

Cultivating Change, Scaling Impact

Leveling Up Beyond Finance



KOINWORKS



A Note From MDI Ventures

In our commitment to cultivating positive change and steering towards a sustainable future, MDI Ventures is pleased to introduce the Impact Report 2023. As a strategic investor in impactful ventures such as KoinWorks, our dedication to fostering positive environmental and social transformations is at the core of our mission. Through this report and others in this collection, we aim to showcase members of our portfolio who align with our impact values, and in doing so, inspire similar companies with the potential for meaningful impact. By sharing insights into the companies we've invested in, we aspire to encourage a broader dialogue on how businesses can contribute to a more sustainable and equitable world. MDI Ventures remains unwavering in its pursuit of impactful investments that align with global sustainability objectives, and we invite others to join us on this journey towards creating a better future for all.



"We're all about making a real impact, not just chasing profits. We're helping our portfolio companies be more aware and conscious about impact. It's not about getting a stamp; it's about making a real difference in their businesses."

DONALD WIHARDJA,
CEO OF MDI VENTURES

Our Priority Focus Areas: United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are at the heart of our purpose, guiding our actions and inspiring our impact initiatives. In this report, we will describe how we are dedicated to digital impact in Indonesia. These themes are central to our mission, reflecting our belief in the power of education, equality, and social inclusion as critical drivers of sustainable progress.

ENVIRONMENTAL



SOCIAL



GOVERNANCE





Impact Created By KoinWorks

KoinWorks is dedicated to making a meaningful impact that aligns with the SDGs, particularly in the areas of Financial Access, Financial & Business Literacy and Digital Empowerment. As it seeks to advance SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth), KoinWorks has provided substantial financial access support to Micro, Small, and Medium Enterprises (MSMEs), fostering entrepreneurship, financial support, and job creation. Within this, there is a focus on contributing to SDG 5 (Gender Equality) by empowering women-led enterprises.

In parallel, the Financial & Business Literacy theme addresses SDG 4 (Quality Education) through digital trainings, encompassing numerous financial literacy events and engaging a broad audience. KoinWorks further contributes to SDG 9 (Industry, Innovation and Infrastructure) by empowering the underserved through a suite of digital tools. Through this approach, KoinWorks' seeks to contribute to sustainable development, aligning its impact themes with the broader global goals outlined by the United Nation (UN).

KoinWorks' Impact Themes and Metrics

Thematics	Key Impact Metrics ¹
Financial Access ² [SDG 1, 8]	<ul style="list-style-type: none"> • Economic support for MSME: <ul style="list-style-type: none"> • US\$1.6 billion (IDR 23 trillion) disbursed to MSMEs • 908,000+ MSMEs supported • 25% of the MSMEs supported are underbanked • 41% of borrowers have access to funding for the first-time • Economic Expansion: 184,024 jobs created • Women Empowerment: 37% of MSMEs are led by women
Financial & Business Literacy [SDG 4]	<ul style="list-style-type: none"> • Financial & business education: <ul style="list-style-type: none"> • 400 financial literacy events conducted between 2020 and 2022 • 136,110 total participants
Digital Empowerment [SDG 8, 9]	<ul style="list-style-type: none"> • Increased digital adoption: <ul style="list-style-type: none"> • 2,453,813 application users, 30% are active daily • 106,000 new MSMEs digitized their payment system using NEO in 2022 • 52% of MSMEs leverage Koinworks' basic digital tools • 27% of MSMEs leverage Koinworks' advanced digital tools
Sustainability Baseline [SDG 9, 16]	<ul style="list-style-type: none"> • Diversity & Inclusion: <ul style="list-style-type: none"> • 34% women employees, 188 total • 25% of senior management are women • Climate Impact: <ul style="list-style-type: none"> • 2023 YTD September vs 2022: 48% reduction in GHG emissions³ • 2023 YTD September vs 2022: 31% reduction in carbon intensity⁴ • Governance: <ul style="list-style-type: none"> • In alignment with the international and local framework of anti-corruption, anti-bribery and anti-money-laundering

¹ Data provided by KoinWorks

² September 2023 Data

³ From 321.65 tCO₂e in 2022 to 168.85 tCO₂e in September 2023 – 152.8 tCO₂e reduction

⁴ From 0.0008 tCO₂e/Billion IDR in 2022 to 0.00055 tCO₂e/Billion IDR in September 2023

**Headquarters**

Jakarta, Indonesia

Geography Focus

Indonesia

Sector

Financial Services

Founding Year

2016

Funding

Pre-Seed: US\$2.2M

Series A: US\$3M

Series B: US\$13.25M

Series C: US\$108M (Debt and Equity)

Mission

Enable access to affordable financial solutions and enterprise health to underserved Indonesian MSMEs, while contributing to a stronger wealth position of the individual investor.



Empowering The Future For MSMEs

ABOUT KOINWORKS

KoinWorks, founded in 2016, is Indonesia's 1st Credit-led MSME Neobank and is committed to fostering positive socio-economic change through innovative and inclusive financial solutions. Its mission is clear: to provide financial access for all through a responsible platform. KoinWorks not only offers innovative financial products but is also driven by a commitment to solve societal challenges, make a positive impact, and adhere to Environmental, Social, and Governance (ESG) criteria.

With the aspiration to be a Fintech leader, KoinWorks sets itself apart by seamlessly blending financial returns with a commitment to sustainable impact. It is committed to bridging the financial gap for unbanked and underbanked companies, and has backed up this commitment by lending IDR 23 trillion (US\$1.6 billion) to over 2.5 million individuals since 2016. With traditional banking services inaccessible to many Indonesians, Koinworks plays an important role in the growth of small business and personal financial resilience for Indonesians.

Following the principle of "Levelling Up Beyond Finance," KoinWorks is dedicated to making a positive impact beyond just financial gains. KoinWorks is dedicated to enhancing the skills of its MSMEs and individual investors through business and financial literacy initiatives. Leveraging social media actively, KoinWorks disseminates valuable knowledge and positive information to their users, with an average of more than 3 million people engaging at least once a quarter.

As a result, Koinworks users have a much higher level of financial knowledge than the average Indonesian MSMEs, as per the OECD G20 Survey. In this report, we will explore KoinWorks' products and services, understand how they address real problems faced by Indonesians, and assess their broader impact on financial inclusivity.

The Need For Change: Leveling Up Beyond Finance

Navigating Through Industry Challenges

The Indonesian Micro, Small, and Medium-sized Enterprise (MSME) sector, comprising of over 64 million business units, plays a crucial role in the country's economic landscape.⁵ It contributes nearly 62% to Indonesia's Gross Domestic Product (GDP) and makes up 97% of the workforce.⁶ However, the sector encounters various challenges that hinder its growth and long-term resilience. First, a major issue is the **difficulty in accessing financing**, with many MSMEs struggling to secure loans from traditional institutions due to strict eligibility criteria, such as lengthy credit history, financial statements or collateral. Second, **inadequate banking infrastructure** limits efficient operations and market reach for these businesses. Third, compliance with the **complex regulatory environment** demands resources and time, posing challenges for small businesses to navigate. Finally, **skill gaps and technology adoption barriers** hinder MSMEs from competing in a digitally evolving

business landscape. Addressing these challenges is crucial for unlocking the full potential of the Indonesian MSME sector and fostering sustainable economic development.

It is estimated that Indonesian MSMEs need \$90 billion to meet their credit needs, according to Badan Pusat Statistik.⁷ Recognizing the potential to address this gap, fintech companies view **digital financing as an opportunity**. In 2021, Indonesia's digital economy, driven by 202 million internet users, grew to \$70 billion and is expected to reach \$146 billion by 2025.⁸ Such digitization is a pivotal step in fostering Indonesia's digital economy, expected to double by 2025.⁹ Fintech companies are capitalizing on this swift digitization to provide accessible financial solutions, effectively bridging the substantial economic gap.



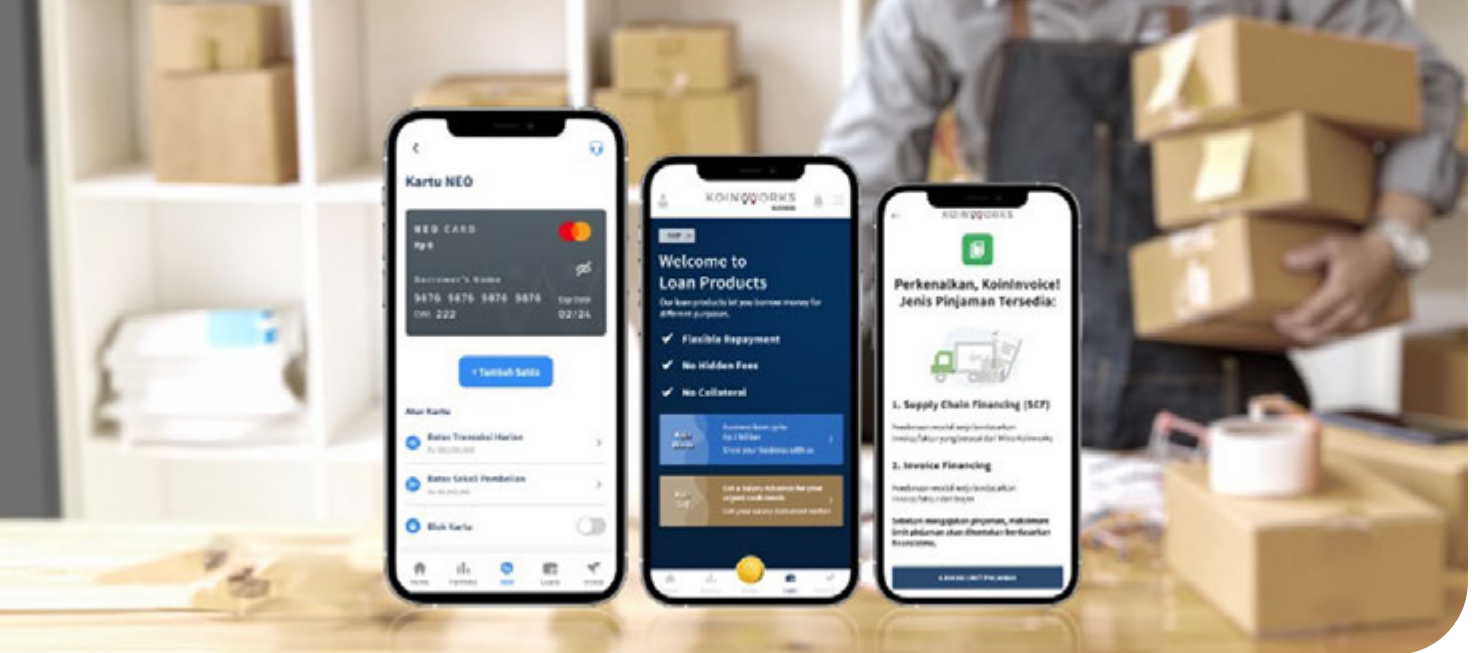
⁵ United Nations Development Programme (2020): [Impact of Covid-19 Pandemic on MSMEs in Indonesia](#)

⁶ Coordinating Ministry For Economic Affairs, Republic Of Indonesia (March 6, 2023), [Increasing Financial Inclusion for MSMEs through the Utilization of Digital Technology](#)

⁷ Badan Pusat Statistik (April 29, 2020), [Statistik Indonesia 2020](#)

⁸ World Economic Forum (May 17, 2022), [How digitalization is accelerating the growth of MSMEs in Indonesia](#)

⁹ Bank Indonesia (November 28, 2019), [Indonesia Payment Systems Blueprint 2025](#)



Innovation Unleashed: KoinWorks' Offerings

Founded in 2016, KoinWorks is one such company, offering a variety of fintech solutions which not only present an opportunity for financial access but also play a crucial role in empowering Indonesian MSMEs, contributing to enhanced productivity and socio-economic outcomes. KoinWorks has gained international recognition for its leadership in guiding MSMEs into the digital future, providing a blueprint for developing nations with a significant MSME presence.

Koinworks empowers its customers through a seamlessly connected, diverse range of financial solutions on a single platform, catering to the unique needs of both MSMEs and individual investors. The first suite of solutions concentrates on wealth generation, offering opportunities for lending support and investment management. For example, KoinP2P facilitates low-risk peer-to-peer lending, and KoinRobo offers lending with set returns for social impact. The second suite comprises of business tools, including products like KoinBill for bill payments and KoinLearn for financial upskilling through bite-sized videos. The third suite consists of loan facilitation applications like KoinBisnis, KoinGaji, and KoinInvoice,

providing business loans, personalized salary advances, and invoice and supply chain financing solutions for businesses, respectively. Last, the fourth suite consists of neobanking services – branded NEO - through applications such as NEO Card, Payment Link, and QRIS, and offering solutions like virtual credit card options, instant settlements, and payment links to facilitates daily financial transactions and advancing financial access in the Indonesian market.



“These metrics should not only help us understand how 64 million MSMEs contribute to the growth of the middle class in Indonesia in both numbers and stories but also enable us to evaluate their overall value.”

**ANGELIQUE TIMMER,
CHIEF OF IMPACT & ESG
AT KOINWORKS**

Impact Themes



"We want to do better. The things that are wrong in this world are often in plain sight."

BENEDICTO HARYONO,
CO-FOUNDER AND CEO OF KOINWORKS



Upon embarking on their journey, KoinWorks discovered that only 28% of Indonesia's 65 million MSMEs had access to financial services. Recognizing this need for improvement, the company is dedicated to making a positive impact. KoinWorks aims to be the most responsible fintech company in Southeast Asia by 2025. Since then, the company has actively worked to enhance financial access for MSMEs through digital financial products, simultaneously improving the financial and business literacy of millions of MSMEs. The company also actively supports women-led enterprises and has taken significant steps to reduce carbon emissions.

Financial Access

Empowering MSMEs and Fostering Financial Resilience

Since 2016, KoinWorks has reached more than 900k MSMEs, of which, 25% are underbanked. As a digital platform, the company's most significant contribution has been to unlock the barriers to providing affordable financial services to underserved businesses. **KoinWorks has made a significant impact to date, disbursing over 92,000 loans totalling an impressive \$1.6 billion (IDR 23 trillion).** Of particular note is that 41% of borrowers gained access to loans for the first time. After collaborating with KoinWorks, MSMEs show a 76% growth in assets and 34% increase in revenue. This indicates that KoinWorks is not engaging in predatory lending, but instead responsibly deploying capital to support and grow these small businesses.



"Financing generated through KoinWorks services can increase the growth of the fish farming business in Indonesia."

DHIANENDRA LAKSMANA,
CFO AT EFISHERY



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"Thanks to Tokban PayLater, my store can purchase building materials with deferred payments. It's been a game-changer for us. Now, we can stock up on new products, keeping up with what our customers want, all without the headache of hefty upfront costs."

SUSAN, THE OWNER OF A BUILDING SUPPLIES STORE AT PT TOKBAN GRAHA TEKNOLOGI

The platform's reach isn't limited to financial transactions; it's also focused on building a thriving community. Within the KoinWorks community, positive impacts can be seen via the 184,000 net-new jobs through business expansion across 34 provinces across Indonesia.¹⁰ This positive influence extends to households, where the community demonstrates an improved quality of life, with increased spending on areas like home improvement, education, and healthcare, outperforming the 60 Decibels Microfinance Index (2022) benchmark.¹¹

¹⁰ KoinWorks (August, 2023), [Leveling Up Beyond Finance, 1st Edition of the Impact Report 2022](#)

¹¹ 60 Decibels (September 11, 2023), [60 Decibels Microfinance Index \(2022\)](#)

Promoting Accessibility to Financial Products for Women

KoinWorks aims to enhance portfolio equality. 65% of Indonesian MSMEs are run by women, and these businesses are ultra-micro in scale and often underbanked. Despite the challenges, women entrepreneurs exhibit a stronger drive for business growth, scoring 9 points higher than their male peers.¹² They are also more eager than men to use digital banking products (15% vs 2%). With KoinWorks' support, women witness substantial enhancements in both their commercial and personal lives, achieving a 200% improvement in cash flow compared to their male counterparts.¹³

Focusing on women-led MSMEs allows KoinWorks to tap into a substantial market, contributing to economic development by empowering women entrepreneurs. Since 2019 KoinWorks has doubled the number of women-led MSMEs in its portfolio, currently representing 37% of MSMEs. They are committed to furthering this positive impact and aspires to onboard 500,000 new women-led businesses by 2025. This commitment is evident in the establishment of a dedicated category for women-led enterprises within its KoinRobo product. This initiative aims to expedite the funding path for female business owners. The company also encourages more women entrepreneurs to join by highlighting local heroes like Welly Ng, Founder of Beauty Barn Organics, and Sara Sofyan, CEO and Co-Founder of Wifkain. Looking ahead, KoinWorks is committed to fostering a gender-equal portfolio and developing tailored solutions that promote equitable growth for women-led businesses.

Financial & Business Literacy

Pioneering Digital Training Initiatives

Showcasing its commitment to financial and business literacy, KoinWorks launched **KoinLearn, a digital platform aimed at enhancing the skills of MSMEs**. On JAKPAT Survey, 2022, KoinWorks' MSMEs show a higher confidence level in financial and digital literacy than the non-KoinWorks MSMEs. As a part of their commitment, KoinWorks orchestrated and hosted 400 events and engaging more than 136,000 participants in 2023. KoinWorks organised online events, including webinars and Instagram Live sessions, as well as in person events. These events address financial planning, business matching, and investment tips for MSMEs. One noteworthy **masterclass series focused on market expansion strategy**, covering a range of topics MSMEs often struggle with, such as go-to-market strategy, digital adoption, and business hacks for success in local and global markets. Additionally, KoinWorks organised a webinar "Financial Management for MSMEs" and an Instagram Live entitled "Financial Solutions to Develop a Business."

KoinWorks also partnered with various entities to broaden their financial and investment literacy program. Noteworthy events were the Investment Outlook 2022 with Forbes Indonesia, and Skill Academy x KoinWorks, drawing over 4,700 participants. Additionally, KoinWorks supported students through the "KoinGo Bandung Campus" initiative, helping more than 2,900 individuals to build healthy personal finance habits for positive financial outcomes. The company collaborates with partners, investors, and users, forming a robust ecosystem dedicated to fostering entrepreneurship and driving social and economic development in Indonesia.

¹² KoinWorks Survey from Impact Report (2022): [Impact-Report-2022_NEO-1619.pdf \(koinworks.com\)](#)

¹³ KoinWorks Impact Report (2022): [Impact-Report-2022_NEO-1619.pdf \(koinworks.com\)](#)

Digital Empowerment

Nurturing Digital Talent and Services

KoinWorks actively pushes for digital adoption and integration within its user community. By the end of 2022, over 30% of active users were engaging in daily transactions through the KoinWorks NEO platform. KoinWorks NEO fortified digital support for MSMEs, resulting in 82% surge in digital business transactions. Collaborative efforts with organizations such as Wiranesia Foundation, Jakcloth, and Kadin not only raised public awareness about KoinWorks' NEO services but also fostered relationships with MSMEs and entrepreneurs.

In June 2022, KoinWorks took a proactive step in strengthening the digital support for MSMEs by organizing the KoinWorks NEO Inspire business festival. This initiative featured a business innovation competition that attracted nearly 9,000 registered participants. From this pool, 60 finalists participated in bootcamps and mentoring sessions facilitated by industry digital experts. The NEO Inspire event offered a total prize of USD 130,000 (IDR 2 billion), providing the winner with substantial capital and recognition. This initiative reinforces KoinWorks' dedication to supporting MSMEs in building up their digital capabilities and emphasizes its commitment to contributing to the growth of the Indonesian economy.



"Teaming up with KoinWorks, we back small businesses. The swift digital service of KoinWorks is perfect for fulfilling our clients' production requirements. Calling all fashion entrepreneurs to unite with us in our mission to provide 100 billion IDR in deferred loans this year."

SARA SOFYAN,
CEO AT WIFKAIN

Sustainability Baseline

KoinWorks is dedicated to fostering a diverse and inclusive workplace. Women currently represent 34% of its workforce (188 women), including 25% female representation in senior management. It is working hard to achieve its gender diversity target of having at least 40% of its employees being women.

Additionally, KoinWorks is actively working towards achieving carbon neutrality by 2025. In alignment with this commitment, the company actively promotes businesses with low carbon and sustainable models. Demonstrating tangible progress, KoinWorks has successfully reduced carbon emissions by an impressive 48%, decreasing from 322 tCO₂e in 2022 to 169 tCO₂e in 2023.¹⁴ This substantial reduction is complemented by a 50% decrease in carbon intensity, dropping from 0.0008 tCO₂e/Billion IDR in 2022 to 0.00055 tCO₂e/Billion IDR in 2023.¹⁵ Beyond greenhouse gas emissions, KoinWorks also have initiatives around responsible consumption of electricity, water, and paper, and is working to reduce its waste generation.

As a financial platform, strong governance is critical. KoinWorks is actively pursuing the Golden Certificate from Cerise for client protection, aligning with SDG 16. The commitment extends to international and local frameworks, covering anti-corruption, anti-bribery and anti-money laundering. The company maintains a strong focus on cybersecurity and holding the ISO 27001:2013 Certificate for Information Security Management as a Financial Aggregator.

KoinWorks is committed to anti-financial crime measures, regularly training employees and adhering to international standards. As part of their ethical stance, they commit to reducing exposure to high environmental and social risks while increasing investments in impactful sectors, constituting approximately 15% of their current portfolio.

The Way Forward

Shaping the Future of Finance with Impact and Innovation

KoinWorks has garnered recognition for its impact, notably receiving the LEAD 2020 Top Awards at the 4th IDC Digital Transformation Awards in Indonesia.¹⁶ Acknowledged as the “Most Favorite P2P Lending Platform” in 2022, KoinWorks stands among the top fintechs and startups in Southeast Asia, reflecting its regional prominence and impact in digital empowerment. The accolades continue, with KoinWorks winning at the 2023 Singapore FinTech Festival’s Global FinTech Awards and receiving the Best ‘ESG/Sustainability’ Initiative of the Year: Social Aspects at the Sustainable Finance Summit in Paris on May 10, 2023.^{17,18} Additionally, KoinWorks is honored to be selected as one of the 25 finalists in the AIBP ASEAN Tech for ESG Awards 2023.¹⁹ **Donald Wiharia, CEO at MDI Ventures, commends investing in KoinWorks as an investment in the financial literacy of underbanked and underserved communities.** He expresses enthusiasm for aligning with a team that recognizes the significance of every step in the journey of entrepreneurship and SME growth.

¹⁴ 2023 YTD September

¹⁵ 2023 YTD September

¹⁶ International Data Corporation (IDC) (October 14, 2020), Blue Bird and KoinWorks lead 2020 Top Awards at 4th IDC Digital Transformation Awards Indonesia

¹⁷ Saison Capital on LinkedIn (November 17, 2023), Congrats to our portfolio companies, KoinWorks and Headquarters (HQ.xyz), for winning at Singapore FinTech Festival’s Global FinTech Awards!

¹⁸ Leasing Life (May 11, 2023), Sustainable Finance Summit Awards winners 2023

¹⁹ KoinWorks on LinkedIn (November 6, 2023), KoinWorks is thrilled to announce its selection as one of the 25 finalists in the AIBP ASEAN Tech for ESG Awards 2023

Closing

KoinWorks is passionately dedicated to uplifting underserved Indonesian MSMEs, actively shaping a future where **financial access, literacy, and digital empowerment seamlessly come together**. Going beyond mere transactions, KoinWorks actively nurtures the growth of MSMEs, guiding them through the intricacies of business. Through a range of curated programs and events, KoinWorks not only enriches but also amplifies the skills of MSMEs. The company's commitment extends to sustainability, as it actively works towards

reducing its environmental footprint and aligning with ethical standards. KoinWorks champions women-led businesses, actively pursuing gender equality in its portfolio and promoting initiatives that empower female entrepreneurs. With a goal to achieve carbon neutrality by 2025 and a steadfast commitment to gender equality, KoinWorks is aiming for an even higher net-impact contribution and fostering long-term growth for businesses.



Supplement

Benchmarks Comparison

Comparison KoinWorks impact research JAKPAT Survey of 2022 to 60 Decibels
Microfinance Index 2022 based on same questionnaire

BUSINESS IMPACT		KW Users	60 DB Benchmark
Income	% seeing 'very much increased' improvement in income	74%	84%
Employment	% increasing no. of paid employees	40%	11%
Average Business Impact		57%	48%

HOUSEHOLD IMPACT		KW Users	60 DB Benchmark
Quality of Life	% 'very much improved' quality of life	63%	88%
Home Improvement	% 'very much increased' household spending on home improvement	64%	55%
Education	% 'very much increased' household spending on education	72%	47%
Healthcare	% 'very much increased' household spending on healthcare	67%	37%
Quality Meals	% 'very much increased' number of quality meals	74%	50%
Financial Goals	% 'very much improved' ability to achieve financial goal	73%	78%
Average Business Impact		69%	59%

MANAGEMENT & UNDERSTANDING		KW Users	60 DB Benchmark
Loan Understanding	% 'strongly agree' to understanding terms	81%	69%
Financial Management	% improved ability to manage finances	83%	23%
Financial Stress	% decreased financial stress	59%	21%
Average Management & Understanding		74%	37.67%

RESILIENCE		KW Users	60 DB Benchmark
Savings	% increased savings balance	77%	54%
Financial Shocks	% improved ability to meet emergency expense	77%	65%
Average Management & Understanding		77%	60%