

For Communities

Financial Inclusion

Bank Mandiri actively participates in enhancing financial inclusion by expanding and simplifying access to financial services for the community. Improving access to financial services helps reduce economic disparities and promotes more equitable national economic growth. Bank Mandiri's financial inclusion targets include:

1. Low-income or irregular-income individuals.
2. Communities having difficulties in accessing banking services.
3. Persons with disabilities.
4. Workers without legal identification documents.
5. Areas with limited access to formal financial networks due to geographical constraints, dispersed populations, or low financial literacy.
6. Marginalized and/or vulnerable groups, such as women and children.
7. Micro-entrepreneurs having difficulties in accessing capital or banking services.

To maximize access to banking services and contribute to addressing social inequality, Bank Mandiri participates in the Financial Inclusion Program by providing banking services for MSME entrepreneurs, including micro-business operators.

MSME Loan Access

Micro, Small, and Medium Enterprises (MSMEs) play a significant role in Indonesia's economy due to their large proportion and direct absorption of labor. As the backbone of the economy, the government encourages MSME entrepreneurs to continue innovating, advancing to higher levels, and contributing more significantly to improving societal economic conditions.

Bank Mandiri supports the growth of MSMEs by providing adequate access to financing, recognizing that the development of the MSME portfolio generates various positive social impacts, such as improving living standards, creating jobs, and alleviating poverty.

By the end of 2024, Bank Mandiri supported 1.3 million MSME borrowers, benefiting from MSME loans amounting to Rp134 trillion, reflecting a growth of 6.5% from the previous year. This achievement was accompanied by a well-maintained non-performing loan (NPL) ratio in the MSME segment at 1.4%. The MSME loan portfolio accounted for 11% of Bank Mandiri's total loan portfolio.

To deepen its market share, Bank Mandiri offers special packages for MSMEs connected to the Bank's wholesale customers or ecosystem financing. Bank Mandiri's customers, ranging from multinational companies and large corporations to State-Owned Enterprises, form the center of this ecosystem. MSMEs within the ecosystem can benefit from more competitive interest rates compared to the prevailing Micro Business Loan (KUM) Program rates.

MSME loans are provided in the form of Working Capital Loans and Investment Loans. In addition, Bank Mandiri offers Micro Business Loans (KUM) and participates in the government program by providing People's Business Loans (KUR) under the micro banking segment.



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In the 2024 reporting year, Bank Mandiri demonstrated its commitment to expanding financial service access for MSME entrepreneurs through a tripartite collaboration with Meratus Group and financial technology company PT Modal Rakyat Indonesia (Modal Rakyat) to provide financial solutions for the maritime transportation industry. This initiative, known as 'smart financing,' is a digital financial product aimed at logistics SMEs within the Meratus Group ecosystem, enabling easier access to bridging loans needed for working capital in the logistics business. This tripartite collaboration is part of Mandiri's strategy to expand financing access through digital channels. It also serves to enhance Bank Mandiri's MSME loan disbursement in Indonesia, particularly in the logistics sector.

Digitalization is one of the key issues that MSME entrepreneurs must address. Bank Indonesia (BI) data reveals that during the pandemic, the number of e-commerce transactions nearly doubled, rising from 80 million transactions in 2019 to 140 million transactions in August 2022. This highlights that adapting to e-commerce transactions based on digital technology has become a necessity for MSMEs, given the vast market opportunities it presents (Bank Indonesia, 2022).

Bank Mandiri has launched the Livin' Merchant by Mandiri application to expand banking access for micro-scale productive enterprises. Livin' Merchant is a point-of-sale (POS) cashier application designed to digitalize payment transactions for MSME merchants, enabling them to directly accept QRIS payments from various

banks and e-wallets. Currently, the Livin' Merchant app is offered free of charge, with no transaction fees. MSME merchants can also withdraw funds on the same day, up to three times per day.

Bank Mandiri's digital distribution network innovations consist of the Livin' App with 29 million registered users; Livin' Merchant with approximately 2.4 million registered merchants; the KOPRA platform, currently utilized by over 95% of Bank Mandiri's wholesale customers; and 241 Smart Branches, which represent the digital transformation of Bank Mandiri's conventional branch offices.

SOCIAL PILLAR

Transforming Coffee Waste into Economic Value, Bank Mandiri Launches Mandiri Lingkar Hijau



Bank Mandiri has initiated the Mandiri Lingkar Hijau program to process coffee waste into economically valuable products. In addition to addressing waste management issues, this initiative also aims to empower local communities.

The Mandiri Lingkar Hijau program collaborates with Bell Living Lab, a coffee husk waste processing company based in Bandung, West Java, and the winner of the Best of the Best award in the 2023 Wirausaha Muda Mandiri competition.

Bank Mandiri and Bell Living Lab work together on waste collection, research, processing, training, and product marketing. The program will run until September 2025, with a target to collect up to 2.5 tons of coffee grounds per month and 2 tons of coffee husks per season for processing.

Financing Balance of Micro, Small and Medium Enterprises Segment

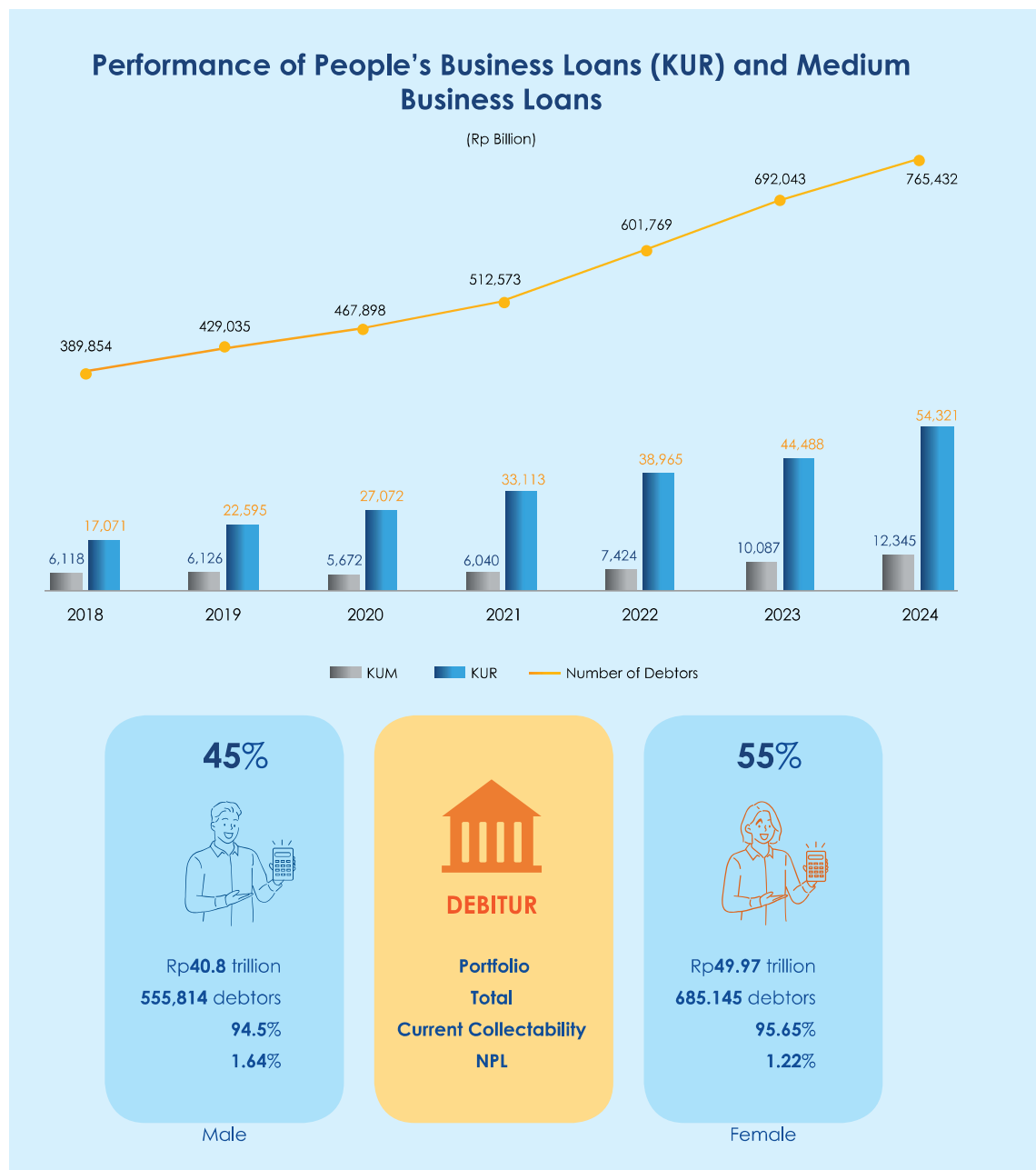
(Rp Billion)

No.	Sectors	2024	2023	2022
1	Palm Oil Plantations and CPO	23,296.20	21,651.18	19,278.91
2	Retail Trade of Food, Beverages, and Tobacco	18,671.32	16,881.72	36,772.69
3	Hotels, Restaurants, and Accommodation	11,053.79	9,971.93	9,380.37
4	Retail Trade of Household Appliances	9,223.67	8,630.64	8,411.45
5	Agriculture	5,520.31	5,722.69	5,491.57
6	Non-Financial Business Services	3,780.32	5,208.41	5,343.10
7	Social Services and Institutions	5,740.39	4,911.95	4,374.70
8	Land Transportation Services	4,406.21	3,846.86	3,348.76
9	Livestock and Animal Feed	3,988.75	3,756.88	3,510.38
10	Retail Trade of Agricultural and Forestry Products	4,097.73	3,364.03	3,680.76
11	Others	43,769.79	41,548.40	37,702.34
Total		133,548.48	125,494.69	137,295.03

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Micro Financing Access

Bank Mandiri supports the development of MSME entrepreneurs by enhancing their business competitiveness, which helps drive economic growth and create jobs through Micro Credit Financing. The disbursement of microcredit to MSMEs is carried out using an upstream-downstream (close-loop) scheme aligned with regional strategies, leveraging the value chain ecosystem of Bank Mandiri's wholesale customers.



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People's Business Loan (KUR)

People's Business Loan (KUR) is a working capital and/or investment loan provided to individual borrowers, business entities, and/or productive and viable business groups that lack or have insufficient additional collateral. The KUR program aims to improve access to financing for MSMEs, enhancing their business capacity and competitiveness.

As a wholesaler-focused bank, Bank Mandiri has developed an ecosystem-based KUR distribution strategy. Under this strategy, Bank Mandiri collaborates with its wholesale debtor companies, which then recommend their managed partners to qualify for KUR financing.

Bank Mandiri Offers Three Types of KUR:

- Retail KUR, for loan ceilings above Rp25 million up to a maximum of Rp200 million per borrower, with a maximum tenure of 3 years for working capital loans and 5 years for investment loans.
- Micro KUR, for loan ceilings up to Rp25 million per borrower, with a maximum tenure of 2 years.
- KUR for Migrant Workers (KUR TKI), for loan ceilings up to Rp25 million per borrower, with a tenure aligned to the employment contract or a maximum of 12 months.

By implementing this ecosystem-based KUR disbursement strategy, MSMEs gain better access to financial services, including fast-track KUR disbursement processes.

Since its inception in 2008 through 2024, Bank Mandiri has disbursed KUR to 3.02 million borrowers with a total disbursement ceiling of Rp63.9 trillion.

Micro Business Loan (KUM)

Micro Business Loan (KUM) is a loan facility provided to micro-entrepreneurs to finance their productive business needs, including both investment and working capital requirements. One of the key advantages of KUM is its competitive interest rates, with fixed monthly installments, easy application requirements, and a quick approval process.

The disbursement of KUM reflects Bank Mandiri's commitment to supporting MSMEs by helping them grow, expand their reach, increase production, and better compete in the market, thereby contributing positively to the local economy.

Throughout 2024, Bank Mandiri disbursed Rp26.9 billion in Micro Business Loans to 351,066 active borrowers.

Financing for Women through MSME Loan

Women play a significant role in advancing the MSME ecosystem in Indonesia. Bank Mandiri continues to demonstrate its commitment to empowering women entrepreneurs in the MSME sector by enhancing their business competitiveness, enabling them to actively contribute to economic growth and create new job opportunities.



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Over the past five years, Bank Mandiri has maintained a portfolio of 685,145 active women borrowers in the micro-business sector, with total loan disbursement of Rp50 trillion through KUR and KUM products. Women micro-entrepreneurs constitute the majority of Bank Mandiri's active borrowers, accounting for 55% of the total 1.24 million active micro-segment borrowers.

The credit quality of women borrowers also outperforms that of male borrowers, with 95.65% of women borrowers maintaining a current loan status and a Non-Performing Loan (NPL) ratio of 1.22% as of December 2024. In comparison, male borrowers have a current loan status of 94.5% and an NPL ratio of 1.64%.

Mandiri Makmur Savings (SiMakmur)

The SiMakmur service is a personal savings account in Indonesian Rupiah, leveraging technology and information through Mandiri Agents to provide banking access to all communities. SiMakmur offers several benefits, including no minimum balance requirement and no monthly administration fees. Customers with SiMakmur accounts can conveniently perform transactions without visiting Bank Mandiri branches, simply by accessing the nearest Mandiri Agent. SiMakmur accounts are insured by the Indonesia Deposit Insurance Corporation (LPS).

Bank Mandiri actively promotes inclusivity for persons with disabilities through the Inclusive Economic Acceleration Movement, facilitating the opening of 10,000 new savings accounts for individuals with disabilities across West Java, Central Java, and Yogyakarta. Bank Mandiri provides various savings products tailored to the needs of potential customers, including Tabungan Now, Tabungan Mitra Usaha, and Simpanan Pelajar (SimPel) savings accounts for individuals with disabilities who do not yet 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.