

SOCIAL PILLARS

Employee Training and Development

In addition to getting benefits, Bank Mandiri employees also receive education and training to develop employee potential and compensation. In 2023, the number of training participants was 790,101 participants with the number of employees receiving training of 39,517 employees consisting of 18,894 male employees and 20,623 female employees. The total number of employee training

hours throughout 2023 was 5,339,236 training hours with the average training hours per employee of 135.1 hours/employee or equivalent to 16.9 days/employee.

Comprehensive information on Bank Mandiri's human resource development is detailed in the Human Resources sub-chapter in this Annual Report.

Financial Inclusion

Bank Mandiri actively participates in financial inclusion efforts by expanding and facilitating access to financial services for the public. Convenient access to financial services can reduce economic inequality and foster the post-pandemic economic recovery process. The targets of Bank Mandiri's financial inclusion are:

1. Low economic society (micro).
2. Secondary society (unbanked and underbanked).
3. Groups with low and irregular incomes.
4. People living in remote areas.
5. People with disabilities.
6. Workers who do not have legal identity documents.
7. Rural and peripheral communities.
8. Areas with limited formal financial networks due to geographical constraints, diffuse populations, and low financial literacy.

In order to open access to banking services as much as possible, as well as participate in overcoming social issues, Bank Mandiri participates in the Financial Inclusion program by providing banking services for MSME entrepreneurs to micro entrepreneurs.

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ACCESS TO MSME LOANS

Micro, Small and Medium Enterprises (MSMEs) are vital business communities in Indonesia. MSMEs constitute the largest proportion and user of direct labor in the economy. As the backbone of the economy, the Government fosters MSMEs to innovate to elevate to a higher level and play a greater role in improving the community's economy.

Bank Mandiri's support to MSMEs by providing access and capital is a portfolio development that has a positive social impact as it improves living standards, job opportunities, and poverty alleviation. **Bank Mandiri has 1.2 million MSME debtors who benefited from MSME loans of Rp126.1 trillion, grew 7.5%** from the previous year. This achievement was also followed by the ratio of non-performing loans (NPL) in the MSME segment which was maintained at the level of 1.34%. This MSME loan portfolio reached 24.3% of the Bank's total loan portfolio.

To deepen market share, Bank Mandiri provides special offers for MSMEs related to Bank Mandiri's wholesale customers or ecosystem financing. Bank Mandiri customers who are multinational companies, large companies, to State-Owned Enterprises are the center of this ecosystem. MSMEs that are included in the ecosystem can attain more competitive interest rates than the applicable Micro Business Loan Interest Rate Program (KUM).

MSME loans are provided through Working Capital Loans and Investment Loans, Bank Mandiri also provides Micro Business Loans (KUM) and participates in Government programs by providing People's Business Loans (KUR) in the micro banking segment.

In 2023, Bank Mandiri expanded access to financial services for MSME business practitioners in the fisheries sector by collaborating with fisheries start-up PT Rantai Pasok Teknologi (FishLog). This collaboration allows Fishlog partners in the fishing industry sector, both bankable and unreachable by conventional banks, to have adequate business scale.

Digitalization is one of the main issues that must be addressed by MSME communities. Bank Indonesia (BI) stated that during the pandemic, the number of e-commerce transactions almost doubled from 80 million transactions in 2019 to 140 million transactions in August 2022. This indicates that adaptation to e-commerce transactions based on digital technology is imperative for MSME communities in line with the opening of huge market opportunities (Bank Indonesia, 2022).

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Bank Mandiri has released the Livin' Merchant by Mandiri application to open wider access to finance for micro-class productive businesses. Livin' Merchant is a cashier application aka point on sale (POS) that will digitize payment transactions at MSME merchants; to ensure that they can directly accept QRIS transaction payments from various banks and e-wallets. Currently, the Livin' Merchant application can be enjoyed without fees, free of transaction fees, and MSME communities can disburse funds on the same day up to three times a day.

Bank Mandiri's digital distribution network innovation consists of Livin' App, with **21 million registered users**, Livin' Merchant with around 1.4 million registered merchants, KOPRA platform which is currently used by more than 95% of Bank Mandiri's wholesale customers, and 241 Smart Branches which are digital transformation of Bank Mandiri's conventional branch offices.

Micro, Small and Medium Enterprises Segment Financing (Rp Billion)

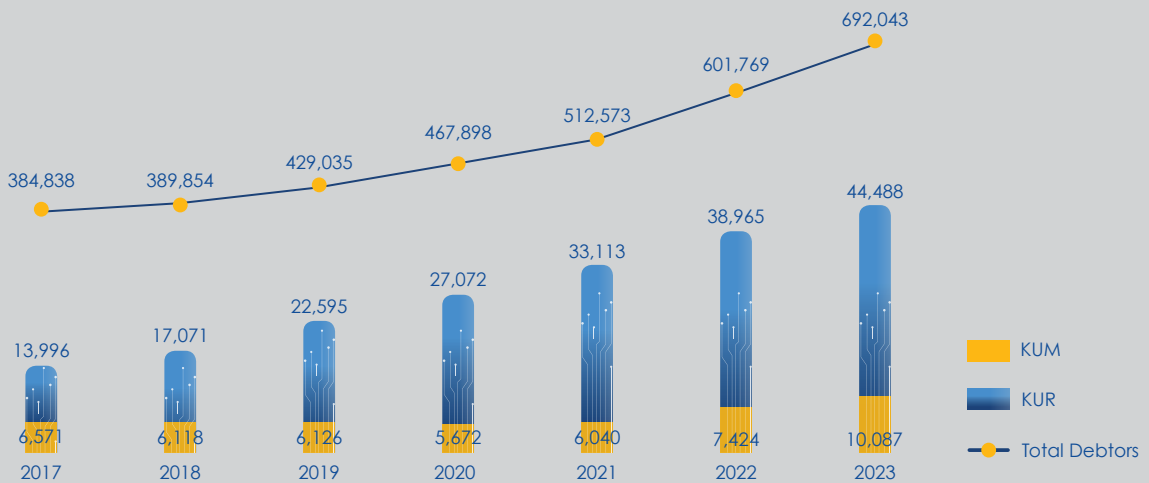
No.	Sector	2023	2022
1	Palm Oil and CPO Plantations	21,651.18	19,278.91
2	Retail Trade of Food, Beverages, and Cigarettes	16,881.72	36,772.69
3	Hotels, Restaurants and Accommodation	9,971.93	9,380.37
4	Retail Trade of Home Appliances	8,630.64	8,411.45
5	Agriculture	5,722.69	5,491.57
6	Non-Financial Business Services	5,208.41	5,343.10
7	Social Services and Institutions	4,911.95	4,374.70
8	Land Transportation Services	3,846.86	3,348.76
9	Livestock and Animal Feed	3,756.88	3,510.38
10	Retail Trade of Textiles and Textile Products	3,364.03	3,680.76
11	Others	41,548.40	37,702.34
12	Total	125,494.69	117,295.03

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MICRO FINANCING ACCESS

Bank Mandiri consistently fosters MSME business practitioners to increase business competitiveness capacity so as to promote economic growth and employment through Micro financing. In disbursing micro loans to MSMEs, Bank Mandiri utilizes the upstream-downstream scheme (close loop) in accordance with regional strategy by optimizing the value chain ecosystem of Bank Mandiri's wholesale customers.

KUR AND KUM PERFORMANCE



43%



Rp37.35 trillion
528,942 debtors
94.22%
1.12%



DEBTORS

Portfolio
Total
Current Collectivities
NPL

56%



Rp44.49 trillion
692,043 debtors
95.49%
1.58%

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People's Business Loans (KUR)

People's Business Loans (KUR) is a working capital and/or investment loans to individual debtors, business entities, and/or business groups that are productive and feasible but do not have additional collateral or insufficient additional collateral. The KUR program aims to increase access to financing for MSMEs to enable business capacity and competitiveness to also increase.

Bank Mandiri with core competence as a wholesaler Bank develops an ecosystem-based KUR disbursement strategy. In this strategy, Bank Mandiri collaborates with companies that have become wholesale debtors to then provide recommendations for their managing partners to be financed by KUR.

Bank Mandiri serves three types of KUR, as follows:

- KUR Retail with loan ceiling above Rp25 million to a maximum of Rp200 million per debtor, and a maximum period of 3 years for working capital loans and 5 years for investment loans.
- KUR Micro with a maximum loan ceiling of up to Rp25 million per debtor and a maximum period of 2 years.
- KUR TKI with a maximum loan ceiling of up to Rp25 million per debtor with a period adjusted to the employment contract period or a maximum of 12 months.

By implementing the KUR disbursement strategy through this ecosystem, MSMEs can gain better access to financial services, including KUR disbursement in a fast process.

Meanwhile, from the beginning of disbursement in 2008 to 2023, Bank Mandiri has **disburse KUR to 2.8 million debtors** with a disbursement **limit of Rp224.91 trillion**.

KUM Micro Business Loans (KUM)

Micro Business Loans (KUM) is a loan provided to micro entrepreneurs to finance productive business needs both for investment needs and working capital needs. One of the advantages of Micro Business Loans is the interest rate that competes with fixed installments every month with easy application conditions and a fast loan process.

KUM disbursement is one of Bank Mandiri's roles in assisting MSMEs to develop, expand reach, boost output, and enhance competition in the market, allowing them to positively contribute to the local economy.

During 2023, Bank Mandiri has **disbursed Micro Business Loans amounting to Rp15.674 billion with a total of 361,270 active debtors**.

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Financing to Women via MSME Loans

Women play an important role in the progress of the MSME ecosystem in Indonesia. Bank Mandiri is committed to helping increase the business competitiveness capacity of MSME communities, particularly women, allowing them to actively contribute to fostering economic growth and helping to expand employment.

In the last five years, Bank Mandiri has a portfolio of active women **micro entrepreneurs as many as 692,043 debtors with total loans of Rp44.5 trillion** through KUR and KUM products. This number makes women debtors of **Bank Mandiri micro entrepreneurs occupy the largest portion** of the total debtors or **around 56.7%** of the total active debtors of the micro segment of **1,220,985 debtors**.

The credit quality of women debtors also indicates better quality than male debtors, with current collectability of 99.49% and Non-Performing Loans of 1.12% as of December 2023. Meanwhile, the current collectability of male debtors was 94.22% with Non-Performing Loans of 1.58.

Simpanan Mandiri Makmur (SiMakmur)

SiMakmur is a rupiah-based individual deposit account service that uses technology and information from Mandiri Agents to make banking services more accessible to everyone. SiMakmur has the advantage, which is free minimum account balance and free monthly administration fee. Customers with SiMakmur accounts are facilitated in transaction without having to visit the Bank's branch office and simply visit the nearest Mandiri Agent. SiMakmur services have been guaranteed by the Deposit Insurance Corporation (LPS).

Bank Mandiri continues to promote inclusivity for people with disabilities through the Inclusive Economic Acceleration Movement by opening 10,000 new savings accounts for people with disabilities throughout West Java, Central Java, and Yogyakarta. Bank Mandiri provides various types of savings products according to the needs of prospective customers ranging from Tabungan Now, Tabungan Mitra Usaha, and Tabungan Simpanan Pelajar (SimPel) for people with disabilities who do not have a National Identity Number (NIK).

Comprehensive information on Bank Mandiri's Financial Inclusion is detailed in the Sustainability Report of Bank Mandiri, which is published concurrently but in a separate publication.