	2,321,999	20,915	-	-	(14,050)	2,328,864
License	14,451,806	-	-	-	(3,753,814)	10,697,992
Leased assets						
Software	1,426,224	-	-	-	-	1,426,224
License	175,043	-	-	-	-	175,043
Total	<u>18,375,072</u>	<u>20,915</u>	<u>-</u>	<u>-</u>	<u>(3,767,864)</u>	<u>14,628,123</u>
Accumulated amortization:						
Direct acquisitions						
Software	1,742,185	70,034	-	-	-	1,812,219
License	11,662,540	245,545	-	-	(3,599,873)	8,308,212
Leased assets						
Software	1,385,415	13,728	-	-	-	1,399,143
License	160,287	5,470	-	-	-	165,757
Total	<u>14,950,427</u>	<u>334,777</u>	<u>-</u>	<u>-</u>	<u>(3,599,873)</u>	<u>11,685,331</u>
Net carrying value	<u>3,424,645</u>					<u>2,942,792</u>

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	January 1, 2017 USD	Additions USD	Deductions USD	Reclassifications USD	Translation USD	December 31, 2017 USD
Acquisition cost:						
Direct acquisitions						
Software	1,471,461	44,812	-	-	805,726	2,321,999
License	13,138,076	-	-	1,918,750	(605,020)	14,451,806
Leased assets						
Software	1,437,969	-	-	-	(11,745)	1,426,224
License	176,528	-	-	-	(1,485)	175,043
Software still under installation	1,918,750	-	-	(1,918,750)	-	-
Total	18,142,784	44,812	-	-	187,476	18,375,072
Accumulated amortization:						
Direct acquisitions						
Software	1,115,714	542,807	-	-	83,664	1,742,185
License	10,535,430	958,901	-	-	168,209	11,662,540
Leased assets						
Software	1,348,033	135,579	-	-	(98,197)	1,385,415
License	150,715	21,880	-	-	(12,308)	160,287
Total	13,149,892	1,659,167	-	-	141,368	14,950,427
Net carrying value	4,992,892					3,424,645
	January 1, 2016 USD	Additions USD	Deductions USD	Reclassifications USD	Translation USD	December 31, 2016 USD
Acquisition cost:						
Direct acquisitions						
Software	1,432,890	17,580	-	-	20,991	1,471,461
License	12,847,359	739,042	(446,085)	-	(2,240)	13,138,076
Leased assets						
Software	1,425,866	-	-	-	12,103	1,437,969
License	175,042	-	-	-	1,486	176,528
Software still under installation	182,501	1,807,520	-	-	(71,271)	1,918,750
Total	16,063,658	2,564,142	(446,085)	-	(38,931)	18,142,784
Accumulated amortization:						
Direct acquisitions						
Software	744,503	353,969	-	-	17,242	1,115,714
License	9,522,532	1,005,922	-	-	6,976	10,535,430
Leased assets						
Software	1,020,681	295,426	-	-	31,926	1,348,033
License	127,419	19,524	-	-	3,772	150,715
Total	11,415,135	1,674,841	-	-	59,916	13,149,892
Net carrying value	4,648,523					4,992,892

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	January 1, 2015 USD	Additions USD	Deductions USD	Reclassifications USD	December 31, 2015 USD
Acquisition cost:					
Direct acquisitions					
Software	1,354,293	78,597	-	-	1,432,890
License	12,847,359	-	-	-	12,847,359
Leased assets					
Software	1,425,866	-	-	-	1,425,866
License	175,042	-	-	-	175,042
Software still under installation	-	182,501	-	-	182,501
Total	15,802,560	261,098	-	-	16,063,658
Accumulated amortization:					
Direct acquisitions					
Software	539,215	205,288	-	-	744,503
License	8,410,040	1,112,492	-	-	9,522,532
Leased assets					
Software	706,923	313,758	-	-	1,020,681
License	99,053	28,366	-	-	127,419
Total	9,755,231	1,659,904	-	-	11,415,135
Net carrying value	6,047,329				4,648,523

Intangible assets represent *PSS Release 15*, system, purchase of licenses from Lufthansa Systems Asia Pasific Pte, Ltd., in relation to the Company's information technology service, such as Profitline Yield, Netline Shed, Netline Plan, Profitline Price and purchase of oracle license from PT Oracle Indonesia and Internet Booking Engine (IBE).

As of December 31, 2016, PSS Release 15 was impaired amounted to USD 446,085 and charged in the current year.

Amortization expense for the three-month periods ended March 31, 2018 and 2017 amounted to USD 334,777 and USD 391,582 and for the years ended December 31, 2017, 2016 and 2015 amounted to USD 1,659,167, USD 1,674,841 and USD 1,659,904, respectively, which are presented as network operation expenses.

Management believes that there are no events or changes in circumstances which may indicate impairment of intangible assets as of reporting date.

There were no intangible assets used as collateral.

17. OTHER ASSETS- NET

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Plan assets (Note 29)	11,398,678	12,163,023	13,708,978	11,897,495
Manufacturer's incentive	8,329,241	8,329,241	24,356,395	10,772,919
Security deposits - non aircraft	8,204,224	7,687,995	7,871,689	12,048,258
Other financial assets - available for sale	4,036,424	4,447,191	4,317,783	4,032,565
Long term receivables	3,751,994	4,831,994	-	-
Non productive assets	3,643,557	3,643,557	3,691,103	3,984,755
Tax amnesty assets (Note 10)	718,712	773,903	-	-
Restricted cash	176,873	150,429	142,402	92,787
Others	12,724,164	12,556,424	7,077,029	7,399,287
Total	52,983,867	54,583,757	61,165,379	50,228,066

Long term receivables

This account represents long term receivables from Sriwijaya Air for the overhaul of 10 CFM56-3 engines to be paid over 36 months of installment. The total outstanding receivables as of March 31, 2018 amounted to USD 8,071,994 with the amount due within a year of USD 4,320,000 and December 31, 2017 amounted to USD 9,151,994, with the amount due within a year of USD 4,320,000.

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Manufacturer's Incentive

Movements of manufacturer's incentive are as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Beginning balance	8,329,241	24,356,395	10,772,919	8,870,062
Additions	-	1,228,000	26,482,000	10,810,251
Deductions	-	(17,255,154)	(12,898,524)	(8,907,394)
Ending balance	<u>8,329,241</u>	<u>8,329,241</u>	<u>24,356,395</u>	<u>10,772,919</u>

Security deposits – non aircraft

This account represents security deposits for branch office buildings and utilities.

Other financial assets - available for sale

The Group available for sale investments are as follows:

	Domicile	Percentage of Ownership %	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Investments in Shares - at cost						
Everest Investment Holding	Singapore	2.06	1,730,948	1,730,948	1,730,948	1,730,948
Papas Limited	Hong kong	17.65	1242,817	1242,817	1242,816	1242,816
PT Nusa Dua Graha International	Bali	8.00	954,625	968,142	975,593	952,137
PT Arthaloka Indonesia	Jakarta	3.00	83,441	84,722	85,428	83,205
PT Bumi Minang Padang Plaza	Padang	10.00	24,593	30,754	34,151	23,459
Sub Total			4,036,424	4,057,383	4,068,936	4,032,565
Other			-	389,808	248,847	-
Total			<u>4,036,424</u>	<u>4,447,191</u>	<u>4,317,783</u>	<u>4,032,565</u>

The Group owns shares held primarily for long-term growth potential since such companies are engaged in the same industry similar to the Group. Those companies are non-listed and there is no readily available measure of fair value of shares thus the investment is stated at cost.

Other available for sale assets are other financial instrument owned by Garuda Orient Holidays Korea Co. (GOHK) which is managed by Industrial Bank of Korea (IBK) in bonds, shares and money market. Balances as of December 31, 2017 and 2016 amounting to KRW 416,000,000 (equivalent USD 389,808) and KRW 300,000,000 (equivalent USD 248,847), respectively. As of March 31, 2018, these assets have been sold.

Non-productive assets

Non-productive assets consist of Garuda Indonesia Training Center (GITC) building and rotables.

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Carrying amount	4,242,410	4,242,410	4,242,410	4,242,410
Provision for impairment of assets	-	-	(551,307)	(257,655)
Recovery from impairment of assets	62,042	62,042	-	-
Reclassification	(660,895)	(660,895)	-	-
Net	<u>3,643,557</u>	<u>3,643,557</u>	<u>3,691,103</u>	<u>3,984,755</u>
Movement of the provision:				
Beginning balance	62,042	(551,307)	(257,655)	(424,913)
Net changes for the year	-	613,349	(293,652)	167,258
Ending balance	<u>62,042</u>	<u>62,042</u>	<u>(551,307)</u>	<u>(257,655)</u>

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Restricted cash

This account represents restricted cash related to long term loan.

Others

Others consist of 2 units of Boeing 747-400 aircrafts as assets available for sale.

18. LOANS FROM BANKS

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
PT Bank Rakyat Indonesia (Persero) Tbk	195,966,400	200,864,142	168,755,720	115,515,087
PT Bank Panin Tbk	150,000,000	150,000,000	85,000,000	-
PT Bank Negara Indonesia (Persero) Tbk	140,279,606	122,069,178	131,455,725	1,436,609
Industrial and Commercial Bank of China Co., Ltd.	128,305,916	123,002,935	139,596,549	44,486,071
Bank of Tokyo- Mitsubishi UFJ, Ltd	100,000,000	-	-	-
Bank of China (Hong Kong), Ltd	67,500,000	69,500,000	50,000,000	50,000,000
PT Bank Mandiri (Persero) Tbk	58,653,376	57,746,391	11,164,037	-
PT Bank Permata Tbk	49,500,000	49,500,000	35,000,000	70,000,000
PT Bank CIMB Niaga Tbk	49,427,118	49,877,719	35,000,000	26,300,000
PT Bank KEB Hana Indonesia	35,000,000	35,000,000	25,000,000	-
The Hongkong and Shanghai Banking Corporation Limited	19,052,058	-	14,814,742	15,832,255
PT Bank ANZ Indonesia	18,890,656	8,654,723	-	16,684,248
PT Bank Central Asia Tbk	2,178,873	2,163,696	2,224,345	-
Bank Standard Chartered	-	-	-	21,000,000
Total	1,014,754,003	868,378,784	698,011,118	361,254,270

PT Bank Rakyat Indonesia (Persero) Tbk ("BRI")

• Company

On December 31, 2014, the Company obtained credit facilities from BRI consisting of Import Working Capital Credit ("KMKI"), and Deferment of Import Collateral ("PJI") in the form of Domestic Letter of Credit ("SKBDN"), Letter of Credit (LC), Sight/Usance/ Usance Payable at Sight (UPAS) and Standby Letter of Credit (SBLC) amounting to Rp 1 trillion and USD 30 million. KMKI facility has tenor of up to 6 (six) months, for LC/SKBDN/Sight and up to 3 (three) months for LC/SKBDN Usance/UPAS, PJI facility has tenor of up to 180 (one hundred and eighty) days and SBLC facility tenor has of up to 12 months. On December 21, 2015, this facility was amended to become Rp 2 trillion and USD 30 million with maximum credit facility utilization limit to PT Citilink Indonesia amounted to Rp 300 billion. The facility will be due on December 21, 2018.

The purposes of the KMKI and PJI facilities are for jet fuel purchases from Pertamina and aircraft maintenance by GMFAA.

On September 27, 2016, the Company obtained new credit facility in the form of Short Term Credit Facility ("FPJP") amounting USD 50,000,000. The purpose of the FPJP is for working capital needs of the Company.

The major covenant of this loan facility is debt-to-equity ratio of the Group not exceeding 5 times.

The definition of debt in the debt-to-equity ratio is total group liabilities. The definition of equity on debt-to-equity ratio is total group equity. Debt-to-equity ratio of the Group on March 31, 2018 is 3.54 times. On March 31, 2018, the Company has met the financial ratio requirement of the agreement.

Total outstanding loan as of March 31, 2018 amounted to USD 50,000,000 and Rp 1,960,103,344,453 (equivalent to USD 142,490,793), as of December 31, 2017 amounted to USD 50,000,000 and Rp 1,996,819,877,390 (equivalent to USD 147,388,535), as of December 31, 2016 amounted to USD 20,000,000 and Rp 1,998,681,860,258 (equivalent to USD 148,755,720) and as of December 31, 2015 amounted to Rp 1,593,530,628,612 (equivalent to USD 115,515,087).

- PT GMF AERO ASIA Tbk ("GMFAA")

On May 31, 2016, GMFAA obtained non-cash facilities from Bank Rakyat Indonesia consisting of Import Working Capital Credit (KMKI), and Deferment of Import Collateral ("PJI") in the form of Domestic Letter of Credit ("SKBDN"), Letter of Credit (LC), Sight/Usance/ Usance Payable at Sight (UPAS) and Standby Letter of Credit (SBLC) amounting to USD 30 million. KMKI facility has tenor of up to 6 (six) months, for LC/SKBDN/Sight and 3 (three) months for LC/SKBDN/Usance/UPAS, PJI facility has tenor of up to 180 (one hundred and eighty) days and SBLC facility tenor has of up to 12 months.

The purposes of the KMKI and PJI facilities are for aircraft spare parts purchases from international and domestic suppliers.

The outstanding bank loan as of March 31, 2018 and December 31, 2017 amounted to USD 3,475,607 and USD 3,475,607, respectively.

PT Bank Panin Tbk ("Panin")

On February 24, 2016, the Company obtained Money Market Line facility pursuant to deed No. 31 with maximum credit facility amounting to USD 50 million for the purpose of Company's working capital needs.

On September 2, 2016, the Company obtained additional Money Market Line facility amounting to USD 100 million the total credit facility was amended to become USD 150 million for the purpose of Company's working capital needs.

The major covenant of this loan facility is group's debt-to-equity ratio not exceeding 2.5 times.

The definition of debt in the debt-to-equity ratio is Group's interest-bearing-debt excluding lease liabilities and excluding factoring payable. The definition of equity in the debt-to-equity ratio is total group equity. The debt-to-equity ratio of the Group on March 31, 2018 is 2.03 times. On March 31, 2018, the Company has met the financial ratio requirement of the agreement.

The outstanding bank loan as of March 31, 2018, December 31, 2017 and 2016 amounted to USD 150,000,000, USD 150,000,000 and USD 85,000,000, respectively.

PT Bank Negara Indonesia (Persero) Tbk ("BNI")

- The Company

On June 28, 2012, the Company obtained credit facility from BNI, herein referred to as Domestic Letter of Credit ("SKBDN") BNI. Under the credit facility, the maximum credit limit is USD 15 million. The purpose of the BNI SKBDN is for purchase of jet fuel from PT Pertamina (Persero). The Company is required to maintain time deposits or checking account balances with BNI during 2 working days before the due date of repayment amounting to the principal amount plus interest.

On April 19, 2013, in accordance with deed No. 16 with addendum of credit facility as deed No. 32 dated October 16, 2014 by Wenda Taurusita Amidjaja, S.H. The Company obtained credit facility SKBDN and LC facility with the maximum credit limit of USD 40 million. The facility is to be used for jet fuel purchase and operating activities. As of December 31, 2015, this loan has been settled.

In accordance with deed No. 26 dated March 18, 2016 by Fathiah Helmi, S.H. and as amended on May 16, 2017, the Company obtained credit facility from BNI amounting to USD 100 million or equivalent to Rp 1.4 trillion and valid until April 19, 2018.

The major covenant of this loan facility is group's debt-to-equity ratio not exceeding 2.5 times.

The definition of debt on debt-to-equity ratio is Group's interest-bearing-debt, including lease liabilities and excluding factoring payable. The definition of equity in the debt-to-equity ratio is total group equity. The Debt-to-equity ratio of the Group on March 31, 2018 is 2.11 times. On March 31, 2018, the Group has met the financial ratio requirement of the agreement.

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The outstanding bank loan as of March 31, 2018, December 31, 2017, 2016 and 2015 amounting to Rp 1,398,297,398,179 (equivalent to USD 101,650,000), Rp 1,398,297,398,179 (equivalent to USD 103,210,614), Rp 1,399,525,628,401 (equivalent to USD 104,162,372) and nil, respectively.

- PT GMF AERO ASIA Tbk ("GMFAA")

On April 26, 2016, GMFAA obtained a working capital credit facility from Bank Negara Indonesia, with maximum amount of USD 30 million and maturity date until April 26, 2017. The loan has floating interest rate of 3 months LIBOR plus 2.75% per annum. The facility is used to support GMFAA operational activities. On November 15, 2017, the facility is renewed until October 27, 2018.

The outstanding bank loan as of March 31, 2018, December 31, 2017 and 2016 amounted to USD 38,629,606, USD 18,858,564 and USD 27,293,353 respectively.

- PT Aerotrans Services Indonesia (ATS)

On November 19, 2015, ATS obtained Working Capital Loans (KMK) from BNI with maximum limit of Rp 10 billion, effective interest rate of 11% per annum, and with maturity date on November 28, 2016. This loan is guaranteed with all ATS's receivable from GMFAA.

As of March 31, 2018, December 31, 2017 and 2016, the loan has been settled. As of December 31, 2015, the outstanding bank loan amounted to Rp 9,835,027,788 (equivalent to USD 712,941).

- PT Aero Wisata (AWS)

On March 4, 2014, AWS obtained Working Capital Loan (KMK) from BNI with a maximum credit of Rp 25 billion, effective interest rate 11% per annum, and maturity date on April 19, 2016. The loan is intended as an additional working capital of Rp 15 billion to AWS, Rp 5 billion to AGI and Rp 5 billion to AJP. This loan is secured by land right certificates and building in Bali owned by AGI.

As of March 31, 2018, December 31, 2017 and 2016, the loan has been settled. As of December 31, 2015, the outstanding bank loan amounted to Rp 9,982,973,987 (equivalent to USD 723,668).

Industrial and Commercial Bank of China ("ICBC")

- Company

On November 14, 2013, the Company obtained a credit facility in the form of Domestic Letter of Credit ("SKBDN") and the Omnibus Sight/Usance/Usance Payable at Sight (UPAS) Letter of Credit (L/C) including Standby Letter of Credit Line (SBLC). SKBDN and UPAS have a maximum tenor of 90 days and for the SBLC has a maximum tenor of 12 months. The combined limit of the facility is USD 20 million. On December 10, 2015, the credit facilities were amended to become USD 56 million with maximum sublimit credit facilities for PT Citilink Indonesia (CT) amounting to USD 6 million and will be due at November 11, 2016. This credit facility can be drawn in IDR or USD. The purpose of this facility is for working capital needs.

On August 8, 2016, November 17, 2016, November 29, 2016 and December 13, 2016, the Company obtained new credit facility in total amounting to USD 82 million, with each credit facility amounting USD 24 million, USD 17 million, USD 17 million and USD 24 million respectively with maximum tenor up to 6 months. The purpose of this facility is for Company's working capital needs. The facilities will be due on August 8, 2018, November 17, 2017, November 29, 2017 and December 13, 2017 respectively.

The major covenant of this loan facility is group debt-to-equity ratio not exceeding 2.5 times. The definition of debt in debt-to-equity ratio is Group's interest-bearing-debt, excluding lease liabilities and excluding factoring payable. The definition of equity in the debt-to-equity ratio is total group equity. The debt-to-equity ratio of the Group on March 31, 2018 is 2.03 times. On March 31, 2018, the Company has met the financial ratio requirement based on the agreement.

Total outstanding bank loan of the Group amounted to USD 102,000,000 and Rp 361,864,178,676 (equivalent to USD 26,305,916) as of March 31, 2018, USD 102,000,000 and Rp 284,547,761,151 (equivalent to USD 21,002,935) as of December 31, 2017, USD 102,000,000 and Rp 423,946,051,767 (equivalent to USD 31,552,996) as of December 31, 2016 and USD 38,968,459 and Rp 76,115,457,540 (equivalent to USD 5,517,612) as of December 31, 2015.

- PT GMF AERO ASIA Tbk ("GMFAA")

On May 18, 2016, the Company obtained Omnibus Sight Usance, UPAS Letter of Credit (L/C) and Domestic Letter of Credit (SKBDN) from Bank ICBC, with maturity date until May 17, 2016, and maximum amount of USD 20 million.

As of March 31, 2018 and December 31, 2017 the loan has been settled. The outstanding balance as of December 31, 2016 amounted to USD 6,043,553.

The Bank of Tokyo – Mitsubishi UFJ.LTD. Jakarta Branch

On February 19, 2018, The Company obtained Uncommitted Bridging Loan Facility from The Bank of Tokyo – Mitsubishi UFJ.LTD. Jakarta Branch with maximum credit limit of USD 100,000,000.

The purpose of this facility is to bridge the Company's upcoming Global Bond Issuance and the facility will be matured on June 30, 2018.

The major covenant of this loan facility is Group debt-to-equity ratio not to exceed 2.5 times.

The definition of debt in the debt-to-equity ratio is Group's interest-bearing-debt, including lease liabilities and excluding factoring payable. The definition of equity on debt-to-equity ratio is total Group equity. The debt-to-equity ratio of the Group on March 31, 2018 is 2.11 times. On March 31, 2018, the Company has not met the financial ratio requirement based on the agreement.

The outstanding bank loan as of March 31, 2018 amounted to USD 100,000,000.

Bank of China (Hongkong) Ltd ("Bank of China")

On December 11, 2015, the Company obtained credit facility Demand Loan and Stand By Letter of Credit (SBLC) from Bank of China pursuant to Credit Facilities Agreement No. 133 and No. 134 with maximum credit facility amounted to USD 100 million for Company's general purpose needs. The credit facilities are unsecured.

The major covenant of this loan facility is Group debt-to-equity ratio not exceeding 2.5 times.

The definition of debt on debt-to-equity ratio is Group's interest-bearing-debt, including lease liabilities and including factoring payable. The definition of equity in the debt-to-equity ratio is total group equity. The debt-to-equity ratio of the Group on March 31, 2018 is 2.17 times. On March 31, 2018, the Company has met the financial ratio requirement of the agreement.

The outstanding bank loan as of March 31, 2018, December 31, 2017, 2016 and 2015 amounted to USD 67,500,000, USD 69,500,000, USD 50,000,000 and USD 50,000,000, respectively.

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PT Bank Mandiri (Persero) Tbk ("Mandiri")

On February 24, 2016, the Company obtained credit facility in the form of LC/SKBDN Sight, Usance, and UPAS from Bank Mandiri pursuant to deed No.27 along with its amendment agreement amounted to Rp 1 trillion with maximum credit facility utilization sub-limit to PT Citilink Indonesia (CT) amounting to Rp 150 billion for the purpose of jet fuel payment to Pertamina.

The major covenant of this loan facility is the group debt-to-equity ratio not exceeding 2.5 times.

The definition of debt on debt-to-equity ratio is Group's interest-bearing-debt, including lease liabilities and excluding factoring payable. The definition of equity in the debt-to-equity ratio is total group equity. The debt-to-equity ratio of the Group on March 31, 2018 is 2.11 times. On March 31, 2018, the Company has met the financial ratio requirement of the agreement.

The Company bank loan as of March 31, 2018, December 31, 2017 and 2016 amounted to Rp 806,835,845,619 (equivalent to USD 58,653,376), Rp 782,348,105,025 (equivalent to USD 57,746,391) and Rp 150,000,000,000 (equivalent to USD 11,164,037) respectively.

PT Bank Permata Tbk ("Permata")

On April 1, 2015, the Company obtained an Omnibus revolving loan, PIF/LC/Usance/Sight/UPAS/UFAM and SBLC facilities from Bank Permata based on Banking Facility Agreement No. 5 with a maximum credit amount of USD 70 million for Company's general purpose needs with maturity date on March 31, 2018 with revolving feature. The credit facilities are unsecured.

The major covenant of this loan facility is the Group debt to equity ratio not to exceed 2.5 times.

The definition of debt on debt-to-equity ratio is Group's interest-bearing-debt, including lease liabilities and excluding factoring payable. The definition of equity in the debt-to-equity ratio is total group equity. The testing period for the financial covenants is on annual basis. The debt-to-equity ratio of the Group on March 31, 2018 is 2.11 times. On March 31, 2018, The Company has met the financial ratio requirement of the agreement.

As of March 31, 2018, December 31, 2017, 2016 and 2015, the outstanding bank loan amounted to USD 49,500,000, USD 49,500,000, USD 35,000,000 and USD 70,000,000, respectively.

PT Bank CIMB Niaga Tbk ("CIMB")

On June 23, 2015, the Company obtained credit facility in the form of Multicurrency Omnibus LC/ Sight/ Usance/ UPAS/ SKBDN/ PTK Import/ Money Market Lines in accordance with Credit Agreement No. 92 dated June 23, 2015 with maximum credit facility amounting to USD 50 million and maturity date on June 23, 2018.

The credit facility is used for purchase of jet fuel, spareparts for aircraft maintenance, hajj and umrah also other working capital needs.

There is no financial covenant required in the agreement.

Total outstanding bank loan as of March 31, 2018 amounted to USD 34,500,000 and Rp 205,337,442,018 (equivalent to USD 14,927,118), as of December 31, 2017 amounted to USD 40,241,965 and Rp 130,545,197,701 (equivalent to USD 9,635,754), as of December 31, 2016 amounted to USD 35,000,000 and as of December 31, 2015 amounted to USD 26,300,000.

PT Bank KEB Hana Indonesia ("KEB Hana Bank")

On September 20, 2016, the Company obtained credit facility in the form of Money Market Line amounted to USD 25 million for working capital purpose.

On July 23, 2017, the Company obtained new credit facility in the form of Money Market Line amounted to USD 10 million for working capital purposes.

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The major covenant of this loan facility is Group debt-to-equity ratio not exceeding 3 times.

The definition of debt in the debt-to-equity ratio is Group's interest-bearing-debt, excluding lease liabilities. The definition of equity on debt-to-equity ratio is total Group equity. The testing period for the financial covenants is on annual basis. The debt-to-equity ratio of the Group on March 31, 2018 is 2.03 times. On March 31, 2018, the Company has met the financial ratio requirement of the agreement.

The outstanding bank loan as of March 31, 2018, December 31, 2017 and 2016 amounted to USD 35,000,000, USD 35,000,000 and USD 25,000,000, respectively.

The Hongkong and Shanghai Banking Corporation Limited ("HSBC")

On August 26, 2014, the Company obtained credit facility from HSBC, with maximum credit limit of USD 20 million.

The purposes of this facility are for jet fuel payment to Pertamina, payment to maintenance service provider and payment to airport operator for landing, handling, overflying and route charges (LHOR).

The major covenant of this loan facility is Group debt-to-equity ratio not to exceed 2.5 times.

The definition of debt in the debt-to-equity ratio is Group's interest-bearing-debt, including lease liabilities and excluding factoring payable. The definition of equity on debt-to-equity ratio is total Group equity. The debt-to-equity ratio of the Group on March 31, 2018 is 2.11 times. On March 31, 2018, The Company has met the financial ratio requirement based on the agreement.

The outstanding bank loan as of March 31, 2018 amounted to Rp 262,080,106,363 (equivalent to USD 19,052,058), as of December 31, 2017 is nil, as of December 31, 2016 amounted to Rp 199,050,870,320 (equivalent to USD 14,814,742) and as of December 31, 2015 amounted USD 15,832,255.

PT Bank ANZ Indonesia ("ANZ")

On November 17, 2015, the Company obtained credit facility Multi Option Trade Facility from Bank ANZ pursuant to Facility Agreement No. 948/FA/ANZ/ NEW/XI/2015 with maximum credit facility amounted to USD 20 million. The credit facility is used for purchase of jet fuel, spareparts and aircraft maintenance.

The major covenant of this loan facility is Group debt-to-equity ratio not to exceed 3 times.

The definition of debt in the debt-to-equity ratio is Group's interest-bearing-debt, including lease liabilities and including factoring payable. The definition of equity on debt-to-equity ratio is total group equity. The debt-to-equity ratio of the Group on March 31, 2018 is 2.17 times. On March 31, 2018, the Company has met the financial ratio requirement of the agreement.

The outstanding bank loan as of March 31, 2018 amounted to Rp 259,859,862,124 (equivalent to USD 18,890,656), as of December 31, 2017 amounted to USD 8,654,723 as of December 31, 2016 is nil and as of December 31, 2015 amounted to Rp 230,159,199,018 (equivalent to USD 16,684,248).

PT Bank Central Asia Tbk ("BCA")

On June 17, 2016, ATS obtained Working Capital Loans Bank Central Asia (BCA) with maximum limit of Rp 30 billion, effective interest rate of 9.5% per annum, and maturity date on June 17, 2018. This loan is secured by related vehicles purchased, receivable from PT Garuda Indonesia (Persero) Tbk and its subsidiaries with minimum amount Rp 30 billion and cash collateral with minimum of 10% on Bank Guarantee amount released.

The outstanding bank loan as of March 31, 2018, December 31, 2017 and 2016 amounting to Rp 29,972,580,164 (equivalent to USD 2,178,873), Rp 29,313,753,542 (equivalent to USD 2,163,696) and Rp 29,886,295,799 (equivalent to USD 2,224,345) respectively.

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Standard Chartered

On June 22, 2015, the Company obtained credit facility from Standard Chartered Bank ("SCB") with a maximum credit amount of USD 35 million. Pursuant to Facility Letter No. JKT/FCD/4439 with maturity date at March 31, 2016.

The purpose of the credit facility is to refinance Company's existing Pre-Delivery Payment ("PDP").

As of March 31, 2018, December 31, 2017 and 2016 the loan has been settled. As of December 31, 2015 the outstanding bank loan amounted to USD 21,000,000.

19. TRADE ACCOUNTS PAYABLE

a. By Creditor

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Related parties (Note 46)				
PT Pertamina (Persero)	85,251,920	89,911,451	80,810,262	33,961,968
PT Angkasa Pura II (Persero)	4,693,351	654,455	5,341,541	1,896,574
Perum LPPNPI	3,580,980	1,766,246	811,695	5,701,917
PT Angkasa Pura I (Persero)	2,154,498	520,839	2,507,793	1,677,897
PT Telekomunikasi Indonesia (Persero) Tbk	460,141	208,703	246,686	716,130
PT Jasa Raharja	372,611	1,037,550	1,016,555	584,596
Others	1,217,157	1,037,383	678,423	424,354
Sub total	97,730,658	95,136,627	91,412,955	44,963,436
Third parties				
Airline services				
Fuel	21,989,195	18,510,754	14,486,052	13,260,132
Catering	16,641,146	13,292,798	12,523,754	13,134,963
Maintenance and overhaul	9,021,396	5,546,979	9,385,692	10,650,313
General and administrative	8,307,579	8,174,380	8,914,398	9,431,903
User charges and station				
Airline	347,739	1,614,069	17,718	926,374
Sub total	56,307,055	47,138,980	45,327,614	47,403,685
Non airline services	90,292,541	81,747,142	83,691,389	56,988,646
Sub total	146,599,596	128,886,122	129,019,003	104,392,331
Total	244,330,254	224,022,749	220,431,958	149,355,767

b. By Currency

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Rupiah	155,191,944	134,024,592	135,079,316	77,963,413
U.S. Dollar	68,955,681	80,194,399	75,039,815	58,153,633
Singapore Dollar	2,747,006	2,869,407	3,406,091	2,432,525
Arabian Riyal	2,728,587	538,271	881,677	2,110,002
Euro	2,572,676	971,849	1,184,931	2,364,382
Japanese Yen	2,005,040	2,306,205	1,446,049	1,526,787
Australian Dollar	1,298,242	685,999	968,969	986,344
Other currencies	8,831,078	2,432,027	2,425,110	3,817,352
Total	244,330,254	224,022,749	220,431,958	149,354,438

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20. FACTORING PAYABLE

PT Bank Negara Indonesia (Persero) Tbk

On January 30, 2018, GMFAA obtained facility from PT Bank Negara Indonesia (Persero) Tbk in the form of Open Account Financing ("OAF"), with maturity date until January 30, 2019 and maximum limit amounting to USD 180 million. The arrangement is collateralized with restricted bank accounts.

OAF is a financing facility used in factoring invoices of GMFAA with the Company which amounted to Rp 201,889,660,663 (equivalent USD 14,676,480) and PT Sriwijaya Air which amounted to USD 6,280,839 and Rp 119,775,660,818 (equivalent USD 8,707,158).

Total outstanding balance in factoring arrangement as of March 31, 2018 amounted to USD 6,280,839 and Rp 321,665,321,481 (equivalent to USD 23,383,638).

PT Bank Rakyat Indonesia (Persero) Tbk

On January 27, 2018, GMFAA obtained facility from PT Bank Rakyat Indonesia (Persero) Tbk in the form of Supply Chain Financing ("SCF"), with maturity date until January 27, 2019 and maximum limit amounting to USD 30 million. The arrangement is collateralized with restricted bank accounts.

SCF is a financing facility used in factoring invoices of GMFAA with the Company which amounted to Rp 97,117,827,627 (equivalent USD 7,060,034) and PT Citilink Indonesia which amounted to USD 8,343,261.

Total outstanding balance in factoring arrangement as of March 31, 2018 amounted to USD 8,343,261 and Rp 97,117,827,627 (equivalent to USD 7,060,034).

21. OTHER PAYABLES

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Foreign airport retribution	39,359,857	35,549,968	21,783,260	14,849,049
Financial derivatives (Note 48)	8,587,310	4,756,268	11,372,690	26,781,283
Insurance and health care	2,867,261	2,381,836	1,574,551	-
Passenger ticket insurance	705,776	509,286	670,975	1,269,978
Others	612,401	215,455	182,233	7,001,640
Total	<u>52,132,605</u>	<u>43,412,813</u>	<u>35,583,709</u>	<u>49,901,950</u>

22. ACCRUED EXPENSES

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
General and administrative	58,360,116	59,570,197	65,404,201	58,341,207
User charges and station	38,143,573	36,094,613	30,340,519	25,024,193
Flight operations	34,074,904	31,590,195	26,057,565	11,697,860
Maintenance and overhaul	22,641,928	17,398,813	27,492,730	30,378,499
Interest	18,234,721	9,570,528	7,926,656	7,224,474
Ticketing sales and promotion	14,194,936	15,129,723	14,640,419	15,061,472
Passenger services	9,197,989	9,841,328	7,056,338	5,405,439
Others	28,431,245	23,566,104	19,064,968	27,909,363
Total	<u>223,279,412</u>	<u>202,761,501</u>	<u>197,983,396</u>	<u>181,042,507</u>

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23. UNEARNED REVENUES

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Scheduled flight	262,794,264	251,014,869	228,263,737	175,276,423
Others	3,202,764	2,424,652	1,582,436	1,254,596
Total	<u>265,997,028</u>	<u>253,439,521</u>	<u>229,846,173</u>	<u>176,531,019</u>

24. LONG-TERM LOANS

Details of long-term loans as of March 31, 2018, December 31, 2017, 2016 and 2015, net of unamortized transaction cost.

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
<u>Related parties (Note 46)</u>				
PT Bank Negara Indonesia (Persero) Tbk	62,403,282	67,243,543	91,219,153	44,342,757
PT Indonesia Infrastructure Finance	11,130,638	12,142,515	16,190,019	20,237,524
PT Bank Rakyat Indonesia (Persero) Tbk	879,616	1,025,982	1,999,107	1,939,833
Indonesia Eximbank	-	-	8,265,989	24,131,875
PT Pertamina (Persero)	-	-	-	14,379,163
PT Angkasa Pura II (Persero)	-	-	-	10,315,531
PT Angkasa Pura I (Persero)	-	-	-	3,281,668
Sub total	<u>74,413,536</u>	<u>80,412,040</u>	<u>117,674,268</u>	<u>118,628,351</u>
<u>Third parties</u>				
PT Bank Central Asia Tbk	32,641,136	43,604,981	75,073,504	78,869,844
PT BCA Finance	307,628	340,021	448,601	-
PT Bank CIMB Niaga Tbk	-	-	918,834	2,019,155
Bank Pan Indonesia	-	-	-	34,943,997
Floating Rate Notes				
U.S. Dollar	-	-	-	1,519,563
Rupiah	-	-	-	-
Commonwealth Bank (AUD)	-	-	-	948,417
PT Mandiri Tunas Finance	-	-	-	29,212
Sub total	<u>32,948,764</u>	<u>43,945,002</u>	<u>76,440,939</u>	<u>118,330,188</u>
Total long-term loans	107,362,300	124,357,042	194,115,207	236,958,539
Less current maturities	52,509,605	64,001,397	61,696,994	103,936,071
Long-term loans portion	<u>54,852,695</u>	<u>60,355,645</u>	<u>132,418,213</u>	<u>133,022,468</u>

The amortized cost of long-term loans is as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Long-term Loans	107,362,300	124,357,042	194,115,207	236,958,539
Accrued interest expense	80,084	119,745	268,699	462,095
Total	<u>107,442,384</u>	<u>124,476,787</u>	<u>194,383,906</u>	<u>237,420,634</u>

The average interest rate are as follows:

	March 31, 2018 (Unaudited)	December 31, 2017	December 31, 2016	December 31, 2015
U.S. Dollar	5,062% - 6,000%	4,444% - 6,000%	3,750% - 6,000%	1,138% - 6,000%
Rupiah	7,700% - 11,000%	7,700% - 11,000%	8,750% - 13,000%	7,400% - 13,000%

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Payment details as of March 31, 2018, December 31, 2017, 2016 and 2015 are as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
PT Bank Central Asia Tbk	10,326,751	31,514,615	10,587,190	-
PT Bank Negara Indonesia (Persero) Tbk	5,835,307	23,984,930	7,450,127	2,823,091
PT Bank Rakyat Indonesia (Persero) Tbk	130,890	971,464	1,571,371	20,316,506
Indonesia Eximbank	-	8,344,182	16,621,749	12,334,469
PT Indonesia Infrastructure Finance	-	4,047,505	4,047,505	-
PT Bank CIMB Niaga Tbk	-	923,589	1,164,648	537,456
Bank Pan Indonesia	-	-	35,000,000	40,000,000
PT Pertamina (Persero)	-	-	14,379,163	14,379,163
PT Angkasa Pura II (Persero)	-	-	10,315,531	3,157,815
PT Angkasa Pura I (Persero)	-	-	3,318,959	-
Floating Rate Notes				
U.S. Dollar	-	-	1,520,121	14,545,479
Rupiah	-	-	-	1,503,322
Commonwealth Bank Australia	-	-	914,121	-
PT Mandiri Tunas Finance	-	-	29,929	1,168,743
BCA Club Deal- Syndicated Loan	-	-	-	186,008,837
Standard Chartered (Conventional)	-	-	-	115,000,000
PT Bank Internasional Indonesia	-	-	-	97,000,000
Standard Chartered (Syariah - Emirates)	-	-	-	85,000,000
Bank Permata	-	-	-	70,000,000
Tirta Finance	-	-	-	48,280
Bringin Indotama Sejatera	-	-	-	7,876
Total	<u>16,292,948</u>	<u>69,786,285</u>	<u>106,920,414</u>	<u>663,831,037</u>

PT Bank Negara Indonesia (Persero) Tbk ("BNI")

a. PT GMF AERO ASIA Tbk ("GMFAA")

On June 25, 2012, GMFAA obtained an additional investment credit facility with maximum amount of Rp 55 billion, due on May 25, 2018 at a floating interest rate. The facility has a term of 6 years and is intended to finance the capability development and increased capacity for aircraft maintenance.

On May 31, 2013, GMFAA obtained additional investment credit facility with maximum limit of Rp 490 billion and USD 6 million, due on November 30, 2025 at a floating interest rate from BNI. The facility has a term of 12 years and intended to finance the building of new hangar and procurement of hangar equipment.

On October 13, 2016, GMFAA converted the loan from Rupiah to US Dollar.

On April 28, 2016, GMFAA obtained additional investment credit facility with maximum limit of USD 42 million, due on April 28, 2021 at a floating interest rate from BNI. The facility has a term of 5 years and intended to finance the development of capabilities and additional capabilities of aircraft maintenance. The loan facility is secured with assets financed by this facility.

On April 28, 2016, GMFAA obtained additional investment credit facility with maximum limit of USD 8 million, due on April 28, 2019 at a floating interest rate from BNI. The facility has a term of 3 years and intended to finance the payment of land concessions and land rental from Angkasa Pura II.

The major covenant of this facility include the following:

- Minimum *Current ratio* is 1 time,
- Debt to equity ratio is maximum of 2.5 times,
- Debt service coverage ratio is minimum of 100%.

On March 31, 2018, GMFAA has met the financial ratio requirement on the agreement.

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As of March 31, 2018, December 31, 2017, 2016 and 2015, the outstanding balance of loan amounted to USD 61,357,832, USD 65,534,342, USD 86,883,304 and Rp 518,351,635,965 (equivalent to USD 37,575,327), respectively.

b. PT Aerofood Indonesia (ACS)

On July 19, 2012, ACS obtained term loan facility with maximum amount of Rp 100 billion, effective interest rate of 11% per annum in 2015 and 9.5% per annum in 2014 and time period of loans for 72 months since the agreement was signed. This loan is used for project development of kitchen facilities in Denpasar, Medan and Balikpapan which is secured by fiduciary right over the related kitchen facilities.

As of March 31, 2018, December 31, 2017, 2016 and 2015, the outstanding balance of the loan amounted to Rp 4,333,828,958 (equivalent to USD 315,050), Rp 8,733,828,958 (equivalent to USD 644,658), Rp 26,333,828,958 (equivalent to USD 1,959,945) and Rp 43,933,828,959 (equivalent to USD 3,184,765), respectively.

On July 15, 2013, ACS obtained loan facility as follows:

Working capital loan with maximum amount Rp 50 billion. Time period of loans for 12 months since the agreement was signed.

Loan facility with maximum amount Rp 60 billion. Time period of loans for 72 months since the agreement was signed, including grace period of 12 months. This loan is used for capital expenditure purchases in all of ACS business unit. According to the agreement, ACS bears the 20% of any capital expenditure made. Such payments were recorded as "Restricted Cash".

This loan is guaranteed in a fiduciary with assets as follows:

1. Building Rights No. 14227 parcel of land of 797 sqm and building of 1,680 sqm in Kelurahan Sepinggan, Kecamatan Balikpapan Selatan, Kota Balikpapan, East Kalimantan.
2. Building Rights No. 56 parcel of land of 10,250 sqm and building of 5,620 sqm in Desa Tuban, Kecamatan Kuta, Kabupaten Badung, Bali.
3. Building Rights No. 2 and 4 parcel of land of 18,089 sqm in Desa Araskabu, Kecamatan Beringin, Kabupaten Deli Serdang, North Sumatera.
4. Machines and production equipment amounting to Rp 148,653,000,000.
5. Trade accounts receivable as of March 31, 2018, December 31, 2017, 2016 and 2015 amounting to Rp 82,368,000,000, Rp 82,368,000,000, Rp 272,208,000,000 and Rp 132,368,000,000, respectively.

The major covenants of these loan facilities include the following: Minimum Current Ratio of 1 time. Maximum Debt to Equity Ratio of 2.5 time. Minimum Debt Service Coverage Ratio is 100%. Minimum balance in their accounts amounted 1 time of interest and principal installment.

As of March 31, 2018, ACS has met the financial ratio requirement on the agreement.

As of March 31, 2018, December 31, 2017, 2016 and 2015, the outstanding balance of the loan amounted to Rp 66,687,377 (equivalent USD 4,848), Rp 3,586,596,865 (equivalent USD 264,733), Rp 17,666,234,816 (equivalent to USD 1,314,843) and Rp 31,745,872,768 (equivalent to USD 2,301,259), respectively.

c. PT Aero Wisata (AWS)

In March 2013, AWS, a subsidiary, obtained 3 loan facilities from BNI with maximum credit amount of Rp 18 billion, Rp 7 billion and maturity date on March 3, 2021 and September 2, 2022, respectively. The loan is used to finance the renovation of Hotel Grand Preanger, Hotel Tastaru, Hotel Mandalika and for the subsidiary's working capital.

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The major covenants of these loan facilities include the following:

- Minimum current ratio is 1 time,
- Maximum debt to equity ratio is maximum of 2.1 times,
- Debt service coverage ratio is no less than 100%.

As of March 31, 2018, AWS has met the financial ratio requirement on the agreement.

As of March 31, 2018, December 31, 2017, 2016 and 2015, the outstanding balance of the loan amounted to Rp 9,980,692,800 (equivalent to USD 725,552), Rp 10,835,838,000 (equivalent to USD 799,810), Rp 14,256,418,800 (equivalent to USD 1,061,061) and Rp 17,676,999,600 (equivalent to USD 1,281,406), respectively.

PT Indonesia Infrastructure Finance ("IIF")

On July 16, 2014, GMFAA obtained an investment credit facility from IIF, maximum amount of USD 30 million with maturity date until December 16, 2020. The loan has floating interest rate. This facility can be used to purchase tools and spare parts.

On June 30, 2015, GMFAA amended the terms of the investment credit facility and renewed the credit facilities amounting to USD 21.5 Million.

All the loan facility are secured with assets financed by this facility (Note 14).

Without written consent from the Bank and IIF, the GMFAA is restricted to, among other things: undertake merger; propose a bankruptcy; invest; engages in other operational activities; opens new operations; acts as guarantor; pledges the assets to other party; and changes its articles of association. GMFAA should inform the Bank in writing, when among other things GMFAA: changes its legal form; pays loan to shareholder; distributes dividends; grants loan; obtains loan; enters into a lease transaction with a leasing company; acquires a third party asset; and changes its management composition. Further, GMFAA has to comply with the following financial ratios: (a) minimum current ratio of 1:1; (b) maximum debt to equity ratio of 2.5 times; (c) debt service coverage ratio of 100%.

As of March 31, 2018, GMFAA has complied with all financial ratios required on the loan agreement.

As of March 31, 2018, December 31, 2017, 2016 and 2015, outstanding loan balance amounted USD 11,130,638, USD 12,142,515, USD 16,190,019 and USD 20,237,524, respectively.

PT Bank Rakyat Indonesia (Persero) Tbk ("BRI")

a. The Company

On May 29, 2013, the Company has signed a Credit Facility with BRI with a total facility of USD 40 million and term of 24 months. This facility is used for general purposes including pre-delivery financing of aircraft purchase in 2013.

As of December 31, 2016, the Company has complied with the financial covenant stipulated in the agreement. Major covenant of the agreement includes, among others is debt-to-equity ratio is not to exceed 5 times.

As of December 31, 2016, the loan has been settled.

b. PT Aerofood Indonesia ("ACS")

On May 24, 2016, ACS obtained Investment Loans from BRI with maximum limit of Rp 21.1 billion, effective interest rate of 10.25% per year and term of the loan of 48 months. The loans are secured by fiduciary rights over receivables and inventories.

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As of March 31, 2018, December 31, 2017 and 2016, the outstanding balance of the loan amounted to Rp 12,100,000,000 (equivalent to USD 879,616), Rp 13,900,000,000 (equivalent to USD 1,025,982) and Rp 21,100,000,000 (equivalent to USD 1,570,408), respectively.

c. PT Gapura Angkasa ("Gapura")

On March 13, 2014, Gapura obtained Investment Credit from Bank Rakyat Indonesia with a total limit of Rp 56.7 billion, with term of 36 months and used for purchase of Ground Support Equipment (GSE). The loan is secured by GSE.

As of December 31, 2017, the loan has been settled. As of December 31, 2016 and 2015, amounted to Rp 5,760,000,000 (equivalent to USD 428,699) and Rp 26,768,000,000 (equivalent to USD 1,939,833).

Indonesia Eximbank

On April 28, 2014, the Company entered into a long-term loan facility agreement with Indonesia Eximbank for Rp 500 billion with a term of 36 months designated for working capital. Interests are payable quarterly. Principal installment will begin 12 months after the date of the agreement; payable quarterly. The entire facility was drawn by the Company on May 9, 2014. There is no collateral for this loan facility.

The major covenants of these loan facilities include the following:

- Group debt-to-equity ratio not exceeding 2.5 times.
- Cash and cash equivalents percentage shall not be less than 5% of the Group operating revenues.
- Group equity shall not be less than USD 800,000,000.

As of December 31, 2017, the loan has been settled. As of December 31, 2016 and 2015, amounted to Rp 111,061,823,542 (equivalent to USD 8,265,989) and Rp 332,899,215,625 (equivalent to USD 24,131,875).

PT Pertamina (Persero)

Based on agreement dated October 19, 2009, PT Pertamina (Persero) agreed to convert the Company's trade payable for fuel purchase transactions amounting to USD 76,484,911 into a long-term loan payable with installment terms. This loan is due on December 31, 2015. On January 4, 2016, this loan has been settled.

As of December 31, 2015, outstanding loan balance amounted to USD 14,379,163.

PT Angkasa Pura II (Persero)

Based on agreement dated May 27, 2009, PT Angkasa Pura II (Persero) agreed to convert the Company's trade payable of Rp 195,910,872,304 (equivalent to USD 21,052,103) into a long-term loan payable with installment terms. This loan is due on December 30, 2015. On January 4, 2016, this loan has been settled.

As of December 31, 2015, outstanding loan balance amounted to USD 10,315,531.

PT Angkasa Pura I (Persero)

Based on agreement dated May 27, 2009, PT Angkasa Pura I (Persero) agreed to convert the Company's trade payable amounting to Rp 91,465,097,646 (equivalent to USD 8,872,465) into a long-term loan payable with installment terms. This loan due on December 30, 2015. On January 4, 2016, this loan has been settled.

As of December 31, 2015, outstanding loan balance amounted to Rp 45,270,603,885 (equivalent to USD 3,281,668).

PT Bank Central Asia Tbk ("BCA")

- Company

On December 17, 2015, the Company entered into a commercial loan agreement with Bank Central Asia (BCA). The total loan facility amounted to Rp 1,093,500,000,000 with term of 36 months, JIBOR 3 months.

The funds have been drawn by the Company on December 21, 2015. This facility is used for reprofiling of existing loan.

The major covenants include maintaining certain financial covenants as follow:

- Debt-to-equity ratio of the Group not exceeding 2.5 times.
- Cash and cash equivalents percentage shall not be less than 5% of the Group operating revenues.
- Group equity shall not be less than USD 800,000,000.

The definition of debt in the debt-to-equity ratio is Group's interest-bearing-debt, including lease liabilities and including factoring payable. The definition of equity on debt-to-equity ratio is total Group equity.

The testing period for the financial covenants is on quarterly basis. Breach of the events above for two quarters in a row shall be referred as a non-compliance that leads to an event of default.

Financial Covenants of the Company on March 31, 2018 are as follows:

- Debt-to-equity ratio of the Group is 2.17 times.
- Cash and cash equivalents percentage compared with Group operating revenues is 7.18%.
- Group's equity is USD 869,896,361.

On March 31, 2018, the Company has met the financial ratio requirement on the agreement.

As of March 31, 2018, December 31, 2017, 2016 and 2015, the outstanding balance of the loan amounted to Rp 414,776,672,076 (equivalent to USD 30,152,419), Rp 552,981,792,166 (equivalent to USD 40,816,489), Rp 956,327,046,003 (equivalent to USD 71,176,470) and Rp 1,088,009,496,675 (equivalent to USD 78,869,844), respectively.

- PT Aerotrans Services Indonesia ("ATS")

On June 17, 2016, ATS obtained Investment Credit facility from BCA with maximum credit of Rp 56,900,000,000 to finance the purchase of new vehicle for operations with term of 4 years since each withdrawal.

ATS also obtained a non-cash loan facility in the form of Bank Guarantee (BG) with a maximum limit Rp 10 billion to ensure the cooperation with another party.

This loan is secured by related vehicles purchased, receivable from PT Garuda Indonesia (Persero) Tbk and its subsidiaries at minimum of Rp 30 billion, and cash collateral with minimum of 10% on Bank Guarantee amount released. These collaterals are mutual tie for all credit facility (KMK, KI and BG).

As of March 31, 2018, December 31, 2017 and 2016, the outstanding balance of the loan amounted to Rp 34,234,789,127 (equivalent to USD 2,488,717), Rp 37,778,494,588 (equivalent to USD 2,788,492) and Rp 52,360,551,641 (equivalent to USD 3,897,034), respectively.

PT BCA Finance

In October 2016, ATS obtained loan for the purchase of 8 vehicles with term of 48 months with fixed interest rate.

As of March 31, 2018, December 31, 2017 and 2016, the outstanding balance of the loan amounted to Rp 4,231,729,427 (equivalent to USD 307,628), Rp 4,606,603,655 (equivalent to USD 340,021) and Rp 6,027,400,775 (equivalent to USD 448,601), respectively.

PT Bank CIMB Niaga Tbk ("CIMB")

a. PT Aero Wisata ("AWS")

On October 6, 2009, AWS, obtained on Investment Credit facility from CIMB with maximum credit of Rp 20 billion. The loan is used to finance the renovation of Irian Biak Hotel. The term of the loan is 8 years, which includes a grace period of 18 months and ended on October 6, 2017. The loan is secured by three landright certificates on the land area where the hotel is located.

As of December 31, 2017, the loan has been settled. As of December 31, 2016 and 2015 amounted to Rp 730,692,306 (equivalent to USD 54,383) and Rp 3,653,461,574 (equivalent to USD 264,840), respectively.

b. PT Aerotrans Service ("ATS")

On October 22, 2013, ATS obtained special Investment Loans facility from Bank CIMB Niaga to finance the purchase of new vehicle for operations with term of 3 to 4 years.

Such loan agreement includes certain terms and conditions that restrict ATS to distribute dividends and change its organizational structure without written notification to the bank.

ATS also obtained a loan facility to be used as bridging financing for liquidity gap arising from investment activities. This loan has a maximum term of one year or the period of leased agreement whichever is shorter. This loan is secured by time deposit.

On June 24, 2010, ATS restructured its loan. The agreed restructured terms are as follows:

- a. Reduce interest rate from 13% - 16% per annum to 11% - 12.25% per annum.
- b. Change in allocation of loan facility as follows:
 - Investment loan transaction (PTK) No. 2 and partial Novation from fixed back to back loan amount of Rp 7 billion was combined into PTK investment No. 5.
 - PTK Investment No. 3 and partial Novation from fixed back to back loan amount of Rp 4 billion was combined into PTK Investment No. 6.

These facilities have a term of 36 months to 42 months.

On January 23, 2017, this loan has been settled. As of December 31, 2016 and 2015, amounted to Rp 11,614,772,023 (equivalent to USD 864,451) and Rp 24,200,779,513 (equivalent to USD 1,754,315), respectively.

Bank Pan Indonesia

On August 2, 2013, the Company entered into a commercial loan agreement with Bank Pan Indonesia. The total loan facility amounted to USD 75 million with term of 36 months.

The funds have been drawn by the Company on August 14, 2013. This facility is used for general purpose.

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The major covenants include maintaining certain financial covenants as follow:

- Debt-to-equity ratio not to exceed 2.5 times.
- Minimum cash percentage shall not be less than 5% of the Group operating revenues.
- Group equity shall not be less than USD 800,000,000.

As of December 31, 2016, the loan has been settled. As of December 31, 2015, amounted to USD 34,943,997.

Floating Rate Note Payable

The Company issued Floating Rate Notes payable (FRN) in U.S. Dollar and Rupiah currencies. The Chase Manhattan Bank - London Branch acted as Trustee in the issuance of the FRN. The FRN matured in 2007.

Based on deed of changes and buyback agreement dated January 21, 2010, the remaining unsettled FRN which amounted to USD 75 million and Rp 108 billion respectively, was restructured and due in 2015.

As of December 31, 2016, the loan has been settled. As of December 31, 2015, amounted to USD 1,519,563.

Commonwealth Bank

On October 14, 2014, GOHA obtained a loan facility from the Commonwealth Bank of Australia used to finance the acquisition of office buildings and investment property located at 263 Clarence Street, Sydney, NSW, 2000 with a loan limit of AUD 1,300,000. The maturity of the loan is 5 (five) years and can be repaid in part or in whole on the dates specified in the agreement. Interest rate and other expenses of loans consist of:

- The interest rate used is the variable market rate and will be charged every three months.
- Line fee of 0.93% per annum calculated on the facility limit and payable on the first day of each month and on cancellation of limit.
- Usage fee of 1.20% per annum calculated on the total drawn balance of facility and payable on the first day of each month and on cancellation of limit.
- Liquidity fee of 0.1% per annum calculated on the drawn balance of market rate loan and will be charge on reset date or on full prepayment of the loan.
- Rollover fee of AUD 150 will be charged on each reset date.

On January 15, 2016, GOHA fully paid the principal of long-term loans to the Commonwealth Bank amounting to AUD 1,300,000.

As of December 31, 2015, amounted to AUD 1,300,000 (equivalent USD 948,417).

PT Mandiri Tunas Finance

This loan was obtained by ATS, a subsidiary of AWS, for the purchase of 27 vehicles with term of 36 months. This loan is secured by the financed vehicles.

As of December 31, 2016, the loan has been settled. Total outstanding loan balance as of December 31, 2015, amounted to Rp 402,985,001 (equivalent to USD 29,212).

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25. LEASE LIABILITIES

The Group entered into lease transaction which were financed by Export Development Canada (EDC) for lease of aircraft CRJ1000 with the whole lease period of 2012 – 2024.

The Group also entered into lease agreement for the lease of software and hardware, GSE Equipment and vehicle.

The minimum lease payments based on the lease agreements are as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Within one year	17,154,426	17,050,735	27,179,778	18,531,931
Over one year but not longer than five years	64,719,083	66,583,941	111,529,989	71,859,548
Over five years	5,262,343	7,259,628	53,350,128	47,272,149
Total future lease payment	87,135,852	90,894,304	192,059,895	137,663,628
Less future finance charges	9,869,779	10,198,851	31,160,449	16,482,435
Present value of minimum lease payments	<u>77,266,073</u>	<u>80,695,453</u>	<u>160,899,446</u>	<u>121,181,193</u>
Presented in consolidated statement of financial position as:				
Current maturities	13,897,747	13,801,586	22,311,219	15,125,233
Non current maturities	63,368,326	66,893,867	138,588,227	106,055,960
Total	<u>77,266,073</u>	<u>80,695,453</u>	<u>160,899,446</u>	<u>121,181,193</u>

Export Development Canada ("EDC")

On July 27, 2012, the Company obtained financing from EDC facility related to CRJ1000 Next-Generation with a maximum credit of USD 135 million valid until November 30, 2014. At December 31, 2014, the Company has used all this facility.

There are two interest rates applicable to these financing: Fixed Rate and Floating Rate.

- Fixed interest rate is computed using the semi-annual 6-year swap rate + margin + premium.
- Floating interest rate is computed using the 3-month LIBOR + margin + premium.

The Company is required to confirm in advance the applicable interest rate to be used upon delivery of the aircraft.

Upon execution of financing agreement, the interest rate is realized as follows:

1. The Company elected fixed interest payment for the loan tied to PK-GRA. Payments are made each quarter beginning on January 5, 2013.
2. The Company elected fixed interest payment for the loan tied to PK-GRC. Payments are made each quarter beginning on January 30, 2013.
3. The Company elected fixed interest payment for the loan tied to PK-GRE. Payments are made each quarter beginning on February 9, 2013.
4. The Company elected fixed interest payment for the loan tied to PK-GRM. Payments are made each quarter beginning on September 25, 2013.
5. The Company elected floating interest payment for the loan tied to PK-GRN. Payments are made each quarter beginning on November 29, 2013.
6. The Company elected floating interest payment for the loan tied to PK-GRQ. Payments are made each quarter beginning on September 20, 2014.

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Significant covenants of the financing facility is as follow:

1. Debt-to-equity ratio of the Group shall not be equal to or more than 2.5 times.
2. Cash and cash equivalents percentage shall not be less than 5% of the Group operating revenues.
3. Group equity shall not be less than USD 800,000,000.

The definition of debt on debt-to-equity ratio shall exclude any such liabilities having a term or tenor of 12 months or less and include factoring payable. The definition of equity on debt-to-equity ratio is total Group equity.

The testing period for the financial covenants shall be conducted on quarterly basis. Breach of the events shall be referred as an event-of-default.

Financial ratios of the Company on March 31, 2018 are as follows:

- Group Debt-to-equity ratio of the Group is 1.00 times.
- Cash and cash equivalents percentage compared with operating revenues of the Group is 7.18%.
- Group Equity is USD 869,896,361.

On March 31, 2018, the Company has met the financial ratio requirement of the agreement.

The financing period is 10 years with maturity as follows:

1. CRJ1000 PK-GRA will be due every 5th of each quarter. The first installment date is on January 5, 2013, with final maturity on October 5, 2022.
2. CRJ1000 PK-GRC will be due every 30th of each quarter. The first installment date is on January 30, 2013, with final maturity on October 30, 2022.
3. CRJ1000 PK-GRE will be due every 9th of each quarter. The first installment date is on February 5, 2013, with final maturity on November 9, 2022.
4. CRJ1000 PK-GRM will be due on 25th of each quarter. The first installment date is on September 25, 2013, with final maturity on June 25, 2023.
5. CRJ1000 PK-GRN will be due on 29th of each quarter. The first installment date is on November 29, 2013, with final maturity on August 29, 2023.
6. CRJ1000 PK-GRQ will be due on 20th of each quarter. The first installment date is on September 20, 2014, with final maturity on June 20, 2024.

No security deposit is issued for this financing. As of March 31, 2018, December 31, 2017, 2016 and 2015, the outstanding balance of EDC financing amounted to USD 76,594,778, USD 79,921,432, USD 92,912,405 and USD 105,420,196, respectively.

PT Hewlett-Packard Finance Indonesia and PT Century Tokyo Leasing Indonesia

The loan is related to the purchase of hardware and software with the lease has term of 36 months and effective interest rate per annum at 5.34% - 8% for USD and 10% - 12.25% for IDR.

As of March 31, 2018, December 31, 2017, 2016 and 2015, the outstanding balance amounted to USD 16,635, USD 24,282, USD 241,007 and USD 761,537, respectively.

Mitsui Leasing Capital

In 2015, ATS entered into a finance lease agreement with Mitsui Leasing Capital for the purchase of 33 vehicles with term of 36 months and interest fixed rate 10.21% - 11.29%.

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In January to April 2016, ATS entered into finance lease agreement for purchase of 38 vehicles with term of 36-48 months.

As of March 31, 2018, December 31, 2017, 2016 and 2015, the outstanding balance amounted to Rp 2,461,707,257 (equivalent to USD 178,955), Rp 3,063,210,690 (equivalent to USD 226,101), Rp 5,922,952,356 (equivalent to USD 440,827) and Rp 4,639,345,684 (equivalent to USD 336,306), respectively.

Thompson Robbins Maintenance Pte Ltd.

On June 1, 2015, PT Gapura Angkasa entered into lease Ground Service Equipment (GSE) with Thompson Robbins Maintenance Pte Ltd with term of 120 months and interest rate 5.06%. As of December 31, 2017, the lease liability has been settled. As of December 31, 2016 and 2015, amounted to USD 66,622,924 and USD 14,663,154, respectively.

IBVJ Verena Finance

On October, 2016, ATS entered into lease financing for the purchase of 50 vehicles with IBVJ Verena Finance with term of 48 months and interest rate 9.75%.

As of March 31, 2018, December 31, 2017 and 2016, the outstanding balance amounted to Rp 6,543,798,390 (equivalent to USD 475,705), Rp 7,094,248,266 (equivalent to USD 523,638) and Rp 9,167,156,029 (equivalent to USD 682,283), respectively.

26. ESTIMATED LIABILITY FOR AIRCRAFT RETURN AND MAINTENANCE COST

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Balance at beginning of year	119,392,074	113,870,311	122,604,616	112,788,440
Provision during the year	5,813,514	17,137,064	16,268,446	15,604,831
Amount utilized	(4,464,779)	(17,991,875)	(32,675,055)	(10,212,378)
Amortized discount	1,242,798	6,376,574	7,672,304	4,423,723
Balance at end of year	<u>121,983,607</u>	<u>119,392,074</u>	<u>113,870,311</u>	<u>122,604,616</u>
Presentation				
Current maturities	23,826,474	18,045,272	27,319,726	53,155,762
Non current maturities	<u>98,157,133</u>	<u>101,346,802</u>	<u>86,550,585</u>	<u>69,448,854</u>
Total	<u>121,983,607</u>	<u>119,392,074</u>	<u>113,870,311</u>	<u>122,604,616</u>

27. BONDS PAYABLE

Garuda Indonesia Sustainable Bond 1

In July 2013, the Company issued a sustainable public offering called "Garuda Indonesia Sustainable Bond 1". The Company is aiming to raise Rp 4,000,000,000,000 from the offering. In the first phase, the Company offered Sustainable Bond Garuda Indonesia 2013 amounting to USD 200,724,972 (equivalent to Rp 2,000,000,000,000). About 80% of the proceeds will be used as advance payment for the purchase of aircrafts and the remaining 20% will be used as working capital to pay for aircraft lease rentals.

The bond principal is to be settled at bullet payment on maturity. Interest is fixed at 9.25% per annum, payable every three months starting on October 5, 2013 to July 5, 2018. Buy-back of bond can be made one year after allotment date at market price.

The trustee for the bonds is PT CIMB Niaga Tbk. On issuance date, the bond received Fitch Rating of IdA, and listed in the Indonesian Stock Exchange on July 8, 2013. The bond is not secured by any collateral and not guaranteed by any party.

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On August 12, 2016, General Meeting Bondholders (RUPO) approve the changing for The Trustee Obligation from PT CIMB Niaga Tbk become PT Bank Tabungan Negara (Persero) Tbk with effective date on August 12, 2016.

On February 12, 2018 PEFINDO issued annual Company's bond rating of BBB+ (2017: BBB+).

The major covenants include maintaining certain financial covenants as follow:

1. Coverage ratio not less than 1 time, and
2. Debt ratio not to exceed 7 times.

On March 5, 2015, a General Meeting of Bondholders was held wherein the bondholders agreed to the changes in the financial covenant of the underwriting agreement.

The revised financial covenants are as follow:

1. Group Debt ratio not to exceed 2.5 times;
2. Cash and cash equivalents percentage shall not be less than 5% of the Group revenues; and
3. Group total equity should not be less than USD 800,000,000.

The definition of debt on debt-to-equity ratio is Group interest-bearing-debt, including lease liabilities and including factoring payable. The definition of equity on debt-to-equity ratio is total Group equity.

The testing period for the financial covenants shall be conducted on annual basis. Breach of the events shall be referred as an event-of-default.

The Financial ratios of the Company on March 31, 2018 are as follows:

- Debt-to-equity ratio of the Group is 2.17 times.
- Cash and cash equivalents percentage compared to operating revenues of the Group is 7.18%.
- Group equity is USD 869,896,361.

On March 31, 2018, the Company met the financial ratio requirements of on the agreement.

Balance as of March 31, 2018, December 31, 2017, 2016 and 2015 amounted to Rp 1,999,002,231,247 (equivalent to USD 145,145,786), Rp 1,995,894,164,436 (equivalent to USD 147,320,207), Rp 1,992,532,263,900 (equivalent to USD 148,298,025) and Rp 1,989,026,864,904 (equivalent to USD 144,184,622), respectively. Since December 31, 2017 the bond payable has been reclassified as short term bond payable.

Garuda Indonesia Global Sukuk Limited

At June 3, 2015, the Company entered into agreement with Garuda Indonesia Global Sukuk Limited to issue Trust Certificates amounting to USD 500,000,000 (the "Certificates"). The proceeds were used to reprofile the Company's existing debt portfolio.

The Certificates is to be settled at bullet payment on maturity, and it offers fixed profit rate at 5.95% per annum, to be distributed every 6 (six) months starting on December 3, 2015 to June 3, 2020.

The Hongkong and Shanghai Banking Corporation Limited acts as Delegate, Principal Paying Agent, Paying Agent Registrar, and Transfer Agent of the Certificate. The Certificates is not rated, and listed in the Singapore Exchange (SGX-ST).

The Certificates is issued based on the rights to travel and agency scheme to constitute a Sharia compliance offering. The Certificates is not secured by any collateral and is not guaranteed by any third-party.

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The major covenants include maintaining certain financial covenants as follows:

1. The Group equity shall not be less than USD 800,000,000;
2. Debt-to-equity ratio not to exceed 2.5 times.
3. Minimum cash percentage shall not be less than 5% of the Group operating revenues.

The definition of debt on debt-to-equity ratio shall not include any such liabilities having a term or tenor of 12 months or less. The definition of equity on debt-to-equity ratio is total Group equity.

At 18 August 2017, Meeting of the Holders of the Sukuk certificates was held and accepted by a majority to change the financial covenants of the Sukuk.

The revised financial covenants are as follow:

1. The Group equity shall not be less than USD 500,000,000;
2. Debt-to-equity ratio not to exceed 3 times.

The definition of debt on debt-to-equity ratio is debt excluding short term loans from banks and lease liabilities and including factoring payable. The definition of equity on debt-to-equity ratio is total Group equity.

The financial ratios of the Company on March 31, 2018 are as follows:

- Group equity is USD 869,896,361.
- Debt-to-equity ratio of the Group is 0.91 times.

On March 31, 2018, the Company met the financial ratio requirement of the agreement.

Balance as of March 31, 2018, December 31, 2017, 2016 and 2015 amounted to USD 495,228,113, USD 494,707,567, USD 492,743,140 and USD 491,792,820, respectively.

28. OTHER NONCURRENT LIABILITIES

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Deferred income from sale and leaseback (Note 49)	42,289,751	43,567,249	45,765,466	38,879,106
Advances from agent	1,256,101	1,018,044	811,755	855,601
Others	1,129,246	1,167,437	855,270	48,036
Total	<u>44,675,098</u>	<u>45,752,730</u>	<u>47,432,491</u>	<u>39,782,743</u>

29. POST-EMPLOYMENT BENEFITS OBLIGATION

The Group provides a defined contribution plan, defined benefit plan and other long term benefit covering all their qualified employees.

In 2016, the Company and PT Garuda Maintenance Facility Aero Asia Tbk (GMFAA) amended its Collective Employment Agreements (CEA) and PT Aero Systems Indonesia (ASI) amended its Company's Regulation. Such amendment changes the structure of their pension benefit scheme. The change of the scheme only applicable for permanent employees which were appointed in certain period in accordance with the scheme change in each entity.

a. Post-employment Benefits

Defined Contribution Plan

The Company and GMFAA, a subsidiary, established a defined contribution pension plan for all their permanent employees. The pension plan is managed by Dana Pensiun Garuda Indonesia (DPGA), whose deed of establishment was approved by the Minister of Finance of the Republic of Indonesia in his Decision Letter No. KEP-403/KM.17/1999 dated November 15, 1999. The pension fund contributions are equivalent to 7.5% of employees' basic salary wherein 2% are assumed by the employee and the difference is assumed by the Company and GMFAA.

Based on the Company's Annual General Shareholder Meeting (RUPST) dated April 26, 2013, the shareholders agreed and approved the changes in pension funding from 7.5% of employee basic salary to become 10%, while the contribution ratio as borne by an employee was changed from 2% to become 3% with the remaining portion borne by the Company.

Furthermore, based on the Company's Extra Ordinary General Shareholder Meeting (RUPSLB) on December 12, 2014, the shareholders agreed and approved the changes in contribution ratio as borne by an employee was changed from 3% to become 4% while the portion borne by the Company remains 7%.

In 2014, the Company amended its pension preparation program, where employees can no longer avail of the option to be inactive one year before their normal retirement age. Under the new "Collective Employment Agreements" (CEA) all employee must be actively working until his normal retirement age.

In accordance with the amendments to the CEA and the Company Regulation in 2016, the Company, GMFAA, and ASI provide additional defined contribution pension plan. In the same year of amendments, the Company and GMFAA signed agreements with Dana Pensiun Lembaga keuangan (DPLK) and pay contribution fee of 7% and 6%, respectively. ASI signed agreement with DPLK in 2017 and pays contribution of 5.5%.

PT Sabre Travel Network Indonesia (STNI), a subsidiary, established an insurance program covering post-retirement benefits for all qualified permanent employees. This program provides post-retirement benefits based on the participant latest salary. This program is managed by PT Asuransi Jiwasraya (Persero). The program is funded by contributions from the subsidiary and its employees at 7.5% and 2.5%, of the employees' basic salary, respectively.

In 2014, ASI, a subsidiary, amended its CEA. The amendments change the calculation of post-employment benefit scheme for normal retirement with additional bereavement payment for employee who dies before his normal retirement age. ASI also amended its long-service awards benefit for employees who have worked for 10 years and 20 years.

Pension expense recorded as part of operating expense for the three-months period ended March 31, 2018 and 2017 amounted to USD 7,056,568 and USD 5,834,216 and for the year ended December 31, 2017, 2016 and 2015 amounted to USD 24,156,957, USD 9,930,008 and USD 7,611,652, respectively.

Defined Benefit Plan

PT Aero Wisata (AWS), a subsidiary, established a defined benefit pension plan for all its permanent employees. The plan is managed by Dana Pensiun Aero Wisata whose deed of establishment was approved by the Minister of Finance of Republic of Indonesia in his Decision Letter No. KEP-044/KM.10/2007 dated March 26, 2007. The pension fund is funded by contribution from AWS and its employees at 11.40% and 5%, respectively, of the employee gross salary. At retirement age, the employees will obtain benefit of 2.5% times working period times basic pension income.

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GMFAA, STNI, ASI, AWS, GA, and CT also provide benefits to their qualifying employees in accordance with the Company's policies based on Labor Law No. 13 Year 2003. No funding has been made to this defined benefit plan.

Based on the amendments to the CEA and PP in 2016, the Company, GMFAA and ASI treat the accumulation of contributions that have been paid to DPGA as deduction to the defined benefit plan obligations in accordance with Company and GMFAA policies, based on Labor Laws No. 13 year 2003. The impact of the changes to the scheme is reflected in the past service costs stated in consolidated statement of income. The Company, GMFAA and ASI only recognize unfunded post-employment benefits over the shortage between benefits available in DPGA and post-employment benefits based on Labor Law No. 13/2013.

b. Other Long-term Benefits

The GMFAA, STNI, AWS, and GA also provide long service awards to their employees who have already rendered 20 years of service in accordance with their policies. No funding has been made to this long-term benefit.

Based on the ASI Board of Directors Decision No. 011/FHR-ASYST-DIR/SKEPDIR/XI/16, effective as of February 26, 2016, ASI terminated the Employee Award Benefit program. The impact of change is recognized as past service costs in profit or loss.

Effective as of October 2017, GA change its Pension Health Program from InHealth life Insurance to BPJS.

At March 31, 2018, December 31, 2017, 2016 and 2015, the cost of providing defined benefit plan and other long-term benefits is calculated by PT Padma Radya Aktuaria, an independent actuary, using the following key assumptions:

	March 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Discount rate	6.5-7.7%	6.75-7.8%	8.25 - 9%	9% - 9.25%
Future salary increment rate	4% - 8%	4% - 8%	5% - 8%	3% - 8%
Mortality rate	TMI3	TMI3	TMI3	TMI3
Disability rate	10% of mortality rate	10% of mortality rate	10% of mortality rate	10% of mortality rate
Resignation rate	5% at age 25 and decreasing linearly to 0% at normal pension age	5% at age 25 and decreasing linearly to 0% at normal pension age	5% at age 25 and decreasing linearly to 0% at normal pension age	5% at age 25 and decreasing linearly to 0% at normal pension age
Normal retirement rate	36, 46, 56, 60 years	36, 46, 56, 60 years	36, 46, 56, 60 years	36, 46, 56, 60 years
Medical cost increment rate - for healthcare	5.5% until fifth year then 4.5% flat rate	5.5% until fifth year then 4.5% flat rate	6.1% until fifth year then 5% flat rate	6.1% until fifth year then 5% flat rate

The defined benefit pension plan typically exposes the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit health care plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently, the plan has a relatively balanced investment in mutual fund and equity securities, and debt instruments and others. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in mutual funds and equity securities and in debt instruments to leverage the return generated by the fund.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

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Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Employee benefit expense other than employee saving plan recognized in profit or loss and other comprehensive income are as follows:

	March 31, 2018 (Unaudited)			
	Employment benefit			Total
	Defined benefit plan	Health care	Long service award	
	USD	USD	USD	USD
Recognized in profit (loss):				
Current service cost	3,138,259	69,228	276,111	3,483,598
Past service cost	-	-	-	-
Interest costs	2,108,460	(121,019)	129,100	2,116,541
Actuarial gain	-	-	(158,487)	(158,487)
	<u>5,246,719</u>	<u>(51,791)</u>	<u>246,724</u>	<u>5,441,652</u>
Recognized in other comprehensive income:				
Remeasurement on the net defined benefit liability:				
Actuarial loss (gain)	(1,727,688)	229,664	-	(1,498,024)
Return on plan asset	(139,578)	440,344	-	300,766
	<u>(1,867,266)</u>	<u>670,008</u>	<u>-</u>	<u>(1,197,258)</u>
Total	<u>3,379,453</u>	<u>618,217</u>	<u>246,724</u>	<u>4,244,394</u>
December 31, 2017				
	Employment benefit			Total
	Defined benefit plan	Health care	Long service award	
	USD	USD	USD	USD
Recognized in profit (loss):				
Current service cost	10,300,543	209,877	888,086	11,398,506
Past service cost	57,669	(6,299,217)	200,708	(6,040,840)
Interest costs	8,095,429	(595,540)	528,085	8,027,974
Actuarial loss	-	-	958,760	958,760
	<u>18,453,641</u>	<u>(6,684,880)</u>	<u>2,575,639</u>	<u>14,344,400</u>
Recognized in other comprehensive income:				
Remeasurement on the net defined benefit liability:				
Actuarial losses	13,168,717	4,375,759	-	17,544,476
Return on plan asset	(333,450)	(394,313)	-	(727,763)
	<u>12,835,267</u>	<u>3,981,446</u>	<u>-</u>	<u>16,816,713</u>
Total	<u>31,288,908</u>	<u>(2,703,434)</u>	<u>2,575,639</u>	<u>31,161,113</u>

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December 31, 2016				
Employment benefit				
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Recognized in profit (loss):				
Current service cost	10,182,396	90,890	714,919	10,988,205
Past service cost	(89,994,095)	-	66,481	(89,927,614)
Interest costs	15,425,163	(1,394,649)	467,527	14,498,041
Actuarial loss	-	-	883,413	883,413
	<u>(64,386,536)</u>	<u>(1,303,759)</u>	<u>2,132,340</u>	<u>(63,557,955)</u>
Recognized in other comprehensive income:				
Remeasurement on the net defined benefit liability:				
Actuarial losses	9,094,153	3,693,727	-	12,787,880
Return on plan asset	923,216	525,175	-	1,448,391
	<u>10,017,369</u>	<u>4,218,902</u>	<u>-</u>	<u>14,236,271</u>
Total	<u>(54,369,167)</u>	<u>2,915,143</u>	<u>2,132,340</u>	<u>(49,321,684)</u>
December 31, 2015				
Employment benefit				
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Recognized in profit (loss):				
Current service cost	9,566,142	86,082	684,685	10,336,909
Past service cost	(721,919)	434,887	(2,609,178)	(2,896,210)
Interest costs	13,295,460	(1,280,412)	434,097	12,449,145
Actuarial gain	-	-	(185,243)	(185,243)
	<u>22,139,683</u>	<u>(759,443)</u>	<u>(1,675,639)</u>	<u>19,704,601</u>
Recognized in other comprehensive income:				
Remeasurement on the net defined benefit liability:				
Actuarial loss (gain)	2,822,984	(1,778,773)	-	1,044,211
Return on plan asset	220,101	2,164,351	-	2,384,452
	<u>3,043,085</u>	<u>385,578</u>	<u>-</u>	<u>3,428,663</u>
Total	<u>25,182,768</u>	<u>(373,865)</u>	<u>(1,675,639)</u>	<u>23,133,264</u>

The amounts included in the consolidated statements of financial position arising from the post-employment defined benefits plan and other long-term benefit are as follows:

March 31, 2018 (Unaudited)				
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value of obligation	131,063,447	34,709,522	7,622,043	173,395,012
Fair value of plan assets	(9,842,800)	(42,626,654)	-	(52,469,454)
Net liability	<u>121,220,647</u>	<u>(7,917,132)</u>	<u>7,622,043</u>	<u>120,925,558</u>
Employee benefit obligations	<u>121,220,647</u>	<u>3,481,546</u>	<u>7,622,043</u>	<u>132,324,236</u>
Plan assets	<u>-</u>	<u>(11,398,678)</u>	<u>-</u>	<u>(11,398,678)</u>
December 31, 2017				
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value of obligation	132,072,318	34,685,665	7,666,647	174,424,630
Fair value of plan assets	(10,024,170)	(43,328,693)	-	(53,352,863)
Net liability	<u>122,048,148</u>	<u>(8,643,028)</u>	<u>7,666,647</u>	<u>121,071,767</u>
Employee benefit obligations	<u>122,048,148</u>	<u>3,519,995</u>	<u>7,666,647</u>	<u>133,234,790</u>
Plan assets	<u>-</u>	<u>(12,163,023)</u>	<u>-</u>	<u>(12,163,023)</u>

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	December 31, 2016			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value of obligation	110,567,255	35,563,695	6,166,239	152,297,189
Fair value of plan assets	(8,724,512)	(41,271,847)	-	(49,996,359)
Net liability	<u>101,842,743</u>	<u>(5,708,152)</u>	<u>6,166,239</u>	<u>102,300,830</u>
Employee benefit obligations	<u>101,842,743</u>	<u>8,000,826</u>	<u>6,166,239</u>	<u>116,009,808</u>
Plan assets	<u>-</u>	<u>(13,708,978)</u>	<u>-</u>	<u>(13,708,978)</u>
	December 31, 2015			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value of obligation	177,374,386	30,662,596	4,971,163	213,008,145
Fair value of plan assets	(8,690,425)	(38,695,991)	-	(47,386,416)
Net liability	<u>168,683,961</u>	<u>(8,033,395)</u>	<u>4,971,163</u>	<u>165,621,729</u>
Employee benefit obligations	<u>168,683,961</u>	<u>3,864,100</u>	<u>4,971,163</u>	<u>177,519,224</u>
Plan assets	<u>-</u>	<u>(11,897,495)</u>	<u>-</u>	<u>(11,897,495)</u>

Movements in the present value obligation are as follows:

	March 31, 2018 (Unaudited)			
	Employee benefit obligations			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value obligation - beginning balance	132,072,318	34,685,665	7,666,647	174,424,630
Current service cost	3,138,259	69,228	276,111	3,483,598
Interest expense	2,275,300	719,095	129,100	3,123,495
Past service cost	-	-	-	-
Employee's contribution	17,004	-	-	17,004
Benefit payment	(2,702,302)	(464,401)	(175,302)	(3,342,005)
Remeasurement on the net defined benefit (asset) liability:				
Actuarial loss (gain) from experience adjustment	(745,303)	(114,545)	8,374	(851,474)
Actuarial loss (gain) from change in financial assumption	(982,385)	344,209	(166,861)	(805,037)
Foreign exchange differential	(2,009,444)	(529,729)	(116,026)	(2,655,199)
Present value obligation - ending balance	<u>131,063,447</u>	<u>34,709,522</u>	<u>7,622,043</u>	<u>173,395,012</u>
	December 31, 2017			
	Employee benefit obligations			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value obligation - beginning balance	110,567,255	35,563,695	6,166,239	152,297,189
Current service cost	10,300,543	209,877	888,086	11,398,506
Interest expense	8,817,234	3,129,414	528,085	12,474,733
Past service cost	57,669	(6,299,217)	200,708	(6,040,840)
Employee's contribution	120,787	-	-	120,787
Benefit payment	(9,821,267)	(2,006,394)	(1,008,973)	(12,836,634)
Remeasurement on the net defined benefit (asset) liability:				
Actuarial loss (gain) from experience adjustment	3,627,291	(276,750)	77,161	3,427,702
Actuarial losses from change in financial assumption	9,541,426	4,652,509	881,599	15,075,534
Foreign exchange differential	(1,138,620)	(287,469)	(66,258)	(1,492,347)
Present value obligation - ending balance	<u>132,072,318</u>	<u>34,685,665</u>	<u>7,666,647</u>	<u>174,424,630</u>

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December 31, 2016				
Employee benefit obligations				
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value obligation - beginning balance	177,374,386	30,662,596	4,971,163	213,008,145
Current service cost	10,182,396	90,890	714,919	10,988,205
Interest expense	16,234,535	2,289,570	467,527	18,991,632
Past service cost	(89,994,095)	-	66,481	(89,927,614)
Benefit payment	(17,919,841)	(1,959,861)	(1,247,345)	(21,127,047)
Remeasurement on the net defined benefit (asset) liability:				
Actuarial loss (gain) from experience adjustment	(197,943)	(473,556)	123,540	(547,959)
Actuarial losses from change in financial assumption	9,292,096	4,167,283	759,873	14,219,252
Foreign exchange differential	5,595,721	786,773	310,081	6,692,575
Present value obligation - ending balance	<u>110,567,255</u>	<u>35,563,695</u>	<u>6,166,239</u>	<u>152,297,189</u>

December 31, 2015				
Employee benefit obligations				
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value obligation - beginning balance	186,608,453	34,941,201	9,379,688	230,929,342
Current service cost	9,566,142	86,082	684,685	10,336,909
Interest expense	14,000,537	2,110,121	434,097	16,544,755
Past service cost	(721,919)	434,887	(2,609,178)	(2,896,210)
Benefit payment	(16,513,374)	(1,720,084)	(1,917,542)	(20,151,000)
Remeasurement on the net defined benefit (asset) liability:				
Actuarial losses from experience adjustment	6,415,739	389,778	129,973	6,935,490
Actuarial gain from change in financial assumption	(3,592,755)	(2,168,551)	(315,216)	(6,076,522)
Foreign exchange differential	(18,388,437)	(3,410,838)	(815,344)	(22,614,619)
Present value obligation - ending balance	<u>177,374,386</u>	<u>30,662,596</u>	<u>4,971,163</u>	<u>213,008,145</u>

Movements in the net liability of the post-employment defined benefits plan and other long-term benefit are as follows:

March 31, 2018 (Unaudited)				
Employee benefit obligations				
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Balance of beginning of year	122,048,148	(8,643,028)	7,666,647	121,071,767
Expense recognized in profit (loss)	5,246,719	(51,791)	246,724	5,441,652
Expense recognized in other comprehensive income	(1,867,266)	670,008	-	(1,197,258)
Foreign exchange differential	(1,865,157)	124,980	(116,026)	(1,856,203)
Employer's contribution	(76,112)	-	-	(76,112)
Payments of benefits	(2,265,685)	(17,301)	(175,302)	(2,458,288)
Balance of end of year	<u>121,220,647</u>	<u>(7,917,132)</u>	<u>7,622,043</u>	<u>120,925,558</u>
Employee benefit obligation	<u>121,220,647</u>	<u>3,481,546</u>	<u>7,622,043</u>	<u>132,324,236</u>
Plan asset	<u>-</u>	<u>(11,398,678)</u>	<u>-</u>	<u>(11,398,678)</u>

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	December 31, 2017			
	Employee benefit obligations			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Balance of beginning of year	101,842,743	(5,708,152)	6,166,239	102,300,830
Expense recognized in profit (loss)	18,453,641	(6,684,880)	2,575,639	14,344,400
Expense recognized in other comprehensive income	12,835,267	3,981,446	-	16,816,713
Foreign exchange differential	(909,830)	80,538	(66,258)	(895,550)
Employer's contribution	(1,110,155)	-	-	(1,110,155)
Payments of benefits	(9,063,518)	(311,980)	(1,008,973)	(10,384,471)
Balance of end of year	122,048,148	(8,643,028)	7,666,647	121,071,767
Employee benefit obligation	122,048,148	3,519,995	7,666,647	133,234,790
Plan asset	-	(12,163,023)	-	(12,163,023)
	December 31, 2016			
	Employee benefit obligations			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Balance of beginning of year	168,683,961	(8,033,395)	4,971,163	165,621,729
Expense recognized in profit (loss)	(64,386,536)	(1,303,759)	2,132,340	(63,557,955)
Expense recognized in other comprehensive income	10,017,369	4,218,902	-	14,236,271
Foreign exchange differential	5,302,624	(234,893)	310,081	5,377,812
Payments of benefits	(17,774,675)	(355,007)	(1,247,345)	(19,377,027)
Balance of end of year	101,842,743	(5,708,152)	6,166,239	102,300,830
Employee benefit obligation	101,842,743	8,000,826	6,166,239	116,009,808
Plan asset	-	(13,708,978)	-	(13,708,978)
	December 31, 2015			
	Employee benefit obligations			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Balance of beginning of year	177,090,442	(8,210,281)	9,379,688	178,259,849
Expense recognized in profit (loss)	22,139,683	(759,443)	(1,675,639)	19,704,601
Expense recognized in other comprehensive income	3,043,085	385,578	-	3,428,663
Foreign exchange differential	(17,698,945)	822,233	(815,344)	(17,692,056)
Employer's contribution	(199,248)	-	-	(199,248)
Payments of benefits	(15,691,056)	(271,482)	(1,917,542)	(17,880,080)
Balance of current period	168,683,961	(8,033,395)	4,971,163	165,621,729
Employee benefit obligation	168,683,961	3,864,100	4,971,163	177,519,224
Plan asset	-	(11,897,495)	-	(11,897,495)

The Company has discontinued the healthcare plan program for employees who have retired for certain period.

Movements in the present value of health care plan assets are as follows:

	March 31, 2018 (Unaudited)	December 31, 2017	December 31, 2016	December 31, 2015
	USD	USD	USD	USD
Fair value of plan assets - beginning balance	53,352,863	49,996,359	47,386,416	52,669,493
Expected return on plan assets	1,006,954	4,446,759	4,493,591	4,095,610
Remeasurement on the net defined benefit (assets) liability:				
Return on plan asset	(300,766)	727,763	(1,448,391)	(2,384,452)
Employer's contribution	76,112	1,110,155	247,359	199,248
Employee's contribution	17,004	120,787	101,545	-
Benefit payment	(883,717)	(2,452,163)	(2,039,653)	(2,270,920)
Foreign exchange differential	(798,996)	(596,797)	1,255,492	(4,922,563)
Fair value of plan assets - ending balance	52,469,454	53,352,863	49,996,359	47,386,416

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The major category of plan assets, and the expected rate of return at the end of the reporting period for each category, are as follows:

	Expected return				Fair value of plan assets			
	March 31, 2018 (Unaudited) %	December 31, 2017 %	December 31, 2016 %	December 31, 2015 %	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Mutual fund, equity and debt instruments	39.16%	33.88%	42.08%	44.35%	20,545,170	18,077,169	21,039,370	21,015,072
Time deposits and others	58.92%	57.78%	48.93%	47.01%	30,917,328	30,828,934	24,463,398	22,275,734
Investment result expected average	1.92%	8.33%	8.99%	8.64%	1,006,956	4,446,760	4,493,591	4,095,610
Fair value of plan assets - ending balance	100.00%	100.00%	100.00%	100.00%	52,469,454	53,352,863	49,996,359	47,386,416

The fair value of the above mutual fund, equity and debt instruments are determined based on quoted market prices in active markets. This policy has been implemented during the current and prior years.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	March 31, 2018 (Unaudited)		
	Defined benefit plan USD	Health care USD	Long service award USD
Initial discount rate			
Discount rate +1%	(6,908,046)	(31,288,083)	(2,956,108)
Discount rate -1%	11,020,895	(30,893,688)	643,495
Future salary increment rate			
Salary increment rate +1%	11,041,177	-	376,788
Salary increment rate -1%	(7,032,456)	-	(803,256)

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected return is based on historical return trends and analysis' predictions of the market for the assets over the life of the related obligation.

The actual return on plan assets was USD 1,006,954 and USD 1,122,843 for the three-month periods ended March 31, 2018 and 2017, USD 4,446,759, USD 4,493,591 and USD 4,095,610 for the years ended December 31, 2017, 2016 and 2015, respectively.

30. CAPITAL STOCK

	March 31, 2018 (Unaudited)		
	Number of shares	Percentage of ownership %	Total paid-up capital USD
Series A Dwiwarna share:			
Government of the Republic of Indonesia	1	0.0000%	0.05
Series B share:			
Government of the Republic of Indonesia	15,670,777,620	60.5363%	793,216,468
PT Trans Airways	6,630,958,172	25.6154%	335,658,467
Directors:			
Pahala Nugraha Mansury	2,927,600	0.0113%	148,188
Nicodemus Panarung Lampe	373,893	0.0014%	18,926
Puji Nur Handayani	70,458	0.0003%	3,566
Public			
(each holding below 2%)	3,581,468,510	13.8352%	181,281,335
Total	25,886,576,254	100.0000%	1,310,326,950

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	December 31, 2017		
	Number of shares	Percentage of ownership %	Total paid-up capital USD
Series A Dwiwarna share:			
Government of the Republic of Indonesia	1	0.0000%	0.05
Series B share:			
Government of the Republic of Indonesia	15,670,777,620	60.5363%	793,216,468
PT Trans Airways	6,630,958,172	25.6154%	335,658,467
Directors:			
Pahala Nugraha Mansury	2,927,600	0.0113%	148,188
Nicodemus Panarung Lampe	373,893	0.0014%	18,926
Puji Nur Handayani	70,458	0.0003%	3,566
Public			
(each holding below 2%)	3,581,468,510	13.8352%	181,281,335
Total	25,886,576,254	100.0000%	1,310,326,950
	December 31, 2016		
	Number of shares	Percentage of ownership %	Total paid-up capital USD
Series A Dwiwarna share:			
Government of the Republic of Indonesia	1	0.0000%	0.05
Series B share:			
Government of the Republic of Indonesia	15,653,127,999	60.5094%	792,323,087
Credit Suisse AG Singapore			
TC AR CL PT Trans Airways	6,370,697,372	24.6268%	322,484,701
Directors:			
Muhammad Arif Wibowo	148,120	0.0006%	7,497
Novianto Herupratomo	123,816	0.0005%	6,267
Nicodemus Panarung Lampe	373,893	0.0014%	18,926
Public			
(each holding below 2%)	3,844,455,432	14.8613%	194,593,091
Total	25,868,926,633	100.0000%	1,309,433,569
	December 31, 2015		
	Number of shares	Percentage of ownership %	Total paid-up capital USD
Series A Dwiwarna share:			
Government of the Republic of Indonesia	1	0.0000%	0.05
Series B share:			
Government of the Republic of Indonesia	15,653,127,999	60.5094%	792,323,087
Credit Suisse AG Singapore			
TC AR CL PT Trans Airways	6,370,697,372	24.6268%	322,484,701
Directors:			
Muhammad Arif Wibowo	148,120	0.0006%	7,497
Heriyanto Agung Putra	181,829	0.0007%	9,204
Novianto Herupratomo	123,816	0.0005%	6,267
Nicodemus Panarung Lampe	373,893	0.0014%	18,926
Public			
(each holding below 2%)	3,844,273,603	14.8606%	194,583,887
Total	25,868,926,633	100.0000%	1,309,433,569

"Series A" share is a special share owned by the Government that has special voting rights. The rights and restrictions in effect on "Series B" share also applies to "Series A" share, except that the Government cannot transfer the "Series A" share, and has a veto in connection with (i) changes in scope of the Company, (ii) capital increase without rights issue in advance, (iii) a merger, consolidation, acquisition and separation, (iv) changes of the provisions governing the rights of shares of "Series A" as stipulated in the Articles of Association, and (v) the dissolution, bankruptcy and liquidation of the Company. "Series A" share also has the right to appoint one director and one commissioner.

Based on Extraordinary General Meeting of Shareholder (EGM) dated June 28, 2012, the shareholders agreed to carry out a quasi-reorganization in accordance with PSAK 51 (Revised 2003) and Bapepam rules No. IX.L1 related to quasi-reorganization procedures, supplementary to the Bapepam Chairman Decision Letter No. Kep-16/PM/2004 dated April 13, 2004. The Company performed the procedures of quasi-reorganization based on the opening consolidated financial statement as of January 1, 2012, as remeasured in U.S. Dollar which is the Company's functional and presentation currency.

In connection with quasi-reorganization, the EGM approved the capital reduction by lowering the nominal value of shares from the original amount of Rp 500 to Rp 459 to be carried out after the government regulation related with new capital structure is issued. After the effective date, the capital structure of the Company will be:

1. Authorized capital reduced from Rp 15,000,000,000,000 to Rp 13,770,000,000,000.
2. Issued and paid-up capital reduced from Rp 11,320,498,000,000 to Rp 10,392,217,164,000.

On December 27, 2012, the Government of Republic of Indonesia issued Government Regulation No. 114 Year 2012 related to the decrease of the Government Equity participation in the Company amounting to Rp 641,778,248,000. The Company also received the Decision Letter from Minister of Law and Human Rights of the Republic Indonesia No. AHU-66159.AH.01.02.tahun 2012 related with the amendment of the Company, articles of association in connection with quasi-reorganization. Because the component of equity other than the capital stock is not sufficient to eliminate the deficit balance, the Company reduced its capital stock by USD 1,145,905,003. The capital stock after quasi-reorganization amounted to USD 1,146,031,889.

Based on Extraordinary General Meeting of Shareholder (EGM) dated March 24, 2014, the shareholder agreed to issue 3,227,930,633 Series B shares or 12.48% from total issued shares and mandated to board of commissioner to define the realization of changes in capital stock in relation with rights issue. The total issued shares after rights issue are 25,868,926,633 shares. The Company offered Series B shares on that rights issue with maximum fund received of Rp 1,484,848,091,180 (equivalent to USD 130,204,652) at sale price of Rp 460 per share. Total additional capital stock is amounting to Rp 1,481,620,160,547 (equivalent to USD 163,401,680) with par value Rp 459 per share.

On April 12, 2017, the Company held Annual General Meeting (AGM) that among others included in the agenda is the approval for the change in the Company's articles of association in connection with the Government Equity Participation without preemptive rights of 17,649,621 Series B shares amounting to Rp 8,401,219,715 (equivalent to USD 926,469) with exercise price of Rp 476 per share. Total additional capital amounted to Rp 8,101,176,039 (equivalent to USD 893,381) with par value of Rp 459 per share. The difference amounting to Rp 300,043,676 (equivalent to USD 33,088) was recorded as Additional Paid in Capital (Note 31).

As of December 31, 2017, the Company's capital stock amounted to Rp 13,770,000,000,000 and issued capital amounting to Rp 11,881,938,500,586 (or equivalent to USD 1,310,326,950).

The differences between the par value at the exchanges rate set in the Company's Articles of Association and the par value at the exchange rate prevailing when the Company received payment for rights issue is recorded as additional paid in capital (Note 31).

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31. ADDITIONAL PAID-IN CAPITAL

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Capital reserve	106	106	106	106
GEP on 2 boeing 747-400 aircrafts and 7 737-400 aircrafts based on Government boeing Regulation No. 70 year 2000	10	10	10	10
GEP on jet engine test cell based on the Decision Letter of Ministry of Finance of the Republic of Indonesia No. S- 124/MK.016/1993	-	-	4,088,185	4,088,185
Issuance of new shares without preemptive rights from conversion of GEP on jet engine test cell	33,088	33,088	-	-
Exchange rate differences on GEP on jet engine test cell	3,161,716	3,161,716	-	-
Elimination of deficit in connection with quasi- reorganization	(108,518,998)	(108,518,998)	(108,518,998)	(108,518,998)
Issuance of shares through public offering	121,453,020	121,453,020	121,453,020	121,453,020
Share issuance cost of initial public offering	(12,474,286)	(12,474,286)	(12,474,286)	(12,474,286)
Issuance of shares through Rights Issue	283,152	283,152	283,152	283,152
Share issuance cost of Rights Issue	(3,075,606)	(3,075,606)	(3,075,606)	(3,075,606)
Exchange rate differences on Rights Issue	(33,197,028)	(33,197,028)	(33,197,028)	(33,197,028)
Differences in restructuring transaction under common control	(2,507,044)	(2,507,044)	(2,507,044)	(2,507,044)
Tax Amnesty (Note 10)	590,369	590,369	-	-
Issuance of shares through public offering of subsidiary	55,007,051	55,007,051	-	-
Stock option (Note 33)	2,770,970	2,770,970	-	-
Total	<u>23,526,520</u>	<u>23,526,520</u>	<u>(33,948,489)</u>	<u>(33,948,489)</u>

GEP on Jet Engine Test Cell

Based on Decision Letter of Ministry of Finance of the Republic Indonesia No. S-124/MK.016/1993, the Government Equity Participation (GEP) of Rp 8,401,219,715 (equivalent to USD 4,088,185) was presented as additional paid-in capital.

On September 30, 2016, the Government of the Republic of Indonesia issued Government Regulation No. 36 Year 2016 in relation to Government Equity Participation of the Republic of Indonesia to Capital Stock of PT Garuda Indonesia (Persero) Tbk.

On November 30, 2016, the Company received approval from Indonesia Stock Exchange through letter S-07414/BEI.PP2/11-2016, namely the listing of shares as result of the capital increase without preemptive rights.

On December 9, 2016, the number of shares listed totaled to 17,649,621 series B shares with nominal value of share of Rp 459 per share and exercise price of Rp 476 per share.

On April 12, 2017, the Company held Annual General Meeting (AGM) that among other things approved the change of the Company's Articles in connection with the Government Equity participation in the Company without preemptive rights add up to 17,649,621 series B shares from additional paid in capital become capital stock (Note 30).

Elimination of Deficit in Connection with Quasi Reorganization

The adjustment in additional paid in capital of USD 108,518,998 was made in connection with quasi-reorganization to eliminate opening deficit balance of the Company as of January 1, 2012 (Note 54).

Issuance of shares through public offering

Share premium recorded amounting to Rp 3,227,930,633 (equivalent to USD 283,152) arise from rights issue held by the Company in 2014. The interest value of share amounted to Rp 460/share and nominal value amounted to Rp 459/share.

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Share premium arose from the marker value of Rp 750 per share and nominal value of Rp 500 per share at initial public offering in 2011. Total share premium recorded before stock issuance cost amounted to Rp 1,100,000,000,000 (equivalent to USD 121,453,020).

Difference in restructuring transaction under common control

On December 10, 2014, the Company acquired additional shares of GA owned by PT Angkasa Pura I. The total number of shares acquired in this transaction is 456,960 or 21.25% of the total issued and paid up share capital of GA with details as follows:

	<u>December 31, 2014</u> USD
Net Assets of GA as of December 31, 2014	28,703,595
Percentage of shares acquired	21.25%
Net Assets of GA acquired	6,099,514
Investment proceed	<u>8,606,558</u>
Differences Restructuring Transactions Entities Under Common Control	<u><u>(2,507,044)</u></u>

This share acquisition is recorded in accordance with PSAK 38. The difference between the purchase price and the amount of additional ownership of GA's shares is recorded as transaction between entities under common control in additional paid-in capital.

Total percentage of the Company's shareholding in GA after acquisition amounted to 58.75% or equivalent to 1,263,360 shares.

Initial public offering the subsidiary

On September 29, 2017, GMFAA, a subsidiary, received the Notice of Effectivity from the Financial Service Authority (OJK) in the letter No. S-424/D.04/2017 for initial public offering of 2,823,351,100 GMFAA shares or equivalent to 10% of all issued and paid-in capital subsequent to the Share Initial Public Offering.

On October 10, 2017, GMFAA listed share in the Indonesia Stock Exchange.

Share premium arose from the market value of Rp 100 per share and nominal value of Rp 400 per share at initial public offering. Total share premium recorded before stock issuance cost amounted to Rp 847,005,364,925 (equivalent to USD 62,932,264).

32. OTHER COMPREHENSIVE INCOME

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Revaluation surplus				
Beginning balance	204,911,975	160,304,926	123,954,471	99,066,192
Additions	-	64,604,982	52,435,429	26,847,140
Deductions	-	(13,620,334)	(4,417,528)	(34,590)
Deferred tax effect and final tax	-	(6,146,963)	(11,591,459)	(1,936,731)
Non controlling interest	-	(230,636)	(75,987)	12,460
Sub total	<u>204,911,975</u>	<u>204,911,975</u>	<u>160,304,926</u>	<u>123,954,471</u>
Unrealized gain on hedge transaction	28,429,352	30,662,743	2,416,865	(10,738,051)
Cumulative translation adjustments				
Owner of the parent company	(251,593,271)	(249,628,049)	(247,177,948)	(256,729,174)
Non controlling interest	18,572,803	18,383,992	13,993,924	12,741,986
Total	<u><u>320,859</u></u>	<u><u>4,330,661</u></u>	<u><u>(70,462,233)</u></u>	<u><u>(130,770,768)</u></u>

The revaluation surplus reserve arises on the revaluation of land, buildings and aircraft. When revalued land, building and aircraft are sold, the portion of the revaluation reserve that related to that assets is transferred directly to retained earnings. Items of other comprehensive income included in the properties revaluation reserve will not be reclassified subsequently to profit or loss.

33. STOCK OPTION

In 2011, the Company granted stock options to qualifying commissioners, directors and employees. Stock compensation expense is calculated based on the fair value of stock options granted and recognized as compensation expense. Based on the program, compensation expenses are recognized (cliff-vesting) using straight-line method during the vesting period. The accumulated costs are recognized as stock options in equity in 2011 which amounted to Rp 19,740,236,981 (equivalent to USD 2,278,677), consisting of 87,847,064 shares for phase 1 and 65,885,298 shares for phase 2.

The fair value of stock options were valued by Towers Watson Purbajaga an independent appraisal, in its report dated May 19, 2011 for phase 1 and February 29, 2012 for phase 2 which used Black-Scholes model to measure the option price.

The implementation of MESOP program is carried out through the following:

- a) Share purchase option rights granted to all participants who meet the specified requirements.
- b) Share purchase option rights that were distributed in MESOP program can be used by participants to purchase the Company's new shares at a price to be determined with due regard to rules and regulations.
- c) Right to purchase stock options will be issued by the Company in three stages over a period of two years after the date of listing on the Indonesia Stock Exchange.
- d) Stock option on first stage is given on the date of listing of shares on the Indonesia Stock Exchange. The second stage is given not later than December 2011. The third stage is given not later than December 2012.
- e) Stock option issued in each stage will be subject to the vesting period of one year or 12 months from the date of issuance within the transaction period allowed to convert into stock option rights.
- f) Right to exercise the option will be determined based on state laws, participants will use the option to purchase stock, must pay the full price of implementation and cost incurred in implementation of the option rights.
- g) Vesting period within 12 months.
- h) Option life in 5 years.

In 2012, the Company granted stock option phase 3 of 65,885,298 shares. The accumulated cost recognized as stock option in equity as of March 31, 2018 and December 31, 2017 are nil, as of December 31, 2016 and 2015 are USD 2,770,970.

The fair values of stock options are valued by Towers Watson Purbajaga an independent appraisal, in its report dated February 26, 2013 for phase 3 which used Black-Scholes model to measure the option price.

On November 30, 2017, the MESOP program has expired (Note 31).

34. APPROPRIATED RETAINED EARNINGS

Under Indonesian Company Law, the Company is obliged to allocate certain amount from the net earnings of each accounting year to reserve fund if the Company has a positive profit balance. The allocation of net earnings shall be performed up to an amount of 20% of the company's issued and paid up capital.

The balance of the Company's appropriated retained earnings as of March 31, 2018, December 31, 2017, 2016 and 2015 amounted to USD 6,081,861 or 0.46% of the Company's issued and paid up capital.

35. NON CONTROLLING INTEREST

	Non controlling interests in net assets			
	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
PT Sabre Travel Network Indonesia	428,970	414,605	361,594	305,281
PT Aero Wisata and its subsidiaries	754,417	900,159	532,749	628,585
PT Gapura Angkasa	13,159,585	12,771,849	16,196,928	16,268,563
PT GMF Aero Asia Tbk	29,428,591	28,600,882	-	-
Total	43,771,563	42,687,495	17,091,271	17,202,429

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	Net (income) loss attributable to non controlling interests				
	2018	2017	2017	2016	2015
	(Three months)	(Three months)	(One year)	(One year)	(One year)
	(Unaudited)	(Unaudited)	(One year)	(One year)	(One year)
	USD	USD	USD	USD	USD
PT Sabre Travel Network Indonesia	14,215	18,803	36,165	47,305	30,133
PT Aero Wisata and its subsidiaries	(89,138)	(48,878)	238,535	103,792	(132,131)
PT Gapura Angkasa	411,354	(547,196)	1,638,558	1,144,396	1,595,923
PT GMF Aero Asia Tbk	735,791	-	1,279,480	-	-
Total	<u>1,072,222</u>	<u>(577,271)</u>	<u>3,192,738</u>	<u>1,295,493</u>	<u>1,493,925</u>

Summarized financial information in respect of material non-controlling interest is set out below:

	March 31, 2018 (Unaudited)	December 31, 2017	December 31, 2016	December 31, 2015
	GA	GA	GA	GA
	USD	USD	USD	USD
Current assets	40,973,743	38,041,350	31,494,874	28,095,295
Non- current assets	28,171,990	29,777,824	100,002,277	44,493,808
Current liabilities	22,468,786	21,858,218	27,156,732	18,055,476
Non- current liabilities	14,774,921	14,998,897	75,425,623	25,445,155
Revenue	<u>31,564,153</u>	<u>121,092,089</u>	<u>112,345,975</u>	<u>98,550,496</u>
Profit for the year	<u>997,222</u>	<u>3,972,262</u>	<u>2,916,956</u>	<u>3,868,873</u>
Total comprehensive income for the year	(57,256)	(1,925,014)	(2,947,955)	(773,608)
Dividends paid to non- controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash inflow (outflow) from:				
Operating activities	<u>(1,661,471)</u>	<u>(11,100,090)</u>	<u>19,494,267</u>	<u>4,675,062</u>
Investing activities	<u>(203,841)</u>	<u>70,500,842</u>	<u>(59,095,927)</u>	<u>(1,057,663)</u>
Financing activities	<u>-</u>	<u>(58,897,992)</u>	<u>40,736,089</u>	<u>(1,739,761)</u>
	March 31, 2018 (Unaudited)	December 31, 2017	December 31, 2016	December 31, 2015
	GMFAA	GMFAA	GMFAA	GMFAA
	USD	USD	USD	USD
Current assets	443,383,715	402,682,325	328,214,055	203,138,166
Non- current assets	135,561,923	136,468,557	114,375,052	107,436,453
Current liabilities	173,469,494	135,366,467	146,780,455	89,382,005
Non- current liabilities	91,628,220	97,995,840	123,253,904	98,495,403
Revenue	<u>115,927,823</u>	<u>439,281,242</u>	<u>388,662,512</u>	<u>305,726,746</u>
Profit for the year	<u>7,308,349</u>	<u>50,946,349</u>	<u>57,742,213</u>	<u>36,184,965</u>
Total comprehensive income for the year	919,170	(218,886)	(7,979,329)	(2,751,058)
Dividends paid to non- controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash inflow (outflow) from:				
Operating activities	<u>3,341,793</u>	<u>16,786,663</u>	<u>(16,255,833)</u>	<u>979,013</u>
Investing activities	<u>(5,165,500)</u>	<u>(38,282,580)</u>	<u>(24,925,782)</u>	<u>(6,176,781)</u>
Financing activities	<u>(3,296,442)</u>	<u>45,942,101</u>	<u>78,597,377</u>	<u>10,372,739</u>

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36. OPERATING REVENUE

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Scheduled airline services					
Passenger	761,616,768	721,726,899	3,143,164,455	3,039,347,159	3,002,777,941
Cargo	61,288,054	56,158,745	237,081,795	219,149,213	187,861,891
Excess baggage	3,045,394	2,197,461	13,079,390	11,394,544	9,810,315
Mail and document	2,547,914	2,033,556	8,655,164	9,915,846	8,019,586
Sub total	828,498,130	782,116,661	3,401,980,804	3,279,806,762	3,208,469,733
Non-scheduled airline services					
Charter	19,769,542	23,786,343	92,660,666	41,211,976	83,103,776
Hajj	-	-	208,838,304	150,933,872	178,795,362
Sub total	19,769,542	23,786,343	301,498,970	192,145,848	261,899,138
Others					
Aircraft maintenance and overhaul	52,093,936	34,521,173	161,550,939	114,301,915	78,627,738
Airline related	24,830,416	17,964,658	83,372,600	63,864,766	64,882,612
Travel agent	14,348,751	14,282,241	65,450,098	63,837,440	59,013,456
Catering	13,084,046	12,242,734	49,980,099	52,540,747	52,930,165
Groundhandling	9,990,058	9,802,851	45,479,074	38,593,280	36,364,751
Facilities	6,497,864	6,743,195	28,801,899	19,961,047	20,288,685
Information technology	5,711,579	2,412,793	6,353,119	11,741,078	7,126,702
Hotel	4,024,125	4,286,449	19,307,185	17,949,634	17,722,908
Transportation	2,605,082	760,328	6,326,856	3,336,799	3,860,963
Training service	729,972	930,585	4,062,589	3,103,143	1,009,149
Healthcare service	515,908	581,311	2,234,272	2,299,072	2,210,056
Others	306,932	401,423	927,277	440,034	583,689
Sub total	134,738,669	104,929,741	473,846,007	391,968,955	344,620,874
Total	983,006,341	910,832,745	4,177,325,781	3,863,921,565	3,814,989,745

No revenue earned from individual customers exceeded 10% of total operating revenue.

37. FLIGHT OPERATIONS EXPENSES

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Fuel	315,984,555	292,337,518	1,155,456,150	924,651,861	1,049,819,787
Aircraft rental and charter	260,109,253	257,368,148	1,063,517,158	1,011,777,155	904,774,771
Salaries and allowances	45,057,975	46,212,764	185,262,519	186,474,941	143,469,883
Depreciation expenses	16,027,953	13,608,599	56,361,341	61,580,422	67,655,821
Insurance	2,812,747	2,904,651	12,024,762	13,367,140	16,368,474
Employee benefit expenses	1,196,886	921,384	3,221,281	(12,531,805)	5,448,103
Others	456,736	495,834	2,182,764	1,996,549	3,070,443
Total	641,646,105	613,848,898	2,478,025,975	2,187,316,263	2,190,607,282

For the three-month periods ended March 31, 2018 and 2017, and for years ended December 31, 2017, 2016 and 2015, purchases of fuel from related party represents 42%, 42%, 40%, 36% and 42% of total flight operations expense (Note 46).

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38. MAINTENANCE AND OVERHAUL EXPENSES

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Spareparts	33,845,145	28,961,552	112,171,593	100,073,234	77,816,176
Salaries and allowances	22,667,413	17,804,344	87,439,562	78,052,289	61,677,238
Maintenance and overhaul	21,044,623	22,524,550	150,084,047	134,062,106	136,121,654
Depreciation expenses	16,093,254	14,781,025	56,384,495	81,189,075	84,930,777
Rental	3,435,114	3,105,346	12,342,607	13,920,493	5,746,599
Employee benefit expenses	1,273,055	1,355,496	5,674,358	(18,599,295)	6,061,895
Insurance	212,154	398,201	975,141	1,421,081	1,123,329
Fuel	141,038	269,015	839,757	1,383,397	1,187,064
Others	286,346	616,970	3,449,651	1,806,078	1,836,229
Total	<u>98,998,142</u>	<u>89,816,499</u>	<u>429,361,211</u>	<u>393,308,458</u>	<u>376,500,961</u>

39. USER CHARGES AND STATION EXPENSES

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Aircraft and flight services	59,596,792	57,968,863	240,601,918	205,526,225	183,801,835
Groundhandling	24,999,078	23,873,574	102,898,925	85,454,193	82,610,804
Rental	5,986,447	4,108,092	19,445,668	18,416,521	12,536,393
Salaries and allowances	4,178,451	4,261,071	18,005,147	22,733,054	17,044,850
Employee benefit expenses	687,715	862,355	(3,169,303)	(3,736,233)	306,641
Depreciation expenses	582,729	577,104	2,321,815	2,124,666	2,009,723
Others	577,480	455,516	2,546,903	3,528,781	3,570,576
Total	<u>96,608,692</u>	<u>92,106,575</u>	<u>382,651,073</u>	<u>334,047,207</u>	<u>301,880,822</u>

40. TICKETING, SALES AND PROMOTION EXPENSES

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Commissions	33,471,483	33,896,564	150,998,713	131,535,334	127,979,180
Reservations	28,449,572	26,709,958	109,052,493	109,447,446	96,596,550
Salaries and allowances	8,955,229	9,057,062	39,167,718	49,475,801	42,304,171
Promotions	3,262,077	4,944,641	16,994,208	18,263,320	27,107,399
Rental	374,639	400,011	1,634,192	2,311,290	8,615,576
Employee benefit expenses	317,916	382,607	1,267,084	(5,751,370)	1,190,206
Membership dues and subscription	205,969	492,422	2,012,415	2,172,393	1,871,080
Others	958,407	831,671	2,596,351	2,733,518	3,944,119
Total	<u>75,995,292</u>	<u>76,714,936</u>	<u>323,723,174</u>	<u>310,187,732</u>	<u>309,608,281</u>

41. PASSENGER SERVICE EXPENSES

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Passenger services	40,756,673	45,746,287	176,479,859	175,304,944	175,727,444
Salaries and allowances	28,985,855	29,335,125	113,979,712	113,038,839	87,546,996
Employee benefit expenses	757,845	734,657	2,388,896	(7,218,736)	2,366,513
General inventories consumption	343,198	247,993	801,709	1,796,960	2,581,516
Others	1,522,637	736,471	5,323,267	3,367,759	2,527,615
Total	<u>72,366,208</u>	<u>76,800,533</u>	<u>298,973,443</u>	<u>286,289,766</u>	<u>270,750,084</u>

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42. GENERAL AND ADMINISTRATIVE EXPENSES

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Salaries and allowances	23,020,297	27,096,972	109,116,437	100,874,993	84,625,005
Rental	6,876,600	8,691,582	35,909,012	35,244,117	24,914,072
Taxes	4,940,169	5,897,492	24,290,251	22,021,979	26,339,647
Depreciation expenses	4,815,549	4,648,643	18,706,451	19,087,636	20,684,396
Maintenance and repairs	4,452,276	2,638,097	11,677,274	13,646,193	13,806,953
Utilities	3,133,622	3,110,629	12,193,689	10,274,644	13,823,400
Healthcare services	2,308,170	2,479,695	9,980,616	3,204,819	1,180,766
Professional services and training	2,106,831	1,624,541	12,618,256	8,150,991	11,762,399
Insurances	1,408,703	1,377,932	5,847,231	11,431,868	9,557,631
Employee benefit expenses	1,208,235	1,741,792	4,962,084	(15,720,516)	4,331,242
Office supplies	474,698	504,080	2,159,894	2,666,306	3,827,881
Membership dues and subscription	388,453	258,292	791,192	1,010,505	1,095,328
Others	1,776,078	1,914,717	17,556,383	14,904,390	8,958,391
Total	<u>56,909,681</u>	<u>61,984,464</u>	<u>265,808,770</u>	<u>226,797,925</u>	<u>224,907,111</u>

43. OTHER INCOME (CHARGES) – NET

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Gain on sale and leaseback	1,240,759	1,214,633	3,569,434	46,066,303	29,097,083
Recovery of asset (Notes 14 and 17)	-	-	5,973,088	17,857,268	5,413,720
Insurance claim	(605,623)	114,722	1,420,945	4,873,817	3,376,928
Gain on revaluation of investment property (Note 15)	-	-	9,477,707	314,849	28,665,833
Dividend income	496,020	271,379	363,597	291,628	10,787,232
Gain (loss) on disposal of property and equipment and non productive asset (Notes 14 and 17)	(74,660)	(131,667)	(2,377,141)	(593,382)	123,851
Unrecoverable maintenance deposit	-	(6,072)	(19,699)	(18,232,193)	-
Premium on derivative instrument (Note 7)	(25,097)	-	-	-	(10,119,813)
Others - net	<u>(313,470)</u>	<u>(2,145,792)</u>	<u>1,389,365</u>	<u>(297,561)</u>	<u>2,982,804</u>
Total	<u>717,929</u>	<u>(682,797)</u>	<u>19,797,296</u>	<u>50,280,729</u>	<u>70,327,638</u>

44. FINANCE COST

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Interest expense					
Loans from banks	10,869,439	7,307,584	40,101,589	27,135,948	7,639,857
Bonds payable	8,628,275	8,580,264	34,390,010	34,427,723	23,209,439
Long-term loans	2,614,941	4,429,555	14,946,682	15,130,027	23,595,191
Leases	831,185	982,848	3,685,353	4,047,659	4,273,714
Others	2,170,363	1,170,012	6,146,574	8,036,216	5,669,608
Sub total	<u>25,114,203</u>	<u>22,470,263</u>	<u>99,270,208</u>	<u>88,777,573</u>	<u>64,387,809</u>
Other finance cost	<u>(6,394,539)</u>	<u>(1,087,998)</u>	<u>(10,881,968)</u>	<u>(498,909)</u>	<u>4,196,708</u>
Total finance cost	<u>18,719,664</u>	<u>21,382,265</u>	<u>88,388,240</u>	<u>88,278,664</u>	<u>68,584,517</u>

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45. EARNING (LOSS) PER SHARE

Basic earning (loss) per share is calculated by dividing income attributable to parent company owners by the weighted average number of ordinary shares outstanding during the period.

Below is the data used for the computation of basic earnings per share:

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Profit (loss) attributable to owner of the Company	(65,344,370)	(100,641,319)	(216,582,416)	8,069,365	76,480,236
Weighted average number for calculation of basic earning per share	25,886,576,254	25,868,926,633	25,886,576,254	25,868,926,633	25,868,926,633
Earning (loss) per share - basic	<u>(0.00252)</u>	<u>(0.00389)</u>	<u>(0.00837)</u>	<u>0.00031</u>	<u>0.00296</u>

The Company did not compute diluted earnings (loss) per share because the potential ordinary shares (i.e. options) are anti-dilutive.

46. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

i) Nature of relationship

The Government of the Republic of Indonesia represented by Ministry of Finance, is the majority stockholder of the Company.

All entities that are owned and controlled by the Ministry of Finance of the Republic of Indonesia including entities where the Ministry of Finance Republic of Indonesia has significant influence.

All entities that are owned and controlled by PT Chairul Tanjung Corpora ("CT Corp") including entities where CT Corp has significant influence.

Commissioners and directors are key management personnel.

ii) Transactions with Related Parties

In the normal course of business, the Group entered into certain transactions with related parties.

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- a. Details of significant accounts with related parties (government - owned entities unless otherwise indicated) are as follows:

	Total				%to Assets/ Liabilities			
	March 31,	December 31,	December 31,	December 31,	March 31,	December 31,	December 31,	December 31,
	2018 (Unaudited)	2017	2016	2015	2018 (Unaudited)	2017	2016	2015
	USD	USD	USD	USD	USD	USD	USD	USD
Cash and cash equivalents (Note 5)								
PT Bank Rakyat Indonesia (Persero) Tbk	95,393,468	106,494,891	191,650,814	126,861,211				
PT Bank Negara Indonesia (Persero) Tbk	85,165,049	79,582,755	99,173,369	26,124,753				
PT Bank Mandiri (Persero) Tbk	17,921,274	33,375,389	40,085,918	23,563,756				
PT Bank Mega Tbk	4,871,942	4,593,661	18,572,335	90,960,650				
PT Bank Bank Tabungan Negara (Persero) Tbk	1,858,049	1,858,853	1,798	4,543				
PT Bank Syariah Mandiri	501,196	385,581	1,629,035	2,013,201				
PT Bank Negara Indonesia Syariah	132,556	53,801	3,077,529	3,230,055				
PT Bank Rakyat Indonesia Syariah	10,030	4,501	12,547	-				
PT Bank Mega Syariah	-	-	2,158,380	-				
PT Bank Exim Indonesia	-	-	295,549	295,364				
Total	205,853,564	226,349,432	356,657,274	273,053,533	5.21%	6.01%	9.54%	8.25%
Trade accounts receivable (Note 6)								
PT Pos Indonesia	1,075,276	513,280	371,126	572,383				
Sabre Asia Pasific Pte., Ltd.	1,006,292	630,556	534,151	544,607				
PT Jiwasraya	928,413	1,137,216	578,037	710,006				
PT Kereta Api Indonesia	885,759	926,469	43,936	-				
PT PLN (Persero) Tbk	791,189	1,085,140	-	-				
PT Angkasa Pura II	769,097	568,769	171,134	256,939				
PT Bukit Asam (Persero) Tbk	18,240	115,000	372,255	135,069				
Others	2,139,282	2,762,239	1,645,792	99,584				
Total	7,613,548	7,738,669	3,716,431	2,318,588	0.19%	0.21%	0.10%	0.07%
Other receivables (Note 7)								
PT Asuransi Jasa Indonesia (Persero)	6,599,125	6,612,827	6,537,331	6,784,871				
Others	189,799	201,501	291,801	3,398,847				
Total	6,788,924	6,814,328	6,829,132	10,183,718	0.17%	0.18%	0.18%	0.31%
Loans from banks (Note 18)								
PT Bank Rakyat Indonesia (Persero) Tbk	195,966,400	200,864,142	168,755,720	115,515,087				
PT Bank Negara Indonesia (Persero) Tbk	140,279,606	122,069,178	131,455,725	1,436,609				
PT Bank Mandiri (Persero) Tbk	58,653,376	57,746,391	11,164,037	-				
Total	394,899,382	380,679,711	311,375,482	116,951,696	12.81%	13.47%	11.42%	4.96%
Trade accounts payable (Note 19)								
PT Pertamina (Persero)	85,251,920	89,911,451	80,810,262	33,961,968				
Perum LPPNPI	3,580,980	1,766,246	811,695	5,701,917				
PT Jasa Raharja	898,022	1,037,550	1,016,555	584,596				
PT Angkasa Pura II (Persero)	4,693,351	654,455	5,341,541	1,896,574				
PT Angkasa Pura I (Persero)	2,154,498	520,839	2,507,793	1,677,897				
PT Telekomunikasi Indonesia (Persero) Tbk	460,141	208,703	246,686	716,130				
Others	691,746	1,037,383	678,423	424,354				
Total	97,730,658	95,136,627	91,412,955	44,963,436	3.17%	3.37%	3.35%	1.91%
Factoring Payable (Note 20)								
PT Bank Negara Indonesia (Persero) Tbk	29,664,477	-	-	-				
PT Bank Rakyat Indonesia (Persero) Tbk	15,403,295	-	-	-				
Total	45,067,772	-	-	-	1.46%	-	-	-
Long-term loans (Note 24)								
PT Bank Negara Indonesia (Persero) Tbk	62,403,282	67,243,543	91,219,153	44,342,757				
PT Indonesia Infrastructure Indonesia	11,130,638	12,142,515	16,190,019	20,237,524				
PT Bank Rakyat Indonesia (Persero) Tbk	879,616	1,025,982	1,999,107	1,939,833				
Indonesia Eximbank	-	-	8,265,989	24,131,875				
PT Pertamina (Persero)	-	-	-	14,379,163				
PT Angkasa Pura II (Persero)	-	-	-	10,315,531				
PT Angkasa Pura I (Persero)	-	-	-	3,281,668				
Total	74,413,536	80,412,040	117,674,268	118,628,351	2.41%	2.85%	4.31%	5.03%

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- b. Operating expenses from related parties constituted 27.96%, 27.14%, 25.29%, 23.12% and 26.64% of the total operating expenses for the three-month periods ended March 31, 2018 and 2017 and for the years ended December 31, 2017, 2016 and 2015, respectively.

The details of operating expenses from related parties are as follows:

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
PT Pertamina (Persero)	272,694,174	256,575,521	983,087,756	794,721,500	926,804,444
PT Angkasa Pura II (Persero)	9,323,631	6,316,869	28,832,968	22,755,595	31,318,741
PT Angkasa Pura I (Persero)	4,719,385	4,848,696	20,402,500	22,426,276	20,043,077
Perum LPPNPI	9,661,447	10,408,996	39,452,775	37,531,235	16,015,234
Total	296,398,637	278,150,082	1,071,775,999	877,434,606	994,181,496
Percentage of:					
Total operating expense	27.96%	27.14%	25.29%	23.12%	26.64%

- c. The transactions with PT Pertamina (Persero) were related to aircraft fuel purchase mainly for domestic route and certain international route while the transactions, with PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) are related to airport operation and ground handling.
- d. The transaction with PT Asuransi Jasa Indonesia and PT Tugu Pratama Indonesia are related to assets insurance.
- e. Remuneration of Commissioners and Directors

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
Commissioners					
Short term benefits	134,828	155,493	916,816	951,818	525,130
Post employment benefits	27,655	24,238	117,326	90,630	97,967
	162,483	179,731	1,034,142	1,042,448	623,097
Directors					
Short term benefits	368,675	425,554	2,450,127	2,708,814	1,136,019
Post employment benefits	80,583	67,405	324,882	267,312	192,352
	449,258	492,959	2,775,009	2,976,126	1,328,371

47. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

A. Capital management

The Group strives to achieve an optimum capital structure in achieving the business goals, including maintaining a sound capital ratio and a strong credit rating, in order to maximize shareholder value and ensure the Group's business continuity.

The capital structure of the Group consists of debt as disclosed in Notes 18, 23, 24 and 26, cash and cash equivalents, and total equity comprising issued capital, additional paid-in capital, retained earnings (deficit) and non-controlling interest.

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The gearing ratio are as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Debt				
Loan from banks	1,014,754,003	868,378,784	698,011,118	361,254,270
Factoring payable	45,067,772	-	-	-
Long-term loans	107,362,300	124,357,042	194,115,207	236,958,539
Bonds payable	640,373,899	642,027,774	641,041,165	635,947,442
Lease liabilities	77,266,073	80,695,453	160,899,446	121,181,193
Total debt	1,884,824,047	1,715,459,053	1,694,066,936	1,355,341,444
Cash and cash equivalents	305,074,980	306,918,945	578,702,739	519,972,655
Net debt	1,579,749,067	1,408,540,108	1,115,364,197	835,368,789
Equity	869,896,361	937,469,200	1,009,897,219	950,723,185
Net debt to equity ratio	182%	150%	110%	88%
Debt to equity	2.2	1.8	1.7	1.4

The Boards of Commissioners and Directors periodically review the Group's financial performance. As part of this review, the Board of Commissioners and Directors consider the Groups' financial risk exposure.

B. Categories of financial instruments

Classification of the Group's financial assets and liabilities are as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
<u>Financial Assets</u>				
Financial assets, Available for sale				
Other assets	4,036,424	4,447,191	4,317,783	4,032,565
Financial asset, at fair value through profit loss	23,160,645	26,830,643	1,043,700	-
Loan and receivables				
Cash and cash equivalents	305,074,980	306,918,945	578,702,739	519,972,655
Trade accounts receivables	302,683,401	229,250,088	191,295,565	121,527,641
Other receivables	18,082,078	16,162,761	20,129,030	17,581,553
Maintenance reserve fund and security deposits	1,608,821,013	1,506,626,547	1,241,870,703	1,012,753,651
Other assets	12,133,091	12,670,418	8,014,091	12,141,045
Total	2,273,991,632	2,102,906,593	2,045,373,611	1,688,009,110
<u>Financial liabilities</u>				
Financial liabilities, at fair value through profit loss	8,587,310	4,756,268	11,372,690	26,781,283
Amortized cost				
Factoring	45,067,772	-	-	-
Loan from banks	1,014,754,003	868,378,784	698,011,118	361,254,270
Trade payables	244,330,254	224,022,749	220,431,958	149,355,767
Other payable	43,545,295	38,656,545	24,211,019	23,120,667
Accrued expenses	223,279,412	202,761,501	197,983,396	181,042,507
Long-term loans	107,362,300	124,357,042	194,115,207	236,958,539
Lease liabilities	77,266,073	80,695,453	160,899,446	121,181,193
Bonds payable	640,373,899	642,027,774	641,041,165	635,947,442
Total	2,404,566,318	2,185,656,116	2,148,065,999	1,735,641,668

The Group does not have financial assets classified as Held-to-Maturity.

C. Financial risk management policies and objectives

As a Group of companies that operates in the domestic and international aviation industry and other related areas, the Group faces and is strongly affected by various financial risks such as market risk, liquidity risk, and credit risk. The overall risk management approach is to minimize the effect of such risks on the Group's financial performance. The Group's policy is to use derivatives only for hedging purposes.

All financial risk management policies must constantly adhere to the following objectives:

- To protect the Group's net revenue against price changes, and when possible to make use of such price changes as an opportunity to increase profits;
- To achieve or do better than the Group's budget plan;
- To limit to a tolerable level the negative impact of price movements on cash flow and profitability.

The Directors review the financial risk management policies periodically.

Market risk management

The Group is exposed to market risk in particular aircraft fuel price risk, currency exchange rate risk and interest rate.

(i) Aircraft fuel price risk

Aircraft fuel price risk is defined as decline in the value of assets/revenue or increase in the value of liabilities/expenditures caused by changes in the prices of fuel commodities.

Risk exposure and strategy

The Company's exposure to aircraft fuel price risk uses market references with 100% floating prices, with the result that any upward price fluctuations will have a significant impact on achievement of the Company's targets. Aircraft fuel expenditure is a major cost component of the Company's cost structure, as well as the costs of aircraft leasing and maintenance. Fuel cost accounts for around 20% - 30% of the Company's overall operational expense.

Strategy implemented by the Company to minimize the risk of fluctuations in the price increase in the current year is to use cash flow hedge with a hedge instruments "Forward fuel hedge". Such risk is anticipated by monitoring the monthly Mark to Market at maturity date.

Apart from these efforts to reduce price fluctuation risk through hedging transactions, the Company also constantly strives to ensure that costs are controlled by using fuel efficiently in all flight operations through effective and efficient use of alternative aircraft and evaluation of current contracts. These efficiency efforts are set forth in the Company's work programs.

The aircraft fuel price risk sensitivity analysis is based on the assumption that all other factors, such as uplifted volume and other costs, remain constant. The aircraft fuel price risk analysis is based on regular and hajj flight contracts that are still outstanding at reporting date.

If the aircraft fuel price had increased in price of USD 1 per barrel, as the result of change in price of fuel, the profit after tax for three-month periods ended March 31, 2018 and 2017, and for the years ended December 31, 2017, 2016 and 2015 would increased (decreased) by USD 1,979,895, USD 2,580,999, USD 8,523,622, USD 8,358,721, and USD 6,995,579.

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(ii) Non-functional currency exchange rate risk

Non-functional currency exchange rate risk is defined as decline in the value of assets/revenue or increase in the value of liabilities/expenditures caused by fluctuation in non-functional currency exchange rates.

Risk exposure and strategy

As a world-class airline, the Group requires significant amounts of funds, expenses and investment, involving both domestic and foreign customers and creditors, with situations in which transactions are denominated in certain currencies (transactions per currency). Movements in the non-functional exchange rate against other currencies strongly affect the consolidated financial statements.

The policy currently applied in connection with exchange rate risk is natural hedging, as follows:

- The Group entered Cross Currency Interest Rates Swap (CCIRS) transaction to minimize the possible risk of weakening value of the functional currency.
- The Group takes advantage of opportunities in the market prices of other currencies (multi-currency) to cover possible risk of weakening value of the functional currency, and vice versa; thus, in a natural way, the risks of non-functional currency exchange rate movements will be mutually eliminated or reduced. Currency transactions are always done with consideration to the exchange rate favorable to the Group.
- The Group helps manage the risk by matching receipt and payment in each individual currency.

Details of monetary assets and liabilities exposed to foreign exchange risk are set forth in Note 52.

The following is the sensitivity to a 100 basis point change in exchange rate of functional currency of U.S. Dollar against significant outstanding non-functional currency as of March 31, 2018 and 2017, December 31, 2017, 2016 and 2015, with other variables held constant, of the Group's profit after tax. The 100 basis point is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 100 basis point change in foreign currency rates.

		Effect on profit after tax				
		2018	2017			
Changes in		(Three months)	(Three months)	2017	2016	2015
currency rate		(Unaudited)	(Unaudited)	(One year)	(One year)	(One year)
		USD	USD	USD	USD	USD
Otherfunctional						
currency rates						
Strengthening						
(weakening)						
Rupiah	100 bp	(2,080,638)	(1,637,667)	(762,032)	(1,123,956)	2,964,297
Yen	100 bp	49,721	72,477	29,575	58,015	(55,727)
AUD	100 bp	11,910	98,975	3,883	54,994	(48,894)

(iii) Interest rate risk

Interest rate risk is defined as decline in value of assets/revenue or increase in value of liabilities/expenditures caused by changes in interest rates.

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Risk exposure and strategy

The Group earnings are affected by changes in interest rate, such as changes on interest of short-term and long-term borrowings, including interest payments for aircraft leasing.

The interest rate references used are floating, i.e. LIBOR for USD loans and the average interest of government banks for loans in Rupiah. Interest rate movements strongly affect the total amount of interest expense that must be paid by the Group.

The Group's policy regarding interest rate risk is to manage exposure in loans with floating interest rates through an interest rate hedging strategy. As of March 31, 2018, the Company uses interest rate swap in several transactions.

The Group's financial liabilities that are exposed to interest rate risk are included in the liquidity table in section iv below.

The sensitivity analysis below had been determined based on the exposure of the financial liabilities to floating interest rates as of March 31, 2018 and 2017, December 31, 2017, 2016 and 2015. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period, with other variables held constant, of the Group's profit after tax.

		Effect on profit after tax				
		2018	2017			
Changes in interest rate		(Three months)	(Three months)	2017	2016	2015
		(Unaudited)	(Unaudited)	(One year)	(One year)	(One year)
		USD	USD	USD	USD	USD
Interest rate						
Strengthening						
(weakening)						
LIBOR	1%	13,753	(25,977)	(19,071)	(63,325)	213,844
SBI	0.5%	28,729	(35,602)	(36,109)	(52,804)	279,718

(iv) Liquidity risk

Liquidity risk is defined as the Group's inability to fulfill its financial liabilities, which in turn makes the Group unable to take advantage of investment opportunities or unable to meet its short-term financial liabilities, ultimately leading to default, excessive borrowing, or unfavorable interest rates.

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents that is considered adequate to finance the Group's operations and to overcome the impact of cash flow fluctuations.

The Group also routinely evaluates the projected and actual cash flow, including scheduled maturity of long-term debts, and continually reviews conditions in the financial markets to take initiatives to seek funds for working capital. This activity may include obtaining bank loans.

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The following table represents the liquidity analysis of financial instruments as of March 31, 2018, December 31, 2017, 2016 and 2015 based on exposure on due date on undiscounted contractual maturities for all non-derivative financial assets and liabilities. The contractual maturity is based on the earliest date on which the Group may be required to pay:

March 31, 2018 (Unaudited)					
	Weighted average effective interest rate	Within one year	Over one year but longer than five years	Over than five years	Total
	%	USD	USD	USD	USD
Financial Assets					
Non-interest bearing					
Cash and cash equivalents	-	3,926,331	-	-	3,926,331
Account receivables	-	302,683,401	-	-	302,683,401
Others receivables	-	18,082,078	-	-	18,082,078
Maintenance reserved fund and security deposits	-	475,934,101	831,051,174	301,835,738	1,608,821,013
Other Assets	-	12,133,091	-	-	12,133,091
Variable interest rate					
Cash and cash equivalents	0,08% - 1,9%	281,078,896	-	-	281,078,896
Fixed interest rate					
Cash and cash equivalents	2,00% - 7,25%	17,936,181	269,290	3,901,547	22,107,018
Total		1,111,774,079	831,320,464	305,737,285	2,248,831,828
Financial Liabilities					
Non-interest bearing					
Trade payables	-	244,330,254	-	-	244,330,254
Other payables	-	43,545,295	-	-	43,545,295
Accrued expenses	-	223,279,412	-	-	223,279,412
Factoring Payable	-	45,067,772	-	-	-
Variable interest rate					
Long-term loans	5,06% - 11,00%	56,995,316	47,531,825	10,143,510	114,670,651
Lease liabilities	3,90% - 4,05%	5,710,901	21,929,299	4,561,775	32,201,975
Loans from banks	5,06% - 11,00%	38,076,663	-	-	38,076,663
Fixed interest rate					
Long-term loans	6,00%	784,199	2,809,437	1,625,987	5,219,623
Lease liabilities	4,22% - 4,42%	11,443,525	42,789,785	700,568	54,933,878
Loans from banks	3,33% - 8,25%	988,058,797	-	-	988,058,797
Bonds	5,95% - 9,25%	151,870,124	539,853,113	-	691,723,237
Total		1,809,162,258	654,913,459	17,031,840	2,436,039,785

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December 31, 2017					
	Weighted average effective interest rate %	Within one year USD	Over one year but longer than five years USD	Over than five years USD	Total USD
Financial Assets					
Non-interest bearing					
Cash and cash equivalents	-	3,115,559	-	-	3,115,559
Account receivables	-	229,250,088	-	-	229,250,088
Others receivables	-	16,162,761	-	-	16,162,761
Maintenance reserved fund and security deposits	-	413,904,612	794,362,216	298,359,719	1,506,626,547
Other Assets	-	12,670,418	-	-	12,670,418
Variable interest rate					
Cash and cash equivalents	0,08% - 1,9%	223,577,631	-	-	223,577,631
Fixed interest rate					
Cash and cash equivalents	1,5% - 7,25%	80,189,253	-	-	80,189,253
Total		978,870,322	794,362,216	298,359,719	2,071,592,257
Financial Liabilities					
Non-interest bearing					
Trade payables	-	224,022,749	-	-	224,022,749
Other payables	-	38,656,545	-	-	38,656,545
Accrued expenses	-	202,761,501	-	-	202,761,501
Variable interest rate					
Long-term loans	4,40% - 11,00%	69,167,928	51,862,288	11,044,079	132,074,295
Lease liabilities	3,09% - 4,05%	5,567,194	26,209,421	1,283,658	33,060,273
Loans from banks	4,40% - 11,00%	19,205,869	-	-	19,205,869
Fixed interest rate					
Long-term loans	6,00%	792,383	2,842,173	1,786,231	5,420,787
Lease liabilities	4,22% - 11,5%	11,483,540	46,350,491	-	57,834,031
Loans from banks	2,92% - 8,25%	867,381,620	-	-	867,381,620
Bonds	5,95% - 9,25%	187,311,572	539,332,567	-	726,644,139
Total		1,626,350,901	666,596,940	14,113,968	2,307,061,809
December 31, 2016					
	Weighted average effective interest rate %	Within one year USD	Over one year but longer than five years USD	Over than five years USD	Total USD
Financial Assets					
Non-interest bearing					
Cash and cash equivalents	-	15,288,110	-	-	15,288,110
Account receivables	-	191,295,565	-	-	191,295,565
Others receivables	-	20,129,030	-	-	20,129,030
Maintenance reserved fund and security deposits	-	189,112,314	687,784,054	364,974,335	1,241,870,703
Other assets	-	8,014,091	-	-	8,014,091
Variable interest rate					
Cash and cash equivalents	0,05% - 2,00%	315,876,140	-	-	315,876,140
Fixed interest rate					
Cash and cash equivalents	0,75% - 9,25%	248,738,613	-	-	248,738,613
Total		988,453,863	687,784,054	364,974,335	2,041,212,252
Financial Liabilities					
Non-interest bearing					
Trade payables	-	220,431,958	-	-	220,431,958
Other payables	-	24,211,019	-	-	24,211,019
Accrued expenses	-	197,983,396	-	-	197,983,396
Variable interest rate					
Long-term loans	8,75% - 13,00%	62,827,287	126,311,533	15,158,403	204,297,223
Lease liabilities	3,09% - 3,28%	5,414,556	21,326,788	11,069,869	37,811,213
Loans from banks	2,5% - 13,00%	36,034,736	-	-	36,034,736
Fixed interest rate					
Long-term loans	6,00% - 8,75%	9,565,036	3,510,234	2,822,010	15,897,280
Lease liabilities	4,22% - 12,25%	21,238,897	84,889,933	33,758,637	139,887,467
Loans from banks and financial institution	2,36% - 8,50%	673,699,131	-	-	673,699,131
Bonds	5,95% - 9,25%	43,518,979	725,742,899	-	769,261,878
Total		1,294,924,995	961,781,387	62,808,919	2,319,515,301

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	December 31, 2015				
	Weighted average effective interest rate	Within one year	Over one year but longer than five years	Over than five years	Total
	%	USD	USD	USD	USD
Financial Assets					
Non-interest bearing					
Cash and cash equivalents	-	2,240,267	-	-	2,240,267
Account receivables	-	12,527,641	-	-	12,527,641
Others receivables	-	16,749,926	-	-	16,749,926
Maintenance reserved fund and security deposits	-	117,923,352	583,934,720	310,895,579	1,012,753,651
Other assets	-	12,412,045	-	-	12,412,045
Variable interest rate					
Cash and cash equivalents	0,1% - 9,5%	35,107,550	-	-	35,107,550
Others receivables	0,1% - 11%	831,627	-	-	831,627
Fixed interest rate					
Cash and cash equivalents	0,75% - 10,25%	180,944,250	-	-	180,944,250
Total		803,704,658	583,934,720	310,895,579	1,698,534,957
Financial Liabilities					
Non-interest bearing					
Trade payables	-	149,355,767	-	-	149,355,767
Other payables	-	23,120,667	-	-	23,120,667
Accrued expenses	-	18,042,507	-	-	18,042,507
Variable interest rate					
Long-term loans	1,14% - 14,25%	101,618,742	129,085,531	22,153,530	252,857,803
Lease liabilities	2,66% - 2,67%	5,307,518	21,072,556	16,244,250	42,624,324
Loans from banks and financial institution	2,32% - 13%	132,655,877	-	-	132,655,877
Fixed interest rate					
Long-term loans	5% - 13%	21,209,642	8,331,187	-	29,540,829
Lease liabilities	4,22% - 11,25%	13,463,904	52,409,186	33,224,391	99,097,481
Loans from banks and financial institution	2,25% - 11,30%	234,494,156	-	-	234,494,156
Bonds	5,95% - 9,25%	43,160,656	763,541,090	-	806,701,746
Total		905,429,436	974,439,550	71,622,171	1,951,491,157

Financing facilities

The Group obtained financing facilities from banks and other financial institution for the Group's operational and working capital activities as described in Notes 18, 24 and 25.

Below is the Group's composition of financing facilities as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Unsecured financing facilities:				
- Amount used	762,059,088	908,095,757	1,595,039,344	1,284,051,629
- Amount unused	233,623,232	237,890,662	242,386,367	1,640,862,077
Total	995,682,320	1,145,986,419	1,837,425,711	2,924,913,706
Secured bank facilities:				
- Amount used	85,832,662	90,798,468	99,027,592	71,289,812
- Amount unused	51,284,236	47,217,676	12,069,406	40,898,909
Total	137,116,898	138,016,144	111,096,998	112,188,721

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(v) Credit risk

The credit risk faced by the Group is the risk of inability of debtors to fulfill their financial obligations in accordance with the terms of the agreement.

This exposure derives mainly from:

- risk of customers failing to fulfill their obligations,
- risk that funds or financial instruments are not transferred by counterparties.

In most cases, sales of passenger ticket and cargo are handled by agents under the influence and auspices of IATA. These agents are connected with a clearing system for every country for settlement of passage or cargo sales. Individual agents are audited by certain clearing houses.

The credit risk from sales agents is relatively low; except when the contract that serves as the basis for payment stipulates otherwise, claims and liabilities incurred between airlines are normally settled bilaterally or through the IATA Clearing House. Settlement is mainly done by periodically offsetting payables and receivables, which significantly reduces the risk of failure to pay.

Transaction counterpart credit risk from investments and derivative financial instruments, arising from failure to make payments as per the contract, is relatively low because such transactions are only conducted with parties with a high credit rating.

The Group enters into business relationships only with credible third parties. All transaction counterparts must be approved in advance by the management before an agreement is made. Restrictions on transaction counterparts (amounts and periods of loans) must be stipulated for each transaction counterpart and are reviewed annually by the management. In addition, the outstanding receivables are continually monitored to reduce exposure to bad debts.

The carrying amount of financial assets recorded in the consolidated financial statements, net any of allowance for losses represents the maximum credit risk exposure at the reporting date as follows:

	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Cash and cash equivalents	305,074,980	306,918,945	578,702,739	519,972,655
Trade receivable	302,683,401	229,250,088	191,295,565	121,527,641
Other receivable	41,242,723	42,993,404	21,172,730	17,581,553
Maintenance reserve fund and security deposits	1,608,821,013	1,506,626,547	1,241,870,703	1,012,753,651
Other assets	12,133,091	12,670,418	8,014,091	12,141,045
Total	2,269,955,208	2,098,459,402	2,041,055,828	1,683,976,545

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

D. Fair Value Estimation of Financial Instruments

Fair value of financial instruments recorded as amortized cost

Except as detailed in the table below, management considers that the carrying amount of financial assets and liabilities recorded in consolidated financial statements approximately agreed the fair value.

	March 31, 2018		December 31, 2017	
	Carrying amount USD	Fair value USD	Carrying amount USD	Fair value USD
Maintenance reserve fund and security deposit	1,608,821,013	1,582,720,620	1,506,626,547	1,486,925,148
Long-term loans	107,362,300	106,819,376	124,357,042	123,665,769
Lease liabilities	77,266,073	77,334,246	80,695,453	80,713,239
Bonds payable	640,373,899	644,713,102	642,027,774	648,099,943

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	December 31, 2016		December 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	USD	USD	USD	USD
Maintenance reserve fund and security deposit	1,241,870,703	1,206,703,120	1,012,753,651	1,052,168,920
Long-term loans	194,115,207	192,491,191	236,958,539	234,103,290
Lease liabilities	160,899,446	154,655,221	121,181,193	120,338,230
Bonds payable	641,041,165	650,006,715	635,947,442	617,160,706

	Fair value hierarchy as of March 31, 2018		
	Level 1	Level 2	Level 3
Maintenance reserve fund and security deposits	-	✓	-
Long-term loans	-	✓	-
Lease liabilities	-	✓	-
Bonds payable	-	✓	-

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves with matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Specifically, significant assumptions used in determining the fair value of the following financial liabilities are set out below:

Maintenance Reserve Fund and Securities Deposit

The fair value of maintenance reserve of fund and securities deposit as of March 31, 2018, December 31, 2017, 2016 and 2015, are estimated to be USD 1,582,720,620, USD 1,486,925,148, USD 1,206,703,120 and USD 1,052,168,920, respectively, using market rate estimated at 0.56% - 3.02% by Reuters.

Long-term loans

The fair value of long-term loan as at March 31, 2018, December 31, 2017, 2016 and 2015 are estimated to be USD 106,819,376, USD 123,665,769, USD 192,491,191 and USD 234,103,290, respectively, using the discount rate are estimated at 3.04% - 5.81% in USD and 7.65% - 11.98% in Rupiah.

Lease liabilities

The fair value of lease liabilities as at March 31, 2018, December 31, 2017, 2016 and 2015 are estimated to be USD 77,334,246, USD 80,713,239, USD 154,655,221 and USD 120,338,230, respectively, using 2.75% - 5.58% discount rates and interest Libor 3 months.

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Bonds payable

The fair value of bonds payable as at March 31, 2018, December 31, 2017, 2016 and 2015 are estimated to be USD 644,713,102, USD 648,099,943, USD 650,006,715 and USD 617,160,706, respectively, using the market interest rate of 8.25% - 13.25% by Indonesian Government Bond Yield Curve and 5.31% - 6.31% by Bloomberg.

48. DERIVATIVE FINANCIAL INSTRUMENTS

The Company signed Cross Currency Interest Rate Swap (CCIRS) contracts with several banks in Indonesia. These CCIRS are designated to mitigate the variability in functional currency equivalent cash flows associated with Indonesia Eximbank loans, bond, and some short-term loans denominated in Rupiah currency due to changes in forward rates.

During the effective period of the contracts, on each date of payment of principal and interest, the Company will receive fixed interest rate per annum of the outstanding notional amount of IDR and pay fixed rate per annum on a notional amount of USD.

The Company also entered into a cash flow hedge to mitigate the risk of fuel price fluctuation on regular and Hajj flights. The hedging subject is the jet fuel price during the period and the Hedging instruments used by the Company is forward.

In addition, the Company also conduct Forward Forex for its cash flow hedge in order to comply with Bank Indonesia Regulation (PBI No 16/21/PBI/2014 about KPPK) concerning fulfillment of hedging for transaction in non-IDR currency.

	Amount Notional		Period		March 31, 2018 (Unaudited) (Payables) Receivables
	IDR	USD	Start	End	
Derivative Assets					
<u>Forward</u>					
Fuel Hedge					
Goldman Sachs		55,962,500	May 17, 2017	Jan 31, 2019	4,544,500
Engie Global Markets		64,723,100	Jun 22, 2017	Dec 31, 2018	11,847,900
British Petroleum		45,925,000	May 17, 2017	Dec 31, 2018	2,613,000
CIMB Bank Berhad		13,753,000	Aug 31, 2017	Jul 31, 2018	2,389,000
HSBC		6,456,000	Apr 26, 2017	Apr 30, 2018	1,756,000
Morgan Stanley		23,662,000	Jan 12, 2018	Oct 31, 2018	413,000
National Bank of Abu Dhabi		30,613,000	Jan 17, 2018	Feb 28, 2019	1,381,000
World Fuel Services Singapore		7,837,000	Jan 12, 2018	Nov 30, 2018	125,000
<u>Option</u>					
Forex Hedge					
Bank CIMB	3,900,000,000,000	260,000,000	Mar 29, 2018	Apr 4, 2018	10,050
Bank Rakyat Indonesia	3,000,000,000,000	200,000,000	Mar 29, 2018	Apr 4, 2018	10,052
Bank Mandiri	750,000,000,000	50,000,000	Mar 29, 2018	Apr 4, 2018	2,513
Bank ANZ	615,000,000,000	41,000,000	Mar 29, 2018	Jul 2, 2018	61,984
Standard Charter bank	615,000,000,000	41,000,000	Mar 29, 2018	Jul 2, 2018	57,846
Total					<u>25,211,845</u>

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	Amount Notional		Period		December 31, 2017 (Payables) Receivables
	IDR	USD	Start	End	
Derivative Assets					
<u>Forward</u>					
Fuel Hedge					
Goldman Sachs		22,557,500	Jan 31, 2017	May 31, 2018	4,875,500
Engie Global Markets		47,758,500	Jan 31, 2017	Oct 31, 2018	10,212,000
British Petroleum		31,941,000	Mar 13, 2017	Apr 30, 2018	7,418,000
CIMB Bank Berhad		12,648,000	Mar 13, 2017	Jul 31, 2018	2,939,000
HSBC		6,456,000	Apr 26, 2017	Apr 30, 2018	1,360,000
<u>Option</u>					
Forex Hedge					
Bank Mandiri	1,540,000,000,000	110,000,000	Dec 28, 2017	Jan,8, 2018	11,656
Bank CIMB	1,190,000,000,000	85,000,000	Dec 28, 2017	Jan,8, 2018	8,156
Bank Rakyat Indonesia	1,190,000,000,000	85,000,000	Dec 28, 2017	Jan,8, 2018	6,331
Total					26,830,643

	Amount		Interest rate		Period		December 31, 2016
	Notional				Period		(Payables)
	IDR	USD	IDR	USD	Start	End	Receivables
Derivative Assets							
<u>Cross Currency Interest Rate</u>							
<u>Swap</u>							
Standard Chartered Bank	238,000,724,886	17,547,794	8.00%	2.10%	Nov 30, 2016	Apr 5, 2017	286,179
	248,641,613,325	18,332,346	8.00%	2.05%	Nov 30, 2016	Apr 19, 2017	301,304
CIM B Niaga	279,606,881,931	20,615,416	8.00%	2.00%	Nov 30, 2016	May 2, 2017	302,468
Bank Permata	83,474,109,328	6,154,546	8.25%	2.30%	Nov 30, 2016	Apr 24, 2017	88,247
	77,889,096,607	5,742,763	8.25%	3.05%	Nov 30, 2016	Jan 10, 2017	65,502
Total							1,043,700

	Amount		Interest rate		Period		March 31, 2018
	Notional						(Unaudited)
	IDR	USD	IDR	USD	Start	End	(Payables)
							Receivables
Derivative Liabilities							
<u>Cross Currency interest Rate</u>							
<u>Swap</u>							
Bank Negara Indonesia	250,000,000,000	19,828,680	9.25%	3.20%	Jan 13, 2015	Jul 5, 2018	(1289,616)
CIMB Niaga	500,000,000,000	39,657,360	9.25%	2.89%	Jan 13, 2015	Jul 5, 2018	(2,495,130)
	359,813,870,579	26,331,055	8.00%	4.62%	Feb 26, 2018	Apr 30, 2018	(98,960)
Standard Chartered Bank	250,000,000,000	19,828,680	9.25%	3.20%	Jan 13, 2015	Jul 5, 2018	(1218,306)
	150,000,000,000	11,538,462	9.25%	2.95%	Apr 5, 2015	Jul 5, 2018	(354,288)
ANZ Bank Indonesia	150,000,000,000	11,538,462	9.25%	2.94%	Apr 5, 2015	Jul 5, 2018	(385,099)
	210,730,685,904	15,421,199	8.00%	4.75%	Feb 26, 2018	Jun 26, 2018	(55,261)
Bank Mega	300,000,000,000	23,076,923	9.25%	2.90%	Apr 5, 2015	Jul 5, 2018	(796,678)
Maybank Indonesia	400,000,000,000	30,769,231	9.25%	2.90%	Apr 5, 2015	Jul 5, 2018	(1,040,906)
Bank Mandiri	155,560,758,464	11,383,883	8.00%	4.61%	Feb 22, 2018	May 18, 2018	(82,008)
	317,882,344,205	23,262,521	8.00%	4.33%	Feb 22, 2018	May 30, 2018	(158,071)
	375,253,106,374	27,460,893	8.00%	4.34%	Feb 22, 2018	Jun 8, 2018	(183,584)
	189,787,318,557	13,888,571	8.00%	4.30%	Feb 22, 2018	Apr 26, 2018	(97,324)
	304,765,102,196	22,302,605	8.00%	4.36%	Feb 22, 2018	Apr 24, 2018	(157,953)
	148,385,260,138	10,858,782	8.00%	4.34%	Feb 22, 2018	May 24, 2018	(74,181)
	130,545,197,701	9,553,253	8.25%	4.54%	Feb 22, 2018	Jun 20, 2018	(59,771)
Bank Rakyat Indonesia	80,681,526,097	5,904,246	8.00%	4.32%	Feb 26, 2018	Apr 25, 2018	(40,174)
Total							(8,587,310)

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	Amount		Interest rate		Period		December 31, 2017
	Notional						(Payables)
	IDR	USD	IDR	USD	Start	End	Receivables
Derivative Liabilities							
<u>Cross Currency interest Rate</u>							
<u>Swap</u>							
Bank Negara Indonesia	250,000,000,000	19,828,680	9.25%	3.20%	Jan 13, 2015	Jul 5, 2018	(983,720)
CIMB Niaga	500,000,000,000	39,657,360	9.25%	2.89%	Jan 13, 2015	Jul 5, 2018	(1,765,262)
Standard Chartered Bank	250,000,000,000	19,828,680	9.25%	3.20%	Jan 13, 2015	Jul 5, 2018	(908,064)
	150,000,000,000	11,538,462	9.25%	2.95%	Apr 5, 2015	Jul 5, 2018	(159,150)
ANZ Bank Indonesia	150,000,000,000	11,538,462	9.25%	2.94%	Apr 5, 2015	Jul 5, 2018	(159,701)
Bank Mega	300,000,000,000	23,076,923	9.25%	2.90%	Apr 5, 2015	Jul 5, 2018	(340,406)
Maybank Indonesia	400,000,000,000	30,769,231	9.25%	2.90%	Apr 5, 2015	Jul 5, 2018	(439,965)
Total							(4,756,268)

	Amount		Interest rate		Period		December 31, 2016/
	Notional						(Payables)
	IDR	USD	IDR	USD	Start	End	Receivables
Derivative Liabilities							
<u>Cross Currency interest Rate</u>							
<u>Swap</u>							
Bank Negara Indonesia	500,000,000,000	43,241,373	9.50%	2.58%	May 9, 2014	May 9, 2017	(1,308,471)
	250,000,000,000	19,828,680	9.25%	3.20%	Jan 13, 2015	Jul 5, 2018	(1,199,415)
Standard Chartered Bank	250,000,000,000	19,828,680	9.25%	3.20%	Jan 13, 2015	Jul 5, 2018	(1,114,589)
	150,000,000,000	11,538,462	9.25%	2.95%	Apr 5, 2015	Jul 5, 2018	(247,036)
	141,344,426,318	10,912,942	8.25%	2.10%	Sep 29, 2016	Mar 15, 2017	(212,147)
	166,099,099,252	12,824,205	8.25%	2.09%	Sep 29, 2016	Mar 24, 2017	(246,051)
	75,542,058,925	5,622,362	8.00%	2.52%	Dec 30, 2016	May 19, 2017	(19,590)
	88,453,538,142	6,583,324	8.00%	2.50%	Dec 30, 2016	May 26, 2017	(24,820)
	233,999,373,824	17,415,851	8.00%	2.50%	Dec 30, 2016	May 26, 2017	(65,659)
CIMB Niaga	500,000,000,000	39,657,360	9.25%	2.89%	Jan 13, 2015	Jul 5, 2018	(1,994,124)
	285,930,777,743	22,076,187	8.25%	2.10%	Sep 29, 2016	Mar 24, 2017	(478,446)
Bank Mega	300,000,000,000	23,076,923	9.25%	2.90%	Apr 5, 2015	Jul 5, 2018	(486,862)
	154,404,038,583	11,921,251	8.25%	2.17%	Sep 29, 2016	Feb 15, 2017	(285,806)
Maybank Indonesia	400,000,000,000	30,769,231	9.25%	2.90%	Apr 5, 2015	Jul 5, 2018	(617,852)
ANZ Bank Indonesia	150,000,000,000	11,538,462	9.25%	2.94%	Apr 5, 2015	Jul 5, 2018	(221,769)
Bank Rakyat Indonesia	273,790,096,406	21,138,828	8.25%	2.09%	Sep 29, 2016	Jan 21, 2017	(820,174)
	100,841,169,956	7,785,761	8.25%	2.17%	Sep 29, 2016	Jan 23, 2017	(303,021)
	225,848,150,428	17,437,319	8.25%	2.22%	Sep 29, 2016	Jan 31, 2017	(682,483)
	266,949,992,244	20,610,716	8.25%	2.23%	Sep 29, 2016	Feb 4, 2017	(808,513)
	235,281,437,368	17,511,271	8.00%	2.51%	Dec 30, 2016	May 12, 2017	(80,012)
<u>Forward</u>							
<u>Forex Hedge</u>							
Bank Negara Indonesia	485,100,000,000	36,000,000			Dec 29, 2016	Jan 4, 2017	(104,495)
Bank Rakyat Indonesia	202,230,000,000	15,000,000			Dec 29, 2016	Jan 10, 2017	(51,355)
Total							(11,372,690)

	Amount		Interest rate		Period		December 31, 2015
	Notional						(Payables)
	IDR	USD	IDR	USD	Start	End	Receivables
Derivative Liabilities							
<u>Cross Currency interest Rate</u>							
<u>Swap</u>							
Standard Chartered Bank	250,000,000,000	19,828,680	9.25%	3.20%	January 13, 2015	July 5, 2018	(3,116,601)
	150,000,000,000	11,538,462	9.25%	2.95%	April 15, 2015	July 5, 2018	(1,423,128)
CIMB Niaga	500,000,000,000	39,657,360	9.25%	2.89%	January 13, 2015	July 5, 2018	(5,928,827)
Bank Negara Indonesia	500,000,000,000	43,241,373	9.50%	2.58%	May 9, 2014	May 9, 2017	(5,201,246)
	250,000,000,000	19,828,680	9.25%	3.20%	January 13, 2015	July 5, 2018	(3,116,601)
Bank Mega	300,000,000,000	23,076,923	9.25%	2.90%	April 15, 2015	July 5, 2018	(2,817,689)
Bank Internasional Indonesia	400,000,000,000	30,769,231	9.25%	2.90%	April 15, 2015	July 5, 2018	(3,756,919)
ANZ Bank Indonesia	150,000,000,000	11,538,462	9.25%	2.94%	April 15, 2015	July 5, 2018	(1,420,272)
Total							(26,781,283)

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49. OPERATING LEASE AGREEMENTS

The Group entered into the following operating lease agreements:

1. Aircraft

Lessors	Leased Assets	Year of Maturity
RISE Aviation 3 (Ireland) Limited	1Boeing 737-800	2022
GECAS (France) SARL	1Boeing 737-800	2023
Einn Volant Aircraft Leasing Ireland 2 Limited	2 Boeing 737-800	2026
LAF Leasing Ireland 4 Limited	2 Boeing 737-800	2025
Celestial EX- IM Trading 5 Limited	2 Boeing 737-800	2023
Komerstone Airlease No. 1 Limited	1Boeing 737-800	2025
Komerstone Airlease No. 1 Limited	1Boeing 737-800	2026
Aptree Aviation Trading 3 Co	2 Boeing 737-800	2022
Int'l Lease Finance Corporation (ILFC)	1Boeing 737-800	2026
Falcon Aerospace France 1 SARL	1Boeing 737-800	2021
Falcon Aerospace France 2 SARL	1Boeing 737-800	2021
Falcon Aerospace France 3 SARL	1Boeing 737-800	2021
MSN 30157 Leasing France SARL	1Boeing 737-800	2021
MSN 30140 Leasing France SARL	1Boeing 737-800	2021
MSN 30141 Leasing France SARL	1Boeing 737-800	2022
MSN 30142 Leasing France SARL	1Boeing 737-800	2022
MSN 30143 Leasing France SARL	1Boeing 737-800	2022
BANK OF UTAH	2 Boeing 737-800	2020
BBAM Aircraft Holding 121 SARL	1Boeing 737-800	2020
BBAM Aircraft Holding 122 SARL	1Boeing 737-800	2020
CIT Aerospace International (France) SARL	1Boeing 737-800	2022
La Victoire 3 Holding SARL	1Boeing 737-800	2021
Centennial Aviation (France) 2, SARL	1Airbus 330-200	2020
	1Airbus 330-200	2021
MITSUBISHI France S.A.S	1Boeing 737-800	2022
FLY 30144 LEASING SARL	1Boeing 737-800	2022
FLY 30145 LEASING SARL	1Boeing 737-800	2022
PEMBROKE LEASE FRANCE SAS	1Boeing 737-800	2023
	2 Boeing 737-800	2022
	4 Boeing 737-800	2020
	1Boeing 737-800	2021
Fuyo Aviation France I SARL	1Boeing 737-800	2022
Chishima Real Estate Co. Ltd.	1Boeing 737-800	2026
ICIL Paris (A Limited Liability Company)	1Boeing 737-800	2022
BBAM Aircraft Holding 129 SARL	1Boeing 737-800	2022
BBAM Aircraft Holding 130 SARL	1Boeing 737-800	2022
AWAS 1214 S.A.R.L.	1Airbus 330-200	2021
AWAS 29928 SARL	1Boeing 737-800	2020
AWAS 29929 SARL	1Boeing 737-800	2021
AWAS (France) Two SARL	1Boeing 737-800	2023
MASC France SARL	1Boeing 737-800	2023
ALC A332 1288, LCC	1Airbus 330-200	2024
Jakarta Aircraft Leasing (Ireland) Limited	1Airbus 330-200	2024
Nordic Aviation Leasing Seven Pte Ltd	2 Bombardier CRJ- 1000	2024
	5 Bombardier CRJ- 1000	2025
	2 Bombardier CRJ- 1000	2026
	3 Bombardier CRJ- 1000	2027
Nordic Aviation Leasing Eleven Pte.	2 ATR 72-600	2025
	5 ATR 72-600	2026
Nordic Aviation Leasing Sixteen Pte. Ltd	4 ATR 72-600	2027
NAC Aviation 8 Ltd	1ATR 72-600	2028

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Lessors	Leased Assets	Year of Maturity
Nordic Aviation Leasing Eighteen Pte Ltd.	1ATR 72-600	2028
Sensyo & Co	1Boeing 737-800	2025
SMBC Aviation Capital Paris Leasing 1SARL	2 Boeing 737-800	2026
	2 Boeing 737-800	2027
Helice Leasing SAS	1Boeing 737-800	2025
Atterissage Leasing SAS	1Boeing 737-800	2025
ACG ACQUISITION 39891LLC	1Boeing 737-800	2026
ACG ACQUISITION 40547 LLC	1Boeing 737-800	2026
Salwa Aircraft Leasing (One) Limited	2 Boeing 777-300	2025
Surabaya Aircraft Leasing (Ireland) Limited	1Airbus 330-300	2025
Sailes 4, LLC	1Boeing 777-300	2025
Sailes 4- 2, LLC	1Boeing 777-300	2025
ALC B738 41310, LLC	1Boeing 737-800	2025
ALC B738 41312, LLC	1Boeing 737-800	2025
CMIG Aircraft Leasing Seven Ireland Limited	1Airbus 330-200	2025
Avolon Aerospace France 7 SAS	1Boeing 737-800	2022
Avolon Aerospace (Ireland) AOE 42 Limited	1Boeing 737-800	2023
Denpasar Aircraft Leasing (Ireland) Limited	1Airbus 330-200	2025
Sky High XXIX Leasing Company Limited	2 Boeing 777-300	2026
Sky High XXX Leasing Company Limited	3 Boeing 777-300	2027
Sky High LVI Leasing Company Limited	1Boeing 777-300	2028
GRENOBLE LOCATION S.A.R.L.	1Boeing 737-800	2026
Avolon Aerospace AOE 86 Limited	1Airbus 330-300	2026
Calais Location S.A.R.L.	1Boeing 737-800	2026
Avolon Aerospace AOE 87 Limited	1Airbus 330-300	2026
ALC B738 41322, LLC	1Boeing 737-800	2026
Nancy Location S.A.R.L.	1Boeing 737-800	2026
JSA Aircraft 1577, LLC	1Airbus 330-300	2026
Orix Aviation Systems Ltd.	1Airbus 330-300	2026
Chishima Real Estate Co. Ltd.	1Boeing 737-800	2025
Strasbourg Location S.A.R.L.	1Boeing 737-800	2021
Aercap	3 Boeing 737-800	2027
Orix Aviation Systems Ltd.	1Airbus 330-300	2029
HKAC Leasing 1671 (Ireland) Limited	1Airbus 330-300	2027
ACG Aircraft Leasing Ireland Limited	2 Boeing 737-800	2022
Glide Aircraft 73B- 41815 Ltd.	1Boeing 737-800	2027
Orix Aviation Systems Ltd.	2 Airbus 330-343	2028
JIN SHAN 9 IRELAND COMPANY LIMITED	2 Airbus 330-343	2034
Nordic Aviation Leasing Twenty Pte Ltd.	2 ATR 72-600	2028
	1ATR 72-600	2029
NimbusFunding Ltd.	1Boeing 737-800	2027
JIN SHAN 9 IRELAND COMPANY LIMITED	1B737 MAX 8	2029
ALS FRANCE SARL	1Airbus 320	2018
	2 Airbus 320	2019
WELLS FARGO BANK NORTHWEST	1Airbus 320	2026
AIRCRAFT SOLUTIONS 2017S LEASING SARL	1Airbus 320	2018
SASOF III Aviation France Sarl	1Airbus 320	2025
KDAC AIRCRAFT LEASING (FRANCE) LIMITED SAS	1Airbus 320	2018
BOC AVIATION (FRANCE) SARL	1Airbus 320	2024
SASOF III (A) Aviation France Sarl	1Airbus 320	2027
CENTENNIAL AVIATION (FRANCE) 2 SARL	3 Airbus 320	2024
STAR RISING AVIATION FRANCE 2 SAS	1Airbus 320	2025
OAS AVIATION (FRANCE) NO,5 SARL	1Airbus 320	2025

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Lessors	Leased Assets	Year of Maturity
CALC 30 – Aircraft Limited.	1 Airbus 320	2024
STELLAR AIRCRAFT HOLDING 2 LIMITED	1 Airbus 320	2024
SMBC AVIATION CAPITAL LIMITED	5 Airbus 320	2025
ALAFCO IRISH AIRCRAFT LEASING NINE LIMITED	1 Airbus 320	2025
ALAFCO IRISH AIRCRAFT LEASING TEN LIMITED	1 Airbus 320	2025
ALAFCO IRISH AIRCRAFT LEASING ELEVEN LIMITED	1 Airbus 320	2025
SKY HIGH XXXIII LEASING COMPANY LIMITED	3 Airbus 320	2026
SKY HIGH XXXI LEASING COMPANY LIMITED	3 Airbus 320	2026
ACG AIRCRAFT LEASING IRELAND LIMITED	2 Airbus 320	2026
KYOWA KISEN CO. LIMITED	1 Airbus 320	2027
M&T AVIATION FINANCE (IRELAND) LIMITED	2 Airbus 320	2027
JACKSON SQUARE AVIATION	1 Airbus 320	2027
	1 Airbus 320	2028
JI SHAN 9 IRELAND COMPANY LIMITED	4 Airbus 320	2028
SKY HIGH LIX LEASING COMPANY LIMITED	1 Airbus 320	2028
SKY HIGH LX LEASING COMPANY LIMITED	2 Airbus 320	2028
SKY HIGH LXI LEASING COMPANY LIMITED	1 Airbus 320	2029
AVOLON AEROSPACE AOE 137 LIMITED	1 Airbus 320	2029
AVOLON AEROSPACE AOE 136 LIMITED	1 Airbus 320	2029
AVOLON AEROSPACE AOE 138 LIMITED	1 Airbus 320	2029
AVOLON AEROSPACE AOE 139 LIMITED	1 Airbus 320	2029
AVOLON AEROSPACE AOE 60 LIMITED	1 Airbus 320	2029

2. Engine

Lessors	Leased Assets	Year of Maturity
Engine Lease Finance Corporation	2 Engine Boeing B737- 800	2027
Celestial Aviation Trading 100 Limited	2 Engine Boeing B737- 800	2021
	1 Engine Boeing B737- 800	2022
	1 Engine Boeing B777- 300	2020
Engine Lease Finance Corporation	1 Engine Boeing B737- 800	2023
Engine Lease Finance Corporation	1 Engine Boeing B737- 800	2024
Rolls Royce Leasing Limited	1 Engine Airbus A330	2025
Magellan Aviation Services Ltd.	2 Engine AT72- 600	2018
NAS Investments 75, INC.	1 Engine CRJ1000	2018
MTU Maintenance Lease Services B.V.	1 Engine CRJ1000	2018
ENGINE LEASE FINANCE CORPORATION	2 Engine A320	2023

Operating Rental Payments

Total rental commitments are as follows:

	Future lease payments			
	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Within one year	1,019,165,245	1,023,096,496	988,032,489	892,635,609
Over one year but not longer than five years	3,685,012,341	3,734,632,557	3,701,193,569	2,673,638,275
Over five years	2,762,219,982	2,958,697,052	3,459,330,449	4,170,354,642
Total	<u>7,466,397,568</u>	<u>7,716,426,105</u>	<u>8,148,556,507</u>	<u>7,736,628,526</u>

Security Deposits

The Group is required to pay security deposits that will serve as guarantee for the payment of the Company's and PT Citilink Indonesia (CT) obligations. As of March 31, 2018, December 31, 2017, 2016 and 2015, the balance of the security deposits amounted to USD 151,735,165, USD 151,067,450, USD 154,874,633 and USD 186,134,731, respectively (Note 11).

Maintenance Reserve Funds

Based on operating lease arrangements for aircrafts, the Company and CT are required to pay maintenance and repair reserve funds for the leased aircraft to the lessors.

Maintenance reserve funds are based on the use of the aircraft during the lease term consisting of reserves funds for airframe structure maintenance, engine performance restoration maintenance, engine life limited parts maintenance, landing gear maintenance and Auxiliary Power Unit (APU) maintenance.

During the lease term, the Company is obliged to maintain and repair the airframes, engines, APU and all the parts in accordance with agreed standard. The maintenance and repair work on the airframes, engines and other part, or engines will be regularly performed by authorized maintenance repair and overhaul companies (MRO). Based on the lease agreement, the Company will be entitled to its reimbursement of applicable maintenance and repair reserve funds after the work is completed and the workshop company releases the airframe, engine, landing gear or APU, by submitting invoices and proper documentation within certain days after the completion of the work.

Up to the termination date, the Company shall have the obligation to pay contribution into the reserve funds, and any outstanding reimbursable expenses shall be reviewed and disbursed, provided no default occurred. Depending on the specific agreements, the lessor may or may not retain the remaining balance of the maintenance reserve funds.

As of March 31, 2018, December 31, 2017, 2016 and 2015, aircraft maintenance reserve funds amounted to USD 1,457,085,848, USD 1,355,559,097, USD 1,086,996,070 and USD 826,618,920, respectively (Note 11).

Sale and leaseback

The Company recognized deferred income from sale and leaseback of aircrafts. As of March 31, 2018, December 31, 2017, 2016 and 2015, the outstanding deferred income net of the related amortization amounted to USD 42,289,751, USD 43,567,249, USD 45,765,466 and USD 38,879,106, respectively (Note 28).

3. Non Aircraft Operating Lease

- a. On January 25, 2008, GMFAA entered into Land Utilization and Business Concession Agreements with PT Angkasa Pura II (Persero) in relation to land utilization measuring approximately 900,000 square meters used for aircraft maintenance business activities in Soekarno-Hatta Airport, Cengkareng, Tangerang. The term of this agreement is for 5 years effective until from January 1, 2012 until December 31, 2016, wherein compensation and concession based on agreed tariffs. GMFAA is obliged to provide bank guarantee issued by general bank to secure the payment of such compensation. The term of such guarantee is 1 year and renewable annually until the expiration of the agreement. The agreement has extended on March 1, 2017, with term started on January 1, 2017 until December 31, 2022.
- b. GMFAA also entered into operating lease agreements of operational equipment, internet connection, and others with several parties.
- c. The Company entered into an agreement for utilization of 6,246 square meters of land at the Soekarno-Hatta Airport with PT Angkasa Pura II (Persero), for 30-year period until September 30, 2021. The land is used for the purpose of cargo office building. The compensation for the use of the land is Rp 800 per square meter per month or a total of Rp 1,798,848,000, which is subject for review every 5 years. A deposit of 10% or Rp 179,884,800 was also paid. Payment of Rp 53,965,440 is made annually.

At the expiration of the agreement, the Company will return the land and all the facilities to PT Angkasa Pura II.

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The Company also entered into an agreement with PT Angkasa Pura II (Persero) for the use of another parcel of land with an area of 164,742 square meters at the Soekarno-Hatta Airport, for a period of 20 years until December 31, 2011. The Company constructed on such land the office building. In 2014, the terms of lease period has been amended for 5-year period until December 31, 2016. The compensation for the use of the land is Rp 1,500 per square meter per month or a total of Rp 247,113,000, which is subject for review every 2 years. As of the issuance date of the consolidated financial statements, the extension agreement is under finalization process.

The operating lease agreements contain option to renew the lease term. The Company does not have an option to purchase the leased asset at the expiry of the lease term. The lease agreements include certain conditions that may cause the leases to be terminated prior to the expiry of the lease terms.

Total of other lease commitments is as follows:

	Future lease payments			
	March 31, 2018 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Within one year	3,490,853	3,578,321	6,194,575	4,459,373
Over one year but not longer than five years	16,759,906	17,432,683	18,243,067	6,426,129
Over five years	5,821,239	6,054,913	10,370,496	11,364,768
Total	<u>26,071,998</u>	<u>27,065,917</u>	<u>34,808,138</u>	<u>22,250,270</u>

50. COMMITMENTS

a. Purchase of Aircrafts

(i). Boeing 777-300ER Aircraft

Based on Purchase Agreement No. 1938 dated June 4, 1996, which had been amended several times, most recently by Supplemental Agreement No. 4 (SA 4) dated December 29, 2005, the Company entered into a contract to purchase 6 Boeing 777-200ER with Delivery scheduled within the period of June 2010 up to August 2011.

By submitting Supplemental Agreement No. 5 (SA 5) to Purchase Agreement No. 1938, the Company increase the number of aircrafts purchased from 6 Boeing 777-200 aircrafts into 10 Boeing 777-300ER aircrafts.

Through Supplemental Agreement No. 9 (SA 9) to Purchase Agreement No. 1938, the schedule for aircraft delivery was revised from an original date starting of August 2012 to become May 2013 until January 2013.

On April 23, 2012, the Company signed Supplemental Agreement No. 10 (SA 10) to Purchase Agreement No. 1938 with The Boeing Company in relation with the additional rows in First Class seat on Boeing 777 aircrafts which caused a change in delivery schedule of the first Boeing 777 aircraft from May 2013 to June 2016.

On May 23, 2012, the Company and The Boeing Company executed Supplemental Agreement No. 11 (SA 11) to Purchase Agreement No. 1938 with regards to the finalisation of B777 aircraft configuration.

On July 6, 2012, the Company and The Boeing Company executed Supplemental Agreement No. 12 (SA 12) to Purchase Agreement No. 1938 with regard to the acceleration of the delivery of Boeing 777 aircraft from January 2014 to October 2013, revision of the pricing table and the change in calculation formula.

As stipulated in SA 12, in 2014 the Company obtained approval from the Boeing Company to transfer its advance payment for Boeing 777-300ER to Boeing 737 MAX 8.

In December 2014, the Company and The Boeing Company executed Supplemental Agreement No. 13 with regards to configuration changes in 4 Boeing 777-300ER aircrafts scheduled to be delivered in June 2015 until June 2016.

Until 2016, 10 of Boeing 777-300ER aircrafts under sale and leaseback agreement has been delivered, with 12 years lease period and classified as operating lease with Alafco, Guggenheim Aviation Partners and ICBC.

(ii). Boeing 737 MAX 8

On September 12, 2014, the Company signed Supplemental Agreement 12 (SA 12) whereas the Company agreed to convert the purchase of 4 Boeing 737-800 NG arriving in 2015 and 2016 into 50 Boeing 737 MAX 8 which are scheduled to be delivered in 2017 until 2023.

SA 12 also stipulated the reallocation of surplus advance payments made for Boeing 777-300ER aircraft as advance for purchase of aircraft for Boeing 737 MAX 8.

In 2017, 1 (one) aircraft Boeing 737 Max 8 has been delivered which is under sale and leaseback agreements.

(iii). Airbus A-330-300 Aircraft

On November 4, 1989, the Company entered into a Purchase Agreement with Airbus for the purchase and delivery of 9 Airbus A330-300 aircrafts.

Based on Amendment No. 2 dated November 9, 2009, the remaining 3 Airbus A330-300 was replaced with 3 units of A330-200 and additional 3 units of A330-200 aircrafts which are scheduled to be delivered starting in October 2012 until October 2014.

In July 2011, the Company and Airbus signed Amendment No. 3 related to this purchase agreement. Under this amendment agreement, the Company converted 3 (three) of the remaining 6 (six) Airbus A330-200 into A330-300 model. The conversion right is given to the Company as stipulated in Letter Agreement No. 3 to Amendment Agreement No. 2 of the Purchase Agreement. The Company execute its right to purchase 4 (four) A330-300 as stipulated in Letter Agreement No. 5 to Amendment Agreement no. 2 of the Purchase Agreement. The Company also purchase 1 (one) additional A330-300.

On December 19, 2011, the Company and Airbus signed Amendment No. 4, 5 and 6.

In Amendment 5, the Company agreed to purchase 11 (eleven) A330-300.

In Amendment 6, the Company execute the right to convert 3 (three) A330-300 option aircraft to A330 Freighter.

The Company signed Amendment No. 7 in October 2012. Under the amendment, the Company purchase 11 (eleven) A330-300 aircraft type.

The Company entered into a sale and leaseback agreement with Aircastle for 4 aircrafts delivered in 2012 and 2013.

In July 2013, the Company signed Amendment No. 8 regarding changes in advance payment for purchase aircrafts schedule.

The Company entered into a sale and leaseback agreement with Avolon for 4 (four) aircrafts delivered in 2014. The Company also entered into a sale and leaseback agreement for 2 (two) aircrafts with HKAC in 2015.

Based on amendment No. 9 in January 2016, the Company and Airbus agreed to convert 7 (seven) A330-300 which are scheduled to be delivered in 2016 and 2017 to A330-900 Neo to be delivered from 2019 to 2022. The amount of advance for aircrafts purchase which has been paid for A330-330, A330 Freighter and Option Aircraft was reallocated as advance payment for A330-900 Neo. Amendment No. 9 also set out the additional advance payment for purchase aircrafts for A330-900 Neo.

(iv). Purchase of Airbus A320-200 Aircrafts

On August 2, 2011, the Company and Airbus signed an Agreement for the purchase of 25 Airbus Aircraft type A320-200. Delivery schedule begins in 2014 until 2018. Related to this aircraft purchase, the Company also signed an agreement with CFM International for the procurement of engine type CFM56-5B4 for 15 (fifteen) A320-200 aircrafts and engine type Leap-X1A26 for 10 (ten) A320 Neo aircrafts.

In July 2012, the Company and Airbus SAS signed Amendment No. 1 to the Purchase Agreement of A320 with regards to exercise of an option to increase the number of aircrafts purchased to 25 aircrafts.

In 2014, 2 (two) aircrafts Airbus A320-200 have been delivered which are under sale and leaseback agreements.

In 2015, 4 (four) aircrafts Airbus A320-200 have been delivered which are under sale and leaseback agreements.

Based on Amendment No. 9, the amount of advance for purchase of aircrafts that has been paid for A320-200 was reallocated as advance payment of A330-900 Neo.

In 2016, 8 (eight) aircrafts Airbus A320-200 have been delivered which are were under sale and leaseback agreements.

In 2017, 1 (one) aircraft Airbus A320-200 and 5 (five) aircrafts Airbus A320-200 Neo have been delivered which are were under sale and leaseback agreements.

On December 20, 2012, CT and Airbus signed into an agreement for the purchase of 25 Airbus aircrafts type A320-200. Delivery schedule will begin in 2020 until 2022.

(v). Purchase of ATR 72-600 Aircrafts

On February 7, 2013, CT and Avions De Transport Regional G.I.E ("ATR") signed Letter of Intent ("LOI") regarding the purchase of 25 (twenty-five) New ATR 72-600 aircrafts and option to purchase up to 25 (twenty-five) New ATR 72-600 aircrafts. Delivery schedule will begin in September 2013 until December 2015 for purchased aircrafts, and February 2016 until August 2018 for option aircrafts.

On September 6, 2013, CT, ATR, Nordic Aviation Leasing Eleven Pte. Ltd. ("NAC") and the Company agreed to transfer the rights and obligations of CT to the Company. Based on the agreement, 20 (twenty) aircraft will be purchased by NAC for direct operating lease to the Company. The Company also agreed to purchase 5 (five) aircrafts and 10 (ten) option aircrafts ATR 72-600.

(vi). Purchase aircraft engine

On July 24, 2007, the Company and CFM International, Inc. ("CFM") entered into General Terms Agreement CFM-06-0001 whereas the Company can purchase spare engine, spare parts, engine modules, technical data and support equipment from CFM.

In February 2008, the Company signed Letter Agreement No. 1 in which the Company agreed to purchase and take delivery of a minimum five (5) CFM56-7B26/3 spare engines direct from CFM. The spare engines are scheduled to be delivered starting April 2009 to January 2012.

The Company signed Amendment to Letter Agreement No. 1 in October 2010 regarding the change of delivery schedule of spare engine No. 2 to No. 5 starting from January 2010 up to January 2012 to May 2010 up to June 2012.

In December 2011, the Company signed Amendment No. 1 to Letter Agreement No. 1 in which the Company agreed to purchase and take delivery of five (5) additional CFM56-7B26/3 spare engines from CFM. The spare engines is scheduled to be delivered in the second quarter of 2013 up to first quarter of 2017.

In December 2011, the Company also signed Letter Agreement No. 2. Based on the Letter Agreement, the Company also agreed to purchase and take delivery of a minimum of three (3) CFM56-5B4 spare engines from CFM. The spare engines are scheduled to be delivered starting from February 2014 up to February 2016.

In December 2011, the Company signed Letter Agreement No. 3. Based on the Letter Agreement, the Company agreed to purchase and take delivery of a minimum of two (2) LEAP-X1A26 spare engines. The spare engines are scheduled to be delivered starting from February 2017 up to February 2018.

In 2017, 1 (one) spare engine LEAP-X1A26 has been delivered.

b. Component Pooling Agreement with SR Technics Switzerland ("SR Technics")

The Company entered into a component pooling agreement for A330 with SR Technics. As a participant to the A330 pool, the Company is allowed to use A330 components which are available in the main storage at Zurich. The Company also has the right to ask SR Technics to provide temporary services, field assistance team or other special services, as well as technical and administrative training in the Company's maintenance facility in Jakarta or in any other line stations of SR Technics.

This agreement has been extended several times with the latest amendment, relating to each party may cancel the agreement by giving to the other party 6 months' notice. The corresponding pooling expense is determined according to the tariff applied to the components used.

The Company also entered into a critical spare component agreement for Boeing 737-800 aircraft component with SR Technics with memorandum of Understanding dated February 25, 2011.

The Company also has the right to ask SR Technics to perform test repair, overhaul and modification of the component.

c. Service Agreement for Passenger Service Systems

On April 20, 2012, the Company and Amadeus IT Group, S.A, signed Service Agreement for Passenger Service Systems, for "Amadeus Altéa" Passenger Services Systems (PSS). This system is a platform system which is used by airlines which are members of "Sky Team" global alliance, so that Garuda system shall be connected with other Sky Team members.

d. Agreements with Rolls Royce

In October 2008, the Company and Rolls Royce signed Agreement For The Trent 700 Engine Powered Airbus A330-300 Aircraft DEG 5496 regarding engine maintenance Trent 700 for aircraft A330-300.

In June 2010, the Company and Rolls Royce signed Total Care Services Agreement relating to Trent 772B Engines DEG 6160 regarding engine maintenance Trent 772B.

In July 2012, the Company and Rolls Royce signed Amendment No. 1 to Agreement For The Trent 700 Engine Powered Airbus A330-300 Aircraft DEG 5496 with regards to engine shop visit rate adjustment matrix.

In July 2012, the Company and Rolls Royce executed the following agreements:

- i. Product Agreement relating to Trent 772B and Trent 772C engines DEG 6159.
- ii. Supplementary Financial Assistance Agreement for Trent 772B engines DEG 6734.
- iii. Total Care Service Agreement for Trent 772B engines DEG 6584.

The above-mentioned agreements are related to engine maintenance with total care concept for TRENT 772B engine type and also the benefit of the appointment of TRENT 772B engine for 21 (twenty-one) A330 aircrafts.

In 2015, the Company and Rolls Royce signed Amendment No. 3 to Agreement For The Trent 700 Engine Powered Airbus A330-300 Aircraft DEG 5496 to extend the period covered.

In 2016, the Company and Rolls Royce signed Amendment No. 2 to Agreement For The Trent 700 Engine Powered Airbus A330-300 Aircraft DEG 5496 with regards to engine shop visit rate adjustment matrix.

In June 2016, the Company and Rolls Royce executed the following agreements:

- i. Total Care Service Agreement Trent 7000 DEG 9510.
- ii. Product Agreement Trent 7000 DEG 9509.
- iii. Supplementary Financial Assistance Agreement Trent 7000 DEG 9511.
- iv. Amendment No. 2 to Supplementary Financial Assistance Agreement with Rolls Royce regarding Trent 772B engines DEG 6734.
- v. Amendment No. 2 to Product Agreement regarding Trent 772B DEG 6159.

The above-mentioned agreements are related to engine maintenance with total care concept for TRENT 7000 engine type and also the benefit to purchase of 14 (fourteen) A330 Neo aircrafts.

On December 22, 2017, the Company received Offering Letter related to Total Care Service Agreement of DEG 5496 that has been expired in September 2017, which stated that Rolls Royce will cover overhaul of 6 engines until 2023. On January 31, 2018, The Company and Rolls Royce entered into Overhaul Agreement of DEG 10911 as a continuation of the Offering Letter.

e. Agreement for installing galley in A330-200

The Company entered into an agreement with BE Aerospace with regards to galley installation on Airbus 330-200 aircraft. The Company also entered into General Terms Agreement For The Purchase Of Aircraft Galley Installation For 3 X A330 BFE Program with Driessen Aircraft Interiors Systems (Europe) BV regarding the purchase of aircraft galley for 3 (three) Airbus 330 aircrafts with a value of EUR 938,050 per aircraft. Installation period of galley for A330-200 is up to before on dock date as specified by Airbus in 2013.

In 2013, the Company entered into an agreement with BE Aerospace in connection with the installation of seat and galley inserts on Airbus 330-200 and Airbus 330-300. Agreement for the seat and galley insert each worth USD 2,684,907 and USD 191,946 per aircraft. The Company also signed an agreement with Sell GmbH in connection with the installation of galley monument and galley inserts on Airbus 330-200 and Airbus 330-300. Agreement for the galley monument and galley insert each worth EUR 1,209,284 and EUR 210,407 per aircraft.

Installation period of seat and galley insert on the A330-200 and A330-300 are up to before on dock date (ODD) as specified by Airbus in 2016.

f. B777-300ER Interior Retrofit Agreement with The Boeing Company ("Boeing")

In October 2016, the Company signed into agreement No. GIA-MO-160245 with regard to 4 (four) B777-300ER aircrafts interior conversion from a 3 (three) class to a 2 (two) class interior.

g. Agreement with Panasonic Avionics Corporation ("Panasonic")

In March 2017, the Company executed General Terms Agreement with Panasonic in relation to the purchase of eX2 system for 4 (four) B777-300ER retrofit aircrafts.

h. Agreement with General Electric (GE)

In June 2012, the Company executed General Terms Agreement with GE related to spare part, tooling, publication, training regarding engine model GE90-115B and CF34-8C.

In January 2012, the Company executed Rate Per Flight Hour Agreement For Engine Shop Maintenance Services with CFM International related to maintenance of engine model CFM56-7B26.

i. The Sub-Distribution Agreement with Sabre Asia Pacific Pte., Ltd. Singapore (Sabre APAC)

STNI, a subsidiary, entered into the sub-distribution agreement with Sabre Asia Pacific Pte., Ltd. Singapore (Sabre APAC) effective since April 11, 1995. Under this agreement, Sabre APAC grants STNI an exclusive sub-license to operate its own marketing and distribution of computer reservation systems (Abacus Systems) in Indonesia territory. This system incorporates a software package which performs various function, including real-time air line seat reservation, schedules/booking for a variety of air, car and hotel service, automated ticketing and fare display. The agreement shall remain valid, except for early termination as stipulated in the agreements.

In return for each net booking made by a subscriber through the Abacus Systems for any travel product offered in the system, Sabre APAC shall pay a certain fee to STNI as stipulated in the agreement.

Effective from February 1, 2009, such fee is at 25% of the 2009 basic rates payable by airline per net segment for air bookings made by subscribers after deducting certain expenses as stipulated in the agreement.

Effective from September 29, 2015, Abacus International, Pte., Ltd (AIPL) has changed its name to be Sabre Asia Pacific, Pte., Ltd (Sabre APAC). As a subsidiary, PT. Abacus Distribution Systems Indonesia (ADSI) has also changed its name to be PT. Sabre Travel Network Indonesia (STNI) effective from April 7, 2016.

j. GMFAA entered into a long-term contract for maintenance and repair of aircrafts

GMFAA entered into long-term agreements for aircrafts repair and maintenance with PT. Sriwijaya Air, GME Aviation Service, PT NAM AIR, PT. Lion Mentari, PT. Cardig Air, PT. Indonesia AirAsia, PT. Airfast Indonesia, Also Private Ltd., Eagle Express Air Charter Sdn. Bhd, Air Atlanta, GE Capital Aviation Services Ltd. (GECAS), Biman Bangladesh Airlines, Air China, China Airlines, China Southern, Virgin Blue, Malaysian Airlines, Orient Thai Airlines, Singapore Engineering Co. (SIAEC), Max Air, Kabo Air, U Airlines, United Airways, KLM Royal Dutch, Jet Airways (India) Limited, Jeju Airlines and Aerospace. GMFAA recognizes revenue from this service based on agreed tariff in the agreements.

k. GMFAA entered into an agreement with PT Bank Syariah Mandiri

On December 16, 2013, GMFAA made an agreement with PT Bank Syariah Mandiri regarding Ijarah Muntahtyah Bittamlik facility with terms of 8 years. This facility is used to test cell equipment rental for maintenance overhaul of Industrial Gas Turbine Engine (IGTE) oil company. GMFAA obtained a facility with maximum credit of USD 9,562,955.

l. PT Bank Maybank Indonesia Tbk ("MAYBANK") (Formerly PT Bank International Indonesia ("BII"))

On March 23, 2015, the Company entered into a partnership with MAYBANK to finance business of Hajj and Umroh, wherein each party contributed funds amounting to USD 1,000,000 and USD 100,000,000. MAYBANK as a passive partner will get earnings ratio based on activities related to Hajj and Umroh or other types of businesses that are determined later by agreement of the Parties (revenue sharing). Partnership for Hajj and Umroh was conducted after the date of this Facility Line Agreement was signed and will expire on March 27, 2017.

The Company must meet certain financial covenants as stated in these agreements. In 2015, the Company has settled all outstanding loan.

m. PT Merpati Nusantara Airlines (MNA)

The Company has long term receivables from PT Merpati Nusantara Airlines (MNA) which arose from the maintenance of aircrafts. MNA is an affiliated entity due to government ownership. Based on the agreement dated March 10, 1999, MNA agreed to settle its payables within 8 years with interest rate of 7% per annum for receivable denominated in USD and 15% per annum for receivable denominated in Rupiah.

In 2003, the Company's management and MNA agreed to convert the accounts receivable into Mandatory Convertible Bonds (MCB) amounting to USD 30,502,683 and Rp 999,003,673, while the remaining balance of USD 2,770,572 will be settled separately. The Minister of State-Owned Enterprise had approved the issuance of MCB with a term of 5 years at interest rate of 3% per annum and yield to maturity of 18%. However, MNA did not agree with several clauses that the Company added in the draft agreement.

In 2004, MNA has cancelled the MCB process and proposed the conversion into shares. This proposal was confirmed by the Minister of State-Owned Enterprise (SOE) in his letter No. S-89/MBU/2005 dated February 25, 2005. In response to the letter, MNA sent a letter to the Minister of State-Owned Enterprise No. DF-2108/05 dated April 15, 2005 which stated that MNA is still conducting the restructuring program until year 2010 and during the restructuring program; MNA should comply with the covenants determined by each creditor in accordance with the commitment stated in the loan restructuring agreement, including MNA's investment decision.

In March 2009, the Company and MNA have signed a Memorandum of Understanding where both parties agreed that MNA will settle its liabilities to the Company of USD 33,273,256 and Rp 999,003,673 in 13 (thirteen) years since the signing of Debt Restructuring Agreement. On February 28, 2012, this memorandum of understanding has been extended until March 11, 2013. Moreover on January 10, 2012, the Company received a letter from The Ministry of State Owned Enterprise, which stated that the loan owed by Merpati to the Company will be rescheduled with installment payment to start by 2016.

On August 14, 2014, the Ministry of SOE approved the assignment of PT Perusahaan Pengelolaan Aset (Persero) ("PT PPA") to represent its agency in implementing the restructuring and/or revitalization of PT MNA wherein PT PPA can start the tender process to attract potential investors with regards to the joint operation (KSO) and joint cooperation (KSU) between PT MNA and potential investors while waiting approval from Ministry of Finance.

On March 30, 2015, the Company and MNA signed a Memorandum of Understanding to reschedule the term of MOU until the process of signing of Debt Restructuring or signing of the Minutes of Settlement of Debt by the parties, whichever occurs first.

n. GA entered into an agreement with PT Bank CIMB Niaga Tbk ("CIMB")

On August 9, 2017, GA made an agreement with CIMB regarding Ijarah Muntahtyah Bittamlik facility with terms of 10 years. This facility is used to lease Ground Service Equipment (GSE). GA obtained a facility with maximum credit of Rp 425,805,142,344 (equivalent to USD 31,382,897).

51. CONTINGENCIES

- a. On December 17, 2007, the Company has received a Notice to Furnish Information and Produce Document from Australian Competition and Commerce Commission ("ACCC") related to allegation of price fixing cartel on Cargo Fuel Surcharge with other international carriers.

The legal proceeding of this case in the Federal Court of New South Wales, Australia, commenced from October 22, 2012 until May 15, 2013 with various agenda including revision of the claim from ACCC, defense from the Company, collection of evidence and witnesses. Final hearing was held on May 15, 2013 with delivery of conclusion from each party as the agenda.

In the final hearing, the Company has submitted a defense based on terms in the Aviation Laws, International Treaty Law through the Air Service Agreement (ASA) and International Competition Law related to the relevant market.

On October 31, 2014, Federal Court of Australia, New South Wales District issued a decision that the lawsuit from ACCC against the Company is rejected. On this matter, ACCC submitted a statement of appeal to Full Court of Australia on December 16, 2014. On December 19, 2014, the Company also has applied for cost reimbursement of the case to the Federal Court since the Company has won the first step of the case. The hearing for cost reimbursement was held on February 4, 2015, and the decision stated to reimbursed only 20 % of the Company's cost, the Company has submitted a statement of appeal concerning this decision. The process of the Company's appeal has to wait for the decision of ACCC's appeal concerning the main case.

On March 21, 2016, the Full Court of Australia, New South Wales District issued a decision that the Appeal from ACCC was granted, so that The Company and Air New Zealand were declared guilty of the alleged cartel conducted jointly with other airlines. Full Court's decision for now was still not final and binding and The Company had submitted a special leave to appeal to the High Court of Australia on May 13, 2016. Currently, it is on hearing process at the High Court of Australia.

On June 14, 2017, the High Court of Australia issued a decision that granted the ACCC suit and rejected The Company's appeal argument. Therefore, The Company and Air New Zealand are found guilty of alleged cartel conducted along with other airlines. The amount of fines will be determined by the Federal Court of Australia in trial process. Until now, there is no decision concerning the amount of fines from the court.

- b. On April 11, 2016, and April 13, 2016, the subsidiary of PT Aerowisata Company named PT Belitung Inti Permai ("BIP") and PT Aerowisata have been sued by H. Eddy Sofyan concerning claims of ownership of the land and ask for the cancelation of BIP's ownership certificate in Belitung in two court cases in District Court Tanjung Pandan. On January 22, 2018, BIP received notice of the decision that the High Court of Bangka Belitung can not accept the suit from H. Eddy Sofyan. Until now, there is no information yet from H. Eddy Sofyan in relation with his further legal action. On April 2018, H. Eddy Sofyan filed The Cassation in the Supreme Court. and BIP already submit counter memory of cassation to the Supreme Court. Currently the case is being process in Supreme Court.
- c. On August 4, 2010, Hutomo Mandala Putera ("HMP") submitted a claim against several defendants, including the Company, in relation to the article published by in-flight magazine, Majalah Garuda, December 2009 edition.

HMP submitted a claim to the South Jakarta District Court and demanded payment for material and immaterial damages, as well as an apology from the Defendants, published in Majalah Garuda and several other national media. The Company has filed an objection to High Court of DKI Jakarta on June 1, 2011. The Company has also filed an objection memory to South Jakarta District Court on August 19, 2011.

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On March 11, 2013, the Company received a notice of DKI Jakarta High Court dated October 24, 2012 which upheld the verdict from South Jakarta District Court which was in favor of HMP over the Company.

On March 22, 2013, the Company has declared an appeal to the Supreme Court of the Republic of Indonesia through the South Jakarta District Court and has also submitted cassation on April 3, 2013. On March 16, 2015, the Company received the decision from the Supreme Court of the Republic of Indonesia which was favor the Company.

On September 26, 2016, the Company received a Notice of judicial review and memo submission of judicial review from HMP through his attorney submitted the judicial review (Peninjauan Kembali "PK") to the Supreme Court over its decision and Company has submitted a Rebuttal Judicial Review to Supreme Court. Currently, the case is still being reviewed by the Supreme Court of Republic of Indonesia.

- d. On December 5, 2017, the Company received a trial hearing notification letter on a civil lawsuit for the initial hearing on Januari 2018 in related to the unlawful act concerning Cooperation Program of Umrah Tickets from Farid Rosyidin as Chairman of PT Utsmaniyah Hannien Tour to the Company in the Central Jakarta District Court. Currently, the case is being processed in the Central Jakarta District Court.

52. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCY

At March 31, 2018, December 31, 2017, 2016 and 2015, the Group had monetary assets and liabilities denominated in foreign currencies (currencies other than USD are stated at the equivalent USD) as follows:

	March 31, 2018 (Unaudited)		December 31, 2017		December 31, 2016		December 31, 2015	
	Foreign currency	Equivalent in USD	Foreign currency	Equivalent in USD	Foreign currency	Equivalent in USD	Foreign currency	Equivalent in USD
ASSETS								
Cash and cash equivalents								
IDR	1,901,802,809,757	138,252,603	1,509,174,871,158	111,394,661	2,423,234,936,960	180,353,895	2,216,720,363,077	160,690,131
CNY	203,778,852	32,322,191	113,672,610	17,396,574	429,612,706	61,930,609	324,748,875	50,010,620
AUD	12,999,243	9,948,976	11,949,904	9,311,968	20,603,039	14,911,457	16,496,770	12,035,240
JPY	599,271,550	5,622,216	649,781,321	5,765,845	1,068,147,817	9,174,564	992,495,556	8,239,562
SAR	15,481,204	4,128,269	14,518,566	3,871,360	14,641,815	3,903,293	16,561,998	4,413,595
KRW	2,225,604,144	2,084,684	1,338,256,691	1,253,998	3,918,447,449	3,250,305	2,477,130,414	2,104,528
EUR	1,507,421	1,857,898	2,803,535	3,346,863	4,505,631	4,748,937	4,374,894	4,779,139
SGD	1,811,157	1,380,719	2,050,490	1,533,709	5,404,692	3,740,531	3,796,105	2,683,330
HKD	8,250,067	1,051,227	7,088,775	906,697	8,026,754	1,034,989	10,550,057	1,361,168
GBP	217,343	305,965	217,225	292,103	1,664,807	2,045,386	992,358	1,471,173
Other foreign currencies *)	2,402,068	2,402,068	2,168,148	2,168,148	4,027,496	4,027,496	4,665,861	4,665,861
Trade account receivable								
IDR	1,800,939,984,683	130,920,325	1,304,651,748,648	96,298,476	997,404,262,542	74,233,720	720,693,826,605	52,243,119
JPY	763,744,111	7,165,256	516,777,637	4,585,635	582,931,386	5,006,930	639,956,598	5,312,832
EUR	5,395,202	6,649,592	4,153,110	4,957,987	2,533,877,205	2,101,821	2,579,959	2,818,350
KRW	3,290,442,278	3,082,099	2,402,207,502	2,250,961	4,053,375	4,272,259	6,876,324,910	5,842,010
CNY	17,701,654	2,807,731	14,689,705	2,248,128	2,812,580	2,035,606	20,911,432	3,220,315
AUD	3,630,198	2,778,373	4,547,601	3,543,720	9,138,905	2,436,298	2,864,882	2,090,078
SAR	10,372,932	2,766,080	11,585,649	3,089,301	12,461,619	1,796,399	15,057,914	4,012,773
SGD	2,446,181	1,864,824	1,946,061	1,455,599	6,694,087	1,492,720	1,349,380	953,828
MYR	1,226,267	317,112	1,196,680	294,604	1,646,458	1,139,496	16,884,654	3,928,512
Other foreign currencies *)	9,134,911	9,134,911	7,773,513	7,773,513	8,698,437	8,698,437	10,703,936	10,703,936
Other receivables								
IDR	123,678,913,446	8,990,907	86,486,090,052	6,383,680	91,889,125,927	6,839,024	94,690,509,837	6,864,118
Other foreign currencies *)	225,328	225,328	178,256	178,256	125,534	125,534	80,527	80,527
Prepaid taxes								
IDR	436,128,353,796	31,704,591	367,752,534,420	27,144,415	310,782,123,544	23,130,554	349,200,118,760	25,313,528
Other Assets								
IDR	131,733,208,759	9,576,418	83,856,646,608	6,189,596	40,759,563,403	3,033,608	39,935,621,451	2,894,935
AUD	1,341,680	1,026,855	1,338,506	1,043,031	1,631,782	1,181,003	1,589,537	1,159,649
EUR	288,242	355,259	287,682	343,435	285,077	300,471	578,053	631,466
SGD	190,830	145,478	189,992	142,109	209,645	145,093	247,916	175,243
Other foreign currencies *)	3,301,227	3,301,227	2,804,504	2,804,504	2,738,044	2,738,044	1,121,463	1,121,463
Total Assets		422,169,182		327,968,876		429,828,479		381,821,029

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	March 31, 2018 (Unaudited)		December 31, 2017		December 31, 2016		December 31, 2015	
	Foreign currency	Equivalent in USD	Foreign currency	Equivalent in USD	Foreign currency	Equivalent in USD	Foreign currency	Equivalent in USD
LIABILITIES								
Loans from banks								
IDR	(5,290,277,637,888)	(384,579,648)	(4,621,872,092,988)	(341,147,925)	(4,201,090,706,520)	(312,674,212)	(1,919,623,286,945)	(139,153,555)
Trade Accounts Payable								
IDR	(2,134,820,381,664)	(155,191,944)	(1,815,765,174,727)	(134,024,592)	(1,814,925,694,847)	(135,079,316)	(1,075,505,277,093)	(77,963,413)
SGD	(3,603,383)	(2,747,006)	(3,836,249)	(2,869,407)	(4,921,460)	(3,406,091)	(3,441,290)	(2,432,525)
SAR	(10,232,331)	(2,728,587)	(2,018,651)	(538,271)	(3,307,298)	(881,677)	(7,917,772)	(2,110,002)
EUR	(2,087,362)	(2,572,676)	(814,080)	(971,849)	(1,124,222)	(1,184,931)	(2,164,390)	(2,364,382)
JPY	(213,717,062)	(2,005,040)	(259,897,482)	(2,306,205)	(168,356,134)	(1,446,049)	(183,908,965)	(1,526,787)
AUD	(1,696,271)	(1,298,242)	(880,332)	(685,999)	(1,338,817)	(968,969)	(1,351,987)	(986,344)
KRW	(52,335,788)	(49,022)	(12,701,873)	(11,902)	(11,127,347)	(9,230)	(1,564,085)	(1,329)
Other foreign currency	(8,782,055)	(8,782,055)	(2,420,125)	(2,420,125)	(2,415,880)	(2,415,880)	(3,817,354)	(3,817,354)
Other Accounts Payable								
IDR	(171,053,700,308)	(12,434,843)	(86,055,741,297)	(6,351,915)	(151,182,252,540)	(11,247,265)	(32,272,653,156)	(2,339,446)
EUR	(378,862)	(466,948)	(639,424)	(763,345)	(732,018)	(771,547)	(565,557)	(617,815)
Other foreign currency	(93,236)	(93,236)	(63,456)	(63,456)	(950,933)	(950,933)	(8,496,072)	(8,496,072)
Factoring								
IDR	(418,863,720,924)	(30,449,529)	-	-	-	-	-	-
Accrued Expenses								
IDR	(1,582,451,654,420)	(115,037,195)	(1,305,516,444,854)	(96,362,300)	(932,843,117,508)	(69,428,633)	(1,120,100,062,378)	(81,196,090)
AUD	(13,543,112)	(10,365,226)	(16,096,476)	(12,543,186)	(9,608,950)	(6,954,481)	(5,959,883)	(4,348,041)
JPY	(389,033,185)	(3,649,812)	(401,409,373)	(3,561,913)	(425,216,965)	(3,652,285)	(361,520,074)	(3,001,290)
EUR	(1,681,413)	(2,072,343)	(893,703)	(1,066,903)	(564,179)	(594,645)	(1,065,410)	(1,163,855)
MYR	(1,706,750)	(441,364)	(2,602,005)	(640,574)	(2,804,344)	(625,343)	(1,500,742)	(349,174)
SGD	(423,128)	(322,568)	(2,780,562)	(2,079,775)	(492,311)	(340,723)	-	-
Other foreign currency	(16,769,738)	(16,769,738)	(15,306,783)	(15,306,783)	(13,179,946)	(13,179,946)	(9,316,324)	(9,316,324)
Long term loans								
IDR	(474,687,563,544)	(34,507,674)	(601,270,793,215)	(44,380,779)	(1,223,238,768,865)	(91,041,885)	(2,132,904,875,957)	(154,614,344)
AUD	-	-	-	-	-	-	(1,300,000)	(948,417)
Bond Payable								
IDR	(1,996,625,432,216)	(145,145,786)	(1,995,894,164,436)	(147,320,207)	(1,992,532,262,556)	(148,298,025)	(1,989,026,864,904)	(145,120,274)
Employment benefit obligation								
IDR	(1,820,252,190,416)	(132,324,236)	(1,805,064,934,920)	(133,234,790)	(1,558,707,780,019)	(116,009,808)	(2,448,877,682,527)	(177,519,223)
Other non-current liabilities								
IDR	(66,337,016,936)	(4,822,406)	(60,477,732,112)	(4,463,960)	(2,336,061,167)	(173,866)	(2,456,631,281)	(178,081)
CNY	(4,200,000)	(666,179)	(4,099,998)	(627,468)	(4,000,000)	(576,618)	(4,430,000)	(682,210)
SGD	(9,999)	(7,623)	(10,000)	(7,480)	(10,000)	(6,921)	(10,000)	(7,069)
Other foreign currency	(66,870)	(66,870)	(62,140)	(62,140)	(34,671)	(34,671)	(25,703)	(25,703)
Total Liabilities		<u>(1,069,597,796)</u>		<u>(953,813,250)</u>		<u>(921,953,950)</u>		<u>(820,279,119)</u>
Liabilities - net		<u>(647,428,617)</u>		<u>(625,844,375)</u>		<u>(492,125,471)</u>		<u>(438,458,090)</u>

*) Assets and liabilities denominated in other currencies are presented into its USD equivalent using the exchange rate prevailing at end of reporting date.

The conversion rates used by the Group on March 31, 2018, December 31, 2017, 2016 and 2015, were as follows:

	March 31, 2018 USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Currencies				
IDR 1	0.0001	0.0001	0.0001	0.0001
EURO 1	1.2325	1.1938	1.0540	1.0924
YEN 100	0.9382	0.8874	0.8589	0.8302
SGD 1	0.7623	0.7480	0.6921	0.7069
AUD 1	0.7654	0.7793	0.7238	0.7296
GBP 1	1.4078	1.3447	1.2286	1.4825

53. OPERATING SEGMENTS

The Group's reportable segments under PSAK 5 are based on their operating divisions namely flight operations and aircraft maintenance services. Flight operations segment provides domestic and international flight services. Aircraft maintenance segment provides aircraft maintenance services of both for the Company aircraft and others. Business segments that individually do not exceed 10% of the Company's operating revenues are presented as others.

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The following summary describes the core businesses of each the Group's reportable segments:

Flight operation

Undertaking scheduled and non-scheduled commercial air transportation of domestic or international passengers, cargoes and mails.

Aircraft maintenance services

Providing aircraft repair and maintenance, to satisfy own needs and the needs of third party.

Other operations

Rendering support services for commercial air transportation operation, such as catering services and ground handling services, information system services to satisfy own needs and the needs of third party and other services related to support commercial air transportation services.

Income and expenses include the inter segment transaction.

	March 31, 2018 (Unaudited)				
	Flight operation	Aircraft maintenance services	Other operations	Total before elimination	Elimination
	USD	USD	USD	USD	USD
<u>Segment result</u>					
External revenue	881,605,809	52,106,243	49,294,289	983,006,341	
Intersegment revenue	1,522,182	63,821,579	237,357,060	302,700,821	(302,700,821)
Net revenue	883,127,991	115,927,822	286,651,349	1,285,707,162	(302,700,821)
					983,006,341
External expense	674,904,529	100,241,149	273,730,770	1,048,876,448	-
Intersegment expense	287,027,619	2,924,295	12,748,907	302,700,821	(302,700,821)
Net expense	961,932,148	103,165,444	286,479,677	1,351,577,269	(302,700,821)
					1,049,085,138
Segment result	(78,804,157)	12,762,378	171,672	(65,870,107)	-
					(66,078,797)
<u>Unallocated income (expenses)</u>					
Equity in net gain (loss) of associates					47,460
Finance income					987,351
Finance cost					(18,719,664)
Profit (Loss) before tax					(83,763,650)
Tax expenses					19,491,502
Net loss for the year					(64,272,148)
Total other comprehensive income					(3,300,691)
Total comprehensive income (loss) for the current year					(67,572,839)
<u>FINANCIAL POSITION</u>					
Segment assets	3,846,994,538	611,226,770	1,009,490,343	5,467,711,651	(1,515,169,134)
Segment liabilities	3,027,884,102	297,160,838	778,855,784	4,103,900,724	(1,021,254,568)
Segment depreciation and amortization	30,814,718	4,286,776	3,171,585	38,273,078	-
					38,273,078

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	March 31, 2017 (Unaudited)				
	Flight operation	Aircraft maintenance services	Other operations	Total before elimination	Elimination
	USD	USD	USD	USD	USD
<u>Segment result</u>					
External revenue	832,732,521	34,468,171	43,632,053	910,832,745	-
Intersegment revenue	1,650,128	71,619,639	216,631,463	289,901,230	(289,901,230)
Net revenue	834,382,649	106,087,810	260,263,516	1,200,733,975	(289,901,230)
External expense	687,820,400	93,815,361	242,089,075	1,023,724,836	-
Intersegment expense	275,665,515	(250,264)	14,485,979	289,901,230	(289,901,230)
Net expense	963,485,915	93,565,097	256,575,054	1,313,626,066	(289,901,230)
Segment result	(129,103,266)	12,522,713	3,688,462	(112,892,091)	-
<u>Unallocated income (expenses)</u>					
Equity in net income of associates					55,489
Finance income					1,934,848
Finance cost					(21,382,265)
Income (Loss) before tax					(132,284,019)
Tax expense					31,065,429
Net loss for the year					(101,218,590)
Total other comprehensive income					2,838,835
Total comprehensive loss					(98,379,755)
FINANCIAL POSITION					
Segment assets	3,742,951,790	459,447,968	856,704,621	5,059,104,379	(1,172,574,622)
Segment liabilities	2,857,484,357	275,305,061	640,051,918	3,772,841,336	(797,829,025)
Segment depreciation and amortization	27,581,158	2,764,458	5,527,329	35,872,944	-
					35,872,944
	December 31, 2017				
	Flight operation	Aircraft maintenance services	Other operations	Total before elimination	Elimination
	USD	USD	USD	USD	USD
<u>Segment result</u>					
External revenue	3,703,479,774	160,986,524	312,859,483	4,177,325,781	-
Intersegment revenue	7,157,230	278,294,718	881,492,360	1,166,944,308	(1,166,944,308)
Net revenue	3,710,637,004	439,281,242	1,194,351,843	5,344,270,089	(1,166,944,308)
External expense	2,478,025,975	429,361,211	1,346,119,773	4,253,506,959	-
Intersegment expense	1,103,110,146	7,773,395	56,060,767	1,166,944,308	(1,166,944,308)
Net expense	3,581,136,121	437,134,606	1,402,180,540	5,420,451,267	(1,166,944,308)
Segment result	129,500,883	2,146,636	(207,828,697)	(76,181,178)	-
<u>Unallocated income (expenses)</u>					
Equity in net gain (loss) of associates					192,617
Finance income					6,196,164
Finance cost					(88,388,240)
Profit (loss) before tax					(158,180,637)
Tax expense					(55,209,041)
Net loss for the year					(213,389,678)
Total other comprehensive income					58,020,948
Total comprehensive loss					(155,368,730)
FINANCIAL POSITION					
Segment assets	3,693,286,269	539,150,877	939,618,274	5,172,055,420	(1,408,763,327)
Segment liabilities	2,789,763,519	233,456,853	709,996,760	3,733,217,132	(907,394,239)
Segment depreciation and amortization	109,391,502	13,098,441	20,822,165	143,312,108	-
					143,312,108

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	December 31, 2016					Total
	Flight operation	Aircraft maintenance services	Other operations	Total before elimination	Elimination	
	USD	USD	USD	USD	USD	
<u>Segment result</u>						
External revenue	3,562,852,676	114,301,916	186,766,973	3,863,921,565	-	3,863,921,565
Intersegment revenue	<u>7,207,203</u>	<u>274,573,277</u>	<u>757,964,765</u>	<u>1,039,745,245</u>	<u>(1,039,745,245)</u>	-
Net revenue	3,570,059,879	388,875,193	944,731,738	4,903,666,810	(1,039,745,245)	3,863,921,565
External expense	2,665,580,234	296,954,566	802,282,826	3,764,817,626	-	3,764,817,626
Intersegment expense	<u>943,763,800</u>	<u>8,893,699</u>	<u>87,087,746</u>	<u>1,039,745,245</u>	<u>(1,039,745,245)</u>	-
Net expense	3,609,344,034	305,848,265	889,370,572	4,804,562,871	(1,039,745,245)	3,764,817,626
Segment result	(39,284,155)	83,026,928	55,361,166	99,103,939	-	<u>99,103,939</u>
<u>Unallocated income (expenses)</u>						
Equity in net gain (loss) of associates						(215,172)
Finance income						7,180,597
Finance cost						<u>(88,278,664)</u>
Profit before tax						<u>17,790,700</u>
Tax expenses						<u>(8,425,842)</u>
Net profit for the year						<u>9,364,858</u>
Total other comprehensive income						<u>49,809,176</u>
Total comprehensive income						<u>59,174,034</u>
FINANCIAL POSITION						
Segment assets	3,601,506,052	439,985,264	937,444,295	4,978,935,611	(1,241,366,221)	3,737,569,390
Segment liabilities	2,594,486,844	267,525,069	600,257,842	3,462,269,755	(734,597,584)	2,727,672,171
Segment depreciation and amortization	139,219,137	11,416,669	18,025,171	168,660,977	-	168,660,977
	December 31, 2015					Total
	Flight operation	Aircraft maintenance services	Other operations	Total before elimination	Elimination	
	USD	USD	USD	USD	USD	
<u>Segment result</u>						
External revenue	3,560,183,233	78,627,738	176,178,774	3,814,989,745	-	3,814,989,745
Intersegment revenue	<u>6,645,654</u>	<u>227,099,007</u>	<u>585,485,344</u>	<u>819,230,005</u>	<u>(819,230,005)</u>	-
Net revenue	3,566,828,887	305,726,745	761,664,118	4,634,219,750	(819,230,005)	3,814,989,745
External expense	2,706,361,709	247,935,438	691,947,157	3,646,244,304	-	3,646,244,304
Intersegment expense	<u>761,173,701</u>	<u>7,399,910</u>	<u>50,656,394</u>	<u>819,230,005</u>	<u>(819,230,005)</u>	-
Net expense	3,467,535,410	255,335,348	742,603,551	4,465,474,309	(819,230,005)	3,646,244,304
Segment result	99,293,477	50,391,397	19,060,567	168,745,441	-	<u>168,745,441</u>
<u>Unallocated income (expenses)</u>						
Equity in net gain (loss) of associates						(98,259)
Finance income						6,597,482
Finance cost						<u>(68,584,517)</u>
Profit before tax						<u>106,660,147</u>
Tax expenses						<u>(28,685,986)</u>
Net loss for the year						<u>77,974,161</u>
Total other comprehensive income						<u>(6,718,567)</u>
Total comprehensive income						<u>71,255,594</u>
FINANCIAL POSITION						
Segment assets	3,203,922,182	312,994,597	507,857,307	4,024,774,086	(714,763,100)	3,310,010,986
Segment liabilities	2,250,022,479	190,297,387	319,502,288	2,759,822,154	(400,534,353)	2,359,287,801
Segment depreciation and amortization	156,806,556	4,514,683	15,279,608	176,600,847	-	176,600,847

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The following is the total operating revenue of each region based on its central region:

	March 31, 2018 (Unaudited) USD	March 31, 2017 (Unaudited) USD	December 31, 2017 USD	December 31, 2016 USD	December 31, 2015 USD
Total revenue based on geographical segment					
Domestic					
Jakarta	657,277,690	567,932,016	2,628,885,043	2,412,321,980	2,375,234,189
Surabaya	73,556,474	71,966,155	360,644,135	355,358,292	362,752,051
Makassar	38,833,452	53,764,871	245,196,152	231,196,946	265,545,078
Medan	27,723,789	27,655,732	143,268,961	138,802,408	163,176,615
International					
Tokyo	79,938,121	83,930,998	341,642,169	309,946,247	288,830,395
Sydney	27,481,953	23,383,981	143,082,801	106,937,907	110,094,442
Amsterdam	32,989,705	33,622,932	139,327,530	138,430,692	110,930,592
Shanghai	32,027,926	34,930,955	113,508,850	112,885,822	80,785,287
Singapore	13,177,231	13,645,105	61,770,140	58,041,271	57,641,096
Total	<u>983,006,341</u>	<u>910,832,745</u>	<u>4,177,325,781</u>	<u>3,863,921,565</u>	<u>3,814,989,745</u>

54. QUASI-REORGANIZATION

As a result of adverse economic condition in Indonesia since in the middle of 1997 and other negative factors, the Company has accumulated deficit totaling to USD 1,385,459,977 as of January 1, 2012. The Company stockholders' had approved to carry out a quasi-reorganization in order to eliminate the accumulated losses as of January 1, 2012, in accordance with PSAK No. 51 (revised 2003). Moreover, the Company proposed a reduction of par value per share from 500 to 459, without reducing the number of shares; thereby creating additional paid-in capital of USD 459,852 as of January 1, 2012.

In accordance with regulation, both the quasi-reorganization and reduction of par value of shares of the Company should be approved by the Company's stockholders and Minister of Justice and Human Rights before they became effective. Based on the Shareholders' Extraordinary General Meeting Deed No. 1 dated June 28, 2012 of Aulia Taufani, S.H., the stockholders' approved the quasi-reorganization as of January 1, 2012 and the reduction of par value per share to effect the quasi-reorganization. This deed was approved by the Ministry of Justice and Human Rights in his decision letter No. AHU-66159.AH.01.02. Tahun 2012 dated December 27, 2012. Further, the Company had obtained approval from the President of the Republic of Indonesia as stated in the Indonesia Government Regulation No. 114 Year 2012 dated December 27, 2012, which is published in State Gazette of the Republic of Indonesia No. 287 in 2012.

Accordingly, the Group revalued its opening consolidated statement of financial position at January 1, 2012, to fair value which was determined by an independent appraiser. The fair value adjustment resulted in USD 44,963,385 revaluation increase of assets. The assets principally affected by the fair value adjustments and the amount of such adjustments are as follows:

	Appraisal	Revaluation increase USD
Inventories	KJJP Doli Siregar & Rekan	7,315,622
Maintenance reserve funds and securities deposits	KJJP Doli Siregar & Rekan	11,923,653
Investment in associates	KJJP Doli Siregar & Rekan	522,676
Other financial assets	KJJP Doli Siregar & Rekan	1,141,984
Property and equipment	KJJP Doli Siregar & Rekan	23,989,249
Other assets - net	KJJP Doli Siregar & Rekan	70,201
Total		<u>44,963,385</u>

No adjustment was made to the value of liabilities as of January 1, 2012, because the carrying amount prior to quasi-reorganization has already reflected their fair value.

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Through the quasi-reorganization, the Company eliminated the balance of its accumulated losses as of January 1, 2012 of USD 1,385,459,977, against the following equity components:

	USD
Accumulated losses	(1,385,459,977)
Difference on revaluation assets and liabilities	44,963,385
Share option	2,278,677
Other component of equity revaluation surplus	83,793,914
Additional paid-in capital (Note 30)	108,518,998
Issued and paid-up capital (Note 30)	1,145,905,003
Total	-

The above quasi-reorganization is the first of a series of steps which the Company will take in its effort to sustain its ability to continue as a going concern while also achieving sustainable long-term growth. The management and shareholders of the Company believed and continue to believe that the Company has good future business prospects, as outlined in the long-term business plan of the Company.

55. NON CASH TRANSACTIONS

For the three-month periods ended March 31, 2018 and 2017 and for the years ended December 31, 2017, 2016 and 2015, the Group have investment and financing transactions that did not affect cash and cash equivalents and hence not included in the consolidated statements of cash flows with details as follows:

	2018 (Three months) (Unaudited) USD	2017 (Three months) (Unaudited) USD	2017 (One year) USD	2016 (One year) USD	2015 (One year) USD
NON CASH INVESTING AND FINANCING ACTIVITIES					
Increase in property and equipment through estimated liability for aircraft return and maintenance cost (Note 26)	4,464,779	6,019,466	17,991,875	16,268,446	15,604,831
Increase of property and equipment through revaluation surplus (Note 14)	-	-	59,407,722	66,614,905	32,226,270
Increase (decrease) in property and equipment due to translation adjustment (Note 14)	3,164,015	3,164,015	(401,716)	11,969,097	(22,403,496)
Increase (decrease) in property and equipment through accounts payable	60,849	281,458	663,817	302,395	214,078
Increase in property and equipment through lease liabilities	-	26,013,084	62,627,598	59,045,993	14,663,153
Decrease in property and equipment through lease liabilities	-	-	(61,851,557)	-	-

56. EVENTS AFTER THE REPORTING PERIOD

On April 19, 2018, the Company held Annual General Meeting of Shareholders (AGMS) and Extraordinary Meeting of Shareholders (EGMS) for Financial Year 2017 in the Auditorium Room Garuda Management Building GF - Garuda City Tangerang.

Garuda AGMS has approved as follows:

1. Approval of the Company's Annual Report for Year of 2017 including the Consolidated Financial Statement of the Company and the Financial Statement of the Partnership and Environmental Development Program of the Company as well as the Supervisory Duty Report of the Board of Commissioner ended on 31 December 2017, and the granting of full release and discharge (*volledig acquit et de charge*) to all members of the Board of Directors and Board of Commissioners from the management and supervisory actions carried out for the financial year ended on 31 December 2017;
2. Determination of remuneration (salary/honorarium, facilities and allowance) for the members of Board of Directors and Board of Commissioner for Financial Year of 2018;
3. The appointment of a Public Accountant Office to audit the Financial Statement of the Company for Financial Year of 2018 and the Financial Statement of the Partnership and Environmental Development Program of the Company for Financial Year of 2018;
4. Utilization of Net Proceeds Report from the Initial Public Offering and Reports on Results of Management and Employee Stock Option Plan (MESOP) Program;
5. Amendment to the Articles of Association;
6. The determination of the validation of the Ministry of SOE Regulation No. PER-02/MBU/07/2017 regarding the Second Amendment of the Ministry of State Owned Enterprises Regulation No. PER-09/MBU/07/2015 regarding the Partnership & Environmental Development Program of SOE;
7. The determination of the validation of the Ministry of SOE Regulation No. PER-03/MBU/08/2017 regarding SOE Cooperation Guidelines jo. Ministry of SOE Regulation No. PER-04/MBU/09/2017 regarding Amendment on Ministry of SOE Regulation No. PER-03/MBU/08/2017 regarding SOE Cooperation Guidelines;
8. Change of the Company's Management Composition

The composition of management as follow:

President Commissioner /Independent Commissioners Commissioners	Jusman Syafii Djamal Muzaffar Ismail Dony Oskaria Chairal Tanjung Luky Alfirman
Independent Commissioners Independent Commissioners President & CEO Director of Finance & Risk Management Director of Services Director of Commercial for Domestic Business Director of Human Capital & Corporate Affairs Director of International Commercial & Cargp Director of Maintenance Director of Operations	Hasan M. Soedjono Herbert Timbo P. Siahaan Pahala Nugraha Mansury Helmi Imam Satriyono Nicodemus P. Lampe Nina Sulistyowati Linggarsari Suharso Sigit Muhartono I Wayan Susena Triyanto Moeharsono

Garuda EGMS has approved The Material Transaction of the Issuance Transaction of the Global Bonds.

57. MANAGEMENT RESPONSIBILITY AND APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The preparation and fair presentation of the consolidated financial statements on pages 1 to 131 were the responsibilities of management, which were approved by the Directors and authorized for issuance on May 2, 2018.
