

SOCIAL PILLARS

Consumer Protection

The Bank Operational Policy of Bank Mandiri governs the execution of consumer protection functions. Subsequently, internal policies within each work unit further elaborate on this policy. This demonstrates the Bank's commitment to support a reliable consumer protection system and achieve a financially sustainable, sound system that safeguards the interests of the public and consumers.

Since October 2022, Bank Mandiri has also established a Consumer Protection Unit as mandated by OJK Regulation No. 6/POJK.07/2022 concerning Consumer and Public Protection in the Financial Services Sector, which is responsible for:

1. Disseminate the principles of Consumer Protection to all PUJK Employees.
2. Coordinate the planning and implementation of PUJK compliance with Consumer Protection provisions.
3. Coordinate monitoring and evaluation of the implementation of PUJK compliance with Consumer Protection provisions.
4. Report on implementation and provide recommendations to the Board of Directors related to Consumer Protection.
5. Coordinate the preparation and submission of reports related to Consumer Protection.

In addition to having a consumer financial protection policy, Bank Mandiri also has a debt collection policy that contains the fulfillment of debtor rights as stated in:

1. Bank Mandiri's Credit Policy with the latest amendments was signed by the Board of Directors and is effective as of 7 March 2022.
2. Standard Credit Collection & Recovery Operating Procedures as last amended in 2022.
3. Other related internal regulations

The regulation generally upholds debt collection procedures while safeguarding the welfare of debtors as consumers. When a Collection Service Provider Company handles the collection, Bank Mandiri shall ensure the following:

1. Collection can only be done if the quality of the debtor's receivables is included in the bad quality.
2. Informing the debtor if the collection of the debtor's obligations has been submitted to the Collection Service Provider Company.
3. Collection is prohibited by using physical or verbal pressure;
4. Collection is prohibited from being made to parties other than the debtor;
5. Collection using means of communication is prohibited from being continuously disruptive;
6. Collection can only be done at the place of the debtor's billing address or domicile;
7. Collection can only be done from 08.00 to 20.00 time in the debtor's domicile area.

In addition, the policy also regulates the rights of creditors to:

1. Obtaining a sufficient explanation of the characteristics of the product.
2. Access the terms and conditions of fund products through the Bank Mandiri website.
3. Obtain transaction convenience through branches, e-banking services or other facilities determined by the Bank.
4. Earn interest in accordance with the applicable provisions at the Bank.
5. Obtain information on procedures for handling and resolving customer complaints.

In the lending process, Bank Mandiri prioritizes the principle of prudence and regular portfolio monitoring. The application of the due-diligence in the lending process is reflected in the escalation mechanism in the loan approval and monitoring process for large-scale and high-risk debtors.

The lending process flow of the Loan Monitoring Stage includes the Watchlist mechanism as one of several methods for assessing the creditworthiness of existing debtors. This mechanism functions as an Early Warning Signal to assess the credit quality extended by examining three key factors: the debtor's future