

Debt Collection Policy

Kebijakan Penagihan Utang

Objective

PT Bank Mandiri (Persero) Tbk (“Bank Mandiri”) adheres to all applicable laws and regulations related to debt collection management to ensure that every process is conducted in compliance with prevailing legal standards. The Bank implements a responsible, respectful, and fair debt collection policy for all customers. Employees or any party authorized to represent Bank Mandiri in debt collection processes are required to follow high ethical principles, respect debtor rights, and ensure that the collection process is conducted professionally and in compliance with applicable regulations.

Scope of Policy

Bank Mandiri has developed a debt collection policy applicable to all Bank Mandiri employees and subsidiaries, covering products and services across retail (mortgage, credit card, etc) and wholesale segments. This policy includes procedures, management, and work mechanisms for debt collection, encompassing methods, frequency, and requirements. Additionally, the policy mandates regular employee training and the implementation of standardized collection procedures.

The debt collection policy is aligned with the Credit Policy (*Kebijakan Perkreditan* or KPKD) and supported by internal provisions related to credit collection and recovery for both retail and wholesale segments, as well as technical provisions covering non-performing loan management and collection processes. Oversight of debt collection policy implementation is carried out by the Wholesale Credit Recovery Unit for corporate customers and the Retail Collection & Recovery Unit for individual customers.

Implementation Mechanisms

Collection efforts can be conducted through desk collectors (via phone calls), field collectors (direct visits), and third-party debt collection service providers. The tools used include phone calls, instant messaging applications, short messaging services (SMS), and email.

The collection approach generally follows 3 (three) phases tailored to the debtor's condition: Repayment Reminders, Credit Recovery, and Credit Resolution.

1. Repayment Reminders

As an initial step in reminding debtors, either in writing or verbally, about their obligations, the approach must be tailored to the specific situations of customers with loans that are about to mature, have matured, or are overdue. At this stage, Bank Mandiri also provides customer education and support services, as well as detects potential business declines or payment difficulties.

2. Credit Recovery

For higher delinquency levels, Bank Mandiri employs more assertive collection efforts, negotiating alternative payment schedules and emphasizing the importance of fulfilling obligations to maintain the debtor's credibility. Negotiations focus on resolving overdue payments, including credit restructuring options.

3. Credit Resolution

Bank Mandiri takes further steps to collect from delinquent debtors through various resolution alternatives, including but not limited to full or installment-based repayment, debt transfer via novation, cessie, and subrogation mechanisms, as well as collateral liquidation through voluntary sales or auctions.

Customer Rights Protection

Bank Mandiri emphasizes the implementation of consumer rights and interests protection in the debt collection process, strictly prohibiting violent or coercive collection practices and ensuring that collection efforts are directed only toward the debtor. Bank Mandiri consistently ensures that every collection process complies with applicable internal and external regulations to maintain transparency and integrity in customer relations.

- Bank Mandiri applies financial protection policies at every stage of debt collection, respecting the basic rights of customers in accordance with the applicable credit agreements.
- All collection processes, whether direct or indirect, comply with internal and external regulations to maintain transparency and integrity in customer relations.
- The collection process not only focuses on protecting the interests of Bank Mandiri but also ensures that customers' rights and privacy are respected in accordance with applicable regulations.
- Debt collection by third-party service providers is only permitted when the debtor's account has been classified as non-performing.
- Third-party debt collection must adhere to Bank Mandiri's collection standards, avoiding physical or verbal coercion and targeting only the respective debtor.

- The collection process must adhere to ethical guidelines and be conducted at the debtor's billing address or residence from Monday to Saturday, excluding national holidays, between 8:00 AM and 8:00 PM local time.
- Collections outside the designated times and locations can only be conducted with the prior consent of the debtor.

Training Requirements

Bank Mandiri mandates that employees handling credit and collection processes participate in online and offline training programs, both internally and externally. Collection officers must complete training on modules such as basic collection techniques, negotiation strategies, anti-fraud measures, legal aspects of collection, and operational risk management, at least once a year.

Collection Process Monitoring

To ensure that debt collection processes align with ethical standards and regulations, Bank Mandiri records all desk collector communications with debtors, equips field collectors with a mobile collection system, and installs CCTV in all customer interaction rooms (dealing rooms).