

Corporate Social Responsibility to Community Social Development



Corporate social responsibility related to community social development is a translation of one of the Bank's missions, which is to care about the interests of society and the environment, as a contribution of the company to improve the welfare of the community. The Bank's social responsibility is grouped into 2 (two) namely Social and Environmental Responsibility (TJSL) and Community Development Program (BL).

Policy

In implementing social responsibility related to social development, Bank Mandiri complies with the regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia No. PER-02/MBU/7/2017 concerning the Second Amendment to the Minister of State-Owned Enterprises Regulation No. PER-09/MBU/07/2015 concerning the SOE Partnership Program and Community Development Program.

In addition, Bank Mandiri's internal policies related to responsibility for social development have been regulated and stipulated in the PKBL Standards and Procedures which contain the implementation of the Partnership Program, Community Development Program and Procurement of Goods and Services Standards related to the PKBL program, which is effective from August 1, 2011. The PKBL procedure standard has been updated on December 21, 2018 along with its operational technical instructions.

Activity Target

As part of the community, Bank Mandiri continues to harmonize its presence and business activities in the community. Therefore, Bank Mandiri is committed to continuing to run community development and empowerment programs in order to achieve an independent and prosperous society.

Activity

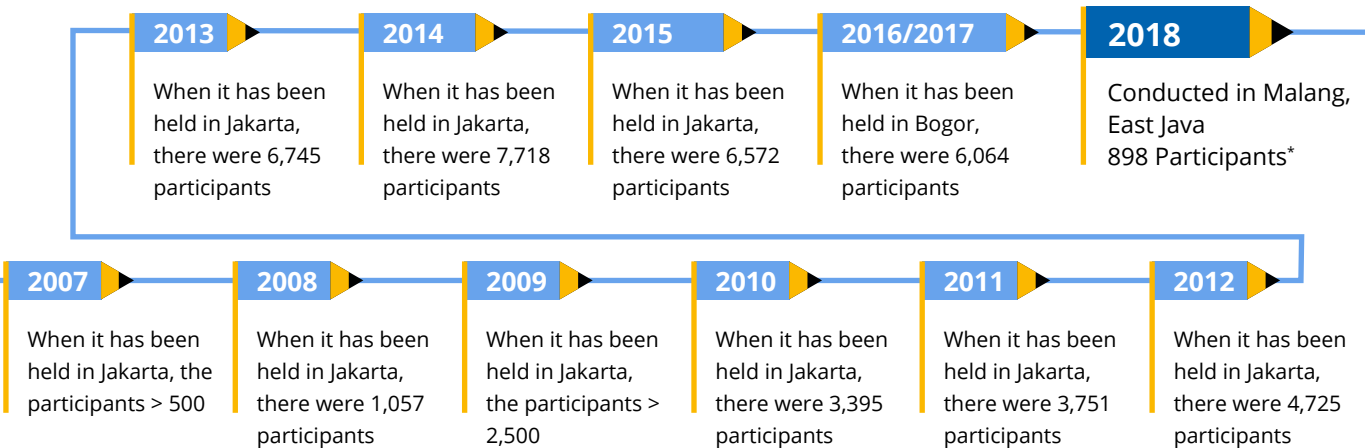
Education and Independence Program Entrepreneurship

The Independent Education and Entrepreneurship Program is the basis for spawning young leaders who are independent and highly competitive in the face of all the challenges of increasingly fierce global competition in future generations. In realizing this program, Bank Mandiri has several strategic programs, including the following:

Mandiri Young Entrepreneurship (WMM)

The Mandiri Young Entrepreneur Program (WMM) is a program that invites young people to entrepreneurship. WMM is an appreciation of Bank Mandiri to young entrepreneurs who excel while supporting the Ministry of UKM's program in improving quality MSMEs in Indonesia through managerial skills training, networking and offline publications.

2018 is the 11st year for Bank Mandiri to implement the WMM program. Since it was first held, the WMM program has always been imitated with the highest number of participants recorded in 2014, which were 7,718 participants.



*Changes to the concept in WMM registration, where WMM becomes closed online which consists of 30 Universities and 10 Communities

With the "Berani Muda, Berani Berkarya" (Young and Brave, Dare to Work) theme, the 2018 WMM was held with a series of events, which are the WMM Expo, National Judging, Company Visit, and Awarding Ceremony. The WMM Expo was held on September 6 - 9, 2018 at the Olympic Garden Mall Malang, while the Awarding WMM event was held on September 15, 2018, in Samantha Krida Universitas Brawijaya Malang. In the Expo event, WMM products were introduced to the public.



Young Entrepreneurs Winner Testimonies In 2018



Christopher Farrel Millenio
"Reverse, Genetic, Algorithm (RGA)"

Winner

Best of The Best WMM 2018

Participant Name : Christopher Farrel Millenio
Business Name : Reserve, Genetic, Algorithm (RGA)

"In the 2018 Mandiri Young Entrepreneur (WMM) event I did not only gain competing experience, but also gained a lot of knowledge and new knowledge I gained from the training during the competition and sharing with friends of WMM participants. Besides that, I can add to my business networking through the WMM Expo. And the most important thing from this WMM event is that I get a new family, the WMM Family who keeps on communicating even though the WMM program is over to provide mutual support for mutual progress. Young Brave Dare to Work! "



Adjie Wicaksana
"Halofina"

Winner 1 WMM 2018

Fintech Category

Participant Name : Adjie Wicaksana
Business Name : Halofina

"WMM helps us in Halofina to develop with various programs such as mentorship, workshops and networking. One of the things that is very interesting for us is the effort to develop synergies between Bank Mandiri Group and Halofina. We are very grateful to be able to become a big family of WMM and hope that this collaboration can have a significant impact on the Indonesian people! "



Bintang Priyambodo
"Papa Buncit"

Winner 2 WMM 2018

Non-College Student Category in Business Fields

Participant Name : Bintang Priyambodo
Business Name : Papa Buncit

"Alhamdulillah, at the 2018 Jakarta Fair, I achieved a turnover of IDR360 million at one point and next year the point will be added to the target turnover of IDR1 billion during the Jakarta Fair event. Not only one minute, every month at least Papa Buncit can also attend 20 different events "

Mandiri Sahabatku

Since 2011, Bank Mandiri has continued to show its commitment to encourage the competence and entrepreneurship capabilities of Indonesian Migrant Workers (PMI) abroad through entrepreneurship education programs, Mandiri Sahabatku. As a series of programs in Indonesia, it is also supported by training and apprenticeship of business skills in foster care businesses such as Salons, Meatballs, Chicken Noodles and Chips by the Dadi Majikan Program. Until 2018, Mandiri Sahabatku Program has been implemented in several PMI destination countries, namely Hong Kong, Malaysia, South Korea, and Japan and has produced more than 12,065 alumni.

Until 2018, the Mandiri Sahabatku Program has been implemented in several PMI destination countries, namely Hong Kong, Malaysia, South Korea, and Japan and has produced more than 12,065 alumni. In 2018, Mandiri Sahabatku has built more than 30 new entrepreneurs through the foster care program. As many as 3 participants have attended the Foster Chips Mother class, 6 participants have attended the Foster Salon class, 15 participants have attended the Foster Meatball class and 9 participants have attended the Foster Care Workshop class.

Financial Inclusion Program

Agent of Branchless Banking

To support the financial inclusion program, Bank Mandiri has implemented the program also implemented the Laku Pandai program nationally as of July 13, 2016 in order to support the implementation of Officeless Financial Services in the Context of Inclusive Finance or LAKU PANDAI with reference to Financial Services Authority Regulation No. 19/POJK.03 concerning Financial Services without Offices in the Context of Inclusive Finance and Circular Letter No. 6/SEOJK.03 concerning Officeless Financial Services in the Context of Inclusive Finance by Banks. This activity is one of Bank Mandiri's efforts to increase access to banking services to unbanked people in both urban and rural areas and as the implementation of financial inclusion programs.

To support the program, Bank Mandiri continues to strive to increase the number and distribution of Branchless Banking Agents in all regions of Indonesia, especially for areas not covered by Bank Mandiri Branches. In addition, since July 2016, Bank Mandiri has made a product with the brand name Mandiri Simpanan Makmur (SIMAKMUR) to support the LAKUPANDAI initiative, mainly in the form of a Basic Saving Account (BSA) savings product. SIMAKMUR is

a deposit account in Rupiah for individuals who have never had an account at Bank Mandiri and its implementation is carried out in accordance with the applicable terms and conditions.

Until the end of 2018, Bank Mandiri had 69,526 Branchless Banking Agencies consisting of 46,195 individuals and 23,331 Legal Entities. The number of Branchless Banking Agents grew 23.6% compared to the number of Branchless Banking Agents in 2017 as many as 56,273 Agents. It is expected that with the increase of these Agencies, it can increasingly reach all levels of society to improve the Financial inclusion index in Indonesia.

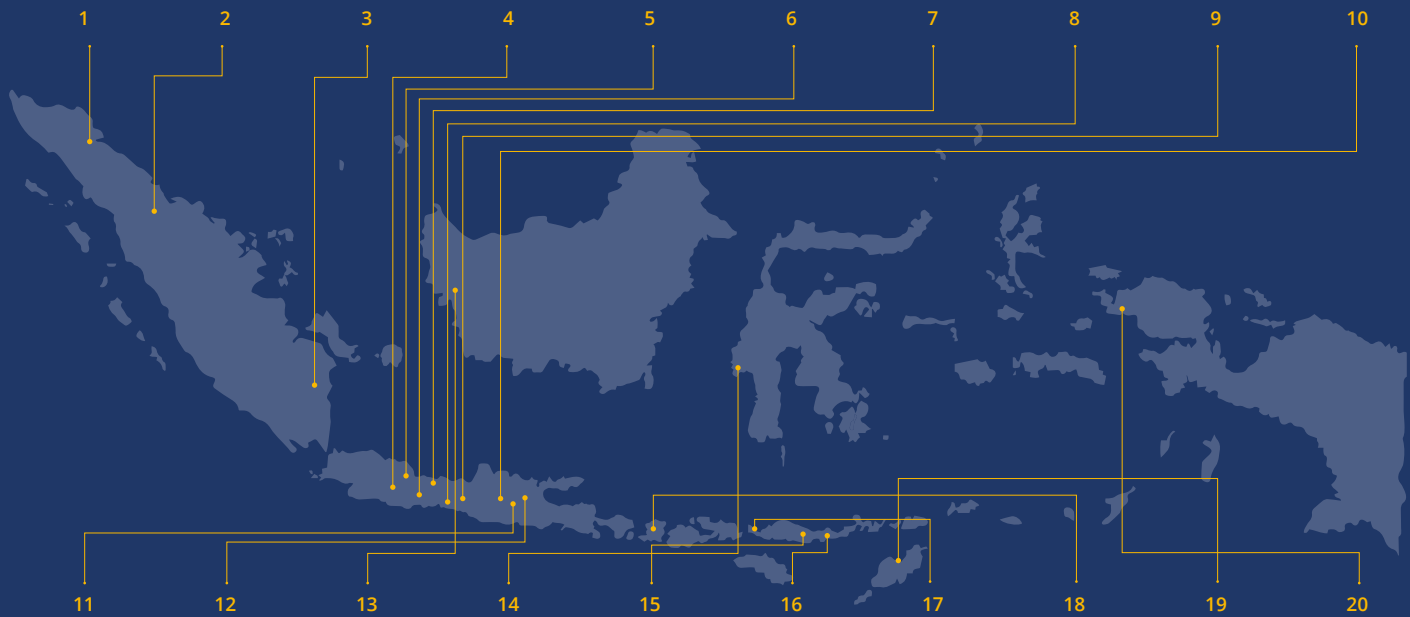
For the internal policy related to branchless banking has been regulated in the form of PTO as follows:

- PTO of Non- Office Financial Service in the Framework of Inclusive Finance (Laku Pandai) last updated in October 2017. This PTO discusses the duties and responsibilities of each work unit in the implementation process of Laku Pandai, the authority to decide and operational provisions.
- PTO of Mandiri SiMakmur Savings Product Code for Branchless Banking Savings which is effective from December 22, 2017. This PTO discusses the process flow in opening a SiMakmur account, depositing, withdrawing, changing data, blocking, closing, and managing customer complaints.

Social and Environmental Responsibility Program

In addition to entrepreneurship and financial inclusion programs, Bank Mandiri also distributes other social assistance to the stakeholders in the environment around the company's operations while respecting the principles of good corporate governance. The forms of the TJSL and BL programs implemented by Bank Mandiri include Disaster Assistance, Educational Assistance, Health Assistance, Assistance for Public and Worship Facilities, and Assistance for Environmental Conservation.

Mandiri Care for the Environment program was presented in the section on Corporate Social Responsibility related to the Environment. Meanwhile, TJSL and BL activities conducted by Bank Mandiri in all work areas/regions of Bank Mandiri is illustrated in the following info graphic.



Region I

Scholarship Assistance for Sinabung Disaster Victims

October 25, 2018

Improving Education Facilities for students of the Mount Sinabung Natural Disaster victims.



Region I

Sanitation Development Assistance in Buluh Duri Village

October 24, 2018

Improving the quality of Sanitation of Buluh Duri villagers who have not been / are inadequate.



Region II

Ambulance Car Assistance for the Yayasan As-Suhada Belitang III, South Sumatra

September 25, 2018

Helping surrounding villagers to fulfill health services and for emergency response services in critical community conditions for 24 hours

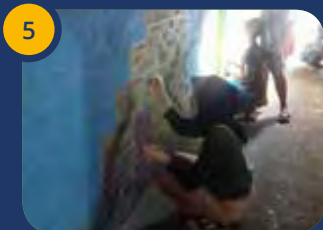


Region III

Assistance for Mosque Expansion and Construction of the Tahfidzul Qur'an Ar-Ridho Islamic Boarding School in Jurangmangu

June 04, 2018

Adding Worship Facilities to the surrounding resident.



Region IV

CSR Assistance for Activities to Change the Face of Johar Baru Village

April 07, 2018

Making the Johar village environment more colorful and clean.



Region IV

First Harvest of the Empowerment Program for Social Forestry Community, Revitalization of Muara Gembong

July 25, 2018

Increasing the Amount of Harvested Tambak by revitalizing Traditional Patterns of Ponds to Semi Intensive Patterns with an increase in yield of ± 500% from the original yield of 20-50 Kg / Hectare to 2-5 Tons / Hectare



Region V

CSR Assistance for Seats Procurement for Gereja Bethel Indonesia (GBI) Depok, Depok Town Center.

July 02, 2018

Improving Worship facilities and infrastructure for local residents'.



Region VI

Building Renovation Assistance for SD Negeri Muara II Tanjung Jaya, Muara Village, Sub-district. Cilmaya Wetan Karawang Regency West Java

March 27, 2018

Improving the quality and convenience of learning and teaching for Students and Teachers.

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**Region VI**

Facilities and Infrastructure Assistance for Sayang Kaak Tourism Park, in Cijeungjing District, Ciamis Regency

May 11, 2018

Adding tourism spot as one of the sightseeing destinations for local residents.

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**Region VII**

Assistance for the Development of Balai Ekonomi Desa (Balkondes) in Kenalan Village Magelang Regency, DI Yogyakarta

2018

Improving the economy of the tourism area by empowering local communities.

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**Region VII**

Bank Mandiri Break Fasting Event "Silaturahmi Anak Negeri 2018 Bersama dalam Kebhinekaan (2018 Domestic Children Gathering Together in Diversity)" in Tjolomadu Solo, Central Java

June 07, 2018

Sharing benefits and happiness for underprivileged children and foster a sense of diversity for children with different religions

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**Region VIII**

Expo and Awarding Wirausaha Muda Mandiri in Malang

Awarding WMM on September 15, 2018 in Samantha Krida, Universitas Brawijaya Malang

Providing inspiration for young people to become entrepreneurs

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**Region VIII**

Expo and Awarding Wirausaha Muda Mandiri in Malang

Expo WMM on September 6-9, 2018 in Olympic Garden Mall, Malang

Introducing WMM products at the Awarding and WMM Expo events

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**Region IX**

CSR Assistance for Elementary School Education Facilities in the Border Area in Pontianak, West Kalimantan

April 11, 2018

Improving Education Facilities (Elementary School) for local residents.

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**Region X**

CSR Aid for Victims of Earthquake and Tsunami in Central Sulawesi

October 15-30, 2018

To provide decent housing, school, hall, and public toilet facilities for Victims of Earthquake and Tsunami in Central Sulawesi. Perceptible aid and repair for infrastructure from institutions in all over Indonesia (National Disaster Management Body/BNPB, Indonesian Army/TNI, Indonesian National Police/Polri, Coordinating Ministry, State-Owned Enterprise/BUMN, Regional Government, Social Institution and other) have allowed for an advance in the region's economics, where sellers, shops, and hypermarkets start to emerge and operate, resulting in trade growth.

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**Region XI**

Training and Coaching for Private Library at State Special Elementary School WERI

May 31, 2018

To increase students' knowledge and reading interest.

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**Region XI**

Construction of Rinca Island Port by CSR program of Bank Mandiri together with 6 BUMNs

November 2018

To improve the port as a public facility for people of Rinca Island and visitors.

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**Region XI**

CSR Aid for Earthquake Victims in Lombok, East Nusa Tenggara

September 10-27, 2018

Experience of disaster in previous regions showed that disaster caused economic stagnation of approximately -8% to -10%. The subsequent infrastructure restoration which includes the construction of Temporary Housing, allowed for an increase in economical state of the people, as seen in the number of visits of domestic and foreign tourists to Lombok.

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**Region XI**

Training for Tenun Fabric Crafters (Tenun Fabric Fostered Partners of Bank Mandiri) in Kupang

August 2, 2018

To improve the skills of tenun fabric crafters in Kupang, in order to be able to produce fabrics which follow today's trend.

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**Region XII**

Students Understanding the Nusantara in West Papua.

August 6-17, 2018

To improve the knowledge on Nusantara (Archipelago) and the culture of West Papua for students from North Sumatra

Mandiri Care for Development Social Community

Fostered Partner Development Program Training

Training for Woven Fabric Craftsman Fostered Partners of Bank Mandiri in Kupang, the training was held on August 2, 2018. The training was carried out with the aim of improving the skills of woven fabric craftsmen in Kupang so that they could produce fabrics that are in line with the current Trends.

Establishment of The Village Economic Hall (Balai Ekonomi Desa (Balkondes) in Kenalan Village, Magelang

The development of a village economic hall (balkondes) is the state-owned enterprise program that will be used to display the local economy, especially the tourism potential around Borobudur. Bank Mandiri has undertaken several activities in the establishment of Balkondes such as establishment of homestays (including land rent), talud, and bridges, and training in how to process cassava, wickerwork making, batik making, and Balkondes management. By empowering the local community, it is expected that it can improve the standard of living and the economy of the local community.

SOE Program Present for the Country Siswa Mengenal Nusantara (SMN)

Siswa Mengenal Nusantara (SMN) Program has been held since 2015 which aims to instill a sense of pride and love for the homeland from an early age to high school/vocational/Extraordinary school students. The archipelago's rich diversity and enormous potential are introduced through direct interactions between students and the components of the Government and the communities they visit. In 2018, SMN was held again in the West Papua Region that received a Visit from High School Students from North Sumatra. The activity was held from August 6 - 17, 2018. This activity was carried out with the aim of enhancing insights into the culture of West Papua for participants that are from North Sumatra.

Training for University Students

Bank Mandiri in collaboration with PT PAL Indonesia held a Vocational Welding training at Training Center of PT PAL Surabaya. In the training, as many as 100 polytechnic students in East Java participated who were divided into 10 batches, with 10 participants per batch. The training was held from October 2017 to November 2018, in which the aim of the training was to improve skills education, especially in the field of welding, so that participants were expected to be able to compete in the workforce.

The Impact of Non-Cash Social Assistance Distribution

In order to support financial inclusion in Indonesia which has also been the focus of attention from the Government of Indonesia and the Financial Services Authority, since April 2016 the Government has called for an increase in Financial Inclusion through the distribution of Social Assistance (Bansos) in non-cash through State-Owned Bank Association Banks (Himbara), namely Bank Mandiri, BNI, BRI, and BTN with reference to Presidential Regulation Number 63 of 2017 concerning Distribution of Non-Cash Social Assistance. Through the program, it is expected that beneficiaries will become more productive to be able to improve their welfare. There are two social assistance programs distributed by Bank Himbara namely Program Keluarga Harapan Program (PKH) and Bantuan Pangan Non Tunai (BPNT). The assistance from Bank Himbara is expected to increase the effectiveness of the aid distribution so that it is more on targeted. Bank Mandiri as an Agent of Development, also actively supports the success of the program, which is also in line with the culture of Bank Mandiri, namely Spirit of Prospering the Country.

Keluarga Harapan Program

Keluarga Harapan Program (PKH) is a conditional Social Assistance Program provided to Poor Families in Indonesia / Vulnerable Groups called Keluarga Penerima Manfaat (KPM). The Bansos program is known globally as Conditional Cash Transfer (CCT).

In the PKH Program, KPM received Bansos funds totaling IDR1,766,350 to IDR1,840,350 per year, which is distributed in 4 stages, with details of stages 1-3 each of IDR500,000 and stage 4 of IDR266,350 or IDR340,350.

Throughout 2018, Bank Mandiri has channeled PKH Bansos funds to a total of 1.6 million KPM in 27 provinces 164 districts/cities, 1,680 sub-districts and 16,483 villages in Indonesia. In 2018, Bank Mandiri targeted 1.6 million KPM to become PKH recipients of funds, which had been realized at 98.87% with total distribution of 1.58 million KPM and total funds disbursed amounting to IDR2.77 trillion.



Distribution of Keluarga Harapan Program

Bantuan Pangan Non Tunai

Bantuan Pangan Non Tunai (BPNT) is a government food assistance program that aims to reduce poverty and provide social protection to KPM. In 2018, food commodities given to KPM are Rice and/or Eggs. Distribution of BPNT Bansos is done through Agents with a quota of IDR110,000/month.

Throughout 2018, Bank Mandiri has channeled BPNT Social Assistance funds to a total of 807,510 KPM with a total fund of IDR560.8 billion in 12 Provinces, 21 Regencies/Cities, 281 Sub-districts and 3,293 Sub-Districts/Villages, through 4,982 BPNT Bansos Agents.

In 2018, the average number of KPM that have utilized government assistance is 94.06% at each stage. In 2018, BPNT program of Bank Mandiri increased by 2.171% compared to 2017 (37,187 KPM) to 807,510 KPM or an increase of 770,323 KPM.



Non-Cash Food-Aid Distribution

Complaints Channels

Bank Mandiri is committed to continuing the development and community empowerment program, but in an effort to implement the program there are sometimes obstacles in its implementation. Therefore, if there are obstacles or complaints in community activities, you can send an email to Bank Mandiri Customer Care at Mandiricare@bankmandiri.co.id email address.

Activity Impacts

The Impact of Self-Education and Entrepreneurship Programs

Through the Mandiri Young Entrepreneur program, Bank Mandiri expects to continually bring new entrepreneurs who will eventually create new jobs. Entrepreneurship programs run by the Company had made an impact on increasing business turnover of program participants as well as more broadly, education and entrepreneurship independence programs have increased the financial independence of the Indonesian society.

The Impact of Financial Inclusion Program

The financial inclusion program implemented by the Company has impacted on the fulfillment of the right of every person to have full access and service from financial institutions in a timely, convenient, informative and affordable manner. Another impact of the financial inclusion program is the more open public insight, especially regarding banking services and other financial services industry products.

The Impact of Social and Environmental Responsibility (TJSL) and Environmental Development (BL) Programs

The implementation of TJSL and BL programs carried out by the Company throughout 2018 is expected to have an impact in the form of equity and economic improvement for society in the implementation of TJSL and BL programs so that they can improve the living standards of the society. This can be seen in the Community Empowerment Program for Forestry and Fishpond Revitalization of Muara Gembong Program which has increased the amount of harvested fish by revitalizing traditional patterns of ponds to semi-intensive patterns with an increase in yields of $\pm 500\%$ from original yields of 20-50 kg / Acres are 2-5 tons / hectare. Additionally, the Company also expects that the implementation of the Balkondes program in Kenalan Village, Magelang can improve the expertise and knowledge of local villagers and will have an impact on increasing the economic standard of the communities around the Borobudur tourist area in the future.

The Impact of Non-Cash Social Assistance Distribution

There are several impacts of the Non-Cash Social Assistance that has been channeled, as follow :

- Building populist's economy;
- Assisting Government Programs to reduce poverty in Indonesia which is also in line with Sustainable Development Goals (SDGs);
- Social assistance distribution is more on targeted, precise in number, on time, right in quality and right in administration;
- Encourage the community to play a role in Cashless society and Financial Inclusion in Indonesia;
- Increasing the Resources of Backward Regions.

Cost Incurred

Throughout 2018, Bank Mandiri spent IDR114,551,556,765.00 to carry out various activities related to social and community programs. This number increased by 3.15% from the previous year. The details of the funds for distributing CSR activities related to social and community development are as follows:

Table of CSR Distribution Realization (PKBL) 2018

Distribution Category	2018 (IDR)	2017 (IDR)
Disaster Assistance	10,792,630,559	1,724,719,846
Education Assistance	36,093,622,369	11,966,467,987
Community Social Assistance in the context of poverty alleviation	28,505,502,677	8,018,924,161
Religious Facilities Assistance	15,237,730,801	28,949,727,690
Health Improvement Assistance	6,424,844,584	8,497,666,519
Nature Conservation Assistance	-	240,090,250
Facility Development Assistance and/or Public Facilities	17,581,925,775	58,881,235,804
Grand Total	114,636,256,765	118,278,832,257