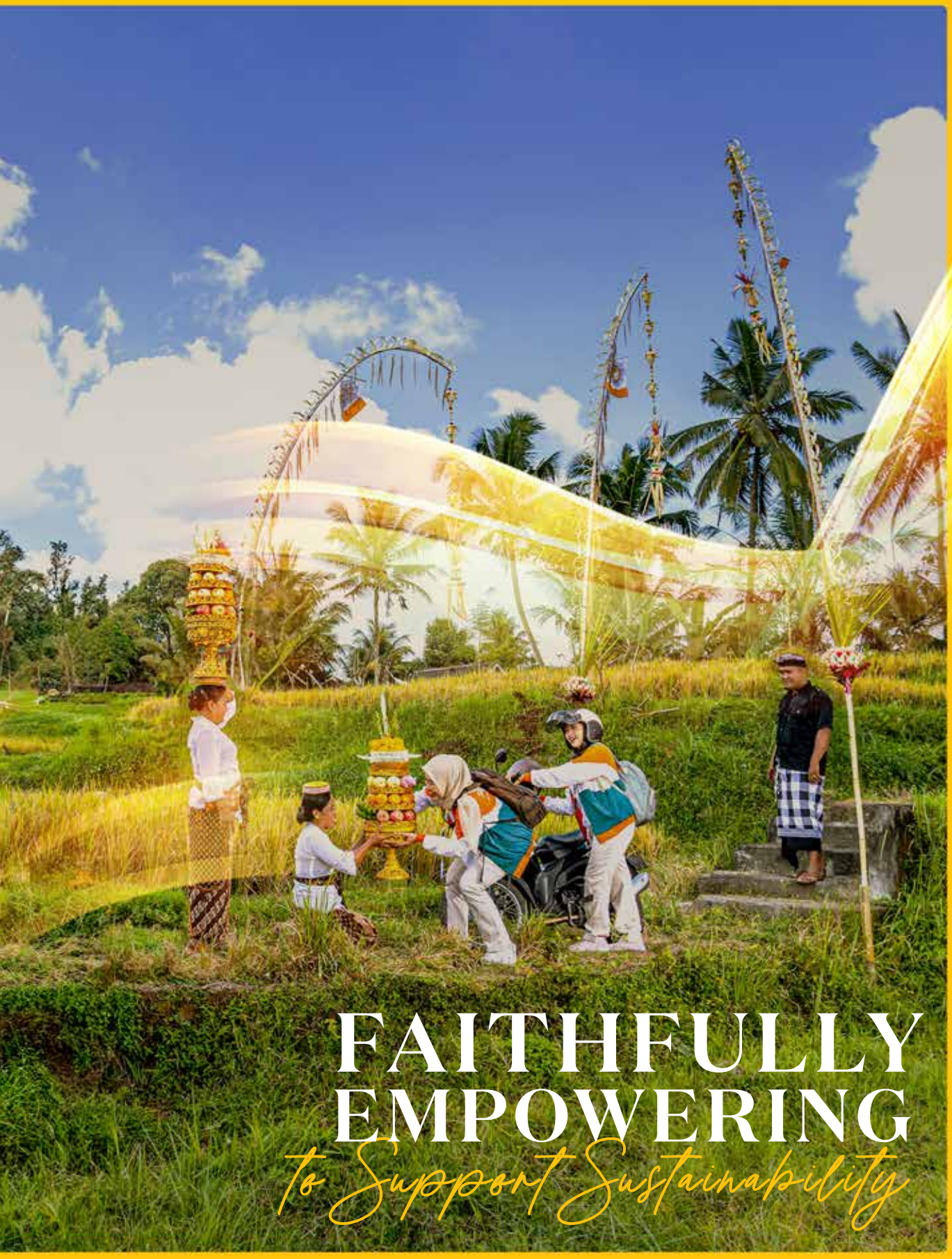
2023 sustainability report

syariah btpn



FAITHFULLY EMPOWERING

to Support Sustainability

tepat



BTPN Syariah's unwavering commitment to faithfully empowering in a sustainable way reflects the Bank's earnest desire to make a positive impact across economic, environmental, and social realms in a cohesive and enduring manner.

From an economic perspective, the Bank is steadfast in advancing a Sharia-compliant digital ecosystem, bolstered by four key pillars: facilitating access to finance, knowledge, goods, and markets. Leveraging digital technology, the Bank endeavors to serve inclusive communities more effectively, offering tailored digital literacy programs that cater to their specific needs, capacities, and cultural contexts, thereby ensuring immediate and tangible benefits. Despite the challenges faced in 2023, the Bank's sustained financial performance lays a solid groundwork for the forthcoming year.

In the social sphere, the Bank is dedicated to empowering 100% of its economically disadvantaged female clientele through comprehensive financing solutions coupled with intensive support services, enabling them to pursue their aspirations for a more meaningful



FAITHFULLY EMPOWERING

to Support Sustainability

life. This initiative is spearheaded by #bankirpemberdaya, with 95% of its members being women, of which 50% are trained high school graduates receiving equal opportunities for advancement.

Meanwhile, in terms of environmental stewardship, the Bank has embraced a range of eco-friendly technologies to contribute to the global endeavor of reducing greenhouse gas emissions, with a view towards achieving the Net Zero Emission. Furthermore, the Bank's commitment to providing access to financing for the ultra-micro segment underscores its pledge to refrain from funding projects that are extractive or environmentally detrimental.

With good governance, our business model, which gathers customer funds to be fully utilized for empowering inclusive communities, *Insya Allah*, will manifest as steadfastness for the bank, providing a positive impact on millions of Indonesian people. Together with other stakeholders, we will always be faithfully empowering and supporting sustainability.



faithfully empowering for sustainability from a social aspect

Our dedicated efforts to faithfully empowering inclusive communities have yielded sustainable impacts on our customers and the **#bankirpemberdaya** initiative. Through the Bestee program, infused with the essence of empowerment, we actively engage thousands of passionate students, directly involving them in assisting ultra-micro business actors.

Having a social impact in support of Sustainable Development Goals (SDGs)



*Data from research results from the Demographic Institute of the University of Indonesia (LDUI) 2022-2023

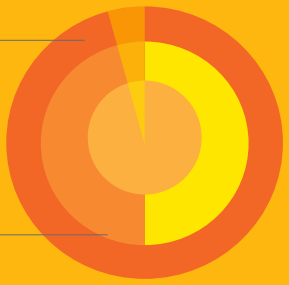
>14 k #bankirpemberdaya

95%

resilient women serving customers wholeheartedly

50%

professionally trained high school graduate





SOCIAL

bestee

A volunteers program for university students to assist BTPN Syariah customers and with measurable impact. This program provides an opportunity for students to be directly involved in providing added value to ultra-micro segment customers.

1,821 facilitators

257 universities

49 k customers

customer appreciation program

free umrah in 1 flight

320 customers

bersemi program

700 k customers

daya assistance module

>5 mio customers



faithfully empowering for sustainability from an economic aspect

Our steadfast commitment to faithfully empowering inclusive communities in the ultra-micro segment is sustained by providing access to financing and fostering opportunities for growth, thereby enabling individuals to lead more meaningful lives and realize their dreams.

total assets:

Rp**21.4 t**

net profit:

Rp**1.1 t**

Having a social impact in support of Sustainable Development Goals (SDGs)



*data from LDUI research 2022-2023



ECONOMIC

financing for inclusive communities

Rp **11.4 t**

active customers

4.2 mio

inclusive communities

>**257 k** communities

area:

2,600 sub-districts



faithfully empowering for sustainability from an environmental perspective

The spirit of faithfully empowering for sustainability by maintaining the environment, keeping careful attention to the impacts of climate change, as well as supporting sustainable development.

Having a social impact in support of Sustainable Development Goals (SDGs)



*data from LDUI research 2022-2023

the percentage of decent housing for BTPN Syariah customers are higher*

0.6%

compared to national average

BTPN Syariah customers have better access to drinking water*

1.7%

compared to non-customers



ENVIRONMENT

CO2 Emissions from paper usage:

1,286 (kg CO2-eq)

CO2 Emissions in 2023 generated from fuel usage for work travels:

170,591 (kg CO2-eq)

BTPN Syariah's estimated carbon stock reached

2,690 t/ha

Generated from multi-year project reforestation in Kalimantan



faithfully empowering for sustainability from a governance aspect

Faithfully empowering sustainability necessitates endorsing the implementation of good corporate governance as the foundation for honorable company management, in alignment with applicable laws and business ethics.

Having the social impact in support of Sustainable Development Goals (SDGs):

rating:

AAA (idn)

with stable prospect affirmed by PT Fitch Rating Indonesia in 2023

capacity building:

>10 k employees

have taken part in Sustainable Finance training



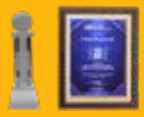
GOVERNANCE

awards:

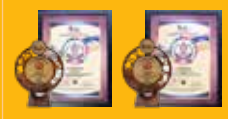
Sustainability Index

- Sustainable Responsible Investment (SRI - KEHATI)
- ESG Quality 45 IDX KEHATI
- ESQ Sector Leaders IDK KEHATI

The 14th Indonesian Institute for Corporate Directorship (IICD) Corporate Governance Conference and Award



- Top 50 Issuers with the Biggest Market Capitalization (Big Cap)
- Best Financial Sector



Nusantara CSR Awards 2023

- Category/SDGs #3 Healthy and prosperous life for the inclusive family healthy life and welfare program
- Category/SDGs #5 Gender equality for the Program to Achieve Gender Equality Through Women's Empowerment in Remote Areas of the Country



Bank Indonesia (BI) Award 2023 - BI

- Best Supporting Bank for Inclusive Financing
- Best BI FMI System (BI-RTGS and BI-SSSS) participant



Sustainability Report Competition oleh LACP Vision Award 2023

- Gold Award
- Top 80 Reports Asia-Pacific Region
- Top 20 Indonesian Report
- Technical Achievement Award



Sustainability Performance HIGHLIGHTS

Economic [OJK B.1]

Rp 11.4 t
financing

99.6%
financing for sustainable business activities

Rp 12.1 t
third party funds

Rp 5.3 t
revenue

Rp 1.1 t
net profit

Rp 21.4 t
total assets

51.6%
CAR (*capital adequacy ratio*)

2.9%
NPF (*non-performing financing*)

13.2%
ROE (*return on equity*)

Environment [OJK B.2]

169.95 kWh/m2
electrical energy intensity (Adequately efficient category)

6.3 ton
waste has been sorted



Social [OJK B.3]

75%
business manager levels and above are women

22%
of the Board of Commissioners and Board of Directors are women

>10 k
inspiring and successful customers have been assisted

>5 mio
customers have taken part in Health, Environment, Social, and Entrepreneurship Training Programs

30 k
Mitra Tepat took part in empowerment programs

49 k
customers received entrepereneurship assistance programs

>10 k
employees received capacity building on sustainable finance

1,500
of underprivileged receiving care programs from BTPN Syariah in 2023

>400%
more sub-districts assisted in the Bestee program nationally

>350%
more customers who downloaded Bestee application

>9 k
followers on Kita Bestee's instagram

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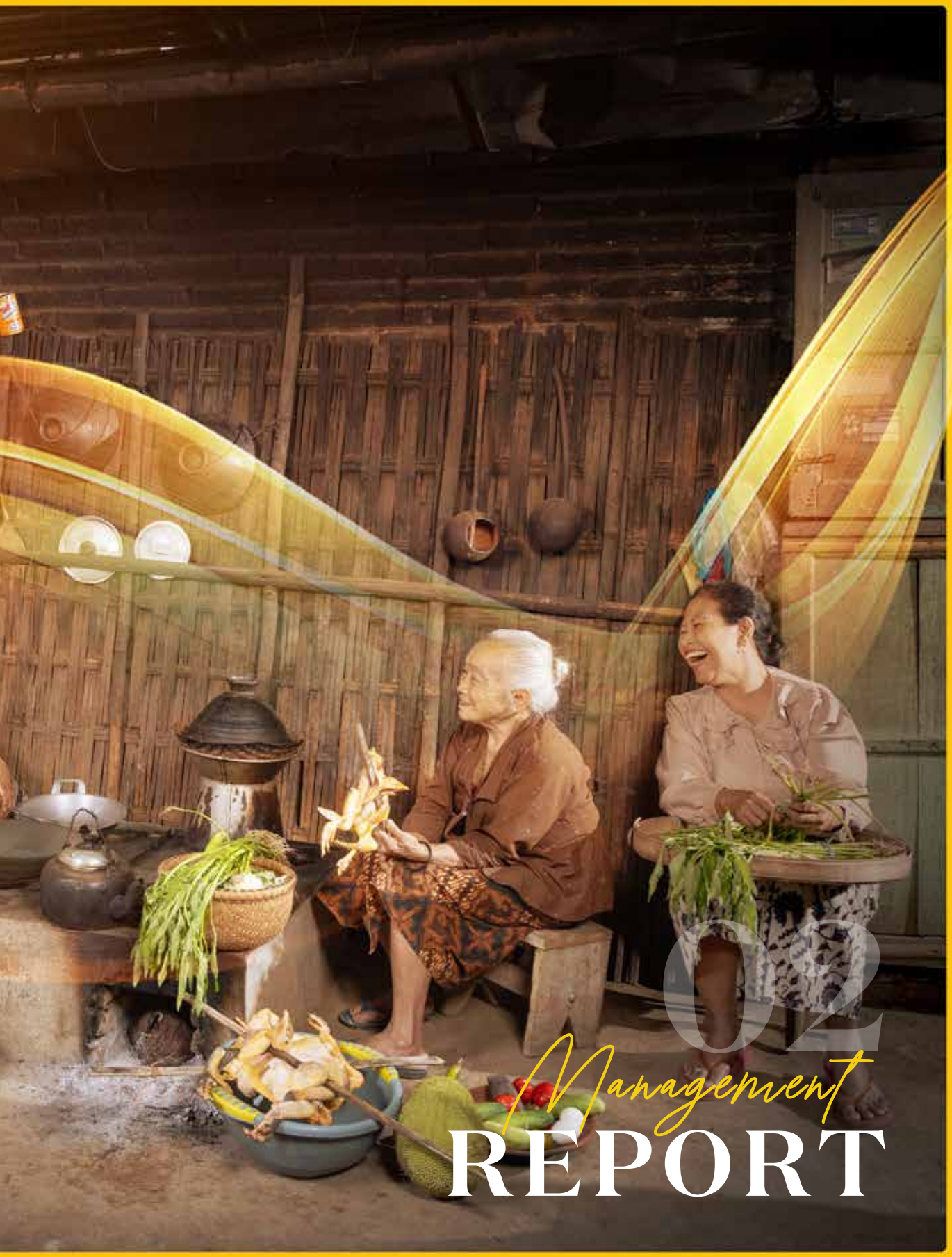


02

Management

REPORT

Kemal Azis Stamboel

President/Independent Commissioner





PRESIDENT COMMISSIONER *Report*

BTPN Syariah demonstrates a strong commitment to consistently accompany the growing and developing inclusive community. Together with other stakeholders, the Bank continues to be faithfully empowering to support sustainability, bringing positive impact to millions of Indonesians.

Bismillahirrahmanirrahim
Assalamualaikum Warahmatullahi Wabarakatuh

Respected Stakeholders,

The COVID-19 pandemic, geopolitical tensions affecting energy availability and food security, and the tangible impact of climate change have prompted the world to seek balance. Aspirations for sustainability have strengthened. Humanity is reconsidering its relationship with nature, reexamining human interactions, aiming for a harmonious balance, making the earth a comfortable place for all. All United Nations member countries have pledged to collectively achieve the 17 Sustainable Development Goals (SDGs) outlined in the 2030 Sustainable Development Agenda. This global partnership underscores the importance of countries working together to end poverty, improve health and education, reduce inequality, spur economic growth while addressing climate change, and preserving oceans and forests.

The aspiration for sustainable development brings various opportunities. Many new sustainability-focused businesses are emerging worldwide. The potential of renewable resources is being taken more seriously. Social mission business models, such as the one run by BTPN Syariah, are now easier to find, despite the extraordinary challenge of serving the ultra-micro segment.

Since its inception, the Bank has chosen to serve the inclusive community in tier-3 and tier-4 cities as well as rural areas. This conscious choice continues with high commitment and sincerity. The Bank is committed to providing opportunities for the inclusive community to access financing and knowledge through intensive Assistance for ultra-micro businesswomen. Additionally, the Bank provides opportunities for young women of high school graduates to become #bankirpemberdaya in the field as Community Officers (CO). Through these segment choices and preferences, the Bank is committed to contributing to the nation within the corridor of Sharia values, promoting prosperity for all. Through products, services, and all activities of #bankirpemberdaya, the bank, along with other stakeholders, strives to achieve the 17 SDGs, especially goals related to poverty alleviation, hunger eradication, promoting healthy and prosperous lives, quality education, gender equality, and partnership to achieve common goals.

We understand that a business model with a social mission, such as the one implemented by the bank, requires support for healthy financial performance and collaboration from various parties. The sustainability of this business model is indeed vulnerable to various uncertain economic conditions, including those that occurred throughout 2023.



When the national pandemic status was officially lifted by the government on June 21, 2023, economic recovery did not progress evenly as expected. The Board of Commissioners paid special attention to the slow economic recovery, especially in the ultra-micro segment, coupled with various uncertainties in the financial sector. Therefore, all inputs from the Board of Commissioners throughout 2023 were focused on the spirit of loyalty to empower sustainability, ensuring that the Bank continues to accompany the inclusive community, providing the best services, and committing to maintaining a healthy financial performance, while continuously striving to have a broader positive impact on the inclusive community in Indonesia. The Board of Commissioners consistently emphasizes to all #bankirpemberdaya the importance of continuing to serve inclusive customers and collaborating with stakeholders to expedite the realization of positive intentions.

achievements of the Board of Directors 2023

In 2023, the Bank demonstrated its ability to maintain a sustainable business model amid economic, social, environmental, and governance challenges, reflecting the success of BTPN Syariah's sustainability strategy. The incorporation of sustainability values into the bank's vision, mission, and core values has provided a robust foundation for all #bankirpemberdaya to integrate sustainability aspects into products, services, and daily operations.

The Board of Commissioners evaluates that the Board of Directors and the Management effectively implemented various sustainable financial programs aligned with the Sustainable Financial Action Plan (2020-2024) indicators for the year 2023. This implementation has positively impacted both the financial performance and the well-being of inclusive customers, as well as social, environmental aspects, and good governance.

The Bank's initiatives to revive regular central meetings, serving as the primary forum for empowerment and building solidarity among customers, are commendable. Bi-weekly meetings not only facilitate access to financing but also provide Assistance by bank officers or Community Officers (CO). These gatherings aim to instill four key behaviors among inclusive customers: Courage, Discipline, Hard Work, and Mutual Assistance (BDKS), enabling them to adapt to challenges and enhance their well-being. Financial literacy is also promoted through the Mitra Tepat (Right Partners), acting as an extension of the bank in financial transactions. Supported by the Warung Tepat application, these partners offer banking services, allowing customers to perform transactions such as deposits, withdrawals, account openings, and bill payments, including e-commerce services for daily necessities.

The Bank invests in developing the capacity and resilience of COs, starting from their residence and learning place in boarding houses. High school graduate women working directly as COs in the field have the opportunity to grow into outstanding individuals as #bankirpemberdaya contributing to empowering the inclusive community in remote areas of Indonesia. The Bank strengthens the capacity of COs as the spears of the Bank in the field, through various training, Assistance, and awards, demonstrating its commitment to employee loyalty.

We appreciate the Bank taking even greater steps in empowerment through Bestee Tepat to reach the younger generation and involving them to assist inclusive customers. This direct involvement contributes to the enrichment of experience, knowledge, spirit, and even fresh ideas that will accelerate the achievement of 17 SDGs that the world aims to accomplish.

As a commissioner of BTPN Syariah, we highly appreciate the achievements of the Board of Directors, the Management, and all #bankirpemberdaya for maintaining loyalty to segment choices and preferences for inclusive communities and women through extraordinary dedication in 2023. The Bank's resilience and the commitment of stakeholders also have positive impacts on social and environmental aspects.

Noteworthy accomplishments include an increase in the number of children of customers attending school compared to the previous year. Additionally, there has been an increase in decent housing and improved sanitation for customers, and their nutritional needs are relatively well met. The Bank's outreach program for the underprivileged in the community directly impacts 1,500 beneficiaries.

In terms of employment, the Bank's strategy has effectively maintained a commitment to gender equality, with a dominance of female workers at 95%, and 75% of business manager (BM) level positions and above occupied by women. The bank continues to provide facilities and approaches relevant to the needs of Generation Z to maximize their potential.

We also acknowledge the Board od DIrectors efforts to enhance environmental performance through the internalization of energy-saving and environmentally friendly practices at its main office, branches, and boarding houses. Resulting in a 8% increase in the number of houses switching from wood-burning to stoves.

For all these achievements, we express our deepest appreciation to the Board of Directors for successfully meeting the targets in the 2023 Sustainable Financial Action Plan (RAKB) and building trust among all stakeholders of BTPN Syariah.

We extend our gratitude to all stakeholders who remain loyal in supporting the initiatives of BTPN Syariah. May this spirit of cooperation and outstanding performance continue in upcoming years.

We believe that the honorable intention to focus on empowering the inclusive community will consistently bring blessings and proceed under the protection of Allah Almighty.

Once again, we say Thank You.

Wabillahitaufik Walhidayah Wassalammu'alaikum Warahmatullahi Wabarakatuh.

Kemal Azis Stamboel
President/Independent Commissioner

Hadi Wibowo
President Director





PRESIDENT DIRECTOR *Report*

BTPN Syariah's unwavering commitment to faithfully empowering inclusive communities exemplifies our active contribution to operating a sustainable business aligned with the pillars of ESG (Environmental, Social, and Governance).

Bismillahirrahmanirrahim
Assalamualaikum Warahmatullahi Wabarakatuh

Valued Stakeholders,

In BTPN Syariah's pursuit of implementing sustainability values, the principle of "Do Good Do Well" serves as the guiding light for every business endeavor. We firmly believe that financial success should be intertwined with meaningful social and environmental contributions. BTPN Syariah's business model, centered around assisting inclusion communities, aims to enhance their quality of life and bolster the competitiveness of our inclusion customers, ultimately striving for a more meaningful existence. Consequently, sustainability values aligned with the Sustainable Development Goals (SDGs) have been seamlessly integrated into the fabric of BTPN Syariah's business model.

The Bank's steadfast commitment to assisting inclusive communities for over a decade has propelled sustainable growth, even amid challenging circumstances. Despite the global economic uncertainty of 2023, exacerbated by the Covid-19 pandemic, economic recovery in tier-3 and tier-4 cities as well as rural areas of Indonesia has been sluggish, directly affecting our productive underprivileged customers. However, these challenges have only fortified the determination and dedication of #bankirpemberdaya in serving our inclusive customers. Driven by noble intentions, the Bank consistently harmonizes economic, environmental, social, and governance performance, ensuring that the impact is tangibly felt by all stakeholders. Consequently, the Bank's sustainability strategy is focused on bolstering access to sustainable ecosystems and fostering social empowerment, thus steering us towards the attainment of the Sustainable Development Goals (SDGs).

faithfully empowering to support sustainability [OJK D.1.a, OJK D.1.c]

Since its inception, BTPN Syariah has been steadfastly committed to conducting business in accordance with sustainability principles. The sincerity and resilience of all #bankirpemberdaya in serving and accompanying inclusive communities go beyond mere business and social missions; it is a heartfelt calling to effect meaningful life changes for all members of the inclusive communities we serve. Therefore, even in challenging conditions, the Bank remains unwavering in its dedication to sustainability, as evidenced by its sustained economic, social, environmental, and governance performance. The internalization of a culture of sustainability is ingrained in the daily business activities of all #bankirpemberdaya. Initiatives and programs related to sustainability values are designed to translate good intentions into tangible positive changes within Indonesian society, while also solidifying our position as a bank that prioritizes long-term loyalty and support for our customers. [OJK C.1]



Our Bank's empowerment program, known as Daya, has been implemented in a measurable and sustainable manner. Through assistance and the Daya program, customers gain access to knowledge and resources aimed at enhancing their capacity. This empowerment enables customers to establish, develop, and explore new opportunities for their businesses, while also strengthening their families in areas such as welfare, education, health, and beyond. Every customer is entitled to this assistance throughout the entire financing cycle, ultimately contributing to the Bank's sustainable performance. Our dedicated Community Officers (CO) serve and accompany inclusion customers wholeheartedly, ensuring that their needs are met and their goals are supported every step of the way.

managing challenges in 2023

Technological advancements play a crucial role in the Bank's efforts to enhance productivity and efficiency for better customer service. However, the Bank recognizes that direct interaction between people remains a pivotal aspect of its strategy to uphold sustainability performance, particularly in the face of the challenges presented in 2023.

Regular meetings conducted by Community Officers (COs) every two weeks at the center allow the Bank to understand the needs of financing customers, enabling us to respond with tailored products and services. This approach aligns with sustainable financial principles, supporting the achievement of SDGs. The Bank acknowledges that sustainable finance is not solely about regulatory compliance but revolves around creating lasting impact for both present and future generations.

In embracing sustainable finance principles, the Bank adopts a responsible investment approach, formulates sustainable business strategies, and carefully manages social and environmental risks. Transparent and responsible corporate governance is integral to navigating business challenges effectively. Recognizing the importance of inclusivity, the Bank develops products and services that are not only easily accessible and secure but also provide additional product knowledge and assistance to users. Collaboration with various stakeholders is a cornerstone principle in achieving sustainability goals and managing impacts. A series of initiatives, encompassing wider financial access, integration of social and environmental risks in business decisions, and increasing financial literacy nationwide, are detailed in the Sustainable Financial Action Plan (RAKB) document. Regular monitoring of target achievements and impact measurements is overseen by the Sustainability Task Force, involving the Board of Directors. This proactive approach enables the Bank to assess the impact of sustainable business activities, identify areas for improvement, and continuously strive for positive change.

sustainability performance [OJK D.1.b]

According to data from the BPS-Indonesia Statistics Statistics Agency, Indonesia's economic inequality reached its worst level in the past five years as of March 2023. This aligns with the findings from the Central Bureau of Statistics (BPS) regarding the recovery of the middle to upper economic groups, which have progressed more rapidly towards pre-pandemic conditions compared to the ultra-micro group. These conditions, directly impacting Bank customers, consequently affect the Bank's sustainability performance. However, despite these challenges, the Bank remains steadfast in its commitment to empowering inclusive customers and sustaining its performance as a healthy financial institution.

The Bank's dedication to the productive underprivileged segment enhances the resilience of financing customers, strengthen confidence in funding customers, and motivates enthusiastic efforts from #bankirpemberdaya. Overall, the Bank has successfully maintained sustainable performance across economic, social, environmental, and governance dimensions despite challenging circumstances.

economic aspect performance

In the economic aspect, as of December 2023, the Bank successfully channeled financing to the productive pre-financial inclusion segment, predominantly women, totaling IDR 11.4 trillion. Additionally, the Bank achieved a net profit after tax of IDR 1.1 trillion. The Bank's performance metrics exceeded industry averages, including a Return on Assets (RoA) of 6.3%, Return on Equity (ROE) of 13.2%, and a capital adequacy ratio (CAR) of 51.6%. The Bank maintained performance through several quality improvement strategies targeted financing and assistance to revive superior character of Courage, Discipline, Hard Work, and Mutual Assistance (BDKS).

Through diligent distribution of assistance financing, prudent risk management, assistance and effective communication with customers, the Bank has maintained a Non-Performing Financing (NPF) ratio of 2.94%, well below the regulatory threshold of 5% set by the OJK. Moreover, the Bank's focus on maintaining financing quality has led to stable returns aligned with humanitarian benefits. The increased level of customer trust is evidenced by the rise in Third Party Funds (DPK) to IDR 12.1 trillion, up from IDR 12 trillion in the previous year. Additionally, the Bank's total assets grew to IDR 21.4 trillion, marking a 1.3% year-on-year increase.

These achievements not only demonstrate the Bank's sustained performance but also underscore its commitment to creating economic value that positively impacts stakeholders and society as a whole.

social aspect performance

From a social aspect, the Bank's belief in do good do well (perform well while having a real social impact) continues to show positive effects for the lives of the inclusive community. Their financial literacy has increased, accompanied by wider access to banking services for the pre-prosperous and sufficiently prosperous groups. Various programs to improve the quality of life and economy of millions of active financing customers during 2023, directly contribute to the country's efforts to reduce social disparity.

One of the rapidly growing empowerment programs is the Bestee program. Through this digital application-based program, The Bank invites anyone to get involved in empowering the inclusive community easily. As of December 31, 2023, the Bank has collaborated with Kemendikbudristek, mentor institutions and 257 universities in Indonesia. The number of universities has significantly increased from 42 universities in the previous year, as well as the number of students and lecturers involved as facilitators. The number of facilitators increased from 108 people to 1,821 people in 2023, assisting 49,000 customers in 827 regions in 24 provinces. Regular training programs for financing customers, Mitra Tepat training programs, and community training programs achieved over 100% of the RAKB target.

There are various incentive programs, mentoring, and rewards for financing customers throughout 2023. The Bersemi (Blessing of Brotherhood) incentive program for 700 thousand customers and My Customer My Spirit (NSKu) has reached 447,350 customers. The Grow Together with My Customer (TBNKu) program has successfully assisted 2,658 customers. Even this year, the Bank provides an appreciation program for 320 selected customers to perform Umrah worship. The selected customers are inspirational customers who have successfully practiced BDKS behavior: Courage to Try, Discipline, Hard Work, Mutual Assistance. All incentive or appreciation programs given are a manifestation of the Bank's commitment to continue to empower the inclusive community and committed to being able to provide the best and sustainable service.

To monitor the development of welfare improvement and the performance of the inclusive community business, the Bank always applies a strict socio-economic impact evaluation approach. Based on the Poverty Probability Index (PPI) survey, inclusive customers who have spent 5 years together with the Bank have a real positive impact, reflected in education, housing quality, and economic improvement.

During 2023 the number of families who have decent housing has increased to 94.6% and customers who have decent toilets have increased to 85.3%. The number of children going to school also continues to increase to 92.5%. Of course, BTPN Syariah is not the only factor causing an increase in customer welfare.

However, at least, the assistance provided by the Bank is the key to the operation of the Bank's financing business model to directly contribute to improving the lives of the inclusive community. The relationship between the Bank and the productive pre-prosperous women has manifested into a strong relationship between humans, not just between financial service institutions and their customers.

The "humanizing" human relationship is also reflected in the Bank's internal organization. We understand, quality industrial relations and the implementation of good Occupational Health and Safety (K3) are part of the Bank's responsibility to protect employees from work



risks, and to maintain harmonious relationships between the Bank, employees, and stakeholders. We also respect human rights, implement anti-discrimination, do not employ underage children, and ensure the implementation of gender equality. To date, the Bank has more than 14,000 #empowering bankers spread across 26 provinces, with 95% of them being women, and 50% of them are high school graduates. In addition to implementing standard training, 97.7% of our employees have also received training related to Sustainable Finance. The harmonious relationship between the Bank, employees, and stakeholders will ultimately enable us to empower the inclusive community for sustainability.

These achievements prove that BTPN Syariah is not soleli growing as a financial institution with maintained performance, but also as an entity that has a significant social impact.

environmental aspect performance

Environmental aspects also remain a priority for the Bank. We contribute to environmental preservation through a range of eco-friendly initiatives, such as digitalization to reduce paper usage, providing water without plastic cups, employing green buildings, and utilizing smart lights that automatically turn off in unoccupied rooms. The program to instill an environmentally friendly culture and operations at BTPN Syariah has achieved 90% of its target.

Additionally, we have expanded data collection on water, electricity, fuel, paper, and waste management usage across our operational areas compared to the previous year. This data collection aims to enhance resource use efficiency, and overall, we have observed a decrease in resource intensity in line with our targets.

In 2023, BTPN Syariah recorded an electrical energy intensity of 169.95 kWh/m2 per year, meeting the 'fairly efficient' category according to the IKE standard value based on SNI-6197-2011 concerning Energy Consumption Intensity of Indonesian Buildings in the office building sector. Furthermore, CO2 emissions resulting from fuel consumption and business travel in 2023 are estimated to be 170,591 (kg CO2-eq). CO2 emissions from paper usage amounted to 1,286 kg CO2-eq. Moreover, through a multi-year reforestation project planting 2,009 Kahoi and Lumua plants in East Kalimantan, BTPN Syariah has estimated a carbon stock of 2,690 t/ha.

In terms of financing customers, programs aimed at enhancing the quality of life have also contributed to reducing household carbon emissions. The decrease in the use of firewood for cooking as the economy improves is evident, with the number of families transitioning from firewood expected to increase by 8% by 2023.

These efforts underscore our commitment to environmental stewardship, reducing the impacts of global warming and climate change, and ensuring a sustainable future for our planet.

governance aspect performance

BTPN Syariah strengthens corporate governance as an integral part of our commitment to sustainability. We have implemented good and transparent governance practices, including enhancing accountability, integrity, and decision-making effectiveness. This is reflected in the enforcement of strict internal policies, improved risk monitoring, and increased stakeholder engagement.

In carrying out our operational activities, BTPN Syariah is certainly not immune to risks associated with sustainable finance implementation. We understand that our focus on providing financing to inclusive communities entails high risks. To mitigate these risks, we employ unique methods through the community system we have built with our financing customers. One of these mitigation patterns involves regularly conducting Routine Center Meetings (PRS) with guidance from our Community Officers (COs) for customers. To date, the bank has served 257 thousand communities in 2,600 locations across 26 provinces in Indonesia with very good risk mitigation. These efforts have earned BTPN Syariah affirmation from PT Fitch Ratings Indonesia with a AAA (Idn) Outlook Stable rating.

These measures affirm that BTPN Syariah operates with the highest ethical standards and compliance, supporting the achievement of our strategic goals and long-term sustainability.

our commitment to faithfully empowering inclusive communities

For 2024, our commitment to empowering productive underprivileged customers in an inclusive society remains unwavering. We will also persist in building a sustainable ecosystem by enhancing access (to finance, knowledge, supply, and markets) through various tailored conveniences to meet their needs and characteristics.

We firmly believe that only through collaboration, innovation, and ongoing dedication from all parties, including stakeholders, can we, InshAllah, realize our vision for the future.

appreciation

On behalf of the Board of Directors, I extend my heartfelt gratitude to all who have contributed to our journey in 2023. To our valued customers, thank you for your unwavering trust and loyalty. Your confidence in us fuels our drive to innovate, provide top-notch service, and remain steadfast in our commitment to the inclusive segment. To our dedicated #bankirpemberdaya team, I commend your unwavering commitment, resilience, and loyalty in overcoming challenges and making real contributions to our sustainability efforts.

We are deeply grateful to our shareholders, government, regulators, Board of Commissioners, Sharia Supervisory Board, and all stakeholders for their support and collaborative efforts in advancing sustainability and serving the inclusive society.

Lastly, we express our gratitude to Allah SWT for His blessings and guidance. With His grace, we will continue to move forward, steadfast in our mission to empower productive underprivileged customers and positively impact the lives of millions of Indonesians. May our intentions and efforts bring meaning to the lives of many.

Thank you.

Wabillahitaufik Walhidayah Wassalammu'alaikum Warahmatullahi Wabarakatuh.



Hadi Wibowo
President Director

H. Ikhwan Abidin, MA

Chairman of Sharia Supervisory Board





CHAIRMAN OF SHARIA *Supervisory Board Report*

The core belief of BTPN Syariah is to faithfully empowering and promoting sustainability through the teachings of sharia, spreading Allah SWT's mercy and blessings to all.

Bismillahirrahmanirrahim
Assalamu'alaikum Warahmatullahi Wabarakatuh,

Praise be to Allah SWT, Lord of all the worlds. May prayers and greetings continue to be poured out on the Prophet Muhammad SAW, his family, his friends and his loyal followers.

Praise be to Allah, we have successfully faced the challenges of 2023. Though progress in the ultra-micro market remains slow, our business model continues to prioritize the needs of underprivileged individuals by providing opportunities for growth through financing and support. This aligns with Islamic values that promote compassion and inclusivity. Our ultra-micro financing initiatives reflect our commitment to promoting a green economy and addressing economic, social, and environmental concerns. To continue making a positive impact on millions of Indonesians, we strive for strong economic, social, and environmental performance while maintaining sustainable governance in accordance with sharia law.

In Islam, it is mandated that wealth should be distributed amongst people to promote overall prosperity and well-being, rather than being held in the hands of a select few. The business model of the Bank provides opportunities for individuals to contribute towards creating a more inclusive society. By using the Bank's funding products, customers have the chance to support underprivileged individuals who are striving to achieve their dreams of success. This is achieved through partnerships, based on sharia principles, between funding customers, financing customers (those seeking funds), and the Bank itself, all working together to generate profits. One way in which equality is promoted is through empowering underprivileged individuals with the resources and skills needed to manage their businesses effectively, while also instilling important values such as courage, discipline, hard work, and mutual assistance (known as BDKS). Through this approach, the Bank is fulfilling its role of connecting those previously excluded from traditional banking services with necessary funding to grow and develop their businesses.

To empower underprivileged customers, the Bank has enlisted 1,821 facilitators from students and lecturers through our Bestee program. This initiative allows us to actively contribute to creating a more inclusive society, in addition to the efforts made by #bankirpemberdaya or Community Officers (COs) in the field. Recognizing the challenges faced by COs in reaching remote areas, the Bank provides comfortable guesthouses and motorbikes with petrol money for easier mobility. Advanced technology is also given to COs so they can effectively assist and serve inclusion customers. The Bank's commitment to human rights in employment is evident in the equal and harmonious working relationships within BTPN Syariah offices. We believe that serving an inclusive society requires individuals who are dedicated to making a difference



for those in need. By providing necessary work facilities and fostering healthy industrial relations, the Bank supports all #bankirpemberdaya to work with gratitude, as Islam teaches that work is a form of worship. This productivity ultimately drives the Bank to consistently achieve healthy and sustainable economic performance, benefiting all stakeholders involved.

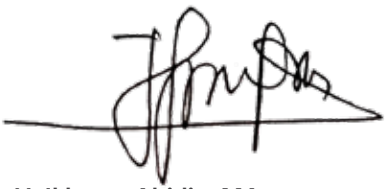
Employees benefit from the direct distribution of economic value through their salaries and other allowances, while the state receives taxes and shareholders receive dividends. Customers also reap rewards through competitive profit sharing and various incentives, such as a sponsored Umrah pilgrimage for 320 selected customers in 2023. The Bank's social responsibility (CSR) activities also benefit the wider community. In the long term, a more equal spread of economic value will help decrease disparities and bring advantages to all individuals.

We are thankful that the Bank operates its business endeavors with a dedication to preserving the earth as a creation of Allah SWT. Although the Bank's business model does not directly exploit natural resources, it still recognizes its responsibility as global citizens to collaborate in reducing greenhouse gas emissions. This initiative is working towards preventing the escalating effects of climate change and protecting the well-being of future generations. We applaud the Bank for instilling a culture of sustainability among its employees through regulations, infrastructure, training, and appeals.

Overall, the Sharia Supervisory Board The Sharia Supervisory Board of 2023 praises BTPN Syariah for its unwavering commitment to empowerment and successful integration of sustainability practices. They commend the diverse range of sustainability initiatives undertaken by BTPN Syariah, highlighting the exceptional collaboration between the Board of Commissioners, The Board of Directors, and management. This synergy extends to #bankirpemberdaya, fostering strong relationships with customers and all stakeholders involved.

InsyaAllah, all #bankirpemberdaya will be enabled and empowered in 2024 to consistently improve economic, social and environmental performance in sustainable governance. May Allah SWT continue to bless our efforts and strengthen BTPN Syariah's steps to remain steadfast in all its activities, loyally empower for sustainability, and provide benefit to the people.

Wabillahitaufik Walhidayah Wassalammu'alaikum Wassalamu'alaikum Warahmatullahi Wabarakatuh.



H. Ikhwan Abidin, MA
Chairman of Sharia Supervisory Board





Statement Letter of the Board of Commissions and the Board of Directions

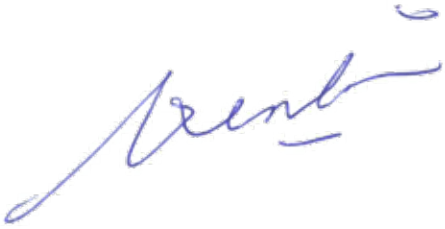
CONCERING THE RESPONSIBILITY FOR 2023 SUSTAINABILITY REPORT OF PT BANK BTPN SYARIAH Tbk

We, the undersigned, declare that all information contained in the 2023 Sustainability Report of PT Bank BTPN Syariah Tbk has been presented in its entirety, and that we assume full responsibility for the accuracy of the contents of the Sustainability Report of PT Bank BTPN Syariah Tbk. [GRI 2-14]

This statement is made in truth.

Jakarta, February 2024

board of commissioners



Kemal Azis Stamboel
president/independent commissioner



Mulya Effendi Siregar
independent commissioner



Dewie Pelitawati
independent commissioner



Ongki Wanadjati Dana
commissioner

Jakarta, February 2024

board of directors



Hadi Wibowo
president director



Arief Ismail
compliance director



Fachmy Achmad
director



Dwiyono B. Winantio
director



Dewi Nuzulianti
director





03

Sustainability Strategy
FRAMEWORK

[OJK A1][GRI FS1, FS2]



BTPN Syariah faithfully empowers inclusive communities in alignment with sustainable development goals to cultivate a more meaningful life

BTPN Syariah is dedicated to fostering Sustainable Development through the establishment of a sustainable sharia ecosystem and ongoing support for an inclusive society. This commitment is realized through the implementation of sustainable financial concepts and strategies aligned with BTPN Syariah's vision and mission.

sustainable finance purpose and strategy
[GRI 2-22]

Aligned with sustainability objectives, BTPN Syariah recognizes that its actions today will impact future generations. By embracing sustainability, humanity can harmonize its interactions both amongst themselves and with nature.

In pursuit of sustainability ideals, nations worldwide, including Indonesia, are embracing the concept of Sustainable Development through the implementation of the 17 Sustainable Development Goals (SDGs). Achieving sustainable development and conducting business activities necessitates financial support not only from governments but also from financial service institutions.

Banking policies, including those of BTPN Syariah, geared towards sustainability, will expedite the realization of sustainable development. This support is reinforced by various government regulations that advocate for ESG, such as Financial Services Authority Regulation no. 51/ POJK.03.2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies.

The objectives of implementing sustainable finance are as follows:

- Provide funding sources needed to achieve sustainable development goals and climate change related funding in adequate amounts;
- Increasing the resilience and competitiveness of Financial Services Institutions (OJK), Issuers and Public Companies through better social and environmental risk management by developing financial products and/or services that apply Sustainable Finance principles so that they are able to contribute positively to financial system stability ;
- Reducing social disparities, reducing and preventing environmental damage, maintaining biodiversity, and encouraging efficient use of energy and natural resources; And
- Develop financial products and/or services that apply Sustainable Finance principles.

Meanwhile, the objectives of implementing sustainable finance at BTPN Syariah which are in line with the business sector are formulated as follows:

1. **Portfolio**
   Providing inclusive, compact, simple but safe financial products and service packages to support poverty alleviation.
2. **Accessibility**
   Providing financial services products that are easily accessible, available at any time, and supported by the application of the latest information technology.
3. **Business process**
   Providing financial services that integrate social risk and governance in products, services and in business decision making as well as carrying out banking operations that are increasingly environmentally friendly.
4. **Financial Literacy**
   Organizing financial literacy learning methods that are specific, easy to understand, and effective as a form of support for creating equitable financial inclusion throughout Indonesia.
5. **Learning and Growth**
   Develop the Bank's capacity and capability, both internally and through partnerships, to implement and improve the quality of sustainable finance in accordance with customer needs, business development directions, and sustainability goals in particular in the social sector.



loyalty for a sustainable ecosystem

Throughout 2023, BTPN Syariah remained dedicated to adhering to the eight principles of sustainable finance while steadfastly pursuing its vision and mission of supporting an inclusive society. By prioritizing social humanity, the bank aimed to expedite the realization of the Indonesian people's positive intentions and facilitate the building of more meaningful lives through impactful management across the ESG pillars for a sustainable ecosystem.

BTPN Syariah's commitment to loyal empowerment persisted through the implementation of sustainable finance practices in 2023, rooted in the following eight principles of Sustainable Finance:

1. **Principle of Responsible Investment**
   Responsible investment is an investment approach that considers economic, social, environmental and governance factors in investment decisions. In this way, the Bank can manage risks better and generate sustainable long-term profits.
2. **Principle of Sustainable Business Strategy and Practices**
   The Bank must determine and implement sustainable business strategies and practices in every decision they make. Business strategies and practices in question include vision, mission, organizational structure, strategic plans, standard operational procedures, work programs and determining risk factors in collecting and distributing funds.
3. **Principle of Social and Environmental Risk Management**
   The Bank must have prudential principles in measuring social and environmental risks from acquisition and disbursement of funds.
4. **Principle of Governance**
   Implementing governance through business management and operations that encompass, among others, transparency, accountability, responsibility, independency, professionalism, and fairness.
5. **Principle of Informative Communication**
   The Bank must have the principle of prudence in measuring social and environmental risks from fund collection and distribution activities. These activities include identification, measurement, mitigation, surveillance, and monitoring.
6. **Governance Principles**
   Enforcement of governance through management and business operations which includes, among other things, transparency, accountability, responsibility, independence, professionalism, equality and fairness.
7. **Principles of Priority-Leading Sector Development**
   The Bank must consider the priority leading sectors that have been determined by the government.
8. **Principles of Coordination and Collaboration**
   In order to align strategies and policies, business opportunities and product innovation with national interests, the Bank actively participates in forums, activities and cooperation related to Sustainable Finance, both at the local, regional and national levels.

The BTPN Syariah strategy is meticulously crafted to manage impacts and foster loyalty among BTPN Syariah and its stakeholders. The bank continuously endeavors to enhance:

1. **Faithfully empowering the NATION**
   Contributing to sustainable economic performance and supporting government initiatives.
2. **Faithfully empowering PEOPLE**
   Upholding humanity by supporting societal needs.
3. **Faithfully empowering INCLUSIVE COMMUNITIES**
   Providing capital assistance, digitalization tailored to specific needs, and aid for productive and moderately prosperous customers
4. **Faithfully empowering For ENDEAVORS**
   Promoting good employment practices and fostering a safe and comfortable working environment.
5. **Faithfully empowering for the ENVIRONMENT**
   Supporting nature and environmental sustainability efforts.
6. **Implementing good GOVERNANCE for sustainable empowerment**
   Upholding sustainable corporate governance practices.

In line with its commitment to sustainability goals and strategies, BTPN Syariah has established various long-term (5 years) and short-term (1 year) program initiatives. Regular reporting of results to regulators and the public ensures transparency and accountability in achieving these objectives.



sustainable finance program initiative in 2023

BTPN Syariah's Sustainable Finance Action Plan (RAKB) aligns with the bank's overarching strategy, characterized by the ethos of "We are different, we are #bankirpemberdaya," which permeates every facet of its operations.

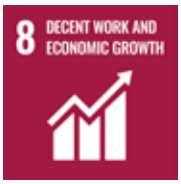
The RAKB comprises various short-term and long-term program initiatives rooted in Sharia principles, aimed at fostering the loyal spirit of empowering inclusive communities and addressing challenges stemming from social and environmental issues. The 2023 sustainable finance program initiatives encompass:

- Productive financing for productive pre-prosperous communities, particularly women.
- Exploration of alternative financing for other productive pre-financial inclusion communities, including Mitra Tepat and third-party collaborators.
- The Individual Assistance Empowerment Program, providing intensive one-on-one entrepreneurial assistance through Inspirational Customer Assistance and the Bestee Program.
- Mitra Tepat empowerment training program.
- Group Empowerment Program, providing group-based empowerment sessions during regular meetings or tailored to specific customer groups' needs.
- Enhancing BTPN Syariah's internal Capacity Building regarding Environment, Social, and Sustainable Governance (LST).
- Analysis and adjustment of organizational policies, procedures, and risk management integrated with ESG principles.
- Implementation of environmentally friendly culture and operations.
- Preparation of Sustainability Report 2023.

All RAKB 2023 program initiatives were successfully realized, meeting 100% of the set targets, with detailed targets and achievements outlined in various chapters of the Sustainability Report.

These initiatives are aligned with business activities aimed at advancing the Sustainable Development Goals (TPB), with 12 out of the 17 TPB identified and implemented throughout 2023 as part of BTPN Syariah's daily operations.
[GRI 2-22]

	SDGs Description	BTPN Syariah Achievements
	**No Poverty**	
	End poverty in all its forms everywhere	• 100% financing for pre and moderately productive productive communities • 4.2 million active customers with intensive assistance from #bankirpemberdaya • The results of external measurements stated that within 3 years, BTPN Syariah customers experienced a reduction in extreme poverty by 11.1%.
	**Zero Hunger**	
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	• The results of external measurements show that consumption of adequate and nutritious food among BTPN Syariah customers is better than non-customers. • 95.17% of customers consumed meat in the last 7 days, 2% higher than non-customers. • 88.19% of customers consumed bananas in the last 7 days, 3% higher than non-customers.
	**Good Health and Well-being**	
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	• 99% of employees have been vaccinated • The percentage of customer spending on cooking fuel is higher (3.7%) compared to non-customers (1.9%).

	SDGs Description	BTPN Syariah Achievements
	**Quality Education**	
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Consistently providing education and assistance through the Daya Program aimed at providing access to knowledge to customers and the community • Providing access to knowledge to customers through the Bestee digital platform, which is divided into a university Assistance program and a Bestee Army Assistance program, so that the quality of empowerment and customer engagement increases. • The percentage of customers who experience an increase in technological literacy is 35% higher than non-customers
	**Gender Equality**	
	Achieve gender equality and empower all women and girls	• 95% of #bankirpemberdaya and 100% of financing customers are women • The results of external measurements state that there is an increase in the autonomy score of BTPN Syariah female customers in 2023 (2.6 out of 3) compared to 2020 (2.35 out of 3)
	**Clean Water and Sanitation**	
	Ensure availability and sustainable management of water and sanitation for all	External measurement results state that BTPN Syariah customers have access to adequate drinking water which is 1.7% higher than the national figure.
	**Decent Work and Economic Growth**	
	Supporting sustainable and inclusive economic growth, opening up the widest possible productive employment opportunities and creating decent work for all	• Providing work opportunities for high school graduates (50% of the total #bankirpemberdaya) • External measurement results show that customers have experienced an increase in income within 3 years of being a BTPN Syariah customer
	**Industry, Innovation, and Infrastructure**	
	Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all	Encourage appropriate banking technology, including improving Bestee Platform technology to loyally serve inclusive communities
	**Reduce Inequalities**	
	Reduce inequalities within and among countries	• Faithfully serving inclusive communities in 257 communities in 26 provinces in Indonesia. • Has 30 thousand Right Partners spread across all corners of Indonesia
	**Sustainable Cities and Communities**	
	Make cities and human settlements inclusive, safe, resilient and sustainable	External measurement results state that 61.21% of BTPN Syariah customers have livable houses, slightly higher than the national average (60.66%).
	**Management of Climate Change**	
	Act quickly to combat climate change and its impacts	Operational process automation and green building
	**Partnerships for the Goals**	
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	• Partnership with Dagangan through BTPN Syariah Ventura to support access to supply for communities in small towns and rural areas • Collaborating with 1,821 facilitator, 49 thousand customers, the Merdeka Campus/Kemendikbud-Ristek, 7 community institutions, and 257 universities in the Bestee program with a loyal spirit of empowering inclusive communities.


Zildjian



04

BTPN Syariah AT GLANCE


الأول
الوكيل
الكريم
أصول



A Brief History of BTPN SYARIAH

BTPN Syariah, with unwavering dedication, actively contributes to realizing the Sustainable Development Goals (SDGs), particularly by prioritizing initiatives that empower diverse and marginalized communities, specifically women.

Initially BTPN Syariah was established under the name PT Bank Purba Danarta, based on Deed of Establishment Number 10 dated March 7, 1991, then amended by Deed of Amendment to Articles of Association Number 39 dated May 25, 1992, and Deed of Amendment Number 25 dated July 11, 1992. All three were made in the presence of Haji Abu Jusuf, S.H., notary in Jakarta and has received approval from the Minister of Justice of the Republic of Indonesia, as has undergone several changes and is henceforth referred to as the Minister of Law and Human Rights of the Republic of Indonesia (Menkumham) in Decree Number C2.5839. HT.01.01-TH.92 dated July 21, 1992, which was registered in the general register at the Semarang District Court Registrar's Office on July 30, 1992 under Number 206A/1992/II, and has been published in the State Gazette of the Republic of Indonesia Number 81 dated October 9, 1992, additional Number 5020 with a business license to carry out business activities as a commercial bank obtained based on Decree of the Minister of Finance Number 1060/KMK.017/1992 dated October 14, 1992.

Furthermore, in 2009 PT Bank Purba Danarta again changed its name to PT Bank Sahabat Purba Danarta (BPSD), then in 2013 it changed its name again to PT Bank Tabungan Pensiunan Nasional Syariah. The name change is based on the Deed of Amendment to the Articles of Association Number 25 dated August 27, 2013 which was made before Hadijah, S.H., M.Kn., notary in Jakarta and has received approval from the Minister of Law and Human Rights in Decree Number AHU-50529.AH.01.02. 2013 dated 1 October 2013 and has been announced in the State Gazette of the Republic of Indonesia Number 94 of 2013, additionally the State Gazette of the Republic of Indonesia Number 124084 dated November 22, 2013.



BTPN Syariah also changed its domicile from Semarang to South Jakarta, as based on the Deed of Shareholder Decision Statement Number 15 dated October 31, 2013 which was made before Indah Indriani, S.H., M.Kn., notary in Jakarta and was registered with the Ministry Law and Human Rights of the Republic of Indonesia in accordance with the decision and Approval of Amendments to the Company's Articles of Association Number AHU-60408.AH.01.02. 2013 dated November 21, 2013 and receipt of Notification of Amendments to the Company's Articles of Association Number AHU. AH.01.10-47895 dated November 12, 2013.

On January 20, 2014, the Extraordinary General Meeting of Shareholders of PT Bank Tabungan Pensiunan Nasional Tbk (now called PT BANK BTPN Tbk abbreviated as BTPN) approved the separation of the Sharia Business Unit (hereinafter referred to as UUS BTPN), which was stated in the Deed of Separation of the BTPN Sharia Business Unit By way of Transfer of Rights and Obligations to the Company Number 8 dated July 4, 2014, made in the presence of, Hadijah, S.H., M.Kn., notary in Central Jakarta. In accordance with Bank Indonesia Regulations, BTPN then chose to separate UUS BTPN by transferring all rights and obligations of UUS BTPN to the existing sharia business entity.

After the spin off of UUS BTPN was decided at the BTPN Extraordinary General Meeting of Shareholders on January 20, 2014 as mentioned above, BTPN then carried out the acquisition of 70% (seventy percent) of the Company's shares, after obtaining approval from Bank Indonesia based on the Letter Bank Indonesia Number 15/10/DPB1/PB1-5/Rahasia dated July 19, 2013 with the condition that changes be made to the business activities of PT Bank Sahabat Purba Danarta (now BTPN Syariah) which was originally a Conventional Commercial Bank, changed to a Sharia Commercial Bank.

Furthermore, PT Bank Sahabat Purba Danarta, has obtained approval from the Financial Services Authority to convert business activities from previously Conventional Commercial Bank business activities, to Sharia Commercial Bank business activities based on Financial Services Authority Letter Number S-67/PB.131/2014 dated May 23, 2014 regarding the Decision to Grant a Business License for Conventional Commercial Bank Business Activities to Become a Sharia Commercial Bank issued by the Director of Research, Development, Regulation and Sharia Banking Licensing. Bank BTPN then received approval for the plan to spin off UUS BTPN, based on Financial Services Authority Letter Number S-17/PB.1/2014 dated June 23, 2014 regarding the Application for Approval of the Separation (Spin Off) of UUS BTPN, which was issued by the Deputy Commissioner for Supervision Banking I Financial Services Authority.



BTPN Syariah officially traded its shares on the Indonesia Stock Exchange on May 8, 2018 with the stock code BTPS.

On April 16, 2020, the Bank officially changed its name to PT Bank BTPN Syariah Tbk as based on Deed Number 26, made before Ashoya Ratam, S.H., M.Kn., notary in South Jakarta, which had received approval from the Ministry of Law and Human Rights of the Republic of Indonesia based on Letter Number AHU0034666.AH.01.02. TAHUN 2020 dated May 8, 2020, and Letter of Acceptance of Notification of Changes to the Articles of Association Number AHUAH.01.03-0214020 dated May 8, 2020, and has obtained approval for this Bank Name Change based on the Letter from the Financial Services Authority (OJK) number S-66/PB.101/2020 dated June 4, 2020 regarding Application for Determination of the Use of a Business License due to the Change of Name of PT Bank Tabungan Pensiunan Nasional Syariah Tbk to PT Bank BTPN Syariah Tbk and a Copy of the Decree of the Deputy Commissioner for Banking Supervision I OJK Number KEP-99/PB.1/2020 dated June 4, 2020.

Since 2010, BTPN Syariah has ardently adhered to a business model singularly centered on empowering the inclusion segment, commonly referred to as the "unbankable." Rather than viewing this as a challenge, BTPN Syariah perceives it as both an opportunity and a noble calling to contribute positively to society.

The guiding ethos of "Do Good, Do Well," wherein success is measured not only in financial performance but also in genuine social impact, unifies all individuals within BTPN Syariah under the common identity of #bankirpemberdaya.



Vision Mission and COMPANY VALUES [OJK C.1] [GRI 2-22]

mission

To be the best Sharia Bank for financial inclusion, making a difference in the lives of millions of Indonesians

vision

Together, we create opportunities for growth and a more meaningful life

company values

PRISMA
PRofessionalism,
Integrity,
Mutual ReSpect,
TeaMwork

The Board of Directors and Board of Commissioners have reviewed and ensured the alignment of BTPN Syariah's Vision and Mission for 2023 as stated in the Bank Business Plan (RBB) and Sustainable Financial Action Plan (RAKB) which were proposed by the Board of Directors and approved by the Board of Commissioners at the Board of Directors and Board of Commissioners meeting on November 22, 2023 and which has been submitted to the OJK.

Disclosure of the alignment of Vision and Mission is as stated in the Governance Implementation Report in connection with the Board of Directors' and Board of Commissioners' Duties Implementation Report in this 2023 Annual Report.



socialization of the company's vision, mission, values, and collective identity

Various active efforts have been made by the Board of Directors to ensure that the Company's Mission, Vision and Values, as well as Shared Identity continue to be upheld and implemented throughout 2023, including through:

1. Induction program for all new employees up to executive officer level.
2. Implementation of corporate values and shared identity in every activity at BTPN Syariah.

collective identity

A collective identity has been adopted to galvanize the passion of all employees in advancing the Company's Mission and Vision.

#bankirpemberdaya is the collective identity that resonates with all BTPN Syariah employees, encapsulating the diverse roles within banking. These are the bankers who dedicate themselves to raising funds from welfare groups and directing them towards empowering underprivileged families. They stand apart, driven by a deep-seated desire to make a meaningful difference in the lives of others.

In alignment with the Company's Mission and Vision, embracing the role of an **#bankirpemberdaya** entails wholeheartedly committing to uplifting productive underprivileged families in Indonesia. **#bankirpemberdaya** collaborate seamlessly, fulfilling their respective functions and responsibilities with the shared goal of expediting the realization of benevolent aspirations.



MILESTONES

2008

PT BANK BTPN Tbk (formerly known as PT Bank Pensiunan Nasional Tbk) formed a Sharia Business Unit

2010

Piloting Project Tunas Usaha Rakyat which focuses on serving customers from productive communities, starting with three communities in the Banten and Pandeglang areas

2011

Starting to expand services for productive inclusion customers to all areas of Jakarta, Banten, West Java, East Java, Central Java, Sumatra and East Nusa Tenggara

2014

July 14

PT Bank Tabungan Pensiunan Nasional Syariah became the 12th Sharia Bank in Indonesia, which was the result of the merger of PT Bank Sahabat Purba Danarta which had obtained a permit to convert business activities into a sharia commercial bank and the BTPN Sharia Business Unit which had obtained a spin off permit.

2017

November 16

Changing the status from a Closed Company to a Public Company and changing the name from previously PT Bank Tabungan Pensiunan Nasional Syariah to PT Bank Tabungan Pensiunan Nasional Syariah Tbk

2018

May 8

PT Bank Tabungan Pensiunan Nasional Syariah Tbk has officially become a public company with the share code BTPS on the Indonesian Stock Exchange



2019

July 14

It has been five years since PT Bank Tabungan Pensiunan Nasional Syariah Tbk became a Sharia Commercial Bank and is the only financial institution focused on serving productive inclusive families

2020

June 2

PT Bank Tabungan Pensiunan Nasional Syariah Tbk changed its name to PT Bank BTPN Syariah Tbk, in line with the Parent Entity

June 7

PT Bank BTPN Syariah Tbk upgraded from BUKU 2 Group Bank to BUKU 3 Group Bank organically

November 18

PT Fitch Ratings Indonesia raised its National Long-Term Rating from AA+ (idn) Stable Outlook to AAA (idn) Stable Outlook

2021

October 23

Establishment of Subsidiary, PT BTPN Syariah Ventura

October 30

PT Bank BTPN Syariah Tbk became a Bank Group based on Core Capital 2 (KBMI 2) based on the redefinition of bank groupings referring to POJK Number 12/ POJK.03/2023 concerning Commercial Banks

November 2

PT Fitch Ratings Indonesia affirmed the National Long-Term Rating at AAA (idn) Stable Outlook

2022

May 30

PT BTPN Syariah Ventura, as a Subsidiary, officially operates

June 2

Updating the Proper Mobile Banking and Internet Banking e-channel services for funding customers

September 30

PT Fitch Ratings Indonesia affirmed that the National Long-Term Rating remains at AAA (idn) Stable Outlook

April 14

PT Fitch Ratings Indonesia affirmed that the National Long-Term Rating remains at AAA (idn) Stable Outlook

June 26

Received ISO 27001 certification in Information SecurityManagement System

August 8

1,821 Mahasiswa berhasil direkrut dari program MBKM untuk magang di BTPN Syariah.

October 26

The Treasury System has been officially used as an effort to automate the Treasury transaction process

December 1

Updates to the Tepat Mobile Banking e-channel service: opening online savings applications via Proper Mobile

2023



Company PROFILE [GRI 2-1]

company name
PT Bank BTPN Syariah Tbk
The change in the name of the Bank is effective on June 4, 2020 based on a copy of the Decree of the Deputy Commissioner for Banking Supervision I of the Financial Services Authority Number KEP-99/PB.1/2020 dated June 4, 2020 concerning the Determination of the Use of a Business License in the Name of PT Bank Tabungan Pensiunan Nasional Syariah Tbk to Become a License Business on behalf of PT Bank BTPN Syariah Tbk.

head office address & corporate secretary
[OJK C.2] [GRI 2-3]
Menara BTPN Lantai 12
CBD Mega Kuningan
Jl. DR. Ide Anak Agung Gde Agung Kav. 5.5-5.6,
Jakarta Selatan 12950

Phone: +62-21 300 26 400
Facsimile: +62-21 252 0356 (general)
Mail: corsec@btpnsyariah.com

shareholders [OJK C.3.c]
(as of December 31, 2023)
PT BANK BTPN Tbk (70.00%)
Publik (29.99%)
Saham Treasuri (0.01%)

effective date of operation as a sharia commercial bank
July 14, 2014

authorized capital
Rp2,750,000,000,000 (Two Trillion Seven Hundred and Fifty Billion Rupiah)

issued and fully deposited capital
Rp770,370,000,000 (Seven Hundred Seventy Billion Three Hundred Seventy Million Rupiah)

business activity
[OJK C.4] [GRI 2-6]
Sharia-based banking

market scope
[GRI 2-6]
Financing productive pre- and moderately prosperous communities throughout Indonesia

operational area and service network
[OJK C.3.d] [GRI 2-6]
Has 15 Branch Offices and 41 Functional Operational Offices spread throughout Indonesia. In addition, there are more than 7 million customers (4.2 million active), and cover 257 thousand communities spread across 24 provinces in Indonesia and 2,600 sub-districts.

website and other corporate emails
www.btpnsyariah.com
corporatecommunications@btpnsyariah.com
investorrelation@btpnsyariah.com
corsec@btpnsyariah.com

Sustainability Reports and other information regarding BTPN Syariah are listed on the Company's Website

social media
Instagram: @btpnsyariah
https://www.instagram.com/btpnsyariah/

Instagram: @saya.bankirpemberdaya
https://www.instagram.com/saya.bankirpemberdaya/

Facebook: BTPN Syariah/@btpnsyariah.id
https://facebook.com/btpnsyariah.id

YouTube: BTPN Syariah
https://www.youtube.com/BTPNSyariah

LinkedIn: BTPN Syariah
https://www.linkedin.com/company/btpnsyariah

Tiktok: @btpnsyariah

legal entity
Limited Liability Company (PT)



legal basis for establishment

- **Deed of Establishment** of PT Bank Purba Danarta Number 10 dated March 7, 1991, which was later revised by Deed of Amendment to the Articles of Association Number 39 dated May 25, 1992, and Deed of Amendment Number 25 dated July 11, 1992 made before Notary H. Abu Jusuf, S.H.
- Deed of PT Bank Purba Danarta Meeting Decision Statement Number 5 dated August 27, 2007 made before Notary Winarti Lukman Widjaja, S.H., **regarding adjustments to Law Number 40 of 2007 concerning Limited Liability Companies** and has obtained approval from the Minister of Law and Human Rights of the Republic Indonesia dated January 18, 2008 number AHU-02507.AH.01.02.Year 2008, which was announced in the State Gazette of the Republic of Indonesia dated March 14, 2008 number 22, Supplement number 3032.

change of name

- Deed of Statement of Decisions of the Extraordinary General Meeting of Shareholders of PT Bank Purba Danarta No. 01 dated April 1, 2009 made before Notary Winarti Lukman Widjaja, S.H., **regarding the change of name of PT Bank Purba Danarta to PT Bank Sahabat Purba Danarta** and has obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia dated July 22, 2009 number AHU-34303 .AH.01.02.Year 2009.
- Deed of Amendment to the Articles of Association of PT Bank Sahabat Purba Danarta also known as Bank Sahabat Number 25 dated August 27, 2013 in conjunction with Notarial Deed Number 30 dated September 25, 2013 made before Notary Hadijah S.H., M.Kn., **regarding the change of name of PT Bank Sahabat Purba Danarta (BSPD) became PT Bank Tabungan Pensiunan Nasional Syariah (BTPN Syariah)** and has received approval from the Ministry of Law and Human Rights based on Decree No. AHU-50529.AH.01.02. 2013 dated 1 October 2013 and announced in State Gazette Number 94, addition No. 124084 dated November 22, 2013.
- Deed of Decree of the Annual General Meeting of Shareholders of PT Bank Tabungan Pensiunan Nasional Syariah Tbk Number 26 dated April 16, 2020, made in the presence of Ashoya Ratam, S.H., M.Kn., **regarding the change of name of PT Bank Tabungan Pensiunan Nasional Syariah Tbk to PT Bank BTPN Syariah Tbk** and has obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia based on Decree No. AHU-0034666.AH.01.02.Year 2020 dated May 8, 2020 and Letter of Acceptance of Notification of Amendments to the Articles of Association No. AHU-AH.01.03-0214020 dated May 8, 2020.

changes to the articles of association

- Deed of Statement of Decision of Shareholders of PT Bank Tabungan Pensiunan Nasional Syariah Number 15 dated October 31, 2013 made before Notary Indah Indriani, S.H., M.Kn., **regarding the change of domicile of the Company from Semarang to South Jakarta** and has been registered with the Ministry of Law and Human Rights of the Republic of Indonesia in accordance with the decision and Approval of Changes to the Company's Articles of Association Number AHU-60408.AH.01.02. Year 2013 dated November 21, 2013 and Receipt of Notification of Changes to the Company's Articles of Association Number AHU.AH.01.10-47895 dated November 12, 2013.
- Deed of Meeting Decision Statement Number 27 dated January 30, 2014 made before Notary Hadijah, S.H., M.Kn., **regarding the separation of the Sharia Business Unit of PT Bank Tabungan Pensiunan Nasional Tbk ("UUS BTPN") from PT Bank Tabungan Pensiunan Nasional Tbk (" BTPN")** and has received Notification of Amendments to the Articles of Association of PT Bank Tabungan Pensiunan Nasional Syariah Number AHU-AH.01.10-04338 dated February 12, 2014.
- Deed of Shareholder Decision Statement, Amendment to the Articles of Association of PT Bank Tabungan Pensiunan Nasional Syariah Number 57 dated November 16, 2017 made before Notary Jose Dima Satria, S.H., M.Kn., **regarding the change in status to a public company** and has obtained approval from



the Minister of Law and Human Rights of the Republic of Indonesia with its Decree dated November 16, 2017 number AHU-0024076. AH.01.02. 2017 and notification of changes to its Articles of Association has been received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia in accordance with his letter dated November 16, 2017 number AHU-AH.01.03-0191730.

- Deed of Shareholder Decision Statement, Amendment to the Articles of Association of PT Bank Tabungan Pensiunan Nasional Syariah Tbk Number 8 dated April 5, 2018 made before Notary Jose Dima Satria, S.H., M.Kn., concerning **amendments to the Articles of Association of BTPN Syariah** and has obtained approval from the Minister Law and Human Rights of the Republic of Indonesia with its Decree dated April 10, 2018 number AHU-0007953. AH.01.02.Year 2018;
- Deed of Shareholder Decision Statement, Amendment to the Articles of Association of PT Bank Tabungan Pensiunan Nasional Syariah Tbk Number 178 dated May 31, 2018 made before Notary Jose Dima Satria, S.H., M.Kn., concerning **amendments to the Articles of Association (capital) of BTPN Syariah** and has been obtained notification of changes to the Articles of Association has been received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia according to June 21, 2018 number AHU-AH.01.03-0215425.
- Deed of Statement of Decisions at the Annual General Meeting of PT Bank Tabungan Pensiunan Nasional Syariah Tbk Number 26 dated April 16, 2020, made before Notary Ashoya Ratam, S.H., M.Kn., regarding **changes to the Company's Articles** of Association and has obtained approval from the Minister of Law and Human Rights Republic of Indonesia based on Decree No.AHU-0034666. AH.01.02.Year 2020 dated May 8, 2020 and Letter of Acceptance of Notification of Amendments to the Articles of Association No. AHUAH.01.03-0214020 dated May 8, 2020.
- Deed of Statement of Decisions of the Annual General Meeting of PT Bank BTPN Syariah Tbk Number 35 dated April 21, 2021, made before Notary Ashoya Ratam, S.H., M.Kn., concerning **Amendments to the Company's Articles of Association** and has obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia based on Letter of Acceptance of Notification of Amendment to Articles of Association No. AHU-AH.01.03-0309443 dated May 17, 2021.

changes in the composition of the Board of Directors, Board of Commissioners and Sharia Supervisory Board

- Deed of Statement of Decision of the Extraordinary General Meeting of PT Bank Tabungan Pensiunan Nasional Syariah Tbk Number 02 dated September 2, 2019 made before Notary Ashoya Ratam, S.H., M.Kn., concerning **the Composition of the Board of Commissioners, Directors and Sharia Supervisory Board** and notification of this has been obtained. change to Company Data dated September 17, 2019 number AHU-AH.01.03-0332927.
- Deed of Statement of Decisions of the Annual General Meeting of Shareholders of PT Bank BTPN Syariah Tbk Number 36 dated April 21, 2021 made by Notary Ashoya Ratam, S.H., M.Kn., concerning the Composition of **the Board of Directors, Board of Commissioners and Sharia Supervisory Board** and obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia based on the Letter of Acceptance of Notification of Changes to Company Data of PT Bank BTPN Syariah Tbk No.AHU-AH.01.03-0260167 dated April 23, 2021.
- Deed of Statement of Decisions of the Annual General Meeting of Shareholders of PT Bank BTPN Syariah Tbk Number 42 dated April 21, 2022 made by Ashoya Ratam, SH, MKn, concerning **the Composition of the Board of Directors, Board of Commissioners and Sharia Supervisory Board** and obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia based on the Letter of Acceptance of Notification of Changes to Company Data of PT Bank BTPN Syariah Tbk No. AHU-AH.01.09-0010849 dated May 1, 2022.Deed of Statement of Resolutions of the Extraordinary General Meeting of Shareholders PT Bank BTPN Syariah Tbk Number 25 dated October 13, 2022 made by Ashoya Ratam, SH, MKn, concerning the Composition of the Board of Directors, Board of Commissioners and Sharia Supervisory Board and obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia based on the Letter of Acceptance of Notification of Changes to PT Company Data Bank BTPN Syariah Tbk No. AHU-AH.01.09-0067440 dated October 20, 2022.
- Deed of Statement of Decisions of the Annual General Meeting of Shareholders of PT Bank BTPN Syariah Tbk Number 27 dated April 12, 2023 made by Ashoya Ratam, SH, MKn, concerning **the Composition of the Board of Directors, Board of Commissioners and Sharia**



Supervisory Board and obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia based on the Letter of Acceptance of Notification of Changes to Company Data of PT Bank BTPN Syariah Tbk No. AHU-AH.01.09.0112366 dated April 19, 2023; and

- Deed of Statement of Decisions of the Annual General Meeting of Shareholders of PT Bank BTPN Syariah Tbk Number 46 dated April 27, 2023 made by Ashoya Ratam, SH, MKn, concerning **the Composition of the Board of Directors, Board of Commissioners and Sharia Supervisory Board** and obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia based on the Letter of Acceptance of Notification of Changes to Company Data of PT Bank BTPN Syariah Tbk No. AHU-AH.01.09.0112846 dated April 27, 2023.

subsidiary
PT BTPN Syariah Ventura

stock exchange
PT Bursa Efek Indonesia

- April 25, 2018 BTPN Syariah Go Public Registration declared effective by the Capital Market Supervisory Financial Services Authority
- May 3, 2018 BTPN Syariah was officially listed on the Indonesia Stock Exchange
- May 8, 2018 Initial Listing and Trading of BTPN Syariah Shares

ticker code
BTPS

ISIN code
ID1000142805

Taxpayer Identification Number (NPWP) PT Bank BTPN Syariah Tbk
01.551.806.1-511-000

Business Identification Number (NIB) PT Bank BTPN Syariah Tbk
9120209291387

independent auditor
Siddharta Widjaja & Rekan
(an Indonesian partnership and member firm of the KPMG network of independent member firm affiliated with KPMG International Cooperative)

Wisma GKBI Lantai 32, Jl. Jend. Sudirman No. 28,
Jakarta 10210, Indonesia
Telephone: +62-21 574 2333
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securities administration bureau
PT Datindo Entrycom
Jl. Hayam Wuruk No. 28
Jakarta 10120
Telephone: +62-21 350 8077 (Hunting)
Facsimile: +62-21 350 8078

securities rating company
PT Fitch Ratings Indonesia
DBS Bank Tower, Lt. 24, Suite 2403
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940
Telephone: +62-21 2988 6800
Facsimile: +62-21 2988 6822

company ratings
National Long-Term Rating:
Affirmation with AAA (Idn) rating, Outlook stable by PT Fitch Ratings Indonesia on September 30, 2022

list of stock performance indexes on the indonesian stock exchange
- IHSG
- Indeks IDX80
- Indeks LQ45
- Indeks IDX30
- Indeks Quality 30
- Indeks Growth 30
- Indeks ISSI
- Indeks JII70
- IDX SMC Liquid
- IDX SMC Composite
- Indeks MNC36
- Indeks INFOBANK15
- Indeks Bisnis-27
- Indeks KOMPAS100
- Indeks Pefindo25
- Indeks ESGS KEHATI
- Indeks ESGQ KEHATI



Products and SERVICES [OJK C.4][GRI 2-6]

sharia-based funding



Tepat Tabungan Syariah
Savings product with a *wadiah yad dhamanah* agreement given to both Tepat Tabungan Syariah customers and non-financing customers.

This product, which supports inclusive finance, makes it easy to make bill payment transactions, purchase credit, transfer funds as well as make cash deposit and cash withdrawal transactions at Mitra Tepat BTPN Syariah. This service is also equipped with a payment service feature for products for daily needs of BTPN Syariah customers, making it easier and improving the welfare of their families and the environment.



Tepat Tabungan
Can be opened without a minimum deposit, with a *wadiah yad dhamanah* contract. Customers have the convenience of making transactions at all Bank branches, free of monthly administration fees.



Tepat Tabungan Platinum
Savings managed based on a profit sharing contract (*mudharabah mutlaqah*) provide the freedom to make unlimited cash withdrawals and free monthly administration fees (terms and conditions apply) for optimal returns.



Tepat Tabungan Rencana
To easily make various dreams come true, with various monthly deposit options and time periods (*mudharabah mutlaqah* contract)



Rekening Tabungan Jamaah Haji
Savings product for customers who plan to carry out the Hajj pilgrimage to the Holy Land. Based on sharia principles with the *wadiah yad dhamanah* contract, this safe and secure product has an online connected system with SISKOHAT of the Indonesian Ministry of Religion.



Tepat Deposito
Deposits based on a profit sharing contract (*mudharabah mutlaqah*) between BTPN Syariah (*mudharib*) and the customer as the owner of the funds (*shahibul maal*) with terms ranging from 1-28 days and 1, 2, 3, 4, 5, 6, 7, 8 , 9, 10, 11, 12, and 24 months, in Rupiah currency.



Tepat Giro
The fund placement product uses a contract contract, providing flexibility for customers to make transactions using checks or Bilyet Giro.

sharia-based financing



Tepat Sharia Financing – Group

Financing specifically aimed at inclusive women is carried out based on a sale and purchase agreement (wakalah wal murabahah agreement). Tepat Sharia Financing (previously called PMD) focuses on building customer character and good habits, namely Courage, Discipline, Hard Work, Mutual Assistance (BDKS).



Tepat Pembiayaan Syariah Modal Kerja for Financing Companies

Through this product, the Bank distributes financing to sharia financing companies to meet the financing needs of end user customers from sharia financing companies which currently cannot be fulfilled by the Bank. The Bank synergizes with PT BANK BTPN Tbk as the parent entity to strengthen the implementation of the prudent principle in the process of distributing financing to customers.



Tepat Sharia productive financing for institutions that support the ultra micro segment

Working capital and investment financing aimed at Companies or Institutions that Support the Ultra Micro Segment, through sale and purchase agreements (murabahah contracts) to increase Bank assets and build a business ecosystem with strategic partners to expand service reach and increase financing benefits so that they can meet needs customers who are currently unable to be met by BTPN Syariah.



Tepat Working Capital Financing Facilities for Mitra Tepat

With the Tepat product, Working Capital Financing Facilities for Tepat Partners, Tepat Partners as agents find it easy to use revolving financing from the Bank according to the products needed. Customers can use the financing facility to cover liquidity needs for rotating capital in serving customers who make transactions with agents or rotating capital supplies. This facility is provided using several contract options, including:

1. Qardh contract for liquidity needs;
2. Murabahah agreement for purchasing supplies.



Tepat Pembiayaan Syariah for Individual

Tepat Pembiayaan Syariah for individuals is a financing product for working capital, investment and consumer purposes provided to community and non-community customers.



Distribution of financing through collaboration schemes with bank partners (channeling)

Financing will be channeled through collaboration with partners in the form of providing working capital financing limits. Partners will play a role in utilizing the financing limit by distributing it to members/users (hereinafter referred to as BTPN Syariah customers (end users)) in accordance with the provisions determined between BTPN Syariah and Partners.



Operational AREA [OJK C.3.d][GRI 2-6]

The location of operational areas supported by 15 branch offices and 41 functional offices of BTPN Syariah is depicted below:

Serving:



1. Sumatra
2. Kalimantan & Sulawesi
3. Java
4. NTT

Additionally, there are more than tens of thousands of Mitra Mitra spread across 24 provinces in Indonesia who serve BTPN Syariah financing customers. In 2023, there was a change in the number of functional offices (KFO) from the original 47 KFO to 41 KFO.

Business SCALE [OJK C.3.a][GRI 2-7]

Description	Unit	Period		
		2023	2022	2021
Total employees	people	12,661,362	12,757,021	12,218
Total Revenue	Rp million	5,259,749	5,029,350	4,279,210
Third party funds	Rp million	12,142,817	12,048,529	10,973,460
Total Liabilities	Rp million	12,661,362	12,753,981	11,449,156
Equity	Rp million	8,777,133	8,407,995	7,094,700
Total Assets	**Rp million**	**21,435,366**	**21,161,976**	**18,543,856**



Supply Chain and WORKING PARTNERS [GRI 2-6]

In its strategic endeavors, BTPN Syariah underscores the imperative of collaborative engagement and necessitates the unwavering support of a diverse array of stakeholders, encompassing various work associates. The composition of this comprehensive network includes technology facilitators, vendors of work-related materials, educational service providers, training entities, legal professionals, notaries, outsourcing providers, and more, collectively constituting a cohesive sharia digital ecosystem.

The meticulous selection of work partners by BTPN Syariah is guided by the principles of equity and transparency. Those chosen to collaborate are meticulously enlisted in the Partner List, subject to overarching criteria ensuring competence, adherence to labor regulations, and a willingness for thorough examination at any given juncture. The catalog of BTPN Syariah's collaborative alliances undergoes periodic scrutiny and assessment, with additional considerations introduced during the pandemic, specifically pertaining to the implementation of health protocols by work partners.

BTPN Syariah remains steadfast in its commitment to favor local partners with proximate geographical proximity to the company's operational centers. Nevertheless, should the requisite goods and services not be locally accessible, the company seeks fulfillment through work partners situated elsewhere, even internationally.

Area	2023		2022		2021	
	Total Suppliers	Procurement Value	Total Suppliers	Procurement Value	Total Suppliers	Procurement Value
Sumatra	43	6,539	52	4,417	52	7,481
Java	344	659,774	346	746,309	335	49,630
Kalimantan	7	868	13	462	12	184
Sulawesi	8	426	7	311	6	141
Bali and East Nusa Tenggara	17	43,487	14	26,520	17	16,047
Total	**419**	**711,095**	**432**	**778,019**	**422**	**523,482**

Significant Changes IN THE COMPANY [OJK C.6][GRI 2-6]

There are changes to the composition of the Management as follows:

- Changes to the composition of the Board of Commissioners in connection with the resignation of Yenny Lim as Commissioner and the appointment of Mulya Effendi Siregar as Independent Commissioner. These changes are based on the decision of the BTPN Syariah Annual General Meeting of Shareholders as outlined in the Deed of Statement of Decisions of the Annual General Meeting of Shareholders of PT Bank BTPN Syariah Tbk Number 46 dated April 27, 2023 made by Ashoya Ratam, SH, MKn.
- Changes to the composition of the Board of Directors in connection with the resignation of Gatot Adhi Prasetyo as Director and the appointment of Dewi Nuzulianti as Director. These changes are based on the decision of the BTPN Syariah Annual General Meeting of Shareholders as outlined in the Deed of Statement of Decisions of the Annual General Meeting of Shareholders of PT Bank BTPN Syariah Tbk Number 27 dated April 12, 2023 made by Ashoya Ratam, SH, MKn.

The composition of the Board of Commissioners at BTPN Syariah has taken into account the diversity of expertise, experience and knowledge needed to strengthen the organization to achieve the company's goals and targets in the corridor of sustainable finance. In more detail, this change in management composition is contained in the 2023 BTPN Syariah Annual Report in the Governance Implementation Report section.



External Initiatives and ASSOCIATION MEMBERSHIP [OJK C.5][GRI 2-28]

BTPN Syariah maintains an unwavering commitment to ceaselessly empower customers within the underprivileged and moderately prosperous segments, aligning its efforts seamlessly with the overarching objectives of the globally endorsed sustainable development paradigm encapsulated in the Sustainable Development Goals (SDGs).

In pursuit of this objective, BTPN Syariah actively engages in collaborative endeavors with diverse international institutions and associations, assuming roles both as esteemed members and cooperative partners, as show in the following:

No	Associate/Initiative Name	Purpose	Working Group/ Committee Participation	Funds Contribution
1	PT Kustodian Sentral Efek Indonesia (KSEI)	Mandatory in nature distribute the rights of equity securities holders in the form of money and/or securities and assist in implementing corporate actions by providing a List of Equity Securities Holders and Securities Holders' KTUR	Member	Rp11,000,000
2	Asosiasi Emiten Indonesia (AEI)	Is an organizational forum for BTPN Syariah as a Public Company	Member	Rp12,000,000
3	Indonesia Corporate Secretary Association (ICSA)	Is an organizational forum for the corporate secretary of BTPN Syariah	Member	Rp5,000,000
4	Perhimpunan Bank Swasta Nasional (Perbanas)	Mandatory in nature Is an association forum for BTPN Syariah as a National Private Bank	Member	Rp36,000,000
5	Asosiasi Bank Syariah Indonesia (ASBISINDO)	Mandatory in nature Is an association forum for BTPN Syariah as a Sharia Commercial Bank in Indonesia	Member	Rp150,000,000
6	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)	Is a forum for consultation and communication between Indonesian Banking Compliance Directors	Member	Rp5,000,000

No	Associate/Initiative Name	Purpose	Working Group/ Committee Participation	Funds Contribution
7	Dewan Syariah Nasional (DSN) Majelis Ulama Indonesia (MUI)	is a forum for realizing the aspirations of Muslims regarding the economy from a Sharia perspective	Member	Rp36,000,000
8	Lembaga Alternatif Penyelesaian Sengketa Perbankan Indonesia (LAPSPI)	Is an Alternative Dispute Resolution institution that is professional, fair, trustworthy, and the first choice for customers and banks in resolving banking disputes.	Member	Rp17,500,000
9	Forum Komunikasi Industri Jasa Keuangan (FK-IJK)	is a means of communication forum for coordination between the Financial Services Industry and Regulators.	Member	Rp18,000,000 (For South Kalimantan, East Nusa Tenggara, South Sulawesi and North Sumatra)
10	Asosiasi Sistem Pembayaran Indonesia (ASPI)	is an organization that represents all payment system players and is a partner of Bank Indonesia in realizing Bank Indonesia's objectives in carrying out the task of regulating and maintaining the smooth running of the payment system.	Member	Rp35,000,000

As a financial services institution, BTPN Syariah is committed to fulfilling the implementation of sustainable finance in line with POJK Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies. [GRI 2-27]

The implementation that has been carried out at the Bank is through the availability of a Sustainable Finance Action Plan that is in accordance with the principles of sustainable finance, made by the Board of Directors and approved by the Commissioner and reported to the Regulator, where the Bank has outlined the realization of its implementation every year in the Sustainability Report submitted to all stakeholders in a timely manner. [GRI 2-23]





05

Faithful Empowering OTHERS

[GRI 413-1, FS13, FS14]





Continuously accompanying and serving inclusive customers is a manifestation of the bank's loyalty to sustainable values. This loyalty is expected to have a real positive social impact.

social aspect commitment [OJK F.23][GRI 2-23, 2-24, 2-25]

Remaining faithful in our commitment to benefit others, BTPN Syariah firmly believes that by addressing social issues within inclusive communities, we can also enhance the sustainability of our business. For us, engaging in social activities is an integral aspect of our operations, and we continually evaluate our efforts for ongoing enhancement.

Rooted in the "Do Good, Do Well" philosophy ingrained in our institution since its inception, we collaborate with stakeholders who share our commitment to safeguarding, nurturing, and advancing the inclusive community economy. Through initiatives like the Daya and Bestee Programs, we extend our support to communities across the nation, accompanying them on their journey towards empowerment and prosperity.

Daya Program [OJK F.25]

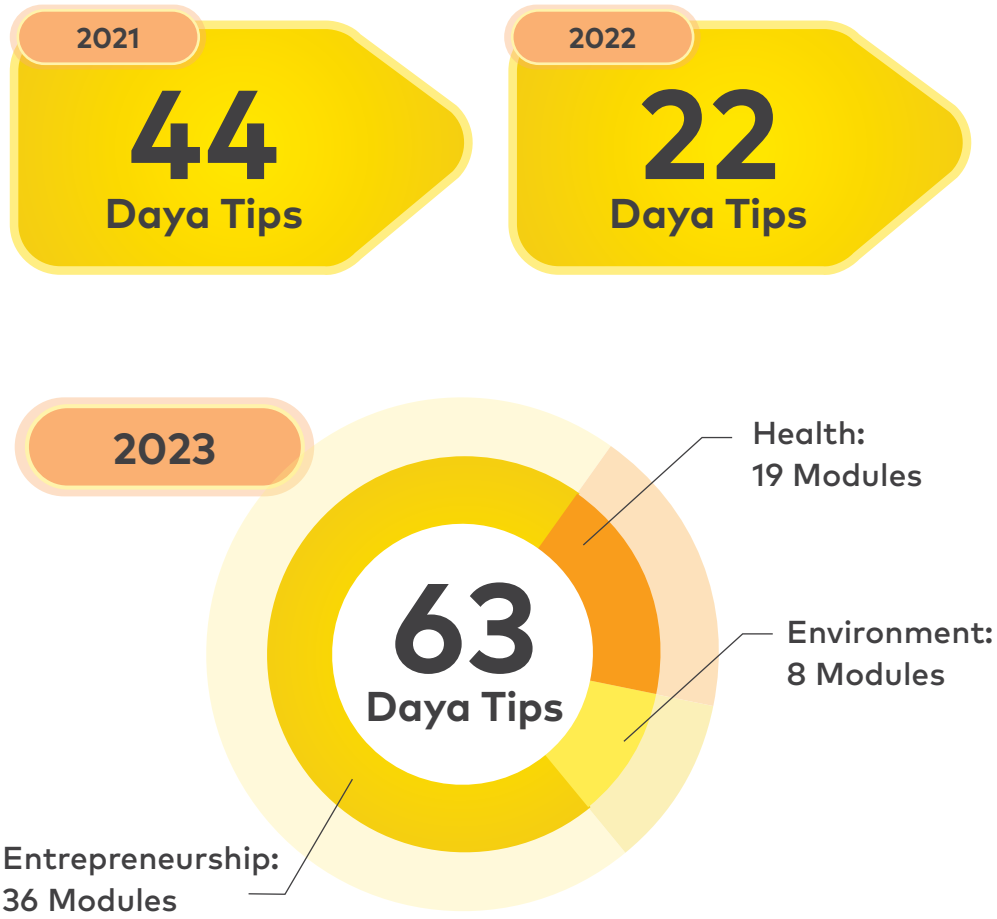
In the BTPN Syariah Unique Value Proposition, the Daya Program stands out as a vital component of the company's social initiatives, dedicated to reinforcing financial literacy and inclusion within the inclusive communities. This program achieves its objectives through training and empowerment activities in the domains of health, entrepreneurship, and the environment.

The Daya Program's Access to Knowledge (A2K) component is structured into various segments:

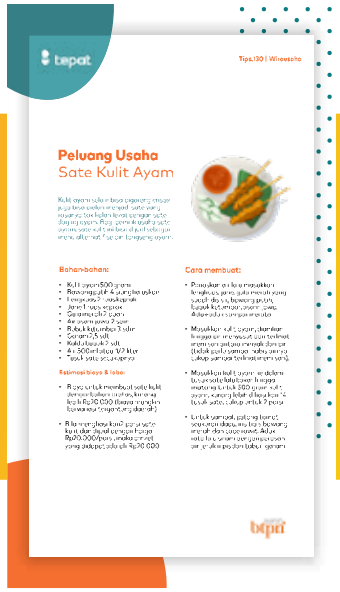
1. Mini Meeting
   Mini Meetings serve as the initiation for the financial inclusion program. During these sessions, the Community Officer (CO) introduces potential customers to various bank products and services.
2. Basic Membership Training
   This involves a routine one-hour training conducted over five days for new customers from inclusive communities. During these sessions, the CO imparts an understanding of the customers' conditions, requirements, rights, and obligations as recipients of bank financing. Additional knowledge on financial management is provided, with ongoing motivation and encouragement to instill values such as Dare to Try, Discipline, Hard Work, and Helping Each Other.
3. Regular Center Meetings
   Conducted bi-weekly at community center locations, these meetings encompass a range of Assistance and empowerment activities. The agenda includes sessions on health, environment, entrepreneurship, and business support. The goal is to enhance customers' skills and capabilities based on their specific needs. The program offers a diverse set of 100 modules and games to facilitate the growth and development of inclusion community customers.

Through these comprehensive initiatives, the Daya Program is positioned as a key driver in empowering inclusive communities, fostering financial inclusion, and contributing to the holistic development of its participants.

The development of training materials in the form of tips from 2020 to 2023 is shown in the following data:

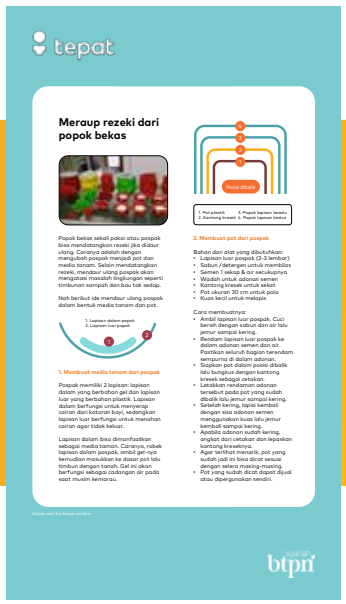


Entrepreneurship Tips



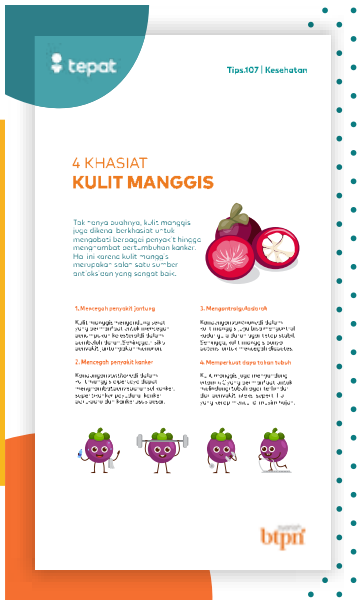


Environmental Tips





Health Tips





The Bank's empowerment activities integrated within its business operations and services have become increasingly crucial for inclusive communities, particularly those included in the inclusive segment. The demand for broader empowerment initiatives, reaching even remote communities across the country, reflects the Bank's commitment to achieving Indonesia's financial inclusion index targets. [GRI 413-1, FS13, FS14]

4. Group Empowerment
   entails empowerment activities provided either in group settings or tailored to specific customer groups within the TBNI (Growing with Inspirational Customers) and TBNS (Growing with Successful Customers) categories. These activities are conducted regularly or as needed, adjusted to the unique requirements of the communities served.

   The Group Empowerment Program comprises:
   a. Regular Provision of Entrepreneurship, Health, and Environment Modules/Tips at Customer Center Meetings
   b. BDKS (Courage, Discipline, Hard Work, and Mutual Assistance) Module at Routine Center Meetings (PRS) that serves as an empowerment tool aimed at encouraging increased customer attendance. Following the Covid-19 Pandemic, the Bank anticipates that customer engagement at these meetings will enhance, consequently elevating the overall quality of BTPN Syariah customers.



   c. The Power Card Game is provided during specific Center Routine Meetings (PRS) for customers who have made installment payments through the Right Partner. These interactive empowerment activities utilize game cards as a medium to deliver training material and engage participants in a dynamic learning experience.

Throughout 2023, 2,048 centers have played the Daya Card game.

1. Layout/5R (24 cards)



2. Innovation (25 cards)



3. Basic Marketing (4 cards)





HONJE 2 Center
MMS CIRANJANG-CIANJUR
JABAR 2 - DH 1



Al ikhlas Center
MMS PUJER-BONDOWOSO
JATIM 1 - DH 3



DUSUN TUO 04A Center
MMS MARO SEBO ULU-JAMBI
SUM 5 - DH 4

d. This program involves providing webinar training sessions to equip participants with valuable skills and knowledge. Throughout 2023, a total of 2,481 successful customers have participated in these training sessions, benefiting from the expertise and guidance offered through the program.



Successful customer participating in entrepreneurship webinar.

The material provided during the successful customer assistance program in 2023 is:

Period	Material provided
May	Entrepreneurial Mindset and Business Opportunities
	Business Identity
	Packaging That Sells
	Financial Recording
June	Marketing
	Introduction to Technology
	Excellent Service
	Business Diversification and Innovation
August	Entrepreneurial Mindset and Business Opportunities
	Business Branding
	Packaging That Sells
	Financial Recording
September	Marketing
	Introduction to Technology
	Excellent Service
	Business Growth & Innovations

Period	Material provided
October	Using Video for Business Development
	Benefits of Becoming Mitra Tepat (MT)
November	Get to know the latest marketing strategies via social commerce
	Attractive Promotion Methods for the Right Partners (MT)

e. Individual Assistance Empowerment Program
Entrepreneurship assistance is provided through the Inspirational Customer Assistance activities and the Bestee Program, which entail intensive one-on-one assistance programs:
- Inspirational Customer Assistance
  This program involves one-on-one intensive entrepreneurship Assistance conducted by Senior Business Managers (SBMs) for Inspirational Customers. In 2023, a total of 550 Inspirational Customers have received personalized Assistance support.
- Bestee Assistance Program
  The Bestee Assistance Program is an intensive entrepreneurship Assistance initiative conducted by students for customers.

5. Collaborative Empowerment through Digital Solutions
This component offers online assistance to selected customers through the Bestee Platform. The platform offers various formats such as video, written articles, and infographics, allowing customers to self-study. By 2023, the Bestee Platform will have a total of 368 modules, representing a significant increase from the previous year's 68 modules. The creation of 300 additional modules in 2023 is based on customer needs identified through prior assessments.

However, the primary challenge lies in expanding the reach of the assistance program to more customers and increasing the number of contributors involved. To address this challenge, proactive measures are being taken to promote wider awareness of the Bestee assistsance program both within BTPN Syariah internally and externally through social media campaigns and socialization classes.

The Bestee program stands as BTPN Syariah's flagship initiative, characterized by multi-party collaboration known as Penta-helix collaboration. This collaboration involves various stakeholders including Banks, Customers, Government, Community, and Academics. Such multi-party collaboration aligns with Sustainable Development Goal (SDG) no.17, emphasizing partnerships for the goals. It is envisaged that this collaborative effort will enhance the quality of impact generated, furthering BTPN Syariah's commitment to faithfully accompany an inclusive society towards sustainable development.

the Bestee Program [OJK F.25]

The Bestee is a collaborative initiative between the campus and BTPN Syariah designed to engage students in providing direct assistance to MSME (Micro, Small, and Medium Enterprises) entrepreneurs, aiming to enhance their knowledge and skills in a measurable and sustainable manner.

Assistance Mechanism



The assistance program operates in two periods annually, each spanning four months (four sessions) per semester:
1. Period 1: February – June
2. Period 2: September – December

The commencement and conclusion of the Assistance period align with the MBKM schedule established by the Ministry of Education, Culture, Research, and Technology.



As of 2023, the Bestee program has collaborated with Merdeka Campus/Kemendikbud-Ristek, 7 mentor institutions, and 257 universities across Indonesia. This marks a significant increase from 42 universities in 2022. Moreover, the program has engaged 1,821 facilitators, including students and lecturers, compared to 108 facilitators in 2022. These facilitators have assisted >33,000 BTPN Syariah financing customers across 474 regions spanning 24 provinces in Indonesia.

BTPN Syariah remains dedicated to empowering customers through the Bestee assistance program, which unfolds as follows:

1. 2022: Piloting stage conducted from July to December for 1,703 customers under the Sahabat Daya program.
2. 2023: Transition from Sahabat Daya program to Bestee program (Bersama Berdaya Sahabat Tepat Indonesia). Scale-up stage 1 executed from March to June, empowering a total of >16,000 customers.
3. Scale-up stage 2 carried out from September to December, empowering >33,000 customers.

The distribution of customers who have been accompanied by the Bestee program is as follows:



No	Province	Total Mentored Customers
1	East Java	>9400
2	North Sumatra	>8800
3	West Java	>6300
4	Central Java	>6300
5	West Sumatra	>3000

No	Province	Total Mentored Customers
6	Jambi	>2200
7	Aceh	>1900
8	Bali	>1500
9	Lampung	>1500
10	West Nusa Tenggara	>1050

The primary objective of this assistance program is to enhance entrepreneurship literacy among customers, thereby fostering a deeper understanding that positively influences their business development. Throughout its activities, customers are furnished with tailored materials and practical guidance aligned with their specific needs, empowering them to navigate and surmount various obstacles and challenges encountered in their business endeavors. Additionally, this assistance aims to instill a lasting positive impact on customers, facilitating meaningful transformations in their businesses and ensuring their sustainability.

The diverse modules and assistance provided until December 2023 encompass:

Modules	Grand Total
Brand identity	>10rb
Bookkeeping for beginner	>3rb
How to make Logo	>2,5rb
Personal Selling - Promotion by WA	>1,8rb
Tagline & Product Information	>1,6rb
How to make promotional media by Canva	>1,6rb
Traditional Marketing	>1,5rb
The importance of brand identity to make bussiness grow	>1,5rb
Price list	>1,2rb
Record sold item	>0,9rb
5R	>0,9rb
Price tag	>0,7rb
Others	>11rb
Grand Total	**>38rb**

From the data recorded up to June 2023, the trend for several types of businesses is experiencing positive changes, as follows:

From data taken until December 2023 there's a trend of various businesses experiencing positive changes. 3 biggest businesses experiencing positive changes are culinary (43% of customers), retail trade (17%), and grocery/grocery stall (16%).

The positive impact generated by the Bestee program fuels the Bank's growth and development, enabling it to benefit millions of people.

the Bestee Platform [GRI 203-1]

The Bestee Platform serves as a digital empowerment tool, offering customers access to business knowledge to foster customer engagement and increase business literacy through digital means. Continuously evolving, the Bestee platform is regularly enhanced to ensure its effectiveness in supporting stakeholders in assisting customers, particularly inclusive communities, in a sustainable manner.

Built with cutting-edge web-based technology and integrated mobile apps, the Bestee platform caters to various user roles. Web-based applications are utilized by Facilitators, Mentors, and Admins, while mobile apps-based applications are designed for Facilitators (Kita Bestee) and Customers (Bestee Ku).

The digital empowerment platform known as Bestee is designed to grant customers access to knowledge, with the aim of enhancing the quality of empowerment and fostering greater customer engagement. The Bank anticipates that by offering this access, customers will benefit from improved support and guidance. Moreover, the platform is continually enhanced and refined year after year to ensure its effectiveness in serving stakeholders and assisting in the empowerment of inclusive communities. This ongoing development and improvement reflect the Bank's commitment to facilitating the advancement of an inclusive society through accessible and valuable resources.

Bestee Platform, consists of four types of platforms that are integrated with each other, two of which are in the form of applications. The Android application is called Bestee Ku for customers and Kita Bestee for Contributors. The other two are in Web form, namely Web Mentor which is used by Mentors and Web Admin which is used for data centers.

The following is the Bestee platform application used by stakeholders in assisting the Bestee program:

Customer Application (Bestee Ku)

The application used by financing customers as a learning medium takes the form of digital learning modules according to the customer's type of business.

1. Profile

Contains user (Customer) profile data information as a user of the Bestee Ku application.





2. My Courses

Contains content (material) that customers can study at any time.

3. Recommended Content

Contains recommended content automatically adapts to the customer's business type.





4. Popular Learning

Displays content that is frequently accessed by users (Customers).

5. Search Content

Search feature that makes it easier for users (customers) to find desired content (material).





6. Contact the Facilitator

Feature to contact the accompanying Facilitator to get the information needed directly.

The Recommendation Module and Help Center menu is a new menu in 2023.

Contributor Application (Kita Bestee)

Application used by contributors / students / volunteers / other stakeholders as a means to convey material in Assistance activities to customers and a tool for monitoring contributor activities.

1. Register

The feature used to register and create a Bestee account by the Facilitator to be able to access all the features and menus in carrying out Assistance activities.



2. Performance Dashboard



The initial display page of the Kita Bestee application that contains a summary of the Facilitator's performance such as important schedule reminders, the amount of content (material) taught to customers and information on the leaderboard of all Facilitators participating in the Bestee program.

3. My activities

An important menu that requires Facilitators to plan the activities that will be carried out.



4. Assistance



A menu that facilitates Mentor and Mentee (Facilitator) to mutually plan Assistance activities.

5. Forum

A menu that facilitates Mentors and Mentees (Facilitators) to share Insights into discussion materials in the form of articles, journals, photos or documents supporting other Assistance materials. This menu can also be used as a discussion forum.



6. Scoreboard



A menu that shows the level of performance excellence resulting from the activity of the Facilitators obtained based on the KPI values given by the Mentor.

Photo Geotagging menu, Notice Board, Recommendation Module, Assessment Module, Digital Recruitment Dashboard, Gamification, Flagging Fraud, and Assistance Survey are new menus throughout 2023.



Bestee Admin Web

The platform used by the admin as a data integration center for all forms of activities, programs, communication, information, and a center for handling problems with assistance at bestee. This superior feature on Web Admin is used to review contributor performance and activities through Assistance reports assessed by mentors.



Bestee Mentor Web

Platform used by expert mentors to support the Assistance process with their contributors / mentees during the program. The main features on Web Mentor include assessing contributor reports, creating a Assistance schedule, providing direction via the personal chat feature and also providing article posting or insight for contributors in the forum feature.

In general, the development of the platform throughout 2023 consisted of adding companion survey features, SMO and SMC reports, report creation features on Web Mentor, and the Recommendation Module Menu and Help Center.

Utilization of the Bestee Platform [GRI 203-2]

The Bestee platform is used for the Bestee Assistance Program in the form of intensive assistance provided by facilitators to customers. Throughout 2023, this Assistance program is divided into 3 large groups, namely:

1. **University Assistance Program**. Assistance program carried out by students for customers intensively or one on one. This program is carried out by students as a means of internship with a variety of position options.
2. **Army Bestee Assistance Program**. Assistance program carried out by Bestee Alumni (Bestee Army) with a variety of program forms and a more flexible number of customers. There are 3 (three) Assistance programs by Bestee Army in 2023, namely:
   a. **Bestee Ceria**: is an Empowerment program carried out among BTPN Syariah customers by providing materials such as health, entrepreneurship, beauty and the environment.

Bestee Ceria has been implemented throughout 2023:
1) at MMS Lowok Waru, Malang
2) at MMS Cimaung, Bandung
3) at MMS Bendosari, Solo
4) at MMS Kedungkandang, Malang
5) at MMS Cimaung, Bandung
6) at MMS Depok, Yogyakarta



Flat Tummy Exercise
MMS Cimaung



Glowing Skincare
MMS Lowokwaru



Flat Tummy Exercise
MMS Kedung Kandang



Healthy Eating Menu
MMS Bendosari

The Bestee Army involved as volunteers/facilitators are alumni of the Bestee piloting 1 and 2 programs in the previous year.

b. Bestee Individual Assistance : is an Empowerment program carried out by providing individual offline assistance for 1 month per customer. In 2023, the materials presented and implemented are Price List, Business Identity and Personal Selling, the location of the assistance will be in Medan and Semarang.



Activity

- Accompanying customers in teaching entrepreneurship material offline
- Accompanying 1 customer
- The volunteering location is adjusted to the volunteer's domicile

Report

- Army Bestees have finished providing assistance
- Materials presented: Price List, Business & Personal Selling (Promotion via WA)
- Implementation: Medan and Semarang

c. **Bestee Ambassador:** is an Empowerment program where the Bestee Army explains and invites customers who have not participated in the Bestee program to want to take part in the program. In 2023, it will be implemented in 4 centers in the Bandung area.



Activity

- Explain the Bestee program and invite customers to join the program
- Activities are carried out in customer groups (PRS/Routine Meetings Center)
- The volunteering location is adjusted to the volunteer's residence

Report

- 1 army bestee has finished doing Bestee Ambassador.
- Carried out in the Bandung area, in 4 centers

d. Bestee International: is a collaboration program between BTPN Syariah and International Internship where BTPN Syariah through the Daya division provides opportunities for students from various universities in Australia who want to know more about the customer empowerment program at BTPN Syariah. Intern students have the opportunity to provide direct assistance to BTPN Syariah customers by being accompanied by local students as translators between customers and foreign students as well as partners during the internship activities.

v Throughout 2023, the International Bestee program ran 3 times (3 batches). The following are details of the number of apprentices for each batch:



Batch 1

6 Students
(3 Australian students and 3 Indonesian students)
4 Facilitators
2 Social Media Officer
6 Nasabah accompanied

Month: January 2023
Location: Ciomas, Bogor

Batch 2

2 Students
(1 Australian student and 1 Indonesian student)
Facillitators + SMO (Social Media Officers)
7 customers accompanied

Month: June-August 2023
Location: Tangerang, Serpong Barat

Batch 3

3 Students (2 Australian students and 1 student Indonesia)
Social Media Officer

Promoting the Program
Bestee in tier-3 -4 and International

Month: November-December

Throughout the 3 batches of the Bestee International program mentioned above, a variety of activities were carried out. In batch 1 and batch 2, BTPN Syariah customers received direct assistance from students. For batch 3, students utilized the knowledge gained from Assistance in previous batches to create promotional content for the Bestee program across different media platforms. The goal is to spread awareness and generate positive outcomes for customers and the Bestee program in the years to come. BTPN Syariah remains hopeful for increased stakeholder involvement in the Bestee program, demonstrating their dedication towards empowering inclusive communities in Indonesia.

Merdeka Fair Campus

BTPN Syariah has once again collaborated with MBKM in order to provide the widest possible opportunities for students to learn and train themselves to be better prepared when they enter the real world of work.

KMF activities, especially in 2023, are aimed at introducing vocational education to the community by providing a space for creative collaboration, as well as building a spirit of sustainable collaboration regarding MBKM policies in the future.

The Merdeka Fair Campus was held on December 11-12 at Graha Bhakti Budaya, Taman Ismail Marzuki Complex, Cikini, Menteng, Central Jakarta. Apart from BTPN Syariah, various partners invited by MBKM include:

1. Banking: Bank Mandiri, BRI, BTPN Syariah
2. State Companies: Telkomsel, Pertamina, PLN, INKA etc
3. Private Companies: Blibli, Astra International, SCM, Kompas Gramedia etc.

Throughout 2023, this activity has generated a positive impact for more than 25 thousand customers. BTPN Syariah.



Daya Market

BTPN Syariah has a lofty goals for creating a sustainable ecosystem. Through its system, BTPN Syariah aims to provide both financial and knowledge access to inclusive communities, including facilitating their entry into markets.

The current access to market programs includes selling products through assisted marketing platforms such as IG Live, Shopee, and Online Bazar. This mentorship program offers various activities, including:

1. Broadcasting live on IG or Shopee to sell products.
2. Consignment sales, with shipping costs from customer to MB covered by BTPN Syariah.
3. Communicating the Pasar Daya program to BTPN Syariah employees and external parties (Bestee Army, bestee, universities, ministries, etc.).

The Pasar Daya program offers a diverse range of products, including food items (dry goods, honey, coffee, etc.) and non-food items (batik fabrics, weaving, household items, clothing, bags, shoes, hijab, etc.).

Through various social activities and a strong spirit for empowering inclusive communities, BTPN Syariah has positively impacted over 25 thousand customers in 2023. These sustainable efforts have spread benefits to millions of people in both the short and long term.





community testimony

BTPN Syariah values testimonials from the community, particularly those who support the Bestee program. These testimonies serve as valuable feedback for evaluating and improving the program's effectiveness in empowering individuals in the future. Both mentors and students play a crucial role in faithfully empowering customers through the Bestee program.

Mentor

The mentor's role is to provide assistance, teaching, and counseling to the mentee/student in a consistent and structured manner. Each mentee has one mentor who will be a discussion partner during the Bestee program. A minimum assistance schedule of once per week must be maintained via the platform. Every assistance session must be documented and reported via the platform.



The experience I gained, Masya Allah, added value to me, especially in empathy, inclusion, and literacy in the fields of finance, entrepreneurship, and MSMEs, which was extraordinarily enjoyable. Wherever I am, Assistance is also very convenient to do because everything is digitally based on the Bestee platform. Assistance through the Bestee Program has the potential to increase entrepreneurial inclusion for customers, and the benefits can be felt directly by customers.

Restu
Lecturer at FEB Unisma

During the assistance program, each mentor is assigned to accompany around 10-15 mentees. The assistance schedule must be submitted by the mentor every week in accordance with the agreement between the mentor and the mentee.

Discussions during assistance include: student findings in the field, customer business constraints, modules that suit the customer's business profile and constraints, obstacles encountered when mentoring customers, and how to make reports both on the Bestee Platform and on the MBKM website.

There is a special pride in gaining the trust to be part of the BTPN Syariah Bestee Program as a Mentor, because we not only have the opportunity to apply our knowledge, but also to participate in increasing the capacity of the younger generation in their role as MSME Facilitators. The Bestee program has proven to have a direct positive impact on many parties, from academics, organizations, government, to society. Hopefully, in the future, there will be more bright young leaders coming from alumni of the BTPN Syariah Bestee Program.

Adib F. Hidayat
Mentor



In general, the main task of mentors is to brainstorm and provide direction to students regarding the obstacles they face during mentoring.

Mentors are not the only parties expected to provide solutions to students, but rather peer groups and other support systems that can help students find the best solutions to the problems they face. Mentors only guide and provide insight from the results of their mentees' discussions.



This experience has given me the opportunity to be directly involved in the development and empowerment of ultramicro business actors for BTPN Syariah customers. We engage with enthusiasm and a positive spirit, exchange ideas, and commit to achieving common goals. Thank you to the Daya team for providing this opportunity to loyally participate in empowering MSMEs. I am confident that with our cooperation and dedication, we can continue to have a positive impact on the development of Indonesian MSMEs

Roby Ardianto
Mentor

Another important role for mentors, apart from guiding, is to conduct assessments and act as supervisors for their mentees. If violations are found during the Assistance process, it is the mentor's responsibility to remind and follow up on these findings with internal parties

Student

As facilitators, students must display strong integrity and are responsible for conducting home visits with customers to provide intensive assistance. This involves 4 sessions per week per customer.

Before assistance begins, students are provided with all the necessary materials until they understand and are ready to begin. During Assistance sessions, students are required to submit a report to their mentor after each customer Assistance session, including photos, videos, and descriptions of the meeting results. They will also receive briefings from the mentor for the next Assistance session. BTPN Syariah will conduct a comprehensive evaluation after the Assistance period is completed. Students will receive appreciation, certificates, and will be included in the Bestee program alumni group.

There are at least four positions offered to students who want to join the Bestee program, including:
1. Facilitator
2. Social Media Officer
3. Social Media Coordinator
4. Community Empowerment Officer

Facilitator:
The primary task of a facilitator is to assist BTPN Syariah customers in increasing their knowledge and skills related to entrepreneurship for approximately one month per session.

Social Media Officer (SMO):
The main task of the Social Media Officer is to document activities carried out by the Facilitators to ensure proper documentation and publication of Assistance activities. Additionally, SMOs play a role in providing module recommendations to facilitators regarding access to the market (A2M).

Social Media Coordinator (SMC):
The Social Media Coordinator is responsible for creating content plans, evaluating the results of SMO documentation, and managing Bestee's social media presence across various platforms.

Community Empowerment Officer (CEO):
Responsibilities include curating customer assistance data provided by facilitators, monitoring pre- and post-customer data, evaluating reporting activities conducted by facilitators, etc.



This Bestee program is highly beneficial for students. We gained valuable insights during the customer assistance process, which can be used as valuable experience and knowledge as we graduate from college. Hopefully, this Assistance experience will also be rewarding for students as it not only serves as an internship but also has a real impact on improving customers' skills and business income.

Intan Permata Sari
Fasilitator

For students interested in joining the Bestee program, they must meet at least three main requirements, including:

1. Active student status
2. Minimum semester 5
3. Interest in empowerment

Key Performance Indicators (KPIs) for students in this program:

1. Teach customers to use the Bestee Platform (technological literacy)
2. Assist customers by teaching assistance material from the Bestee Platform according to the customer's profile (access to knowledge)
3. Apply the material learned in the customer's business to demonstrate improvements as evidenced by the before-and-after Assistance results
4. Submit regular reports on each Assistance session promptly to the mentor, which will be reported to MBKM/Kemendikbud and to BTPN Syariah via the Bestee Platform.

This program offers a valuable opportunity for students to earn 20 credits and gain real-world work experience. Students are accompanied and guided by extraordinary mentors to empower underprivileged mothers who are MSMEs. It is crucial to understand the obstacles, barriers, and problems faced by MSME women, find solutions, and implement them to develop their businesses. With the Bestee program, all parties can benefit from this exceptional assistance.

Rohmat Khasan Bisri
Fasilitator





Being a co-facilitator in this Bestee activity is truly exciting. I can explore myself to hone both my soft and hard skills. Additionally, I've gained valuable learning from playing a supporting role and making a real impact in increasing the knowledge and skills capacity of MSME mothers. This experience has inspired me, showing that women can also play a crucial role in driving the family economy forward.

Salsabila H. Fatimah
Fasilitator

Mentors and students who have joined the Bestee program are using the knowledge they gained from higher education to empower and support inclusive communities with a strong sense of loyalty. They understand their meaningful role in contributing to the development of their country.





06

Faithfully Empowering

THE NATION





The dedication to faithfully empowering women in the inclusion community drives BTPN Syariah to steadfastly offer sustainable assistance and financing, tailored with precision to suit their specific needs, thereby enhancing community resilience.

global and domestic economic overview

[GRI 2-22]

Bank Indonesia's recent publication highlights a forecasted global economic slowdown, accompanied by widening growth disparities among nations. Projections indicate a modest 3% growth in 2023, declining further to 2.4% in 2024.

In the US, robust economic growth persisted in 2023, buoyed by resilient household consumption and domestic service sectors. Conversely, China experienced a slowdown due to weakened consumer spending and a sluggish property sector. Geopolitical tensions contributed to increased energy and food prices, sustaining elevated global inflation levels.

Mounting global economic and financial uncertainties, compounded by escalating geopolitical tensions, necessitated robust policy responses to safeguard domestic economic resilience, particularly in Emerging Market Economies (EMEs) like Indonesia.Global economic growth is slowing amid escalating uncertainty.

These global economic conditions also impacted Indonesia's domestic economy. The Bank Indonesia Board of Governors Meeting (RDG) on October 18-19, 2023, decided to raise the BI 7-Day Reverse Repo Rate (BI7DRR) by 25 bps to 6.00%, the Deposit Facility rate by 25 bps to 5.25%, and the Lending Facility rate by 25 bps to 6.75%. This increase aims to strengthen the stabilization policy of the Rupiah exchange rate from the impact of escalating global uncertainty and as a pre-emptive and forward-looking measure to mitigate its impact on imported inflation, thus keeping inflation controlled within the target of 3.0±1% in 2023 and 2.5±1% in 2024.

Inflation pressure in Indonesia in December 2023, was still recorded at 2.61% yoy in Bank Indonesia's inflation corridor, decreased from the previous one in December 2022 of 5.51% yoy.

The current account balance in the third quarter of 2023 recorded a surplus of USD 3.3 billion. Indonesia's foreign exchange reserves in December 2023 amounted to USD 146.4 billion, an increase from December 2022 of USD 137.2 billion.

Demographic data shows that the population in Indonesia in 2022 amounted to 278.7 million people in 2023, an increase compared to 275.8 million people in 2022. The number of poor people in Indonesia recorded at 25.9 million people in March 2023. Meanwhile, the unemployment rate in Indonesia in 2023 decreased to 5.32% from 5.5% in 2022.



Macroeconomic Indicators of Indonesia

	Unit	2023	2022	2021
• Gross Domestic Product	(annual % change)	5.0	5.01	5.03
• Inflation	(annual % change)	2.61	5.5	1.9
• Government Debt	(% of GDP)	38	39.9	41.0
• Exchange Rate	(IDR/USD)	15,397	15,568	14,269
• Current Account Balance	(% of GDP)	0.2	1	0.3
• Benchmark Interest Rate	(%)	6	5.5	3.5
• Population	(in million)	278.7	275.8	273.9
• Poverty	(% of population)	9.36	9.5	9.7
• Unemployment	(% of workforce)	5.32	5.5	6.5
• Foreign Exchange Reserves	(In billion USD)	146.4	137.2	144.9

For GDP, Government Debt in 2023 is a forecasted figure, and for Poverty in 2023 is the position as of March 2023.

Several national economies are showing signs of a "K-shaped recovery" following the Covid-19 pandemic. While the upper-middle economic group has successfully driven economic growth, the lower-middle economic bracket, representing the inclusive society, still faces challenges in bouncing back to pre-pandemic levels. This aligns with data from the Central Bureau of Statistics (BPS), which indicates that the productivity index of Micro Small Enterprises (UMK) remains below pre-pandemic levels. On the other hand, Medium to Large Enterprises (UMB) have experienced significant recovery in productivity.

This presents a unique challenge for BTPN Syariah to remain committed to empowering productive women from the inclusive community to achieve sustainability in Indonesia. For BTPN Syariah, success is not solely measured by financial performance but also by the positive impact the Bank creates in benefiting a broader spectrum of society.

Sharia Banking

According to data from the Islamic Banking Statistics—December 2023, published by the Financial Services Authority (OJK), the number of Sharia Commercial Banks and Sharia Business Units remains unchanged from the previous year, totaling 33 units. Meanwhile, the number of Sharia People's Financing Banks (BPRS) in Indonesia has increased to 173 from 167 in December. The number of BPRS branch offices has also seen an increase from 668 offices in December 2022 to 694 offices in August 2023.

BTPN Syariah periodically measures its internal performance and compares it with peers (benchmarking). The results of benchmarking serve as a basis for periodic evaluation, providing comparative information, and understanding the strengths and weaknesses of the company that can be utilized for the improvement and development of BTPN Syariah in the future.

Maintaining the performance of BTPN Syariah [OJK F.2][GRI 2-22]

The condition of Islamic banking in October 2023 is more or less similar to conventional banking. The ROA of Islamic banking stands at 1.88%, lower than conventional banks at 2.74%. However, BTPN Syariah maintains an ROA of 6.3%, significantly above the average for both Islamic banks and conventional banks. BTPN Syariah manages to maintain its BOPO at 78.4%, below the average of Islamic banks (78.31%) and conventional banks (78.92%). With a strong capital adequacy reflected in BTPN Syariah's CAR at 49.8%, approximately above average of Islamic banks (25.41%) and conventional banks (27.65%).



BTPN Syariah remains committed to serving productive pre-financial inclusion families scattered across various regions in Indonesia, with various innovations in its services. With assets of IDR 21.430 billion, the Bank serves 7 million customers, including 4.2 million active customers, operating in 257 thousand communities in 2,600 rural areas in Indonesia, strengthening the Bank's presence in the productive financial inclusion segment of society to continue contributing to poverty alleviation, reducing social inequality, and ensuring sustainability for future generations.

For BTPN Syariah, which remains faithful in empowering inclusive communities (the bottom segment of the economic pyramid), the COVID-19 pandemic situation in 2023 continues to have a significant impact on business operations, company performance, and customer conditions, especially financing customers. This is evident from BTPN Syariah's 2023 NPF, which was slightly higher than the previous year. However, thanks to the hard work, resilience, and full support of all empowerment bankers, financing customers, funding customers, supplier partners, Government/Regulators, Shareholders, and other stakeholders, BTPN Syariah managed to close 2023 with sustained business performance.

Towards financing customers, BTPN Syariah continues to assist those affected by the pandemic situation, ensuring disbursements to customers while prioritizing caution and thorough assessment. The Bank also provides financial management training, entrepreneurship tips (access to knowledge), and assistance in accessing markets for financing customers.

The commitment and support from customers who entrust their funds to assist in financing inclusive communities are vital elements in maintaining a sustainable ecosystem. BTPN Syariah values the loyalty of its customers, which serves as a driving force to continue empowering productive families in remote areas across the nation.

In fostering a digital ecosystem that promotes sustainability, BTPN Syariah has implemented the development of the "Warung Tepat for Mitra Tepat" application, which reached approximately 30,000 agents by 2023. This agency model development aims to enable the Mitra Tepat (Right Partners) to serve financing customers in saving (deposit and cash withdrawal), support the payment process of financing customers' installments (access to finance), and facilitate local communities in purchasing daily necessities (access to supply) in a cashless manner.

BTPN Syariah believes that the quality of service provided to customers also depends on the quality of goods and services from supplier partners. Therefore, BTPN Syariah conducts periodic evaluations of all supplier partners, including suppliers of goods, information technology products, and service providers, such as operating system services. Towards supplier partners, BTPN Syariah prioritizes cooperation with local supplier partners as a commitment to supporting regional economic development. BTPN Syariah maintains a list of vendor and supplier partners, both satisfactory and unsatisfactory, obtained from evaluations of financial capabilities, workforce, and the quality of goods and services provided during a certain period.

Regarding the Government and Regulators, BTPN Syariah ensures compliance with various regulations impacting social and environmental aspects in 2023. BTPN Syariah disburses cash dividends to Shareholders in 2023 for the 2022 fiscal year performance to shareholders and remains committed to updating information periodically, both through press releases and during Public Presentations aimed at promoting transparency regarding the condition of BTPN Syariah to the public. PT Fitch Ratings Indonesia reaffirms BTPN Syariah's Long-Term National Rating remains at AAA (idn) with a Stable Outlook. This rating is given to companies with the lowest expectation of default risk compared to all other issuers or bonds in the same country or monetary union.



At the end of 2023, BTPN Syariah's disbursed financing increased by Rp11.4 trillion, 1.2% compared to the previous year, which was made possible thanks to the support of all stakeholders, the unwavering commitment of the team, and resilient customers. The Bank has responsibly booked provisions amounting to Rp1.214 billion. The higher provision formation is due to challenging customer conditions and as a Bank's anticipation of POJK Relaxation related to the Covid-19 pandemic.

Third-party funds in 2023 reached Rp12.1 trillion, growing by 0.8% compared to the previous year's Rp12.0 trillion. Strong funding supported by strong capital makes BTPN Syariah's liquidity very adequate. In 2023, BTPN Syariah was able to record strong net profit of Rp1.1 trillion, a decrease of 39.4% from the previous year's Rp1.8 trillion.

Below is a summary of the balance sheet position changes and the profit and loss table of BTPN Syariah, illustrating BTPN Syariah's performance in 2023.

Summary of BTPN Syariah's Economic Performance in 2023

	2023	2022	2021
Balance Sheet Summary (in IDR million)			
Total Assets	21,435,366	21,161,976	18,534,856
Productive Assets	20,304,224	19,422,089	17,075,443
Financing Granted	11,387,861	11,527,463	10,443,469
Total Liabilities	2,737,413	2,910,720	2,543,053
Customer Deposits and Temporary Syirkah Funds	12,142,817	12,048,529	10,973,460
Total Equity	8,777,133	8,407,995	7,094,900
Income Statement Summary (in IDR million)			
Net Interest Income	5,259,749	5,029,350	4,279,210
Other Operating Income	60,949	65,646	22,332
Operating Expenses	(2,043,512)	(1,869,492)	(1,693,292)
CKPN Expenses	(1,898,117)	(945,052)	(728,220)
Net Operating Income	1,379,069	2,280,452	1,880,030
Net Profit for the Year	1,080,588	1,779,580	1,465,005

Social and Environmental-focused Financing Portfolio [GRI 2-23, GRI 2-24, GRI 2-25, FS6, FS16]

The unevenness of economic development, especially in rural areas where communities lack financial inclusion, is one of the issues in sustainable development. This disparity poses one of the greatest challenges for Islamic banking to serve inclusive communities.

Since its inception, BTPN Syariah has consistently directed its financing towards the inclusive segment, specifically targeting women and mothers from inclusive communities who previously had no access to banking financial services, whether conventional or Islamic. BTPN Syariah's financing portfolio is focused on this segment, which is more laden with a social aspect approach. This approach enables financing customers to improve their economic capabilities, consequently leading to the development of their social lives. In addition to fulfilling customers' financial access needs, BTPN Syariah also provides other non-financial support implemented through four main pillars.

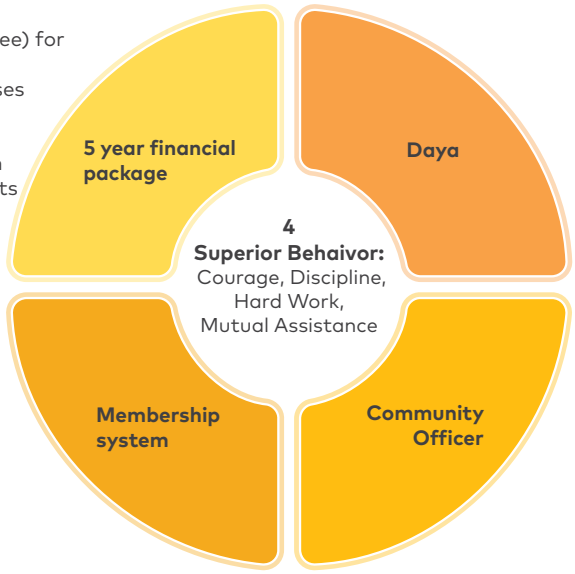
The four main pillars that serve as the facilities of BTPN Syariah's Right Financing products are financial packages, empowerment programs, membership systems, and Assistance at BTPN Syariah. These four main pillars are interconnected in building the four superior customer behaviors, namely: Courage, Discipline, Hard Work, and Mutual Assistance (BDKS).

5-year financial package

Financial solution in one package:
- Venture capital
- Free life insurance
- Savings (free monthly fee) for the future. Tabungan
- Business capital increases with each cycle
- after the 3rd year of financing, renovation of home & improvements in education

Daya

Training program
Training for capacity improvement in health, education, entrepreneurship, and environment



Membership System

- Group is selected by customers
- Regular
- Mandatory Savings
- Joint Liability

Community Officer

- #bankirpemberdaya trained to exemplify the behaviors:
  honest
  polite
  disciplined
- Becoming a facilitator for Daya program

The four main pillars of Sharia Financing Excellence are:

1. Financing Program
   Financial Aid packages provided to customers to meet the needs of building and expanding productive businesses. This assistance is repaid in biweekly installments, and customers also receive additional benefits such as life insurance for themselves and their spouses, savings with no minimum balance and administrative fees, as well as installment exemptions on Eid al-Fitr. After successfully completing three cycles, customers have the opportunity to obtain financing for home improvements and their children's education.
2. Daya Program
   Daya Nasabah Program aims at continuously enhancing capabilities and knowledge through ongoing programs in health, entrepreneurship, and environmental fields.
3. Membership System
   Customer Membership System where customers form groups and establish centers. Regular meetings are held within these centers to provide banking services. If any customers encounter difficulties, the members of the group within the center will assist each other.
4. Community Officers
   Trained Community Officers who regularly serve and provide assistance to financing customers by meeting at customer centers.

These four pillars are the primary foundation for fostering four exemplary behaviors that inclusive customers should possess: Courageous Entrepreneurship, Discipline, Hard Work, and Mutual Assistance. The implementation of these four main pillars of Sharia Financing Excellence is consistently carried out alongside rigorous oversight. Community Officers are required to fill out a series of forms that serve as data inputs on tablets for BTPN Syariah in managing the financing portfolio risks from all customer centers.

At a higher level, Business Coaches assisted by Quality Assurance are obligated to evaluate the adherence of all levels in implementing these four pillars. Subsequently, Internal Audit randomly conducts periodic inspections to ensure compliance with the implementation by all levels. Therefore, the application of these four pillars simultaneously serves as a procedure for identifying and mitigating social risks that could affect the quality of financing. [FS2, FS9]



Regarding financing for business development for financing customers, it is carried out using a wakalah wal murabahah contract, which allows financing customers who do not yet have a business to obtain financing for the purchase of new business capital goods or business support goods for those who are establishing a new business.

The purchase of goods is represented by the financing customer with a wakalah agreement, which outlines the details of the goods to be purchased along with their prices. Subsequently, the financing customer is required to repay the financing for the purchase of goods plus the predetermined margin by making installments according to the agreed-upon timeframe.

In 2023, the key priorities outlined in the RAKB indicators for financing customers at BTPN Syariah include alternative exploration financing aimed at inclusive communities. This involves providing Sharia-compliant financing for working capital purposes to individuals, extending financing to partners (Mitra Tepat), and collaborating with the Ministry of Public Works and Public Housing (PUPR) to distribute subsidies to BTPN Syariah customers for home repair or renovation purposes (BP2BT Program). These three products align with BTPN Syariah's commitment to community empowerment initiatives.

The need for financing by customers, especially to recover from the pandemic, presents a unique opportunity for BTPN Syariah to provide tangible assistance. The business performance of financing to productive inclusive families in 2023 continues to demonstrate sustained performance.

Here is the financing performance according to the main geographical areas:

Net Financing Summary (in Million Rupiah)	2023	2022	2021
Java	6,462,888	7,286,758	6,729,329
Bali and Nusa Tenggara	454,684	420,917	363,392
Sumatra	2,832,317	2,647,194	2,304,562
Kalimantan and Sulawesi	588,593	538,989	455,020

From the financing achievement of Rp 11.388 billion, 99.6% is financing for MSMEs.

Financing can grow due to intensive efforts made by #bankirpemberdaya, namely Community Officers in the field. This fostered positive trust within inclusive communities to face the challenges in 2023. As a result, financing customers become adaptive, creative, positive, and resilient in revitalizing and running their businesses. They become tenacious and resilient so that their business wheels can turn again and continue to operate. The bank also continues to enhance the quality of financing through diversification of strategies and activities in the field. The reach for new customers is continuously expanded along with a strengthened selection process for prospective financing customers.

Distribution of Economic Value Generated [GRI 201-1]

The total economic value distributed by BTPN Syariah in 2023 to stakeholders amounted to IDR 3 trillion, down 7.8% from the value of IDR 3.2 trillion in the previous year. In this year, BTPN Syariah also successfully fulfilled its commitment to shareholders by distributing dividends totaling Rp681 billion.

BTPN Syariah provides two types of contributions to the country, namely direct and indirect financial contributions and non-financial contributions.



Direct financial contributions take the form of income tax payments and other levies. The value of financial contributions reached IDR 421 billion, down 17.6% from the previous year's IDR 510 billion. Meanwhile, indirect financial contributions take the form of realization of intermediary functions, so that business customers from the inclusive community who previously did not have access to banking support, now and in the future receive financial support to develop their businesses. The development of businesses by inclusive business actors in these inclusive segments will ultimately increase tax payments to the state. In addition to taxes, the increasing scale of business activities in the inclusive community can reduce poverty levels and income disparities in society.

Meanwhile details of the non-financial contributions provided can be found in the Faithfully Empowering Others, Faithfully Empowering Inclusive Communities, Faithfully Empowering for Endeavors, Faithfully Empowering the Environment, and Good Governance for Sustainable Empowerment chapters in this 2023 Sustainability report.

In carrying out its business activities, BTPN Syariah does not receive financial assistance from the Government to realize all operational activities, whether in the form of tax exemptions, subsidies, grants for research and product development, and so forth. In order to support business development, BTPN Syariah retains an Economic Value amounting to Rp1.9 trillion as detailed in the following table.

Details	2023	2022	2021
Direct Economic Value Received			
Income from Fund Management by BTPN Sharia as Mudharib	5,304,149	5,051,508	4,408,251
Other Operating Income (Expense) - Net	502,800	387,808	287,923
Total direct economic value received	4,801,349	4,663,820	4,120,328
Direct Economic Value Distributed			
General Operating Expenses	681,107	676,351	546,113
Employee Salaries and Allowances	1,362,405	1,193,141	1,147,179
Third-party Rights to Profit Sharing of Temporary Syirkah Funds	486.433	344,440	394,632
Payments to the Government (Income Tax and Value Added Tax)	420,516	510,301	434,535
Total direct economic value distributed	2.950.461	3,199,859	2,776,612
Total Economic Value Retained	1.850.888	1,463,841	1,343,716

Support for Sustainable Development Goals (TPB)

The sustainability ethos of Islamic banking revolves around maslahah, prioritizing human welfare. This guiding principle underscores BTPN Sharia's steadfast commitment to continuously assist inclusive communities through an inclusive approach. Together with stakeholders, the bank remains dedicated to serving wholeheartedly, extending its support to every corner of the nation.

All of BTPN Sharia's financing is directed towards inclusive communities, aligning with sustainable business practices rooted in inclusivity, particularly catering to Micro, Small, and Medium Enterprises (MSMEs). This financing model actively contributes to the achievement of Sustainable Development Goals (SDGs), notably Goal 1 (Ending poverty), Goal 8 (Decent work and economic growth), and Goal 10 (Reducing inequalities).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Faithfully Empowering

INCLUSIVE COMMUNITIES


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In 2023, our dedication to providing quality and equitable products and services, safeguarding customers, adeptly addressing complaints, and furnishing technological support for the betterment of millions of individuals is a source of collective gratitude.

Through our array of funding products, customers have the opportunity to allocate funds to productive underprivileged individuals striving to achieve prosperity. With an unwavering commitment to empowerment, we endeavor to provide optimal financial solutions and services, enabling inclusive communities to evolve into sustainable sources of inspiration.

products and services commitment and policies [OJK F.17] [GRI 2-23, GRI 2-24, GRI 2-25, FS15)

Conducting responsible business behavior, applying the precautionary principle, respecting human rights are commitments that are in line with our good and sincere intentions. With the spirit of faithfully empowering customers in an inclusive society, we have policies and procedures that pay attention to the following:

a. Prioritize the suitability of products and services to customer needs and capabilities and in accordance with the Mission and Vision of BTPN Syariah.
b. For each product and service offered to customers, the Bank makes a summary of information regarding products and services delivered to customers via the official BTPN Syariah website, at the start of the offer and/or when an agreement is reached with the customer which is reflected during the process of signing the agreement with the customer . The summary of product and service information refers to OJK provisions and follows applicable sharia principles. If there are changes to the terms and conditions or features of a product, customers will be notified. Through Know Your Customer (KYC), BTPN Syariah can find out customer profiles and explore their needs, so that they can offer appropriate solutions. The Bank emphasizes ethics in communicating with customers and always maintains the confidentiality of customer privacy in accordance with the Bank's code of conducts. In the reporting period there were no incidents of non-compliance regarding customer confidentiality and marketing communications. [GRI 417-3, GRI 418-1]
c. BTPN Syariah carries out regular reviews of the products and services currently available to suit customer needs, in line with developments in mobile banking and the latest technology applications. The review concerns various relevant aspects and involves all relevant departments and directorates. BTPN Syariah has a Business Development Division which will continue to manage and develop banking products and services to meet the needs of today's customers and inclusive society.
d. In order for customers to understand the sharia financing products offered, prospective customers are required to attend basic membership training lasting 1 (one) hour for 5 (five) days delivered by the BTPN Syariah Community Officer (CO). Only customers who are declared disciplined in attending and passing the inauguration will be processed further as customers.
e. Disbursement to financing customers is always carried out in regular meetings agreed upon and witnessed by all center members. Financing customers are also given installment and savings cards which will be updated every time they make a transaction. In this way, customers know the amount of their obligations and savings balance.
f. A product, financial service and banking solution can be offered to customers if the following conditions are met:

- Products and services have been approved in accordance with sharia principles and other applicable authorities including having received regulatory approval. To date, no products, financial services and banking solutions have been suspended or withdrawn after launch. [GRI 417-1, GRI 417-2]
- Products and services have been evaluated for safety supported by standard procedures that regulate the process of these products and services, and these procedures have been approved in accordance with applicable regulations, the infrastructure is available, including procedures, systems, outreach and human resources. [OJK F.27]

We view all these activities as integral to our commitment to maintaining fair and secure product and service policies for inclusive communities, thereby fostering loyal empowerment within a sustainable ecosystem.

The Service Level Agreement (SLA) serves as a cornerstone in our service quality control policy, mandating adherence at all levels in delivering services to customers. Each function and position within the bank is assigned specific SLA targets corresponding to their duties and responsibilities. Achievement of SLA targets is a key performance assessment metric across all levels. BTPN Syariah rigorously implements product and service launch policies to demonstrate adherence to all relevant laws and regulations. Consequently, there have been no recorded incidents of regulatory violations pertaining to product development or related to social and environmental aspects.

Our Financing Policy is readily accessible to all parties within BTPN Syariah, regularly updated in accordance with internal regulations, and approved by the Board of Directors and Board of Commissioners. It undergoes a thorough review process, complemented by the input of the Sharia Supervisory Board, to ensure compliance with Sharia principles. Within the financing policy, BTPN Syariah emphasizes the importance of mitigating social risks within the communities where potential customers reside, as well as addressing social and environmental risks associated with opening new centers in inclusive community environments. [GRI FS2]

Several provisions are implemented to mitigate these risks:

a. Business activities are conducted in alignment with Sharia principles and do not violate any applicable laws or regulations, including social and environmental regulations.
b. BTPN Syariah maintains a friendly relationship with local community leaders, sub-district heads, and heads of local neighborhoods (RW) to inform them about the bank's presence and its mission to assist mothers in the local community where centers are located.
c. Existing center members recommend prospective financing customers to join together in a center or form a new center, fostering a supportive community environment.
d. All center members commit to participating in basic membership training stages and attending regular center meetings where relevant knowledge is shared.
e. Members within a center share a commitment to supporting and assisting each other in their business activities and business development endeavors.
f. BTPN Syariah provides financing insurance to customers and insurance for their spouses in the event of death, alleviating the financial burden on the family.

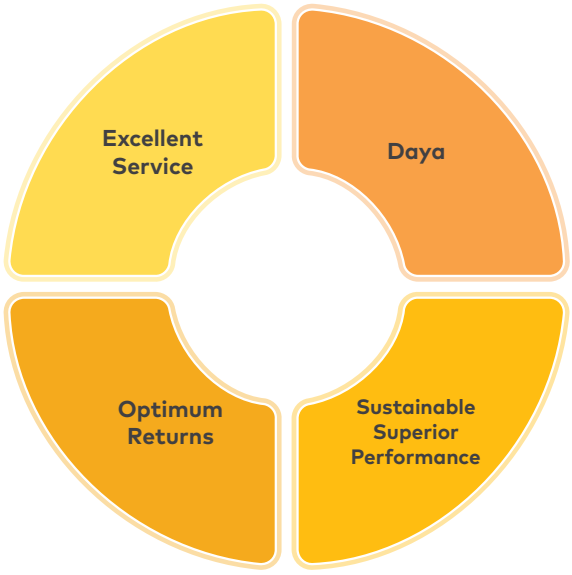
Community Officers consistently accompany productive female customers, demonstrating 4 (four) superior behaviors: Courage, Discipline, Hard Work, and Mutual Assistance (BDKS). This support aims to boost their fighting spirit and enhance their quality of life, with qualified assistance being crucial to BTPN Syariah's success in serving high-risk inclusion segment financing customers.

Taking the right step to empower people

At the heart of BTPN Syariah's business model lies the collection of funds from those with the means to afford it, which are then channeled to inclusive communities in need, guided by Sharia principles.

Funding customers are given the opportunities to empower millions of productive underprivileged families across Indonesia, thereby enriching their lives with greater meaning. To expedite this noble endeavor, BTPN Syariah offers a range of funding products with competitive profit sharing, coupled with services focused on customer comfort and satisfaction. The bank's commitment to this cause is evident through the exemplary performance of #bankirpemberdaya, its solid reputation, robust financial health, and transparent fund management practices.

Driven by its Funding Unique Value Proposition (UVP), encapsulated in the Power program, Sustainable Superior Performance, optimal returns, and excellent service, #bankirpemberdaya excels in serving customers. Moreover, BTPN Syariah has continually evolved the sustainability development of its Unique Value Proposition (UVP) concept for #bankirpemberdaya. This evolution underscores the bank's dedication to demonstrating that the principle of Together Taking The Right Step in Empowering People, rooted in Sharia, is intricately woven into the fabric of its business operations. Through customer surveys conducted between 2022 and 2023, it is evident that customers perceive BTPN Syariah's unwavering commitment to faithfully serving inclusive communities positively, recognizing their involvement in the bank's empowerment initiatives.



Funding Unique Value Proposition (UVP)

Funding customers hold a strong belief in BTPN Syariah's genuine adherence to Sharia principles in its empowerment efforts. They recognize the crucial importance of sufficient funding for the growth and development of inclusive communities, facilitated through the assistance of #bankirpemberdaya at BTPN Syariah. Moreover, these customers trust that the funds they entrust to BTPN Syariah are managed with integrity, ensuring activities with a significant positive social and environmental impact, thereby expanding their charitable reach and fostering inner satisfaction.

Despite the fluctuating returns across the banking industry throughout 2023, BTPN Syariah remains steadfast in optimizing its funding business. The bank achieves this by fostering synergy between #bankirpemberdaya and its customers, ensuring a consistent provision of empowerment to inclusive communities.

Alhamdulillah, the collection of funds by BTPN Syariah yields sustainable benefits for millions of people, underlining the enduring impact of the bank's initiatives.

Digitizing services for inclusive communities [OJK F.26]

We strive to provide Sharia-based banking products, services, and solutions tailored to the unique conditions, backgrounds, and geographic circumstances of inclusive communities. Through this approach, we aim to address and mitigate social and environmental challenges effectively.

Recognizing the prevalent technological advancements and the adaptive nature of inclusive communities, we acknowledge the necessity of establishing a Sharia digital ecosystem to stimulate economic growth within the inclusion segment.

Our efforts and initiatives for suitable and adaptable digital solutions are conducted in phases, focusing on the development of applications with efficient and effective automation, user-friendly interfaces tailored to the needs of customers, partners, and #bankirpemberdaya, all united under the mission of "technology for good." This endeavor aims to enhance accessibility for marginalized communities residing in disadvantaged or remote areas of Indonesia that have previously lacked access to banking services. [GRI FS13, FS14]

By fostering a Sharia-based digital ecosystem that supports an inclusive community, we anticipate an increase in customer loyalty among both funding and financing customers, leading to more efficient management of third-party funds from funding customers. These funds are then channeled towards financing business capital for financing customers, ultimately enhancing overall operational efficiency.

TEPAT Mobile Banking and Internet Banking

By offering easy and efficient payment facilities through Mobile Banking and Internet Banking, we aim to enhance the accessibility of financial services provided to our customers. The development of internet banking with comprehensive features is a testament to our commitment to utilizing technology for the benefit of both individual and corporate funding customers, ensuring that benefits are distributed fairly and equitably.

Throughout 2023, we focused on enhancing Mobile Banking and Internet Banking by introducing account opening functionalities through the appropriate mobile application and internet banking platforms, catering to both existing and new customers while incorporating the eKYC feature. This technological advancement not only enhances customer convenience but also bolsters security in managing their finances at BTPN Syariah. Looking ahead, we are actively pursuing the development of the QRIS feature, currently pending approval by regulators. The implementation of QRIS will streamline transactions for customers, saving them valuable time as they no longer need to physically visit branch offices or the nearest ATM locations.

Aplikasi for Mitra Tepat

In its commitment to faithfully empowering inclusive communities across Indonesia, BTPN Syariah introduced Mitra Mitra as a branchless banking network, tailored to cater to the needs of productive women in inclusive societies. Mitra Mitra offers banking services and products designed to facilitate financial literacy and provide financing customers with faster and more efficient transaction convenience.

By the end of 2023, BTPN Syariah successfully achieved its target of establishing 30,000 Mitra Tepat outlets nationwide. These outlets are equipped with application technology for Mitra Tepat featuring face recognition capabilities, streamlining the registration process for Mitra Mitra partners.

The development of application technology for Mitra Tepat underscores the bank's loyal commitment to empowering and supporting sustainable financing. Mitra Tepat outlets serve as transaction points for cash deposits and withdrawals, simplifying installment payments for financing customers with enhanced time and space efficiency.

Since 2022, BTPN Syariah has collaborated with strategic institutions, supported by BTPN Syariah Ventura, to provide product payment services. The Warung Tepat application, utilized by Mitra Tepat outlets, facilitates cashless transactions for essential goods, enhancing convenience for local residents across 298 districts and cities.

Furthermore, BTPN Syariah, in collaboration with business partners, has introduced the pay-later murabahah feature within the Warung Tepat application. This feature serves as an alternative payment method for goods traded through the bank's partner platform, facilitating 14,600 transactions by the end of 2023, including bill payments for BPJS, PLN, and credit and data packages.

Through its digital services and technology, BTPN Syariah aims to consistently and faithfully empower customers by offering customer-centric banking services aligned with the needs of inclusive societies.

Terra (Tepat Prospera)

All #bankirpemberdaya, including Community Officers (CO), have been equipped with Android-based tablet devices featuring the Terra Application, aimed at faithfully empowering inclusive communities in general and financing customers in particular.

Developed with an agile mindset, the Terra application streamlines the process from customer financing application to approval, as well as operational activities related to the team's daily fieldwork. This technological advancement enhances transparency and efficiency in #bankirpemberdaya activities, with processing times becoming more accurate and faster compared to manual methods. Moreover, the use of the Terra application promotes efficiency in paper usage, aligning with sustainable practices.

These technology-based services contribute to increased customer satisfaction, comfort, and ease in accessing banking services at BTPN Syariah, ultimately enhancing the overall customer experience.



- **Terra Application**
  CO daily application with the **simple and secured** concept

- **Mitra Tepat Application**
  Reliable application to assist the agent/ Mitra Tepat

- **Warung Tepat Application**
  Application that offers access to supply/goods

Simplified, user-friendly, and secure product and service innovations, coupled with support for sustainable usage, serve as the cornerstone of success in enhancing digital literacy and the welfare of inclusive communities in Indonesia.

Moving forward, we are committed to further developing and innovating Sharia digital products and services using agile working methods. This approach enables us to continuously enhance our offerings, ensuring increased service quality, customer comfort, and ecosystem security, all aligned with the spirit of faithfully empowering.

customer protection and customer complaint handling [GRI 2-25]

One of BTPN Syariah's commitments to provide protection and handle customer complaints, is implemented by opening complaint channels and providing solutions as quickly as possible underline by the spirit of faithfully empowering the inclusive communities.

BTPN Syariah regulates the General Principles of Consumer Protection including transparency, fair treatment, reliability, confidentiality and security of consumer data/information, and handling complaints and resolving consumer disputes simply, precisely and in accordance with regulations. The guidelines used include:

- Circular Letter No. 17/SEOJK.07/2018 regarding Guidelines for Implementing Consumer Complaint Services in the Financial Services Sector,
- POJK No. 18/POJK.07/2018 concerning Consumer Complaint Services in the Financial Services Sector,
- POJK No. 6/POJK.07/2022 concerning Consumer and Public Protection in the Financial Services Sector,
- Bank Indonesia PADG Circular Letter No. 23/17/PADG/2021 concerning Procedures for Implementing Bank Indonesia Consumer Protection,
- Bank Indonesia Regulation No 22/20/PBI/2020 concerning Bank Indonesia Consumer Protection,
- Board of Directors Decree Number. SK.005/ DIR/OPTS/IX/2022 concerning Duties and Responsibilities of the Consumer & Community Protection Function.

BTPN Syariah has established a Consumer Complaint Resolution Unit (UPPK), which is within the Operations function of the Directorate in charge of Finance and Operations. This unit was formed to handle and resolve complaints submitted by consumers. This unit handles customer complaints based on the Policies and Procedures regarding handling, resolving and reporting consumer complaints. [OJK F.24]

BTPN Syariah has built a consumer complaint service mechanism. Complaints can be submitted via contact channels at Branch Offices, Sub-Branch Offices and Functional Operational Offices (KFO) throughout Indonesia and the BTPN Syariah Contact Center with telephone number 1-500-300 and Toll Free telephone number 0-800-1500-300. There is no charge for any complaints submitted by consumers.

a. Complaints are submitted directly through the contact channel, recorded and resolved by officers and officials in that section.
b. Complaints that enter the contact line and require further investigation, after being recorded by the person in charge of the contact line, are then submitted to the UPPK work unit. Furthermore, UPPK follows up on the resolution of consumer complaints received in accordance with applicable BTPN Syariah Policies and Procedures.
c. UPPK carries out monitoring to ensure that the handling of consumer complaints has been resolved, both consumer complaints received through the person in charge of the contact channel and through the OJK traceable application in APPK (Consumer Protection Portal Application).
d. Based on OJK Regulation no. 31/POJK.07/2020 concerning the Implementation of Consumer and Community Services in the Financial Services Sector by the Financial Services Authority, if there is a case where the customer is dissatisfied with the resolution from the Bank, the customer is given the opportunity to mediate with BI or LAPS (Alternative Dispute Resolution Institution) already registered.
e. On a regular basis, UPPK will submit consolidated consumer complaint reports to the Regulator in accordance with applicable regulations. [GRI 417-2, GRI 417-3, GRI 418-1]

In 2023, BTPN Syariah received 9,406 incoming contacts, consisting of 60.3% Requests, 34.1% Questions and 5.6% Complaints. All (100%) consumer complaints can be resolved in accordance with regulatory provisions, in less than 20 working days (on average completed within 5 working days). There were no incidents of non-compliance with regulations regarding product information and labels and marketing communications. Therefore, during 2023 none of our products and services will be withdrawn from the market. [OJK F.29][GRI 417-2, GRI 417-3]

Public Complaints Report for 2021 to 2023

Period	Resolved	Incoming Contact	Incoming Request	Question	Complaints
2021	100%	6,976	26.40%	67.30%	6.30%
2022	100%	12,625	53.50%	42.20%	4.30%
2023	100%	9,406	60.30%	34.10%	5.60%

Public Complaint Report based on complaint mechanism

Reporting Mechanism	2023		2022		2021	
	Total	Percentage	Total	Percentage	Total	Percentage
WBS	0	0	0	0	0	0
Email	10	2%	9	2%	0	0
Phone (hotline)	279	51%	323	60%	341	78%

Public Complaint Report based on complaint mechanism

Reporting Mechanism	2023		2022		2021	
	Total	Percentage	Total	Percentage	Total	Percentage
Branch	219	44%	202	37%	92	21%
Social Media	6	2%	2	0	6	1%
APPK/Regulators	9	1%	5	1%	1	0
Head Office	2	0	1	0	0	0
Total	**525**	**100%**	**535**	**100%**	**440**	**100%**

Numbers of Complaints Based on Complaint Topic in 2023

Complaint Topic	Finished	
	Total	%
Mitra Tepat	35	7%
Mobile Banking	229	44%
Financing	157	30%
Savings	21	4%
ATM	69	13%
Deposit	1	0
Internet Banking	13	2%
Total	**525**	**100%**

In supporting businesses that are loyal to empowering inclusive communities, BTPN Syariah has made comprehensive improvements in handling consumer complaints by continuously improving the infrastructure and process for resolving consumer complaints. This is also done to increase customer loyalty and satisfaction, inclusive society in Indonesia.

We believe that customers should not only make BTPN Syariah a financial institution for them, but more than that, make us a partner who always accompanies them to do good, develop their business and realize their dreams and aspirations to achieve a meaningful future.

To faithfully empowering inclusive communities can be carried out optimally, BTPN Syariah periodically assesses the impact of its products/services and activities on the welfare of financing customers, the development of the welfare of local communities and prepares development programs through Daya activities. [OJK F.28][GRI 413-1]

a feature on inspirational customer

Nancy, a resilient single mother raising two children, never imagined she would triumph over her adversities. Her weaving venture, which began seven years ago, is now blossoming. Furthermore, Nancy is branching out into the pastry industry.

Residing in a village in East Nusa Tenggara with her 98-year-old father and her four-year-old second child, while her eldest lives in Jakarta, Nancy relies on BTPN Syariah as her financial partner. Beyond providing capital loans, BTPN Syariah extends support through the Daya BTPN Syariah program and guidance from the Bestee BTPN Syariah Program, facilitated by students.

Initially, life was arduous for the 45-year-old woman. Following her husband's departure, Nancy faced the uphill battle of providing for her family. With scarce resources, she established a small shop at her doorstep. To augment her income, Nancy learned the art of weaving from her sister. However, her weaving enterprise encountered setbacks, depleting her resources.

A relative introduced Nancy to BTPN Syariah. Upon the recommendation of a BTPN Syariah community officer, she formed a business group of ten individuals, securing an initial loan of IDR 2 million. Despite encountering obstacles, Nancy remained undeterred. Her perseverance bore fruit, and she successfully revived her business.

With her enterprise back on track, Nancy sought additional funding from BTPN Syariah, amounting to IDR 3 million, to scale up production. Her efforts yielded remarkable results, with Nancy's weaving enterprise experiencing unprecedented growth. At one point, she even garnered a profit of IDR 2 million in just two days. In addition to her weaving and grocery endeavors, Nancy is now venturing into the confectionery business.

Nancy extols the virtues of BTPN Syariah, which not only provides financial assistance but also nurtures the growth of its clients' businesses. Through mentorship, she acquired invaluable skills, ranging from bookkeeping and promotional strategies to inventory management and general business acumen. During challenging times, BTPN Syariah community officers offered invaluable support and encouragement, enabling Nancy to persevere.

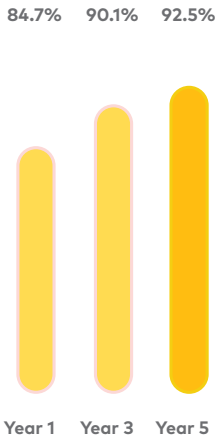
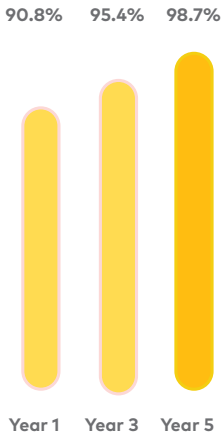
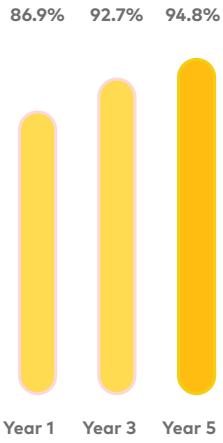
Moreover, BTPN Syariah actively promotes Nancy's business, inviting people to purchase her products further bolstering her enterprise. She expresses gratitude for BTPN Syariah's unwavering support.

Nancy hopes that the Bank continues to serve the community with the same dedication and commitment. BTPNS Number One!!!

measurement results [GRI 413-1, FS2]

Measuring sustainable social impact is a paramount effort for BTPN Syariah to gauge the loyal impact of empowering inclusive communities. These measurements serve as crucial benchmarks for evaluating the success of assistance programs, assessing environmental and social risks faced by customers, enhancing customer service, and strategically planning various Assistance activities aimed at improving the lives of inclusive communities.

Presently, the Bank utilizes the Poverty Probability Index (PPI) measurement scorecard to measure welfare. This tool is designed to assess customer welfare and is implemented periodically by the Bank to monitor changes in customer welfare over time. Based on the PPI report, BTPN Syariah customers exhibit the following conditions over the course of 5 years since joining as customers:

Q1. Do all household members ages 6 to 18 go to school?	Q2. Wildest floor type ?	Q3. What type of tollet management does the household have?
Yes	Soil or bamboo	None or latrine
		
Q4. What is the main cooking fuel?	Q5. Does the household have refrigator or freezer?	Q6. Does the household have motorcycle or motorized boat?
Gas/LPG,kerosene electricity, others	Yes	Yes
		

The results of the impact scorecard clearly demonstrate that, in tandem with the growing number of times inclusive communities have become BTPN Syariah customers, there has been a steady improvement in economic welfare and overall quality of life for these customers. This tangible progress validates our genuine commitment to faithfully accompanying inclusive communities, thereby contributing to the advancement of the Sustainable Development Goals (SDGs).



08

Faithfully Empowering

FOR ENDEAVORS

[GRI 2-23, GRI 2-24, GRI 2-25]





Faithfully empowering inclusive communities and wholeheartedly serving them are core values at BTPN Syariah.
Upholding fidelity in enhancing competencies, continuously improving performance, and prioritizing customer-centricity are integral to shaping the identity of #bankirpemberdaya - a dependable and progressively beneficial figure for society

BTPN Syariah remains steadfast in developing strategies, services, and infrastructure to nurture the capabilities and loyalty of #bankirpemberdaya. Prioritizing quality industrial relations, embracing sustainability principles, and fostering a collaborative spirit between the Bank and #bankirpemberdaya are essential for serving with dedication.

Building a Culture of Sustainability: Empowering #bankirpemberdaya [OJK F.1]

Various initiatives have been implemented by BTPN Syariah to cultivate processes and a sustainable culture within the Bank, fostering an agile mindset and innovative approaches to implementing sustainable finance. Demonstrating its commitment, the Bank allocates and optimizes education and training funds in a manner that is both appropriate and sustainable. The knowledge and expertise of #bankirpemberdaya are essential for fulfilling their roles effectively.

BTPN Syariah's Human Capital function plays a significant role in addressing the challenges posed by the digital business transition and the entry of a new generation into the workforce, which indirectly impacts organizational culture. In response, BTPN Syariah has digitalized its employee recruitment and selection system, Learning Management System (LMS), as well as career development and leadership programs for key talents within the organization. Talents proficient in the digital realm and committed to wholehearted service are pivotal for realizing BTPN Syariah's vision of a sustainable ecosystem. Furthermore, the Bank is dedicated to fulfilling its pipelines, with the Recruitment Team actively conducting selective employee selection to continuously provide employment opportunities for the Indonesian workforce. Notably, the Bank emphasizes local talent-based recruitment, particularly for the role of Community Officer. [GRI 413-1]

Managing Industrial Relations at BTPN Syariah

Studies, evaluations, and improvements to services and policies are continuously conducted by the Human Capital team through the HC Service and Policy Improvement program. This is solely to enable the bank to continually provide better services, thus enhancing business productivity and employee engagement and loyalty.

The bank consistently accommodates and considers employee aspirations in reviewing and implementing all policies in the aspect of human resource management. BTPN Syariah ensures that the rights and freedoms of employee expression are covered in the Company Regulations that have been approved by the Ministry of Manpower. Since its establishment, these Company Regulations have been applied at BTPN Syariah to all (100%) employees, with regular updates. Communication in carrying out operational activities is well-established and smooth between employees and management, as well as good relations between management and commissioners and DPS. [GRI 407-1]

Emphasizing the principle of caution in the implementation of policies that can have a significant impact on employees, the Board of Directors has a policy of socialization and communication delivery that is measured and directed hierarchically before the implementation of new changes is formally applied. Of course, this policy is tailored to ensure the establishment of a harmonious industrial relationship between the company and its employees. [GRI 402-1]

Establishing a Decent and Safe Work Environment [OJK F.21]

BTPN Syariah recognizes the importance of providing a decent workplace and a safe working environment to build employee loyalty and enhance productivity.

To ensure certainty for employees that their workplace is a second home with guaranteed quality and safety, BTPN Syariah has implemented a Code of Conducts and an Occupational Safety and Health Program. These initiatives prioritize respectful work relationships and communication flows based on mutual respect, while strictly prohibiting any activities containing violence and/or harassment in all forms.

Several management policies have been implemented to create a safe, comfortable, and conducive workplace environment that enhances employee loyalty:

1. Fair Treatment and Human Rights Protection [OJK F.18]
   The Board of Directors is dedicated to upholding fair employment practices and promoting safe working conditions. We are committed to protecting human rights and maintaining healthy industrial relations in accordance with relevant laws and regulations.

   We prioritize equal opportunities for all employees, regardless of ethnicity, race, age, religion, or gender, as evidenced by our diverse workforce where 95% of employees are women.

   At BTPN Syariah, we strive to treat all employees fairly and provide equal opportunities for career development and self-improvement through a transparent performance appraisal system. Our goal is to foster loyalty among employees and ensure their well-being in the workplace.

2. Equality of Opportunity [OJK F.19][GRI 406-1, GRI 408-1]
   BTPN Syariah prioritizes equal opportunities for all employees in their careers, regardless of ethnicity, race, age, ethnic background, religion, or gender. This commitment is particularly important as the majority of BTPN Syariah employees (95%) are women.

   BTPN Syariah implements a fair performance appraisal system to provide equal opportunities for career growth and development, fostering employee loyalty in their work.

   BTPN Syariah maintains a zero-tolerance policy toward all forms of discrimination and harassment. The company prohibits any actions or words leading to harassment in the workplace, ensuring compliance with applicable norms and customs. Additionally, the minimum age requirement for applicants is set at 18 years to prevent child labor.

   All forms of discrimination, threats, and acts of violence in the workplace will be processed in accordance with applicable regulations.

3. Workplace Safety
   BTPN Syariah prioritizes and maintains the safety and health of its employees as regulated in the Company's Regulations through the implementation of occupational health and safety (K3) procedures.

   Every endeavor for job protection are aimed at ensuring that employees are protected from risks in the workplace and work-related illnesses, thus creating a safe and conducive working environment. [GRI 403-1]

   Through these measures, BTPN Syariah aims to foster a culture of trust, respect, and loyalty among its employees, ultimately contributing to the company's success and sustainability. [GRI 403-5]



Training Name	Material	Organizer	Time and Place
Fire and Natural Disaster Emergency Response Simulation	Fire and Natural Disaster Emergency Response Simulation	Internal	Branch Office, Mar – Oct 2023
Tsunami & Earthquake Emergency Response Simulation	Tsunami & Earthquake Emergency Response Simulation	Internal	Branch Office, Aug – Sep 2023
K3 Fire Safety Training Level D Certification from the Indonesian Ministry of Manpower	K3 Fire Safety Training Level D Certification from the Indonesian Ministry of Manpower	Candi Academy	Tangerang, 18 – 20 Sep 2023

4. Use of Company Facilities and Assets
   BTPN Syariah provides adequate work equipment and facilities for employees to support their work at the Bank. Members of the Board of Directors, Board of Commissioners, Sharia Supervisory Board, and employees, in accordance with their respective functions, are required to protect the Bank's assets and ensure their efficient use. Therefore, Bank assets can only be used for the Bank's business interests.

5. Activities Outside the Company
   KEmployees are prohibited from becoming members of associations, clubs, or organizations not recognized by the Government and/or adhering to values contrary to the company's values. However, employees, in their individual capacity, may participate as members of organizations or associations outside the company. As citizens, employees also have the freedom to engage in politics but are not permitted to hold active administrative positions within political parties.

6. Social Media Usage
   Social media networks enable employees to share knowledge, insights, and information with the general public. To minimize risks to the Bank and its employees, internal guidelines are in place to provide parameters and clarity regarding acceptable behavior on social media. Employees are obligated to adhere to company policies, procedures, and standards at all times and are required to safeguard the Bank's confidential assets and information.

BTPN Syariah upholds various international human rights standards related to equality, as outlined in the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1979, the Universal Declaration of Human Rights in 1948, the International Covenant on Economic, Social and Cultural Rights in 1966, and the International Covenant on Civil and Political Rights in 1966. Additionally, in alignment with the global sustainable development agenda, BTPN Syariah supports SDG point 8, which emphasizes that economic growth and decent work are essential for sustainable and inclusive economic growth, fostering widespread employment opportunities, productivity, and the creation of decent work for all. [GRI 2-27, GRI 406-1]

For this reason, we consistently implement the application of the principle of equality at various levels of positions at BTPN Syariah [GRI 406-1]. The composition of BTPN Syariah's human resources shows diversity as seen in the following data:

Employee Composition Based on Employment Contract Status and Gender
[OJK C.3.b][GRI 2-7, 2-8, 405-1]

Status	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Permanent	598	3,014	592	3,304	582	3,689
Non Permanent	75	10,623	79	8,806	56	7,891
Total	**14,310**		**12,781**		**12,218**	

Employee Composition Based on Operational Area and Gender
[OJK C.3.b][GRI 2-7, 405-1]

Operational areas	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Java	202	8,112	205	6,759	205	6,789
Sumatra	36	3,546	39	3,150	37	2,944
Kalimantan	4	485	8	432	10	394
Jabodetabek	418	355	406	828	375	549
East Indonesia	13	1,139	13	941	11	904
Sub total	673	13,637	671	12,110	638	11,580
Total	**14,310**		**12,781**		**12,218**	

Considering that our financing customers are inclusive communities spread across almost all corners of Indonesia, we prioritize empowering local workers to assist in operational activities as a crucial step towards building a sustainable ecosystem and fostering financial inclusion. [GRI 413-1]

We firmly believe that a deep understanding of culture, local wisdom, and the local language among these workers significantly enhances their ability to interact effectively with the inclusion segment, particularly the unbanked segment. This understanding facilitates the absorption and comprehension of the programs we implement, as trust has been established between prospective financing customers and local workers. By leveraging these localized insights, we aim to optimize the management of economic, social, and environmental impacts associated with financial activities in the field. Through these efforts, we are committed to fostering sustainable development and inclusive growth in the communities we serve.

Employee Composition Based on Age Group and Gender [OJK C.3.b][GRI 2-7, 405-1]

Age Group	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
< 25 years old	30	7,038	30	5,411	29	5,421
25 - 29 years old	96	4,359	95	4,504	86	4,214
30 - 34 years old	132	1,576	143	1,613	153	1,487
35 - 39 years old	179	473	170	412	170	307
40 - 44 years old	122	102	126	90	109	73
45 - 49 years old	67	46	65	37	55	42
50 - 54 years old	35	34	29	33	26	29
55 - 59 years old	8	7	10	9	8	6
> 59 years old	4	3	3	1	2	1
Sub Total	673	13,637	671	12,110	638	11,580
Total	**14,310**		**12,781**		**12,218**	

Employee Composition Based on Position Level and Gender [OJK C.3.b] [GRI 2-7, 405-1]

Position Level	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Board of Commissioners	3	1	2	2	2	2
Sharia Supervisory Board	2	-	2	-	2	-
Independent Committee	-	2	-	2	-	2



Position Level	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Board of Directors	4	1	5	-	5	-
Senior Employees (Including Executive Officers)	124	60	115	60	115	54
Supervisors	369	1,453	347	1,353	324	1,235
Staff	171	12,120	196	10,692	190	10,287
Sub Total	673	13,637	671	12,110	638	11,580
Total	**14,310**		**12,781**		**12,218**	

Employee Composition Based on Education Level and Gender [OJK C.3.b] [GRI 2-7,405-1]

Education level	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Graduate degree	48	37	47	35	42	28
Undergraduate degree	486	5,413	482	5,207	456	5,130
Diploma	78	979	81	964	80	962
High school equivalent	61	7,208	61	5,904	60	5460
Subtotal	673	13,637	671	12,110	638	11,580
Total	**14,310**		**12,781**		**12,218**	

It is believed that a precise and careful recruitment and selection process can yield #bankirpemberdaya with high-quality talent and potential, who can passionately empower productive women in an inclusive society towards sustainability. Therefore, BTPN Syariah remains committed to enhancing the effectiveness of its recruitment efforts by refining policies, improving the quality of workforce sources, and streamlining the selection process to be more accurate and expedient.

Throughout 2023, the Bank will continue its initiatives related to the development of **digital talents** through the following programs:

1. **Sharia Full-stack Engineer Development (SHIFTED) Program:**
   This program focuses on nurturing digital talents as programmers to develop the digital ecosystem. In 2023, the SHIFTED program will entail in-class training, on-the-job training (OJT), and mentoring. Participants will undergo intensive education in both technical and leadership skills, with the aim of preparing them to become Tech Leads in the future.
2. **Sharia Digital Ecosystem Apprentice (SHINE) Management Trainee Program:**
   The SHINE program aims to recruit top university graduates and develop them into young leaders with in-depth knowledge of the unique BTPN Syariah business model.
3. **SHINE launched in Q1 2023,** the program currently involves on-the-job training with rotating project assignments in the Financing, Funding, and Operations Directorate. It is expected that through SHINE, BTPN Syariah will cultivate future leaders who possess a profound understanding of the intricacies of business in the ultra-micro segment.

employee competency development [OJK F.22][GRI 404-2]

BTPN Syariah is committed to enhancing Human Capital competency within a sustainable ecosystem by implementing the Grow Right Full of Benefits career path, which offers structured training and development stages for Customer Officers (COs). Additionally, training programs for other employees are meticulously prepared and executed through a structured curriculum. These initiatives are complemented by a work culture that fosters an agile mindset and encourages innovative approaches to work.

policy and implementation of competency development in 2023

The Bank ensures equitable treatment regarding participation in training programs for all employees, aiming to refine their competencies and skills for enhanced sustainability in their lives. Various innovative development programs, managed both online and offline, along with diverse work assignments within their respective fields, provide employees with opportunities to explore their potential.

Furthermore, the Bank provides training and development support to assist employees in transitioning into new or pre-position responsibilities. The Human Capital Division is tasked with providing policies, procedures, and processes to support training work processes, ensuring compliance with statutory requirements.

Since 2018, BTPN Syariah has embraced the Agile Software Development method. The adoption of an agile mindset and practices is facilitated by the People Talent Squad (PTS) through sharing sessions with internal and external Agile practitioners, as well as dialogues tailored to specific objectives. Communities of Practice (CoP) are established as learning groups to collectively develop technical areas.

Regular Agile Health Checks are conducted to gather feedback and continuously improve work methods. Additionally, under the auspices of the PRISMA Club, Islamic spiritual activities are organized, including Barokah Friday sessions and one-hour sessions with Ustadz, held regularly to enhance employees' worship quality. These activities aim to foster a strong religious foundation, nurturing future leaders with characters aligned with Sharia principles.

Throughout 2023, BTPN Syariah through the HC Division has held 856 training sessions attended by 58,138 participants with a total of 608,509 hours of training with an average of 10.6 hours per participant. We are optimizing competency development activities in 2023 to faithfully empowering businesses in a sustainable manner.

Average Training Hours Based on Employee Category and Gender [GRI 404.1]

Position Level	Training Hours a Year		Average training hours	
	Male	Female	Male	Female
Board of Commissioners	43	29	6.14	9.67
Committee		20		10
Board of Directors	214	23	6.48	3.83
Executive Officers	1,336	911	6.02	4.10
Senior employees	5795	2,996	8.04	6.89
Supervisors	13,194	45,835	5.84	6.65
Staff	9,617	528,577	5.25	11.62
Total	**608,590**		**10.64**	



Average training hours by gender [GRI 404-1]

Position Level	average hours 2023		average hours 2022		average hours 2021	
	Male	Female	Male	Female	Male	Female
Board of Commissioners	6.14	9.67	6.70	3.33	2.43	2.54
Committee		10	3.00	8.50	-	12
Board of Directors	6.48	3.83	3.19	-	3.78	-
Executive Officers	6.02	4.10	6.03	6.15	5.20	4.95
Senior employees	8.04	6.89	6.28	5.43	5.05	3.84
Supervisors	5.84	6.65	5.89	5.19	5.30	4.25
Staff	5.25	11.62	6.05	5.42	6.56	6.07
average hours	**5.95**	**10.90**	**6.00**	**5.40**	**3.67**	**6.25**

training related to social and environmental issues [OJK E.2][GRI FS4]

In line with the enactment of POJK 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Issuer Financial Services Institutions and Public Companies, BTPN Syariah makes sustainable finance one of the focuses of learning programs for employees.

1. Sharia provides opportunities for employees at various levels to develop competencies related to sustainable finance. Including, competency development for the Sustainability Task Force which consists of various levels of employees and across directorates.
2. The Board of Directors and Board of Commissioners at BTPN Syariah participate in competency development

A core training on sustainability awareness is mandatory for all employees, aiming to strengthen their awareness as #bankirpemberdaya (empowered bankers). This training is conducted throughout the year from January to December 2023, with a total of 5,934 participants. Additionally, the Learning Management System (LMS) platform is gradually implemented to cover all competency and skills modules required by 9,772 Customer Officers (COs) in their career pursuits. This training module encourages self-learning and is monitored by superiors, who can also assign direct tasks to ensure skill mastery. [GRI 404-1]

Furthermore, BTPN Syariah remains committed to integrating Environmental, Social, and Governance (ESG) practices into every activity, product, and financial service offered. This commitment entails ongoing training initiatives aimed at introducing and integrating ESG practices among all employees throughout 2023, reflecting the bank's unwavering dedication to sustainability.

training	date	facilitators	form	participants
Personal Branding and Business Etiquette Communication	Feb – May 2023	Talk Inc	Training	90
Dynamic Presentation	Feb – Nov 2023	T & DON	Training	277
Growth Mindset	4 Mar 2023	Samel P. Amarta	Training	25
Pengelolaan Aset Informasi	11 May 2023	Vedapraxis	Training	28
Professional Communication & Negotiation Skills Workshop	Jun 2023	Ace Learnings	Training	39
Professional Facilitating Skills Workshop	Jul 2023	Ace Learnings	Training	84
Leadership for First Line Managers	Sep – Nov 2023	Augmenta	Training	50

training for retirement preparation

BTPN Syariah offers pre-retirement training to employees who are approaching retirement age, aiming to facilitate a smooth transition from work to retirement. This training provides relevant insights and understanding to empower employees to plan their finances effectively, adjust their lifestyle, and prioritize their health and asset management. The objective is to ensure that employees entering retirement can enjoy a comfortable and meaningful retirement period.

In 2023, pre-retirement training sessions were held in February and July, with a total of 19 employees participating. The details of the training sessions are as follows:

Date	Training title	location	total participants	organizers
22 – 24 Feb 2023	Retirement Preparation Period Training	Yogyakarta	4	GML
27-29 Jul 2023	Tips for Facing Retirement & Entrepreneurship	Yogyakarta	15	GML

employee performance evaluation and rewards

BTPN Syariah conducts periodic assessments of employee performance at every level of position, based on Key Performance Indicators (KPIs) determined collaboratively by teams and individuals at the start of each year. These performance assessments serve as a basis for strategic career development planning for the employees involved, alongside managing individual, unit, and company performance. Each year, all employees (100%) undergo performance reviews according to their respective KPI criteria. [GRI 404-3]

The management of employee performance, through both team and individual KPIs, is consistently implemented with various adjustments. Employee performance results are consistently recognized and appreciated, fostering encouragement and motivation among employees to continue serving the inclusive community segment with dedication and integrity.

In terms of employee awards, BTPN Syariah adheres to its Wage Structure and Scale provisions, ensuring that wages are not lower than the minimum wage for new employees at the lowest level. These wages are regularly reviewed and adjusted, taking into account factors such as inflation rates, company capabilities, market survey results, and employee performance. The bank also provides employment benefits based on the Salary Grade Level (SGL) range, which outlines the balance of position levels, duties, and responsibilities for each individual, along with additional benefit packages such as Holiday Allowance (THR), health insurance, pension plans, health service coverage, maternity leave, and other leave rights as per regulations. [GRI 401-2]

The remuneration package for each employee is determined based on their position level, competency, and performance assessment results, with no differentiation between genders for any position. The basic salary for new employees at the lowest level is compared with the Minimum Wage, ensuring fair and equitable compensation practices across the organization.



Comparison of the basic salary of new employees at the lowest level with minimum wage [OJK F.20][GRI 202-1]

Area	2023			2022			2021		
	Basic salary	UMR	comparison	Basic salary	UMR	comparison	Basic salary	UMR	comparison
Jakarta	4,902,000	4,902,000	1 : 1	4,642,000	4,642,000	1:1	4,585,000	4,490,500	1.02 : 1
Bandung	4,048,500	4,048,500	1 : 1	3,775,000	3,775,000	1:1	3,815,000	3,742,500	1.02 : 1
Semarang	3,420,000	3,060,500	1.12 : 1	3,080,000	2,835,500	1.09:1	3,135,000	2,810,500	1.12 : 1
Surabaya	4,525,500	4,525,500	1 : 1	4,411,000	4,411,000	1:1	4,500,000	4,411,000	1.12 : 1
Medan	3,624,500	3,624,500	1 : 1	3,371,000	3,371,000	1:1	3,330,000	3,330,000	1 : 1
Makassar	3,523,500	3,523,500	1 : 1	3,295,000	3,295,000	1:1	3,355,000	3,255,500	1.03 : 1
Kupang	2,715,000	2,188,000	1.24 : 1	2,510,000	1,975,000	1.27:1	2,410,000	1,950,000	1.24 : 1
Banjarmasin	3,500,000	3,236,500	1.08 : 1	3,228,500	3,228,500	1:1	3,228,500	3,228,500	1 : 1
Pontianak	2,800,000	2,751,000	1.02 : 1	2,710,000	2,580,000	1.05:1	2,515,000	2,515,000	1 : 1
Samarinda	3,329,500	3,329,500	1 : 1	3,138,000	3,138,000	1:1	3,112,500	3,112,500	1 : 1

BTPN Syariah is committed to upholding the principles of fair labor practices and ensuring the well-being of its employees. The Company Regulations, outlined in Chapter IV - Working Time, articles 13 and 14, serve as the foundation for preventing forced labor within BTPN Syariah. Employees are not subjected to forced labor, and any instances of working beyond the regulated hours are compensated with overtime pay, as per applicable employment regulations. [GRI 409-1]

Moreover, BTPN Syariah has implemented a comprehensive leave policy specifically for female employees who give birth. Female employees are entitled to a total of 90 (ninety) days of maternity leave, during which they are guaranteed the right to return to work after the leave period ends. Throughout the maternity leave period, employees continue to receive their salary and various forms of benefits, ensuring their financial stability and well-being during this important time. [GRI 401-2]

Talent-Based Career Development

BTPN Syariah is dedicated to supporting its employees' professional growth through talent-based career development initiatives. The bank aims to cultivate a talent pool comprising outstanding employees with exceptional performance and skills, providing them with opportunities to potentially become future organizational leaders. The talent pool is meticulously formed through rigorous selection processes, including specialized training programs and rotational placements across various divisions, enabling employees to broaden their perspectives and enhance their leadership capabilities.

The bank offers pre-service training programs for employees who receive promotions. Below is a brief overview of the various pre-service training programs organized by BTPN Syariah: [GRI 404-2]

1. Training for Executive Officers
   - **Advanced Personal Branding & Public Speaking:** Designed to help participants discover their personal characteristics and effectively convey ideas and opinions as representatives of the organization.
   - ***Advance and Intensive Public Speaking Training:*** A program aimed at enhancing participants' communication skills to deliver clear and persuasive presentations.
2. Training for Leadership Development
   - **Leaders With Purpose (LEAP):** Prepares Future Leaders to address diverse business and organizational challenges
   - **Leadership refreshment program:** Targets division and department heads with extensive leadership experience to refresh their leadership skills.
   - **Leadership Series:** Sharpens leaders' abilities in change management, team leadership, stakeholder communication, and expectation management.
   - **Leadership Development Program:** Equips leaders with the skills necessary for leading change, managing teams, and effectively communicating with stakeholders.
   - **Business Manager Leadership Excellence:** Enables Business Managers to develop their teams, collaborate effectively, and ensure business continuity.
   - **Appropriate Leadership:** Refreshes leaders' technical knowledge to ensure adherence to proper procedures

- **Leadership for First Line Managers:** Prepares leaders at the initial leadership level to effectively lead teams and manage stakeholder expectations

- **Becoming a Trusted Leader for BM:** Aims to optimize the potential and capacity of Business Managers and their teams.

- **Growth Mindset:** Develops a growth-oriented mindset through effort and continuous learning

- **Landmark Forum:** Focuses on transformative learning methods to improve participants' quality of life and enhance their long-term thinking in various aspects.

3. Training for Staff
   - **Resilent together with #bankirpemberdaya Training:** Aims to enhance self-motivation and productivity among employees to empower the community.

   - **Effective Interviewing:** Equips participants with essential skills for conducting effective interviews during the recruitment and selection process, ensuring optimal results. Through these comprehensive training programs, BTPN Syariah demonstrates its commitment to nurturing and developing its employees, enabling them to thrive in their careers and contribute effectively to the organization's success.

4. Community Officer (CO) Training
   - **Cool Class:** Face-to-face technical learning with lecture strategies, simulations and role plays carried out by COs who have just joined after completing learning with the Cool application, facilitated by a facilitator or business manager.

   - **Tepat Nostalgia:** Training that aims to refresh the technical knowledge of leaders in the field, so that leaders can re-emphasize Tepat procedures to their teams

5. **Counseling and Socialization Seminar on Adaptation to New Habits:** Socialization carried out for employees to emphasize the importance of maintaining health and also safety riding and disaster response.

6. **Employee Assistance Program** (EAP): This is world-of-work-based professional assistance designed to help companies and employees with work productivity problems and other personal problems that impact performance and interpersonal relationships, both in the work environment and in personal life.

7. **Leadership & Inclusive Training** (LIT) To instill the values of inclusivity and get to know the world of disabilities better, starting in 2021 BTPN Syariah has collaborated with the Helping Hands Foundation (YHH), a non-profit organization whose mission is to promote the values of inclusivity through character development programs. bringing together the worlds of disabilities and non-disabilities.

   Until 2023, there have been 45 volunteers from BTPN Syariah employees who have joined the YHH Leadership & Inclusive Training (LIT) program, by becoming mentors for class XII SLB students. This regular interaction between Mentor and Mentee is aimed at developing the Mentee's self so that they gain broader insight and a better picture of the world of work and career experience from the mentors and that they have the same opportunities if they work hard to develop their potential.

   For the mentors, this interaction provides a better understanding of the world of disabilities while increasing the Mentee's leadership abilities in self-development, social sensitivity, and empathy.



In 2023, collaboration with YHH was enhanced by trialling a work internship program for people with disabilities who were previously mentored in the LIT program. There are 3 mentees with disabilities who are now at university to get to know the world of work at BTPN Syariah. This program provides a better understanding of the world of disabilities and increases empathy for more BTPN Syariah employees. Furthermore, the number of participants in the internship program for people with disabilities will increase in 2024.

Accomplishments in 2023 and Plans for 2024

Throughout 2023, various initiatives and activities were carried out with the following results:

Employee Engagement

The management of BTPN Syariah sees our unique business model as a 'people business'. With 12,000 employees serving 4 million financing customers, it is crucial to listen to employee feedback and aspirations. In 2022, we began conducting an Employee Engagement Survey (EES) in collaboration with consultants who have global expertise and reputation in this field.

The EES measures Engagement and Enablement scores, which reflect employees' commitment and loyalty as well as their perception of the company's support in allowing them to work and develop optimally. The results from the beginning of 2023 showed an Engagement score of 78% and an Enablement score of 81%, with an 83% participation rate among employees. This indicates a high level of engagement and enablement, although there was a slight decrease compared to the previous year's results. However, these scores are still higher than those found in surveys conducted at high-performing companies worldwide. These positive results demonstrate that the majority of employees feel valued and supported by BTPN Syariah, enabling them to continue growing.

Of course, there are areas that require further improvement, and we value employee input in identifying these areas. Throughout 2023, follow-up programs based on the survey results were implemented. Training programs were expanded to reach more employees, studies were conducted to improve pay & benefits for better employee welfare, and more face-to-face or online dialogue was established within each division to maintain open communication channels and provide support for employees.

BTPN Syariah is committed to conducting the EES annually and responding promptly to employee feedback.

At BTPN Syariah, 95% of our employees hold high school diplomas or vocational degrees, and their experience with us is often the first after completing their education. With such a diverse range of backgrounds and expectations in the workforce, it is not surprising that we have experienced turnover. Therefore, we are actively working to streamline and improve our recruitment process to ensure smooth business operations and maintain a safe employee turnover rate while also meeting the needs of our employees in the field and helping new employees adjust to our organization. [GRI 2-7]

Employee Turnover [GRI 2-7, GRI 401-1]

2023	2022	2021
55.4%	44.8%	37.5%

Employee Turnover Based on Age Group and Gender [GRI 2-7, GRI 401-1]

Age Group	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
< 25 years old	8	4.855	10	3.354	5	2.801
25 - 29 years old	21	2.338	23	1.894	7	1.369
30 - 34 years old	17	262	14	192	22	209
35 - 39 years old	11	33	16	34	10	33
40 - 44 years old	13	6	9	4	10	3
45 - 49 years old	5	4	2	7	1	0
50 - 54 years old	1	2	1	1	3	2
55 - 59 years old	4	3	4	3	2	0
>59 years old	1	0	1	0	0	0
Sub Total	81	7,503	80	5,489	60	4,417
Total	**7,584**		**5,569**		**4,477**	

Employee Turnover Based on Operational Area and Gender [GRI 2-7, GRI 401-1]

Operational Areas	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
East Indonesia	3	658	2	541	2	389
Jabodetabek	36	34	36	285	29	123
Java	36	4,976	35	3,274	27	2,746
Kalimantan	2	257	2	208	1	169
Sumatra	4	1,578	5	1,181	1	990
Total	**81**	**7,503**	**80**	**5,489**	**60**	**4,417**

Reason for Resignation [GRI 2-7, GRI 401-1]

Age Group	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Self request	57	3,046	47	2,594	45	2,596
Disciplinary Punishment and Dismissal for Defaulters	15	4,371	20	2,754	5	1,639
Retirement	2	1	6	4	3	1
End of Employment Contract	4	67	2	124	-	163
Others *	3	18	5	13	7	18
Total	**81**	**7,503**	**80**	**5,489**	**60**	**4,417**

*** does not pass probation**



BTPN Syariah seeks to reduce the CO turnover rate by:
1. Implement BIJAK Onboarding more effectively
2. Implementing Stay Rate Incentives for Homesteads
3. Accelerate CO fulfillment by increasing Resourcing productivity and sourcing quality through the KAGUM program
4. Strengthen the role of line managers in managing team members with a series of leadership exercises

BTPN Syariah also strives to retain and develop the Company's best talents:
1. Implementing a Leadership capability development program for company talents through the LEAP (Leaders with Purpose) program
2. Implementing the Smart Mother program as an effort to pay attention to the needs of employees, the majority of whom are women in productive age, and strengthen the proposition for female employees in the company.

BTPN Syariah continues to strive to increase employee engagement:
1. Developing an Employee Engagement Playbook to design engagement programs in each Division.
2. Carry out training programs across the board.
3. Shorten communication lines between superiors and subordinates through various communication channels, online or offline.

Employee Productivity

Employee productivity levels based on the Earnings per Employee ratio indicator can be maintained according to the data:

	2023	2022	2021
Profit	1,081	1,780	1,465
Total Employees	14,310	12,781	12,218
EPE	7.55%	13.90%	11.99%

These indicators prove that every activity and budget that has been realized to support employee competency development has made a positive contribution to the Company's performance.

2024 Plan

Anticipating future challenges, the Human Capital Development Team plans to implement several programs and strategies in 2024 by focusing on managing Gen Z. This is focused considering that the majority of BTPN Syariah employees are Gen-Z employees. The unique culture, competencies and management of this generation are both challenges and opportunities for BTPN Syariah.

Further development strategies in 2024 will be carried out with various programs:

1. **BM Excellaration Program**
   New breed of Business Manager (BM) development program by designing and implementing recruitment programs, and accelerated development academies
2. **Sharia My Way**
   Re-instilling sharia values in employees to increase their soft competence
3. **Kakak Curhat**
   Developing the capabilities of Senior Community Officer (CO) and BM employees to conduct counseling and manage the mental health of field employees.
4. **CO Stage**
   Organizing engagement events from CO to CO which aims to provide a platform for appreciation and empowerment for CO Gen-Z employees according to their interests and aspirations.
5. **Movement to Manage a Generation**
   A training program developed and implemented to help employees recognize and effectively handle generational differences, promoting positive interactions between different age groups. This focuses on developing specific skills necessary for managing and collaborating with individuals from varying generations.

All of these programs and strategies are BTPN Syariah's priorities in an effort to increase employee satisfaction and loyalty which leads to improved and easier service to customers, an inclusive society.





09

Faithfully Empowering

THE ENVIRONMENT



BTPN Syariah remains steadfast in its commitment to safeguarding the environment for the sake of sustainability and minimizing the impact of Greenhouse Gases (GHG). This dedication is reflected in our multifaceted efforts to preserve nature and adapt to our surroundings, both within and beyond the confines of the bank

commitment to the impacts of climate change [OJK F.16][GRI 2-23, 2-24, 2-25, 307-1]

BTPN Syariah remains steadfast in its commitment to managing environmental impacts, particularly concerning water use, energy efficiency, paper conservation, waste management, and emission reduction efforts. These initiatives are geared towards preventing environmental pollution, enhancing natural resource efficiency, and contributing to the global effort to reduce Greenhouse Gas (GHG) emissions.

Throughout 2023, BTPN Syariah diligently monitored its business activities and #bankirpemberdaya initiatives to ensure compliance with environmental laws and regulations. As a result of our proactive measures and loyal commitment to assisting and empowering inclusive communities, the bank did not encounter any reports of non-compliance with environmental regulations during this period.

energy [OJK F.5, OJK F.7, OJK F.12][GRI 302-1]

BTPN Syariah acknowledges the significant environmental impact associated with managing energy consumption in our banking operations. By optimizing our energy usage, we aim to enhance natural resource efficiency, reduce Greenhouse Gas (GHG) emissions, and achieve cost-efficient office operations.

The efforts carried out in 2023 are as follows:

1. Implementation of Public Expose, Meetings with Analysts and hybrid meetings;
2. Implementation of information disclosure and press releases in digital form and delivered via electronic mails;
3. Reducing the use of transportation modes;
4. Implementation of the General Meeting of Shareholders and Extraordinary General Meeting of Shareholders held electronically, which not only supports paper reduction through eliminating printed materials, but is no less important in the form of reducing travel modes of transportation and reducing carbon by Shareholders by conducting it online and providing proxies electronic attendance and voting.
5. utilizing cloud-based technology (private cloud data center) in order to make information technology infrastructure efficient and encourage energy efficiency.
6. utilizing LED lights and lights with motion sensors (motion triggered lamps) in managing indoor lighting activation;
7. using double-layer glass on the windows which allows sunlight to enter the work space optimally. The use of window glass can also reduce the intensity of light use during the day;
8. use environmentally friendly air conditioning and have a policy of limiting the use of air conditioning according to needs.
9. Implementing a community center based service business model, so that each member of the center does not need to use a vehicle regularly to meet #bankirpemberdaya but a #bankirpemberdaya regularly visits the community center which has an average of 15 customers;
10. BTPN Syariah Branch Offices and Functional Operational Offices also feature environmentally friendly designs by utilizing live plants to maximize green space and lower air temperatures. The design also helps reduce energy use and displays a beautiful environment.
11. Starting in 2023, the Bank will use electric cars to support the operations of the Board of Directors.

The digitalization and process automation program which has a direct impact on reducing paper use as a result of implementation, perfecting environmental management baselines and socializing the implementation of environmentally friendly operations which is the realization of RAKB.



Environmental performance achievements

	Unit	2023*	2022	2021
Electricity				
Electricity Usage	Kwh	4,122,674	2,303,425	1,593,834
Area Size	M2	24,258	18,767	18.993
Energy Consumption Intensity	Kwh/M2	169.95	122.74	83.92
Decreased Electricity Use	%	unquantifyable	12	14
Fuel				
Average fuel usage/month/KDO unit	Liter	125.5	174.7	147.2
Travel by domestic flight	total	2,978	1,819	256
Travel by international flight	total	0	0	0
Train travel	total	365	176	21

Description *: data for all offices in BTPN Syariah

BTPN Syariah has revised its electricity usage data for 2022 and 2021, with the disclosure now encompassing not only the head office but also all branch offices and functional offices. Unlike previous years where only the head office data was considered, this comprehensive approach reflects our commitment to more diligently manage electricity consumption across a wider spectrum of our operations.

Conducting a Greenhouse Gas (GHG) inventory marks the initial step in our emissions management strategy. By comprehensively understanding our carbon footprint profile, we can better formulate strategies for emission reduction.

Throughout 2023, BTPN Syariah recorded an electrical energy intensity of 169.95 kWh/m2 per year. This figure remains within the 'fairly efficient' category based on the IKE standard value outlined in the SNI-6197-2011 regulation concerning Energy Consumption Intensity of Indonesian Buildings in the office building sector.

Furthermore, CO2 emissions resulting from fuel use and business travel in 2023 amounted to 170,591 kg CO2-eq. These emission calculations were conducted using the Defra Greenhouse Gas Conversion Factors 2019 standard.

water and environmentally-friendly material [OJK F.8][GRI 303-3, GRI 303-5]

To conserve water, which is entirely supplied by the local water utility (PDAM), BTPN Syariah remains committed to diligently maintaining and repairing water installations across its head office and branch offices. Additionally, sensory faucets have been installed to minimize water wastage. These collective efforts have resulted in the following depiction of water usage at the BTPN Syariah head office:

	Unit	2023	2022
PDAM water	M3	1,006.00	na
Gallon Drinking Water	M3	25.15	25.32
Total Water Usage	M3	1,031.16	na

Since 2023, BTPN Syariah has been dedicated to incorporating various environmentally friendly materials into its operational activities. Below are the data reflecting our efforts in this regard:

Description	Unit	2023
LED Lights Usage	Pcs	1,669



waste [GRI 306-1, GRI 306-2]

BTPN Syariah recognizes the waste generated during banking operations, particularly paper waste. In our commitment to reduce paper waste, we have implemented various policies and work programs aimed at shaping a culture of responsible paper use and management. These initiatives include:

1. Digitizing processes through the Terra Application, which integrates Community Officers' daily activities such as financing applications, disbursements, and installment payments. This digitalization enhances transparency, accuracy, and efficiency, reducing the need for paper.
2. Utilizing communication media such as email and Microsoft Teams to eliminate the need for printing materials for presentations and follow-ups, as everything is recorded digitally.
3. Sending documents for review via email before printing for approval.
4. Implementing double-sided printing settings on all head office PCs and laptops to maximize paper usage.
5. Providing employee documents, such as BPJS Health and Employment e-Letter Cards, transfer and promotion decrees, SOPs, and technical guidelines, online through the Human Capital system.
6. BTPN Syariah has streamlined document submission and communication between Divisions and Directorates by optimizing the use of email.
7. Documents are stored in softcopy format using electronic filing systems such as Cofilib/Corporate Filing and Library, reducing reliance on physical paper storage.
8. BTPN Syariah has automated Microfinance Management System (MMS) transaction services for customers, including regular transactions during routine center meetings, billing/collection processes, and other transactional improvements.
9. Implementation of cash management and monitoring (cash management) MMS, along with bookkeeping instructions to branches (KFO/KC), has been automated to simplify processes and improve efficiency at the Head Office.
10. Socialization of Online Operational Provisions through facilitating online operational provisions, work coordination, and meetings, promoting efficient communication and collaboration among stakeholders.
11. Reports are now submitted to regulatory authorities through e-reporting platforms, including SIPENA OJK Sharia Banking Supervisor, IDX Net, and OJK Net, eliminating the need for hard copy submissions and reducing paper usage.
12. During the 2022 Annual General Meeting of Shareholders, BTPN Syariah provided the Annual Report and Sustainability Report in USB form. Meeting Rules, Additional Information, and Information Disclosure documents were also made available on the Bank's website, demonstrating a commitment to supporting paper savings and sustainability initiatives.

Paper is a processed product from trees, The Bank is aware of this through the efforts made in managing the paper used to save trees. Trees are a source of life capable of absorbing carbon dioxide (air pollution) and producing oxygen, cooling the temperature of the earth's surface, protecting and maintaining soil fertility, and as a habitat animal. No matter how small, our role is to protect trees contribute to reducing CO2 emissions, and participate in preventing the effects of house gases

In 2023, our office operations used 5,270 kg of paper, equivalent to emitting 6,429 kgCO2-eq based on emission factor calculations.

Starting in 2023, we have expanded our paper usage calculation to include all paper usage within BTPN Syariah, not just for financing customers. This reflects our commitment to managing paper usage more comprehensively and seriously across all operations.

Generation of paper waste [GRI 306-3]

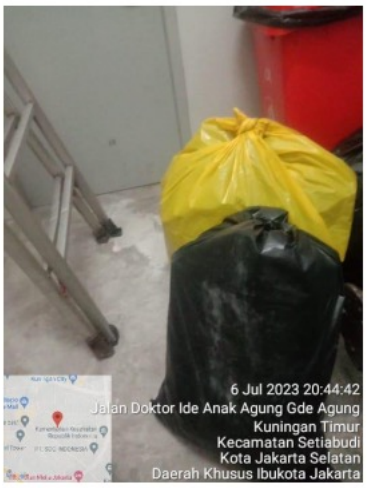
	unit	2021	2022	2023
Paper procurement cost	million Rp	6,587	1,478	1,805
Paper used	kg	5,270	1,182	1,444
Paper reduction	kg	unquantifyable	262	578
CO2 Emission from paper	$kgCO_2$-eq	6,429	1,443	1,762
Potential for the reduction of CO2 emission	$kgCO_2$-eq	unquantifyable	320	705

*There are differences between paper calculations in 2023 and previous year

In 2023, BTPN Syariah implemented the Waste Management program at its head office, enhancing waste management practices by regularly sorting organic and inorganic waste to effectively manage office waste.

Type of waste	Unit	2023
Organic Waste	Ton	4.20
Inorganic Waste	Ton	2.08











assistance and monitoring of forest restoration activities

The Bank's involvement in forest restoration activities is aimed at recognizing the crucial role of forests in maintaining climate balance, reducing pollution impacts, absorbing CO2, and mitigating global warming. Understanding the vital role of forests in sustaining human life, the Bank has initiated reforestation efforts in Kampung Minta, Penyinggahan, Kutai Barat.

The reforestation activities began in August 2020, involving residents in planting 1,000 beluma trees (Syzigium sp) and 1,009 kahoi trees (Shorea blangeran) in an area of 3 hectares. This reforestation effort was initiated following a wildfire incident in the Kahoi Forest to assist in the restoration of the ecosystem of wetlands and peat swamps in the area. Through these activities, the Bank also aims to contribute to reducing the effects of global warming and climate change.

The community's involvement has led to an increased level of awareness and ownership of the forest. This is reflected in the absence of logging and forest fires, especially in the vicinity of Kampung Minta. From 2020 until now, the Bank's reforestation activities have resulted in a carbon stock of 2,690 tons per hectare, as reported by WWF in 2022.

green building

In implementing sustainable development principles, BTPN Syariah has embraced an environmentally friendly office environment, demonstrated through the presence of the BTPN Syariah headquarters building. This building not only reflects business progress but, more importantly, serves as a testament to the company's commitment to environmental sustainability by occupying a building that has been awarded the Gold Standard Certificate for Green Building by the Green Building Council Indonesia.

A standout feature of the building is its open ceiling design concept, not only aesthetically pleasing but also significantly boosting oxygen levels within the structure by up to 50%, thereby fostering a healthier and more productive work environment. Furthermore, the building maximizes natural light usage, eliminating the need for window blinds and reducing the reliance on light-blocking partitions.



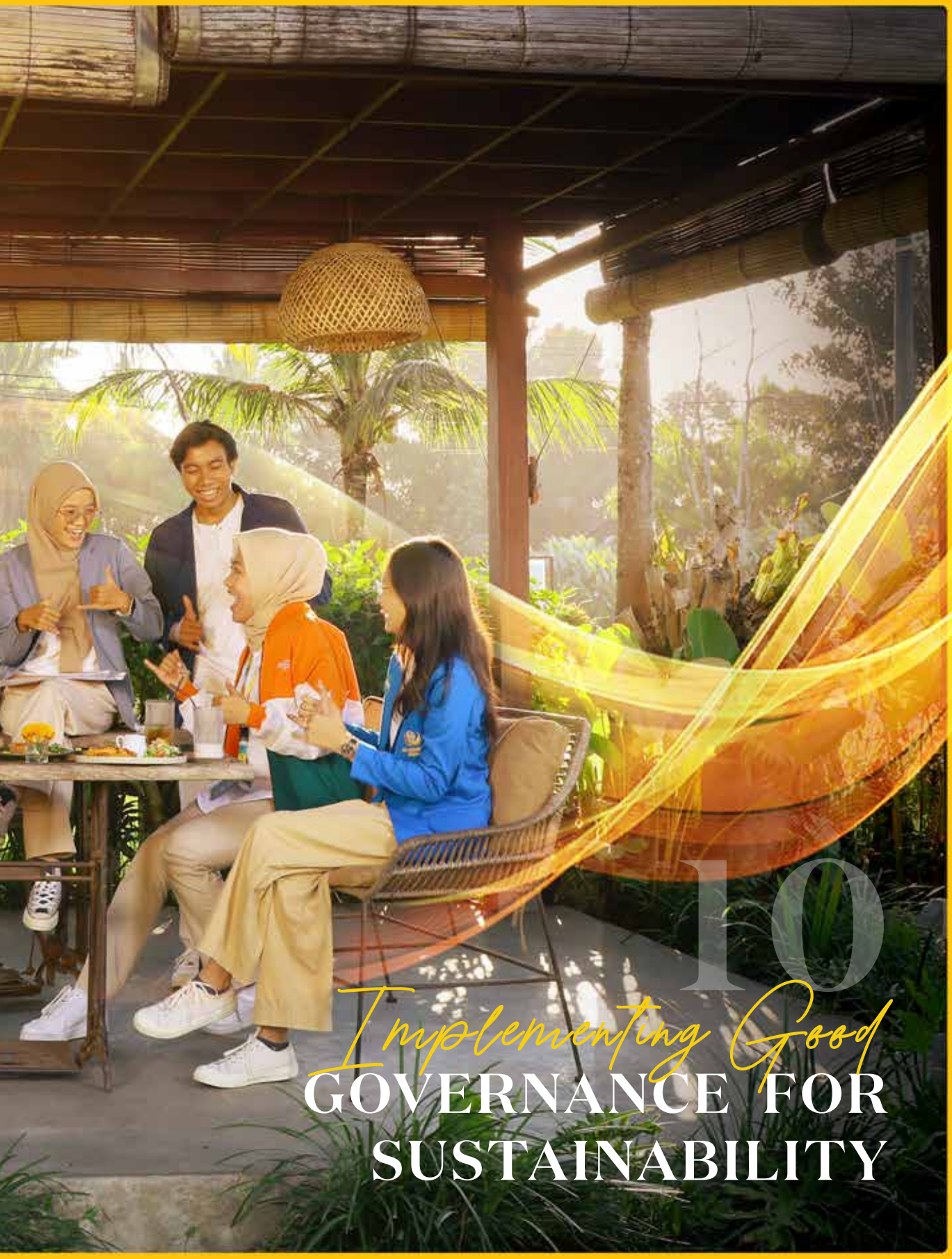
In an era where hygiene is paramount, the building employs ultraviolet germicidal irradiation technology for disinfection, sterilizing the air from microorganisms and contributing to public health efforts. Additionally, the use of epoxy floor coating helps curb bacteria and germ growth.

Prioritizing energy efficiency, the building employs an eco-friendly air conditioning system, carefully regulating cooling usage to ensure comfort while minimizing energy wastage. This reflects BTPN Syariah's unwavering commitment to sustainability and environmental stewardship.

Extending beyond the main building, BTPN Syariah Branch Offices and Functional Operational Offices also embrace eco-friendly practices. Incorporating live plants not only enhances aesthetics but also plays a pivotal role in reducing air temperature and enhancing air quality, consequently lowering energy needs for cooling and fostering a more visually appealing and revitalizing atmosphere.

The BTPN Syariah Jakarta Head Office Building epitomizes the harmonious integration of modern architecture and sustainability principles, creating a workspace that is not only functional but also environmentally friendly and conducive to well-being. This represents a significant stride forward in Indonesia's pursuit of sustainable development.





10

Implementing Good

GOVERNANCE FOR SUSTAINABILITY


DK 5327 ABC
DK 6172 ADB



BTPN Syariah is dedicated to enhancing transparency, accountability, and professionalism within the Bank while prioritizing fairness and ensuring complete and comprehensive Sharia compliance. These concerted efforts aim to establish a solid foundation for the Bank to consistently pursue its aspiration of **"faithfully empowering to support sustainability."**

implementing good governance for sustainability

In line with its commitment to bolstering the Government and Financial Services Authority programs aimed at accelerating Sharia economic development, BTPN Syariah continuously integrates Environmental, Social, and Governance (ESG) aspects into its product and service development processes to align with Sustainable Finance objectives. These efforts encompass:

1. Encouraging value creation opportunities through product innovation and proactive anticipation of future trends.
2. Enhancing risk management practices and optimizing capital allocation based on heightened awareness of ESG issues, including considerations of natural and social capital constraints.
3. Becoming a catalyst for organizational change.

Aligned with these objectives, BTPN Syariah executes sustainability initiatives outlined in the RAKB (Risk Appetite, Key Risk, and Business Plan) as part of the Bank's commitment to managing social and environmental risks, reducing social disparities, and mitigating/preventing environmental harm, all while adhering to the principles of Good Corporate Governance.

Recognizing the pivotal role of good governance in fostering resilience and competitiveness, BTPN Syariah is dedicated to enhancing transparency, accountability, and professionalism within the Bank. This entails promoting fairness, complete adherence to Sharia principles, and comprehensive compliance practices. These ongoing efforts serve as the foundation for the Bank to consistently fulfill its aspiration of **"faithfully empowering to support sustainability."**

commitment to the basic principles and governance guidelines at BTPN Syariah

[GRI 102-16, 102-17]

In alignment with the objective of achieving sustainable development that is inclusive and supported by a resilient national economic system, BTPN Syariah places paramount importance on fostering harmony among economic, social, and environmental aspects while implementing the principles of Good Corporate Governance (GCG).

Continuously, BTPN Syariah enhances the overall implementation of GCG to strengthen its supervisory function and uphold a commitment to consistently improve the quality of GCG implementation for all stakeholders. Specifically, the Bank believes that ongoing efforts to develop an environmentally friendly financial institution system are in line with the mandates outlined in Law Number 32 of 2009 concerning Environmental Protection and Management, as well as subsequent amendments introduced by Law Number 6 of 2023 concerning the Determination of Replacement Government Regulations. Moreover, compliance with Law Number 2 of 2022 concerning Job Creation is deemed essential for the collective interests of all stakeholders.

The implementation of GCG at BTPN Syariah is grounded in 6 fundamental principles: Transparency, Accountability, Responsibility, Professionalism, Fairness, and Sharia Compliance. As a public company, adherence to GCG guidelines at BTPN Syariah encompasses five aspects, eight principles of good GCG, and 25 applications of GCG aspects and principles, ensuring a comprehensive and sustainable approach.



as a sharia commercial Bank

As a sharia commercial Bank, BTPN Syariah adheres to the sound implementation of the basic principles of GCG, namely Transparency, Accountability, Responsibility, Professionalism, Fairness, and Sharia Compliance.

The implementations of these principles are as follows:

Transparency	In maintaining objectivity in conducting business, the Bank must provide material and relevant information in a way that is easily accessible and understood by stakeholders. The Bank must take the initiative to disclose not only issues required by statutory regulations, but also matters that are important for decision making by Shareholders, Customers and other Stakeholders
Accountability	The Bank must be able to account for its performance transparently and fairly. For this reason, the Bank must be managed correctly, measurably and in accordance with the interests of the Bank while still taking into account the interests of Shareholders and other stakeholders. Accountability is a necessary prerequisite for achieving sustainable performance;
Responsibility	The Bank must comply with all Sharia Principles and applicable laws and regulations, as well as carry out their responsibilities towards God Almighty, Shareholders, society, the environment and other relevant stakeholders so that from time to time the implementation of Sharia Principles is carried out and maintained properly. optimal long-term business sustainability and gaining recognition as a good entity that complies with sharia law and applicable positive law;
Professional	To ensure the implementation of good GCG principles, the Bank is managed independently so that each organ of the Bank does not dominate each other and cannot be intervened by other parties and has competence, is able to act objectively, is free from any influence and has a high commitment to developing the Bank
Fairness	In carrying out its activities, the Bank always pays attention to the interests of Shareholders and other stakeholders in fulfilling stakeholder rights based on the principles of justice and equality
Sharia Compliance	The Bank is a banking institution that carries out financial intermediation functions, managed and operated based on Sharia Principles as the soul and spirit of the Bank's establishment. Therefore, compliance with Sharia Principles in all activities and products for distributing and collecting funds and other banking service products is a necessity and mandatory, including in this aspect the ethical and moral standards of all Bank management and employees in their daily activities do not conflict with Sharia Principles and Values

as a public company

As a public company, the implementation of GCG guidelines at BTPN Syariah includes 5 (five) aspects, 8 (eight) good GCG principles and 25 (twenty five) applications of good GCG aspects and principles, namely:

ASPECTS of Good GCG Implementation for Public Companies, including:	1. Aspects of Public Company Relations with Shareholders in guaranteeing Shareholder Rights; 2. Aspects of the Function and Role of the Board of Commissioners and the Sharia Supervisory Board; 3. Aspects of the Function and Role of the Board of Directors; 4. Aspects of Stakeholder Participation; 5. Aspects of Information Transparency
PRINCIPLES for implementing good GCG Guidelines for Public Companies, including:	1. Increasing the Value of Holding General Shareholders Meetings (GMS); 2. Improving the Quality of Public Company Communication with Shareholders or Investors; 3. Strengthening the Membership and Composition of the Board of Commissioners; 4. Improving the Quality of Implementation of Duties and Responsibilities of the Board of Commissioners; 5. Strengthening the Membership and Composition of the Board of Directors; 6. Improving the Quality of Implementation of Directors' Duties and Responsibilities; 7. Improving Corporate Governance Aspects through Stakeholder Participation; 8. Improving the Implementation of Information Disclosure

IMPLEMENTATION OF GOOD ASPECTS and PRINCIPLES of GCG, including:	1. Public Companies have technical methods or procedures for collecting votes, both openly and privately, that prioritize independence and the interests of shareholders; 2. All members of the Board of Directors and members of the Board of Commissioners of Public Companies are present at the Annual GMS; 3. A summary of the GMS minutes is available on the Public Company Website for at least 1 (one) year; 4. Public Companies have a communication policy with shareholders or investors; 5. The Public Company discloses the Public Company's communication policy with shareholders or investors on the Website; 6. Determining the number of members of the Board of Commissioners takes into account the conditions of the Public Company; 7. Determining the composition of members of the Board of Commissioners takes into account the diversity of skills, knowledge and experience required; 8. The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners; 9. Self-assessment policy to assess the performance of the Board of Commissioners, disclosed through the Public Company's Annual Report; 10. The Board of Commissioners has a policy regarding the resignation of members of the Board of Commissioners if they are involved in financial crimes; 11. The Board of Commissioners or the Committee that carries out the Nomination and Remuneration function prepares a succession policy in the Nomination process for members of the Board of Directors; 12. Determining the number of members of the Board of Directors takes into account the condition of the Public Company and effectiveness in decision making; 13. Determining the composition of members of the Board of Directors takes into account the diversity of skills, knowledge and experience required; 14. Members of the Board of Directors who are in charge of accounting or finance have expertise and/or knowledge in the field of accounting; 15. The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors; 16. The self-assessment policy for assessing the performance of the Board of Directors is disclosed in the Public Company's Annual Report; 17. The Board of Directors has a policy regarding the resignation of members of the Board of Directors if they are involved in financial crimes; 18. Public Companies have policies to prevent insider trading; 19. Public Companies have anti-corruption and anti-fraud policies; 20. Public Companies have policies regarding the selection and improvement of supplier or vendor capabilities. 21. Public Companies have policies to fulfill creditor rights. 22. Public Companies have a whistle-blowing system policy; 23. Public Companies have a policy of providing long-term incentives to Directors and employees; 24. Public Companies make wider use of information technology other than Websites as a medium for information disclosure; 25. The Annual Report of a Public Company discloses the ultimate beneficial owner in Public Company share ownership of at least 5% (five percent), in addition to disclosure of the ultimate beneficial owner in Public Company share ownership through the main and controlling shareholders.

sustainable governance within the financial group [GRI 2-12]

The implementation of Good Corporate Governance (GCG) principles in BTPN Syariah is intricately intertwined with the governance framework of the Financial Group, alongside PT BANK BTPN Tbk (BTPN) as the Parent Entity, both entities operating under the ownership of the SMBC group. This integration is facilitated through functions such as Integrated Risk Management, Integrated Compliance, and Integrated Internal Audit. Supported by other organizational functions within the Bank's structure, these units collaborate to ensure the realization of sound GCG principles across all entities.

In partnership with BTPN as the Parent Entity, BTPN Syariah leverages Banking Synergies to enhance operational efficiency by optimizing resources, expertise, and networks. This collaboration generates added value for both Sharia and conventional commercial banks.

In line with the commitment to oversee Banking Synergy, BTPN Syariah and BTPN exercise supervision at the Board of Commissioners level through the Corporate Governance Committee. This committee comprises members of the Independent Board of Commissioners from BTPN as the Coordinating Entity, alongside representatives of the Independent Commissioners



and members of the Sharia Supervisory Board of BTPN Syariah as permanent meeting invitees.

The Corporate Governance Committee is tasked with monitoring internal and integrated controls within the SMBC financial group, ensuring prudent and transparent governance practices aligned with the principles of a Conventional Commercial Bank, Sharia Commercial Bank, and Public Company.

banking synergy

Guided by POJK No. 16/POJK.03/2022 concerning Sharia Commercial Banks in relation to Banking Synergy in order to improve the efficiency of the national banking industry and develop a sustainable sharia economy, BTPN Syariah synergizes with BTPN, as the Parent Entity and Conventional Commercial Bank, in various partnerships strategy to improve the efficiency and development of BTPN Syariah as outlined in the Cooperation Agreement.

In line with the terms of the cooperation agreement, BTPN Syariah continually enhances the quality of infrastructure supporting banking synergy. This includes aligning internal provisions and procedures at BTPN Syariah with Sharia rules and principles, as well as implementing Good Corporate Governance (GCG) principles, both as a Sharia commercial bank and as a public company. These efforts are reflected in the Banking Synergy commitment outlined in the Governance Policy, Compliance Policy, and Risk Management Policy of both BTPN and BTPN Syariah.

implementation of banking synergy with BTPN

In support of activities aimed at delivering added value, BTPN Syariah engages in strategic collaboration with BTPN to enhance efficiency and foster business development. In 2023, this collaboration is formalized through 10 Partnership Agreements (PKS) covering various areas such as Human Capital, Information Technology Infrastructure, Sharia Banking Services, Cash Management, Multifinance Segment Financing, Productive Financing for Institutions supporting the ultra-micro segment development, Implementation of Specific Work, Vendors Management, Implementation of Anti-Fraud/APU PPT and PPSPM Policies, and a Joint Agreement serving as an Umbrella PKS regulating banking synergy between BTPN Syariah and BTPN.

To oversee its implementation, BTPN Syariah has established a dedicated Banking Synergy Monitoring Work Unit, overseen by the Corporate Secretary Unit acting as Coordinator. Both BTPN Syariah and BTPN conduct regular coordination between the two entities through semi-annual Banking Synergy Monitoring Coordination Meetings and Governance Coordination Meetings.

implementation of banking synergy with BTPN Syariah Ventura

BTPN Syariah's commitment to developing Sharia banking is realized by the realization of a strategic capital investment initiative by BTPN Syariah and BTPN in a Sharia venture capital company, namely PT BTPN Syariah Ventura, as a subsidiary company which is a non-bank financial services institution which has been effectively carrying out operational activities since May 30, 2022.

BTPN Syariah Ventura is dedicated to accelerating the fulfillment of evolving customer needs and enhancing the welfare of pre- and moderately prosperous customers. Our mission is to serve a larger customer base in a sustainable manner by leveraging technology for positive impact, thereby realizing our vision of creating a Sharia digital ecosystem for unbanked.

In order to support business development at BTPN Syariah Ventura, BTPN Syariah and BTPN as shareholders have carried out additional authorized capital and additional issued and paid-up capital which was completed in 2022. The Annual Report and Sustainability Report for the 2022 financial year contains a complete report regarding capital participation in the Subsidiary. The Subsidiary also held its inaugural Annual General Meeting of Shareholders on April 12, 2023.

Complementing the strengthening of capital, to support the development of BTPNS Ventura in company management, the implementation of synergy between BTPN Syariah and BTPN Syariah Ventura has been signed through a Cooperation Agreement covering 11 (eleven) fields, namely Human Resources, Information Technology, Compliance, Legal and Litigation, Corporate Secretary, Internal Audit, Finance and Treasury, Risk Management, Corporate Communication, DAYA and Operations.



code of conduct and integrity [GRI 102-17]

To ensure sustainable success in implementing Good Corporate Governance (GCG) at the Bank, it is widely acknowledged that a culture of high integrity must permeate all levels of the organization. Therefore, the establishment of a comprehensive code of conduct is essential. This code serves as a tangible embodiment of the overarching principles of GCG and serves as a guiding reference for every organ and employee of the Bank in their daily business endeavors, ultimately shaping the company's culture.

At BTPN Syariah, the Code of Conduct serves as a fundamental framework, providing guidance on appropriate attitudes and behaviors for the Board of Commissioners, Sharia Supervisory Board, Directors, Independent Parties, and all Employees. It delineates their duties, authorities, obligations, and responsibilities in decision-making processes, ensuring alignment with the Mission, Vision, and Company Values of BTPN Syariah, as well as compliance with relevant laws and regulations.

This Code of Conduct sets a standard of behavior that is not only reasonable and appropriate but also fosters trustworthiness among all Bank personnel. It governs their interactions with stakeholders and shapes the manner in which business activities are conducted.

The guidelines and attitudes stated in the Code of Conduct include, among others:

1. Mission, Vision, Company Values, Objectives of the Code of Conduct, and Scope of the Code of Conduct;
2. Compliance and Risk Management;
3. Conflict of Interest;
4. Creating a Conducive Work Environment (which includes Fair Treatment of All Employees, Anti-Discrimination and Harassment, Safety in the Workplace, Use of Company Facilities, Activities outside the Company, Use of Social Media, LInk and HELP Communication Culture);
5. Information Management and Security;
6. Relations with Customers and Stakeholders (which includes Relations with Customers, Relations with Partners, Relations with Regulators, Bribery and Corruption, Giving and Receiving Gifts, Anti-Money Laundering);
7. Enforcement of the Code of Conduct (which includes Roles and Responsibilities, Violations of the Code of Conduct).

code of conduct enforcement efforts

BTPN Syariah is dedicated to upholding the principles of good corporate governance by implementing the Code of Conduct throughout all levels of the organization. This commitment not only fosters ethical behavior among employees but also aligns with societal ethical standards.

To cultivate this behavioral development, every employee is expected to embody the attitudes, actions, and commitment outlined in the Code of Conduct, thus contributing to the creation of a corporate culture at BTPN Syariah that reflects ethical norms.

Employee engagement with the Code of Conduct is facilitated through an annual refresher socialization program. This involves digitally disseminating the Code of Conduct or distributing printed copies, followed by employees signing acceptance sheets and confirming their responses via electronic socialization channels.

Recognizing the importance of instilling a culture of compliance from the outset, BTPN Syariah mandates that all new employees receive Code of Conduct training during the Induction Program, with subsequent annual refresher programs.

The Code of Conduct guidelines at BTPN Syariah are presented in both Indonesian and English languages, ensuring accessibility to all employees, and are readily available on the BTPN Syariah website.

In aligning business activities with societal norms and fostering a sustainable ecosystem, every bank business plan and initiative prioritizes principles of integrity and compliance.

At all levels of the organization, including members of the Board of Commissioners, Board of Directors, and independent parties from committees under the Board of Commissioners, adherence to the Code of Conduct is mandatory. These guidelines also regulate the relationships between BTPN Syariah and its customers, partners, regulators, shareholders, and subsidiaries.



the roles and responsibilities of the employees are:

1. Study, understand, obey and implement the Code of Conduct.
2. Implement LINK principles in daily activities in relation to the relationship between superiors and subordinates.
3. Report to superiors or through whistleblowing channels if you suspect a violation or attempted violation of the Code of Conduct.

the roles and responsibilities of superiors are:

1. Provide explanations and ask work team members to read and understand the Code of Conduct.
2. Ensure that every employee in their work unit adheres to the Code of Conduct.
3. Disseminate the Code of Conduct to employees in their work units.
4. Play an active role in developing employees and resolving violations of the Code of Conduct.
5. Report and escalate any suspicions, indications and/or incidents of violations to the competent authorities.
6. Follow up on every reported violation of the Code of Conduct in accordance with established procedures.

BTPN Syariah is unwavering in its commitment to uphold the Code of Conduct as a cornerstone of implementing the principles of good corporate governance. This commitment is reinforced through regular socialization efforts aimed at fostering a sustainable corporate compliance culture that embodied the desired attitudes, actions, and commitments.

Any deviation, abuse, negligence, or violation of the Code of Conduct is taken seriously and may result in sanctions, whether civil or criminal, in accordance with the established policies and procedures at BTPN Syariah, as well as relevant laws and statutory provisions. At certain levels, such infractions may lead to Termination of Employment Relations, with or without prior warning.

In addition to requiring all employees to sign the Code of Conduct, BTPN Syariah mandates a zero-tolerance approach towards fraud across all organizational levels. Full commitment to this stance is demonstrated through the signing of the Anti-Fraud Declaration & Integrity Pact by all employees.

hierarchy of bank provisions

The Hierarchy of Provisions at BTPN Syariah aims to organize the Bank's internal regulatory structure properly and ensure consistent implementation. The hierarchy of provisions is prepared referring to the provisions relating to GCG for Sharia Commercial Banks.

All provisions in BTPN Syariah are reviewed periodically, according to schedule or sooner if there is a change process or regulatory provisions underlying them.

company policies and regulations

As a Limited Company, BTPN Syariah has Company Policies and Regulations.

Policies are guidelines that regulate every activity or process in a bank that reflects the general management of the Bank's risk appetite for these activities, along with their processes and supervision.

Company Regulations create legal certainty, clarity of rights and obligations for workers and employers in implementing employment relations at the Bank.

procedures and products program

To ensure that the detailed process from the beginning to the end is administered correctly, BTPN Syariah has developed Product Program and Procedures.

The procedures elaborate the stages of an activity that must be performed, including who, how, where, when, and the supervision mechanism, by implementing strict four eye-principles, adequate internal control system, and referring to the prevailing policy.

The Product Programs are the structured regulations as a sharia commercial bank, which elaborate product management in a structured and systematic manner as well as provide the details of product type and name, product characteristics, product benefits, the costs incurred by the Bank, and the Bank's risks that are inherent in the products, product analysis, and targets set for the products.

technical instructions

Technical Guidelines are developed, when deemed necessary, to detail the steps to perform certain processes that are specified in the standard operating procedures in BTPN Syariah.

governance structure [GRI 102-18]

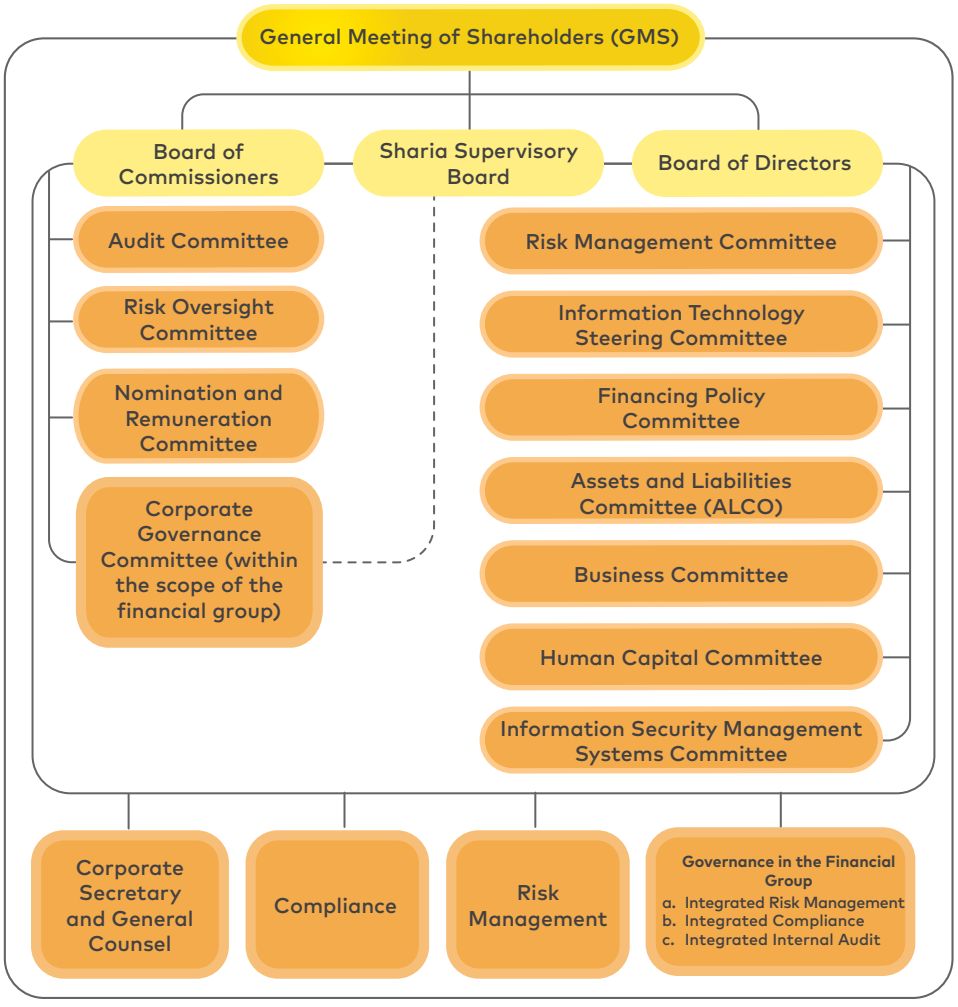
The Governance Structure at BTPN Syariah is guided by the governance provisions for Sharia Commercial Banks and Public Companies, which include compliance with the following provisions:

1. Law No.10 of 1998 concerning Amendments to Law No.7 of 1992 concerning Banking;
2. Law No. 40 of 2007 dated August 16, 2007 concerning Limited Liability Companies, which has been partially amended by Law No. 6 of

2023 concerning the enactment of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into law;
3. Law No.21 of 2008 dated 16 July 2008 concerning Sharia Banking;
4. PBI No.11/33/PBI/2009 dated 7 December 2009 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units (BUS and UUS);
5. SEBI No.12/13/DPbS dated 30 April 2010 concerning the Implementation of Good Corporate Governance for BUS and UUS;
6. POJK No.33/POJK.04/2014 dated 8 December 2014 concerning Directors and Board of Commissioners of Issuers or Public Companies;
7. POJK No.21/POJK.04/2015 dated 17 November 2015 concerning Implementation of Public Company Governance;
8. SEOJK No.32/SEOJK.04/2015 dated 17 November 2015 concerning Implementation of Public Company Governance Guidelines;
9. POJK No.16/POJK.03/2022 dated 30 August 2022 concerning BUS; And
10. POJK No.17 of 2023 dated 14 September 2023 concerning Implementation of Governance for Commercial Banks.

A good governance structure is an absolute requirement for the Bank to identify and manage risks and ensure that every opportunity and strategic plan can be realized in a measurable, monitored and sustainable manner, both now and in the future.

The governance structure at BTPN Syariah consists of Main Organs and Supporting Organs in accordance with Law number 40 of 2007 concerning Limited Liability Companies.



main organs

- General Meeting of Shareholders (GMS)
- Board of Commissioners
- Sharia Supervisory Board
- Board of Directors

supporting organs

1. Committees at the level of the Board of Commissioners
   a. Audit Committee
   b. Risk Oversight Committee
   c. Nomination and Remuneration Committee
   d. Governance in Financial Group Committee



2. Committees at the level of the Board of Directors
   a. Assets and Liabilities Committee (ALCO);
   b. Business Committee
   c. Human Capital Committee
   d. Risk Management Committee
   e. Information Technology Steering Committee
   f. Financing Policy Committee
   g. Information Security Management Systems Committee

3. Availability of Work Units for business development, operations, implementation of risk management and internal control at BTPN Syariah. BTPN Syariah Internal Work Units include the Internal Audit Work Unit (SKAI), Risk Management Work Unit (SKMR), and the Compliance Work Unit (SKK).

4. There are other divisions in BTPN Syariah, namely Corporate Secretary & General Counsel, Corporate Information Security, Corporate & Marketing Communication, Financing Business (subordinate to Financing Business Planning & Support, Right Partners & Project Implementation, Financing Business Risk, DAYA and Distribution Region 1- 5), Funding & New Business Team (supervising Retail & Wholesale Funding, Funding & New Business Planning & Support and Business Development), Finance, Treasury & Operation (subordinating Financial Control & Analytics, Treasury & Financial Institution, Operation Development, QA Funding & Operations, Transaction Services and Corporate Services), Information Technology, and Human Resources.

5. The Sustainability Task Force, tasked with ensuring comprehensive internal coordination and supervision of the implementation of the Bank's plans in accordance with those contained in the Sustainable Finance Action Plan.

sustainability task force [OJK E.1, GRI 2-11]

BTPN Syariah is committed to making a tangible contribution to initiatives aimed at improving environmental quality. Our steadfast dedication lies in faithfully empowering underprivileged and moderately prosperous customers, thus enhancing their welfare and quality of life in alignment with sustainability objectives.

In accordance with the Board of Director's commitment outlined in the Sustainable Financial Action Plan (RAKB), the establishment of a dedicated task force has been officially initiated. This was formalized through Directors' Circular Decree Number 013/CIR/DIR/XI/2020 dated November 23, 2020, approving the establishment of a Sustainability Task Force at PT Bank BTPN Syariah Tbk.

The task force operates with full support from the Board of Directors, with two members of the board actively participating as mentors. Their guidance ensures the Sustainability Task Force effectively leads and executes the goals and programs outlined in the RAKB, tailored to the specific conditions and capabilities at BTPN Syariah.

duties and responsibilities [GRI 2-13]

Guided by POJK Number 51/POJK.03/2017 dated July 18, 2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies, the Board of Directors determined the duties and responsibilities of the Sustainability Task Force at BTPN Syariah in 2023, including:

- Assisting the Board of Directors in preparing the Sustainable Finance Action Plan (RAKB) and Sustainability Report (LK) which must be approved by the Board of Commissioners;
- Holding Sustainability Task Force meetings according to the annual plan;
- Partaking in sustainable economic development in the social, environmental, and governance aspects at the Bank in order to improve the quality of life and the environment that is beneficial, both for the Bank itself, the local community, and community in general;
- Supervising and committing to the Implementation of Sustainable Finance in the business activities that are in accordance with the Bank's conditions by using the principles stipulated in POJK Number 51/ POJK.03/2017 dated July 18, 2017.

members of the sustainability task force

The composition of the Sustainability Task Force at BTPN Syariah is carefully curated to include members from various divisions and employees who exhibit a strong commitment to upholding environmental, social, and governance sustainability. This diverse group comprises individuals from the Corporate & Marketing Communication Division, the DAYA Division, the Financial Planning & Analytics Division, the Corporate Secretary & General Counsel Division, Operations Division, Human Capital Division, Risk Management Division, Business Planning, Assurance & Support Division, Business Development Division, and Compliance Division.

Each member brings unique backgrounds and expertise to the table, driven by a shared mission, vision, and profound passion for advancing the sustainability agenda of the Bank. The inclusivity of perspectives within the Sustainability Task Force aims to foster a collaborative environment conducive to generating diverse inputs and innovative ideas, thereby supporting the effective implementation of sustainability strategies.

BTPN Syariah conducts regular evaluations of the membership dynamics within the Sustainability Task Force to uphold and promote the ethos of sustainability throughout the organization. In 2023, the Board of Directors approved adjustments to the task force's composition, taking into consideration the evolving organizational structure of the Bank. [GRI 2-12]

sustainability task force meeting [GRI 2-16]

Throughout 2023, the Sustainability Task Force has followed up on the RAKB and carried out supervision of the Bank's commitments discussed at the meeting. Throughout 2022, the Sustainability Task Force has held 2 (two) internal coordination meetings. In addition, the Task Force also held coordination meetings with the Parent Entity and Singapore Regional SMBG, in connection with sustainability initiatives within the SMBC financial group.

2023 Sustainability Task Force Coordination Meeting

No	Meeting Date	Discussion Topic
1	May 9, 2023	• Strengthening the Sustainability Task Force PIC; • Strengthening the membership of the Sustainability Task Force
2	November 13, 2023	Kick Off for Preparation of the 2023 Sustainability Report

Sustainability Task Force Coordination Meeting with SMBC Financial Group in 2023

No	Meeting Date	Discussion Topic
1	May 2, 2023	*Sustainability Meeting Update with SMBC: Sustainability Initiatives towards Zero Emission 2023*

General Meeting of Shareholders

The General Meeting of Shareholders (GMS) holds the highest authority within a Limited Liability Company. This organ possesses rights and authority distinct from those of the Directors and Commissioners, within the bounds established by Company Law and the Articles of Association of BTPN Syariah. The GMS serves as a platform for shareholders to make crucial decisions regarding the bank's policies, adhering to the provisions of the articles of association and relevant laws and regulations.

Every decision made at the GMS is rooted in the best interests of the bank and is reached through deliberation to achieve consensus, conducted in good faith while considering the bank's interests and ensuring alignment with applicable laws and regulations, including those in the Capital Market sector and the Articles of Association.

In accordance with regulatory provisions, the GMS does not encroach upon the duties, functions, and authority of the Board of Commissioners and Directors. However, this does not diminish the GMS's authority to exercise its rights in accordance with the Articles of Association and applicable laws and regulations. BTPN Syariah upholds the rights, responsibilities, and inherent obligations of shareholders in line with the provisions outlined in the Articles of Association.

implementation of the 2023 GMS

BTPN Syariah convened its Annual General Meeting of Shareholders (GMS) once in 2023, precisely on April 12, 2023. The execution of this meeting was conducted in strict adherence to the prescribed procedures and protocols, ensuring compliance with the Articles of Association and relevant regulations. In a commitment to uphold equal opportunities for all shareholders to exercise their rights, BTPN Syariah facilitated an electronic GMS (e-GMS) featuring electronic voting (e-voting) and electronic power of attorney (e-proxy).

The Annual GMS of BTPN Syariah was attended by all members of the Board of Commissioners, Sharia Supervisory Board, and Directors, both in person and via video teleconference.

BTPN Syariah remains steadfast in its commitment to provide equitable treatment to all shareholders, whether individual or corporate, who participated or were represented at the 2023 Annual GMS. This commitment is underscored by the provision of comprehensive supporting documents for the GMS, easily accessible to enable shareholders to fully exercise their rights. Key aspects ensuring fairness include:

- Accessibility to eASY.KSEI Facilities.



- Provision of proxy services available to Independent Parties free of charge.
- Adequate time allotted for shareholders to provide power of attorney.
- Availability of complete, timely, and comprehensive meeting materials to support informed decision-making.

Board of Commissioners

The Board of Commissioners at BTPN Syariah is a vital organizational body appointed and ratified by the General Meeting of Shareholders (GMS), with consideration of recommendations from the Nomination and Remuneration Committee. Members of the board must meet the Fit and Proper Test requirements set forth by the Financial Services Authority (OJK). Their term of office spans 3 (three) years and is subject to reappointment.

Functioning collectively, the Board of Commissioners is responsible for conducting general and/or specific supervisory functions as outlined in the Articles of Association. Additionally, they provide guidance and counsel to the Board of Directors in managing the Bank in accordance with Corporate Governance principles. It's important to note that decisions made by the Board of Commissioners are collective and cannot be made individually by any member.

All members of the Board of Commissioners at BTPN Syariah have been carefully selected to fulfill the requisite number, composition, criteria, and independence mandated by applicable regulations, ensuring their effectiveness in fulfilling their duties and responsibilities.

composition of members of the Board of Commissioners [GRI 2-9][GRI 2-10]

The determination of the Board of Commissioners' composition at BTPN Syariah is meticulously conducted, considering the bank's complexity and needs. It is based on banking knowledge, expertise, professional experience, and backgrounds aimed at supporting the effective execution of the board's duties, without any discrimination based on gender, ethnicity, race, or religion.

Following the decisions made during the BTPN Syariah Annual General Meeting of Shareholders (GMS) in 2023, 3 members of the Board of Commissioners whose terms had expired were reappointed with terms extending until the closing of the 2026 Annual GMS, subject to any changes that may occur before the end of their term.

Furthermore, a new Independent Commissioner was appointed during the same Annual GMS to bolster the Board of Commissioners' ranks, serving with a term of office also until the closing of the 2026 Annual GMS, subject to any potential changes.

In 2023, changes were made to the Board of Commissioners' composition at BTPN Syariah following the resignation of a member whose term had expired, effective April 12, 2023. Additionally, a new Independent Commissioner was appointed, effective April 17, 2023.

The composition of the Board of Commissioners before the 2023 Annual GMS is as follows:

No	Name	Position	Gender	Financial Services Authority Approval	Effective Date of Office
1	Kemal Azis Stamboel	President/ Independendent Commissioner	Male	February 24, 2014 (KEP-8/D-03/2014)	May 22, 2014
2	Dewie Pelitawati	Independent Commissioner	Female	February 24, 2014 (KEP-9/D-03/2014)	May 22, 2014
3	Ongki Wanadjati Dana	Commissioner	Male	August 25, 2022 (KEP-129/D-03/2022)	October 13, 2022
4	Yenny Lim	Commissioner	Female	July 17, 2019 (KEP-122/D.03/2019)	September 2, 2019

The composition of the members of the Board of Commissioners after the closing of 2023 Annual GMS and the positions as of December 31, 2023 are as follows:

No	Name	Position	Gender	Financial Services Authority Approval	Effective Date of Office
1	Kemal Azis Stamboel	President/Independendent Commissioner	Male	Februari 24 , 2014 (KEP-8/D-03/2014)	May 22, 2014
2	Mulya Effendi Siregar	Independent Commissioner	Male	April 17, 2023 (KEPR-19/D,03/2023)	April 17, 2023

No	Name	Position	Gender	Financial Services Authority Approval	Effective Date of Office
3	Dewie Pelitawati	Independent Commissioner	Female	February 24, 2014 (KEP-9/D-03/2014)	May 22, 2014
4	Ongki Wanadjati Dana	Commissioner	Male	August 25, 2022 (KEP-129/D-03/2022)	October 13, 2022

Currently, the Board of Commissioners at BTPN Syariah consists of 4 (four) people, of which 3 (three) members of the Board of Commissioners are Independent Commissioners. Regarding the diversity of the composition of the Board of Commissioners, there is 1 (one) member of the Board of Commissioners who is female.
[GRI 405-1]

All members of the Board of Commissioners at BTPN Syariah have good backgrounds and experience in the fields of finance, banking and sharia law, accounting, law, compliance, risk management, human resources, audit and management.

concurrent positions of Board of Commissioners

Until December 31, 2023, the Board of Commissioners at BTPN Syariah did not hold concurrent positions as members of the Board of Commissioners, Directors and Executive Officers in banking institutions, companies or other institutions beyond the maximum limit permitted in accordance with the provisions.

Disclosure of Concurrent Positions of the Board of Commissioners as of December 31, 2023

No	Name	Term of Office	Concurrent Positions and Commitments
1	Kemal Azis Stamboel	2023-2026	• Member of the Board of Trustees – WWF Indonesia • President Commissioner - PT Digital Solusi Pratama • Member of the Board of Trustees – Padjadjaran University
2	Mulya Effendi Siregar	2023-2026	• Expert Staff to the Board of Directors – Indonesian Banking Development Institute (LPPI) • Strategic Advisor – Alami Group • Independent Commissioner – PT Delameta Bilano
3	Dewie Pelitawati	2023-2026	Audit Committee Member – Padjadjaran University
4	Ongki Wanadjati Dana	2023-2026	• Member of the Board of Commissioners – PT BANK BTPN Tbk • Independent Commissioner – PT Nusantara Sejahtera Raya Tbk (Cinema XXI)

independence of the Board of Commissioners [GRI 2-15][GRI 2-27]

The Board of Commissioners at BTPN Syariah carries out its duties and responsibilities independently.

All members of the Board of Commissioners who are Independent Commissioners at BTPN Syariah have fulfilled the independence requirements as proven by having no financial, management, share ownership and/or family relationships with other members of the Board of Commissioners, members of the Board of Directors and/or Controlling Shareholders or other relationships. which can naturally affect his ability to act independently.

duties and responsibilities of the Board of Commissioners [GRI 102-23]

Referring to the Board of Commissioners Charter at BTPN Syariah, the duties and responsibilities of the Board of Commissioners include:

1. The Board of Commissioners is obliged to ensure the implementation of GCG principles in every Bank business at all levels or levels of the organization;

2. The Board of Commissioners is tasked with supervising in the interests of the Bank over the policies and course of management by the Board of Directors, providing advice to the Board of Directors, and is responsible for such supervision, in accordance with the Bank's aims and objectives as stipulated in the provisions of statutory regulations, the Articles of Association and the resolutions of the GMS;

3. The Board of Commissioners is obliged to carry out its duties, authority and responsibilities in good faith and with the principle of prudence;

4. In carrying out supervision, the Board of Commissioners is obliged to direct, monitor



and evaluate the implementation of integrated governance, risk management and compliance as well as the Bank's strategic policies in accordance with the provisions of the Legislative Regulations, Articles of Association and GMS Resolutions. To carry out these duties and responsibilities, the Board of Commissioners may request the necessary data and information from the Board of Directors;

5. In carrying out supervision, the Board of Commissioners is prohibited from participating in decision making on the Bank's operational activities, except
   a. Provision of funds to related parties in accordance with the provisions of the Financial Services Authority Regulation (POJK) regarding the maximum limit for distribution of funds and distribution of large funds for Sharia Commercial Banks or in an amount exceeding the amount that will be determined from time to time by the Board of Commissioners; and
   b. Other matters stipulated in the Bank's Articles of Association or applicable laws and regulations.

6. Decision making by the Board of Commissioners is part of the supervisory duties of the Board of Commissioners so that it does not negate the responsibility of the Board of Directors for the implementation of Bank management;

7. Supervision of Internal and External Audit Functions:
   The Board of Commissioners is obliged to supervise the Directors' follow-up on audit findings or examinations and recommendations from the Bank's internal audit work unit, external auditors, OJK supervision results and/or supervision results from other authorities and institutions;

8. The Board of Commissioners is obliged to notify the OJK no later than 5 (five) working days after the discovery of:
   a. Violation of statutory provisions in the fields of finance, banking and those related to Bank business activities; and
   b. Circumstances or anticipated circumstances that could endanger the continuity of the Bank's business.

9. The Board of Commissioners is obliged to propose prospective members of the Sharia Supervisory Board ("DPS") to the Board of Directors by taking into account the recommendations of the Nomination and Remuneration Committee and then requesting recommendations from the Indonesian Ulema Council and approval from the OJK. The GMS can delegate authority to the Board of Commissioners to appoint DPS members;

10. In implementing the internal audit function, the Board of Commissioners is responsible for:
    a. Ensure that the Board of Directors prepares and maintains an adequate, effective and efficient internal control system;
    b. Review the effectiveness and efficiency of the internal control system based on information obtained from SKAI at least once every 1 (one) year; and
    c. Appoint an independent quality controller (Quality Assurance) from an external party to conduct a review of SKAI's performance by considering the recommendations of the Audit Committee;

11. The Board of Commissioners is obliged to provide time to carry out duties and responsibilities optimally in accordance with work guidelines and regulations;

12. The Board of Commissioners is obliged to provide time to carry out duties and responsibilities optimally in accordance with work guidelines and regulations;

13. The Board of Commissioners carries out the internal audit function of the parent company so that the internal audit function of the parent company Develops the audit scope and carries out internal audit activities with adequate coverage at the Bank;

14. In implementing risk management, the Board of Commissioners must at least
    a. Approve the Company's policy and risk management;
    b. Evaluation of the Board of Directors' responsibilities in implementing risk management policies;
    c. Evaluate and decide on requests from the Board of Directors relating to transactions that require approval from the Board of Commissioners;

15. Active supervision of the Company's Compliance Function (As explained in the OJK Regulations that apply to the Compliance Function), the Board of Commissioners will:
    a. Evaluate the implementation of the Bank's Compliance Function at least 2 (two) times a year;
    b. Provide suggestions in order to improve the quality of implementation of the Bank's Compliance Function.



c. Based on the above evaluation, the Board of Commissioners will provide advice to the President Director with a copy to the Director in charge of the Compliance Function to improve the quality of the Compliance Function;

16. Implementing risk management in the use of information technology, the Board of Commissioners will carry out active supervision as follows:
    a. Provide guidance, monitor and evaluate the Bank's strategic plans and policies regarding the use of Information Technology;
    b. Evaluate the responsibility of the Board of Directors for implementing the use of Information Technology;

17. Approval of the Bank's main policies in accordance with the policy hierarchy and other special policies which include:
    a. Financing Policy;
    b. Policies and procedures for implementing Anti-Money Laundering and Prevention of Terrorism Financing;
    c. Risk Management Policy;
    d. Compliance Policy;
    e. Any other policies that may be required by applicable regulations from Bank Indonesia, OJK and other competent authorities.

duties and responsibilities of the President Commissioner

Referring to the Board of Commissioners Charter at BTPN Syariah, the duties and responsibilities of the President Commissioner are as follows:

1. The position of each member of the Board of Commissioners, including the President Commissioner, is equal;
2. The task of the President Commissioner is to coordinate the activities of the Board of Commissioners and ensure that each member of the Board of Commissioners can express their opinions based on sufficient information;
3. The GMS is chaired by a member of the Board of Commissioners appointed by the Board of Commissioners. In the event that all members of the Board of Commissioners are absent or unable to attend, the GMS will be chaired by a member of the Board of Directors appointed by the Board of Directors;
4. Other provisions refer to the Company's Articles of Association.

realization of duties and responsibilities of the Board of Commissioners in 2023

During 2023, the Board of Commissioners supported by a Committee at the same level as the Board of Commissioners at BTPN Syariah has carried out supervisory responsibilities for the management and operations of the bank and provided recommendations and advice to the Board of Directors and ensured the implementation of GCG principles and compliance with Sharia Principles.

Specifically, fulfilling the supervisory duties of the Board of Commissioners in 2023 includes aspects, including:

1. **Implementation of Sustainable Finance Actions,** including:
    a. The Board of Commissioners supports the implementation of sustainable finance in line with POJK Number 51/POJK.03/2017 and POJK 17 of 2023 concerning the Implementation of Governance for Commercial Banks in the context of implementing sustainable financial actions to make a real and positive contribution to the stability of the financial system in Indonesia. By granting approval to the Board of Directors' policies, the Board of Commissioners agreed to support the Government in realizing sustainable development that is able to maintain economic stability and is inclusive and prioritizes harmony between economic, social and environmental aspects, as stated in the Sustainable Finance Action Plan;
    b. The Board of Commissioners has reviewed and approved the Sustainable Financial Action Plan for the 2020-2024 Period to the OJK
    c. The Board of Commissioners has given approval for the implementation of sustainable initiatives assessed from environmental, social, economic and governance aspects as stated in the 2022 financial year Sustainability Report which was submitted to stakeholders in 2023;
    d. The Board of Commissioners together with the Board of Directors have communicated the implementation of the 2023 RAKB initiatives to Shareholders at the Annual General Meeting of Shareholders in 2023

2. **Alignment of Mission and Vision**
    In line with the implementation of Good Corporate Governance Principles, the Board of Commissioners has reviewed the suitability of the Vision and Mission with Bank business plans and initiative every year.

    The alignment of the Bank's Vision and Mission and Main Values is deemed to remain relevant as stated in the Bank's Business Plan 2023-2025, 2024-2026 and RAKB 2020-2024 (2024 Indicators) and has received approval at the meeting of the Board of Commissioners and Board of Directors on November 22 2023.
    - **Vision :** To be the best Sharia Bank,



for financial inclusion, making a difference in the lives of millions of Indonesians.
- **Mission:** Together, we create opportunities for growth and a more meaningful life. berarti.
- **Core Values**: PRISMA

3. **Support to the Government,** including
   a. In fulfillment of POJK.17.POJK.03/2021 which is the Second Amendment to Financial Services Authority Regulation Number 11 POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of Coronavirus Disease 2019, and Financial Services Authority Regulation Number 48/POJK. 03/2020 of 2020 Amendments to Financial Services Authority Regulation Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy Impact of the Spread of Coronavirus Disease 2019, the Board of Commissioners gave approval to the Directors' Policy to support the government in continuing its policy of providing relaxation of financing to affected customers through bank participation in the 2023 National Economic Selection Program, as stated in the Bank's Business Plan.
   b. In compliance with Minister of Finance Regulation (PMK) Number 71/PMK.08/2020 of 2020 concerning Guarantee Procedures The Government through the Guarantee Business Entity Appointed in the Context of Implementing the National Economic Recovery Program T.E.U. Indonesia, Ministry of Finance and PMK Number 28/ PMK.08/2022 Amendment to Minister of Finance Regulation Number 71/ PMK.08/2020 concerning Procedures for Government Guarantees through Appointed Guarantee Business Entities in the Context of Implementing the National Economic Recovery Program, the Board of Commissioners has provided approval of the Board of Directors' policy in approving BTPN Syariah's participation in providing financing for MSMEs during 2023, as stated in the Bank's Business Plan;
   c. The Board of Commissioners gave approval to the Board of Directors' policy to continue developing home renovation products in collaboration with the Ministry of Public Works and Public Housing (PUPR) in 2023, as stated in the Bank's Business Plan;
   d. The Board of Commissioners supports the Bank's efforts through the Daya Digital Platform, a platform to increase customers engagement and at the discretion of the Board of Directors to continue collaboration with universities and the Government in Independent Campus Learning Program (MBKM). The bank opens opportunities for students to play a role in providing empowerment through one-on-one assistance to financing customers. The purpose of this assistance is intended to grow the ability of customers and their families to have a better life so as to create a sustainable relationship between customers and the Bank;
   e. The Board of Commissioners supports the Government's direction regarding work health and safety protocols during the pandemic in early 2023, where the Board of Directors has implemented a comprehensive supervision policy for all employees regarding work mechanisms that prioritize work safety at all levels of the organization in a coordinated manner through Business Continuity Management assisted by Safety and Security Unit, until the endemic status is declared at the end of June 2023.

4. **Review of Company Material Control,** among others
   The Board of Commissioners has conducted a review of the company's material controls which include operational, financial, compliance and the Bank's risk management system, supervision of financial performance achievements, integrity of financial reports, internal control systems and non-financial achievements throughout 2023.

   That Financial Performance is closed with good results and business development shows a positive trend. Achievement of work results is marked by the realization of the business plan in most of the posts in accordance with the targets that have been set .

5. **Fulfillment of Commitments to Shareholders,** including
   a. The Board of Commissioners has submitted an accountability report to Shareholders at the Annual General Meeting of Shareholders on April 12 2023;
   b. The Board of Commissioners gave approval to follow up on the Resolution of the Extraordinary GMS held in 2019 by transferring the third treasury shares to Material Risk Takers with a distribution date of January 25, 2023;
   c. The Board of Commissioners has ensured supervision over the fulfillment

of the Board of Directors' duties and responsibilities in management companies, including fulfilling obligations to Regulators through Information Disclosure regarding the presentation of the Annual Report, Sustainability Report for the 2022 financial year, Interim Financial Reports, Annual and Consolidated Financial Reports through the reporting system and to the public through national newspapers and available on the Bank Website as required for a public company in 2023.

d. The Board of Commissioners has given approval for the follow-up to the decision of the Annual GMS regarding the appointment of Public Accountants and Public Accounting Firm Sidharta Widjaja and Rekan (an Indonesian partnership and member firm of KPMG network of independent members affiliated with KPMG International Cooperative as External Auditors, taking into account the recommendations of the Audit Committee.
e. That the Bank has submitted the Report on the Appointment of Public Accountants and Public Accounting Firms for the Audit of Annual Historical Financial Information on 31 December 2023 to the Sharia Banking Supervisory Financial Services Authority with a copy to the Banking Licensing and Information Department;

6. **Implementation of Good Corporate Governance Principles,** including
   a. The Board of Commissioners has supervised the implementation of good corporate governance at BTPN Syariah. Following more than a decade of implementing GCG principles at BTPN Syariah, the implementation of GCG principles is accompanied by quality improvements by adopting the latest ASEAN SCORECARDS which were published in 2023 and gradually continue to improve the quality over time. In particular, the factors that have improved in the last three years are the Bank's increasingly focused focus on shareholder rights, disclosure and transparency as well as the responsibilities of the Board of Directors and Board of Commissioners. In addition, the Bank continues to strive to maintain good values for equal treatment of shareholders and optimal role of stakeholders.
   b. Business Plan, Sustainable Financial Action Plan and Follow-up to GMS Decisions
   The Board of Commissioners reviews and approves the Board of Directors' proposal for:
      - Annual Report for the 2022 financial year;
      - Sustainability Report for the 2022 financial year;
      - Bank Business Plan (RBB) and RBB Revision for the 2024-2026 Period as well as commitment to monitoring the realization of the RBB in periodic reports to the OJK;
      - Sustainable Financial Action Plan (RAKB) 2020-2024 (2024 Indicators) as well as commitment to monitoring the realization of the Bank's Sustainable Financial Action Plan together with the Board of Directors every year;
      - Corporate Plan and Revised Corporate Plan 2022-2031;
      - Update on the 2023 Board of Commissioners Charter;
      - Changes to the Composition of Committees at the Board of Commissioners level in 2023;
      - Annual Work Plans of Committees at the level of the Board of Commissioners, including the 2023 Annual Audit Plan submitted at the end of 2022 and the 2024 Work Plan submitted at the end of 2023;
      - Following up on decisions taken at the Extraordinary GMS 2019 in the context of the transfer of some Treasury shares in early 2023 in the context of providing variable remuneration to members of the Board of Directors for the Company's performance

   c. The Board of Commissioners conducted a study on strengthening the Bank's Organ Infrastructure and gave approval to:
      - Board of Commissioners Work Guidelines and Regulations for 2023;
      - Performance of Committees at the Board of Commissioners level in 2023;
      - Nomination Process for Candidates for New Members of the Board of Commissioners in 2023;
      - Changes in the Composition of Committee Members at the Board of Commissioners level in 2023

   d. In an effort to improve the quality of the implementation of the duties and responsibilities of the Board of Commissioners, during 2023, the Board of Commissioners has given approval for the implementation of supervisory duties, the mechanism for implementing corporate meetings of the Board of



Commissioners and meetings of the Board of Commissioners with the Board of Directors as well as committee meetings at the level of the Board of Commissioners, guided by the provisions for implementing the governance good management and timely fulfillment of evaluation reporting by the Board of Commissioners;

7. **Supervision of Subsidiaries,** including the Board of Commissioners supervising the Bank's compliance with compliance GCG principles and Sharia Principles in Subsidiaries, implementation of good Risk Management, monitoring Financial and Non-Financial Performance, quality sharia services, as well as supervision over members of the Board of Directors and Bank Management who carry out supervisory duties at the Subsidiary, PT BTPN Syariah Ventura in in 2023;

8. **Fulfillment of Commitments regarding the Implementation of Banking Synergy,** including the Board of Commissioners supervising the fulfillment of duties and responsibilities within the Financial Group with PT BANK BTPN Tbk, including receiving the latest information through the function of the Corporate Governance Committee regarding the implementation of banking synergy in 2023. The Corporate Governance Committee is tasked with monitoring to ensure that internal control is implemented and integrated within the financial group in a prudent and transparent manner, fulfilling the principles of governance as a Conventional Commercial Bank, Sharia Commercial Bank and as a Public Company.

9. **Compliance with Sharia Principles**
In carrying out its supervisory duties, the Board of Commissioners periodically coordinates with the Sharia Supervisory Board to align strategic supervision in accordance with Sharia Principles.

10. **Directions and Recommendations of the Board of Commissioners,** among others
    a. The Board of Commissioners is assisted by a committee at the same level The Board of Commissioners has formulated, reviewed, provided advice on good internal control measures, monitored the Bank's risks, ensured the availability of human resources who are not only physically resilient but also ensured the implementation of good and measurable nomination and remuneration policies. at the Bank, the availability of capable information technology devices to support the implementation of the Bank's target completion process in creating a digital ecosystem for the unbanked. Committees at the level of the Board of Commissioners have also assisted the Board of Commissioner to monitor Management has followed up on every audit finding and recommendation from OJK and external auditors and supervised their completion;

    b. The Board of Commissioners together with members of Committees at the same level as the Board of Commissioners provide direction and supervision regarding the implementation of business plans and implementation of good governance through visits to branch offices and functional offices, guest house, center and customer. To complete the supervision of the visit, the Board of Commissioners submits a Visit evaluation report accompanied by recommendations and input to the Board of Directors;

    c. In providing the best service for financing and funding customers, the Board of Commissioners recommends that the Board of Directors continue to make improvements to the Bank's internal policies and procedures in supporting the Bank's business activities, including Internet Banking and Mobile Service policies.Banking for funding customers whose permits will be received in 2022 as well as various development program policies for financing customers;;

    d. The Board of Commissioners evaluates the Bank's compliance function. The monitoring of which is carried out periodically and submitted to the President Director with a copy to the Compliance Director. During 2023, the Compliance culture were implemented well, reflected in the fulfillment of the prudential level ratio that was well maintained, with no significant fines from regulators, and all compliance risk profile parameters show positive values, with the Bank understanding the importance of careful attention when it comes to new activities;

    e. In terms of strengthening human capital, the Board of Commissioners provides advice to ensure that the Board of Directors carries out long-term quality development of human resources,

honing internal talents, and in terms of presenting transparency, the Board of Commissioners has ensured that the Board of Directors maintains integrity in financial reports, internal control systems and risk management, reporting and information disclosure, compliance, corporate governance, as well as providing recommendations to the Board of Directors regarding policy steps deemed necessary to be taken while still paying attention to applicable legal provisions.

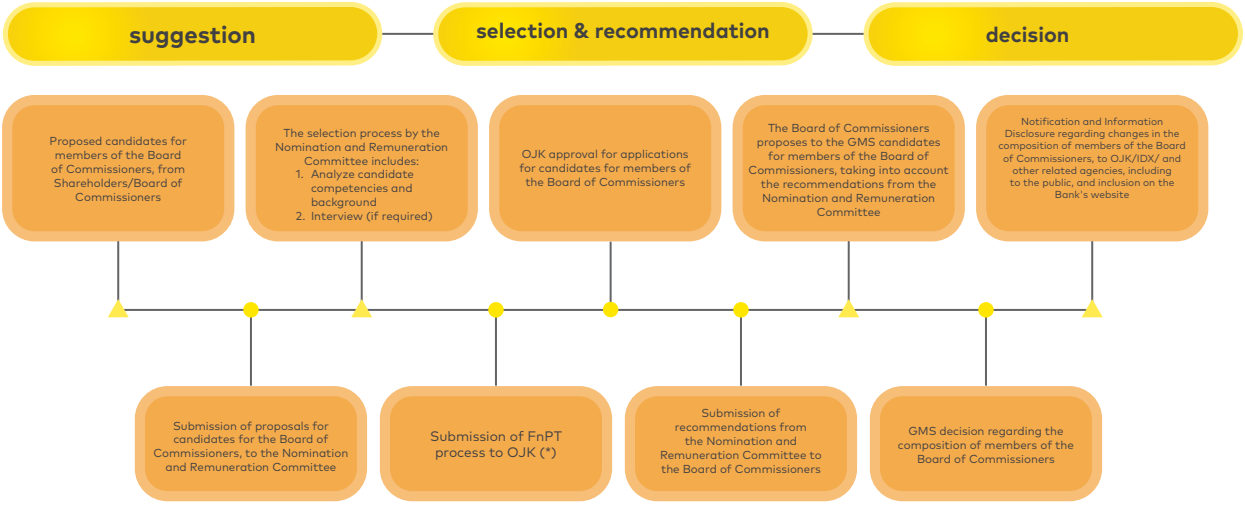
As per the decision made in 2023 during the General Meeting of Shareholders, the Board of Commissioners has been granted power and authority from the Shareholders. They have since implemented various actions, such as

1. Appointing Public Accountant and Public Accounting Firm Sidharta Widjaja and Rekan (an Indonesian partnership and member firm of KPMG network of independent members affiliated with KPMG International Cooperative) as External Auditor to audit BTPN Syariah's books and records for the financial year ending on 31 December 2023. The Board of Commissioners has also determined the amount of honorarium and other conditions for appointing the Public Accountant and Public Accounting Firm, taking into account recommendations from BTPN Syariah's Audit Committee

2. Additionally, they have decided on Remuneration for members of the Board of Directors and members of the Sharia Supervisory Board in 2023 through a Nomination and Remuneration Committee Meeting. The distribution between members of the Board of Directors and members of the Sharia Supervisory Board was also determined, with consideration given to recommendations from the Bank's Nomination and Remuneration Committee when determining the total amount and distribution of Remuneration.

Board of Commissioners Nomination Process [GRI 2-10]

The process flow for appointing and appointing members of the Board of Commissioners as regulated in the Guidelines and Working Rules of the Nomination and Remuneration Committee at BTPN Syariah is as follows:



(*) Submission of FnPT to OJK for members of the Board of Commissioners, can be carried out after the GMS;



performance assessment of the Board of Commissioners

The procedures for implementing the Board of Commissioners Assessment at BTPN Syariah are as stated in the Nomination and Remuneration Committee's Charter, taking into account the Articles of Association and the Bank's internal policies.

Performance assessment is carried out by self-assessment every year to assess the performance of the Board of Commissioners in a collegial manner. [GRI 102-28]

criteria for implementing the performance assessment of the Board of Commissioners

The assessment criteria for the individual performance of each member of the Board of Commissioners (individual performance assessment) at BTPN Syariah refers to various considerations, including:

1. Implementation of Good Corporate Governance (GCG) in every Bank business,
2. Supervision of the implementation of the duties and responsibilities of the Board of Directors;
3. Implementation of the Bank's overall strategy;
4. Oversight of the Bank's overall strategy;
5. Supervision of Risk Management activities in each area (risk management activities); and implementation of good corporate governance principles.

Sharia Supervisory Board

The Sharia Supervisory Board at BTPN Syariah is a crucial bank organ, appointed and ratified through the GMS. This process involves considering recommendations from both the National Sharia Council (DSN) of the Indonesian Ulema Council (MUI) and the Nomination and Remuneration Committee. Additionally, members are required to pass the Fit and Proper Test administered by the OJK.

Operating at a level equivalent to the Board of Commissioners, the Sharia Supervisory Board, known as DPS, holds responsibilities such as advising and providing suggestions to the Board of Directors.

Moreover, its role extends to supervising bank activities to ensure alignment with Sharia Principles. DPS functions as an independent body, recommended by DSN MUI, specifically entrusted with overseeing the implementation of DSN fatwas within Sharia Financial Institutions.

All members of the Sharia Supervisory Board at BTPN Syariah are carefully selected to fulfill specified criteria regarding number, composition, and independence, as outlined by applicable regulations.

composition of the Sharia Supervisory Board

The Sharia Supervisory Board (or DPS) at BTPN Syariah is composed of 2 members, namely 1 Chair and one Member. The Chairman of DPS is tasked with coordinating the implementation of DPS duties and ensuring that all DPS members have access to necessary information to fulfill their responsibilities effectively. Throughout their supervisory tasks, DPS ensures optimal execution of their duties and responsibilities.

Following the decision made during the BTPN Syariah Annual GMS held in 2023, all DPS members, whose terms had expired, has been reappointed with term of office. This decision is made with consideration for any potential changes that may arise before the end of their term of office.

The composition of DPS members at BTPN Syariah as of December 31, 2023 is as follows:

No	Name of the Sharia Supervisory Board	Position	Gender	BI/OJK Approval Date	Date of Appointment	Effective Date
1.	H. Ikhwan Abidin, MA	Chairman of the Sharia Supervisory Board	Male	June 13, 2017 (SR-25/PB.13/2017)	March 6, 2017	June 13, 2017
2.	H. Muhamad Faiz, MA	Member of the Sharia Supervisory Board	Male	May 2, 2017 (SR-23/PB.13/2017)	March 6, 2017	May 2, 2017

Concurrent Positions of Sharia Supervisory Board

As of December 31, 2023, the positions and other commitments (concurrent positions) of members of the Sharia Supervisory Board do not exceed the maximum limit permitted in accordance with the provisions.

Positions and other commitments of the Sharia Supervisory Board per December 31, 2023:

No	Name of the Sharia Supervisory Board	Term of Office at BTPN Syariah	Other positions and commitments
1	H. Ikhwan Abidin, MA	2023-2026	• DPS Chairman – PT Bank Syariah Bukopin • DPS Chairman - PT Bahana Arta Ventura • DPS Chairman – PT Radana Bhaskara Finance • DPS Member – PT Asanusa Asset Management • Postgraduate Lecturer - Institut Ilmu Al Quran
2	H. Muhamad Faiz, MA	2023-2026	• DPS Chairman – Sharia Business Unit PT Bank Permata Tbk • DPS Chairman – PT Indomobil Finance Indonesia (IMFI) Syariah • DPS Member – Sharia Business Unit PT Bank Tabungan Negara (Persero) Tbk • Deputy Caretaker - PP Darul Rohman • Vice Secretary - PP Darul Rohman • Vice Chairman - Lembaga Bahtsul Masail at PBNU • Plenary Member - DSN MUI • Sharia Chief - PBNU • Chairman - MUI DKI Jakarta

duties and responsibilities of the Sharia Supervisory Board

Referring to the Charter of the Sharia Supervisory Board at BTPN Syariah, the duties and responsibilities of the Sharia Supervisory Board include:

1. Carry out duties and responsibilities in accordance with the principles of good corporate governance;
2. Providing advice and suggestions to the Board of Directors and supervising the Bank's activities so that they comply with Sharia Principles;
3. Assess and ensure compliance with Sharia Principles for operational guidelines and products/services issued by the Bank;
4. Supervise the Bank's new product development process to comply with the fatwa of the National Sharia Council (DSN) – Indonesian Ulema Council (MUI);
5. Request a fatwa from DSN – MUI for new Bank products for which there is no fatwa;
6. Conduct regular reviews on the fulfillment of Sharia Principles on the mechanisms for collecting funds and channeling funds as well as Bank services;
7. Providing socialization of sharia principles to employees to increase employee understanding of sharia principles.
8. Request data and information related to sharia aspects through the Compliance Work Unit in the context of carrying out their duties;
9. DPS is obliged to submit a DPS Supervision Results Report on a semi-annual basis to OJK and DSN-MUI no later than 2 (two) months after the semester period in question ends;
10. In carrying out its duties and responsibilities, DPS also coordinates with the Board of Commissioners and Directors;
11. DPS is obliged to provide sufficient time to carry out its duties and responsibilities optimally.

realization of the implementation of duties and responsibilities of the Sharia Supervisory Board in 2023

Throughout 2023, all DPS members at BTPN Syariah have carried out supervisory duties in providing advice and suggestions to the Board of Directors as expressed through DPS Opinions and Approvals.

Sharia Supervisory Board Opinions and Approvals in 2023

No.	Number	DPS Opinions & Approvals 2023
1.	154/DPS/ODP/I/2023	Ujrah Tiering for Mitra Tepat Working Capital Financing
2	155/DPS/ODP/I/2023	OJK findings related to Sharia Principles of Financing
3	156/DPS/ODP/II/2023	Payment Services Using QRIS in Mobile Banking

Sharia Supervisory Board Opinions and Approvals in 2023

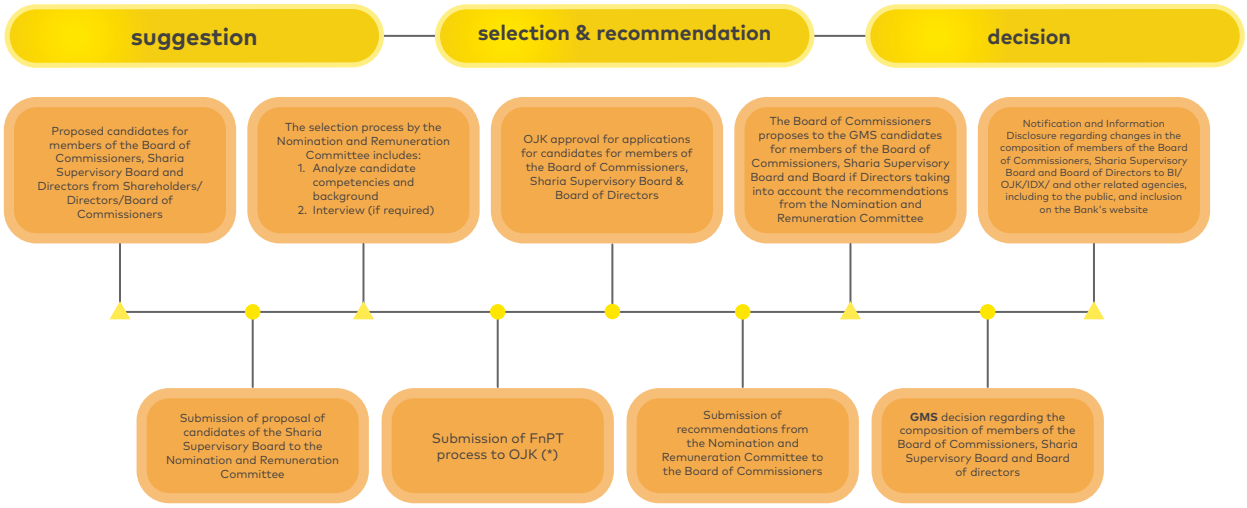
No.	Number	DPS Opinions & Approvals 2023
4	157/DPS/ODP/II/2023	Financing for non-Muslim customers for religious goods businesses.
5	158/DPS/ODP/II/2023	Basic Sharia Banking Training Materials for CO
6	159/DPS/ODP/III/2023	Updates to DPS Charter
7	160/DPS/ODP/III/2023	Update on Corporate Governance Policy Version 5.1
8	161/DPS/ODP/IV/2023	Deposit On Call (DOC) Products
9	162/DPS/ODP/VI/2023	*Changes to the Tepat Savings Plan Product Agreement*
10	163/DPS/ODP/VI/2023	Submission of Wow Syariah Closing GL Fund Balances to become Social Funds/ TBDSP.
11	164/DPS/ODP/VI/2023	Financing Policy Update
12	165/DPS/ODP/VI/2023	Banking Synergy between PT Bank BTPN Syariah Tbk and PT BANK BTPN Tbk
13	166/DPS/ODP/VI/2023	*Male Group Financing Product Development Plan*
14	167/DPS/ODP/VII/2023	Murabahah Price Determination
15	168/DPS/ODP/X/2023	BTPNS Banking Synergy with BTPNS Ventura
16	169/DPS/ODP/XI/2023	Data Exchange Agreement on the Implementation of Anti Fraud, APU PPT and PPSMPM between BTPN Syariah and BTPN
17	170/DPS/ODP/XI/2023	Update on MT Tepat Financing PP version 2.0
18	171/DPS/ODP/XII/2023	Repayment Program for Financing for Customers Who Pass Away & Compensation for Spouses of Deceased Customers
19	172/DPS/ODP/XII/2023	Insurance Program Update for TTR Mudharabah Agreement Customers
20	173/DPS/ODP/XII/2023	PP Tepat Deposit Update

independence of the Sharia Supervisory Board

The Sharia Supervisory Board has carried out its duties and responsibilities independently. All members of the Sharia Supervisory Board have no financial, management, share ownership, and/or family relationships with other members of the Sharia Supervisory Board, Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholders. The Sharia Supervisory Board at BTPN Syariah states that it remains independent.

Sharia Supervisory Board nomination process

The process flow for appointing and appointing members of the Sharia Supervisory Board as regulated in the Nomination and Remuneration Committee Charter at BTPN Syariah is as follows:



* Submission of FnPT to OJK for members of the Board of Commissioners, Sharia Supervisory Board and Directors can be carried out after the GMS; Proposal of FnPT for Sharia Supervisory Board after obtaining recommendation from National Sharia Council



Sharia Supervisory Board performance assessment

At BTPN Syariah, the evaluation of Sharia Supervisory Board performance adheres to predefined criteria, aligning with their duties, responsibilities, regulatory mandates, the Bank's Articles of Association, and internal policies.

The DPS performance assessment is conducted through an annual self-evaluation process, fostering a collegial approach to evaluating DPS performance.

The primary objective of this self-assessment is to furnish recommendations to the Board of Commissioners for the re-appointment of DPS members. It also serves as a basis for refining the DPS remuneration structure and enhancing the overall effectiveness of DPS performance.

Sharia Supervisory Board performance assessment criteria

The assessment criteria for the individual performance of each DPS member (individual performance assessment) at BTPN Syariah refers to various considerations, including:

1. Supervision of the implementation of the duties and responsibilities of the Board of Directors in accordance with Sharia Principles and;
2. Good Corporate Governance in every Bank business.

Board of Directors

The Board of Directors, a crucial governing body of the Bank, is appointed and confirmed during the General Meeting of Shareholders (GMS), considering recommendations put forth by the Nomination and Remuneration Committee. Directors are required to successfully undergo the Fit and Proper Test administered by the OJK. Their term of office at BTPN Syariah spans three years, with the possibility of reappointment.

Empowered and fully accountable, the Board of Directors is entrusted with the comprehensive management of the bank, safeguarding its interests both internally and externally, in alignment with the bank's objectives as delineated in its Articles of Association. Furthermore, they serve as the bank's legal representatives as stipulated in the Articles of Association.

Each member of the Board of Directors at BTPN Syariah adheres to the prescribed regulations regarding their number, composition, criteria, and independence, ensuring compliance with applicable standards.

composition of the Board of Directors [GRI 2-9]

The determination of the Board of Directors' composition is meticulously tailored to accommodate the bank's complexity and requirements. At BTPN Syariah, the composition is meticulously crafted to encompass a blend of banking and Sharia banking knowledge, professional expertise, and diverse backgrounds, all aimed at facilitating the effective discharge of the Board's duties, with no discrimination based on gender, ethnicity, race, or religion.

Following the resolutions of the BTPN Syariah Annual General Meeting of Shareholders (GMS) convened in 2023, 4 (four) Directors whose terms had expired were reappointed, serving until the conclusion of the 2026 Annual GMS, subject to any alterations that may transpire before the term's conclusion.

Moreover, during the same Annual GMS, a new Female Director was appointed, reinforcing the Board's diversity and expertise. This appointment extends until the conclusion of the 2026 Annual GMS, with provisions for any adjustments that may arise during the tenure.

In 2023, alterations were made to the Board of Directors' composition at BTPN Syariah following the resignation of a Director whose term had expired and the subsequent appointment of a new Director. These changes came into effect on April 12, 2023.



The composition of the Board of Directors before the 2023 Annual GMS is as follows:

Board of Directors Name	Position	Gender	BI/OJK Approval Date	Date of Appointment	Effective Date
Hadi Wibowo	President Director	Male	April 3, 2020 (KEP-4/D.03/2020)	April 16, 2020	April 16, 2020
Arief Ismail	Compliance Director and Corporate Secretary	Male	August 22, 2017 (KEP-69/D.03/2017)	March 6, 2017	August 22, 2017
M. Gatot Adhi Prasetyo	Director	Male	February 24, 2014 (KEP-16/D.03/2014)	May 20, 2014	May 22, 2014
Fachmy Achmad	Director	Male	May 20, 2020 (KEP-58/D.03/2020)	April 16, 2020	May 27, 2020
Dwiyono Bayu Winantio	Director	Male	February 26, 2021 (KEP-32/D.03/2021)	April 16, 2020 (reappointment date April 21, 2021)	April 21, 2021

The composition of the members of the Board of Directors after the Closing of 2023 Annual GMS and per December 31, 2023 are as follows:

Board of Directors Name	Position	Gender	BI/OJK Approval Date	Date of Appointment	Effective Date
Hadi Wibowo	President Director	Male	April 3, 2020 (KEP-4/D.03/2020)	April 16, 2020	April 16, 2020
Arief Ismail	Compliance Director and Corporate Secretary	Male	August 22, 2017 (KEP-69/D.03/2017)	March 6, 2017	August 22, 2017
Fachmy Achmad	Director	Male	May 20, 2020 (KEP-58/D.03/2020)	April 16, 2020	May 27, 2020
Dwiyono Bayu Winantio	Director	Male	February 26, 2021 (KEP-32/D.03/2021)	April 16, 2020 (reappointment date April 21, 2021)	April 21, 2021
Dewi Nuzulianti	Director	Female	March 10, 2023 (KEPR-2/D.03/2023)	April 12, 2023	April 12, 2023

The number of the Board of Directors at BTPN Syariah is 5 (five) people, of which 1 (one) is a Female Director. [GRI 405-1]

All members of the BTPN Syariah Board of Directors have fulfilled the number, composition, criteria and independence in accordance with applicable regulations.

positions and other commitments of members of the Board of Directors

Board of Directors Name	Term of Office at BTPN Syariah	Other positions and commitments
Hadi Wibowo	2023-2026	Chairperson of the Social Committee - ASBISINDO
Fachmy Achmad	2023-2026	• Member of the Indonesian Sharia Accounting Standards Board – Indonesian Accountants Association • President Commissioner of PT BTPN Syariah Ventura
Arief Ismail	2023-2026	• Member - Banking Compliance Director Communication Forum (FKDKP) • Member – Indonesia Corporate Secretary Association • Member – Association of Indonesian Issuers
Dwiyono Bayu Winantio	2023-2026	Is not a member of any Association
Dewi Nuzulianti	2023-2026	Is not a member of any Association

duties and responsibilities of the Board of Directors [GRI 2-13]

Based on the Directors' Work Guidelines and Regulations at BTPN Syariah, the duties and responsibilities of the Board of Directors include:

1. The Board of Directors is fully responsible for the implementation of the Bank's management.

2. The Board of Directors is obliged to manage the Bank in accordance with its authority and responsibilities as regulated in the Articles of Association and applicable laws and regulations.

3. The Board of Directors is obliged to implement the principles of Good Corporate Governance Policy in every Bank business activity at all levels of the organization.

4. The Board of Directors is obliged to follow up on all audit findings and recommendations from the Internal Audit Work Unit (SKAI), Sharia Supervisory Board (DPS), External Auditor, OJK/BI supervision results and/or supervision results from other authorities.

5. In order to implement the principles of Good Corporate Governance Policy, the Board of Directors is at least obliged to form.
   a. Internal Audit Work Unit.
   b. Risk Management Work Unit.
   c. Risk Management Committee.
   d. Compliance Work Unit.

6. The Board of Directors is obliged to hold an annual GMS and other GMS as regulated in statutory regulations and the Articles of Association.

7. The Board of Directors is obliged to be accountable for fulfilling its obligations to Shareholders through the GMS.

8. The Board of Directors is obliged to disclose to employees regarding the Bank's strategic internal policies in the field of personnel;

9. The Board of Directors are prohibited from using individual advisors and/or professional services as consultants unless they meet the following requirements:
   a. Special projects.
   b. Based on a clear contract, which at least includes the scope of work, responsibilities and work period as well as costs.
   c. Consultants are independent parties and have the qualifications to work on special projects as referred to above.
   d. Carried out by parties who do not hold structural positions at the Bank, and
   e. Carried out by parties who do not have the authority to make Bank operational decisions

10. In managing data and information related to the Bank, Directors are required to:
    a. Have and provide accurate, relevant and timely data and information, including to the Board of Commissioners and
    b. Carry out data and information management in accordance with good governance at the Bank and statutory provisions

11. In order to support the effective implementation of its duties and responsibilities, the Board of Directors may form committees.

    If a committee is formed, the Board of Directors is obliged to evaluate the performance of the committee at the end of each financial year.

12. In carrying out the Internal Audit function, the Board of Directors is responsible for:
    a. Develop an internal control framework to identify, measure, monitor and control all risks faced by the bank.
    b. Ensure that SKAI obtains information regarding ongoing developments, project initiatives, products and operational changes as well as risks that have been identified and anticipated.
    c. Ensure appropriate corrective action has been taken.

13. Members of the Board of Directors are not authorized to represent the Bank if:
    a. There is a case in court between the Bank and the member of the Board of Directors concerned and
    b. The member of the Board of Directors concerned has interests that conflict with the interests of the Bank.

14. In the event that there are circumstances as referred to in point (3.13), those entitled to represent the Bank are:
    a. Other members of the Board of Directors who do not have a conflict of interest with the Bank.
    b. The Board of Commissioners in the event that all members of the Board of Directors have a conflict of interest with the Bank or



c. Other parties appointed by the GMS in the event that all members of the Board of Directors or Board of Commissioners have a conflict of interest with the Bank.

functions of the President Director

Without prejudice to the rights of the Board of Directors as regulated in the Articles of Association and other applicable provisions, the President Director has the authority to:

1. Coordinate the activities of the Board of Directors and ensure that the division of tasks between the Directors runs effectively.
2. Arrange meeting schedules and determine agendas that are the responsibility and priorities of the Board of Directors.
3. Determine meeting invitations.
4. Ensure the adequacy and availability of information required for decision making.
5. Determine the Board of Directors' decision in the event of a deadlock

realization of the implementation of duties and responsibilities of the Board of Directors in 2023

1. **Fulfillment of Commitments for Implementing Sustainable Financial Actions**, among others
   a. There are representatives of the Board of Directors who carry out direct supervision over the implementation of sustainable financial actions at BTPN Syariah;
   b. The Board of Directors has prepared, approved and submitted a Sustainable Financial Action Plan for the 2020-2024 Period to the OJK;
   c. The Board of Directors has ensured that the implementation of sustainable initiatives is assessed from environmental, social, economic and governance aspects as stated in the 2022 financial year Sustainability Report which was submitted to stakeholders in 2023;
   d. The Board of Directors has communicated the implementation of the 2023 RAKB initiatives to Shareholders at the Annual General Meeting of Shareholders in 2023;

2. **Alignment of Mission and Vision**
   In line with the implementation of Good Corporate Governance Principles, the Board of Directors of BTPN Syariah has reviewed the suitability of the Mission and Vision with the Bank's business plans and initiatives every year.

   That the alignment of the Bank's Mission and Vision and Main Values is considered to remain relevant as stated in the Bank's Business Plan 2023-2025, 2024-2026 and RAKB 2020-2024 (2024 Indicators) and has received approval at the Board of Directors and Board of Commissioners meeting on November 22 2023.
   - **Mission :** Together, we create opportunities for growth and a more meaningful life.
   - **Vision :** To be the best Sharia Bank, for financial inclusion, making a difference in the lives of millions of Indonesians.
   - **Core Values** : PRISMA

3. **Support to the Government,** among others
   a. In fulfillment of POJK.17.POJK.03/2021 which is the Second Amendment to the Financial Services Authority Regulation Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of the 2019 Coronavirus Disease, and Financial Services Authority Regulation Number 48/POJK.03/2020 in 2020.

      Amendments to Financial Services Authority Regulation Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of the 2019 Coronavirus Disease, the Board of Directors supports the Government by continuing the policy of providing financing relaxation to affected customers through the Bank's participation in the Program National Economic Election in 2023;
   b. In compliance with the Minister of Finance Regulation (PMK) Number 71/PMK.08/2020 of 2020 concerning Procedures for Government Guarantees through Appointed Guarantee Business Entities in the Context of Implementing the National Economic Recovery Program T.E.U. Indonesia, Ministry of Finance and PMK Number 28/PMK.08/2022 Amendment to Regulation of the Minister of Finance Number 71/PMK.08/2020 concerning Procedures for Government Guarantees through Guarantee Business Entities Appointed in the Context of Implementing the National Economic Recovery Program, the Board of Directors has given approval BTPN Syariah's participation in providing financing for MSMEs during 2023;
   c. The Board of Directors has agreed to continue developing home renovation products in collaboration with the Ministry of Public Works and Public Housing (PUPR) in 2023;
   d. The Board of Directors has approved the Daya Digital Platform, a platform to increase customer engagement and



continue collaboration with universities and the Government in the Independent Campus Learning Program (MBKM). The bank opens opportunities for students to play a role in providing empowerment through one-on-one assistance to financing customers. The purpose of this assistance is intended to grow the ability of customers and their families to have a better life so as to create a sustainable relationship between customers and the Bank;

e. In line with the Government's direction regarding work health and safety protocols during the pandemic in early 2023, the Board of Directors has approved comprehensive supervision of all employees over work mechanisms that prioritize work safety at all levels of the organization in a coordinated manner through Business Continuity Management assisted by the Safety and Security Unit, until the endemic status is declared at the end of June 2023;
f. Collaboration with the Ministry of Education, Culture, Research and Technology (Kemendikbudristek)
   - In line with the fulfillment of POJK No.76/ POJK.07/2016 concerning Increasing Financial Literacy and Inclusion in the Financial Services Sector to expand and improve customer services, especially for financing customers to gain financial literacy. The Board of Directors has given approval for collaboration with the Ministry of Education and Culture in organizing the Certified Independent Study and Internship Program (MSIB), which is one of the programs of the Independent Learning Campus (MBKM) policy, in terms of funding internships for 100 Batch 3 students in semester 2 of 2022.
   - Based on the results of the evaluation regarding the implementation of the Batch 3 internship program in 2022 which went well, the MBKM Ministry of Education Buristek re-trusted BTPN Syariah to increase the number of student quotas in Batch 4 in semester 1 of 2023 to 539 people, which was then successfully fulfilled by 524 students.
   - In the next batch in semester 2 of 2023, namely Batch 5, BTPN Syariah succeeded in continuing collaboration with MBKM Kemendikbudristek to increase the quota number by 1,510 students which was then fulfilled by 1,125 students.
   - At the end of 2023, the MBKM Ministry of Education and Culture and BTPN Syariah collaborated again and agreed on the MSIB Batch 6 Program with an even larger quota, namely 2,024 students, which will run in the 2024 semester.
g. Development of collaboration with the Ministry of Education and Culture with the theme "Optimization and Innovation of Talent for the Company's Future Through the Independent Campus Internship Program" on 9-10 October 2023. This event is a strategic and innovative discussion platform between the company and the Directorate General of Higher Education - Ministry of Education, Culture, Research and Technology to formulate collaborations that suit the company's needs and desires as well as to explore more deeply the integration of the Independent Campus Internship Program into the company ecosystem in order to produce maximum impact and meet the need for quality talent and initiate innovation.
h. Exploring cooperation with the Coordinating Ministry for Economic Affairs of the Republic of Indonesia regarding the "Exploration of Collaborative Pre-Employment Card Empowerment Program" in January 2023, followed by a strategic discussion "Discussion of Collaborative Exploration of Community Economic Empowerment and Entrepreneurship Program" on April 13 2023.
i. Exploring collaboration between BTPN Syariah and KNEKS regarding the Free Halal Certification Companion Training Program (SEHATI) for Micro and Small Business Actors on 13 September 2023 which aims to implement halal certification companion training for students and mentors involved in the Bestee Program, especially in Batch-5, semester 2 of 2023l. This collaboration is carried out to improve service and engagement with BTPN Syariah financing customers, especially those in the food and beverage business type so that their products receive official halal certification.
j. Exploring collaboration between BTPN Syariah and the Ministry of Social Affairs on the topic "Exploring Collaborative MSME Empowerment Programs" in February 2023.

A complete explanation of BTPN Syariah's programs and policies can be found in the Financial Performance, Business Review and DAYA Program presentation in this 2023 Annual Report.



4. **Fulfillment of Commitments to Shareholders,** among others
   a. The Board of Directors has followed up on the 2019 Extraordinary GMS Decision by transferring the third treasury shares to Material Risk Takers with a distribution date of January 25 2023;
   b. The Board of Directors has submitted an accountability report to Shareholders at the Annual General Meeting of Shareholders on April 12, 2023;
   c. The Board of Directors has carried out the Annual Public Expose on October 26, 2023;
   d. The Board of Directors has followed up on the Decisions of the 2023 Annual General Meeting of Shareholders, including:
      - Carry out dividend distribution based on the performance of the financial year ending 31 December 2022 based on the approval of the 2023 Annual GMS with a payment date of 12 May 2023.
        The distribution of dividends aims to uphold the rights of shareholders and continuously increase the trust of shareholders and investors in the results of the development of a healthy sharia banking industry in BTPN Syariah.
      - Carry out the appointment of Public Accountants and Public Accounting Firm Siddharta Widjaja and Rekan (an Indonesian partnership and member firm of KPMG network of independent members affiliated with KPMG International Cooperative as External Auditors, taking into account the recommendations of the Audit Committee and approval of the Board of Commissioners.
      - The Bank has submitted the Report on the Appointment of Public Accountants and Public Accounting Firms for the Audit of Annual Historical Financial Information on 31 December 2023 to the Sharia Banking Supervisory Financial Services Authority with a copy to the Banking Licensing and Information Department;
      - Set Aside net profit as mandatory reserves
      - Report changes to the composition of members of the Board of Directors and Board of Commissioners in 2023 in accordance with provisions
   e. The Board of Directors has submitted Information Disclosure and Reports in a timely manner throughout 2023;
   f. The Board of Directors communicates the Consolidated Financial Report, Bank Business Plan and Corporate Plan to the Parent Entity within the Financial Group throughout 2023;

5. **Implementation of Good Corporate Governance Principles,** among others:
   a. The Board of Directors has ensured the implementation of good GCG principles at all organizational levels in the Bank.

      To strengthen the implementation of GCG principles, the Board of Directors has established policies based on the implementation of Financial Services Authority Regulation (POJK) Number 17 of 2023 concerning Public Company Governance, complementing the implementation of regulatory provisions related to good GCG implementation, including Bank Indonesia Regulation Number 11/33/PBI/2009 concerning Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units and POJK No 21/POJK.04/2015 concerning Implementation of Public Company Governance Guidelines.

      In line with the footsteps of implementing GCG principles at BTPN Syariah for more than a decade, the implementation of GCG principles is accompanied by quality improvements by adopting the latest ASEAN SCORECARDS which were published in 2023 and gradually continue to improve the quality from time to time. In particular, the factors that have improved in the last three years are the Bank's increasingly focused focus on shareholder rights, disclosure and transparency as well as the responsibilities of the Board of Directors and Board of Commissioners. In addition, the Bank continues to strive to maintain good values for equal treatment of shareholders and optimal role of stakeholders.
   b. The Board of Directors has implemented sustainable finance in line with POJK Number 51/POJK.03/2017 and POJK 17 of 2023 concerning the Implementation of Governance for Commercial Banks in

the context of implementing sustainable financial actions to make a real and positive contribution to the stability of the financial system in Indonesia. Through the policies of the Board of Directors, BTPN Syariah continues to support the Government in realizing sustainable development that is able to maintain economic stability and is inclusive and prioritizes harmony between economic, social and environmental aspects.

c. The Board of Directors has ensured that the Bank's duties and responsibilities and obligations to Regulators are fulfilled, through Information Disclosure regarding the presentation of the Annual Report, Sustainability Report, Interim Financial Report, Annual and Consolidated Financial Report through the regulatory and public reporting systems, as well as being available on the Bank's Website as required for a public company and sharia commercial bank;
d. The Board of Directors, supported by a Committee at the same level as the Board of Directors, has conducted a review of the company's material control, which includes the areas of operations, finance, compliance and the Bank's risk management system, internal control system, human resource development, business plan development, formulation of strategic initiatives in business competition, maturity and technological readiness. information, financing policies;
e. The Board of Directors has conducted studies and given approval, including:
   - Annual Report for the 2022 financial year;
   - Sustainability Report for the 2022 financial year;
   - Bank Business Plan (RBB) and RBB Revision for the 2024-2026 Period as well as commitment to monitoring the realization of the RBB in periodic reports to the OJK;
   - Sustainable Financial Action Plan (RAKB) 2020-2024 (2024 Indicators) as well as commitment to monitoring the realization of the Bank's Sustainable Financial Action Plan together with the Board of Commissioners every year;
   - Corporate Plan and Revised Corporate Plan 2022-2031;
   - Update on the 2023 Board of Directors Charter;
   - Changes to the Composition of Committees at the Board of Directors level in 2023;
   - Implementation of GCG Self-Assessment in 2023;
f. The Board of Directors has submitted an accountability report on the performance of the financial year ending 31 December 2022 to Shareholders through holding an Annual General Meeting of Shareholders on 12 April 2023 and an Annual Public Expose on 26 October 2023;
g. The Board of Directors has implemented POJK 16 of 2022 regarding Banking synergies in collaboration with BTPN as the Parent Entity as outlined in 10 cooperation agreements;
h. The Board of Directors has followed up on audit findings and recommendations from the Bank's internal audit work unit, external auditors, recommendations from the Financial Services Authority supervision;
i. The Board of Directors has ensured that the Bank's soundness level is maintained and the implementation of a Compliance culture which is reflected in the fulfillment of a well-maintained prudential ratio, there are no significant fines from regulators and the compliance risk profile parameters show positive values;
j. The Board of Directors prioritizes the implementation of a culture of compliance, including the implementation of anti-money laundering and preventing terrorist financing through (APU/CFT) and anti-fraud;

6. **Fulfillment of Commitments for Bank Business Development and to Customers,** among others
   a. The Board of Directors has optimized opportunities to make various breakthroughs by utilizing technology for good and building the aspirations of the Sharia Digital Ecosystem for Mass Market through its Subsidiary, PT BTPN Syariah Ventura. This aspirational development aims to adapt to the changing needs of customers, ensure that there is an increase in the welfare of pre/moderately prosperous customers, as well as having the opportunity to serve more customers in a sustainable manner;
   b. In providing the best service for financing customers, the Board of Directors prepares various development program policies, ensures the availability of infrastructure development programs, develops service features according to the needs of customers and the surrounding community, is equipped with programs for implementing financial literacy education programs, new footprints, and ongoing assistance and



empowerment. carried out by the Bank to present people who think positively in carrying out business continuity and social life.

Further explanation regarding the customer sharing program can be found in the Business Review in this 2023 Annual Report

c. In line with the key strategic initiative to expand and improve customer service and increase customer engagement, especially for financing customers to obtain halal certification, in 2023 the Board of Directors has given approval for collaboration between BTPN Syariah and KNEKS in providing training to accompany halal certification for a total of 29 students interns and 20 mentors who will accompany financing customers so they can obtain halal certification by self-declaration.
d. In providing the best service for funding customers, the Board of Directors has given approval to make improvements to internal policies and procedures, including improvements to the Internet Banking and Mobile Banking Service features which have been active since 2022;
e. In providing the best service for corporate customers, BTPN Syariah has provided funding distribution to multi-finance companies that have similar goals in line with BTPN Syariah's sustainability goals;

7. Fulfillment of Commitments to the Community, among others

a. The Board of Directors approves development programs for communities that have the potential to be further developed in terms of entrepreneurship, health and the environment as well as helping to provide access to new markets both online and offline through customer assistance programs through empowerment training on digital marketing literacy so that the products produced by customers can have high competitiveness with other local products in the hope that this can increase their income capacity;
b. The Board of Directors has approved the use of the Poverty Probability Index (PPI issued by Innovation for Poverty Action which is specific to the user country) to measure the social performance of the Bank's financing customers. Several things that are measured include improvements in the education of customers' children, improvements in toilets, reductions in household carbon emissions as indicated by the shift to the use of firewood for cooking;
c. Through the Board of Directors' policy to continue collaboration with universities and the Government in the Independent Campus Learning Program (MBKM), opportunities are opened for students to play a role in providing empowerment activities and one-on-one assistance to financing customers spread across regions. in Indonesia, which directly increases the skills and business abilities of customers and their families;
d. The presence of the Subsidiary, BTPN Syariah Ventura, which has been formed and is expected to accelerate the realization of a sharia digital ecosystem more precisely and efficiently through collaboration with strategic partners who have the right digital competence and a shared vision.

8. Supervision of Subsidiaries, among others

a. The Board of Directors supervises Subsidiaries regarding the implementation of GCG principles, Sharia Principles and compliance, implementation of Risk Management, monitoring of Financial and Non-Financial Performance, quality sharia services and timely reporting;
b. Representing BTPN Syariah as controlling shareholder in BTPN Syariah Ventura,
   - The Board of Directors has given approval to the Decisions taken at the Annual General Meeting of Shareholders and Extraordinary Shareholder Meeting of BTPN Syariah Ventura in 2023;
   - The Board of Directors has given approval to strengthen the composition of the Board of Directors and Board of Commissioners at BTPN Syariah Ventura through changes to the composition of the Board of Directors and Board of Commissioners at the Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders in 2023;
   - The Board of Directors supervises the fulfillment of the duties and responsibilities of Bank Executive Officers who receive management and supervision duties at BTPN Syariah Ventura;
   - The Board of Directors has ensured the conformity of the Bank's Business Plan and Sustainable Financial Action Plan with the Business Plan and Sustainable Financial Action Plan of BTPN Syariah Ventura;

9. **Fulfillment of Commitments to Stakeholders,** among others
   a. The Board of Directors has carried out the 2023 Annual Public Expose on the company's financial performance as an effort to improve the quality of communication with shareholders and investors;
   b. The Board of Directors has implemented information disclosure and submitted regular mandatory and incidental reports to Regulators and the Public through Regulatory reporting media and the Company Website in 2023;

10. **Fulfillment of Commitments on Strengthening Bank Infrastructure,** among others
   a. The Board of Directors has conducted a review of the Bank's infrastructure in the form of updating and refining the Bank's main policies, operational policies and internal procedures by taking into account the review of risk management, compliance, law and information security and applicable regulations;
   b. The Board of Directors approved the implementation of Office Network optimization during 2023;
   c. The Board of Directors has approved improvements to the empowerment platform that provides customers with access to knowledge and access to a larger market to improve the quality of customer empowerment. This digital platform also provides opportunities for employees and other stakeholders to participate in providing real support in various forms to productive pre-financial inclusion customers;
   d. The Board of Directors agreed to continue implementing Operational Excellence by digitizing and automating operational processes and other supporting functions, centralizing processes, exploring and evaluating the Bank's operational work processes so as to create more effective and efficient processes with better quality. The automation process includes, among others, RPA for reconciliation needs, the use of chatbots for the needs of response service centers or other work units, apart from that, the automation process with H2H will also be carried out for registration and insurance claims processes;
   e. The Board of Directors approved strengthening the Bank's information technology through a policy of developing and modernizing data warehouse infrastructure and data analytic platforms to support accurate decision making and reporting, increasing DC and DRC capabilities and information system security capacity.
   f. The Board of Directors approved the completion of the treasury system development which aims to improve the control process and support liquidity management;

11. **Fulfillment of Commitments on the Implementation of Banking Synergies,** among others
   a. The Board of Directors has approved the formation of a Work Unit to supervise Banking Synergy Monitoring at BTPN Syariah and the Implementation of Governance within the financial group in coordination with BTPN and BTPN Syariah Ventura;
   b. The Board of Directors carries out monitoring of the implementation of Banking Synergy through the continuation of the Cooperation Agreement with BTPN and BTPN Syariah Ventura during 2023
   c. Representatives of the Board of Directors are present at regular banking synergy monitoring coordination meetings and governance coordination meetings with the Parent Entity in 2023
   d. The Board of Directors has communicated the implementation of banking synergy on a semi-annual basis to the Board of Commissioners in 2023;
   e. The Board of Directors has reported the implementation of Banking Synergy during 2023 to the Regulator;

12. **Fulfillment of Commitments to Employees,** among others
   a. The Board of Directors continues the policy of strengthening human resources and the organization at all levels during 2023;
   b. The Board of Directors has approved policies for developing the quality of long-term human resources, honing internal talents and preparing career paths, providing scholarships and long-term benefits, insurance and health facilities in 2023;
   c. The Board of Directors has approved the improvement of human resource competency and follow-up efforts for its development, including those related to competency in the field of risk management for employees according to their field of duties as regulated in the provisions for implementing risk management for sharia

commercial banks;

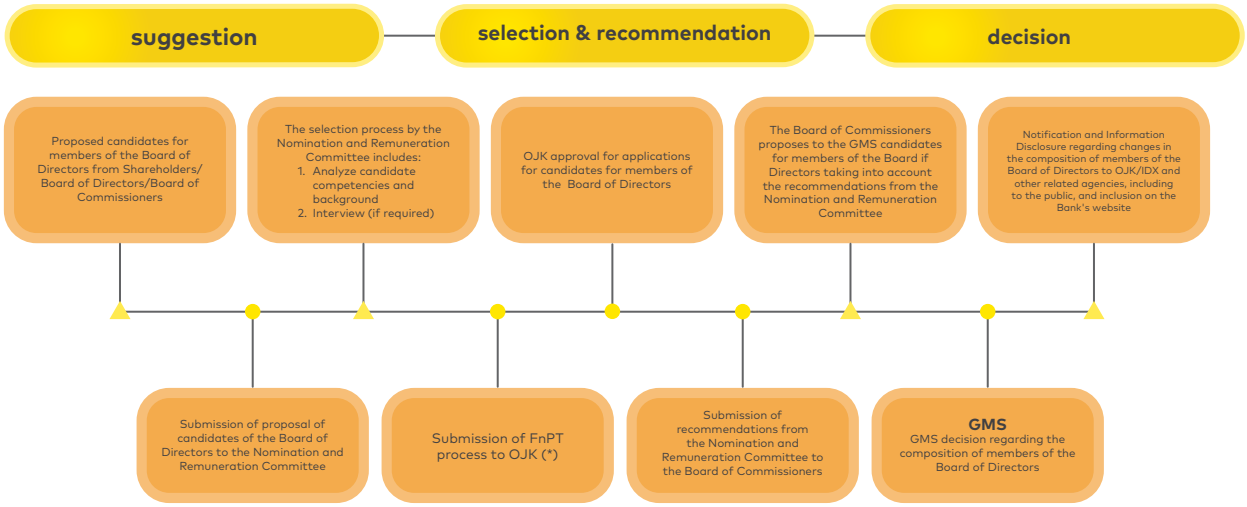
d. The Board of Directors has approved performance bonuses and employee salary adjustments as well as the provision of a long term compensation program for Senior Employees in 2023;
e. The Board of Directors establishes a policy of no employee reductions during 2023;
f. The Board of Directors has established a working mechanism for a hybrid work system without compromising the timely fulfillment of key performance initiatives in 2023.
g. The Board of Directors has established policies to improve the recruitment process to fulfill employees better and faster, develop capabilities through talent management and learning systems and strengthen talents in non-TUR businesses in 2023;

Independence of the Board of Directors

The Board of Directors at BTPN Syariah stated that they remained independent. The President Director is from a party who is independent of the Controlling Shareholders (PSP). All members of the Board of Directors at BTPN Syariah have no financial, management, share ownership and/or family relationships with controlling shareholders, members of the Board of Commissioners and/or members of the Board of Directors and financial relationships and/or share ownership relationships with Sharia Commercial Banks.

Board of Directors nomination process [GRI 102-28]

The process flow for appointing members of the Board of Directors is as follows:



(*) Submission of FnPT to OJK for members of the Directors can be carried out after the GMS;

Board of Directors Performance Assessment

Procedures for Implementing the Board of Directors Performance Assessments

The procedures for implementing the Board of Directors Assessment at BTPN Syariah are as stated in the Nomination and Remuneration Committee's Work Guidelines and Regulations, taking into account the Articles of Association and the Bank's internal policies. Performance assessment is carried out by self-assessment every year to assess the performance of the Board of Directors in a collegial manner.

The purpose of the Self-Assessment on the performance of members of the Board of Directors is to serve as a basis for consideration for the Nomination and Remuneration Committee in providing recommendations to the Board of Commissioners to re-appoint members of the Board of Directors and as a consideration for preparing the remuneration structure for the Board of Directors and increasing the effectiveness of the Board of Directors' performance;

criteria for implementing the Board of Directors' performance assessment

The assessment criteria for the individual performance of each member of the Board of Directors (individual performance assessment) at BTPN Syariah refers to various considerations and includes at least:

1. Implementation of the Bank's overall strategy.
2. Monitoring the Bank's overall strategy.
3. Monitoring risk management in each area (risk management activities) and implementing the principles of good corporate governance.

criteria for performance assessment of the Board of Directors in the social and environmental sectors related to sustainability governance [GRI 2-18]

Aligned with the POJK regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, and with the objective of fostering sustainable development conducive to economic stability and inclusivity within the national economic system, the criteria for assessing the Directors' Performance encompass the attainment of balance among economic, social, and environmental dimensions.

In support of Sustainability Governance, the Board of Directors at BTPN Syariah has devised policies aimed at enhancing competency across all levels pertinent to Sustainable Financial Actions. Furthermore, adjustments have been made to the bank's Internal Policies, including the formulation of environmental management and sustainability policies, with the Board holding responsibility for ensuring the implementation of the Sustainable Finance Action Plan.

Adhering to Sharia principles, the Board of Directors has taken measures to refrain from financing customers engaged in environmentally harmful businesses or activities incompatible with Sharia principles, as outlined in the BTPN Syariah Policy.

BTPN Syariah's commitment to maintaining bank performance in tandem with economic, social, and environmental considerations is explicitly outlined in the 2022 Sustainability Report, meticulously prepared and reviewed by the Board of Directors and subsequently approved by the Board of Commissioners.

Board of Directors performance evaluation

1. The Board of Directors is obliged to review the management performance carried out by the Board of Directors during the financial year and report it once a year.
2. As part of the performance evaluation, the Board of Directors must ensure that the composition and qualifications of the Board of Directors are met.
3. The Board of Directors Performance Evaluation Report is reported to Shareholders at the GMS and included in the Annual Report.
4. Evaluation of the performance of members of the Board of Directors is carried out by the Nomination and Remuneration Committee based on input from the President Director.
5. The results of the performance evaluation of members of the Board of Directors become guidelines in determining the nomination and remuneration of the relevant members of the Board of Directors.



bank organs capacity development in 2023 [GRI 2-17]
the board of directors and the board of commissioners

No	Description	Member	Date	Location
1	FGD Finance Direktorat	Board of Directors	January 10, 2023	Jakarta
2	Workshop BCM Collaboration "Readiness BCM Team 2023"	Board of Directors	February 2-4, 2023	Jakarta
3	Training ISO27001 Awareness	Board of Directors	February 8, 2023	Jakarta
4	Workshop of Indonesia Corporate Secretary Association (ICSA)	Board of Directors	March 14, 2023	Jakarta
5	Leadership for System Change: Delivering Social Impact at Scale (Harvard Kennedy School)	Board of Directors	March 18-25, 2023	Jakarta
6	Fintech Policy Forum 2023	Board of Directors	May 16, 2023	Jakarta
7	*Refreshment Mandatory* - PIndependent learning (APU PPT, Compliance, Anti Fraud Management, Handling Consumer Complaints, Consumer Protection, Basic Sharia Banking Training, Information Security Awareness, Entertainment & Gifts, Risk Awareness, and Code of Conduct)	Board of Directors	May 25, 2023	Jakarta
8	Economic Outlook Update	Board of Directors	June 6, 2023	Jakarta
9	Introduction Leaders Program	Board of Directors	June 14, 2023	Jakarta
10	Townhall within SMBC Financial Group	Board of Directors	August 8, 2023	Jakarta
11	Get to Know More About the Regulations on the P2SK Law in the Context of Strengthening the Non-Bank Financial Industry (IKNB)	Board of Directors	August 10, 2023	Jakarta
12	The Corporate Governance Officer's Role in Driving Digital Resilience	Board of Directors	October 12, 2023	Jakarta
13	Refreshment Executive, Certification for Treasury Dealer Competency	Board of Directors	November 27, 2023	Jakarta
14	Townhall within SMBC Financial Group	Board of Directors	December 8, 2023	Jakarta
15	Fintech Policy Forum 2023	Board of Commissioners	May 16, 2023	Jakarta
16	Economic Outlook Update	Board of Commissioners	June 6, 2023	Jakarta
17	Townhall within SMBC Financial Group	Board of Commissioners	August 8, 2023	Jakarta
18	Risk Management Refreshment Program for Executives	Board of Commissioners	September 12, 2023	Jakarta
19	Risk Beyond 2023	Board of Commissioners	December 7-8, 2023	Denpasar-Bali
20	Townhall within SMBC Financial Group	Board of Commissioners	December 8, 2023	Jakarta

independent party

No	Description	Member	Date	Location
1	Level 4 Certificate Refreshment in Banking Risk Management	Independent Party	October 30, 2023	Jakarta
2	Risk Beyond 2023	Independent Party	December 7-8, 2023	Denpasar, Bali

sharia supervisory board

No	Description	Member	Date	Location
1	*Pra-Ijtima'Sanawi* Workshop (Annual Meeting) of Sharia Supervisory Board in Sharia Banks	Sharia Supervisory Board	September 4, 2023	Jakarta
2	Ijtima' Sanawi (Annual Meeting) of Sharia Supervisory Board	Sharia Supervisory Board	October 13-14, 2023	Jakarta

supporting organs

committees at the level of the board of commissioners

To facilitate the effective execution of duties and responsibilities while adhering to the principles of good corporate governance, the Board of Commissioners has established several committees at its level, including:

1. Audit Committee
2. Risk Oversight Committee
3. Nomination and Remuneration Committee

audit committee

The establishment of the Audit Committee at BTPN Syariah is guided by a comprehensive framework of regulations, including Bank Indonesia Regulation (PBI) Number 11/33/2009 dated December 7, 2009 regarding the Implementation of Good Corporate Governance in Sharia Commercial Banks and Sharia Business Units, Bank Indonesia Circular Letter Number 12/13/DPbS dated April 30, 2010 regarding the Implementation of GCG in Sharia Commercial Banks and Sharia Business Units, POJK Number 55/POJK.04/2015 dated December 29, 2015 concerning the Formation and Working Guidelines of the Audit Committee, POJK Number 16/POJK.03/2022 dated August 30, 2022 regarding Sharia Commercial Banks, POJK Number 17 Year 2023 dated September 14, 2023 regarding the Implementation of Good Corporate Governance in Commercial Banks, and other prevailing regulations.[GRI 2-27]

The composition of the Audit Committee is thoughtfully crafted, considering the bank's specific needs and intricacies, as well as the diverse expertise, knowledge, professional experience, and educational backgrounds necessary to support the Board of Commissioners' duties. The determination of the committee's size is tailored to the company's circumstances, ensuring an appropriate balance.

In 2023, there was a single change in the composition of the Audit Committee members at BTPN Syariah, stemming from adjustments in the Board of Commissioners' composition. The alterations were approved by the Board of Commissioners on July 18, 2023, and promptly disclosed to regulators and made public on the Bank's website on July 21, 2023, in accordance with transparency and disclosure requirements.

duties and responsibilities of the audit committee

Tugas dan Tanggung jawab Komite Audit Duties and Responsibilities of the Audit Committee based on the latest Audit Committee Work Guidelines and Regulations Number 02/PedomanKerja/CSGC/XI/2023 dated 3 November 2023, include monitoring and evaluating the planning and implementation of internal and external audits as well as monitoring the follow-up to the results audit in order to assess the adequacy of internal control including the adequacy of the financial reporting process and provide an independent professional opinion to the Board of Commissioners regarding the implementation of the audit process and the company's internal control and other matters submitted by the Board of Directors to the Board of Commissioners, as well as identifying matters that require the attention of the Board Commissioner.

More detailed provisions regarding the duties and responsibilities of the BTPN Syariah Audit Committee are contained in Audit Committee Charter published on the Bank's Website.

risk oversight committee

The establishment of the Risk Oversight Committee at BTPN Syariah is guided by a comprehensive regulatory framework, including PBI Number 11/33/2009 dated December 7, 2009 regarding the Implementation of Good Corporate Governance in Sharia Commercial Banks and Sharia Business Units, Bank Indonesia Circular Letter Number 12/13/DPbS dated April 30, 2010 regarding the Implementation of GCG in Sharia Commercial Banks and Sharia Business Units, SEOJK Number 10/SEOJK.03/2014 dated June 11, 2014 regarding the Assessment of the Soundness Level of Sharia Commercial Banks and Sharia Business Units, POJK Number 16/POJK.03/2022 dated August 30, 2022 regarding Sharia Commercial Banks, POJK Number 17 Year 2023 dated September 14, 2023 regarding the Implementation of Good Corporate Governance in Commercial Banks, and other prevailing regulations. [GRI 2-27]

The composition of the Risk Oversight Committee is thoughtfully curated to meet the specific needs and complexity of the bank, encompassing a diverse array of expertise, knowledge, professional experience, and educational backgrounds essential for supporting the Board of Commissioners' duties. The determination of the committee's size is tailored to suit the company's unique circumstances, ensuring an optimal balance.

In 2023, there was a single change in the composition of the Risk Oversight Committee members at BTPN Syariah, prompted by adjustments in the composition of the Board of Commissioners. These changes were duly approved by the Board of Commissioners on July 18, 2023, and promptly disseminated via the Bank's website on July 21, 2023, in accordance with transparency



and disclosure requirements.

duties and responsibilities of the risk oversight committee

Duties and Responsibilities of the Risk Oversight Committee based on the latest Risk Oversight Committee Guidelines and Work Rules Number 04/PedomanKerja/RM/XII/2023 dated December 8, 2023, include providing independent professional opinions to the Board of Commissioners regarding the management of risks in the Bank and other matters submitted by the Board of Directors to the Board of Commissioners as well as identifying matters that require the attention of the Board of Commissioners and require the Committee's assistance.

More detailed provisions regarding the duties and responsibilities of the BTPN Syariah Risk Oversight Committee are contained in the Risk Oversight Committee Charter published on the Bank's Website.

nomination and remuneration committee

The establishment of the Nomination and Remuneration Committee at BTPN Syariah adheres to a comprehensive regulatory framework, including PBI Number 11/33/2009 dated December 7, 2009 regarding the Implementation of Good Corporate Governance in Sharia Commercial Banks and Sharia Business Units, Bank Indonesia Circular Letter Number 12/113/DPbS dated April 30, 2010 regarding the Implementation of Good Corporate Governance in Sharia Commercial Banks and Sharia Business Units, POJK Number 34/POJK.04/2014 dated December 8, 2014 regarding the Nomination and Remuneration Committee of Listed or Public Companies, POJK Number 16/POJK.03/2022 dated August 30, 2022 regarding Sharia Commercial Banks, POJK Number 17 Year 2023 dated September 14, 2023 regarding the Implementation of Good Corporate Governance in Commercial Banks, and other prevailing regulations.

The composition of the Nomination and Remuneration Committee is meticulously crafted to meet the specific needs and intricacies of the bank, encompassing a diverse range of expertise, knowledge, professional experience, and educational backgrounds crucial for supporting the Board of Commissioners' duties. The determination of the committee's size is based on thoughtful consideration and aligned with the company's unique circumstances.

In 2023, there was a single change in the composition of the Nomination and Remuneration Committee members at BTPN Syariah, prompted by adjustments in the Board of Commissioners' composition. These changes were duly approved by the Board of Commissioners on July 18, 2023, and promptly communicated through the Bank's website on July 21, 2023, in accordance with transparency and disclosure requirements.

duties and responsibilities of the nomination and remuneration committee

Duties and Responsibilities of the Nomination and Remuneration Committee based on the latest Nomination and Remuneration Committee Work Guidelines and Regulations Number 03/PedomanKerja/CSGC/XII/2023 dated December 28, 2023, including providing independent professional opinions to the Board of Commissioners regarding the nomination and remuneration policies taken by the Bank and other matters submitted by the Board of Directors to the Board of Commissioners as well as identifying matters that require the attention of the Board of Commissioners.

More detailed provisions regarding the duties and responsibilities of the BTPN Syariah Nomination and Remuneration Committee are contained in the Nomination and Remuneration Committee Charter published on the Bank's Website.

sustainable financial risk management

[OJK E.3, GRI F52]

Risk management implementation at BTPN Syariah is primarily guided by POJK Number 65/POJK.03/2016 dated 28 December 2016, which outlines four key pillars:

1. Active oversight by the Board of Commissioners, Directors, and Sharia Supervisory Board.
2. Establishment of robust risk management policies, procedures, and risk limits.
3. Implementation of effective processes for risk identification, measurement, monitoring, and control, along with comprehensive risk management information systems.
4. Implementation of a comprehensive internal control system to ensure adequacy.

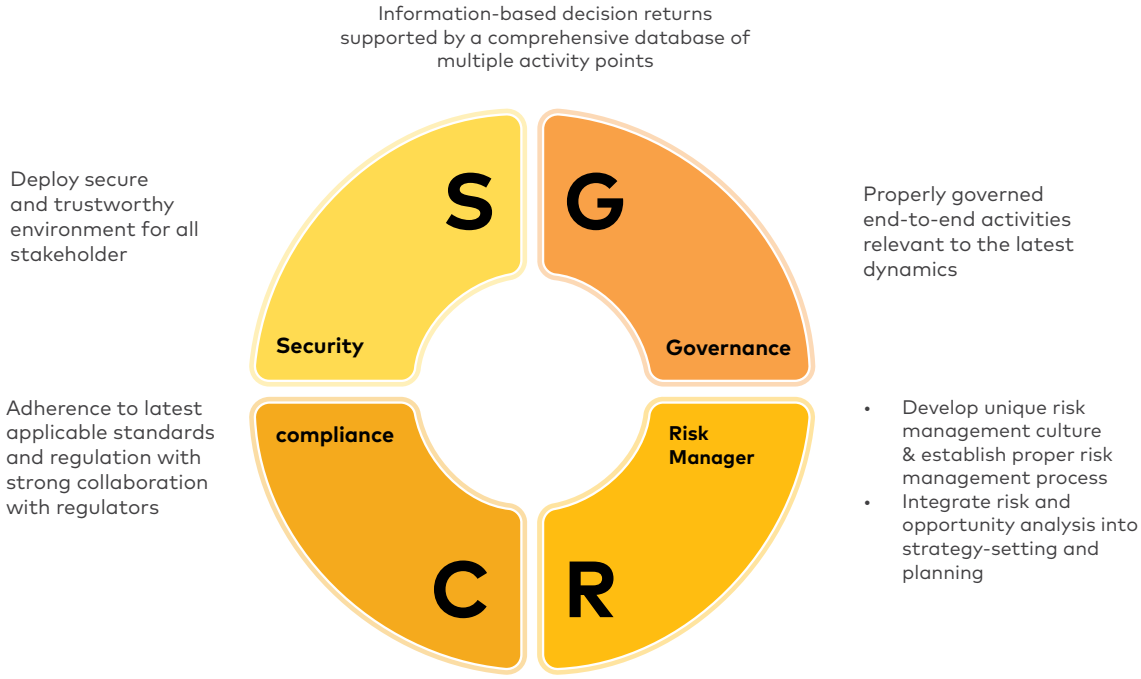
Additionally, BTPN Syariah's risk management practices are informed by documents from the Basel Committee on Banking Supervision.

Of particular note, BTPN Syariah enhances its resilience through compliance with POJK Number 51/POJK.03/2017, focusing on sustainable finance implementation for financial services institutions,

issuers, and public companies. A crucial aspect of this strategy involves assessing and understanding the environmental, social, and governance risk exposure within the bank's portfolio, contributing to the development of a sustainable financial strategy and an effective control framework.

risk management structure

The implementation structure of BTPN Syariah risk management is as follows::



Through the risk management system, BTPN Syariah identifies, measures, monitors and controls 10 types of risk, namely: credit risk, market risk, liquidity risk, operational risk, strategic risk, reputation risk, legal risk, compliance risk, investment risk, and return risk.

The implementation of social and environmental risk management principles also becomes a concern of the Bank. One of them is that the products and activities issued must pay attention to social and environmental issues as stated in the Bank's Products and Activities Policy. In addition, in financing distribution, the Bank requires the environmental risk considerations. In order to monitor the impact of deteriorating macroeconomic conditions on portfolio sound, profitability, liquidity, and capital resilience, BTPN Syariah conducted an integrated stress test.

As part of the best risk management, BTPN Syariah has established the regulations related to Process, Risk & Control, and Risk Grading Matrix which aim to identify and measure the potential operational risk in every work unit's activities. BTPN Syariah is committed to ensuring the continuity of operational and business activities. BTPN Syariah has established a Business Continuity Management and Contingency Funding Plan in the event of an emergency at the Bank

environmental and social risks in launching new products and providing financing [GRI 2-24]

BTPN Syariah is committed to implementing the approach or principle of prevention, by prioritizing preventive actions for every potential occurrence of each identified risk. Therefore, BTPN Syariah conducts the governance and analyzes the risk & loss events that have occurred, using the Operational Risk Management System (ORMS) as a learning tool so that similar conditions do not recur. [GRI 2-25]



The risk management is carried out thoroughly, covering all aspects of risk management as required by OJK and Bank Indonesia in the banking sector including but not limited to aspects of operational risk. In terms of risk management and prevention in this operational area, BTPN Syariah always performs the risk mitigation in every new product design and launch. [OJK F.27]

bank policy in supporting the environment, social and governance in making bank products

The Bank's Product and Activity Policy states that in making Bank Products that will be offered to customers, pay attention to at least the following:

1. Conformity of Bank Products between the needs and capabilities of customers.
2. Social and environmental issues, by paying attention to efforts to preserve the environment, such as managing environmental risks for businesses carried out by customers, including the disposal of waste or the obligation to reduce other related pollution.

bank policy in supporting the environment, social and governance in financing distribution

In terms of financing, BTPN Syariah is steadfast in ensuring that the funding provided does not contribute to activities with adverse environmental impacts. This commitment is enshrined in the Bank's financing policies and guidelines, which explicitly prohibit financing activities that harm the environment.

Moreover, the company guidelines for Tepat Sharia Financing emphasize the Bank's dedication to prioritizing and harmonizing economic, social, and environmental interests in every financing distribution. These policies and procedures serve as the bedrock for implementing Sustainable Finance practices within the Bank.

In alignment with Sharia principles, BTPN Syariah has established an Exclusion List to guide financing decisions. This list prohibits financing for businesses that:

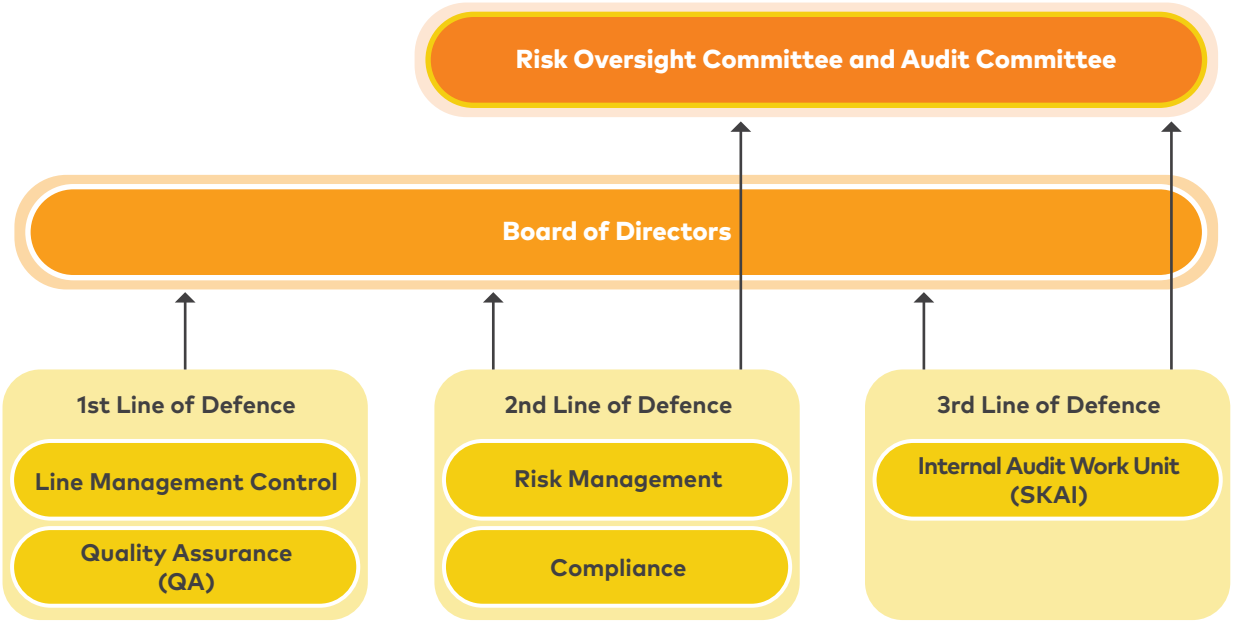
1. Contravene Sharia principles as outlined in the attached SOP for Group Sharia Financing.
2. Conflict with applicable laws and regulations.
3. Involve prospective customers listed as suspected terrorists, terrorist organizations, and/or those financing the proliferation of weapons of mass destruction.

Furthermore, to mitigate risks effectively, the Bank's business focus centers on serving productive inclusion customers through collateral-free financing. BTPN Syariah prioritizes the principle of preventing problematic financing risks through an alternative approach, notably the "know your customer" method. This approach involves thorough customer understanding, including regular Assistance meetings facilitated by Community Officers (CO) in the field. [OJK F.28]

By adopting this approach, BTPN Syariah can genuinely understand its customers, ensuring the quality of financing while fostering positive changes in their lives. This includes improved financial management, increased business profitability, heightened health consciousness, and active participation in environmental protection efforts.

internal control system

BTPN Syariah implements an internal control framework with a layered defense approach (Three Lines of Defense).



1. **First Line of Defense**
   Internal control function (Quality Assurance) supports Risk Taking Units to uphold discipline in risk control practices.

   BTPN Syariah has established a systematic and quantifiable first line of defense through the CARE (Champion of Assurance for Risk Enterprise) Program. This initiative aims to construct a robust risk management framework and internal control system. The CARE team is entrusted with identifying, comprehending, and monitoring Inherent Risk Indicators, Risk Control Self-Assessment (RCSA), Loss Event Data (LED), Risk Appetite, and Risk Tolerance across all bank units. Additionally, CARE ensures the adequacy, suitability, and enforcement of policies and procedures, along with monitoring limits and authority within work units. They are also responsible for overseeing the availability of Contingency Plans for emergency situations. Moreover, CARE actively engages in discussions and knowledge-sharing sessions with the Risk Management Unit (RMU) and the Internal Risk Forum to address risk exposures, control mechanisms, action plans, and collaborates on enhancing risk indicators, auditor findings, and Quality Assurance outcomes.

2. **Second Line of Defense**
   The Risk Management Work Unit (SKMR), in conjunction with the Compliance Work Unit (SKK), refines and upholds risk management methodologies, ensures the sufficiency of risk mitigation strategies, policies, and procedures, establishes risk limits, and facilitates overall risk management coordination. SKK ensures alignment of all BTPN Syariah activities with external and internal regulations, including adherence to Sharia principles.

3. **Third Line of Defense**
   The Internal Audit function operates independently to ensure proper management of inherent risks, thereby ensuring residual risks align with the Bank's agreed risk tolerance and appetite. The results of this oversight are reported to the Board of Directors and Board of Commissioners, and subsequent actions on audit findings are monitored to enhance performance and uphold BTPN Syariah's health rating.



fraud prevention [GRI 205-2]

BTPN Syariah maintains an unwavering commitment to prevent all forms of irregularities, violations, and fraud, whether originating from internal or external sources, to mitigate potential financial losses or reputation risks.

The Bank has established and continuously enhances an effective fraud control system. This system guides BTPN Syariah in the implementation of measures for prevention, detection, investigation, reporting, and sanctions related to fraud incidents. Additionally, it includes mechanisms for monitoring, evaluating, and following up on such incidents.

In fostering a culture of awareness regarding fraud prevention, BTPN Syariah conducts ongoing Anti-Fraud and Whistleblowing Channel awareness initiatives. These efforts include comprehensive training sessions delivered through various mediums such as in-class and online training, email and video communications, and the display of informative posters within the Bank's premises. Employees are required to understand and endorse the Company's Code of Conducts, Integrity Pact, and Anti-Fraud Declaration. Furthermore, moral guidance through tausyiah by the Sharia Supervisory Board and Ulama figures is provided to all employees. The Bank also extends awareness efforts to customers and third parties (vendors) through educational materials during Know Your Customer processes and approval of cooperation agreements. By the end of 2023, all BTPN Syariah employees have participated in anti-fraud training.

BTPN Syariah implements various measures to oversee and manage human resources, including the recognition and monitoring of employee character and behavior through the "Know Your Employee" approach. This includes rotation systems, transfers, mandatory leaves, and regular coaching and counseling sessions. The Bank conducts periodic and surprise audits, providing channels for reporting suspected irregularities or fraud violations.

Furthermore, BTPN Syariah enforces a stringent policy to deter fraud perpetrators, maintaining a zero-tolerance stance towards such actions. Any confirmed instances of fraud, regardless of scale, are met with severe and decisive sanctions, ranging from administrative penalties to termination of employment and reporting to authorities for further legal action.

whistleblowing system management [GRI 2-26]

As part of its robust fraud prevention policy and commitment to taking decisive action against fraud, BTPN Syariah has established a Whistleblowing System to facilitate the reporting of suspected fraudulent activities by employees. This system provides a secure and confidential channel for employees who wish to submit reports or information about suspected fraud, ensuring their anonymity and offering guaranteed protection for whistleblowers.

BTPN Syariah offers multiple reporting avenues, including email, QR Code (allowing reporters to make reports via a QR Code link), written letters, and telephone, to ensure easy access for all employees or reporters. Reports with valid initial evidence of violations are promptly subjected to thorough investigations.

There has been a noticeable decline in the number of reported fraud cases* over the years. In 2021, there were 16 cases, followed by 12 cases in 2022, and further reduced to 8 cases in 2023, all of which were diligently addressed. These cases specifically pertain to violations committed by company employees and were internally resolved, with several employees found guilty of fraud facing strict sanctions in accordance with company regulations. No legal claims from third parties related to these fraud cases have been reported. Additionally, there have been no incidents of fraud involving business partners, resulting in no terminations of business relationships due to fraudulent activities with partners.

*violations with a value of over Rp 100,000,000 (one hundred million rupiah)

remuneration policy

BTPN Syariah has formulated a comprehensive Remuneration Policy aimed at ensuring that remuneration practices align with applicable laws and regulations, the Bank's financial performance, individual work performance, fairness within peer groups both within the bank and across the banking industry, and the Bank's capabilities. This policy undergoes periodic reviews covering both fixed and variable remuneration components, with considerations given to fostering effective risk management, maintaining the Bank's financial stability, projecting its future income potential, and adhering to Sharia principles.

The Bank upholds a meritocratic approach, wherein remuneration for Directors and Employees, including fixed and variable components, is based on achievement and performance. Each member of the Board of Directors and employees is assigned individual performance targets as the basis for performance assessment. Remuneration adjustments are determined based on individual performance evaluations, with management providing guidance on fixed and variable remuneration adjustments according to individual performance levels. [GRI 2-19]

The determination of remuneration and other benefits for Bank Organs is subject to shareholder decisions made during the General Meeting of Shareholders (GMS), taking into account recommendations from the Nomination and Remuneration Committee. When setting the remuneration for members of the Board of Commissioners, DPS, and Directors, BTPN Syariah considers the Bank's overall performance, performance evaluations, fairness within peer groups both within the bank and across the banking industry, and the Company's capabilities. The Company's performance, a crucial factor in determining the remuneration of members of the Board of Commissioners, DPS, and Directors, is evaluated based on several criteria, including: [GRI 2-20]

Study	Suggestions & Recommendations	Decision
1. Survey to obtain benchmark data on remuneration for the Board of Commissioners, DPS and Directors in several banks in Indonesia. If necessary, the Committee can appoint/cooperate with Consultants/Independent Parties to obtain more accurate data.. 2. The Nomination and Remuneration Committee conducts a review of the Bank's performance which can also reflect the performance of the Board of Commissioners, DPS and Board of Directors	1. Based on benchmark data (external) and performance data The Company (internal), Nomination and Remuneration Committee makes remuneration proposals/ recommendations for each member Board of Commissioners, DPS and Directors to be submitted to the Board of Commissioners.	1. Decision of the Board of Commissioners regarding remuneration for members of the Board of Commissioners, DPS and Directors.i. 2. GMS approval of the total remuneration of the Board of Commissioners, DPS and Divisions

BTPN Syariah places great emphasis on ensuring the fairness and integrity of its remuneration policies. In the realm of oversight, the Bank has established a Nomination and Remuneration Committee at the Board of Commissioners level. This committee is entrusted with providing independent and professional insights to the Board of Commissioners regarding the nomination and remuneration policies implemented by the Bank. Additionally, at the Board of Directors level, there exists a Human Capital Committee tasked with formulating policies, strategies, and overseeing the implementation of remuneration practices within the Bank. In carrying out its duties, these committees have the authority to seek professional and independent opinions, particularly in benchmarking with peer institutions, to develop HR policies, including remuneration policies for both Bank Organs and Employees.

The Bank engages external consulting services to gather data on fixed and variable remuneration for specific positions from various banks with similar business models and operations. These data are obtained through remuneration surveys conducted by consultants in collaboration with multiple banks.

Moreover, on a consolidated basis, the Human Capital Division collaborates with the Parent Entity to align various alternative remuneration programs. These proposals are then presented to the Board of Directors and Board of Commissioners for consideration and decision-making within the Bank.



provision of long-term remuneration at BTPN Syariah

BTPN Syariah has implemented a robust remuneration program aimed at retaining and incentivizing its top management and talents to continually contribute to the company's advancement. This program, tailored for the Board of Commissioners, DPS, Directors, and Employees, is meticulously designed considering effective risk management, the Bank's financial stability, strengthening of capital adequacy, short-term and long-term liquidity requirements, anticipated future income, and adherence to Sharia principles.

Aligned with Financial Services Authority (OJK) Regulation No. 59/POJK.03/2017 on Governance in Providing Remuneration for Sharia Commercial Banks and Sharia Business Units, BTPN Syariah has established a Remuneration Policy that encompasses fixed and variable remuneration components.

Fixed remuneration components are determined based on various factors including business scale, complexity, peer group comparisons, inflation rate, financial conditions, statutory provisions, and disparities in remuneration across different positions.

On the other hand, variable remuneration components are tied to performance metrics, business scale, complexity, peer group comparisons, inflation rate, financial conditions, statutory provisions, and are designed to encourage prudent risk-taking practices.

annual total compensation ratio

BTPN Syariah has paid attention to the applicable provisions regarding the provision of remuneration, both fixed and variable. The Bank also strives for the amount of remuneration to remain competitive and in accordance with the Bank's remuneration strategy.

The following is the ratio of the highest and lowest salaries at BTPN Syariah in 2023:

highest and lowest salary ratio [GRI 2-21]

Description	Ratio
Highest to lowest employee salary ratio	88.1 %
Highest to lowest Director salary ratio	2.4 %
Highest to Lowest Commissioner salary ratio	2.4 %
Highest Director salary to highest employee salary ratio	2.6 %

relationships with stakeholders [OJK E.4, GRI 2-29]

BTPN Syariah recognizes that long-term business sustainability hinges on nurturing harmonious relationships with all stakeholders. Guided by this principle, the bank meticulously identifies key stakeholder groups that wield substantial influence on business continuity and endeavors to fulfill the expectations of each stakeholder within the constraints of available resources.

The identified stakeholders encompass a diverse range of groups, including Shareholders and Investors, Funding Customers, Financing Customers and/or Community, Employees, Work Partners/Suppliers, Government/Regulator, DSN-MUI (Indonesian Ulema Council - Sharia Supervisory Board), Community Leaders/Local Officials.

Below is a table summarizing the management of relationships with stakeholders, according to the results of impact mapping, influence and identification of stakeholder groups carried out by BTPN Syariah as of December 31, 2023.

List of Stakeholders	Basis of Determination/ Identification	Topic/Issue That Arises	Involvement Method & Frequency	Highest Governance Management Function
Shareholders and Investors	• Dependency • Influence, and Responsibility	• Corporate governance • Achievement of economic performance	• Providing information on BTPN Syariah achievements • through the GMS, Quarterly Financial Reports, Annual Reports and Sustainability Reports • Public Expose and Analyst Meeting as needed	• Corporate Secretary • Head of Corporate Secretary & General Counsel Division • Head of Financial Control & Analytics Division • Head of Treasury & Financial Institution Division • Head of Corporate & Marketing Communication Division
Funding Customers	• Dependency • Responsibility • Influence • Geographic Proximity	• Customer protection • Sustainable relationship	• Providing products and services in accordance with applicable regulations • Providing product and service information in a timely, adequate, clear and accurate manner • Development of quality services for customer satisfaction • Advertising and promotional media	• Corporate secretary • Head of Division at the Operations Directorate • Head of DAYA Division • Head of Corporate & Marketing Communication Division • Head of Financing Division • Head of Financing Division • Head of Business Line Division
Financing and/ or Community Customers	• Dependency • Responsibility • Influence • Geographic Proximity	• Education and culture • Technology and infrastructure access • Welfare and income	• Intensify involvement in community activities with programs covering the fields of: education, empowerment, culture and religion, humanity and the environment • Empowerment • Mandatory Meeting • Meetings as needed	• Corporate secretary • Head of Business Line Division • Head of Human Capital Division • Head of Information Technology Division • Head of POWER Division • Head of Corporate & Marketing Communication Division • Head of Human Capital Division
Employees	• Dependency • Responsibility • Dissent • Influence	• Employment relations • Protection and working conditions • Competition development • Career Development and self-actualization	• Objective, transparent, fair, and equal management • Building a conducive work environment to optimize productivity • Career development talent management system and assessment center • Meetings as needed	• Head of Human Capital Division
Work partners/ vendors	• Dependency • Responsibility • Dissent • Influence	• Sustainable relationships • Economy • Fairness	• Clear terms of cooperation • Transparent performance assessment • Routine assessment • Meetings as needed	• Head of related Division in the Operations Directorate



List of Stakeholders	Basis of Determination/ Identification	Topic/Issue That Arises	Involvement Method & Frequency	Highest Governance Management Function
Government/ regulators	Dependency Responsibility Dissent Influence Geographic Proximity	Compliance with laws and regulations Commitment to banking regulations Clear, accurate, comprehensive and timely communication and reporting	Completeness and Improvement of Good Corporate Governance (GCG) Implementation of GCG principles in all work units Regular meetings to discuss the Bank's health level Regular reporting of business plans/activities and their realization Meetings as needed	• Corporate secretary • Head of Compliance Division • Head of Financial Control & Analytics Division • Head of Corporate & Marketing Communication Division • Head of Corporate Secretary & General Counsel Division • Head of Risk Management Division • Branch Head in Business Line
Community Figures/Local Officials	Dependency Responsibility Dissent Influence	Business development Increased welfare Employment Opportunity Local progress	Direct visit Official Meeting Periodic meetings as needed	• Corporate secretary • Head of DAYA Division • Head of Corporate & Marketing Communication Division

Challenges faced, developments and influence on sustainable finance [OJK E.5, GRI 2-22]

The uneven economic recovery experienced throughout 2023 continues to impact the inclusion community, comprising BTPN Syariah's customers, requiring them additional time to recuperate and regain financial stability. Concurrently, these communities face the challenge of limited access to formal financial services, primarily due to their geographical location in rural, remote, and underdeveloped areas characterized by low levels of technological literacy.

In the face of these adversities, BTPN Syariah remains steadfast in its commitment to empower these communities, upholding human values through business operations that adhere to Sharia principles. The strategic positioning of branches, centers, and Mitra Usaha Banks in rural areas, coupled with the deployment of technology aligned with the inclusive society's needs, constitutes BTPN Syariah's approach to addressing these challenges. This strategy involves integrating physical presence with digital capabilities as outlined in the Sustainable Finance Action Plan.



The limited financial and technological literacy prevalent in inclusive communities presents both challenges and opportunities for BTPN Syariah to further its mission of empowerment. To address this, BTPN Syariah introduces the Bestee Program, designed to provide knowledge and assistance to inclusion customers through a blend of offline and online resources in collaboration with various stakeholders.

Looking ahead, as BTPN Syariah endeavors to implement long-term sustainable finance practices, the bank reiterates its commitment to conducting business within a sustainable framework aligned with Sharia principles. Furthermore, **the bank remains faithfully empowering inclusive communities, thereby fostering a sustainable ecosystem** conducive to their growth and development.





11 About This Sustaianility REPORT



BTPN Syariah consistently publishes comprehensive sustainability reports as part of its commitment to information transparency and #niatbaik BTPN Syariah's intention to faithfully empower inclusive communities, uphold good governance, and create socially impactful outcomes for sustainability goals.

Boundry and Reporting Period

BTPN Syariah's commitment to delivering information in the economic, environmental, and social fields is conveyed through annual sustainability reports. This report marks the 10th year of BTPN Syariah's sustainability reporting, covering information from January 1, 2023, to December 31, 2023, and follows the Sustainability Report 2022 published in February 2022. [GRI 2-3]

There are no disclosures carried forward from previous reports. Additional data and expanded calculations for Electricity and Water are elaborated further in the Sustainable Loyalty to the Environment section. [GRI 2-4]

The reported data and information cover activities carried out by BTPN Syariah. This sustainability report does not include the subsidiaries of BTPN Syariah Ventura, which are reported separately. [GRI 2-2]

The financial data presented refers to the Audited Financial Statements prepared in accordance with Indonesian Financial Accounting Standards (PSAK). Quantitative data in this report is presented using the comparability principle over the past two to three years.

Reporting Standards and Assurance

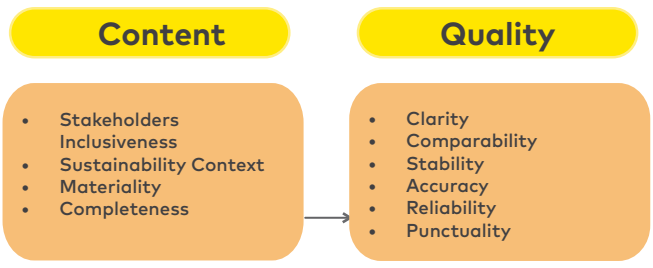
This report has been prepared in accordance with the Global Reporting Initiative standards version 2021 (GRI Standard 2021) and financial sector standards. In addition, as a public company, this report also refers to the Financial Services Authority criteria No. 51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Institutions, Issuers, and Publicly Listed Companies, and Financial Services Authority Circular Letter No. 16/SEOJK.04/2021 concerning the Form and Content of Annual Reports of Issuers or Publicly Listed Companies.

The standards applied in this report are marked with numbering in red parentheses. The GRI, FS, and OJK index lists are provided sequentially in the Appendix section. [OJK G.4]

In preparing the 2023 Annual Report, BTPN Syariah has not included written verification from an Independent Party (Assurance). Beyond the verification process, BTPN Syariah has also validated all sustainability performance data and information and obtained approval from the Board of Directors and Board of Commissioners before publication. [GRI 2-5, GRI 2-14]

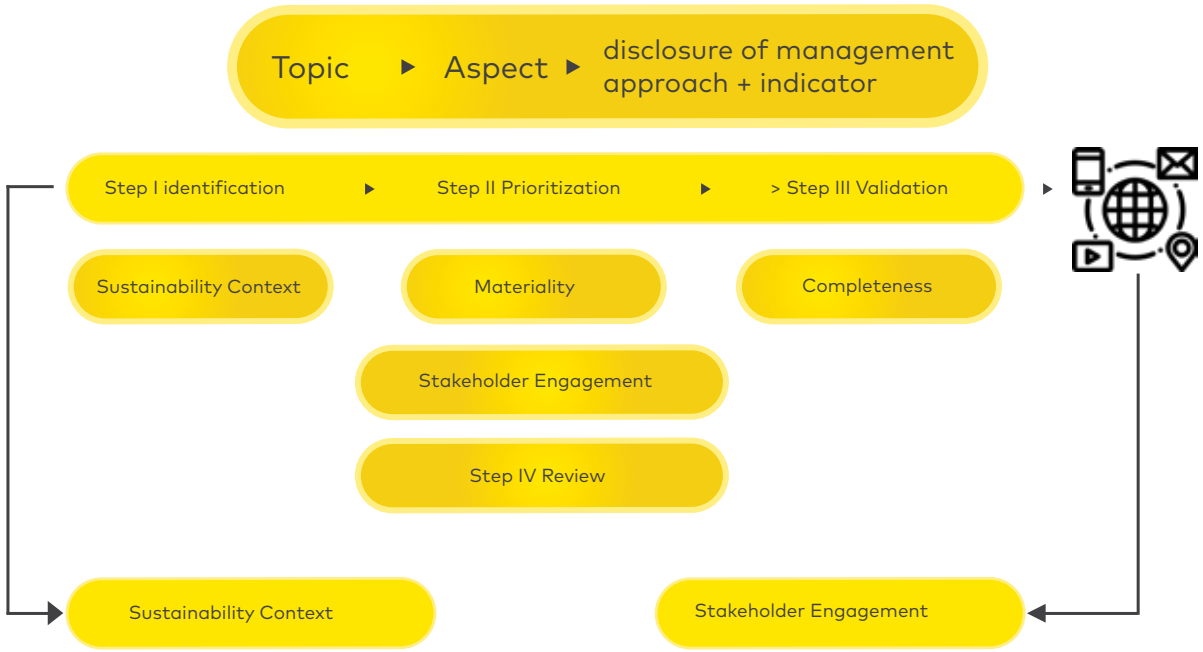
Report Determination and Materiality Topics [GRI 3-1] [GRI 3-2] [GRI 3-3]

BTPN Syariah compiles this report based on the GRI sustainability reporting principles, namely:



Next, these sustainability reporting principles are implemented into four steps in preparing sustainability reports in accordance with GRI standards, namely:

1. Identifying material aspects and setting boundaries. Identification of sustainability aspects (sustainability context) is selected based on their relevance to the characteristics of the banking industry and their impact on stakeholders.
2. Prioritizing the aspects identified in the previous step (Priority Step). This report utilizes material aspects and issues in two consecutive reporting periods, considering that the priority material aspects and issues in 2020 and 2021 are still relevant to the conditions in 2022.
3. Validation of material aspects. To ensure the priority of information conveyed in this report, all material aspects (completeness) are validated by the Sustainability Task Force.
4. Conducting a review of the Report after publication to improve the quality of the next year's Report (review step). A review of this report will be conducted considering inputs from stakeholders, both internal and external (stakeholder inclusiveness).

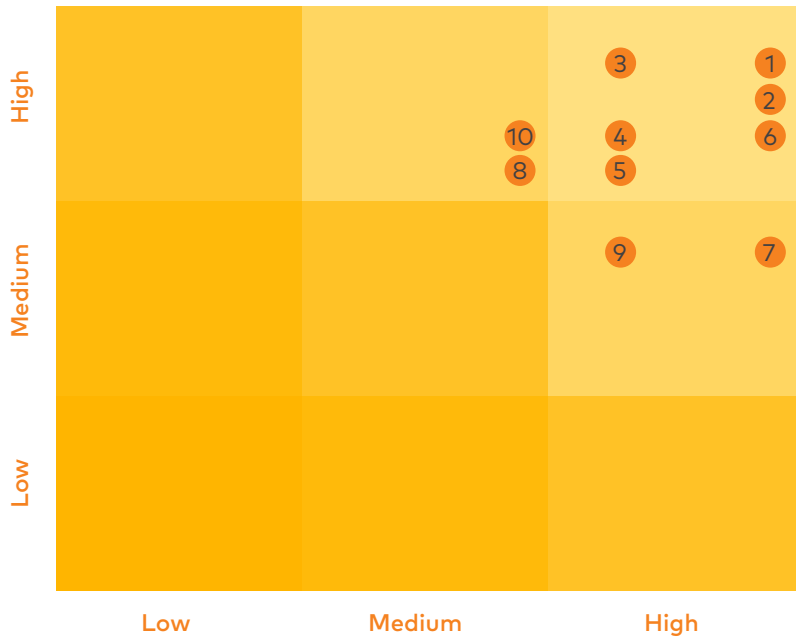


Stakeholder engagement, both internal to the Bank and external, plays a highly significant role in the process of preparing a sustainability report. Therefore, in validating and reviewing this report, we pay close attention to various inputs from other stakeholders, conveyed through various activities, especially those involving specific groups through feedback received from Shareholders' General Meetings, analyst meetings, media briefings, feedback forms, and so forth.

These steps are taken to ensure that the content of this report is balanced according to the principle of balance, including both positive and negative information or performance, in accordance with GRI standard sustainability reporting.

In 2021, we engaged in intensive discussions involving experts to reconsider the material topics we deemed relevant, in line with stakeholders' needs, and we reused them up to 2023 to ensure ongoing activities and better impact. We routinely monitor the impacts arising from Company activities that affect the economy, environment, and society.

The list of material topics along with relevant disclosure indices, complete with reporting boundaries, is presented in matrices and materiality tables as follows:



Significance of the Economic, Environmental, and Social Impacts

There are 10 groups of material topics that meet the criteria for the most materially significant impact on sustainability performance at BTPN Syariah. The Bank has also reported disclosures of the selected material topics as outlined in the following table:

Aspects	Material Topics	Material Reasons	Internal Impacted Area: Internal	Impacted Area: External
Economy	Financial Performance [GRI 201]	Significantly impacting stakeholders	x	
	Financing for SME Sector [GRI 201]	Significantly impacting stakeholders	x	x
	Banking Facilities for the Community [GRI 203]	Significantly impacting stakeholders	x	x
Environmental	Water Efficiency [GRI 303]	Significantly impacting stakeholders	x	x
Social	Information Clarity [GRI 417]	Significantly impacting stakeholders	x	
	Kemudahan Akses Perbankan [GRI 413]	Significantly impacting stakeholders	x	x
	Banking Accessibility [GRI 413]	Significantly impacting stakeholders	x	
	Training and Education [GRI 404]	Significantly impacting stakeholders	x	
	Diversity and Respect [GRI 405]	Significantly impacting stakeholders	x	x
	Community Empowerment [GRI 413]	Significantly impacting stakeholders	x	

Contact [GRI 2-3]

For further information or if you have any questions about this Report, please contact:

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Feedback FORM

Your Profile

Name (if willing) :
Name of Institution/Company :

Stakeholder Group :

- ☐ Customer and Client
- ☐ Shareholders
- ☐ Regulator
- ☐ Employees
- ☐ Business Partners
- ☐ Mass Media
- ☐ Community
- ☐ Others, please specify: .....

Please select the most appropriate answer:

1. This report adequately depicts sustainability aspects for the Company
   a. Strongly Agree
   b. Agree
   c. Neutral
   d. Disagree
   e. Strongly Disagree

2. This report provides both positive and negative information about the Company
   a. Strongly Agree
   b. Agree
   c. Neutral
   d. Disagree
   e. Strongly Disagree

3. This report meets your information needs
   a. Strongly Agree
   b. Agree
   c. Neutral
   d. Disagree
   e. Strongly Disagree

4. This report is easy to understand
   a. Strongly Agree
   b. Agree
   c. Neutral
   d. Disagree
   e. Strongly Disagree

5. This report is engaging
   a. Strongly Agree
   b. Agree
   c. Neutral
   d. Disagree
   e. Strongly Disagree

6. Please provide your suggestions/comments on this report: .....
   .....
   .....
   .....

7. Please provide your suggestions/comments for upcoming reports: .....
   .....
   .....
   .....

Thank you. We appreciate every opinion and suggestion provided. This feedback is invaluable for improving the performance of our sustainability efforts and the quality of our future reports.
Please return this form to:

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