



1H23 Results Presentation

PT Bank Tabungan Negara (Persero) Tbk

Jakarta, 20 July 2023







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Improving Macroeconomic Conditions Stabilize Financial Performance

- **The policy rate has begun to stabilize and is predicted to head down in late 2023 or early 2024**, a good sign for BTN to stabilize CoF back to optimal levels,
- **With improving macroeconomic conditions, cashflow from existing debtors are also expected to pick up**, which is substantial to maintain LAR and NPL.

Transaction Banking Ecosystem Enhancement Has Gone On-Track

- **Significant growth in institutional customer transactions through Cash Management System (CMS) is noticeable in 1H2023** through various methods of Bulk Payments or Virtual Account (VA).
- **Transaction volume using CMS has also increased by 32% yoy** along with the integration of BTN Solusi into the Transaction Banking Ecosystem

Pick Up in Loan Yield as a Result of High-Yield Strategy

- In 1H2023, **KRING (soft loan) disbursement has reached IDR 900 Bn** and **KAR (home equity loan) disbursement has also reached IDR 900 Bn**, with around **IDR 180 Bn disbursement per month for KRING and KAR**.
- Sales forces in dedicated KUR outlets are 2x more productive than sales forces in the regular branches, as measured by SME booking per sales force, which is significant for KUR disbursement growth.

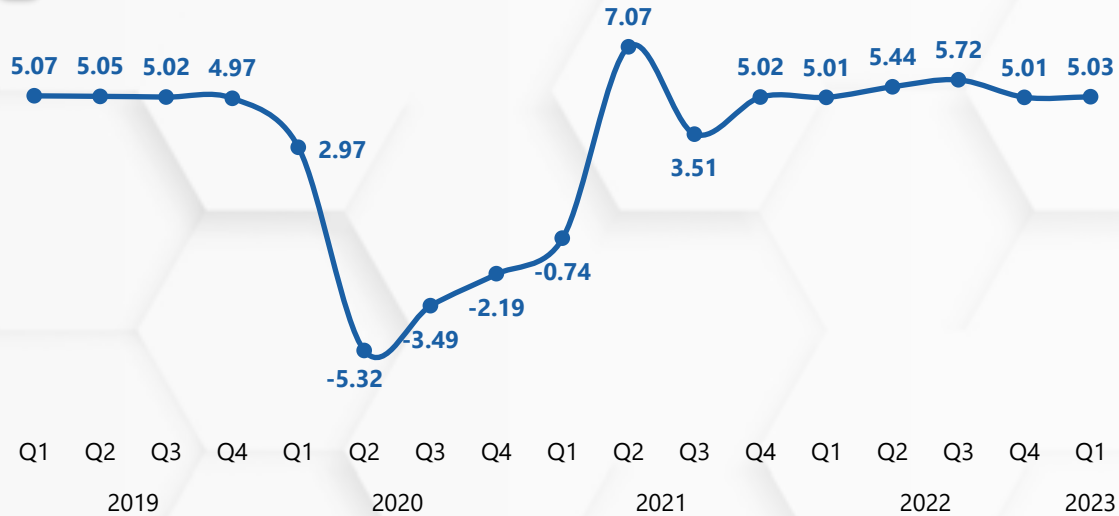
Macroeconomics & HPI

The background features a dark blue gradient with a faint, repeating pattern of hexagons. Overlaid on this are several semi-transparent financial charts. On the right side, there are two candlestick charts with green and red bars, and a line graph with a light blue line. The charts are set against a grid of red and blue lines. The overall aesthetic is modern and data-driven.

Macroeconomics Highlight (1/2)

The Indonesian economy proceeded to grow positively in 1Q2023 and is predicted to continue doing as public optimism and buying power remain high throughout the year

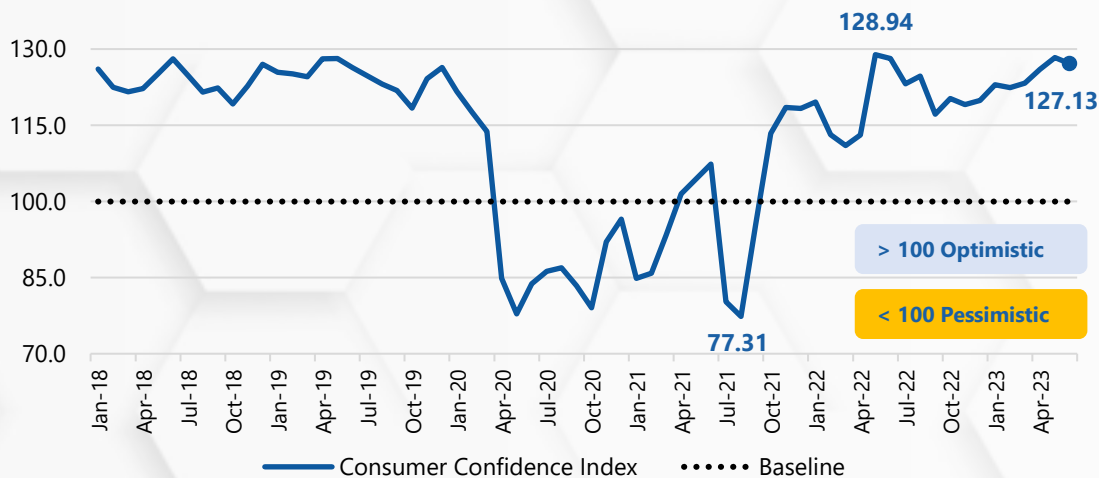
Real GDP Growth in 1Q2023



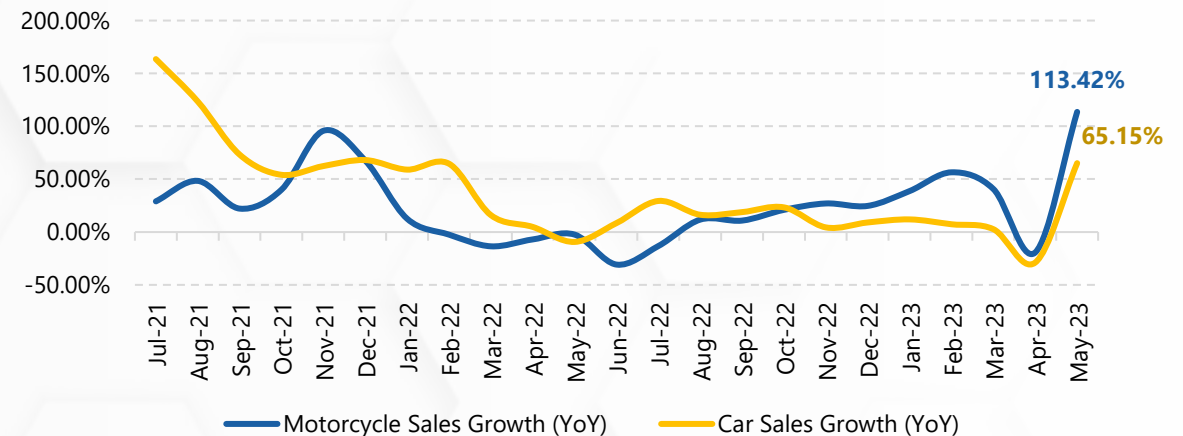
The economy recorded a steady growth with high optimism going forward

- The Indonesian economy grew by 5.03% YoY in the first quarter of 2023, slightly higher than the growth in the fourth quarter of 2022 by 5.01% YoY.
- The Consumer Confidence Index (CCI) also continued to be at a high level in Jun-23 at 127.13, indicating that domestic consumers remain optimistic with the economy going forward.
- On the other side, national motorcycle and car sales in May-23 also grew significantly by 113.42% and 69.15% yoy respectively, indicating an increase in people's purchasing power.

Consumer Confidence Index as of Jun-23



Car & Motorcycle Sales as of May-23

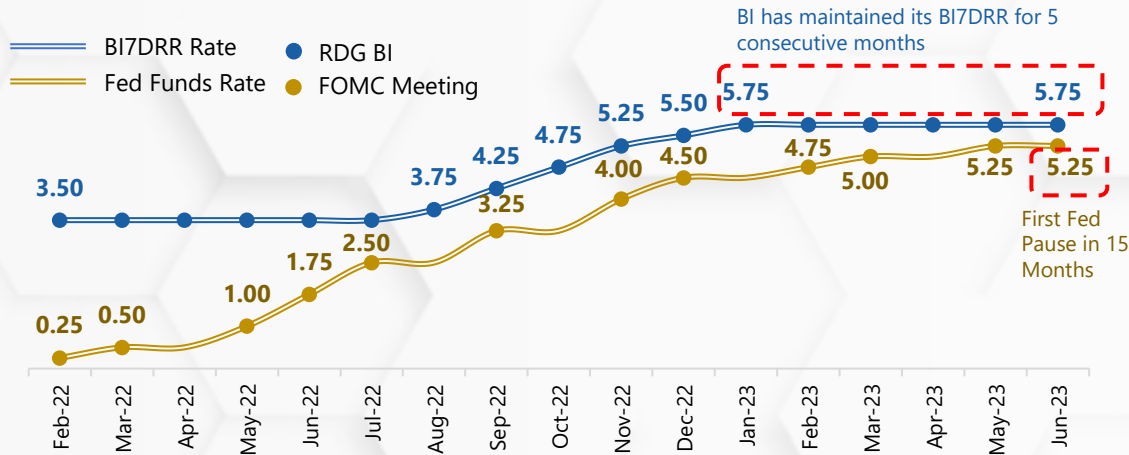


Source: CBS, Bank Indonesia, processed

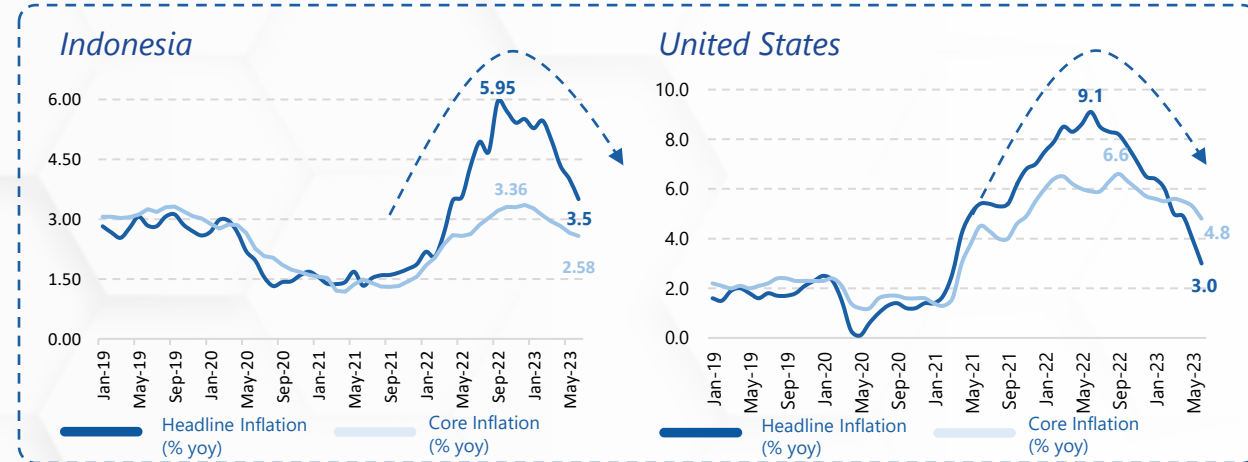
Macroeconomics Highlight (2/2)

BI7DRRR is estimated to have reached its peak with the inflation level now already in BI's target range

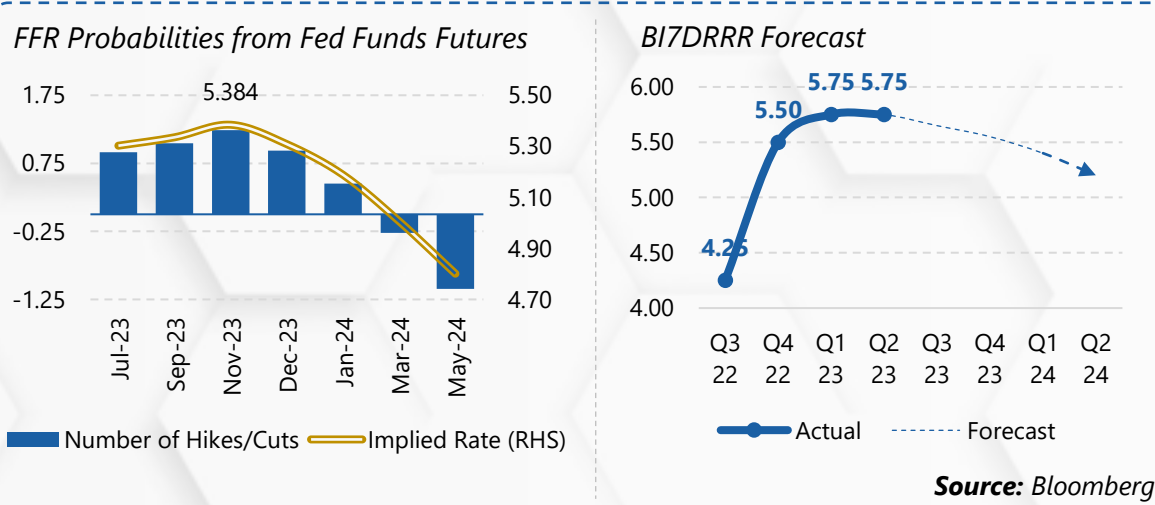
Policy Rate Trends Since First Hike by BI and Fed



Headline & Core Inflation in Indonesia and US as of Jun-23



Market Expects Two More Hikes in FFR While BI to Remain Steady until End of Year

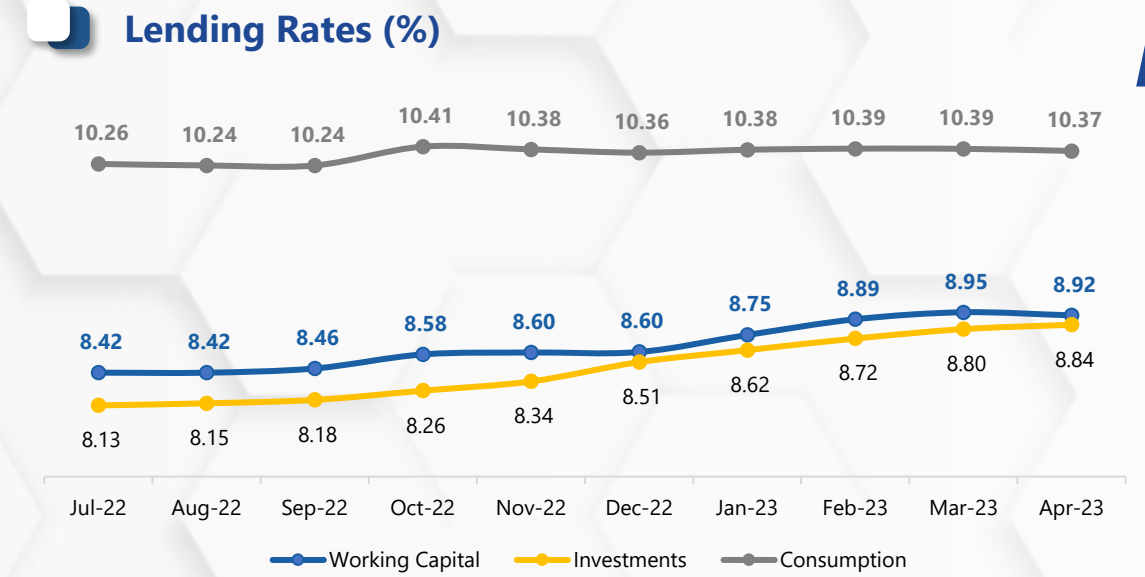
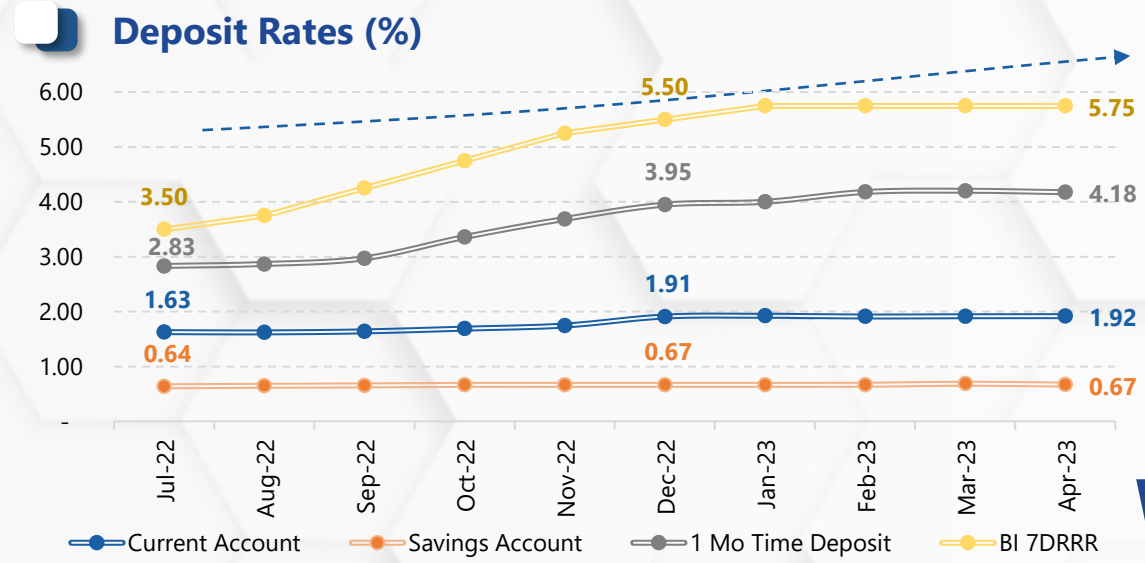


Policy Rate & Inflation Trends

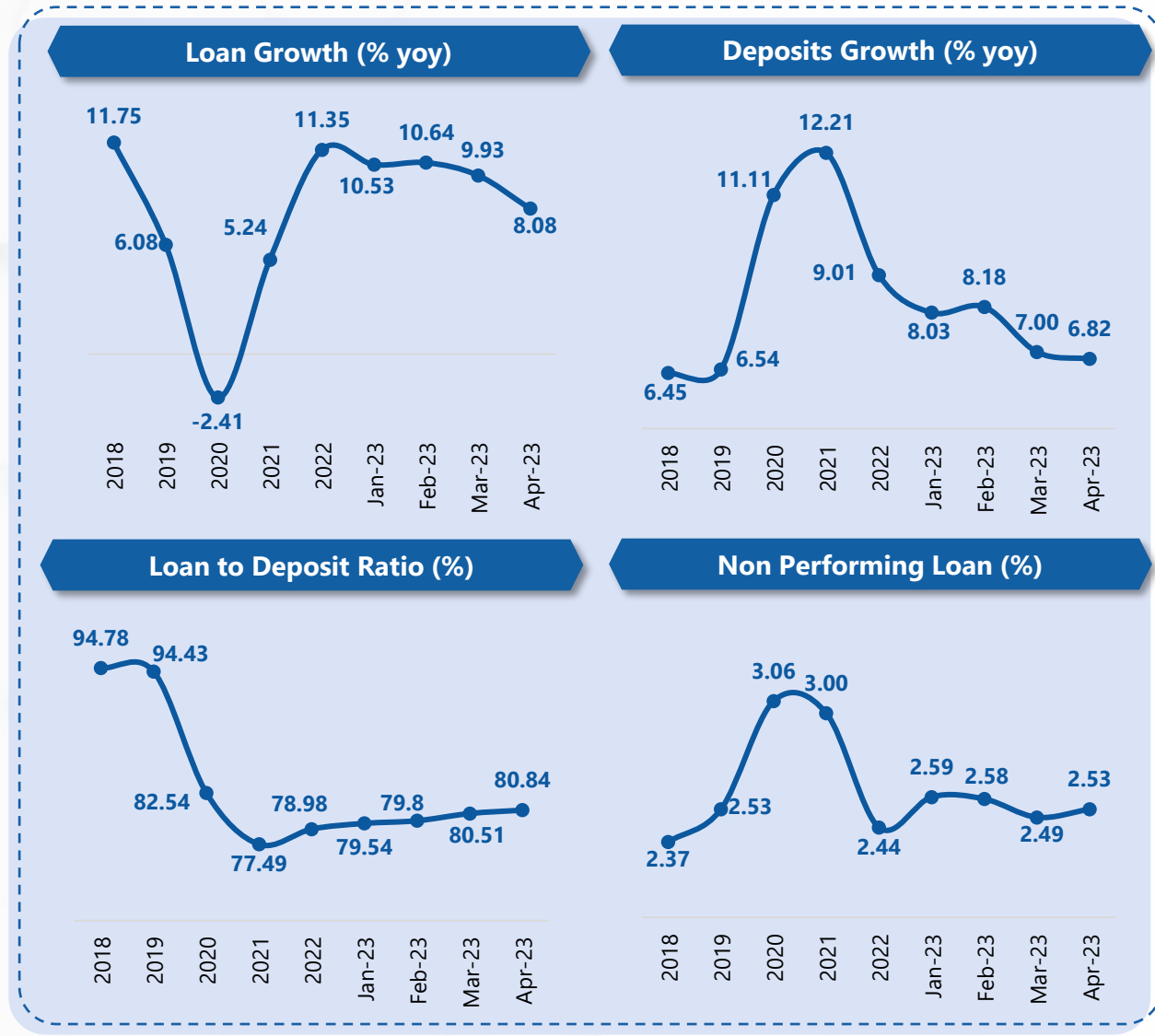
- **Within the last 5 months, Bank Indonesia has continued to maintain its policy rate at the level of 5.75%, in line with Indonesia's headline and core inflation which continues to be within Bank Indonesia's target range of 3.0 ± 1%.**
- Meanwhile in the US, **the first rate pause occurred at the FOMC Meeting in June-23**, but there are signs of two more FFR hikes this year, before rate cut to happen in early 2024.

Banking Sector Highlight

Increasing lending and deposit rate slowed down banking sector performance as of April-23.



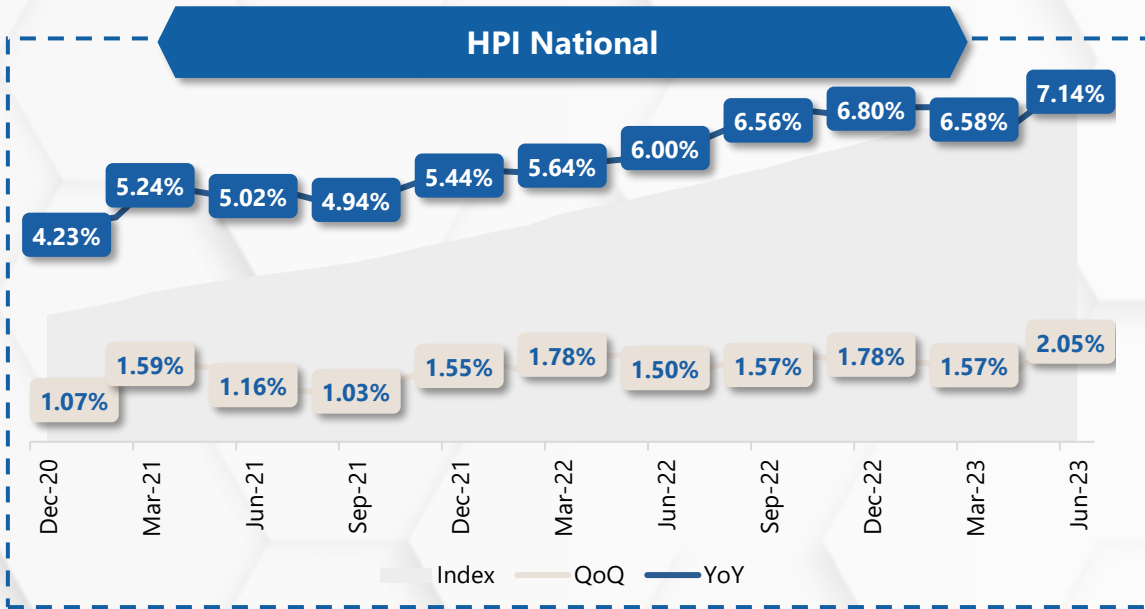
Source: OJK, processed



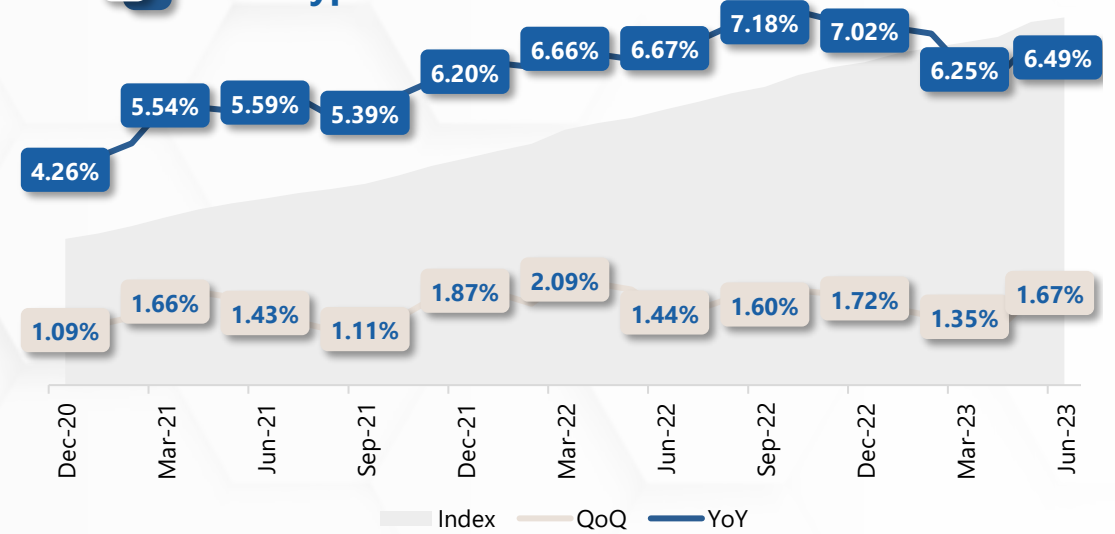
BTN House Price Index as of 1H2023

House prices continued to grow with an average growth of **7.14% yoy**, driven by significant growth in large-type housing

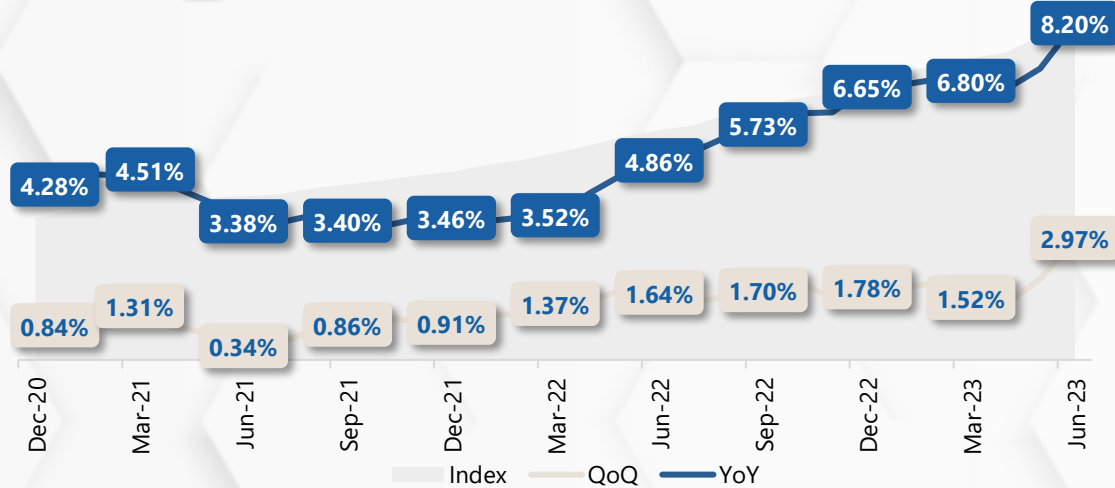
HPI National



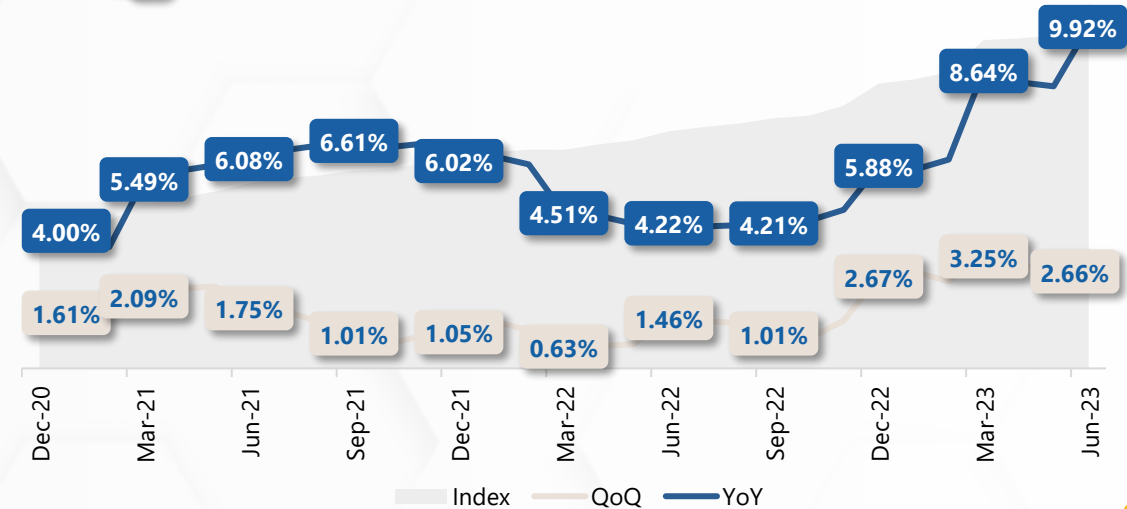
HPI Type 36



HPI Type 45



HPI Type 70



Management Notes



BTN Provides End-to-End Mortgage Business to Fulfill National Housing Needs

Carrying on to excel in the housing sector through years of continuous improvements

BTN at glance

Started operating as a commercial bank and issued the first corporate bond

Become an anchor bank to support one million houses program

1976

1989

2002

2015

2025

Appointed by the Government as the sole institution to provide housing finance to middle/low-income groups

Assigned as a commercial bank with focus on commercial housing finance

Vision to be the best mortgage bank in Southeast Asia

BTN's Competitive Advantage in the Mortgage Sector

47 years of contribution to the housing sector

~ 5 million units of mortgages have been extended by BTN since 1976

~ 90% of BTN's portfolio is in housing loans

Market leader and contributor to the economy

~83% market share of the national Subsidized Mortgages

Driving 174 economic sub sectors through housing business.

Wide range of stakeholder coverage

>5000 developer partners most are subsidized residential developers

>3000 notary offices have collaborated with BTN in mortgages disbursement

Beyond Mortgage Business Initiatives

- Expanding to high-yield segments in housing-related sectors
- Wholesale transaction system enhancement to capture institutional customers

Innovative and unique mortgage products

KPR BTN Rent to Own

A combined scheme between monthly rent payment and savings allocation for future house purchases

KPR BTN Gaess

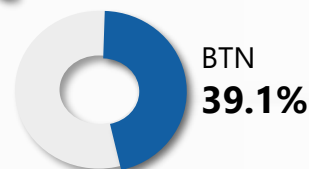
A mortgage product for the millennial generation with customized payment structure

Extensive digital mortgage ecosystem

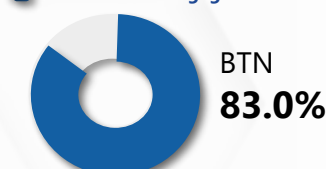
- BTN Properti
- Rumah Murah BTN
- BTN Properti for Developer
- BTN Smart Residence
- BTN Mobile

Market leader in the mortgage sector

Total Mortgage



Subsidized Mortgage



Supportive government program towards housing sector

Continuous increase in the allocated subsidized housing budget provided by the government towards BTN.

Ongoing progress to become “The Best Mortgage Bank in Southeast Asia in 2025”

Ongoing focus on the transformation processes with **positive results from ongoing achievement** to accomplish 2025 vision.

Main Goals	 Objective in 2025	 Progress and Achievement in 1H2023
 Double low-cost funding	<ul style="list-style-type: none"> Transforming e-channel capabilities to become the transactional bank for 3Mn lending customers Increasing fee-based income portion to 12% Expanding non-traditional new funding sources 	<ul style="list-style-type: none"> Introducing New BTN Mobile with over than 500 thousand users Implementing branch optimization to focus on low-cost deposits sales Fee-based income portion reached 11.74% in 1H23, from 7.37% in 1H22
 Democratize Housing	<ul style="list-style-type: none"> Financing 1Mn subsidized homes for mass segment Building new channels for emerging affluent segment 	<ul style="list-style-type: none"> Inauguration of 2 Consumer Sales Center (BSD and Kelapa Gading) to tap emerging affluent segment New disbursement of emerging affluent mortgage in Kelapa Gading has reached IDR50 Bn within a month.
 Build one-stop financial solution for housing-related businesses	<ul style="list-style-type: none"> Provide lending and investment solutions to triple non-mortgage portfolio to IDR 150Tn Double product holdings of emerging affluent segment to 2.2 products 	<ul style="list-style-type: none"> Deepening transaction banking ecosystem and provide supply chain financing with business savings solutions Elevating consumer products (BTN Investa, BTN Solusi, Wealth Management) to support cross-selling and upselling strategy
 Become a digital innovator and home of best talents	<ul style="list-style-type: none"> Digitizing Process to build efficient operations (CIR <50%) Develop top-notch talents 	<ul style="list-style-type: none"> Developing digital channels and improve procurement strategy, as a result, CIR recorded below 50% at 47.76% in 1H23 The proportion of employee in business units to operation units reached 60: 40 to increase productivity
 Build high-quality portfolio and sustain low NPL	<ul style="list-style-type: none"> Leveraging technology to develop integrated and rigorous risk management processes NPL in line with market sustainably below 3% 	<ul style="list-style-type: none"> Revisiting collection strategy by separating a single Consumer Collection Unit to collection business and bad asset sales units Gradual improvement in loan booking in line with better early payment default rate

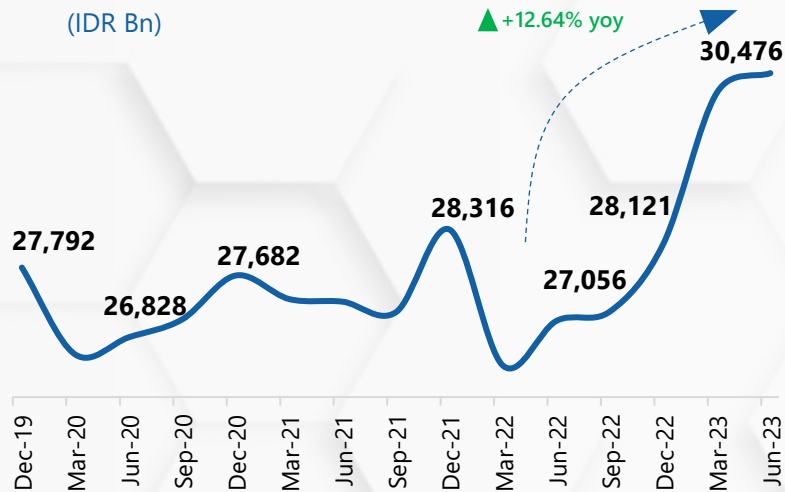
Overall Improvement in BTN's Financial Indicators

Initiatives on efficiency and fee-based optimization are showing positive progresses followed by declining interest expense growth which indicates business improvements.

Highest Ever Total Revenue (Annualized)

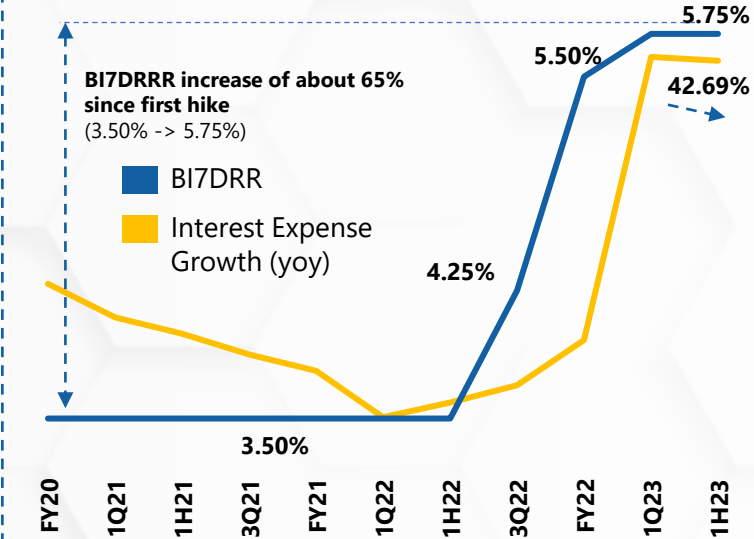
(Interest Income + Other Operating Income)

(IDR Bn)



Total revenue in 1H2023 reached its highest annualized number since 2019, in line with growing Interest Income and Other Operating Income.

Interest Expense Growth and BI7DRR Sensitivity



- As of 1H2023, interest expense growth is less sensitive (only +42.69% yoy) lower than BI7DRR increase of 65% since August 2022
- Interest expense growth started to decline following the decrease in monthly mutations of interest expense due to funding recomposition.

Highest Fee-Based Income in 5 Years

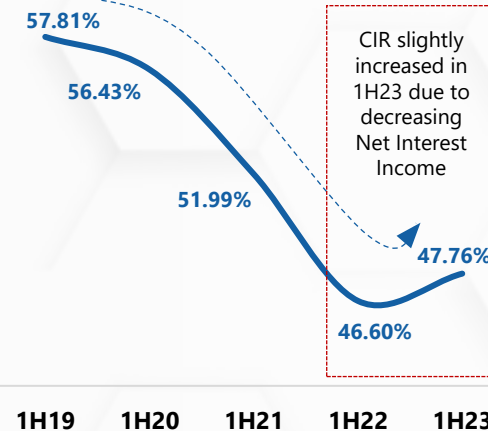
% FBI
To total revenue

7.95 7.85 8.25 7.37 11.26

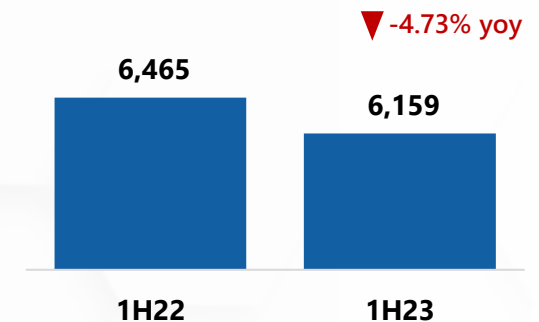
FBI
(IDR Bn)



CIR Trends



Overhead Costs (IDR Bn)

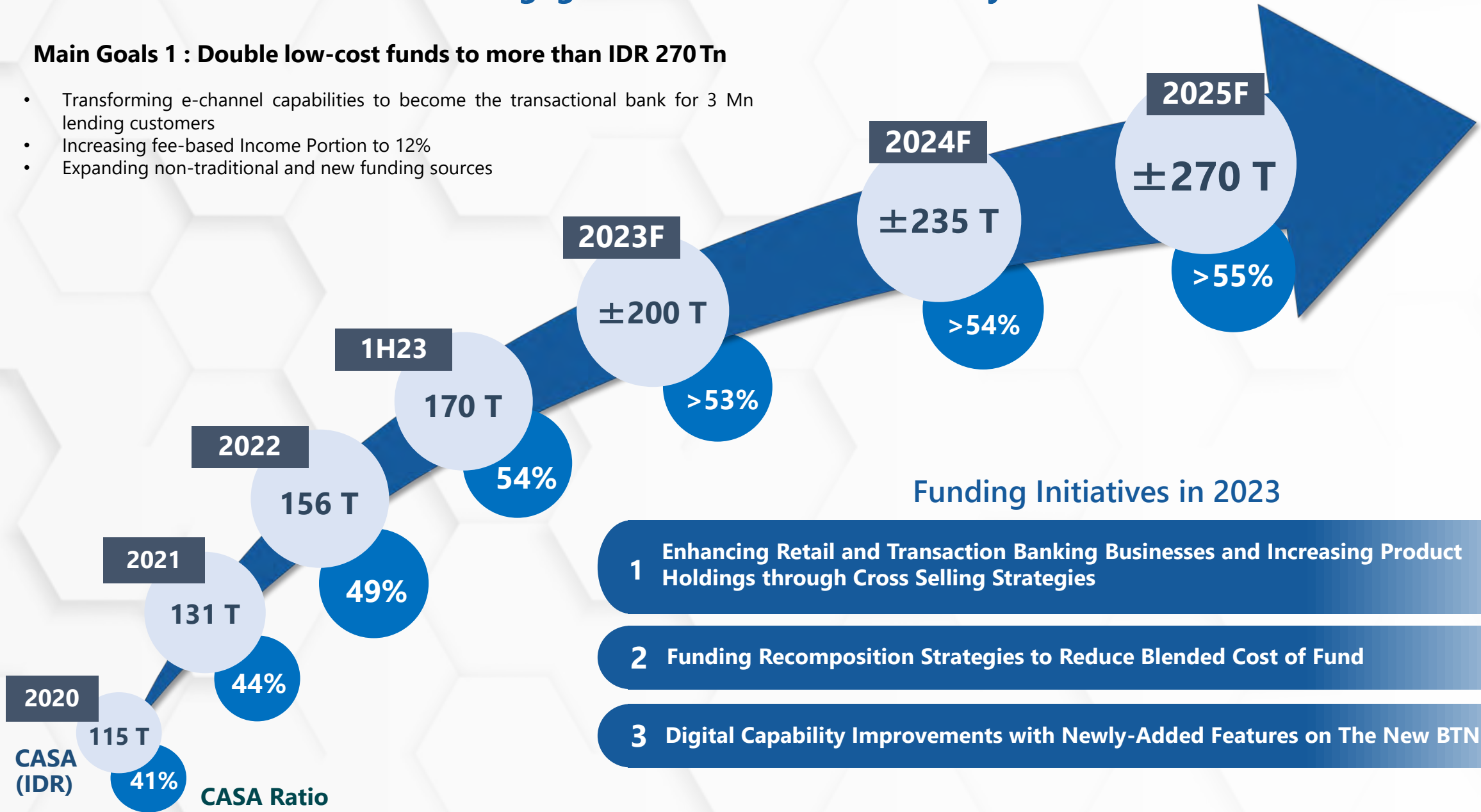


Overhead costs were able to be pushed down due to centralization in procurements and rents which boost efficiency.

Strategic Initiatives to Improve Low-Cost Funding are Necessary in Supporting BTN's Vision to Become The Best Mortgage Bank in South East Asia by 2025

Main Goals 1 : Double low-cost funds to more than IDR 270 Tn

- Transforming e-channel capabilities to become the transactional bank for 3 Mn lending customers
- Increasing fee-based Income Portion to 12%
- Expanding non-traditional and new funding sources



Funding Initiatives in 2023

- 1 Enhancing Retail and Transaction Banking Businesses and Increasing Product Holdings through Cross Selling Strategies
- 2 Funding Recomposition Strategies to Reduce Blended Cost of Fund
- 3 Digital Capability Improvements with Newly-Added Features on The New BTN Mobile

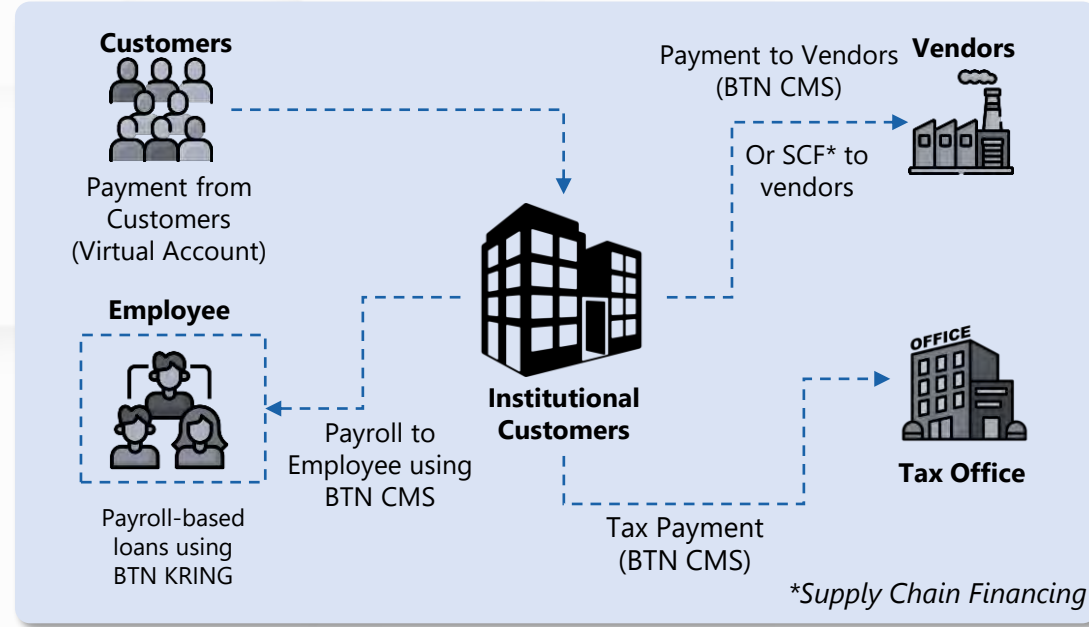
5 Targeted Sectors for Potential Cross Selling Strategies

5 Focus Sectors for Transaction Banking Ecosystem Development

- Education
- Health
- Property Related
- Trade
- Industrial Estate

Establishing a dedicated Wholesale Transactions Unit to increase trade finance activities and CMS activation rate while also increasing retail banking cross-selling from payroll customers

One-Stop Solution Transaction Banking Ecosystem



Cash Management System (CMS) Enhancements

- CMS Roadmap**
- 1 Formulating business piloting roadmap on 3 targeted ecosystems
 - 2 Capability and competency enhancement
 - 3 Service & business process improvements

1281 as of Jun 23 ▲ +27.68% MoM

Number of Account (Unit)

37 Tn as of Jun 23 ▲ +32.14% MoM

Trx Volume (IDR)

17.7 Tn as of Jun 23

Current Account with CMS

BTN CMS continues to significantly grow in terms of transactions as of 1H2023.

Trade Finance Activities Performance

	Fee Based Income	Trx Volume
Bank Guarantee Transaction (as of 1H2023)	IDR 22.19 Bn +241.66% yoy	IDR 1.35 Tn +14.71% yoy
Trade Finance Transaction (as of 1H2023)	IDR 10.71 Bn +222.08% yoy	IDR 1.50 Tn +59.03% yoy

Enhancing Retail Business Transactions and Increasing Product Holdings Through Cross Selling Strategies (2/2)

BTN BISNIS



BTN Bisnis Savings Balance in Business-Dense Areas as of 1H2023

Outlet areas:

- 📍 HOS Cokroaminoto, Kuningan JKT
- 📍 Buah Batu, Bandung
- 📍 Dramaga, Bogor
- 📍 Teluk Jambe, Karawang
- 📍 Palu, Palu

Total BTN Bisnis Balance in those areas:

IDR 135 Bn

Average BTN Bisnis Balance in those areas:

IDR 27 Bn

(per outlet)

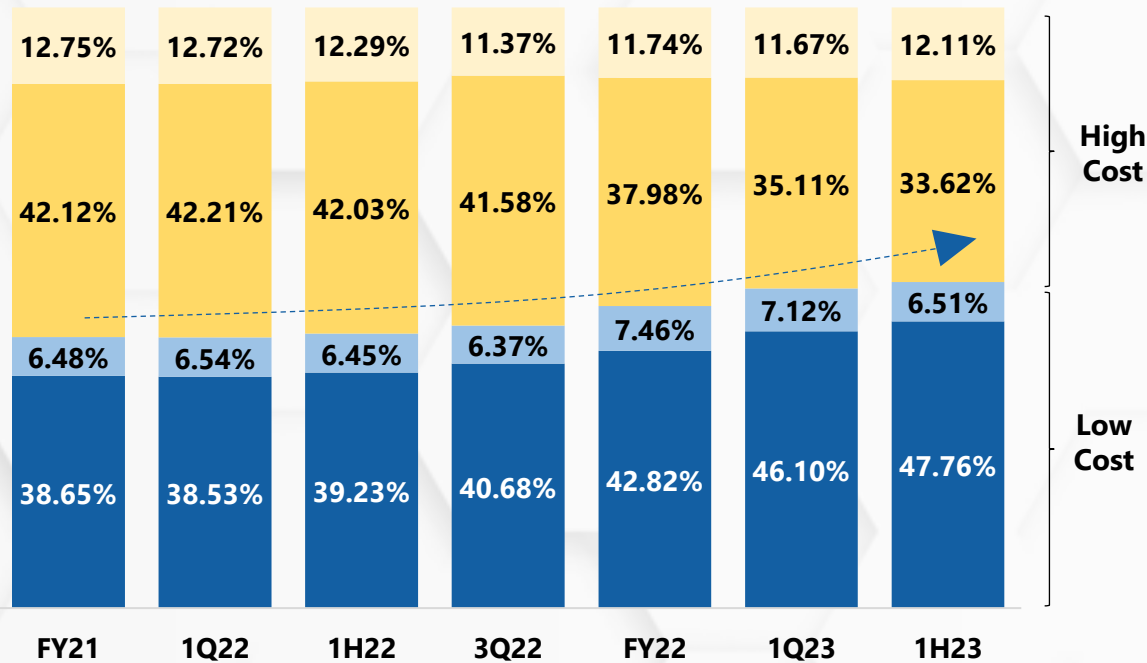
BTN Bisnis Cross Selling Efforts with KUR and EDC Customers to Increase Average Transactions



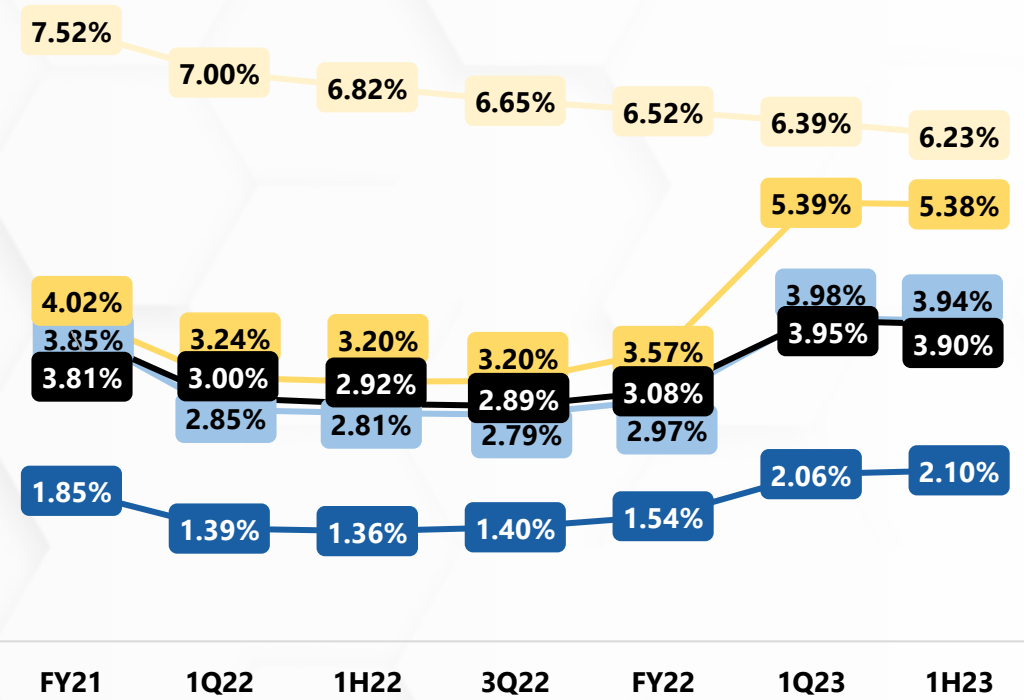
- The average savings balance of BTN Bisnis from KUR & EDC bundling is **2x higher** than the average savings balance of regular BTN Bisnis customers.
- The number of transactions through BTN Bisnis bundling with KUR & EDC is **3x higher** than regular BTN Bisnis customers

Funding Recomposition Strategies to Reduce Blended Cost of Fund

Total Funding Composition (%)



Total Cost of Fund Trend



■ CASA
 ■ TD Retail
 ■ TD Institutions
 ■ Wholesale Funding
 ■ Total Funding

- As BTN's funding franchise revamped in the past years, **BTN will now target a gradual reduction in its wholesale funding portion as it bears the highest Cost of Funds**
- Encouraging Time Deposit switching from institutional to retail** as it has lower deposit rates (1% below institutional TD rates).
- Forming a special task force team** within the institutional funding unit **to target institutional funding customers with an average balance of IDR <500 Bn throughout Indonesia.**

Branch Transformation Has Yielded Positive Results as Branch Productivity Improved

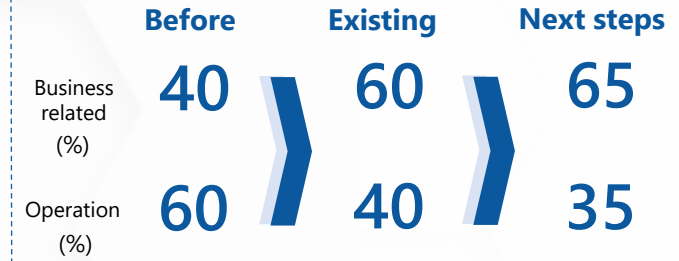
Branch transformation has been carried out to shift 534 outlets from point of services to point of sales.

More than 96 Sub-Branch offices have been relocated to high-potential areas since 2020 with improvement in the outlet performance

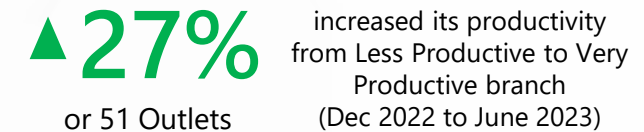
Performance of Top 5 Very Productive Sub Branch Outlets (IDR Mn)

Total Loan Disb.	428,949
Total Deposits	2,140,227
Total Net Profit	54,892

Employee composition will be more focused on business-related units in the future



As productivity increased over the years, financial numbers also improved



Very productive Sub Branches have higher financial indicators than Less Productive Branches

Average Deposits	IDR 78 Bn	▲ 70% higher
Average New Loan Book	IDR 78 Bn	▲ 53% higher
Average Net Profit	IDR 1.5 Bn	▲ 131% higher
Average Fee-based	IDR 0.3 Bn	▲ 24% higher

Mayang Outlet

Pulomas Outlet

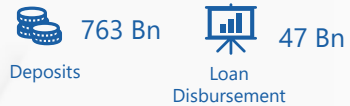
Cimanggu Outlet, Duta Plaza Outlet

Anduonohu Outlet

Anduonohu Outlet (IDR)



Pulomas Outlet (IDR)



Cimanggu Outlet (IDR)



Mayang Outlet (IDR)



Duta Plaza Outlet (IDR)



Very Productive Branch:

- Optimal Loan Growth, Optimal Deposits Growth, and High Net Profit Growth

Less Productive Branch:

- Moderate Loan Growth, Moderate Deposits Growth, and Moderate Net Profit Growth

190+ outlets with >IDR1 Bn net profit

230+ outlets with >IDR50 Bn Deposits

50+ outlets with >IDR 500 Mn fee-based income

Progress on Emerging Affluent Mortgage Disbursement Through Newly-Established Consumer Sales Center

Consumer Sales Center

- Focusing on emerging affluent (>IDR750 Mn) market
- New operating model: separated from the branch offices
- Focusing on approaching 27 national-scale developers

3 Locations of Consumer Sales Center

(Kelapa Gading Square, Bumi Serpong Damai, Surabaya)

70%

Representing total emerging affluent market share in Indonesia



Initial Results of Sales Center BSD & Kelapa Gading Since Grand Lanching



Target

Implementation of sales center is targeted to add-up IDR 500 Bn per month to the total disbursement of Non-Subsidized Mortgage

Sales Center Kelapa Gading

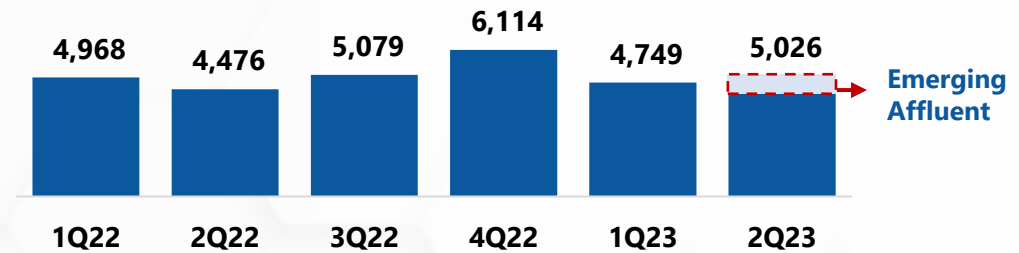
Sales Center BSD

Sales Center Surabaya



Non-Subsidized Mortgage Disbursement (IDR Bn)

▲ 12.30% YoY



- Emerging affluent mortgage booking per month has reached **IDR 140 Bn on average**
- This disbursement size made up around 10% of total non-subsidized mortgage disbursement per month

Ticket Size

>IDR750 Mn

Tier 1



CIPUTRA



Alam Sutera



AGUNG PODOMORO GROUP



summarecon
Wonderful Life - Wonderful World



Big City. Big Opportunity



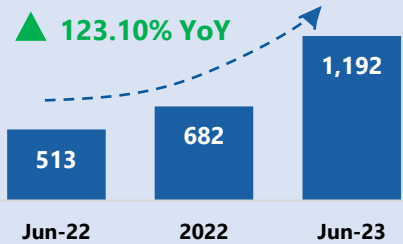
PT. Pakuwon Jati Tbk.

Tier 2

Ticket Size
IDR250 – 750 Mn

KUR

KUR Outstanding as of 1H2023 (IDR Bn)



KUR Outstanding to Total Loans

0.18% 1H22 → 0.39% 1H23

KUR share to total loans will be targeted to be at 8-10% by 2025

Drivers for Increasing KUR Disbursement in 2023



10 KUR Center Pilot Project in Jakarta Greater Area and East Java equipped with dedicated sales person for KUR.



Average KUR disbursement/sales person as of Jun-23 ±IDR 750 Mn



±IDR 136 Bn average KUR Disbursement per month.

KUR Strategies to achieve disbursement target until year end

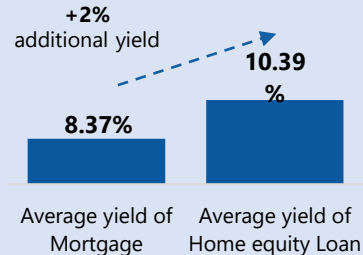
- 1 Adding more KUR Center outlets with a target of 100 KUR Center outlets by the end of 2023
- 2 KUR & BTN Mortgage bundling products for entrepreneur mortgage customers
- 3 Partnering with E-Commerce to boost KUR BTN disbursement
- 4 KUR loan processing optimization & sales force enhancement

KAR

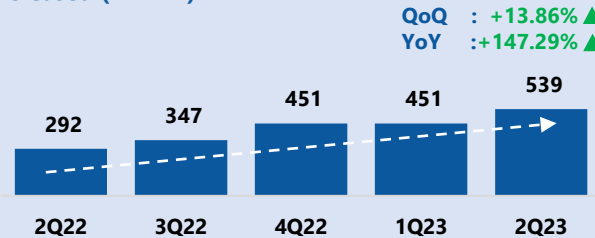
Potential Top up for Home Equity Loan Scheme

400 thou Potential borrowers

- o Loan has been running for around >5 to 10 years
- o Maximum age of 45 years old
- o Collectability 1 for the last 1 year



Home Equity Loan New Disbursements Have Rapidly Increased (IDR Bn)

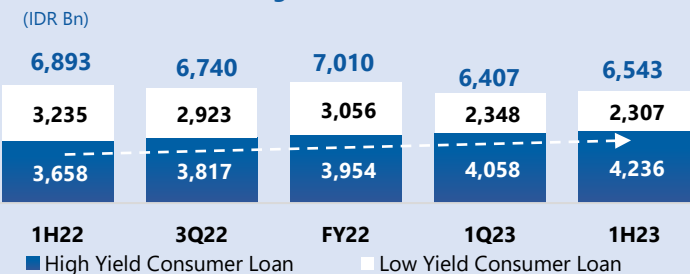


New Business Model for More Aggressive Disbursement

- 1 Tele sales intensification to promote top-up loan
- 2 Implementing 'BTN Ready' digital lending platform with KAR Top Up feature
- 3 **Personal Banking Unit** (New Unit) Dedicated sales force in newly-established business unit to boost KAR promotion & strategies

KRING

Selective Growth on High Yield Consumer Loan (KRING) (IDR Bn)



Loan Yield Picked up from High Yield Consumer Loan

	Growth (% Yoy)	% Yield (as Jun 23)
Total consumer loan	-5.08%	9.73% <small>8.96% as of Jun 22</small>
Low yield consumer loan ¹⁾	-28.70%	7.04%
High yield consumer loan ²⁾	15.82%	10.73%

- o Aggressive disbursement on high-yield consumer loans (KRING) throughout 1H2023 has been able to pick up consumer loan yield to 9.76% in Jun-23.
- o KRING new disbursement up to Jun-23 has reached IDR 940 Bn with an average new disbursement growth of 10.49% yoy.
- o Focusing on offers and promotions through telesales, payroll customers, and joint financing to help boost KRING disbursement.

¹⁾ Short-term loan (Swadana), Soft loans for employee ²⁾ Softloan (Kring), Multimanfaat iB (Sharia), Automotive iB (Sharia)

Digital Capability Improvements with Newly-Added Features on The New BTN Mobile

New features continuously brought up to improve customers' experience and digital lifestyle

E-Deposito

e-Deposito
Special rates for your investment

e-Deposito Rupiah

Deposito BTN Ritel Valas

Rate up to
4.25% p.a
Per June 2023 for e-Deposito Rupiah

BTN Felas & e-Deposito Performance as of Jun-23

BTN Felas Balance	IDR196 Mn
E-Deposito Balance	IDR160 Bn
Total NoA	4,399

*e-Deposito go live in Feb-23 while BTN Felas go live in Mei 2023

BTN Felas Mobile

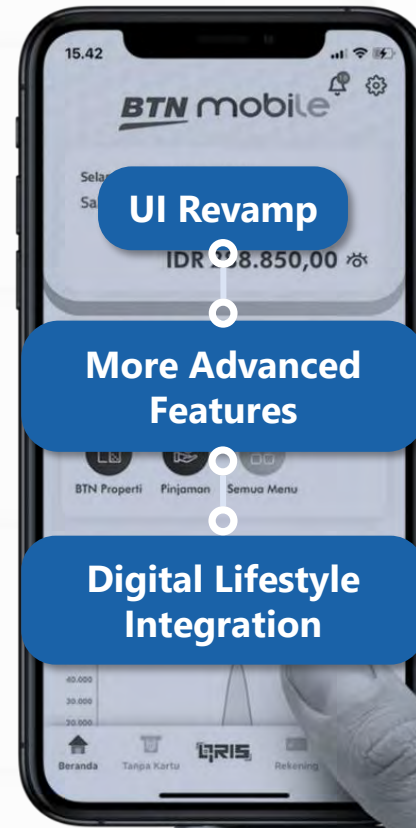
Forex transaction facilities ranging from exchange rate info, forex transfers, and forex trading all integrated to the BTN Mobile app.

- Jual Beli Valas
- Valas Sesama BTN
- Daftar Valas
- Info Kurs

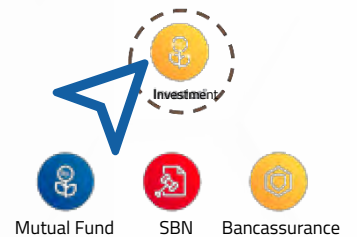


What's Next?

New BTN Mobile 2.0



More than just Banking



New products to boost customers' digital lifestyle are still in development and will be added soon to the BTN Mobile.

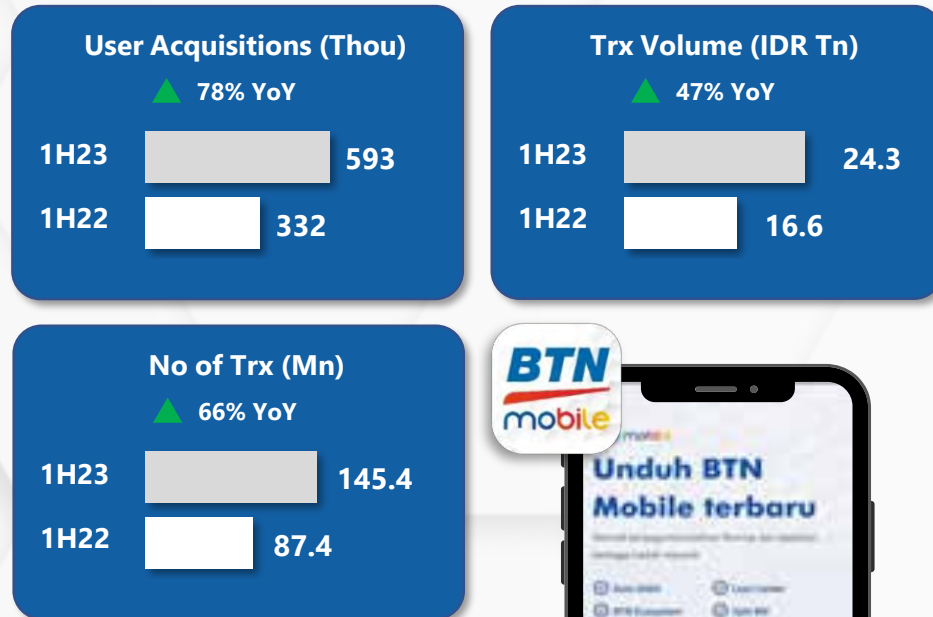
Digital Lifestyle Integration with Brands



BTN's Digital Channel Performance

BTN's digital channel performance in 1H2023 grew strongly driven by recent enhancements in mobile banking, QRIS Merchant, and EDC

Mobile Banking Performance



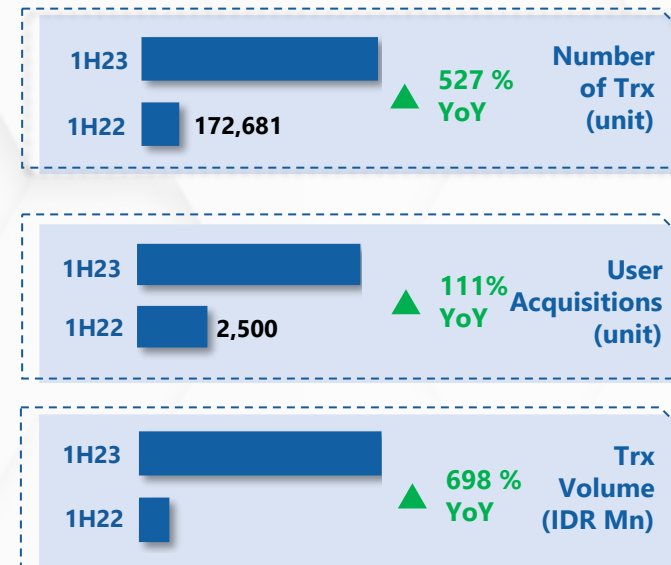
IDR 20.88 Mn

Average balance of BTN Mobile Banking

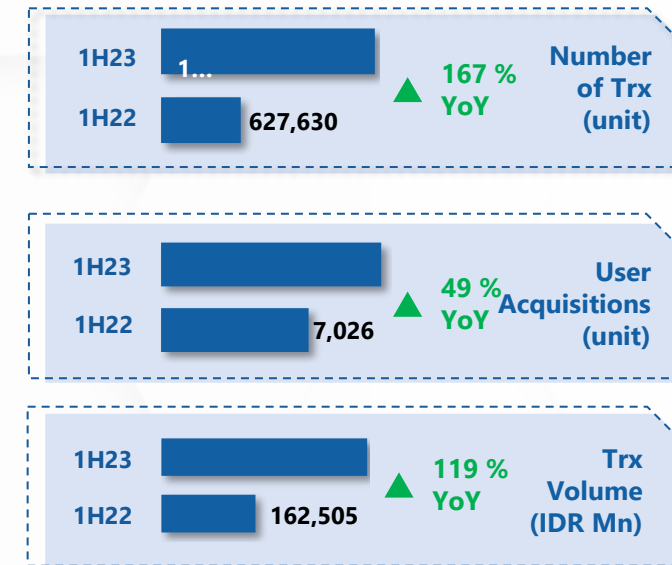
Customers who have registered for BTN Mobile Banking have **4.1 times higher savings balance** compared to customers who have not registered for BTN Mobile Banking.



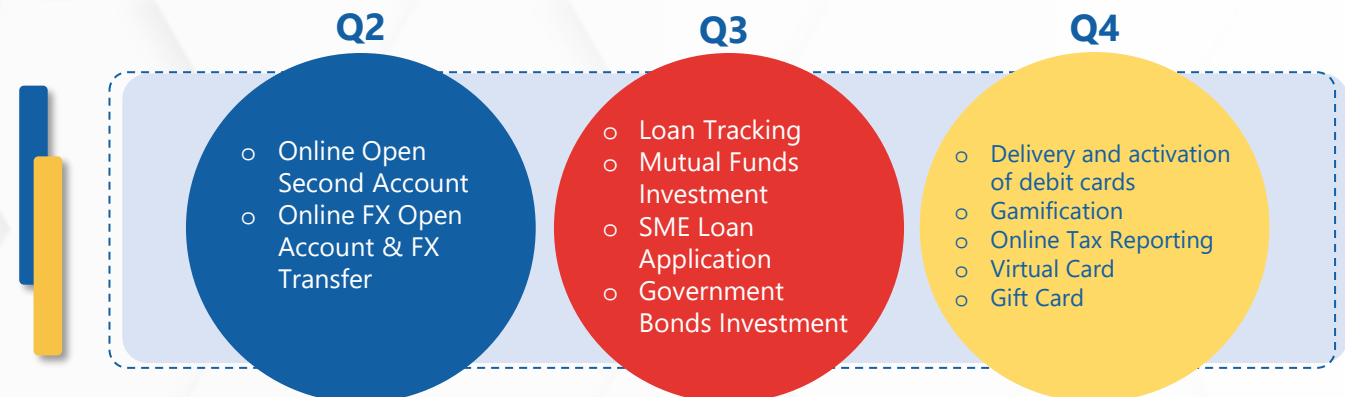
QRIS Merchant Performance



EDC Performance



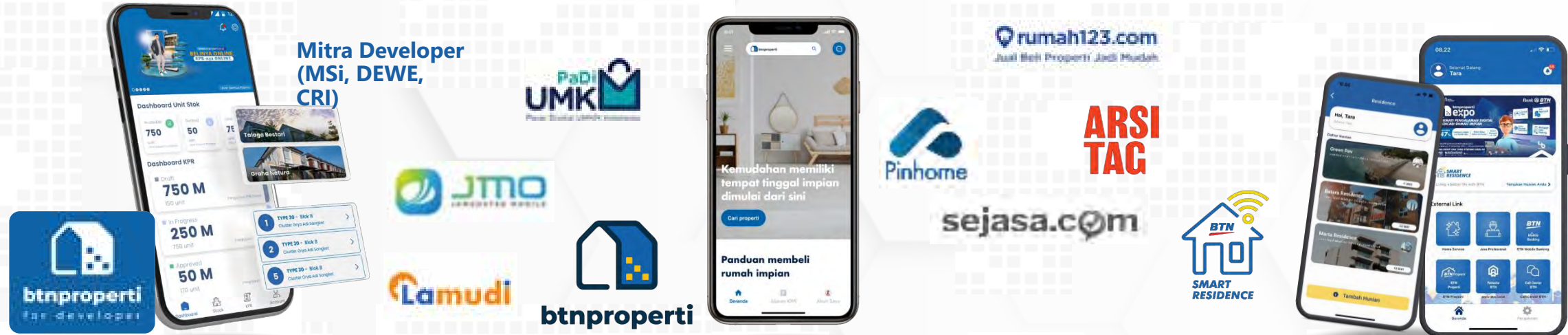
BTN Mobile Feature Enhancement Roadmap in 2023



Digital Mortgage Ecosystem

Creating Sustainable Value Chain within the Digital Ecosystem

(as of June 2023)



Services to property developers to be able to do **stock management online and available at any time**

- 7,974** Property Developers
- 12,689** Housing Projects
- 910 Thou** Property Listing

Key Features:

- BTN Properti for Developer Mobile Based.**
- Dashboard monitoring**
- User Management**
- Online Mortgage Application**

Services for prospective housing loan customers which **provide an easy online access and are available at any time**

- 28.7 Mil** Visitors
- 448 Thou** Members
- IDR 768 Bio** Disbursements
- 10,630** Applications

Key Features:

- Integrated with Government Land Plotting (Sikasep)**
- Instant Approval**
- Virtual Expo**
- Online Loan Tracking**

After sales services to meet people needs for **regular payment transactions** (Electricity, Water & Bills, Security Fees, Parking Fees, Maintenance Fees, and etc.)

- 27** Residences
- 7.5 Thou** Members
- IDR 6.56 Bn** Trx Value

Key Features:

- Billing Payment**
- Utilities**
- Housing Services**

Financial Performance



Financial Highlights

Strong capital improvement for more sustainable growth going forward.

Financial Highlights (IDR Bn)	Full Year of					First Half of		Growth
	2018	2019	2020	2021	2022	2022	2023	
Total Assets	306,436	311,777	361,208	371,868	402,148	381,741	400,545	4.93% yoy
Total Loan & Financing	238,298	255,825	260,114	274,835	298,282	286,152	307,669	7.52% yoy
Total Deposits	230,264	225,401	279,135	295,976	321,937	307,309	313,256	1.94% yoy
Equity	23,840	23,836	19,988	21,407	25,909	20,985	28,395	35.31% yoy
Net Profit	2,808	209	1,602	2,376	3,045	1,471	1,474	0.23% yoy
CAR (Tier 1)	15.97%	15.60%	13.64%	13.80%	16.13%	12.74%	17.14%	440 Bps
CAR (BI)	18.21%	17.32%	19.34%	19.14%	20.17%	17.36%	20.42%	308 Bps
N I M	4.32%	3.32%	3.06%	3.99%	4.40%	4.58%	3.62%	(96) bps
C I R	52.28%	58.08%	53.85%	48.18%	46.66%	46.07%	47.76%	170 bps
ROE	14.89%	1.00%	10.02%	13.64%	16.42%	16.42%	11.95%	(447) bps
ROA	1.34%	0.13%	0.69%	0.81%	1.02%	1.03%	0.93%	(10) bps
NPL (Gross)	2.81%	4.78%	4.37%	3.70%	3.38%	3.54%	3.66%	11 bps
NPL (Nett)	1.83%	2.96%	2.06%	1.20%	1.32%	1.04%	1.75%	71 bps
Coverage Ratio	49.24%	50.01%	115.02%	141.82%	155.65%	149.74%	139.12%	(1,062) bps
LDR	103.49%	113.50%	93.19%	92.86%	92.65%	93.12%	98.22%	510 bps
LCR	108.99%	136.31%	256.32%	283.16%	238.50%	233.16%	192.18%	(4,098) bps

Balance Sheet

Steady assets growth driven by loans and uptick in CASA

Balance Sheet Summary (IDR Bn)	Full Year of				
	2018	2019	2020	2021	2022
Total Earning Assets	266,356	284,338	335,630	331,979	360,379
Term Deposit with BI	11,204	6,134	11,583	5,550	4,578
Total Loan & Financing	238,298	255,825	260,114	274,835	298,282
Government Bond/Securities	15,021	18,628	59,494	48,313	53,688
Other Earning Assets	1,833	3,751	4,439	3,281	3,831
Provision on Earning Asset	(3,320)	(6,145)	(13,066)	(14,440)	(15,679)
Total Non Earning Assets	43,401	33,584	38,645	54,329	57,449
Total Assets	306,436	311,777	361,208	371,868	402,148
CASA	99,927	97,754	114,764	131,120	156,202
Current Account	58,049	52,117	72,045	79,199	114,007
Saving Account	41,877	45,638	42,719	51,922	42,195
Time Deposits	130,337	127,647	164,371	164,856	165,736
Third Party Deposits	230,264	225,401	279,135	295,976	321,937
Securities issued	17,036	19,784	15,810	12,372	8,652
Deposits from Other Banks	6,249	4,522	35	74	179
Repurchase Agreements	948	947	0	0	0
Borrowings	18,499	28,465	34,002	30,822	33,979
Non Interest Bearing Liabilities	9,599	8,823	12,238	11,218	11,491
Total Liabilities	282,596	287,941	341,221	350,462	376,239
Total Equity	23,840	23,836	19,988	21,407	25,909
Total Liabilities & Equity	306,436	311,777	361,208	371,868	402,148

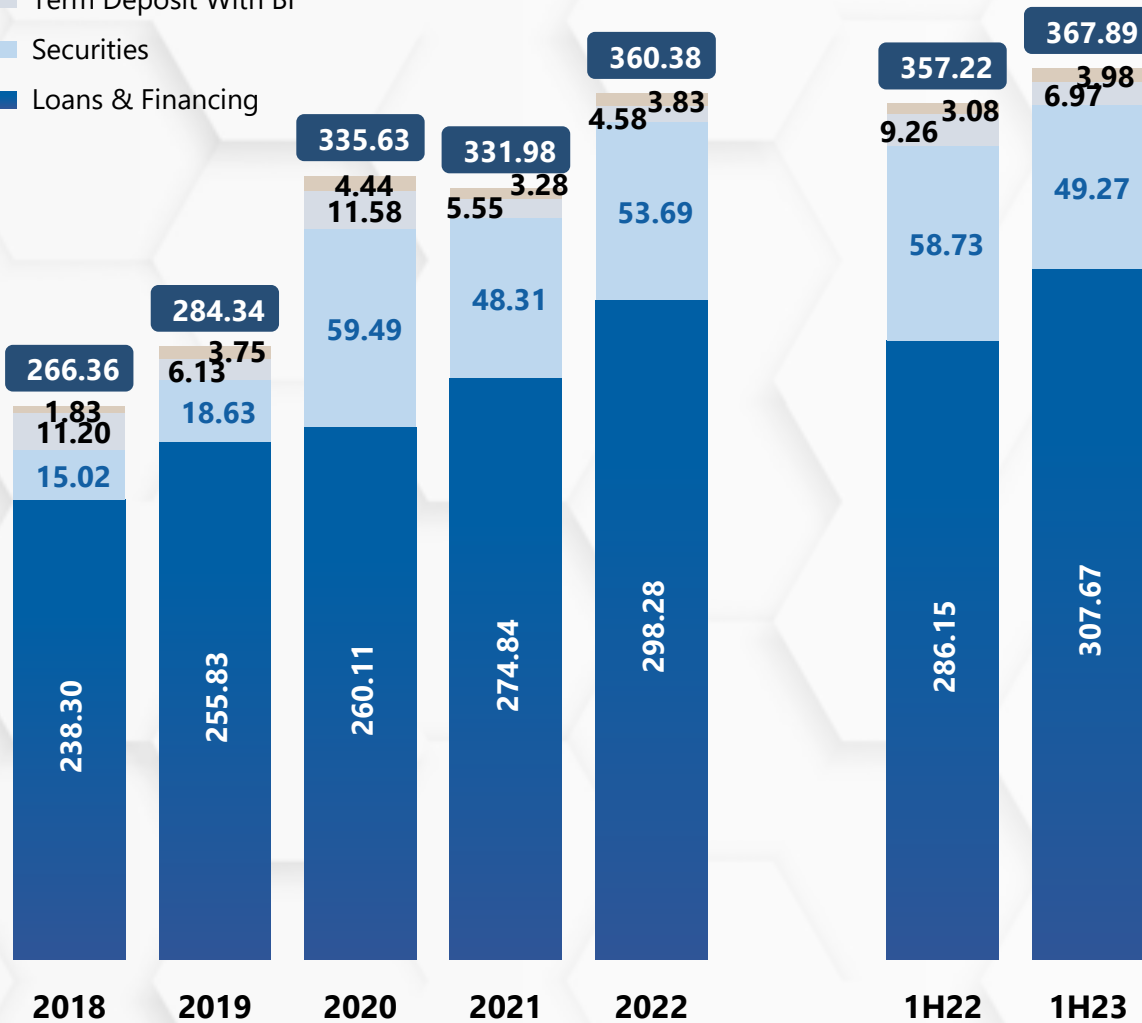
First Half of		Growth
2022	2023	
357,217	367,887	2.99% yoy
9,263	6,968	-24.77% yoy
286,152	307,669	7.52% yoy
58,727	49,271	-16.10% yoy
3,076	3,979	29.39% yoy
(15,185)	(15,657)	3.11% yoy
39,709	48,315	21.67% yoy
381,741	400,545	4.93% yoy
137,453	170,218	23.84% yoy
90,409	128,677	42.33% yoy
47,044	41,541	-11.70% yoy
169,855	143,038	-15.79% yoy
307,309	313,256	1.94% yoy
10,279	6,638	-35.43% yoy
1,409	1,526	8.31% yoy
0	3,482	yoy
31,354	34,994	11.61% yoy
10,405	12,253	17.76% yoy
360,756	372,150	3.16% yoy
20,985	28,395	35.31% yoy
381,741	400,545	4.93% yoy

Asset & Earning Asset Composition

Earning assets building up strongly, dominated by loans and financing

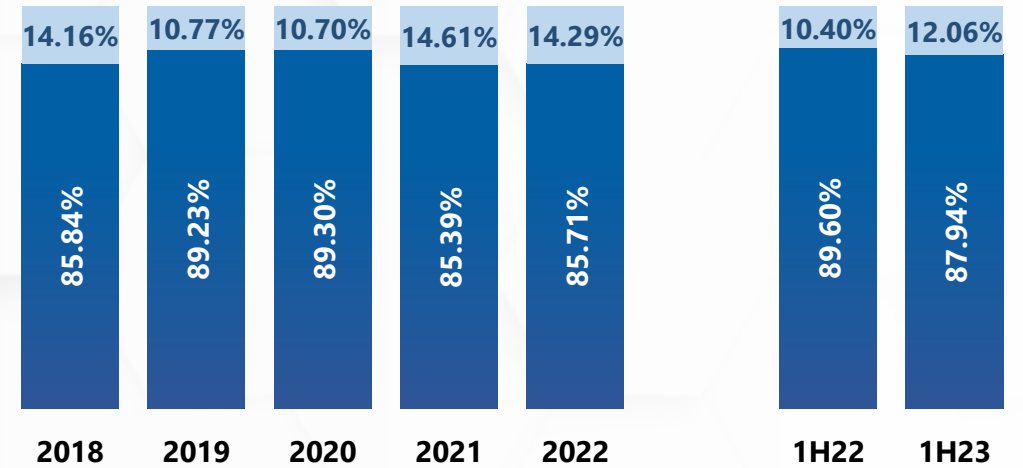
Total Earning Asset (IDR – Tn)

- Other Earning Asset
- Term Deposit With BI
- Securities
- Loans & Financing

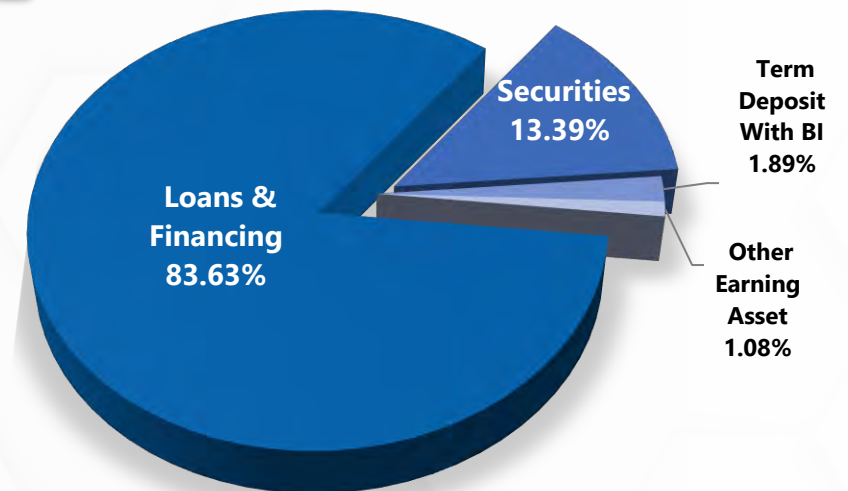


Asset Composition

- Non Earning Asset
- Earning Asset



Earning Asset Composition



Loan Mix

Loan growth remains driven by subsidized and non-subsidized mortgages although non-housing loans portion slightly increased as disbursement on non-housing higher yield intensified

Loan Type (IDR Bn)	2018		2019		2020		2021		2022	
	Outs	%	Outs	%	Outs	%	Outs	%	Outs	%
Housing Loan	213,619	89.64%	229,522	89.72%	234,785	90.26%	244,823	89.08%	261,705	87.74%
Subsidized Mortgage	98,173	41.20%	111,130	43.44%	120,720	46.41%	130,683	47.55%	145,860	48.90%
Non Subsidized Mortgage	77,760	32.63%	80,649	31.52%	79,938	30.73%	83,251	30.29%	87,824	29.44%
Other Housing Loan	8,426	3.54%	8,032	3.14%	7,256	2.79%	6,976	2.54%	6,970	2.34%
Construction Loan	29,261	12.28%	29,711	11.61%	26,871	10.33%	23,914	8.70%	21,051	7.06%
Non Housing Loan	24,679	10.36%	26,303	10.28%	25,329	9.74%	30,012	10.92%	36,576	12.26%
Consumer Loan	5,695	2.39%	4,896	1.91%	5,119	1.97%	6,559	2.39%	7,010	2.35%
Commercial Loan	18,984	7.97%	9,032	3.53%	8,270	3.18%	9,512	3.46%	11,563	3.88%
Corporate Loan			12,375	4.84%	11,940	4.59%	13,942	5.07%	18,004	6.04%
Total Loan & Financing	238,298	100.00%	255,825	100.00%	260,114	100.00%	274,835	100.00%	298,282	100.00%

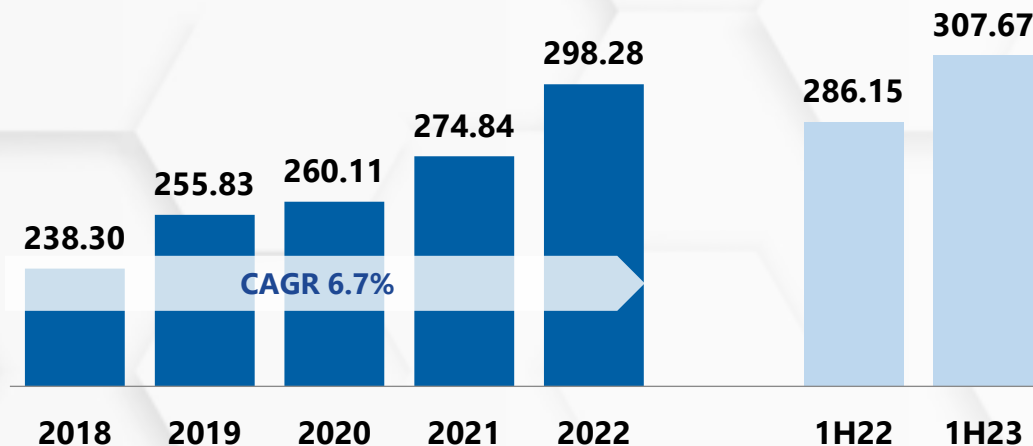
	1H22		1H23		Growth
	Outs	%	Outs	%	
Total Loan & Financing	251,914	88.04%	269,483	87.59%	6.97% yoy
Housing Loan	137,255	47.97%	152,167	49.46%	10.86% yoy
Non Housing Loan	85,305	29.81%	90,839	29.52%	6.49% yoy
Consumer Loan	6,852	2.39%	7,255	2.36%	5.88% yoy
Commercial Loan	22,503	7.86%	19,222	6.25%	-14.58% yoy
Corporate Loan	34,238	11.96%	38,186	12.41%	11.53% yoy
Other	6,893	2.41%	6,543	2.13%	-5.08% yoy
Other	11,990	4.19%	10,294	3.35%	-14.14% yoy
Other	15,355	5.37%	21,349	6.94%	39.04% yoy

*) Reclassified

Note: Figures on graph and table include Sharia Financing

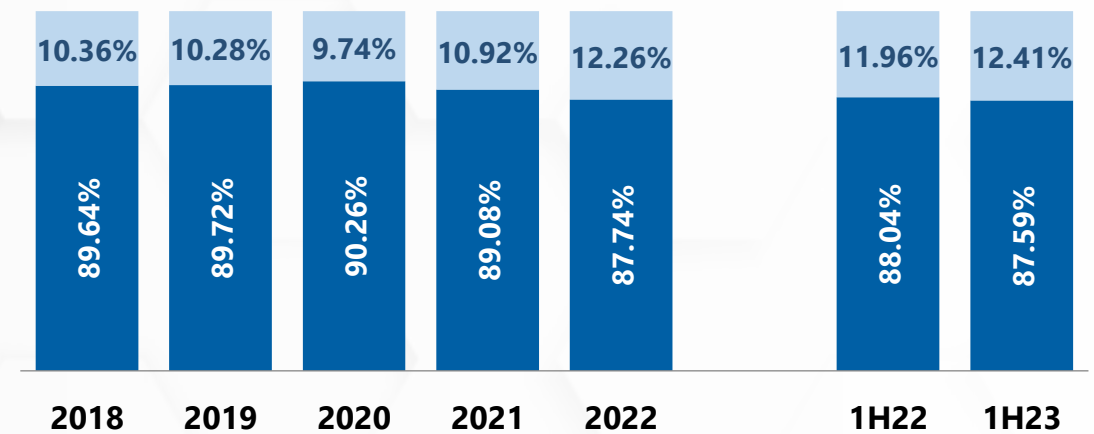
Gross Loan (IDR Bn)

▲ +7.52% yoy



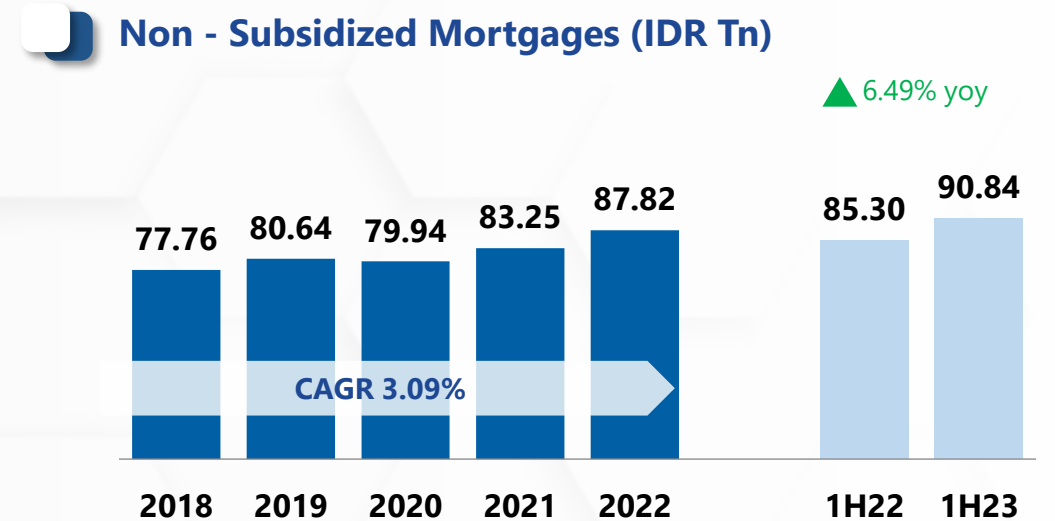
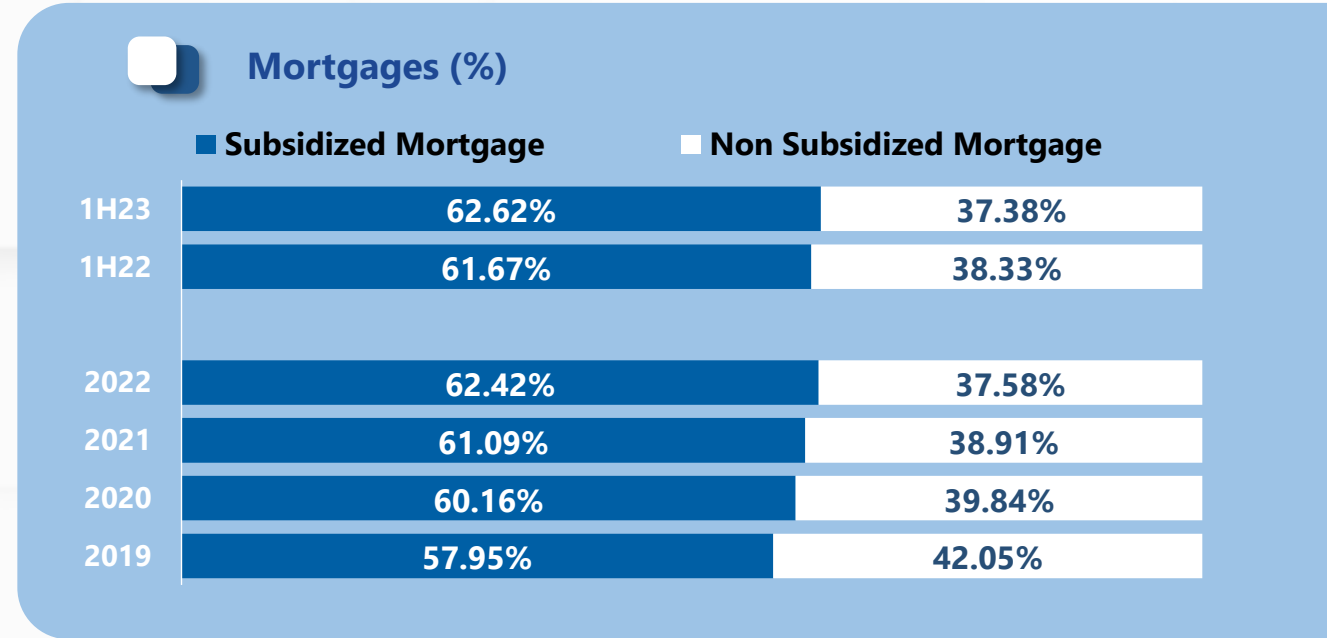
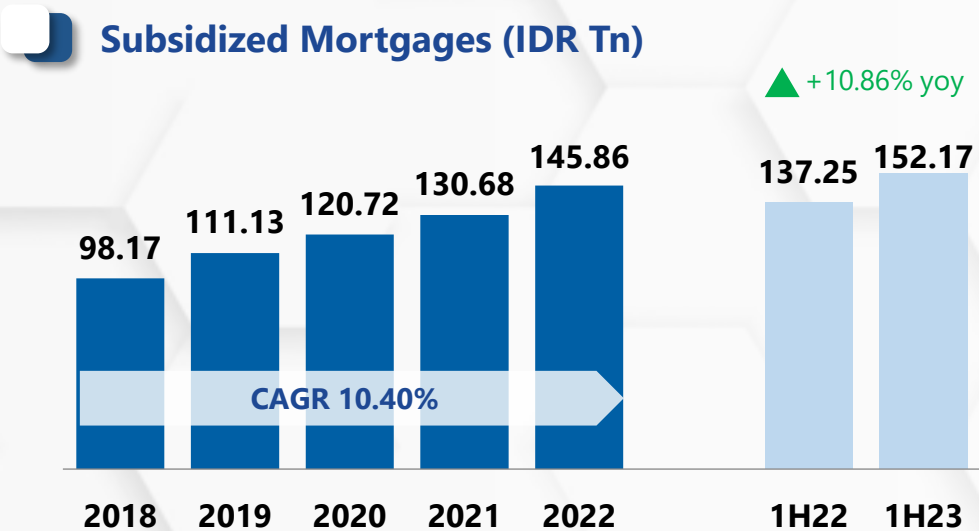
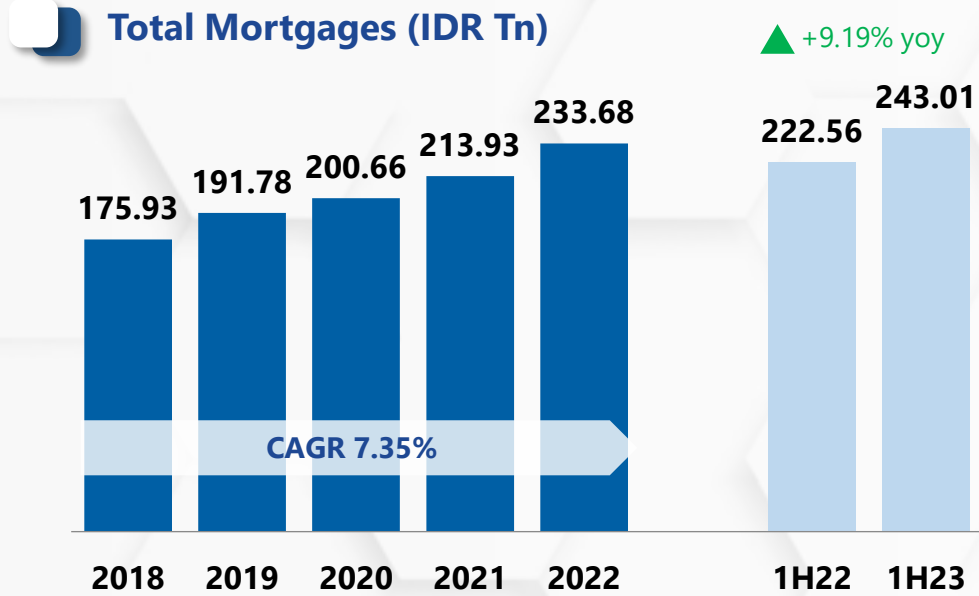
Composition by Business Segment

■ Non Housing Loans
■ Housing Loans



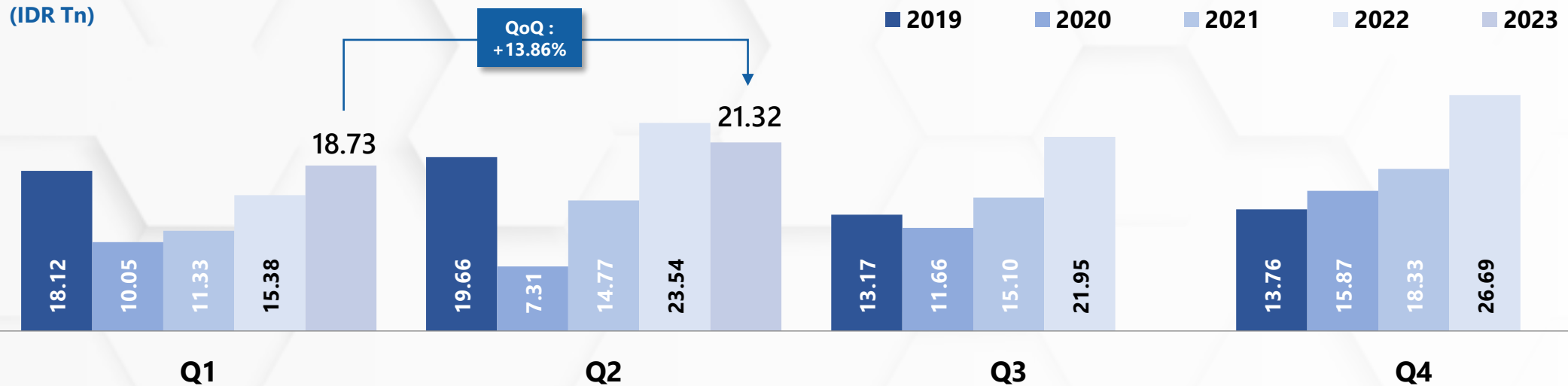
Mortgages

Mortgages have grown by **9.19% yoy**, well above the last 5 years growth of **7.35% CAGR**



Loan Disbursement

Strong disbursement in non-subsidized mortgages and other housing loans



Loan Type (IDR Bn)	Full Year of				
	2018	2019	2020	2021	2022
Housing Loan	65,095	44,117	29,712	35,399	47,537
Subsidized Mortgage	28,578	19,272	17,064	18,410	24,332
Non Subsidized Mortgage	18,350	12,498	6,935	10,969	14,343
Other Housing Loan	1,875	1,365	683	1,069	1,347
Construction Loan	16,292	10,982	5,030	4,952	7,516
Non Housing Loan	21,738	20,587	15,177	24,206	40,021
Consumer Loan	6,239	4,184	4,251	7,182	8,516
Commercial Loan	13,280	4,255	3,884	9,036	20,807
Corporate Loan	2,218	12,148	7,041	7,988	10,698
Total Loan & Financing	86,833	64,704	44,888	59,605	87,558

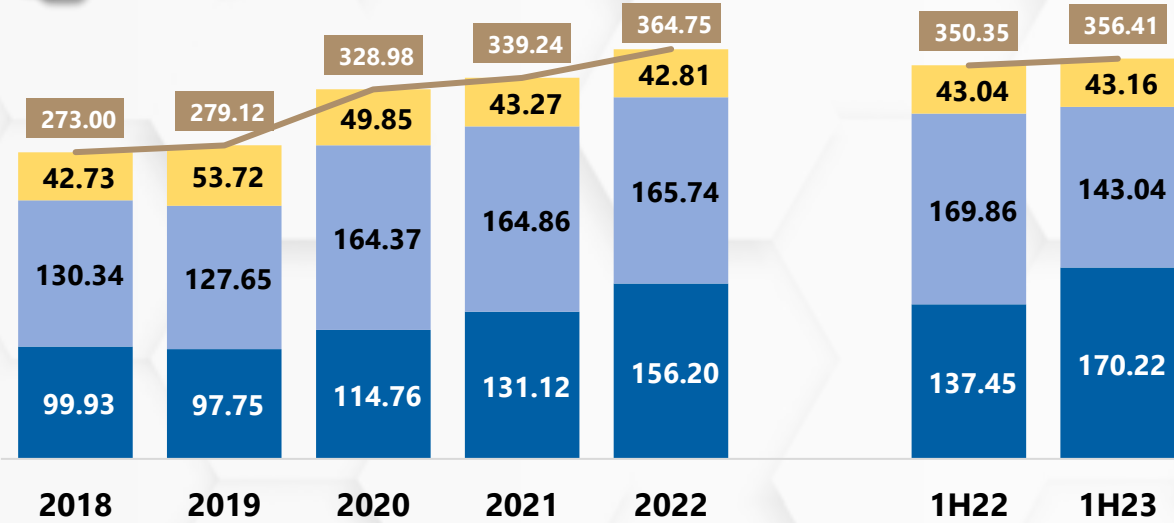
Loan Type (IDR Bn)	First Half of		Growth
	2022	2023	
Housing Loan	20,793	24,925	19.87% yoy
Subsidized Mortgage	10,877	11,184	2.82% yoy
Non Subsidized Mortgage	6,155	8,036	30.56% yoy
Other Housing Loan	531	1,000	88.49% yoy
Construction Loan	3,230	4,705	45.65% yoy
Non Housing Loan	18,127	15,124	-16.57% yoy
Consumer Loan	3,155	1,478	-53.15% yoy
Commercial Loan	9,006	6,534	-27.45% yoy
Corporate Loan	5,965	7,111	19.21% yoy
Total Loan & Financing	38,920	40,049	2.90% yoy

Note: Figures on graph and table include Sharia Financing *) Reclassified

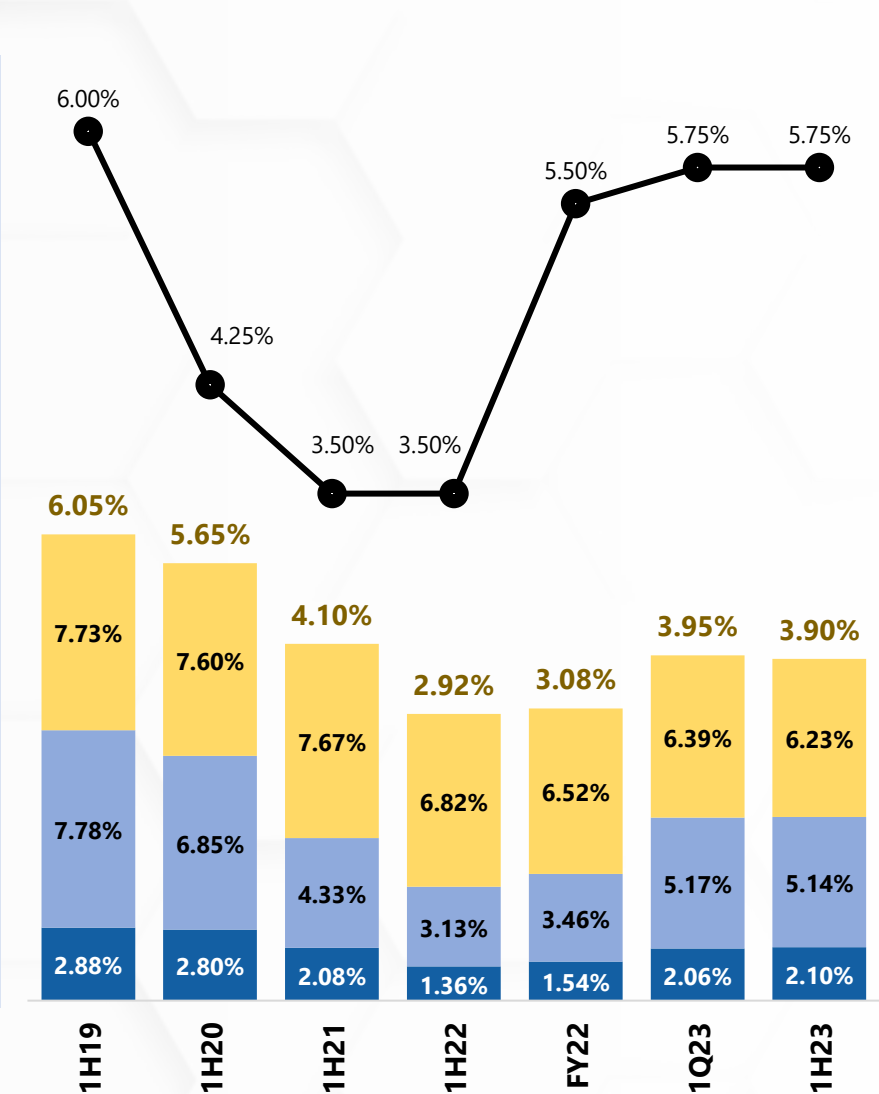
Total Funding

Maintaining steady cost of funds through funding recomposition amidst high policy rate environment

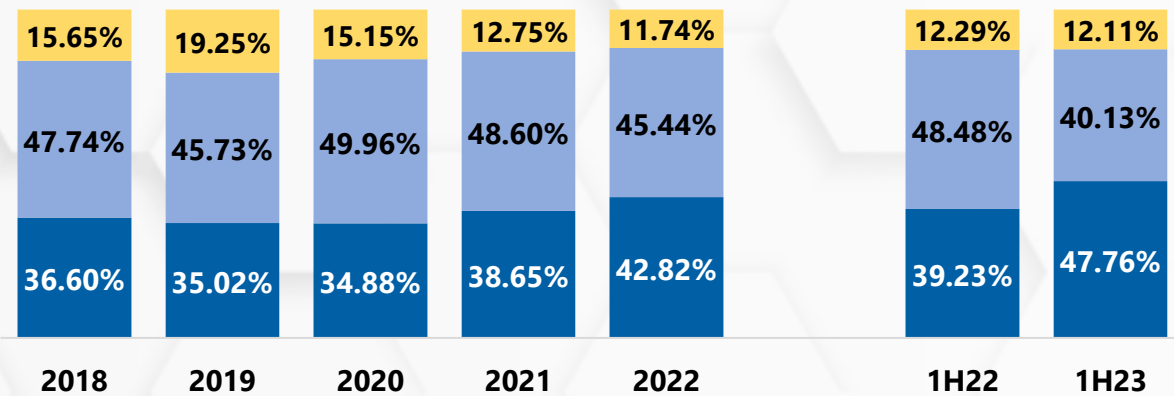
Funding Composition (IDR Tn)



Cost of Fund Trend (% YTD)



Total Funding Composition (%)



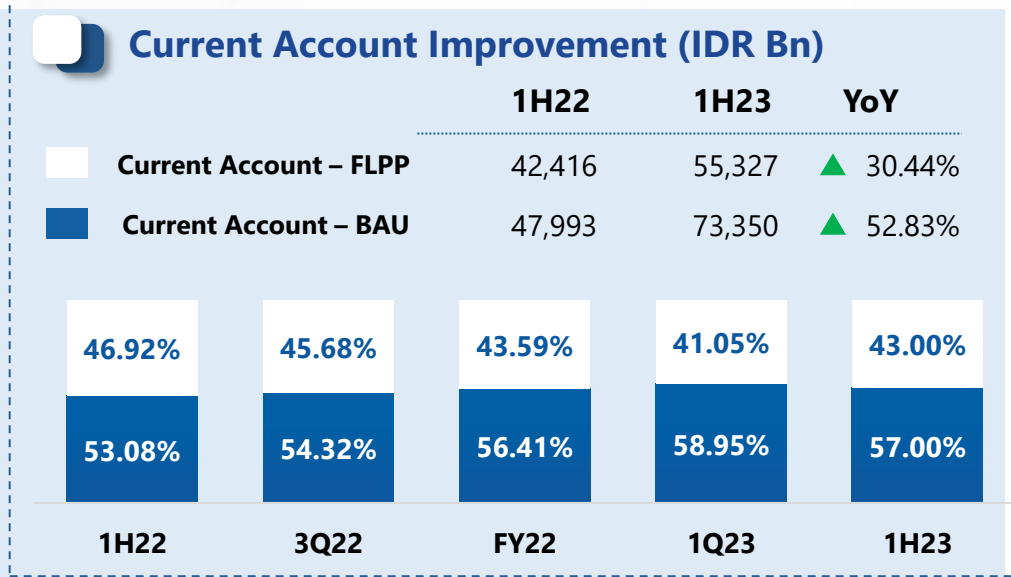
Deposits Mix

Current account BAU grew massively as transaction banking improves to capture high funding ticket size

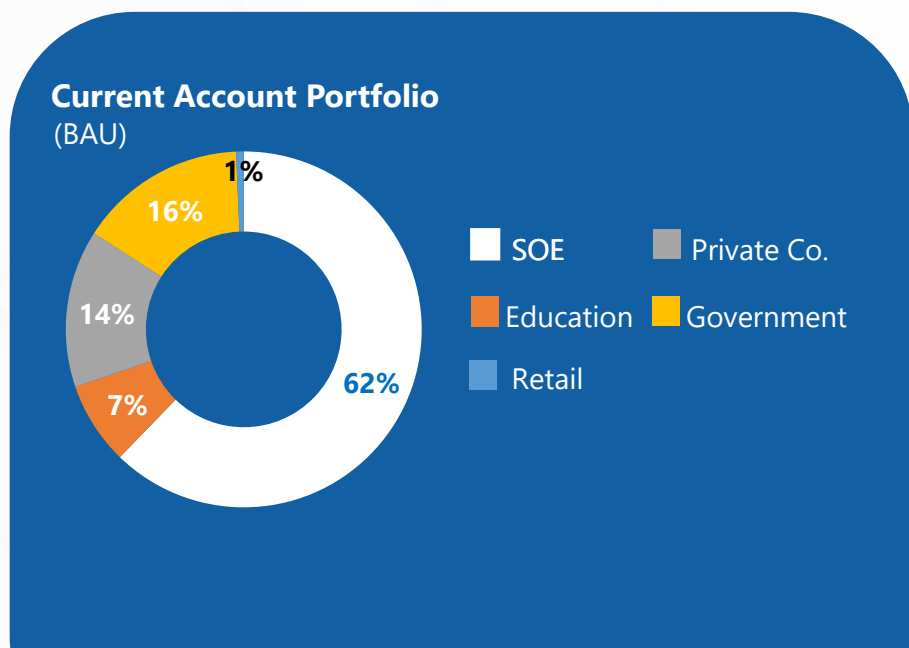
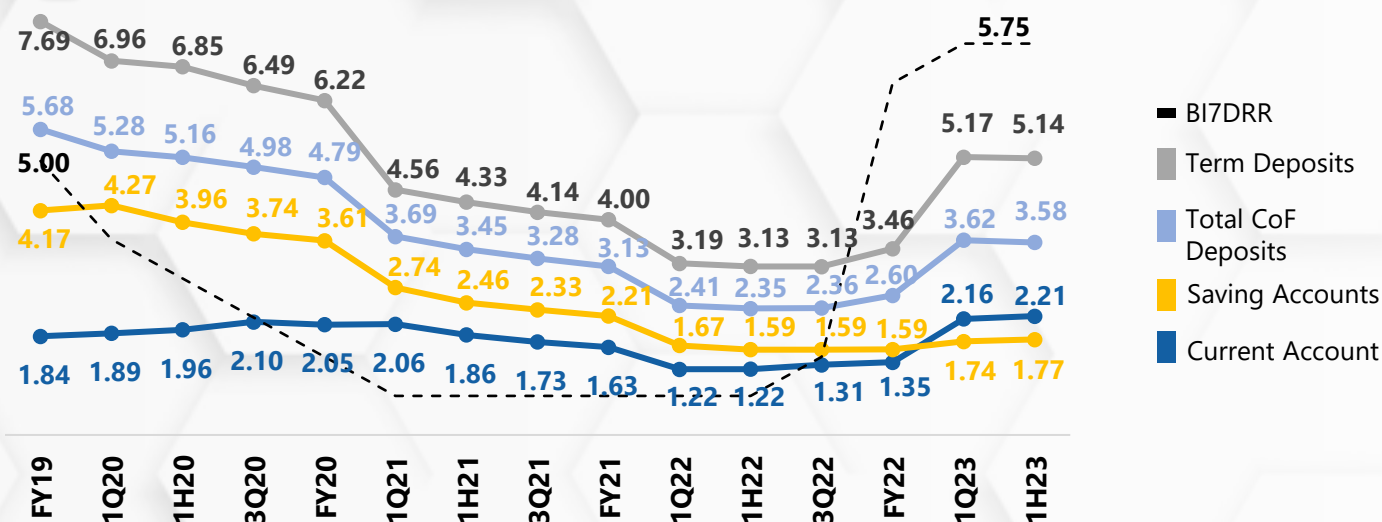
Deposits Mix (IDR Bn)

Deposits (IDR Bn)	2018	2019	2020	2021	2022
CASA	99,927	97,754	114,764	131,120	156,200
Current Account	58,049	52,116	72,045	79,198	114,007
Savings Account	41,877	45,638	42,719	51,922	42,195
Time Deposits	130,337	127,647	164,371	164,856	165,736
Total	230,264	225,401	279,135	295,976	321,937
CASA Ratio	43.40%	43.37%	41.11%	44.30%	48.52%

	1H22	1H23	YoY
CASA	137,453	170,218	23.84%
Current Account	90,409	128,677	42.33%
Savings Account	47,044	41,541	-11.70%
Time Deposits	169,855	143,038	-15.79%
Total	307,309	313,256	1.94%
CASA Ratio	44.73%	54.34%	



Cost of Fund Trend – Deposits (% YTD)



Equity

Strong capital structure dominated by Tier-1 with gradual decrease in Tier-2

Equity and Capital (IDR Bn)	Full Year of				
	2018	2019	2020	2021	2022
Tier – 1 Capital	20,460	21,037	17,626	18,532	22,533
Tier – 2 Capital	2,868	2,313	7,369	7,175	5,635
Capital on Balance Sheet	23,840	23,836	19,988	21,407	25,909
Total RWA	128,138	134,844	129,250	134,341	139,631
RWA – Credit Risk	109,507	113,079	105,435	110,020	114,318
RWA – Market Risk	1,007	802	1,612	2,407	1,373
RWA – Operational Risk	17,623	20,963	22,203	21,914	23,939
CAR Tier 1 (Tier 1/Total RWA)	15.97%	15.60%	13.64%	13.80%	16.13%
CAR Balance Sheet (B/S/Total RWA)	18.61%	17.68%	15.46%	15.93%	18.56%
CAR BI ((Tier 1+2)/Total RWA)	18.21%	17.32%	19.34%	19.14%	20.17%
Car Tier – 2	2.24%	1.72%	5.70%	5.34%	4.04%
Capital Conservation Buffer	1.88%	2.50%	0.00%	0.00%	2.50%
Countercyclical Buffer	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Surcharge (D-SIB)	0.75%	1.00%	1.00%	1.00%	1.00%

First Half of		Growth
2022	2023	
17,643	25,189	42.76% yoy
6,401	4,812	-24.82% yoy
20,985	28,395	35.31% yoy
138,478	146,948	6.12% yoy
110,423	125,720	13.85% yoy
4,116	3,338	-18.90% yoy
23,939	17,889	-25.27% yoy
12.74%	17.14%	440 bps
15.15%	19.32%	417 bps
17.36%	20.42%	305 bps
4.62%	3.28%	(134) bps
2.50%	2.50%	- bps
0.00%	0.00%	- bps
1.00%	1.00%	- bps

Profit and Loss

Fee-based income strengthened to offset increasing interest expense as a result of high policy rate environment

PL Summary (IDR Bn)	2018	2019	2020	2021	2022	1H22	1H23	YoY
Interest Income	22,839	25,678	25,167	25,828	25,888	12,677	13,522	6.67%
Interest Expense	(12,634)	(16,600)	(16,045)	(12,626)	(10,740)	(4,940)	(7,044)	42.59%
Net Interest Income	10,205	9,078	9,122	13,201	15,148	7,737	6,478	-16.27%
Other Operating Income	2,127	2,113	2,515	2,488	2,234	1,009	1,718	70.26%
Other Operating Expense (Exclude Provision)	(6,982)	(7,269)	(7,053)	(9,025)	(9,406)	4,734	4,364	-7.83%
Pre Provision Operating Profit (PPOP)	5,350	3,922	4,584	6,664	7,975	4,011	3,832	-4.47%
Provision	(1,714)	(3,487)	(2,262)	(3,628)	(4,041)	2,068	1,941	-6.18%
Profit From Operations	3,635	436	2,322	3,036	3,934	1,943	1,891	-2.66%
Non Operating Income (Expense)	(25)	(25)	(51)	(43)	(59)	(25)	(25)	-1.89%
Profit Before Tax	3,610	411	2,271	2,993	3,876	1,917	1,866	-2.67%
Net Profit	2,808	209	1,602	2,376	3,045	1,471	1,474	0.23%
Earning per Share	265	20	151	224	236	139	105	

- Increase in interest expense by **42.59% yoy** is still lower than policy rate hike by around 50% (from 3.75% - 5.75%).
- Other Operating Expense decreased by **7.83% yoy** due to the efficiency throughout last year.
- Provision charge has decreased by **6.18% yoy** to become IDR1,941 Bn.
- Net Profit grew by **0.23% yoy**, booked at IDR1,47 Tn.

Profit and Loss Composition (1/2)

Interest from loans and income from Sharia financing steadily grew, dominating the interest income composition

Interest Income

Interest Income (IDR Bn)	2018	2019	2020	2021	2022	1H22	1H23	YoY	% portion of 1H23
Placement with Bank Indonesia	145	199	374	459	321	148	221	49.65%	1.63%
Placement with other bank	35	27	12	71	10	3	10	262.83%	0.07%
Securities	853	989	1,683	2,577	2,253	1,180	1,107	-6.24%	8.18%
Loan	19,852	22,203	21,173	20,615	20,956	10,272	10,718	4.34%	79.26%
Others	-	-	3	19	61	2	45	1947.67%	0.33%
Income from Syariah	1,95	2,261	1,922	2,087	2,286	1,072	1,422	32.64%	10.52%
Total	22,839	25,678	25,167	25,828	25,888	12,677	13,522	6.67%	100.00%

Interest Expense

Interest Expense (IDR Bn)	2018	2019	2020	2021	2022	1H22	1H23	YoY	% portion of 1H23
Bank Indonesia	-	-	-	-	-	-	-	0.00%	0.00%
Deposits from Other Banks	459	508	195	52	135	44	89	221.29%	1.26%
Deposits from Non Banks	9,498	12,679	11,755	9,135	7,918	2,877	5,688	64.05%	80.75%
Securities Issued	1,556	1,652	1,552	1,261	880	170	302	-43.36%	4.29%
Fund Borrowings	1,026	1,689	2,518	2,176	1,801	465	946	4.24%	13.43%
Others	94	73	25	1	7	0	19	367.62%	0.26%
Total	12,634	16,600	16,045	12,626	10,740	3,555	7,044	42.59%	100.00%

Profit and Loss Composition (2/2)

Increasing operating income was driven by gains from treasury's trading activities and growing fees from transaction banking

Operating Income

Other Operating Income (IDR Bn)	2018	2019	2020	2021	2022	1H22	1H23	YoY	% portion of 1H23
Marked to market	42	23	106	-	-	6	156	2575.45%	9.07%
Gain (Losses)	456	623	665	895	141	55	375	585.49%	21.84%
Reversal on Provisions	-	-	0	4	23	0.0	-		0.00%
Commissions, Services & Admin Fee	1,044	1,107	996	1,095	1,243	600	641	6.85%	37.31%
Others	543	360	749	493	827	349	546	56.64%	31.78%
Total	2,085	2,114	2,515	2,488	2,234	1,009	1,718	70.26%	100.00%

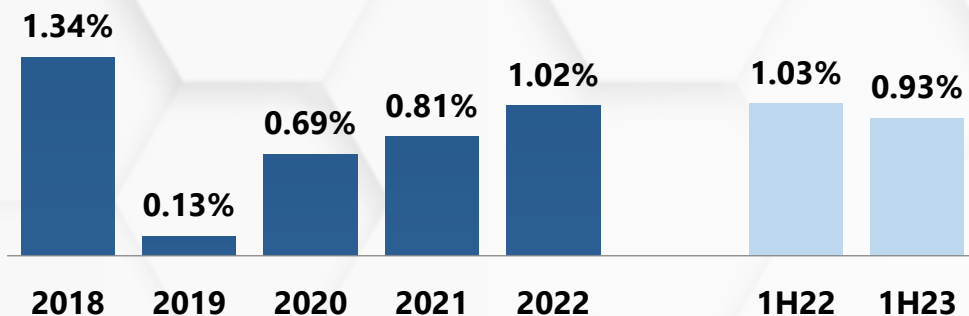
Operating Expense

Other Operating Expense (IDR Bn)	2018	2019	2020	2021	2022	1H22	1H23	YoY	% portion of 1H23
Provisions	1,714	3,487	2,262	3,628	4,041	2,070	1,948	-5.89%	30.90%
Salaries & Employee Benefit	2,474	2,435	2,560	2,953	3,311	1,616	1,699	5.16%	26.95%
General Administration	877	875	886	1,530	1,048	820	570	-30.53%	9.04%
Others	395	483	487	911	939	389	165	-57.59%	2.62%
Rent, Service & Maintenance	849	966	778	806	913	397	350	-11.83%	5.55%
Depreciation	264	314	526	556	629	267	333	24.99%	5.29%
Promotion	597	455	268	340	470	178	230	29.61%	3.66%
Collector Fees & Consultant	932	1,036	979	1,053	1,069	541	513	-5.26%	8.14%
Insurance Premium	421	489	496	642	621	322	349	8.14%	5.53%
Training	138	96	42	51	88	26	31	17.69%	0.49%
Research & Development	14	16	8	6	6	2	4	87.25%	0.06%
Other Taxes	10	12	13	13	12	3	4	13.17%	0.06%
Gain (Losses)	11	92	9	11	500	27	109	300.15%	1.73%
Marked to Market	0	0	-	154	10	144	-		0.00%
Total	8,697	10,756	9,315	12,653	13,656	6,803	6,195	-8.93%	100.00%

Key Financial Ratios

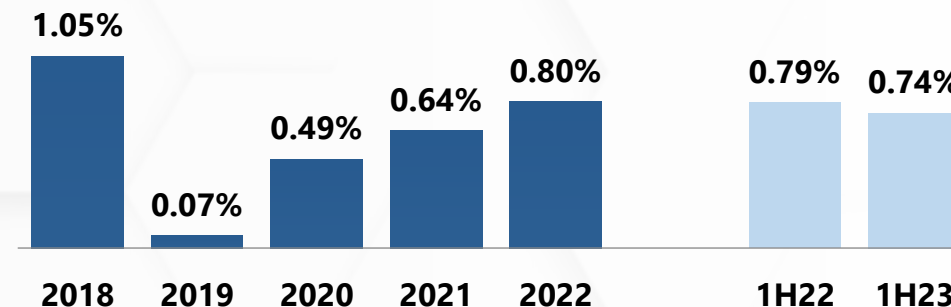
Moderating returns in the midst of asset and capital build-up

ROA¹ – Before Tax



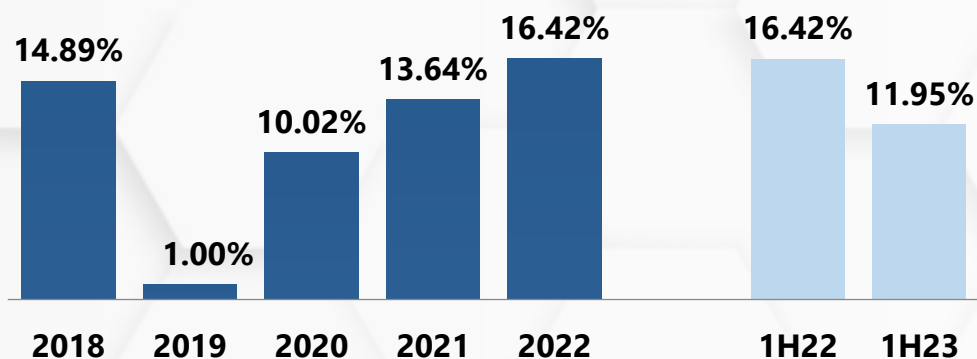
¹Calculated based on income before income tax (include tax benefit and extraordinary item)/ average total asset based on Bank Indonesia regulation

ROA² – After Tax



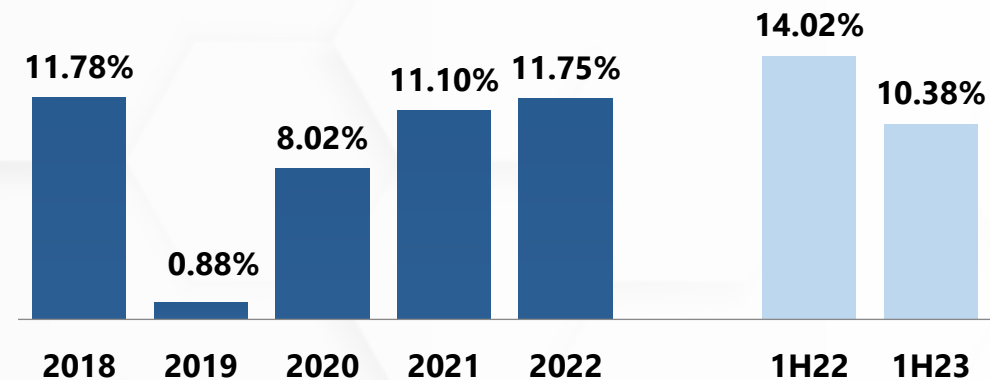
²Calculated based on net profit/average total asset

ROE³ – Tier 1 Capital



³Calculated based on net profit/average Tier 1 Capital based on Bank Indonesia regulation

ROE⁴ – Balance Sheet



⁴Calculated based on net profit/total stakeholder's equity

	FY 23 Guidance	1H23 Actual
Loan Growth	10-11%	7.52%
Deposits Growth	10-11%	1.94%
Net Profit Growth	10-11%	0.23%
Cost of Credit	1.1-1.2%	1.29%
NPL Gross	<3%	3.6%

Asset Quality & Risk Management



Loan Quality

Loan quality slightly impacted by flows from restructured loans but still manageable

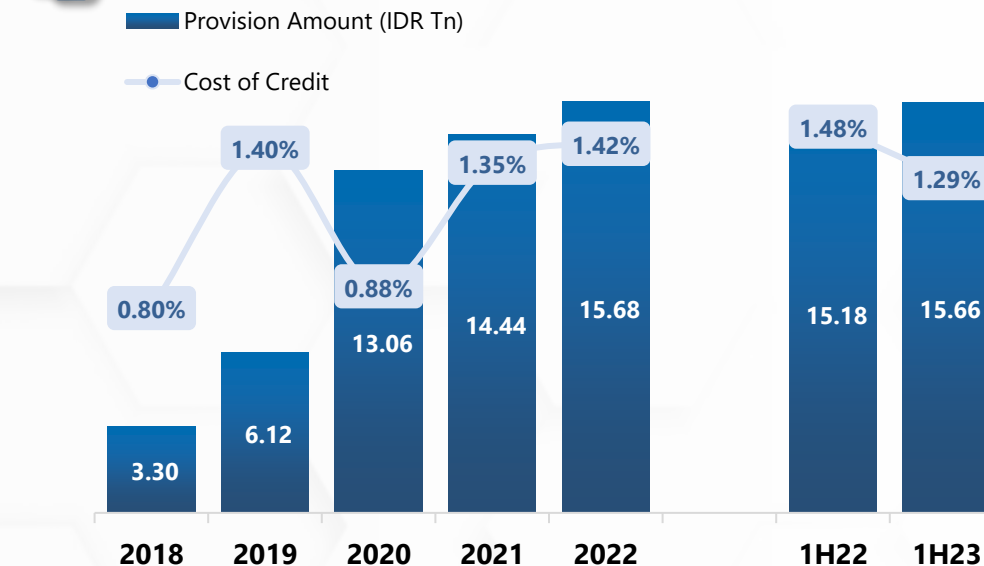
Collectibility	2018		2019		2020		2021		2022	
	IDR Bn	%	IDR Bn	%	IDR Bn	%	IDR Bn	%	IDR Bn	%
Current	211,289	88.67%	217,344	84.96%	230,456	88.60%	252,244	91.78%	268,077	89.87%
Special Mentioned	20,309	8.52%	26,251	10.26%	18,303	7.04%	12,412	4.52%	20,134	6.75%
Performing Loan (PL)	231,598	97.19%	243,595	95.22%	248,759	95.63%	264,656	96.29%	288,211	96.62%
Substandard	570	0.24%	3,088	1.21%	738	0.28%	222	0.08%	580	0.19%
Doubtful	473	0.20%	1,396	0.55%	582	0.22%	484	0.18%	888	0.30%
Loss	5,656	2.37%	7,747	3.03%	10,036	3.86%	9,473	3.45%	8,602	2.88%
Non Performing Loan (NPL)	6,700	2.81%	12,230	4.78%	11,355	4.37%	10,185	3.71%	10,070	3.38%
PL + NPL	238,298	100.00%	255,825	100.00%	260,114	100.00%	274,841	100.00%	298,282	100.00%
NPL Gross	2.81%		4.78%		4.37%		3.70%		3.38%	
NPL Nett	1.83%		2.96%		2.06%		1.20%		1.32%	

1H22		1H23	
IDR Bn	%	IDR Bn	%
255,775	89.38%	267,083	86.81%
20,241	7.07%	29,334	9.53%
276,015	96.46%	296,417	96.34%
365	0.13%	939	0.31%
1,049	0.37%	1,486	0.48%
8,723	3.05%	8,827	2.87%
10,137	3.54%	11,252	3.66%
286,152	100.00%	307,669	100.00%
3.54%		3.66%	
1.04%		1.75%	

NPL Breakdown by Segment

Loan Type (%)	Full-Year of					1st Half of	
	2018	2019	2020	2021	2022	2022	2023
Housing Loan	2.49%	4.44%	4.11%	3.52%	3.37%	3.44%	3.72%
Subsidized Mortgage	0.81%	0.98%	1.01%	0.83%	0.93%	0.88%	1.64%
Non Subsidized Mortgage	2.77%	3.92%	3.58%	2.65%	1.87%	2.32%	2.47%
Other Housing Loan	3.58%	4.71%	4.44%	3.41%	2.88%	3.09%	3.32%
Construction Loan	7.13%	18.71%	19.58%	21.29%	26.20%	23.11%	26.27%
Non Housing Loan	5.52%	7.79%	6.70%	5.18%	3.44%	4.29%	3.21%
Consumer Loan	1.33%	2.81%	2.08%	1.22%	1.08%	1.06%	1.50%
Commercial Loan	8.64%	21.17%	19.25%	15.26%	9.42%	10.88%	9.68%
Corporate Loan	0.00%	0.00%	0.00%	0.17%	0.64%	0.75%	0.61%
Total Loan & Financing	2.81%	4.78%	4.37%	3.70%	3.38%	3.54%	3.66%

Provision Amount & Cost of Credit (COC)

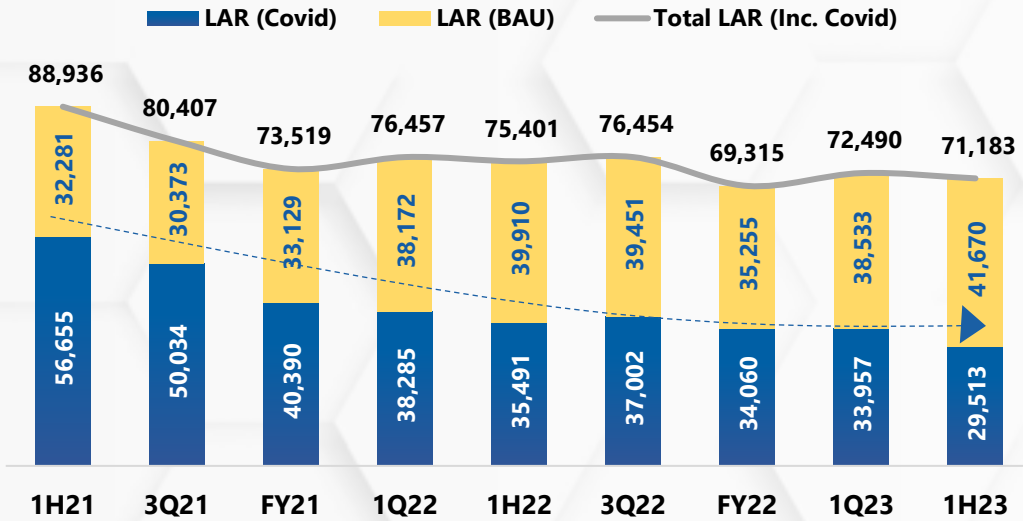


Note: Figures on graph and table include Sharia Financing

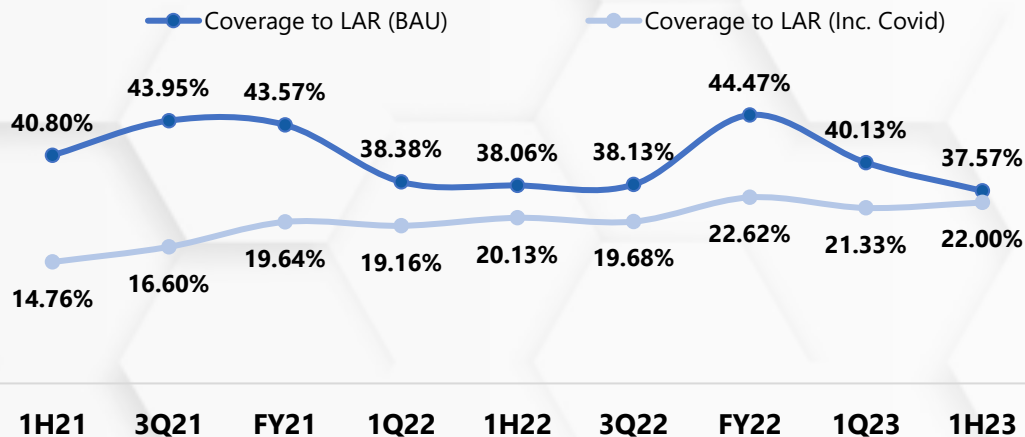
Loan at Risk (LAR)

LAR trended down driven by gradual decrease in Covid restructured loans

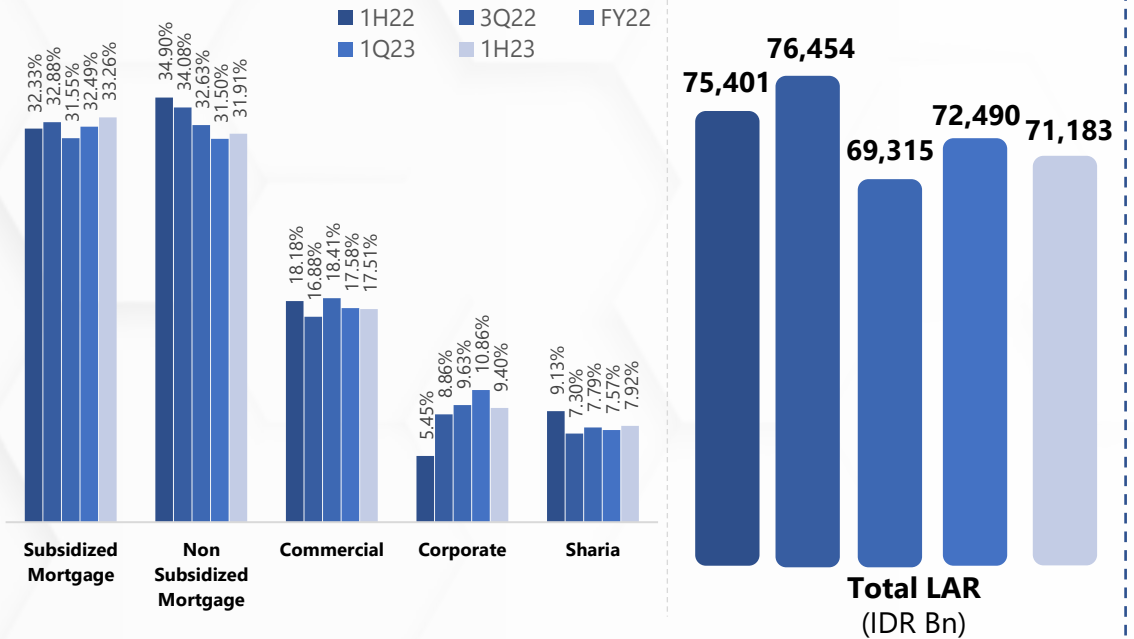
Component of LAR (IDR Bn)



LAR Coverage



LAR By Segment Trend



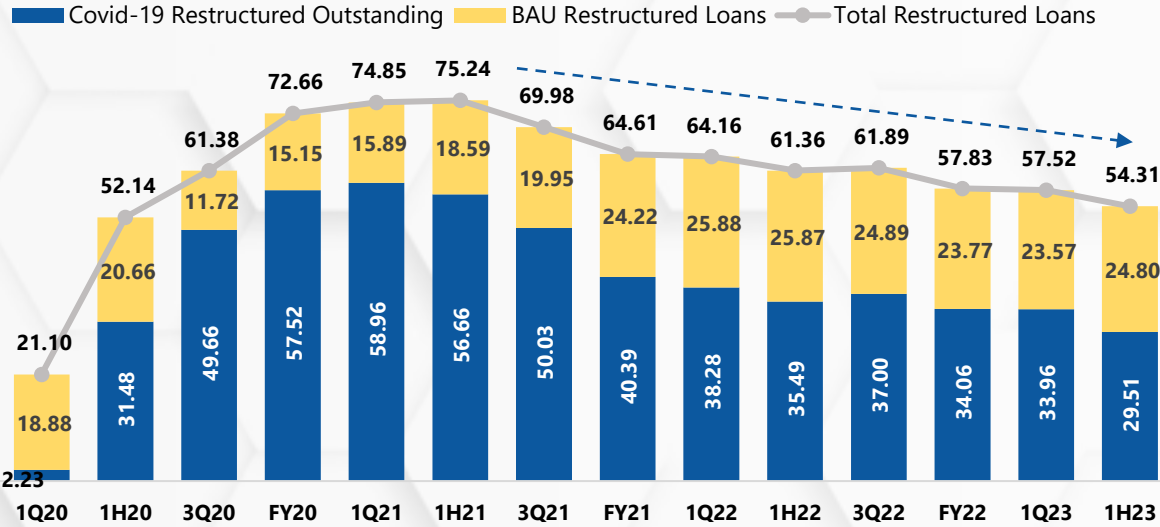
LAR Management Strategy

- There has been no Covid restructuring given since November 2022, and the impact is yet still minimal.
- Forming a task force team for loan and financing management to evaluate periodical flow of covid restructured loans
- Intensifying communication to borrowers of their payment in 3 months before the due
- More selective policy to non-covid restructured loan

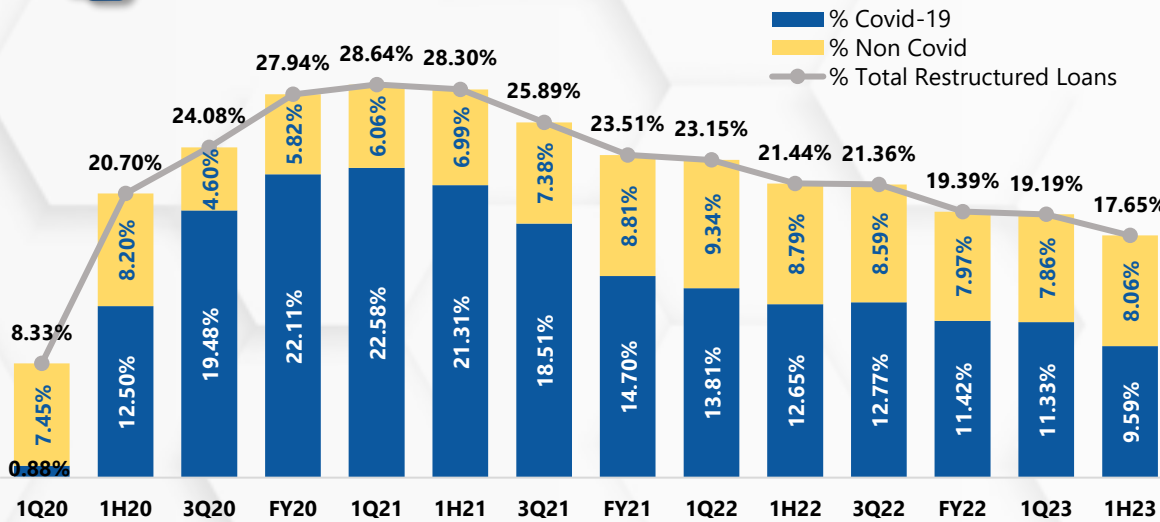
Restructured Loans Breakdown

Total restructured loans trended down as Covid restructured loans continued decreasing since 3Q2022

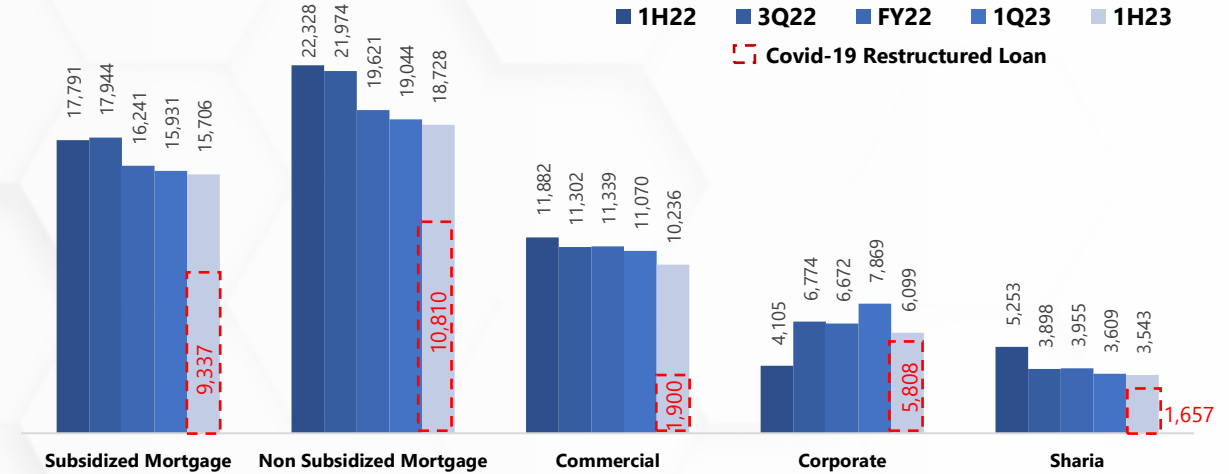
Total Restructured Loan (IDR Tn)



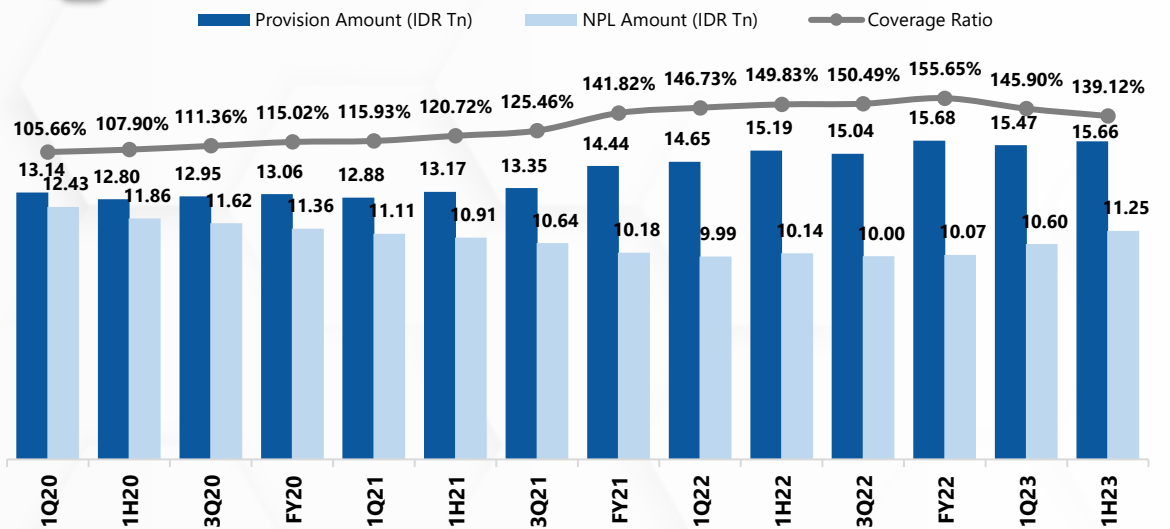
Total Restructured Loan (%)



Total Restructured Loan by Segment (IDR Bn)



Provision and Non Performing Loan Trend



NPL Recovery Strategies in 2023

Several strategies will be carried out by BTN to decrease NPL amount.

Collaboration with IFG: Insurance Claim Payment Scheme for Bad Loans

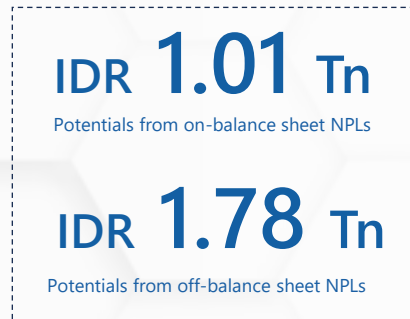


- Partnering with IFG for insurance claim payment for any bad loans
- There is a potential of **IDR 277 Bn** from the total claims that have not been disbursed yet

Progress Bulk Asset Sales

Selling with Bulk Asset Sales scheme – Total asset sales target of around 1 Trillion Rupiah.

Collaboration with Big Buyers for BTN's Ready-to-Sell Assets



Ready-to-Sell Assets
Clear legality and marketable area

Bulk asset sales for consumer loans

Target 2023
IDR 350 Bn

Schemes :

- Assets sales to multifinance companies in the form of bonds / Fixed Income Mutual Fund.
- Sales to developers in the form of Working Capital Loans and Working Capital Loan for Renovations bundling
- Sales to End Users in the form of KPR Maju.

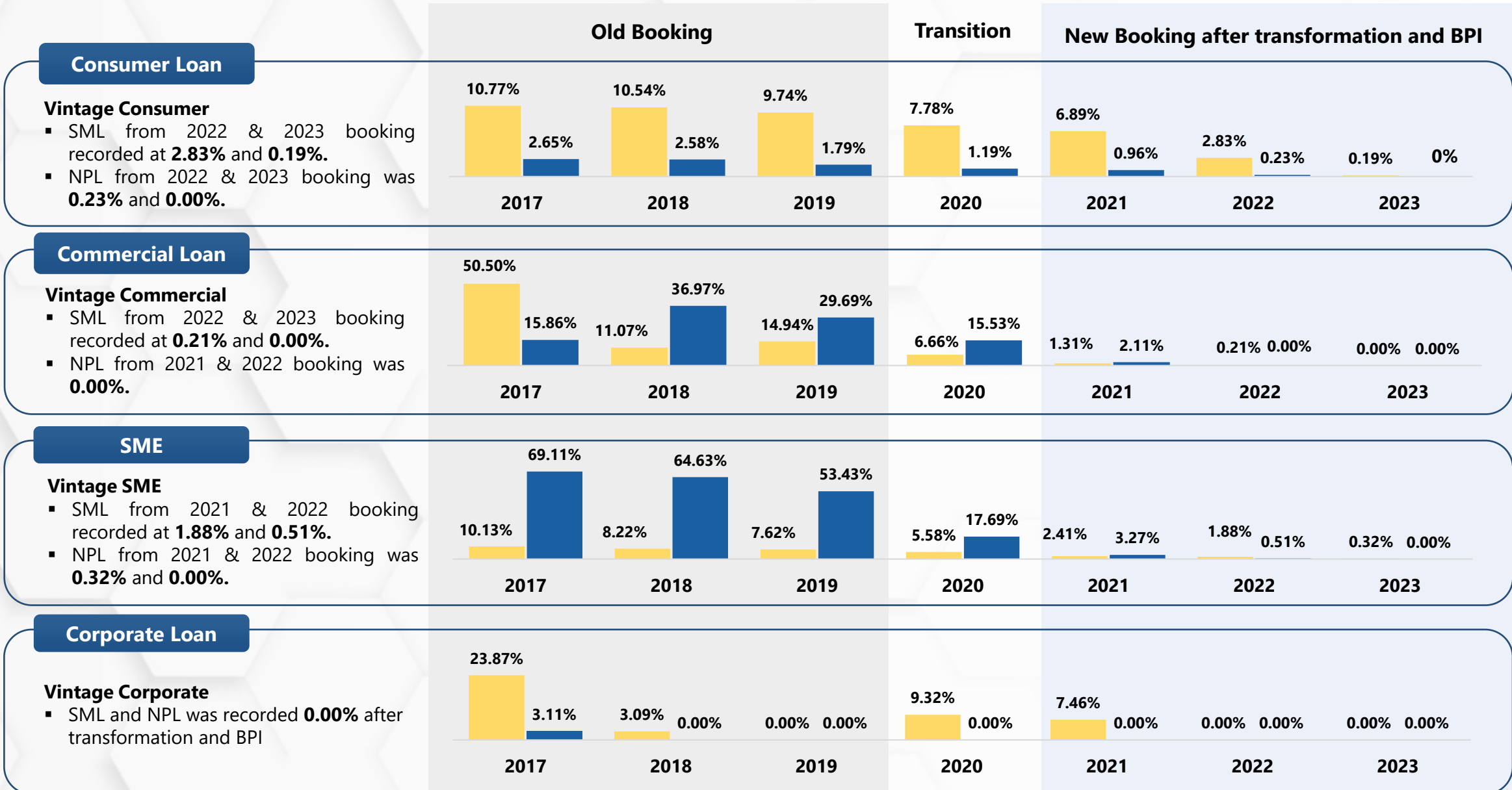
KPR Maju (Ex-NPL & Write-Off Mortgage Recycle Product)



1 – 2% higher than subsidized mortgage rate

Mortgage facility for the purchase of landed houses or flats, especially ex-Subsidized Mortgage unit, where the buying and selling process will use the Power of Attorney to Sell (SKM) with Minutes of Hand Over as the basis.

Business Process Improvement is proven successful as SML and NPL from recent disbursements are almost 0%

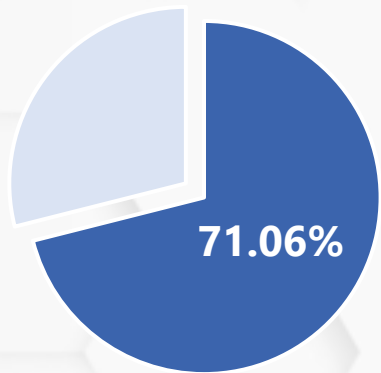


■ SML ■ NPL

Accrued Interest Update

The formation of accrued interest has begun to see a declining trend as cash basis portion increases

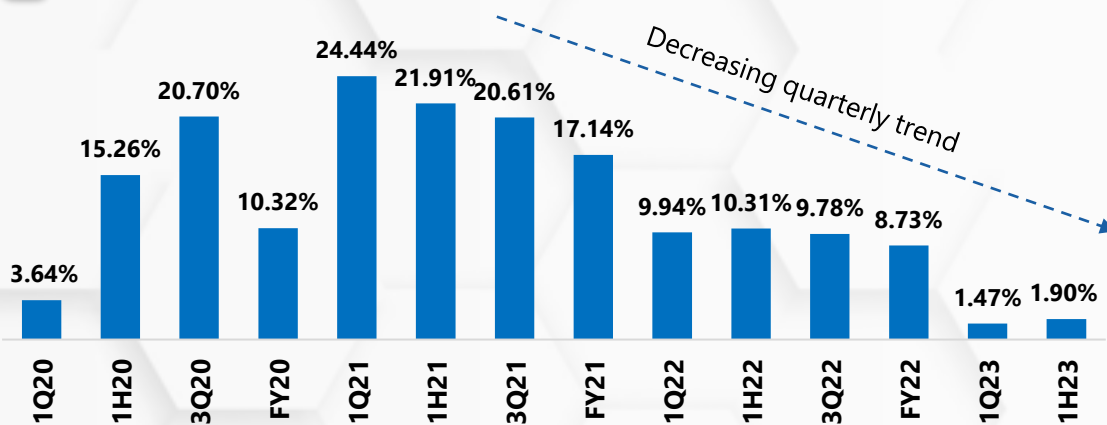
% of Accrued Interest



As of 30 June 2023, total accrued interest from loans reached **IDR10.23 Tn**, however, **IDR7.27 Tn** or **71.06%** of those accrued interests are expected to recover as it is composed of loan restructurings which would decline as payments are made.

■ Accrued from restructured loan ■ Accrued from non-restructured loan

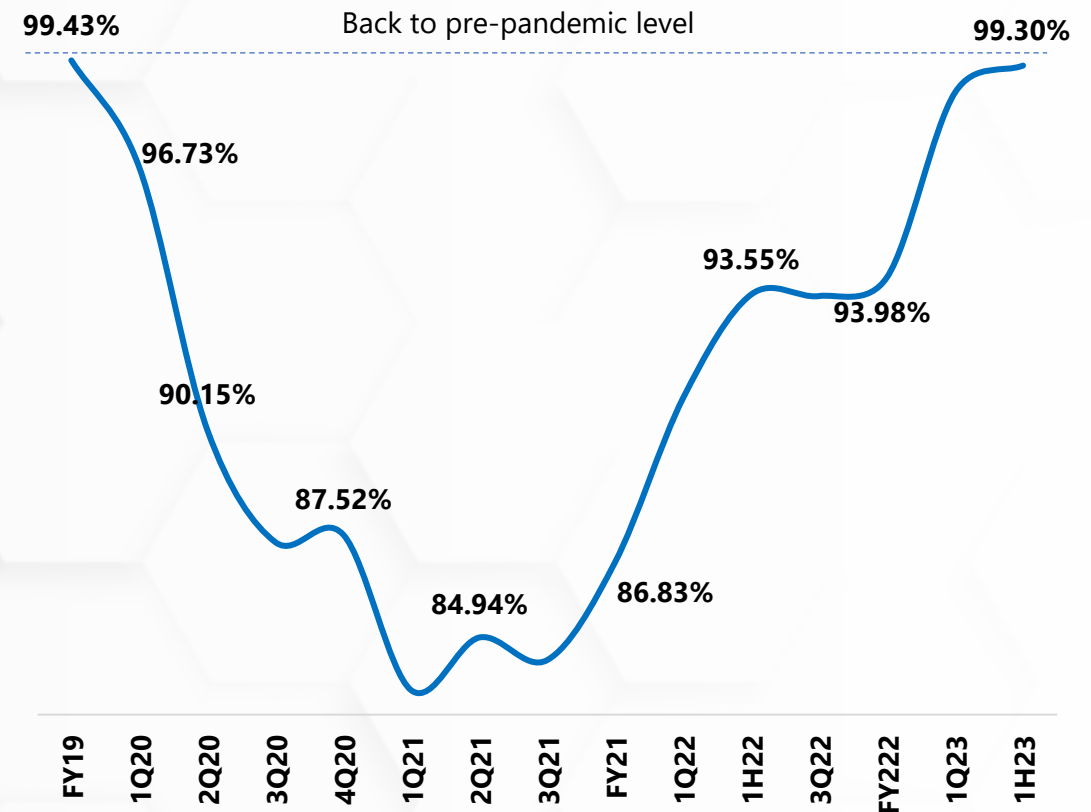
% of Interest Income with Accrued Basis (Quarterly)



As of 30 June 2023, accrued interest recognition is **1.90%** of the total quarterly interest income. A declining trend is seen since the beginning of 1Q21.

% Cash basis to Accrued Interest Ratio (CAI Ratio)

The comparison between interest income received on cash basis to accrued basis showed an increase. This will be the trends going forward.



Sharia Business

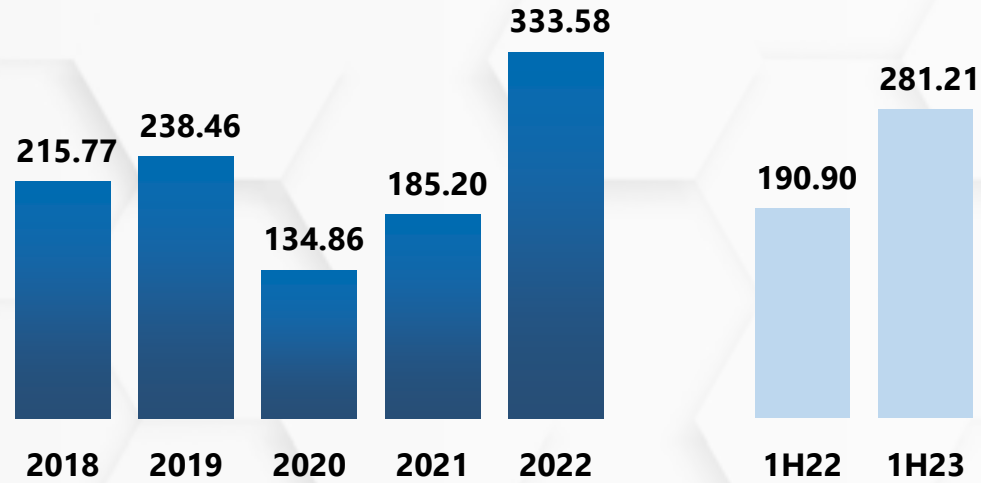


Sharia Business

Sharia net profit grew by 47.31% yoy along with double-digit growth in financing & deposits

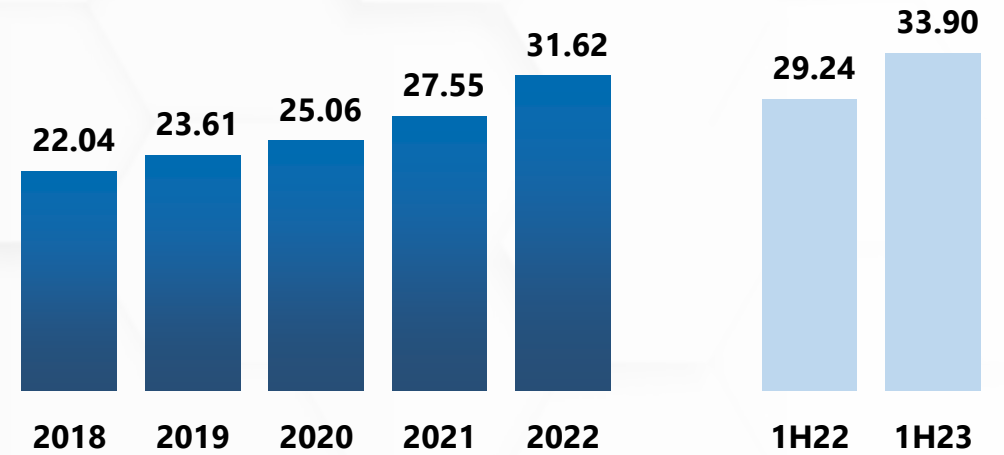
Sharia Net Profit (IDR Bn)

+47.31% yoy ▲



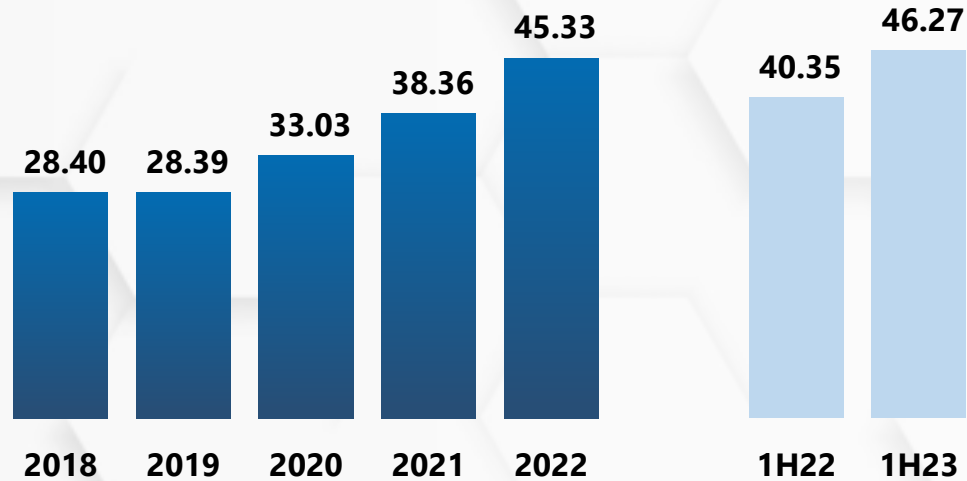
Sharia Financings (IDR Tn)

+15.94% yoy ▲



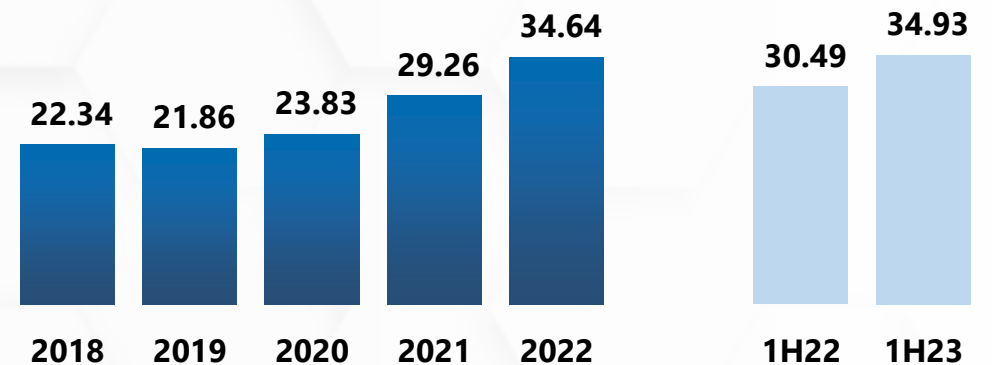
Sharia Asset (IDR Tn)

+14.69% yoy ▲

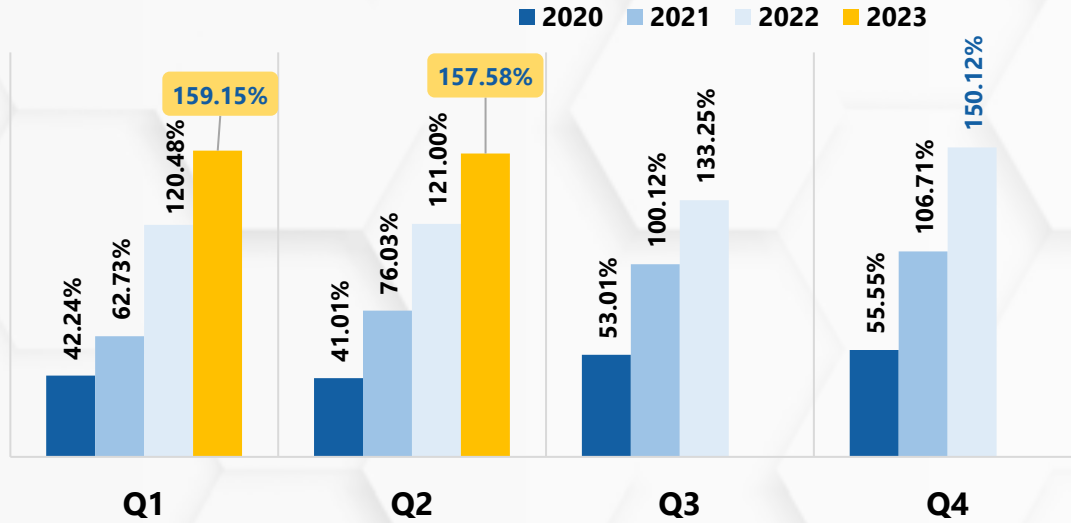


Sharia Total Deposits (IDR Tn)

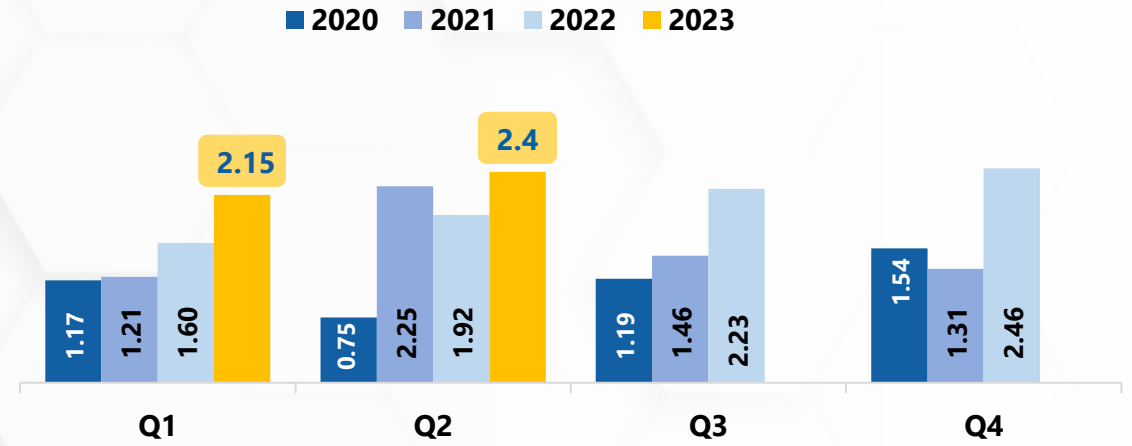
+14.56% yoy ▲



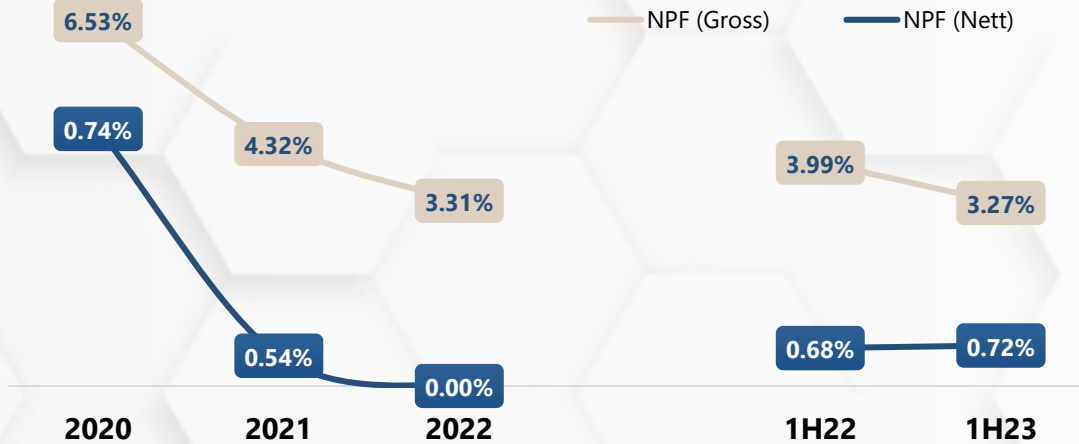
Sharia Coverage



Sharia Financing Disbursement (IDR Tn)



Sharia NPF (Gross) & NPF (Net)



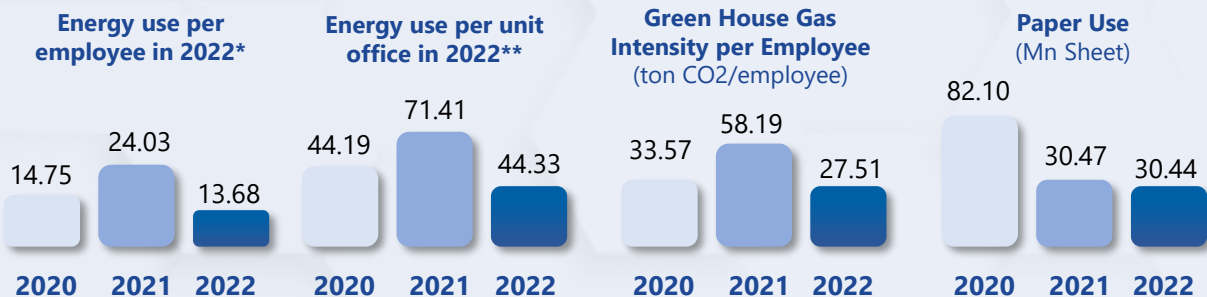
Sharia Financing Quality by Segment

Loan Type	SMF				NPF (Gross)			
	2020	2021	2022	1H23	2020	2021	2022	1H23
Housing Loan	7.12%	6.34%	6.73%	8.85%	4.92%	3.85%	3.16%	3.16%
Subsidized Mortgages	7.18%	6.43%	7.06%	9.65%	0.63%	0.53%	0.87%	1.19%
Non-Subsidized	6.41%	6.31%	6.99%	8.67%	1.53%	1.41%	1.30%	1.91%
Other Housing	8.23%	9.82%	8.88%	13.02%	2.40%	2.14%	5.54%	0.66%
Construction Loan	9.26%	5.58%	1.63%	1.20%	42.69%	45.08%	38.01%	30.95%
Non-Housing Loan	4.62%	2.12%	0.02%	1.02%	48.50%	14.77%	9.00%	8.68%
Consumer Loan	5.52%	6.13%	3.76%	4.27%	8.29%	3.13%	4.68%	3.81%
Commercial Loan	4.18%	1.09%	0.04%	0.14%	68.18%	17.77%	9.94%	10.00%
Total Loan	7.03%	6.16%	6.57%	8.69%	6.53%	4.32%	3.31%	3.27%

Sustainable Finance



Environmental Sustainability



Applied Digital Banking to Reduce Paper Usage:

- Letter distribution and disposition through iFlow
- Implementation of Smart Branch to maximize digitization by reducing the use of paper forms
- Mortgage applications through BTN Properti using E-Form
- Management fees, parking fees, and other housing maintenance fees management through BTN Smart Residence

*GigaJoule/Employee

**GigaJoule/Unit Office

Social Welfare

No. of Development Partners (Business Activities) and Disbursed Funds through SME Financing

Year	No. of Partners	Disbursement (IDR Mn)
2020	319	18,386
2021	256	10,994
2022	378	23,505

Inclusive Mortgages

Subsidized Mortgage Scheme

- Liquidity Facility (FLPP)
- Saving-based Financings (BP2BT)
- Public Housing Savings (KPR Tapera)
- Public Housing Renovation (KRR Tapera)

KPR BTN Mikro

Housing financing program ranging from purchasing, renovating, and building targeted to low-income segment and informal sector workers.

Subsidized Mortgage Disb.

IDR Bn

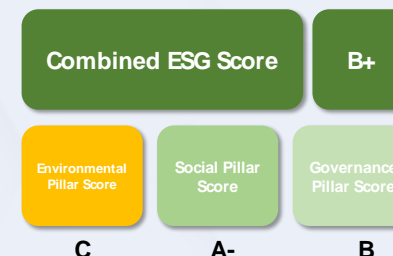


Governance Sustainability



REFINITIV

Bank BTN's ESG performance ranked at **176** out of **1,097** Banking Services Company as assessed by Refinitiv



90.02
(Most Trusted Company)
Top 3 Indonesia PLCs
ASEAN Asset Class
Threshold

Social and Environmental Values of BTN Mortgage Business

The Sustainable Development Goals (SDGs) have become a framework for BTN in building a portfolio that prioritizes harmony between economic, social and environmental aspects.

Contribute in reducing housing backlogs in Indonesia through housing financing program targeted to low-middle income segments

10 REDUCED INEQUALITIES



Providing homes with affordable electric prices with adjusted rates for middle-low income segments.

7 AFFORDABLE AND CLEAN ENERGY



BTN's Subsidized Mortgage

11 SUSTAINABLE CITIES AND COMMUNITIES



Make inclusive, safe, resilient and sustainable community in each subsidized housing complex.

6 CLEAN WATER AND SANITATION



Ensure availability and sustainable management of clean water and sanitation in subsidized housing.

KPR BTN Mikro:

- KPR BTN Mikro is a financing product with a ceiling of IDR 75 Mn for the purchase, renovation, and construction of houses targeting low-income segment and informal sector workers.
- This product integrates savings, loans, and insurance on a micro scale that can be utilized by the community for the benefit of fulfilling housing-needs in the future.

BTN KPR Micro Disbursement (IDR Mio)

2020	2021	2022
2,004	1,557	1,214



Housing challenges in Indonesia

<p>2.94% mortgage to GDP ratio, well below neighboring ASEAN countries</p>	<p>12.75 Mio current housing needs in Indonesia</p>	<p>1.8 Mio New marriages per year, with additional projected 77 million of Indonesia's population will add to the middle income segment by 2025</p>	<p>Indonesian Government aims to increase the quality of living conditions of Indonesians</p>
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<p>Serving the nation's housing needs for more than 45 years</p>	<p>BTN leads the nation's mortgage business since disbursing the first mortgage in Indonesia in 1976</p>	<p>~ 5 million units of mortgages have been extended by BTN since 1976</p>	<p>~ 90% of BTN's portfolio is in housing loans</p>	<p>BTN maintains the focus in housing and leading the Indonesian mortgage market with a share of 39%.</p>
<p>Focusing on the mid-to-low income group of people</p>	<p>BTN is the main contributor in the national housing program with the largest intake of the Subsidized Mortgage budget</p>	<p>BTN's mortgages are still dominant in the subsidized segment (48% of loan portfolio) and first time home buyers</p>	<p>~ 83% market share of the national Subsidized Mortgages</p>	<p>Driving 174 economic sub sectors through housing business.</p>
<p>Engagement with a wide range of housing stakeholders</p>	<p>Partnership with government/ private and overseas institutions for various funding sources</p>	<p>> 5000 developer Partners most are subsidized residential developers</p>	<p>Creating new developers through BTN's learning & advisory</p>	<p>> 3000 notary offices have collaborated with BTN in mortgages disbursement</p>

Contributing more into people's welfare through subsidized mortgage and SMEs financing

Sustainable Finance implementation is seen to boost BTN's value creation, by integrating **People**, **Planet** and **Profit** concepts



Subsidized Mortgage Disbursement

Targeting 80% of Government's FLPP Quotas in 2023



Total outstanding of **IDR 152 Tn** as of 1H 2023



Micro, Small and Medium Enterprises Development Program

KUR Disb.

2022	2021	2020
599,832	290,949	97,160

MSE Funding Program (IDR Mn)

2022	2021	2020
35,650	99,833	50,000

BTN ESG Framework & Strategy Going Forward

BTN aims to establish a sustainable business processes that is in line with BTN business strategies by integrating environmental, good governance, and social values in a comprehensive ESG framework.

Background :

- As concerns related to business continuity arise, stakeholders expect that companies can manage a more environmentally friendly, good governing, and socially responsible business to achieve more sustainable business activities.
- OJK (Indonesia's FSA) issued Phase II Sustainable Finance Roadmap (2021-2025) in 2021, which will become the guidance for the financial services industry to develop innovative and sustainable financing initiatives.
- For the Bank to achieve the necessary balance between profit, planet, and people, BTN needs to develop an ESG framework that is in line with the regulations and aligned with BTN's business strategy.
- To manifest the vision of becoming the Best Mortgage Bank in Southeast Asia by 2025, a comprehensive ESG framework is also necessary to be implemented.

I. BTN ESG Project Stages:

Phase 1

Assessment & Gap Analysis (Diagnosis)



Phase 2

Environmental, Social, and Governance (ESG) Strategy and Framework



Phase 3

Environmental, Social, and Governance (ESG) Roadmap



II. BTN ESG Rating:

- Currently, BTN is conducting an ESG rating assessment partnering with Sustainalytics for **2024**.
- In 2023, BTN has earned a rating of "Medium Risk", improving from previously "High Risk" in 2022, indicating a lower climate risk by BTN.

ESG Risk Rating
2023

28.4

Updated Jan 10, 2023

-1.8

Momentum

Medium Risk



Current BTN Ratings From Various Rating Agencies

FitchRatings

As of February 2023

Outlook : Stable
 National Short-Term Rating : F1+ (idn)
 National Long-Term Rating : AA+ (idn)
 Senior Unsecured : AA+

MOODY'S

As of December 2022

Outlook : Stable
 Counterparty Risk Rating : Baa2/P-2
 Bank Deposits : Baa2/P-2
 Baseline Credit Assessment : ba1
 Adj Baseline Credit Assessment : ba1
 Counterparty Risk Assessment : Baa2 (cr)/P-2(cr)
 Subordinate : Ba3 (hyb)

PEFINDO

CREDIT RATING AGENCY

As of June 2023

Outlook : Stable
 Corporate Rating : F1+ (idn)
 National Long-Term Rating : AA+ (idn)
 Senior Unsecured : AA+

Precedent of BTN Corporate Action



Total Proceeds of **IDR 1.65 Tn**
 through public portion of rights issue

Newly Issued Public Shares :
 1,377,777,765



Oversubscribed by **1,6x**



BTN's Rights Issue was positively welcomed by investors

BBTN are included in some indices including ESG indices up to Mar 2023

- PEFINDO i-Grade
- LQ45
- IDX BUMN20
- IDX30
- IDX80
- IDX Small-Mid Cap (IDX SMC) Composite
- IDX Small-Mid Cap (IDX SMC) Liquid
- Kompas100
- Infobank15
- IDX ESG Leaders
- MSCI Indonesia Small Cap
- ESG Sector Leaders IDX Kehati
- ESG Quality 45 IDX Kehati
- IDX Value30
- Investor33
- IDXFINANCE
- SRI-KEHATI
- Tempo – IDX Financials52

Appendix



Regional I (West Java)

Regional Office	1
Branch Offices	15
Sub-Branch Offices	123
Functional Offices	0
Sharia Branch Offices	6
Sharia Sub-Branch Offices	15
Sharia Cash Offices	0
Sharia Payment Points	1
Priority Outlets	9
ATM & CRM	517

Regional II (Jakarta Area)

Regional Office	1
Branch Offices	13
Sub-Branch Offices	133
Functional Offices	0
Sharia Branch Offices	4
Sharia Sub-Branch Offices	10
Sharia Cash Offices	0
Sharia Payment Points	1
Priority Outlets	17
ATM	483

Regional III (East Java)

Regional Office	1
Branch Offices	15
Sub-Branch Offices	83
Functional Offices	0
Sharia Branch Offices	3
Sharia Sub-Branch Offices	12
Sharia Cash Offices	1
Sharia Payment Points	1
Priority Outlets	8
ATM	334

Regional IV (Sumatera)

Regional Office	1
Branch Offices	11
Sub-Branch Offices	75
Functional Offices	1
Sharia Branch Offices	9
Sharia Sub-Branch Offices	14
Sharia Cash Offices	3
Sharia Payment Points	0
Priority Outlets	8
ATM	293

Regional V (Sulawesi)

Regional Office	1
Branch Offices	18
Sub-Branch Offices	69
Functional Offices	0
Sharia Branch Offices	4
Sharia Sub-Branch Offices	6
Sharia Cash Offices	0
Sharia Payment Points	2
Priority Outlets	10
ATM	284

Regional VI (Central Java & DIY)

Regional Office	1
Branch Offices	8
Sub-Branch Offices	56
Functional Offices	2
Sharia Branch Offices	4
Sharia Sub-Branch Offices	12
Sharia Cash Offices	1
Sharia Payment Points	1
Priority Outlets	5
ATM	206

National	
	2022
Regional Office	6
Branch Offices	80
Sub-Branch Offices	537
Functional Offices	3
Sharia Branch Offices	30
Sharia Sub-Branch Offices	69
Sharia Cash Offices	5
Sharia Payment Points	6
Outlets	736
Priority Outlets	57
ATM	2,117

2025 Aspirations



Best Mortgage Bank in South East Asia

Achieving the highest profitability and housing-linked asset growth among peers



A Double low-cost funding

Transforming channel capabilities to become the transactional bank and growing FBI



B Democratize housing

Delivering banking products to improve lives, financing in subsidized homes for mass segment, and building a new direct-to-consumer channel for mass affluent segment



C Build one stop shop financial solution for consumer and housing-related businesses

Providing lending and investment solutions to triple non-mortgage portfolio and double product holdings of emerging affluent customers



D Become a digital innovator and home of Indonesia's best talents

Digitizing processes to build the most efficient operations and developing top-notch talents



E Build a high-quality portfolio and sustain low levels of NPL

Leveraging technology to develop integrated and rigorous risk management processes to lower NPL in line with market sustainably



Nixon L. P. Napitupulu
President Director

Served as Vice President Director and Director of Finance Planning and Treasury at PT Bank Tabungan Negara (Persero) Tbk



Oni Febriarto
Vice President Director

Served as Vice President Director at Perum Perumnas



Hirwandi Gafar
Director of Consumer

Served as Subsidized Mortgage Lending Division Head and Business Development of Subsidized Mortgage Department Head at PT Bank Tabungan Negara (Persero) Tbk



Jasmin
Director of Distribution & Funding

Served as SEVP of Consumer & Transaction and Regional CEO IV/JKT 2 at PT Bank Mandiri (Persero) Tbk



Nofry Rony Poetra
Director of Finance

Served as Treasury Division Head and Head of Regional Office I at PT Bank Tabungan Negara (Persero) Tbk



Eko Waluyo
Director of Human Capital, Compliance, and Legal

Served as Human Capital Management Division Head and Corporate Secretary Division Head at PT Bank Tabungan Negara (Persero) Tbk



Andi Nirwoto
Director of IT & Digital

Served as General Manager of Operational Information Technology, and General Manager Solution and IT Security Division at PT Bank Negara Indonesia (Persero) Tbk



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Director of Assets Management

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Setiyo Wibowo
Director of Risk Management

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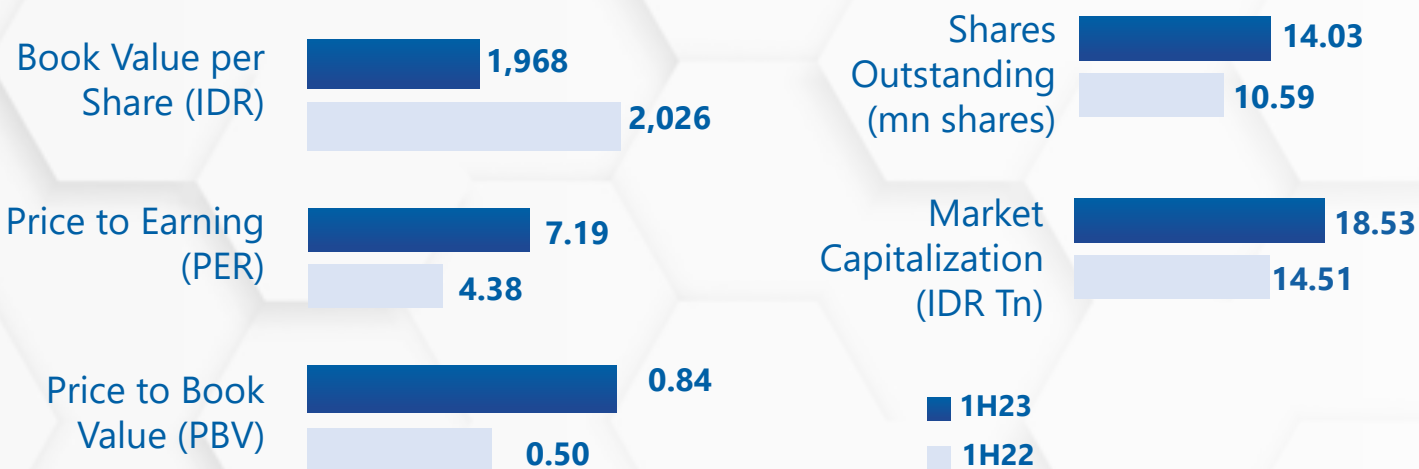
Hakim Putratama
Director of Institutional Banking

Served as Head of International and Transaction Banking at PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk

BBTN Price Movement



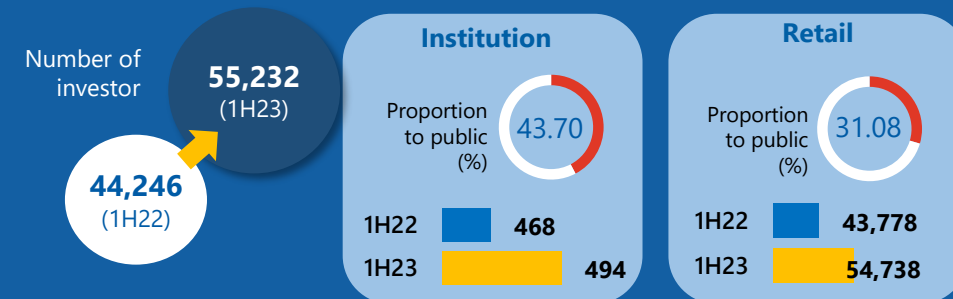
BBTN Stock Performance Indicator



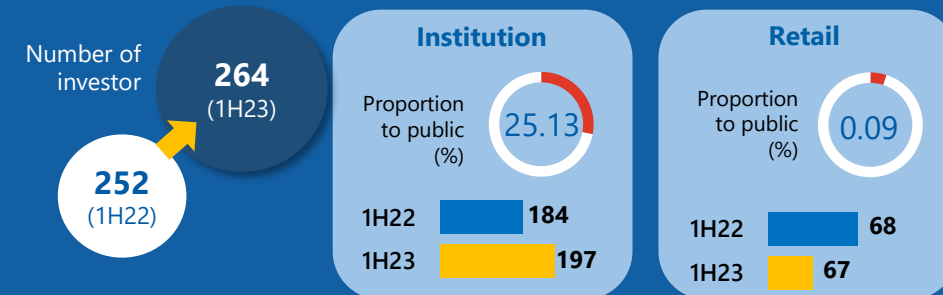
Bank BTN Investor Profile

BBTN stock investors increased by **42% yoy**, driven by an increase in Retail Investors, indicating new investors interest in BBTN shares.

Local Investor



Foreign Investor



BTN Achievement

With sustainable performance improvements, BTN received various awards and appreciations

Governance Implementation



Indonesia Excellence GCG Awards 2023
Indonesia Excellence Good Corporate Governance Ethics in Providing End-to-End Mortgage Solutions



Corporate Governance Perception Index (CGPI) survey 2022
"Most Trusted Company"



11th Anugerah BUMN 2022
Terbaik II, Kategori Tata Kelola Perusahaan CGC Perusahaan Tbk

Mortgage Top Brand



Indonesia's Home Grown Consumer Brands Award 2023
In Home Category



Syariah Insight 2023 - Top Sharia Business Unit
in KBMI 3 Category



The Best Mortgage Loan Conventional Bank (KBMI) 3

Sustainability Performance



Best Asia's Transformation Bank 2022



Indonesia TOP Financial Industry Executives 2022
Nixon L.P. Napitupulu
The Best Transformation Leader



TOP BUMN Award 2022
The Best State Owned Enterprise in 2022 by Bisnis Indonesia

Digital Bank



Digital Brand Award 2023
The Best Sharia Business Unit - Conventional Bank



Digital Technology & Innovation Award 2022
The Best IT Human Capital Development



Digital Innovation Award 2022

The Most Innovation Conventional Bank for The Integration of Digital Product and Services



Thank You

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