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Sustainable Symphony:
Echoes of Change)))

Holding Ultra Mikro Indonesia



PNM: Sustainable Empowerment

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EVP of Risk Management at PNM

Denpasar, December 05th 2024



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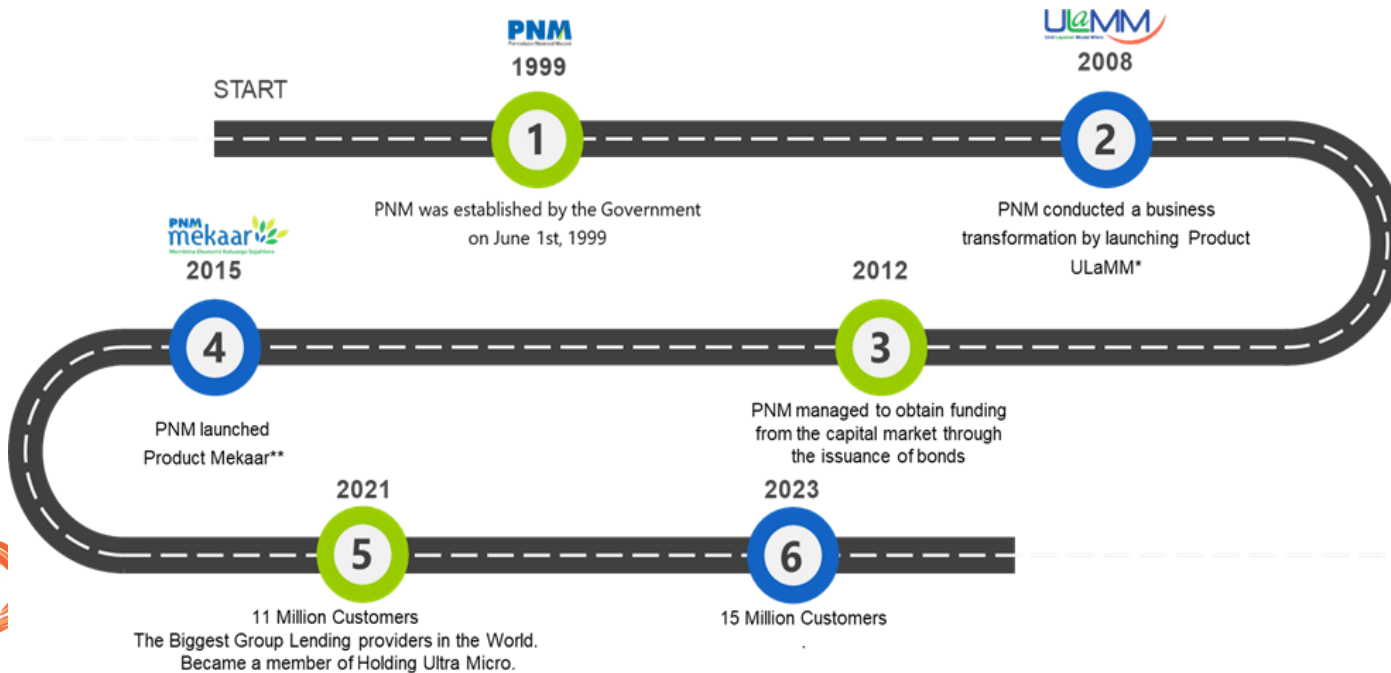
PNM at Glance

Growing, Caring, and Inspiring

PNM consistently provides access to finance and various kind of empowerment program for ultra-micro and micro enterprises. PNM provides three kinds of capital for its customer: **FINANCIAL CAPITAL, SOCIAL CAPITAL and INTELLECTUAL CAPITAL**

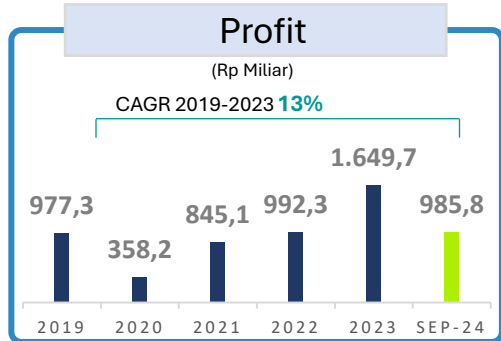
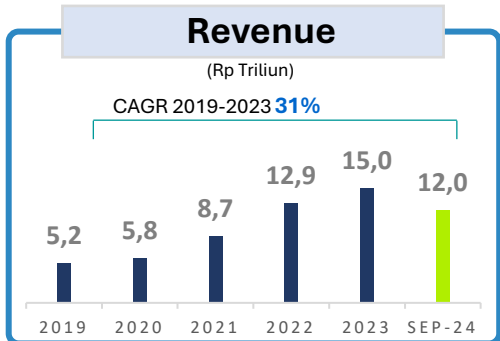
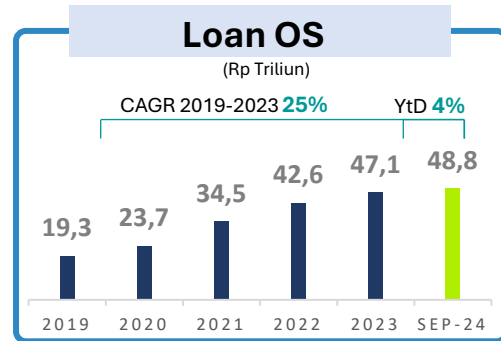
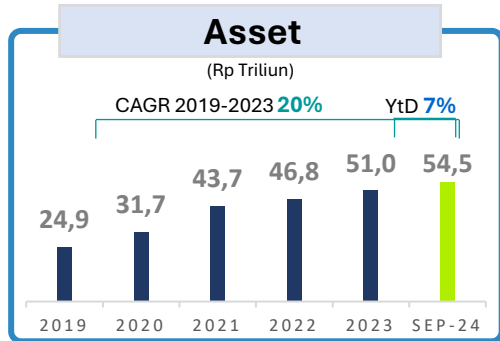


Milestones



PNM Business Performance (Sep 2024)

PNM Group



ROA **2,44%**
ROE **13,38%**
OEOI **88,88%**

PNM Mekaar

Number of Beneficiary
21,2 million
(100% Woman)

Loan Disbursement
Rp51,23 trillion
(US\$3,22 billion)

Number of Active Customers
16,2 million
(66,29% under 45yo)

Loan OS
Rp43,4 trillion
(US\$2,73 billion)

Non-Performing Loans
1,44%

Market Share
61,64% of Loan OS
61,84% of client

Number of Employee
49,360 Account Officers
6,174 Finance & Admin Officers
3,972 Unit Head

92,8%
Woman

91,7%
High school graduate

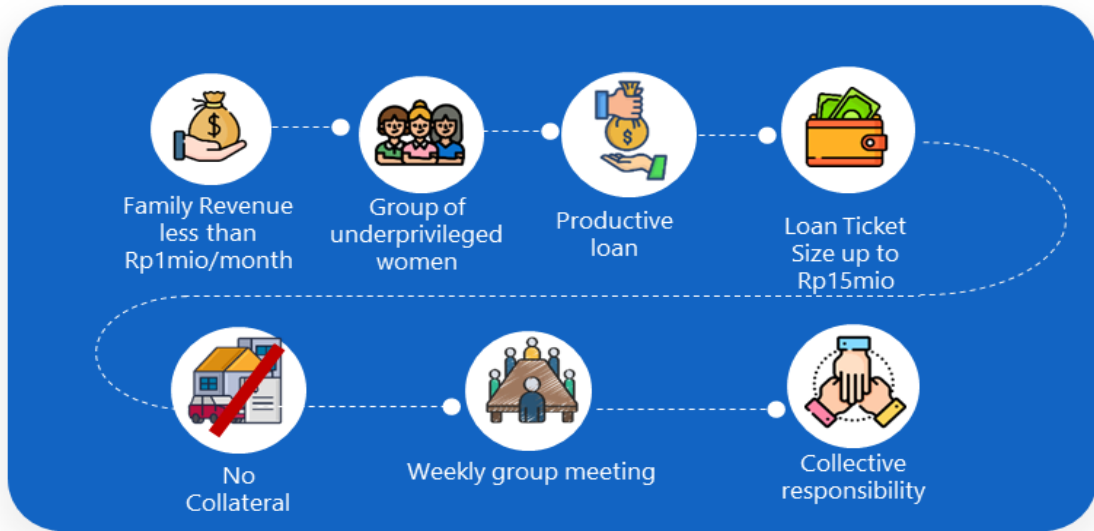


219.792 clients
Rp332,67 billion
(US\$2,09 million)



The Emerging Challenges in PNM Empowering Program

Business Model



- 1. Changing Customer Behavior
- 2. Increasing Operational Risk Challenges
- 3. Regulatory Challenges
- 4. Paradigm Shifts Toward Sustainable Financing

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How do PNM keep sustain with Empowering program?

1. Increasing Resiliencies In Business Processes Through Digital Transformation
2. Agile With Changing Customer Behavior With An Innovation Empowering Program
3. Improve Financing Onboarding With Strengthened Risk Management
4. Elevating Governance To Ensure Sustainable Growth
5. Embodying A Commitment To Sustainable Financial Planning



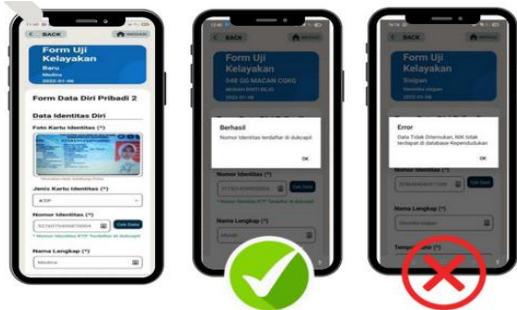
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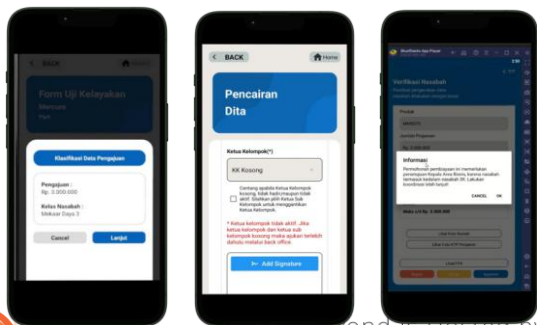
1. Increasing Resiliencies in Business Processes through Digital Transformation

1. Enhancement Register Verification



2. The Utilization of Mekaar Digi (Mobile & Back Office) in Financing Activities

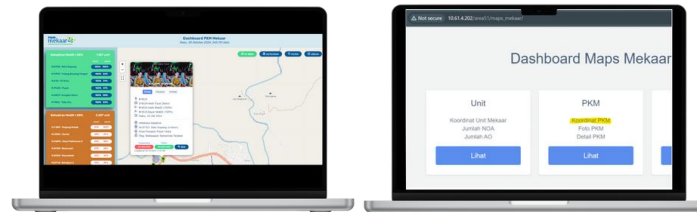
- Grouping Management
- Top Up Control for Restructuring Customer



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3. Dashboard Monitoring

- **Monitoring Disbursement** can be accessed on unit level
- Dashboard of **AO managed PKM (Weekly Group Meeting)**
- The available information can be used to monitor the progress of each branch



4. Daily Closing Automation

- Customer deposit in PKM uses Virtual Account (AO)
- Automation of Closed of branch and Reconciliation
- Direct Mekaar disbursement mechanism from PNM Head Office's giro

5. Financial Literation: Account Opening Simpedes UMi



2023	Augsts 2024
13,53 mio acc	16,29 mio acc
Rp 1,53 T	Rp 2,22 T
Avg Rp 113k/acc	Avg Rp 136k/acc

6. Recruiting Group Leaders as BRILink Agents for Mekaar



2023	Augsts 2024
151.950 Agents	321.662 Agents
41,75 mio Trx	27,36 mio Trx
Rp 41,93 T	Rp 36,64 T



2. Agile with Changing Customer Behavior with an Innovation Empowering program

To address the changing customer behavior, PNM has introduced an Innovation Empowering program, categorized into basic and advanced training

Basic Training

PKM Bermakna

- Basic dan short training for PNM Mekaar customers during weekly group meeting.
- The training is conducted by Account Officer once a month. The duration of the training is less than 15 minutes.
- Per Sept 2024, we have conducted 5.020.771 session of PKM Bermakna.

Advanced Training

Mba Maya (Membina & Memberdaya)

- Training for 50 selected Mekaar Group Leader in each Mekaar Unit.
- Conducted at least 3 times annually in each Mekaar Unit with a duration of approximately 120 minutes.
- There is also business matching activities during the session.
- Per Sept 2024, 9.025 Mba Maya activities have been conducted with a total 446.606 participants.

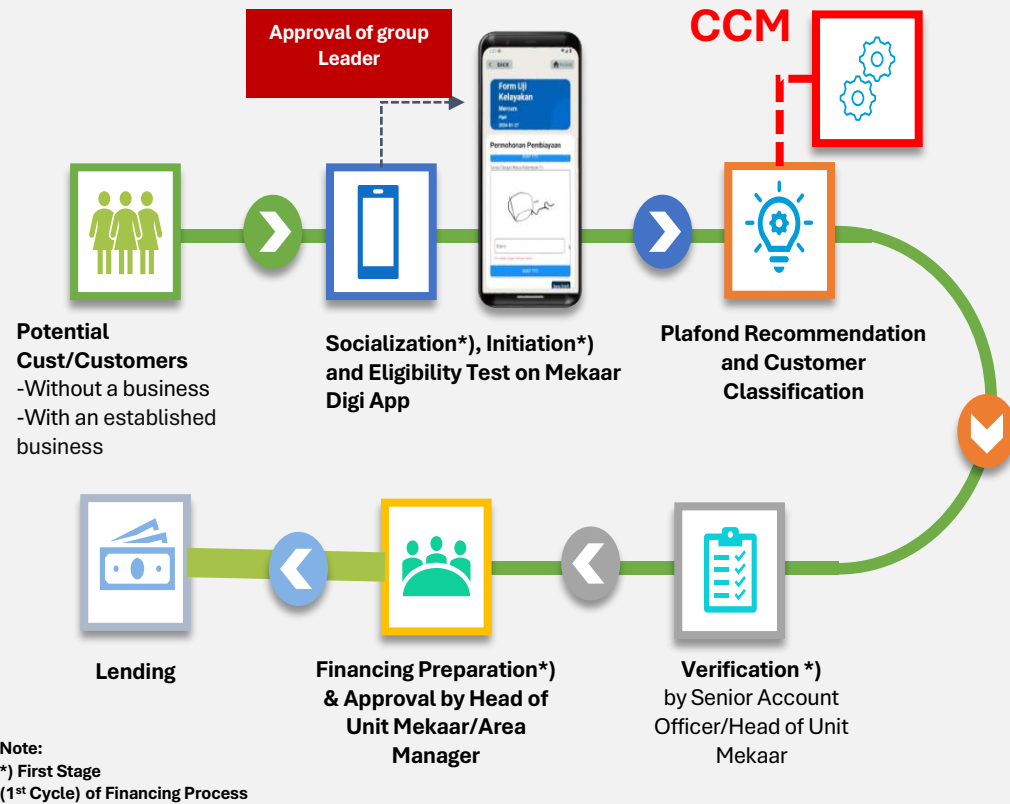
PKU Akbar

- Training activities that invite 200-1.000 selected Mekaar Customers (once a year at each PNM Branch Office).
- In this activities, there are also exhibition and business matching activities.
- Per Sept 2024, 34 PKU Akbar have been conducted with a total of 45.224 participants.



3. Improving Financing Onboarding with Strengthened Risk Management

PNM Mekaar Flow Process



CCM doesn't change the Flow of Business Process: Customer's plafond proposals remain with the approval of group leader and group members

Customer Classification Model (CCM)

CCM Principles

1. CCM is a statistical model that optimized PNM's Big Data Customer to classify/ Profiling customers based on level of ability, business needs or future business plans.
2. CCM doesn't reject the application of customers to receive loans (Eligible or Not Eligible)

CCM Values

Optimizing Customer Capabilities

Cust plafond is determined based on their capability, business needs or plan

Strengthening The Risk Mitigation

Early Warning Signal for the completeness of insurance claim documents

Tracking The Customer Progress

Measuring the cust welfare levels following the 1st funding cycle

Classification of Customer

Mekaar Bina

- Risk Band 1, 2, and 3
- Without a business or new in Business;
- Partner doesn't have a fixed income;

Mekaar Daya

- Risk Band 4,5,6, and 7
- Some of customers doesn't have business or new in business;
- Partner have a fixed income;

Mekaar Unggul

- Risk Band 8,9, dan 10
- With an established business ;
- Partner have a fixed income;

4. Elevating Governance to Ensure Sustainable Growth

To address regulatory challenges, PNM enhances its Good Corporate Governance (GCG). PNM conducts assessments to measure improvements in Compliance Maturity, GCG, and CGPI."

Compliance Maturity PT PNM

Building Blocks	2021	2022	2023
1. Structure and Process	3,82	4,00	4,14
2. Relationship with financial institutions	3,55	3,84	3,81
3. Financial transparency, information disclosure, and internal control effectiveness	3,62	3,78	4,00
4. Corporate group relationship and synergies	-	-	-
5. Effectiveness of risk management and compliance	3,38	3,59	3,81
6. Quality of strategic planning	3,93	3,98	4,03
7. Stakeholder relationship	3,66	3,89	4,00
8. GCG implementation and change management	3,45	3,67	3,77
Average Score	3,64	3,83	3,96

*The 2023 governance maturity self-assessment, which was carried out in January 2024 and yielded a score of 4.02, is currently undergoing validation by BRI Compliance



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Good Corporate Governance (GCG) 2023

No	Aspect	Grad Criteria	Achmnt	(%)
I	Commitment to the continuous implementation of governance	7	6,88	98,31
II	Stakeholders and Annual General Meeting	9	8,60	95,51
III	Board of Commissioner	35	34,23	97,80
IV	Board of Director	35	34,13	97,51
V	Information Disclosure and Transparency	9	8,27	91,93
VI	Other Aspects	5	0	0
Total		100	92,11	Excellent

Corporate Governance Perception Index (CGPI)

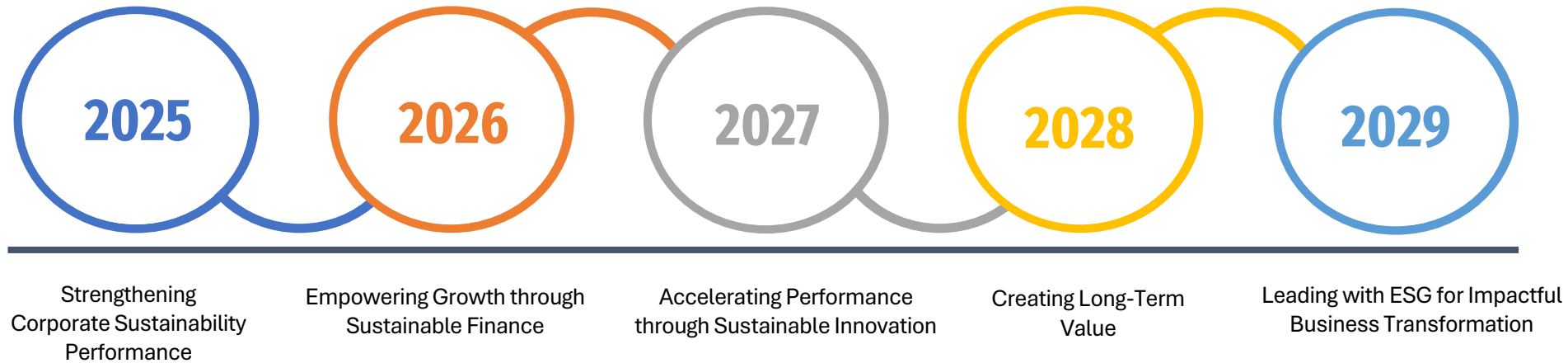
Year	Topic	Score	Index
2021	Enhancing corporate resilience under the principles of good corporate governance	82,45	Trusted
2022	Enhancing corporate agility under the principles of good corporate governance	83,50	
2023	Enhancing corporate maturity under the principles of good corporate governance	84,62	



PNM has been committed to implementing good corporate governance principles by participating in the 2023 Corporate Governance Perception Index (CGPI) program, which was conducted in 2024

5. Embodying A Commitment To Sustainable Financial Planning

ESG Roadmap Theme based on Sustainable Finance Planning



PNM is committed to participate in Sustainable Economic Development.

Pillars	Environmental	Social	Governance
Priorities Initiatives 2025	<ol style="list-style-type: none"> Greenhouse Gas Emission inventorization Decarbonization strategies: utilizing Electronic Vehicles Integration of Climate Risk Management Climate-related Disasters Risk Mapping (Dashboard) 	<ol style="list-style-type: none"> Enhancing the ESG culture and capacity building program Scaling up partnership to uplift financial inclusion and literacy 	<ol style="list-style-type: none"> Risk Maturity Program Reinforcement of sustainability related-policies Establishment of internal policies regarding Internal Control Implementation (ICoFR)

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Thank You / Terimakasih

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