



Embedding Sustainable Value into Every Aspect of Life

2025

Sustainability Report

“ At BTN, sustainability is not a standalone agenda, it is how the Bank delivers its purpose: empowering Indonesian families through inclusive, responsible, and sustainable housing ecosystems.



Embedding Sustainable Value into Every Aspect of Life

BTN embeds sustainability principles into every policy, product, and service as part of its long-term business strategy. This approach ensures that business growth creates not only economic value but also positive impacts on social well-being and environmental protection. As a result, sustainability is directly experienced by customers, employees, and communities.

This commitment is implemented through the 5P principles, namely Planet, People, Peace, Partnership, and Prosperity, which serve as the foundation for BTN's sustainable finance development. Low-emission housing initiatives, increased financial inclusion, the development and strengthening of the circular economy, and cross-stakeholder collaboration reflect the Bank's efforts to integrate sustainable values into various aspects of life while supporting the achievement of the Sustainable Development Goals and the principles of Environmental, Social, and Governance.

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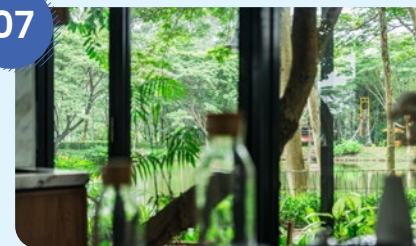
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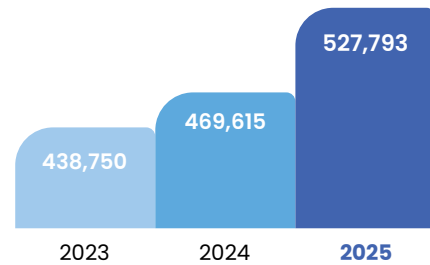
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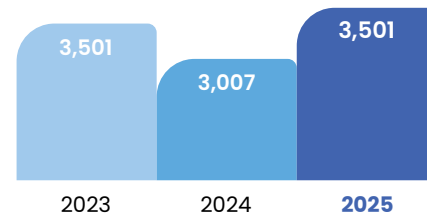
Sustainability Performance Highlights

Economic Performance [OJK B.1]

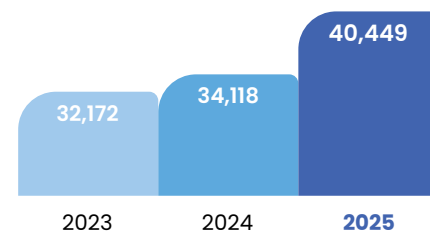
Total Consolidated Assets (Billion Rupiah)



Consolidated Current Year Profit (Billion Rupiah)



Consolidated Interest and Non-Interest Operating Income (Billion Rupiah)



Quantity of Products/Services Sold



Environmental Performance [OJK B.2]

Environmentally Friendly Products [OJK B.1] Financing of 11,412 low-emission housing units using at least 10% environmentally friendly materials

Energy

Reduction in energy consumption

85,115
Gigajoule

Renewable energy use

806.38
Gigajoule

Reduction in energy intensity

10.53%

Waste and Effluent

Waste generation

145.25
ton

Effluent reduction

14,297 m³

Circular Economy

Sustainable financial innovation through the "Pay Your Mortgage with Your Waste" program and Low-Emission Housing

Emissions

Reduction in Scope 1 and Scope 2 Emissions
9,922 ton CO₂eq

Financed Emissions Disclosure
3,734,612 ton CO₂eq

Tree Planting

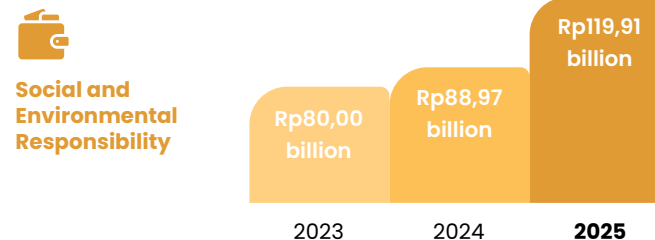
Number of trees planted
26,648 trees
Carbon sequestration
31,600 ton CO₂eq

Climate Risk Stress Test (CRST)

Refining climate risk analysis through CRST in accordance with OJK guidelines

Social Performance [OJK B.3]

Total Employees 11,429 employees	Composition of Female Employees 50.15%
Employee with Disabilities (TKPD) 0.25% from 11,429 employees	Suppliers 100% of BTN's suppliers are local suppliers
Disbursement of Inclusive Mortgage Financing Rp157,298 Billion increased 6.34% from 2024	Disbursement of People's Business Credit and Micro, Small, and Medium Enterprise loans Rp6.99 Trillion increased 12.80% from 2024



Governance Performance [OJK B.2]

- Establishment of the ESG Committee, Enterprise & ESG Risk Management Division, and ESG Department
- The first State-Owned Bank to sign Principles for Responsible Banking (PRB) from United Nations Environment Programme Finance Initiative (UNEP FI)
- Development of the Sustainable Finance Framework and the Social Finance Framework
- Development of ESG Framework, Strategy, and Roadmap
- Development of the Governance, Risk, and Compliance (GRC) Roadmap
- Signing the commitment as a member of the Partnership for Carbon Accounting Financials (PCAF)
- Implementation of Anti-Money Laundering and Counter-Terrorism Financing policies, data privacy protection, cybersecurity, and risk management

Recognition of BTN's Commitment and Innovation

BTN continues to strengthen its ESG implementation through green product innovation, transparent governance, and inclusive social programs. This commitment is reflected in external assessments and recognitions that show year-on-year improvement in the Bank's sustainability performance.

During the reporting year, BTN recorded ESG index achievements as a reflection of the integration of sustainability principles across its business activities. The details of the index performance are presented as follows.

Index

BTN is included in the Climate Change Awareness Index, which includes:

- IDX LQ45 Low Carbon Leaders

BTN is included in the KEHATI Group indices, which include:

- SRI KEHATI
- ESGQ 45 IDX KEHATI
- ESG SL IDX KEHATI



During the reporting year, BTN received several ESG ratings from independent institutions as recognition of its commitment and performance in integrating sustainability principles across its business activities.

Details of the ESG assessment results are presented as follows:

BTN ESG Ratings



ESG Rating:

AA

(Leader)



ESG Percentile Rank (%):

75

Out of

43,262 companies



ESG Score:

77/100

Rank:

78 out of 1,158 Banking Services companies



Awards Received in 2025:



BTN received various awards from national and international institutions recognizing the Bank's contributions to sustainable product innovation, strong governance, and social and economic empowerment of communities.

The list of awards is presented in the following table.



Award:

Public Company with Trusted Green Achievement in Emission Reduction and Trusted Diamond Achievement in Emission Transparency

Category:

The Best Corporate Emission Reduction Transparency Awards

Organizer:

Investortrust.id & Datatrust

Date:

April 2025



Award:

Prominent Awards 2025

Category:

Best Green Mortgage Bank Transformation

Organizer:

Metro TV, Salutee.id

Date:

September 2025



Award:

ESG Awards 2025

Category:

Platinum Star Awards - Medium Cap

Organizer:

Investortrust

Date:

October 2025



Award:

Indonesia ESG Leadership Awards 2025

Category:

Leadership AAA - Indonesia's Leaders in ESG Transparency

Organizer:

BGK Foundation

Date:

November 2025



Award:

Indonesia Sustainable Synergy Awards 2025

Category:

Indonesia Sustainable Synergy Awards 2025 for Environmentally Friendly Business Practices and Improving Community Well-being

Organizer:

Netral News

Date:

November 2025



Award:
Best Social Business Innovation Awards 2025

Category:
Best Social Business Innovation Awards 2025

Organizer:
The Economics

Date:
November 2025



Award:
Editors Choice Award

Category:
Best Literacy for Climate Resilience

Organizer:
The Investing on Climate

Date:
December 2025



Award:
Editors Choice Award

Category:
Best Innovative Conservation

Organizer:
The Investing on Climate

Date:
December 2025



Award:
Editors Choice Award

Category:
Best Emission Reduction

Organizer:
The Investing on Climate

Date:
December 2025



Award:
5th TJSL & CSR Award

Category:
Gold rating for the following pillars:
Social Pillar, Economic Pillar, Environmental Pillar

Organizer:
BUMN Track

Date:
June 2025



Award:
Detikcom Awards 2025

Category:
Housing Sector Entrepreneurship Empowerment Bank

Organizer:
Detikcom

Date:
November 2025

Certification



ISO 37001:2016
Anti-Bribery Management System

Validity:

December 21, 2022 – December 20, 2025

Certified Unit:

- Procurement and Fixed Asset Management Division (PFAD);
- Commercial Banking Division (CMBD Head Office);
- Corporate Banking Division (CBD);
- Wholesale Credit Risk Division (WRD);

- Small Medium Enterprise Banking Division (SMBD);
- Credit Operation Division (COD);
- Commercial Banking Center (Jakarta Area, Bekasi, Bandung, Bintaro Area);
- SME Restructuring (West Java Regional Office; Jakarta II Regional Office; East Java, Bali Nusa Tenggara Regional Office; Sumatera Regional Office, Sulawesi Maluku Papua Regional Office, Central Java & Special Region of Yogyakarta Regional Office);
- Commercial Asset Management Division (CAMD);
- Jakarta Harmoni Branch Office.

Issued by:

National Accreditation Committee



Sertifikat Indi 4.0 Level 3

Validity:

July 18, 2022 – July 18, 2025

Certified Unit:

PT Bank Tabungan Negara (Persero) Tbk

Issued by:

Ministry of Industry



ISO 9001:2015
Quality Management System

Validity:

December 17, 2024 – December 16, 2027

Certified Unit:

Transformation & Partnership Management Division

Issued by:

BSI



ISO 27001:2013
Information Security Management System

Validity:

July 11, 2023 – October 31, 2025

Certified Unit:

Data Center

Issued by:

BSI

BTN's Tangible Impact on Sustainability

For BTN, sustainability is not merely an objective but the core of every innovation and service delivered, viewing its products and business activities as vehicles to create positive impacts for society and the environment. Accordingly, BTN consistently integrates economic, social, and environmental values into every decision. Each step taken not only meets customers' financial needs but also encourages behavioral change and generates long-term benefits for Indonesia's sustainability.



Pay Your Mortgage with Your Waste

BTN continues to strengthen its role in advancing sustainable finance through innovations that deliver economic, social, and environmental benefits simultaneously. One such initiative is the “Pay Your Mortgage with Your Waste” program. Through this program, mortgage customers and/or borrowers can convert household waste, such as plastic, cardboard, metal, glass, and used cooking oil, into economic value that can be used to reduce monthly installments. Through this mechanism, waste is no longer viewed solely as a by product but as a new source of economic value that provides direct benefits to households.

Measurable impacts of the 2025 program:

 Environmental Impact	716 kg inorganic waste collected	
 Social Impact	21 clusters with waste management services	
 Financial Impact	56 number of customers and debtors who deposit waste	



The program reflects BTN’s approach to linking financial access with positive environmental behavior change. It helps ease household financial burdens while encouraging active community participation in responsible waste management and strengthening the implementation of the circular economy at the community level.

As part of its commitment to expanding the program’s impact, the Bank targets implementation across 100 locations in Indonesia by the end of 2026. The initiative has also received recognition from Queen Máxima of the Netherlands, the United Nations Secretary-General’s Special Advocate for Inclusive Finance for Development, who views the program as a tangible example of financial sector innovation that can strengthen household economic resilience while supporting environmental sustainability and national waste reduction.

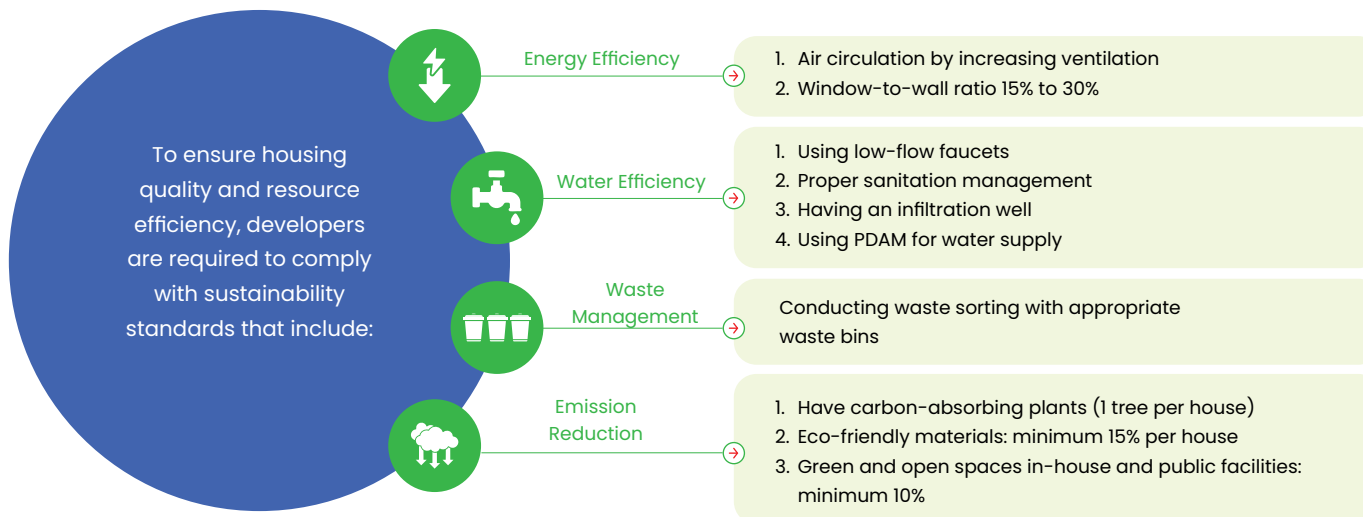
Low-Emission Housing

The development of healthier and more environmentally friendly housing has become a key focus in achieving sustainable development. To support this objective, BTN has set a target to develop 150,000 low-emission housing units by 2029. This program not only addresses the need for decent and affordable housing but also supports the national climate agenda through the application of more sustainable design concepts and

materials. The Bank is continuing to strengthen its collaboration with the eco-friendly materials developer & supplier partners to accelerate low-emission housing in Indonesia, in alignment with government programs on national housing development and the green economy.

Measurable impact of the 2025 program:

Environmental Impact	57 tons of waste diverted from potential landfills through the use of recycled materials	157.6 tons of CO ₂ emissions avoided through the use of eco-friendly materials and energy-efficient designs	Equivalent to the ecological benefits of planting 2,627 trees, which help absorb emissions and improve air quality	Strengthening the circular economy through the use of recycled materials	
	Social Impact	11,412 low-emission housing units have been developed	22 low-emission housing development partners	5 startup or SME suppliers that have collaborated with the Bank	



Beyond its environmental dimension, the program upholds the principle of affordability, ensuring that low- and middle-income communities can access healthier and more sustainable housing. BTN also maintains close collaboration with the government, developers, and local communities to enhance social impacts, ranging from the promotion of the circular economy to improvements in overall environmental quality.

BTN's Support for the Sustainable Development Goals (SDGs)

Sustainability has become an integral part of BTN's business strategy. Accordingly, the implementation of the Sustainable Development Goals (SDGs), which encompass 17 goals, has been directly integrated into product development, risk management, and financing processes.

To translate this commitment into concrete policy direction, BTN has developed various sustainable finance initiatives to strengthen its green financing portfolio and ensure that business processes are aligned with ESG principles. This approach is supported by BTN's ESG Roadmap and Framework, as well as the 5P framework, which includes People (community welfare), Planet (environmental responsibility), Prosperity (shared prosperity), Peace, and Partnership as the foundation for creating sustainable value.

As part of this approach, BTN has undertaken a range of initiatives to support the achievement of the SDGs, including the distribution of subsidized mortgage loans (KPR) for low-income communities, the development of sustainable financial instruments,

and the financing of low-emission housing using environmentally friendly materials. The Bank has also implemented a Portfolio Guideline to maintain asset quality and focus on sustainable sectors while strengthening the circular economy through the "Pay Your Mortgage with Your Waste" and Low-Emission Housing Program. In addition to financing activities, BTN has increased its contribution to the SDGs through various ESG programs and initiatives throughout 2025, as outlined under each material topic in the 2025 Sustainability Report.

At the national level, the implementation of the SDGs in Indonesia is articulated through Action Plans and SDGs Indicator Metadata, which are continuously updated in line with global developments and national data availability. Within this framework, the 17 SDGs are grouped into four development pillars, namely the Social Development Pillar, Environmental Development Pillar, Economic Development Pillar, and Legal and Governance Development Pillar. Based on this classification, BTN's contributions to the SDGs are mapped to Indonesia's SDG pillars and presented in the table below.



BTN's Contribution to Indonesia's SDG Pillars

Social Development Pillar

The social pillar serves as the foundation for the equitable and inclusive fulfillment of basic human rights in order to improve the quality of life of all people. This agenda includes poverty alleviation, food security, health, education, and gender equality. The pillar also ensures that all groups, including vulnerable communities, have access to essential services and equal opportunities to thrive. With measurable indicators, the Social Pillar forms the basis for achieving inclusive welfare and sustainable human development.



Employment

- BTN facilitated regular medical check-ups and medical services to support early detection and treatment, and promoted employee health through a week-long series of health seminars.
- BTN implemented work-life balance through the launch of the BTNers Club, comprising 26 employee communities in sports, arts, and spiritual activities, supported by various programs involving employees across the Bank.
- BTN provided scholarship support for 54 employees pursuing undergraduate (S1) and postgraduate (S2) degrees, both domestically and overseas, in 2025. This represented a 38% increase from 39 employees in 2024.
- BTN consistently fulfills employees' rights to maternity and paternity leave. In 2025, these benefits were utilized by 512 female employees and 285 male employees.
- BTN held the Expert Talk Series on Women's Leadership (Srikandi BTN), attended by 324 employees, to strengthen women's leadership capacity in the workplace.

Community Development

- BTN runs the Micro and Small Business Funding Program (PUMK). In 2025, the Bank disbursed Rp6.55 billion to 161 assisted partners.
- BTN provides the Micro, Small, and Medium Enterprise Loan Program (KUMKM). In 2025, disbursements reached Rp5.67 trillion, an increase of 28.68% from Rp4.40 trillion in 2024.
- BTN implements the People's Business Credit Program (KUR). In 2025, BTN disbursed Rp1.07 trillion to 8,788 borrowers, consisting of 6,429 Micro KUR and 2,359 Small KUR borrowers.
- BTN provided education scholarships to 108 children of outsourced workers, including operational and security personnel.
- BTN delivered MSME development training reaching 250 MSMEs, supported by mentoring and workshops to strengthen managerial capabilities and access to sustainable financing.
- BTN organized English language training and competency certification for 100 persons with disabilities as part of the Bank's commitment to expanding access to education.

Environmental Development Pillar

The environmental pillar forms the foundation of sustainable development by ensuring ecosystem quality through prudent natural resource management, biodiversity conservation, and enhanced climate resilience. This pillar includes pollution control, improvements in water, air, and land quality, as well as climate change mitigation and adaptation. These efforts support long-term ecological balance and environmental resilience.



Climate Change and Ecosystems

- BTN implemented a tree-planting program by planting 26,648 trees in 2025, equivalent to an estimated carbon absorption of 31,600 tCO₂e.
- BTN installed solar panels across 12 BTN buildings and replaced 806.38 GJ of conventional electricity consumption in 2025, a 1,071% increase from 68.87 GJ in 2024, when solar panels were installed in 7 BTN buildings.
- In 2025, BTN planted 7,600 mangroves, an increase of 137.5% from 3,200 mangroves planted in 2024.
- BTN Tower 2 achieved Green Building certification with the highest rating, Platinum, from the Green Building Council Indonesia (GBCI), delivering 21.86% energy efficiency, a 32.1% increase in green area, and 26.7% water savings.

Resource Use and Environmental Management

- In 2025, BTN ran the “Pay Your Mortgage with Your Waste” program, which collected 716 kg of inorganic waste.
- BTN supported access to clean water and sanitation for homeowners through its housing loan (KPR) schemes, totaling 1.63 million units in 2025. This increased by 4.23% from 1.57 million units in 2024.
- As part of its environmental responsibility, BTN provided access to clean water and proper sanitation through its TJSL program in 2025, with a budget realization of Rp455,714,000. This was a 379.7% increase from Rp95,000,000 in 2024.
- BTN utilized 25 infiltration wells, each with a capacity of 3.39 m³, and 22 biopore points across the BTN Tower area.

Sustainable Products and Services

- BTN implemented its Low-Emission Housing financing program and promoted the use of environmentally friendly materials. The program reached 11,412 units in 2025, up 777.85% from 1,300 units in 2024.
- BTN’s digital initiatives reduced paper usage through the adoption of end-to-end procurement, e-MOM, e-RKK, and e-Committee as well as paperless features in the balé by BTN app, BTN Properti, and other supporting operational and financial services applications. As a result, BTN’s paper usage in 2025 totaled 105,969,841 sheets.
- In 2025, BTN planted 2,214 trees through the redemption of balé Points by customers via the balé by BTN app. This increased by 118.34% from 1,014 trees planted in 2024.

Economic Development Pillar

The economic pillar is directed toward achieving quality growth through productive job creation, strengthening industry and innovation, and providing reliable infrastructure. It emphasizes access to affordable and clean energy, reduced inequalities, and partnerships that support business expansion. By promoting an inclusive, efficient, and competitive economy, this pillar underpins sustainable development that enhances welfare and strengthens national economic resilience.



Community Development

- BTN delivered MSME development training for 250 MSMEs, supported by mentoring and workshops to strengthen managerial capabilities and improve access to sustainable financing.
- BTN organized the BTN Entrepreneurship Competition as an innovation platform within the housing ecosystem, attended by 1,170 participants.
- Through its Housing Finance Center (HFC), BTN has conducted the Mini MBA in Property Training Program since 2016 and, to date, has trained more than 800 prospective and existing housing developers.
- BTN implemented the Micro and Small Business Funding Program (PUMK), with 2025 disbursements of Rp6.55 billion to 161 assisted partners, supported by a total fund allocation of Rp11 billion.
- BTN provided MSME loans (KUMKM) totaling Rp5.67 trillion in 2025, up 28.68% from Rp4.40 trillion in 2024.
- BTN delivered People's Business Credit (KUR) financing of Rp1.07 trillion to 8,788 borrowers in 2025, comprising 6,429 KUR Micro and 2,359 KUR Small.

Sustainable Products and Services

- BTN provides the balé by BTN Super App, which makes it easier for customers to access banking products and services. In 2025, transaction value reached Rp103.61 trillion, up 27.74% from Rp81.11 trillion in 2024.
- BTN disbursed subsidized housing loans (KPR Subsidi) totaling 1.63 million units, equivalent to Rp157.30 trillion, increasing from 1.56 million units worth Rp147.32 trillion in 2024.

- BTN processed 17,051 online mortgage applications in 2025 through the balé Properti platform, up 14.82% from 14,850 mortgage signings in 2024.
- BTN's Sustainability Bond portfolio stood at Rp1,193.53 billion in 2025, up 26.8% from Rp941.21 billion in 2024.
- BTN issued two sustainability bond instruments: Sustainable Subordinated Bonds I Bank BTN Tranche I 2025 and Social Bonds Tranche I, with a total issuance value of Rp2.29 trillion.
- In 2025, BTN disbursed Sustainable Business Activities (KKUB) loans of Rp203.45 trillion, up 10.61% from Rp183.93 trillion in 2024.
- BTN's nationwide network, including in remote areas, helps create job opportunities and supports more balanced income distribution. Through the balé agen program, BTN expands access to formal financial services for unbanked communities in underserved regions. In 2025, BTN recorded 6,300 agents, up 26% from 5,000 agents in 2024.

Sustainable Procurement

- In 2025, BTN worked with 1,092 local suppliers, with a total transaction value of Rp1.23 trillion.

Governance

- BTN operated 48 electric vehicles (EVs) for operational purposes in 2025, up 33.33% from 36 units in 2024.

Legal and Governance Development Pillar



The legal pillar emphasizes legal certainty, access to justice, and accountable governance to support sustainable development. This pillar encompasses efforts to reduce violence, expand legal aid services, enhance the integrity of public institutions, and ensure inclusive and transparent decision-making. Its implementation is measured through various indicators, including the handling of violence cases, the quality of public services, representation within state institutions, and the protection of human rights as the foundation for creating a safe and just society.

Information Security

- BTN strengthened governance and compliance in 2025 through cybersecurity awareness programs, data privacy management training, AML/CFT (APU/PPT) training, business code of ethics training, and anti-bribery and anti-corruption training.
- BTN strengthens data protection and cybersecurity through policies, IT infrastructure enhancement, training and certification programs for employees to mitigate operational risks, and security awareness education for all employees, customers, and third parties.

Business Ethics and Code of Conduct

- All employees are required to sign the Integrity Pact in accordance with the values of the Code of Conduct.
- BTN implements a gratification control program through anti-corruption campaigns and ethics education to strengthen employee integrity and create a transparent work environment.

Governance

- BTN has developed a Net Zero Emission (NZE) Roadmap as a guideline for emissions reduction, energy efficiency, clean energy transition, and continuous monitoring.
- BTN has joined various sustainable finance initiatives and networks at the global and national levels, including:
 - United Nations Environment Programme Finance Initiative (UNEP FI)
 - Indonesia Sustainable Finance Initiative (IKBI)
 - Asian Venture Philanthropy Network (AVPN)
 - Partnership for Carbon Accounting Financials (PCAF)

Human Rights

- BTN conducts recruitment of employees with disabilities by prioritizing equality and fairness. In 2025, the proportion of Employees with Disabilities was 0.28% male employees and 0.23% female employees, compared to 0.17% male employees and 0.19% female employees in 2024.

On the other hand, BTN continues to carry out its longstanding role in providing subsidized housing for low-income communities. For more than four decades, BTN has consistently expanded access to affordable housing finance as a tangible contribution to improving the welfare and quality of life of the Indonesian people.

Nixon L.P. Napitupulu
President Director



Message from the President Director [OJK D.1]

Esteemed Shareholders and Stakeholders,

We extend our sincere gratitude to God Almighty for His grace and guidance, which have enabled PT Bank Tabungan Negara (Persero) Tbk, hereinafter referred to as “BTN” or the “Bank,” to close the year 2025 with resilient performance amid global economic dynamics and continuously evolving industry challenges. This resilience reflects BTN’s steadfast commitment to safeguarding business sustainability while creating inclusive, long-term value for all stakeholders.

As part of our commitment to transparency and accountability, BTN presents the 2025 Sustainability Report, which comprehensively outlines the Bank’s performance, policies, and strategic direction in sustainability. This report underscores BTN’s role as an enabler of the national housing finance ecosystem, with a focus on providing decent, affordable, and increasingly environmentally friendly housing solutions. These efforts are aligned with national development priorities and global commitments to addressing climate change and advancing social aspects.

Responding to Sustainability Challenges [GRI 2-22, 2-23, 2-24] [OJK E.5]

BTN views sustainability as an integral part of the Bank’s business strategy and governance. In response to the evolving business environment and rising stakeholder expectations, BTN consistently integrates environmental, social, and governance

(ESG) principles into its sustainability roadmap, Sustainable Finance Action Plan (SFAP), as well as its risk management framework and strategic decision-making processes.

To establish a focused and measurable sustainability roadmap, BTN applies a double materiality assessment process as the basis for identifying material issues. Through this approach, BTN is able to systematically identify and manage material issues with significant impacts, along with relevant risks and opportunities, from both a financial perspective and an impact perspective on society and the environment. This approach ensures that the implementation of sustainable finance is not merely symbolic but is embedded across financing activities, operations, product innovation, and corporate governance.

Advancing Sustainable Business and Finance [GRI 2-22, 2-23, 2-24]

In line with its vision to become a “Leading Partner in Empowering the Financials of Indonesian Families,” BTN continues to strengthen its role as a catalyst for inclusive and sustainable economic growth. BTN’s sustainability roadmap is designed to create long-term value through a balanced integration of the 5P (People, Planet, Prosperity, Peace, and Partnership) aspects, supported by Portfolio Guidelines to ensure that financing activities are aligned with ESG principles.

The Bank’s primary focus is directed toward the development of sustainable housing finance as part of its support for the Government’s national housing program, implemented by the Low-Emission Housing Program, which targets the development of up to 150,000 housing units by 2029 through the use of environmentally friendly materials, energy-efficient designs, and circular economy principles. In 2025, the initial implementation of this program delivered tangible impacts, including the diversion of approximately 57 tons of plastic waste from potential landfill disposal, avoiding carbon emissions of 157.6 tons of CO₂e, and ecological benefits equivalent to the planting of approximately 2,627 trees. On the other hand, BTN continues to uphold its historical role in providing subsidized housing for low-income communities. For more than four decades, BTN has consistently

expanded access to affordable housing finance as a tangible contribution to improving the welfare and quality of life of the Indonesian people.

As part of its sustainable finance innovation, BTN has also introduced the “Pay Your Mortgage with Your Waste” program, which integrates financial inclusion with environmental management. This program enables sorted inorganic household waste to be converted into rupiah credited to the customer’s savings account and can also be used to reduce mortgage installments while simultaneously encouraging behavioral change and the adoption of circular economy practices at the community level. Throughout 2025, this program successfully managed approximately 716 kg of inorganic waste with 21 housing clusters with waste management services. This program provides direct economic benefits to customers while contributing to environmental burden reduction. This initiative underscores BTN’s role in delivering inclusive, innovative, and sustainably impactful financing solutions.

Strategy, Governance, and Business Resilience

The achievement of BTN’s sustainability targets is supported by strengthened governance, risk management, cross-stakeholder collaboration, and the utilization of digital innovation. As part of its long-term commitment to the national climate agenda, the Bank has set a target to reduce greenhouse gas emissions by at least 30% toward net zero emissions for Scope 1 and 2 by 2030.

To further reinforce this foundation, BTN developed the governance, risk, and compliance (GRC) Roadmap 2025–2029 as a strategic guide to addressing regulatory dynamics, risk management, and governance challenges. This roadmap promotes a more proactive, integrated, and resilience-oriented approach to long-term business sustainability.

Throughout the reporting year, BTN maintained consistency in the implementation of sustainable finance. However, the Bank also encountered several challenges. From an external perspective, these included changes in housing finance policies, potential

natural disasters, global economic uncertainty, and exchange rate volatility. From an internal perspective, key challenges include strengthening ESG data capabilities, aligning policies and risk management with ESG principles, enhancing employee competence and understanding of sustainability issues, ensuring the readiness of the developer ecosystem, and balancing the expansion of housing finance inclusion with prudent credit risk management. [OJK E.5]

Contribution to the Sustainable Development Goals

All BTN policies and initiatives are aligned with the achievement of the Sustainable Development Goals (SDGs), as mandated by Presidential Regulation No. 59 of 2017 and POJK No. 51/POJK.03/2017. Through the SFAP, CSR programs, and the implementation of good corporate governance, BTN ensures balanced business growth while delivering positive social and environmental impacts.

From an environmental perspective, the Bank's initiatives during the reporting period contributed to a reduction in Scope 1 and 2 emissions of 9,922 tons of CO₂eq. On the social front, BTN promotes equality and inclusivity, including the employment of persons with disabilities, which accounted for 0.25% of the total workforce. In terms of governance, BTN continues to strengthen its ESG frameworks, strategies, and roadmaps as the foundation for integrating sustainability into the Bank's overall management.

This commitment was reflected in various recognitions from national and international institutions. During the reporting period, BTN achieved an ESG rating of AA from MSCI, indicating that the Bank's management of sustainability-related risks and opportunities is at a strong level compared to global peer banking institutions. In addition, BTN received several ESG-related awards, including Leadership AAA – Indonesia's Leaders in ESG Transparency, the Indonesia Sustainable Synergy Awards, and Best Literacy for Climate Resilience. These awards further reinforce the Bank's consistent efforts to integrate sustainability principles into its strategy, governance, and business operations.

Future Outlook

Going forward, BTN is committed to continuously conducting sustainable banking operations, developing inclusive and responsible financing products and portfolio management, and strengthening the integration of ESG components into the enterprise risk management framework.

BTN will also cultivate an ESG-oriented culture and responsible leadership, establish an internal control environment integrated with ESG aspects, strengthen ESG monitoring, communication, and reporting programs, and expand strategic partnerships and collaborations with a broad range of stakeholders.

Closing

On behalf of BTN Management, we extend our sincere appreciation and gratitude to all stakeholders for their continued trust and support. Our highest appreciation is also conveyed to all BTN employees for their dedication, integrity, and innovation, which form the foundation of the Bank's achievements.

We believe that sustainability is a shared journey. Through strong collaboration and a well-defined strategy, BTN remains committed to delivering inclusive, responsible, and sustainable financial solutions in support of a better future for Indonesia.

Jakarta, March 2026

Nixon L.P. Napitupulu
President Director

Board of Commissioners Statement on Accountability for PT Bank Tabungan Negara (Persero) Tbk 2025 Sustainability Report [GRI 2-14]

We, as the Board of Commissioners of PT Bank Tabungan Negara (Persero) Tbk., have evaluated the content of this Sustainability Report and confirmed that the report has covered all material sustainability topics for the Bank and the Bank's stakeholders. We are responsible for the accuracy of the contents of this Sustainability Report.

Jakarta, March 2026

Suryo Utomo
President Commissioner

Dwi Ary Purnomo*
Vice President Commissioner

Fahri Hamzah
Commissioner

Ida Nuryanti
Independent Commissioner

Pietra Machreza Paloh
Independent Commissioner

Panangian Simanungkalit
Independent Commissioner

Didyk Choiroel **
Commissioner

*Resigned on 25 February 2026 following his appointment as a member of the Board of Directors of PT Asuransi Kerugian Jasa Raharja.

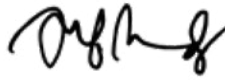
**Appointed at the Extraordinary General Meeting of Shareholders (EGMS) on 7 January 2026 and effective upon obtaining OJK approval following the Fit and Proper Test.

Board of Directors Statement on Accountability for PT Bank Tabungan Negara (Persero) Tbk 2025 Sustainability Report [GRI 2-14]

We, as the Directors of PT Bank Tabungan Negara (Persero) Tbk., have evaluated the content of this Sustainability Report and confirmed that the report has covered all material sustainability topics for the Bank and the Bank's stakeholders. We are responsible for the accuracy of the contents of this Sustainability Report.

Jakarta, March 2026


Nixon L.P. Napitupulu
 President Director


Oni Febriarto Rahardjo
 Vice President Director


Setiyo Wibowo
 Director of Risk Management


Hirwandi Gafar
 Director of Consumer Banking


Nofry Rony Poetra
 Director of Finance and Strategy


Eko Waluyo
 Director of Human Capital and Compliance


Tan Jacky Chen
 Director of Information Technology


Venda Yuniarti
 Director of Treasury and International Banking


Helmy Afrisa Nugroho*
 Director of Corporate Banking


I Nyoman Sugiri Yasa
 Director of Operations


Rully Setiawan
 Director of Network and Retail Funding


Hermita
 Director of Commercial Banking

*Appointed at the Annual General Meeting of Shareholders (AGMS) on 26 March 2025 and effective upon obtaining OJK approval following the Fit and Proper Test.



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BTN Profile and Journey





Company Name [GRI 2-1] [OJK C.2]

PT Bank Tabungan Negara (Persero) Tbk

Date of Establishment

February 9, 1950

Website

www.btn.co.id

Head Office Address [GRI 2-1] [OJK C.2]

BTN Tower

Jl. Gajah Mada No. 1,
Jakarta 10130, Indonesia
62-21 6336789
62-21 6346704

BTN Tower 2

Jl. H.R. Rasuna Said No. 1
Jakarta Selatan, 12980
Indonesia

Listing on the Indonesia Stock Exchange

December 17, 2009

Legal Entity Form [GRI 2-1]

Limited Liability Company

Business Sector

Commercial Banking, including the conduct of banking activities based on Sharia principles

Stock Code

BBTN

Stock Exchange

Indonesia Stock Exchange

Share Ownership: [GRI 2-1] [OJK C.3]

PT Danantara Asset Management **60.00%**

Domestic Public **29.44%**

Foreign Public **10.56%**



* The Government of the Republic of Indonesia is the principal and controlling shareholder of BTN through its ownership of Series A Dwiwarna shares.

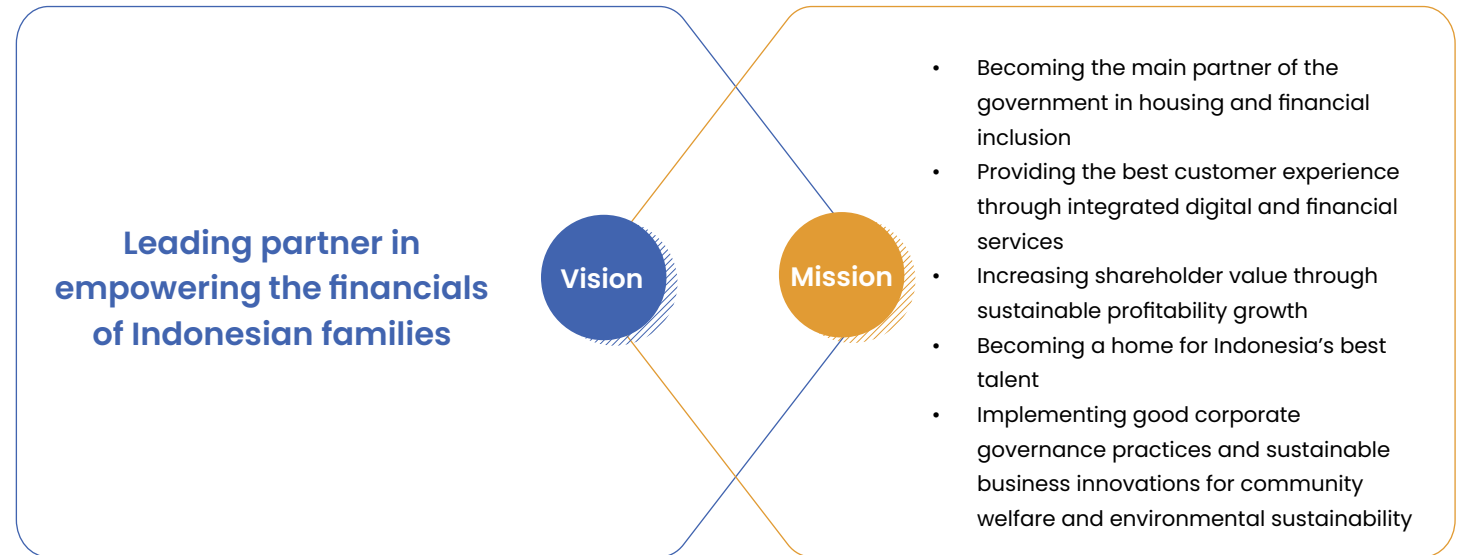
BTN Business Scale [GRI 2-6] [OJK C.3]

Description	Unit	2025	2024	2023
Total assets*	Billion Rupiah	527,793	469,615	438,750
Total equity*	Billion Rupiah	36,210	32,572	30,480
Total liabilities*	Billion Rupiah	491,583	437,043	408,271
Total employees	People	11,429	12,847	12,045
Number of conventional service networks	Office Unit	642	630	631
Number of products and services offered	Product/ Service Categories	4 (four): 1. Consumer Banking 2. Commercial Banking 3. Corporate Banking 4. Banking Service	4 (four): 1. Mortgage and Consumer Banking 2. Housing and Commercial Banking 3. Sharia Banking 4. Treasury & Asset Management	4 (four): 1. Mortgage and Consumer Banking 2. Housing and Commercial Banking 3. Sharia Banking 4. Treasury & Asset Management

*Financial data is presented on a consolidated basis.



Vision, Mission, and Sustainability Values [GRI 2-23] [OJK C.1]



Review of Vision and Mission by the Board of Commissioners and Directors

BTN conducts periodic reviews of its vision and mission to ensure alignment with the company's long-term plan as well as changes in strategic conditions. The most recent review, conducted on 30 September 2024 by the Board of Commissioners and Directors, confirmed that the updated vision and mission are aligned with both the Bank's internal and external developments.

The results of this review have been integrated into BTN's 2025–2029 RJPP and the 2026 Sustainable Finance Action Plan. The main difference compared to the previous formulation lies in the expansion of the Bank's focus, which now emphasizes not only mortgage financing but also the development of a more comprehensive banking ecosystem.

Corporate Culture [GRI 2-23]



#MelayaniSepenuhHati

Broad Impact

Across All State-Owned Enterprises

High Empathy

Employees and Business Processes

Customer-Oriented

Operations and Technology

Comprehensive Standards

Products and Services

A



Accountable

K



Knowledgeable

H



Harmonious

L



Loyal

A



Adaptive

K



Kinship

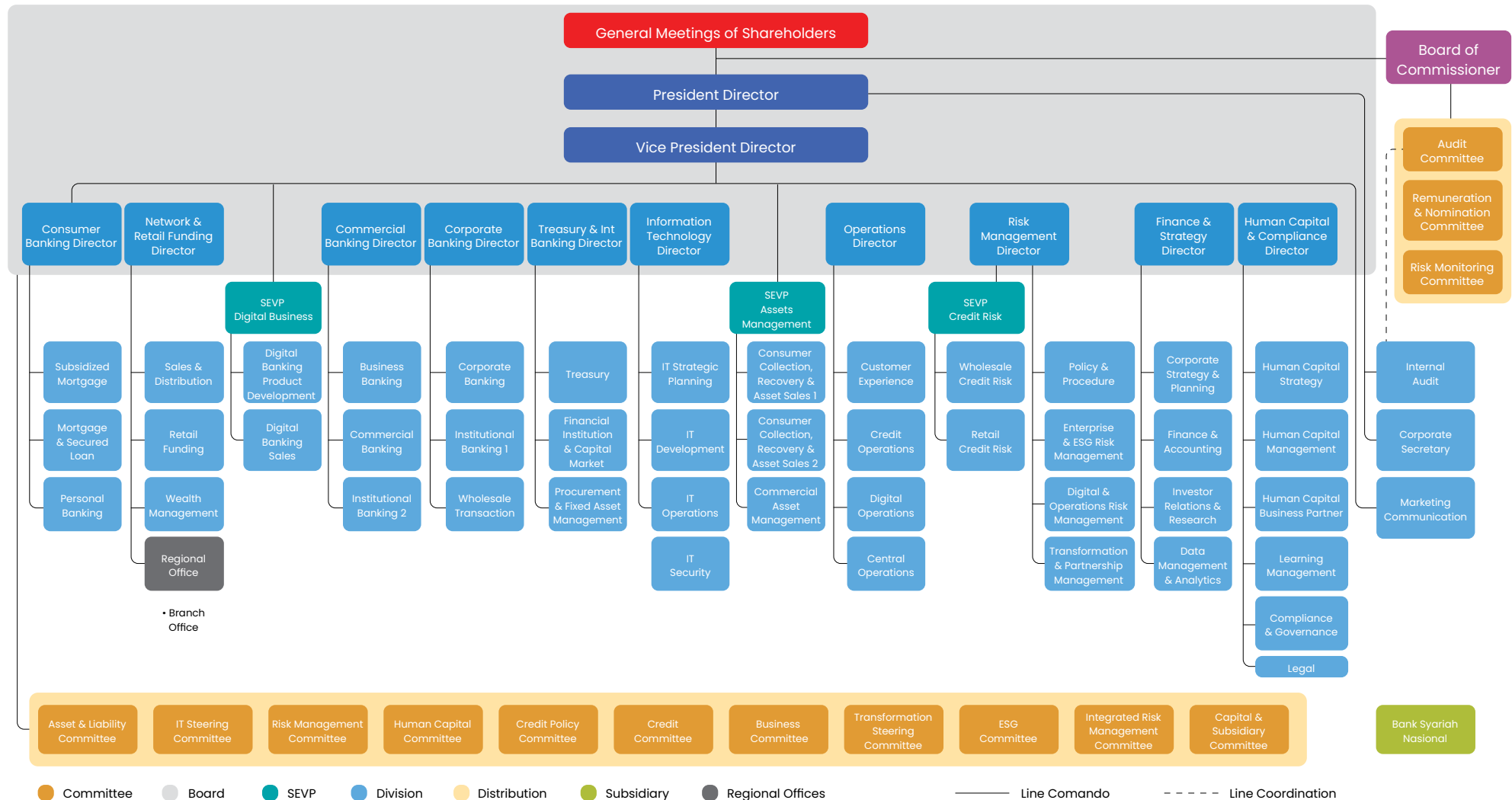
Sustainability Values

BTN's sustainability values are rooted in the AKHLAK corporate culture. These values are further reinforced through the Employee Value Proposition (EVP), which is delivered through four core elements: Learn, Grow, Contribute, and Engagement. This EVP framework

also serves as the Bank's basis for strengthening employee engagement and retention to support the implementation of sustainable finance.

Organizational Structure

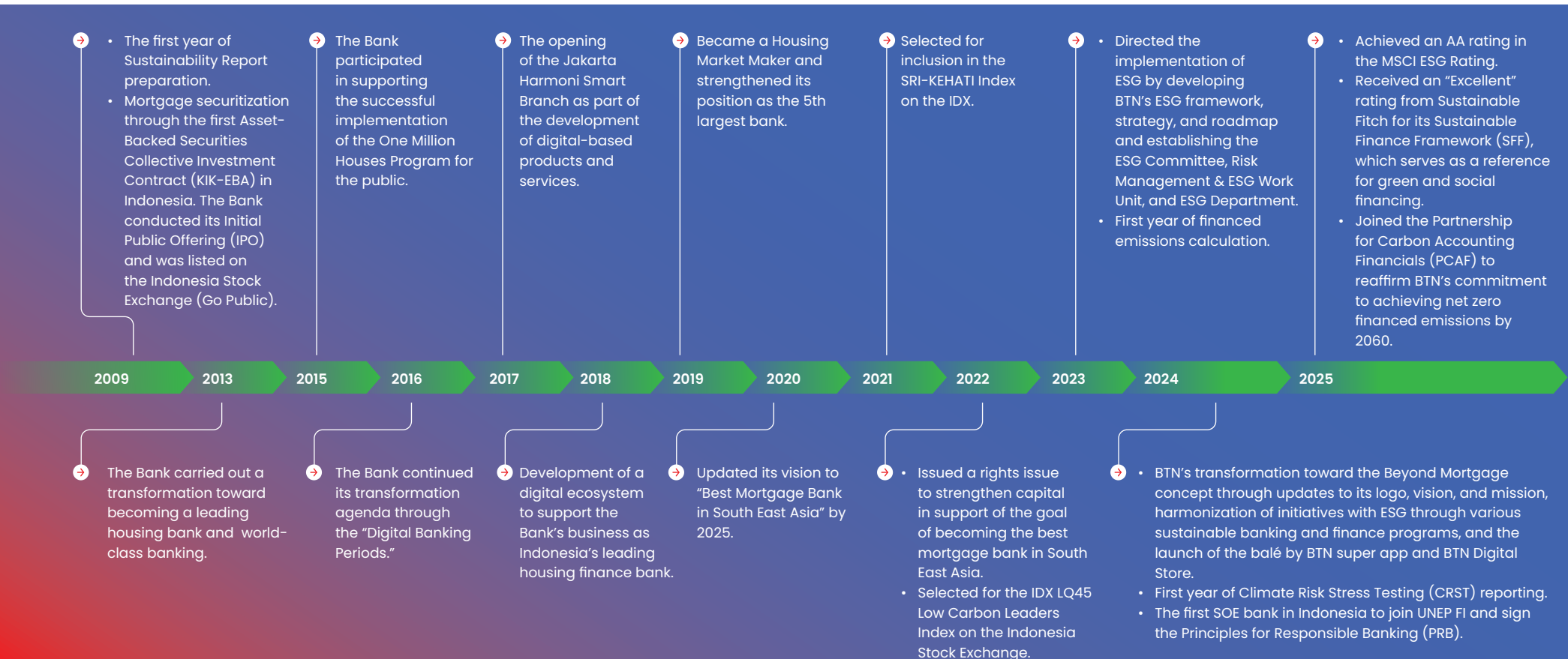
As of 31 December 2025, BTN's Organizational Structure is as follows



BTN Sustainability Transformation Journey

BTN's structured commitment to sustainability was marked by the preparation of its first Sustainability Report in 2009. Since then, the Bank has continuously strengthened the integration of sustainability principles into its operations and business activities, including the development of policies, sustainable finance practices, and the implementation of

ESG initiatives that support long-term and responsible growth. This approach reflects BTN's evolution from a conventional banking institution into a leading player in the implementation of sustainable finance in Indonesia.



BTN Business Activities [GRI 2-6] [OJK C.4]

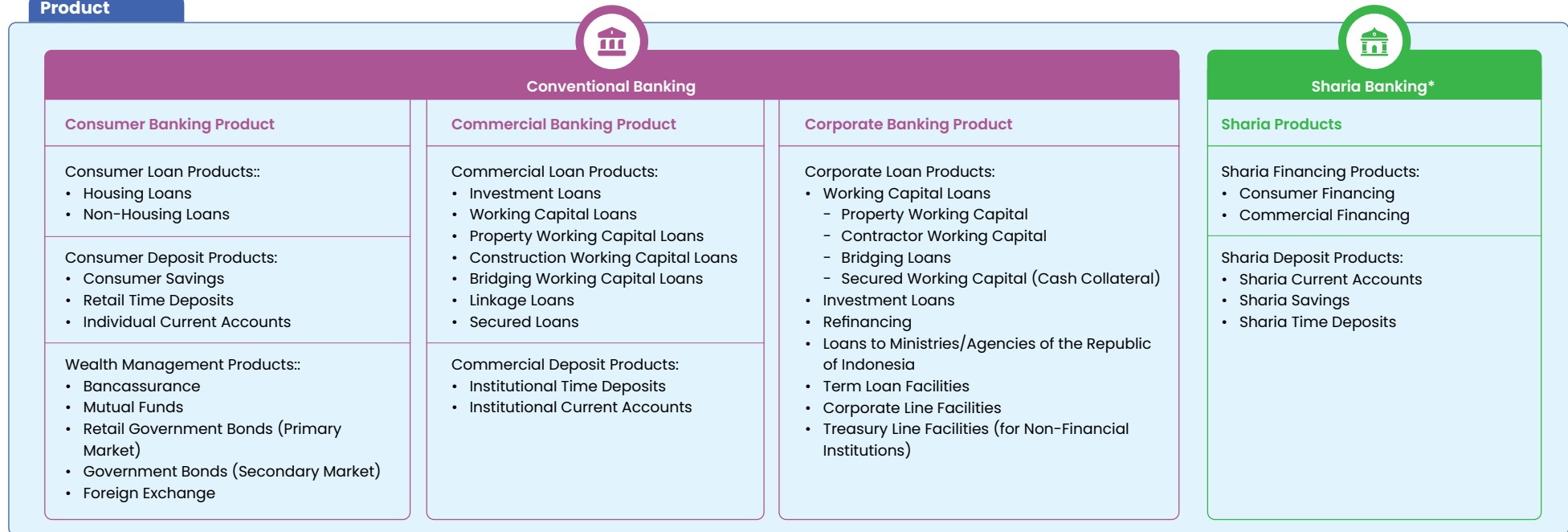
The scope of BTN's business activities is stipulated in Article 3, paragraph (2) of the Articles of Association, which have been amended several times and were most recently updated through the Deed of Statement of Resolutions of the Annual General Meeting of Shareholders No. 9 dated 4 December 2025, executed before Notary Ashoya Ratam, S.H., M.Kn., in Jakarta, and approved under the Decree of the Minister of Law No. AHU-AH.01.03-0256621 dated 22 December 2025. Based on the Articles of Association, BTN carries out its main business activities as follows:

1. Mobilization of public funds
2. Provision of credit and financing
3. Payment system services
4. Interbank fund placement and borrowing
5. Issuance and trading of securities
6. Safekeeping of goods and securities
7. Foreign exchange business activities
8. Assignment of receivables
9. Equity participation
10. Temporary equity participation for the handling of non-performing loans
11. Establishment and management of pension funds
12. Other financial services, including investment banking and commercial banking
13. Cooperation with financial and non-financial institutions
14. Other business activities subject to approval from the Financial Services Authority (OJK)

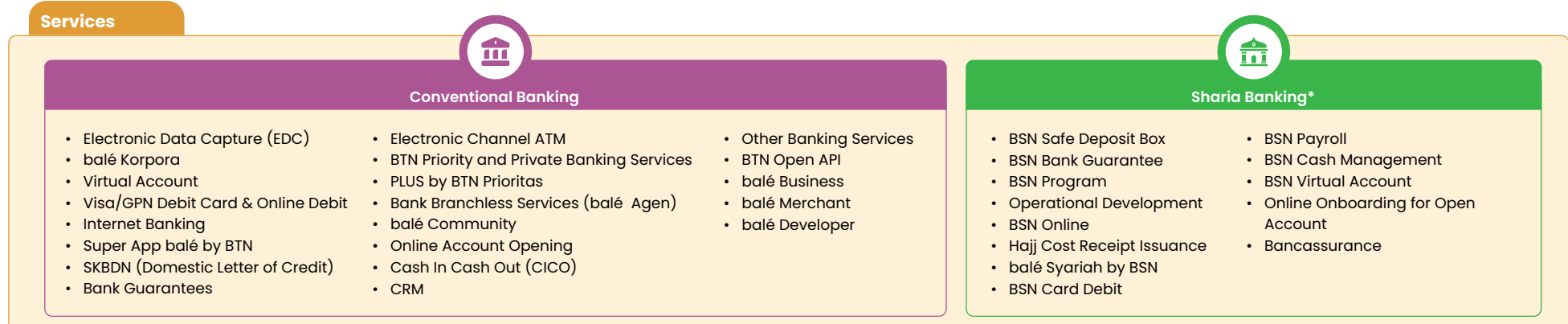
BTN has carried out all business activities as stipulated in its Articles of Association. In addition, the Bank undertakes various supporting activities to strengthen its core business and optimize the utilization of resources. All such activities are conducted in compliance with applicable laws and regulations. More detailed information on BTN's products, services, and business activities is available on the Bank's website at <https://www.btn.co.id/>.



Product



Services

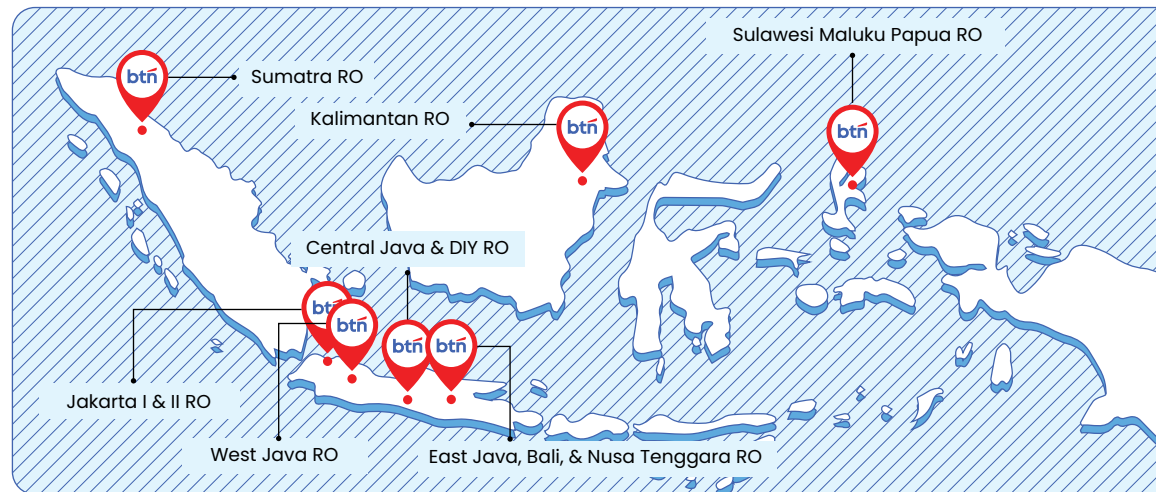


*) Following the approval of the spin-off of the Sharia Business Unit of PT Bank Tabungan Negara (Persero) Tbk through the transfer of its rights and obligations to PT Bank Syariah Nasional, Sharia banking products are no longer part of the Company's product portfolio as of 22 December 2025.

Operational Areas and Markets Served [GRI 2-1, 2-6] [OJK C.3]

BTN operates with its Head Office in Jakarta and a network of offices spread across all 38 provinces in Indonesia. In line with the provisions of Financial Services Authority Regulation No. 12/POJK.03/2021 on Commercial Banks, a simplification of branch network classification was reported to the regulator. Accordingly, branch offices below the main branch level were standardized into Sub-Branch Offices and Functional Offices, resulting in the reclassification of Cash Offices as Sub-Branch Offices.

As a public company listed under the stock code BBTN, BTN's business growth continues to expand its service coverage nationwide. As of 31 December 2025, BTN's operational network comprised 8 Regional Offices, 82 Conventional Branch Offices, 35 Sharia Branch Offices, 548 Conventional Sub-Branch Offices, 83 Sharia Sub-Branch Offices, and 4 Functional Offices, collectively strengthening the Bank's capacity to serve housing finance needs across various regions in Indonesia.



BTN's Branch Network and Banking Services

Description	2025	2024	2023
Conventional Network			
Regional Offices	8	8	6
Branch Offices	82	82	81
Sub-Branch Offices	548	536	541
Functional Offices	4	4	3
Sharia Network			
Sharia Branch Offices	35	35	34
Sharia Sub-Branch Offices	83	75	75
Network			
ATM and CRM	2,091	2,071	2,209

Distribution of BTN's Operational Network Across Indonesia

Description	West Java Regional Office	Jakarta I Regional Office	Jakarta II Regional Office	East Java, Bali, & Nusa Tenggara Regional Office	Sumatra Regional Office	Sulawesi, Maluku, Papua Regional Office	Central Java & Special Region of Yogyakarta Regional Office	Kalimantan Regional Office
Regional Offices	1	1	1	1	1	1	1	1
Branch Offices	10	11	8	16	11	11	8	7
Sub-Branch Offices	79	100	90	79	74	38	56	32
Functional Offices	0	0	1	0	1	0	2	0
Sharia Branch Offices	5	3	3	4	10	3	4	3
Sharia Sub-Branch Offices	11	9	6	14	21	2	16	4
BTN Priority Outlets & Lounges	6	12	11	9	9	5	5	5
ATM and CRM	336	342	263	330	307	167	212	133

Sustainable Supply Chain [GRI 2-6] [OJK B.1]

Supply chain management plays a vital role for BTN in ensuring operational continuity, service quality, and the implementation of sustainability principles across its business activities. In this regard, BTN refers to the Special Policy on the Guidelines for the Procurement of Goods and Services KK.9-H, supported by an end-to-end procurement system. Through this policy, the Bank establishes mandatory clauses for suppliers to ensure support for sustainability by reducing negative environmental impacts, ensuring fair working conditions, and promoting inclusive economic growth. The clauses stipulated including the following: [GRI 3-3]

1. Compliance with environmental documentation, including UKL-UPL, AMDAL, environmental permits, and technical assessments.
2. Implementation of environmental protection measures and minimization of impacts on communities.
3. A written commitment to environmentally friendly procurement and ESG principles.
4. Assurance of worker protection, including the prohibition of child labor and the exploitation of vulnerable women.
5. Provision of insurance for workers in high-risk roles.
6. Have anti-corruption policies and integrity pacts to ensure compliance.

Through this policy, BTN also reaffirms its commitment to prioritizing the use of domestic products and partnerships with local suppliers based within Indonesia. Foreign suppliers are engaged only when domestic needs cannot be fulfilled or when specific considerations apply. This approach is aligned with the Circular Letter of the Minister of SOE No. SE-10/MBU/08/2020 on enhancing the role of MSMEs, as well as the SOE Procurement Regulation No. PER-2/MBU/3/2023 concerning the Governance and Significant Corporate Activities of SOEs. [GRI 3-3]

As part of its sustainable supply chain management, BTN also applies the prudential principle in the use of outsourced labor in accordance with POJK No. 9/POJK.03/2016 by ensuring that core activities remain managed internally. Outsourcing is limited to supporting functions to maintain effective operations, align with good corporate governance principles, and consistently uphold service quality for customers. In 2025, the Bank conducted 716 procurement activities for goods and/or services involving 1,092 registered suppliers. This number increased compared to 2024, which recorded 939 suppliers. From the 1,092 registered suppliers, 100% were local suppliers originating from Indonesia. [GRI 204-1, 414-2]



Percentage of Procurement Transaction Value by Supplier Location

Description	2025	2024	2023
Local Suppliers	100%	100%	100%
Foreign Suppliers	0%	0%	0%
Total	100%	100%	100%



Total Value of Procurement Transactions with Local Suppliers

2025	2024	2023
Rp1.23 Trillion	Rp1.63 Trillion	Rp2.31 Trillion

In supporting the implementation of sustainable procurement, BTN conducts capacity building and oversight of suppliers to ensure compliance with sustainability standards throughout the entire procurement process. These efforts are carried out through the issuance of formal communications and socialization activities to ensure that suppliers understand and comply with sustainability principles, including the reduction of environmental impacts, the application of fair social practices, and adherence to ethical standards in their operations. In addition, BTN strengthens engagement with suppliers through supplier and vendor engagement activities to enhance awareness of sustainable practices, with a focus on paperless processes, transparency, and monitoring.

Aligned with these efforts, BTN ensures that all procurement of goods and services is carried out through procedures that adhere to the principles of Good Corporate Governance (GCG), namely transparency, accountability, responsibility, independence, and fairness, as well as the implementation of Fair Bid Treatment Provisions to ensure equitable treatment for all procurement participants. The Bank regularly conducts audits and evaluations to ensure that each stage of the procurement process is carried out in a fair and efficient manner, free from potential misuse, and supportive of sustainable resource management in compliance with applicable regulations.



Significant Changes [GRI 2-6] [OJK C.6]

During the reporting year, BTN updated its vision and mission and carried out the spin-off of its Sharia Business Unit (UUS). In accordance with the Sharia Banking Law and OJK Regulation No. 12/2023, this step was taken as BTN Syariah's assets as of the fourth quarter of 2023 reached Rp54.3 trillion, thereby meeting the regulatory threshold for the spin-off. The spin-off became effective on 22 December 2025 through the transfer of all rights and obligations of the UUS to Bank Syariah Nasional (BSN), demonstrating BTN's commitment to compliance while strengthening governance and sharpening its focus on developing a more inclusive and sustainable sharia banking business. Following the spin-off, the Bank adjusted its organizational structure and established two new committees: the Integrated Risk Management Committee and the Capital & Subsidiary Committee.

External Initiatives and Association Membership

External Initiatives

BTN proactively implements Sustainable Finance and responds to climate change by participating in external initiatives and adopting relevant national and international guidelines. This commitment is reflected in the preparation of the Sustainable Finance Action Plan (SFAP/RAKB) in accordance with OJK Regulation No. 51/POJK.03/2017, as well as ESG risk and opportunity mapping to assess material financial impacts, integrate ESG considerations into credit processes, and strengthen sustainable financing, in alignment with IFRS S1 and IFRS S2.

Association Memberships [GRI 2-28] [OJK C.5]

BTN's membership in various associations and organizations supports the strengthening of its business capacity and role within the national banking industry. Through this involvement, the Bank gains access to strategic information, regulatory developments, and industry trends, while also expanding collaboration and knowledge sharing with other industry participants. Details of BTN's memberships are presented as follows.

Association Names	Position within the Association
Association of State-Owned Banks (Himbara)	Member
Indonesian Bankers Association (IBI)	Secretary
World Savings and Retail Banking Institute (WSBI)	Member
National Commercial Banks Association (Perbanas)	First Vice Chairperson
SOE Public Relations Forum	Member
Indonesian Issuers Association	Member
External Loss Data Consortium (KDKE)	Member
Certified Wealth Manager's Association (CWMA)	Member
Indonesian Payment Systems Association (ASPI)	Member
Associate Cambiste Internationale (ACI) Indonesia (Forexindo)	Member
Banking Compliance Directors Communication Forum (FKDKP)	Member
Indonesian Banking Alternative Dispute Resolution Institution (LAPSPI)	Member
Association of Internal Bank Auditors	Member
The Institute of Internal Auditor (IIA)-Indonesia Chapter	Member
United Nations Environment Programme Finance Initiative (UNEP FI)	Member
Indonesian Sustainable Finance Initiative (IKBI)	Member
Asian Venture Philanthropy Network (AVPN)	Member
Bankers Association for Risk Management (BARa)	Vice Chairperson
Risk Management Forum	Treasurer
Partnership for Carbon Accounting Financials (PCAF)	Member

Economic Performance

Indonesia's economic performance in 2025 demonstrated a sustained recovery amid global dynamics. Data from Statistics Indonesia (BPS) recorded economic growth in the fourth quarter of 2025 at 5.04% year-on-year (yoy), reflecting continued positive momentum in national economic activity. This momentum reinforced the role of the banking sector in maintaining stability while promoting the integration of sustainability principles, including ESG factors, into financial products and services to support more inclusive and sustainable growth.

In line with these conditions, BTN capitalized on economic growth opportunities by strengthening housing finance and consistently advancing the implementation of ESG within its business strategy. Throughout 2025, BTN disbursed 1.9 million housing loan (KPR) units, including 1.6 million subsidized KPR units valued at Rp157.30 trillion, resulting in an 81.09% market share in subsidized mortgage financing. This achievement underscores BTN's strategic role in providing decent housing for low-income communities and reinforces its position as the national market leader in housing finance.

Consistency in executing its sustainability strategy and maintaining operational performance resulted in a net profit of Rp3.5 trillion, or grew by 16.8% yoy. Despite ongoing economic and industry challenges, BTN's focus on sustainable innovation and strong governance is expected to continue strengthening its competitiveness and delivering added value to stakeholders. [OJK F.2]

As the basis for presenting its economic performance, BTN reports the economic value generated and distributed at the national level, in line with the Bank's operational scope and audited consolidated financial statements, thereby reflecting the scale of economic impact most significant to stakeholders. [GRI 201-1]

Table of Comparison of the Bank's Business Plan and Financial Realization in 2025

[OJK F.2]

Description	2025 Realization (Rp Billion)	2025 Plan (Rp Billion)	Achievement
Financial Position			
Assets	527,793	510,095	103.47%
Loans Disbursed*	385,262	378,834	101.70%
Liabilities*	491,583	475,545	103.37%
Deposits from Customers	405,500	362,736	111.79%
Current Accounts**	167,446	156,427	107.04%
Savings Accounts**	36,932	43,021	85.85%
Time Deposits**	201,122	163,288	123.17%
Equity	36,210	34,971	103.54%
Profit (Loss)			
Interest Income	36,341	35,287	102.99%
Non-Interest Operating Income	4,108	4,670	87.97%
Profit Before Tax	4,382	4,380	100.05%
Net Profit	3,501	3,504	99.91%
Financial Ratios (Parent Entity) (%)			
Capital Adequacy Ratio (CAR)	19.02	18.19	104.56%
Non-Performing Loan (NPL) Gross	3.17	3.14	100.96%
Return on Assets (ROA)	0.89	0.90	98.89%
Return on Equity (ROE)	11.57	11.60	99.74%

*) Including sharia financing

**) Excluding syirkah

Economic Value Generated and Distributed

The creation of sustainable economic value is an integral part of BTN's role in supporting national development and delivering benefits to stakeholders. Direct economic value is generated through income from the Bank's operational activities and is subsequently allocated in the form of employee remuneration and benefits, tax payments to the government, and the implementation of Social and Environmental Responsibility programs for the community. [GRI 3-3]

Throughout 2025, BTN managed its finances independently without receiving financial support from the government. The Bank also did not generate income arising from opportunities or financial implications related to climate change during the reporting period. Details of the economic value generated and distributed are presented in the following table. [GRI 201-2, 201-4]



Table of Economic Value Generated and Distributed [GRI 201-1] [OJK B.1]

Description	2025 (Rp Billion)	2024 (Rp Billion)	2023 (Rp Billion)
Economic Value Generated			
Interest Income	31,880	25,473*	24,722
Sharia Profit-Sharing Income	4,461	4,069	3,559
Other Operating Income	4,108	4,576	3,891
Non-Operating Income	26	(52)	(160)
Total Economic Value Generated	40,475	34,066	32,012
Economic Value Distributed			
Interest Expenses	(15,910)	(16,114)	(13,406)
Sharia Profit-Sharing and Bonus Expenses	(2,420)	(1,935)	(1,445)
Other Operating Expenses **)	(6,790)	(5,817)	(5,034)
Employee Salaries and Benefits	(5,004)	(4,446)	(3,983)
Procurement of Goods and Services	(1,230)	(1,635)	(2,313)
Dividend Payments to Shareholders	(752)	(700)	(609)
Payments to Government	(3,620)	(3,764)	(3,143)
Expenditure for Community Social Investment **)	(120)	(89)	(79)
Total Economic Value Distributed	(35,846)	(34,500)	(30,012)
Total Economic Value Retained	4,629	(434)	2,000

*) Operating expenses excluding employee salaries and benefits

**) Realization of disbursement for the Social and Environmental Responsibility program

***) This figure is not related to the profit or loss reported in the Bank's financial statements

Financial Performance

BTN presents audited consolidated financial statements to provide a comprehensive view of the Bank's financial position and performance, including the impact of the separation of the Sharia Business Unit in accordance with applicable accounting standards. A summary of the financial performance is presented in the following table.

Table of BTN Consolidated Financial Performance [GRI 201-1] [OJK B.1]

Description	2025 (Rp Billion)	2024 (Rp Billion)	2023 (Rp Billion)
Total Assets	527,793	469,615	438,750
Bank Loans/Financing	385,262	344,916	318,106
Third-Party Funds *)	437,479	381,756	349,699
Total Liabilities	491,583	437,043	408,271
Total Equity	36,210	32,572	30,479
Net Profit	3,501	3,007	3,501
Financial Ratios (Parent Entity) (%)			
Capital Adequacy Ratio (CAR)	19.02	18.50	20.14
Non-Performing Loan (NPL) Gross	3.17	3.16	3.01
Return on Asset (ROA)	0.89	0.83	1.05
Return on Equity (ROE)	11.57	10.76	13.54
Net Interest Margin (NIM)	4.20	2.86	3.75
Operating Expenses to Operating Income (BOPO)	89.04	88.70	86.10
Loan to Deposit Ratio (LDR)	91.28	93.79	95.36

*) including deposits from other banks and temporary syirkah funds

Contribution to the State

The implementation of ESG principles, particularly good governance and social responsibility, has been an integral part of BTN's operations. This commitment is reflected in transparent and integrity-driven business practices, including fiscal contributions through the payment of taxes and dividends. Throughout 2025, BTN contributed taxes amounting to Rp3.6 trillion, creating added value for the state and supporting sustainable national development and economic growth.

Table of BTN Contribution to the Government

Description	2025 (Rp Billion)	2024 (Rp Billion)	2023 (Rp Billion)
Taxes			
Income Tax (PPH)	3,585	3,715	3,123.04
Value Added Tax (VAT) and Luxury Goods Sales Tax	16	26	24.31
Import/Export Duties, Excise Duties, and Stamp Duty	4	9	1.90
Land and Building Tax for Plantations, Forestry, and Mining	15	13	0.36
Total Tax Contribution (Total A)	3,620	3,763	3,419.61
Non-Tax State Revenue (PNBP)			
Dividends	451	420	365.41
Total PNBP Contribution (Total B)	451	420	365.41
Total Contribution to the State (Total A and B)	4,071	4,183	3,515.02

Loan Disbursement

In 2025, BTN disbursed loans amounting to Rp270.16 trillion, representing an increase of Rp15.10 trillion, or equivalent to 5.92% compared with 2024. This achievement was mainly driven by mortgage lending, including both subsidized and non-subsidized home loans. Meanwhile, in 2025, subsidized mortgage disbursements reached 1.6 million units, up by 68 thousand units, or 4.35%. Non-subsidized mortgage disbursements totaled 342 thousand units, up by 8 thousand units, or 2.51%.

Table of Consumer Loan Disbursement Volume

Type of Consumer Loans	2025 (Unit)	2024 (Unit)	Increase (Decrease)	
			(Unit)	(%)
Housing Loans				
Subsidized Mortgage Loans	1,627,469	1,559,647	67,822	4,35%
Non-Subsidized Mortgage Loans	342,313	333,922	8,391	2,51%
Other Housing Loans	53,045	59,214	(6,169)	(10,42%)
Total Housing Loans	1,961,174	2,014,436	(53,262)	(2,64%)
Non-Housing Loans	68,799	65,798	3,001	4,56%
Consumer Loan Disbursement Volume	2,083,235	2,026,972	56,263	2,78%

*Restated

BTN recorded an increase in the value of housing loan disbursements as of December 31, 2025, amounting to Rp262.41 trillion. This represented an increase of Rp14.88 trillion, or equivalent to 6.01% compared to Rp247.53 trillion in 2024.

Table of Consumer Loan Disbursement Values

Type of Consumer Loans	2025 (Rp Billion)	2024 (Rp Billion)	Increase (Decrease)	
			(Rp Billion)	(%)
Housing Loans				
Subsidized Mortgage Loans	157,298	147,321	9,977	6,77%
Non-Subsidized Mortgage Loans	96,107	91,653	4,454	4,86%
Other Housing Loans	9,012	8,558	454	5,31%
Total Housing Loans	262,416	247,533	14,883	6,01%
Non-Housing Loans	7,742	7,523	219	2,91%
Consumer Loan Disbursement Volume	270,158	255,056	15,102	5,92%

*Restated

BTN recorded 371,435 units of sharia consumer financing disbursement as of the end of 2025. This represents an increase of 60,183 units, or 19.33%, compared to 311,252 units in 2024. The growth was primarily driven by housing financing, which rose by 59,004 units, or 19.18%, supported by an increase in subsidized mortgage financing of 53,400 units, or 21.29%, as well as non-housing financing, which grew by 1,179 units, or 32.11% year-on-year.

Table of Sharia Consumer Financing Disbursement Volume

Types of Sharia Consumer Financing	2025 (Unit)	2024 (Unit)	Increase (Decrease)	
			(Unit)	(%)
Housing Loans				
Subsidized Mortgages	304,208	250,808	53,400	21,29%
Non-Subsidized Mortgages	61,581	55,899	5,682	10,17%
Non-Mortgage Financing	795	873	(78)	(8,93%)
Total Housing Financing	366,584	307,580	59,004	19,18%
Non-Housing Financing	4,851	3,672	1,179	32,11%
Consumer Financing Disbursement Volume	371,435	311,252	60,183	19,33%

As of 31 December 2025, BTN recorded consumer financing disbursements of Rp51.35 trillion. This represents an increase of Rp10.20 trillion, or 24.78%, compared to Rp41.16 trillion in 2024. The growth was mainly driven by housing financing, which reached Rp50.86 trillion, up 24.45% year-on-year.

Sharia performance for 2025 is presented based on historical data up to the effective date of the spin-off, or on a full-year pre-transfer basis, in accordance with the applied reporting methodology.

Table of Sharia Consumer Financing Disbursement Value

Types of Sharia Consumer Financing	2025 (Rp Billion)	2024 (Rp Billion)	Increase (Decrease)	
			(Rp Billion)	(%)
Housing Loans				
Subsidized Mortgages	33,883	26,522	7,361	27,75%
Non-Subsidized Mortgages	16,935	14,303	2,632	18,40%
Non-Mortgage Financing	39	41	(2)	(4,88%)
Total Housing Financing	50,857	40,866	9,991	24,45%
Non-Mortgage Financing	495	290	205	70,69%
Non-Housing Financing	51,353	41,156	10,197	24,78%

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Building a Sustainable Finance Ecosystem



As a financial institution with a strategic role in driving national economic growth, BTN recognizes its responsibility to ensure that the investment flows under its management not only generate economic value but also deliver social benefits and safeguard environmental sustainability. BTN believes that economic development aligned with social and environmental considerations requires prudent resource management and a long-term, value-oriented approach.

BTN is committed to promoting sustainable financing through the application of environmental, social, and governance (ESG) principles across its business activities and operations. This commitment is reflected in the Bank's efforts to manage environmental impacts, address social aspects, and maintain ethical and transparent governance practices.

For BTN, building a sustainable financial ecosystem that balances economic growth, social considerations, and environmental protection requires a collaborative approach. Accordingly, BTN consistently collaborates across sectors and with relevant stakeholders. As a concrete step, BTN has comprehensively mapped its sustainability ecosystem, encompassing ESG principles, governance, processes, and performance outcomes. The primary focus is directed toward strengthening sustainable finance practices to deliver positive impacts for society and the environment, while reinforcing BTN's role as a catalyst for inclusive, ethical, and sustainable banking in Indonesia. [OJK A.1]

BTN Sustainable Ecosystem



ESG Principles

Sustainable Finance

Sustainable Development Goals

Triple Bottom Line

Stakeholder Theory

Impact, Double Materiality, dan Value Chain

Three Lines Model

ESG Framework

The Future of Finance

Sustainable Finance

Climate Change and Ecosystem

People and Community

Stakeholder Inclusiveness

ESG in the Value Chain

Integrated Governance, Risk, Compliance

ESG Governance and Organizational Structure

ESG Committee

Enterprise & ESG Risk Management Division

Process

ESG Framework & Strategy Development

ESG Policy & Implementation

ESG Data Reporting & Communication

Outcome

Implementation of ESG initiatives and roadmap, growth in sustainability performance, and improvement in the Bank's ESG ratings

ESG Principles

Sustainable Finance [GRI 2-12, 2-13] [OJK B.3, E.1]

Since January 1, 2019, the Bank has implemented sustainable finance principles in accordance with POJK No. 51/POJK.03/2017. This regulation governs the implementation of sustainable finance for financial services institutions, issuers, and public companies, and emphasizes the importance of establishing dedicated units with the authority to manage and coordinate sustainable finance-related activities.

In advancing its sustainability agenda, the Bank is guided by eight sustainable finance principles stipulated in the regulation, as follows:

1. Responsible Investment

Prioritizing investments in projects that generate long-term economic, social, and environmental benefits.

2. Sustainable Business Strategy and Practices

Minimizing adverse impacts through policies and business strategies that are integrated with sustainability considerations.

3. Social and Environmental Risk Management

Integrating social responsibility and environmental protection into the Bank's risk management processes.

4. Governance

Applying the principles of transparency, accountability, responsibility, independence, and fairness.

5. Informative Communication

Ensuring transparent disclosure of strategies, performance, and business prospects to all stakeholders.

6. Inclusiveness

Expanding access to banking products and services, particularly for underserved communities.

7. Development of Priority Leading Sectors

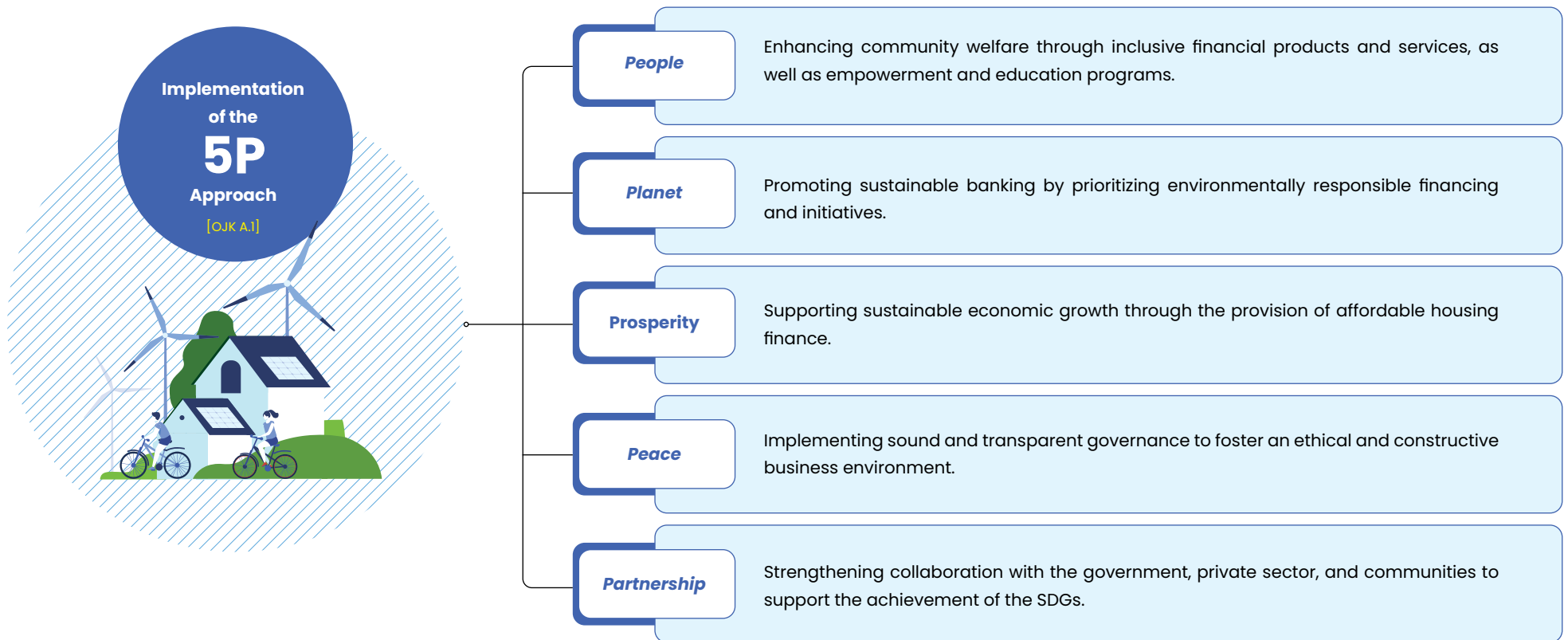
Supporting financing for sectors that contribute to sustainable development and climate change mitigation.

8. Coordination and Collaboration

Strengthening synergy with various stakeholders to enhance economic and social welfare, as well as environmental quality.

BTN is committed to supporting inclusive and environmentally conscious economic growth through the implementation of the Sustainable Development Goals (SDGs). This commitment is aligned with Indonesia's national Sustainable Development Goals policy, as stipulated in Presidential Regulation No. 59 of 2017, which serves as a guideline for balancing economic, social, and environmental aspects.

To reinforce this commitment, BTN has adopted the 5P approach, consisting of People, Planet, Prosperity, Peace, and Partnership, to ensure that all business activities are aligned with sustainability values and shared progress.



Stakeholder Engagement [GRI 2-29] [OJK E.4]

Stakeholder theory emphasizes that a company's responsibilities extend to all parties affected by its business activities, including employees, customers, suppliers, communities, and government, positioning stakeholder well-being as an integral component of business success.

As a financial institution that plays a role in economic and social development, the Bank applies this principle by engaging stakeholders in decision-making processes and the formulation of strategic policies. Through open and constructive dialogue, BTN seeks to maintain a balance between economic performance, social responsibility, and environmental stewardship.

BTN regards stakeholders as key partners in achieving its sustainability objectives, with engagement conducted in an active, transparent, and accountable manner to enable each party to contribute constructively to long-term value creation.

In identifying stakeholder groups, BTN applies several criteria to ensure that engagement is constructive and supports the achievement of sustainability goals, including:

1. Influence

The extent to which stakeholders have an influence on BTN's sustainability-related decisions.

2. Dependency

BTN has a degree of dependence on the stakeholder, either directly or indirectly.

3. Needs

Stakeholders' understanding of the needs, expectations, and aspirations of stakeholder groups related to the Bank's products or services.

4. Diversity

The differences in stakeholders' characteristics, backgrounds, and interests are understood and respected to ensure inclusive policies and decisions that fairly address the needs of various parties.

5. Willingness to Participate

Stakeholders' willingness to participate in decision-making processes and corporate initiatives to achieve mutually beneficial shared objectives.

Based on these criteria, BTN has identified its key stakeholder groups and established appropriate response mechanisms and communication strategies tailored to the characteristics of each stakeholder group. [GRI 2-29]

Internal Stakeholders

Stakeholder	Engagement Method	Frequency	Priority Topics	BTN's Response
Employees	Employee Engagement Survey	Annually	Employee satisfaction level	• Provision of training and development programs • Performance appraisal and promotion system • Development of collective labor agreements
	Internal Bulletin	Annually	Employment-related policies and strategies	
	SmartShare	Accessible at any time	• Discussion forum, job-related discussions, quizzes, and information sharing • Diversity and equal opportunity • Training and education	
	Innovation Award	Annually	processes and productivity improvement	
Labor Union	Collective Labor Agreement discussions	Annually	• Harmonious industrial relations • Fulfillment of employees' rights and obligations	Organization of the Bipartite Cooperation Institution (LKS Bipartite)

External Stakeholders

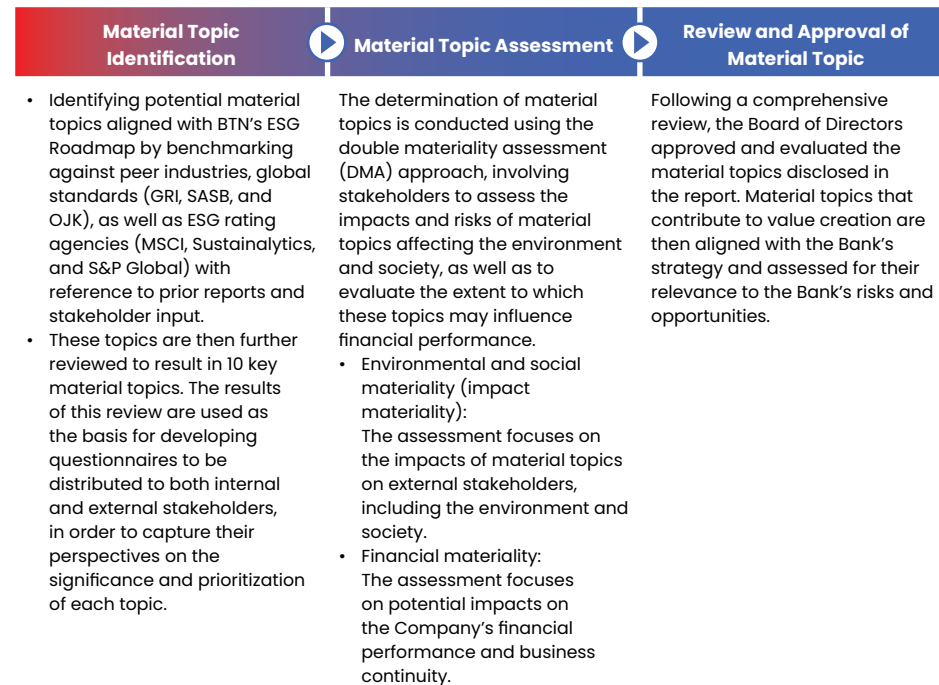
Stakeholder	Engagement Method	Frequency	Priority Topics	BTN's Response
Shareholders	Annual General Meeting of Shareholders (AGMS)	Annually	- Achievement of the Bank's performance targets and economic performance - Market presence - Anti-corruption - Development of ESG and decarbonization roadmaps	- Formulation of strategies to improve economic performance and business sustainability - Determination of dividend distribution policies - Provision of periodic information on BTN's performance - Organization of AGMS
	Performance presentations	Quarterly		
	Extraordinary General Meeting of Shareholders (EGMS)	As needed		
Customers	Customer satisfaction survey	Twice a year	- Service quality and standards - Product portfolio - Customer data privacy	- Innovation in products and services in line with customer needs and technological developments - Provision and disclosure of product and service information - Protection and storage of customer data in accordance with regulations - Provision of customer complaint handling services, both manual and digital, including resolution mechanisms - Socialization of sustainable finance implementation
	Customer communication media	Monthly		
	Customer Call Center services	As needed		
	BTN website and Frontline Information	Accessible at any time		
	Direct visits	As needed		
Developer Partners	Property Awards	Annually	Housing sales opportunities	- Provision of competitive financing schemes to support sustainable housing development - Encouragement of green building concepts and energy efficiency in development projects - Organization training sessions and workshops to strengthen the capacity of developer partners
	Gathering	As needed	Success of the three million housing program and low emission housing initiative.	
	Capacity building	As needed	Transparency	
Business Partners / Suppliers	Work contracts	As needed	Procurement processes	- Socialization of company policies - Focus group discussions to gather feedback and aspirations from suppliers
	Investment partners	As needed	Business cooperation	
	Seminars and workshops	As needed	Development of merchant banking	

Stakeholder	Engagement Method	Frequency	Priority Topics	BTN's Response
Government and Financial Services Authority	Self-Assessment GCG	Twice a year	Compliance with disclosure and assessment of GCG implementation	- Alignment of internal policies and regulations with those issued by the Government and the Financial Services Authority - Implementation of GCG principles across all work units - Disclosure of performance and activity reports - Publication of the Sustainable Finance Action Plan, Annual Report, Sustainability Report, CSR Report, and other reports
	GCG Compliance Report	Annually	Compliance with disclosure of GCG implementation	
	Reporting of CSR activities to the BP BUMN / Danantara	Four times a year	Disclosure of information on CSR implementation	
Business Organizations	Meetings and activities at national, regional, and international levels	As needed	Enhancement of the Bank's governance practices	Organization of meetings and activities
Community Organizations / Social Organizations / NGOs	Strategic cooperation in implementing social and environmental responsibility programs	As needed	Optimization of CSR programs and indirect economic impacts on local communities	- Provision of employment opportunities for local communities - Optimization of CSR programs
Media	Press releases and press conferences	As needed	Provision of information on the Bank's business and activities	Dissemination of information to the public regarding BTN's activities and latest programs

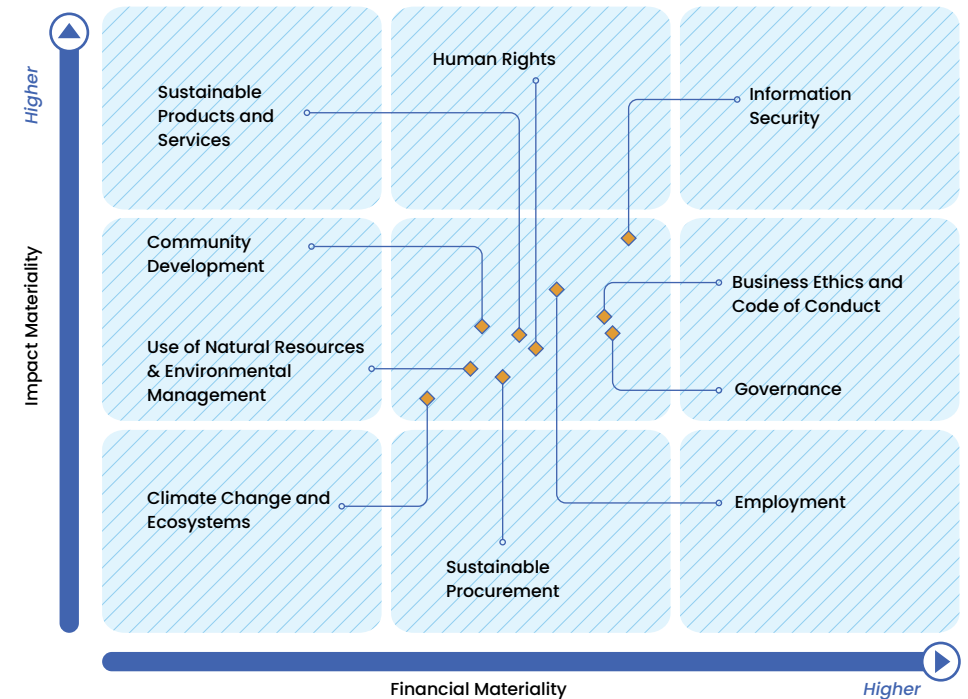
Materiality Assessment [GRI 3-1, 3-2, 3-3]

BTN applies the principles of impact, double materiality, and value chain as an integrated framework to understand, measure, and manage the economic, social, and environmental impacts of all its operational activities. Through this approach, the Bank is able to identify the most relevant and significant issues, both in terms of business sustainability and their impact on society and the environment.

The Bank defines material topics as issues that have a significant impact on sustainability performance and may influence stakeholder decision-making. The materiality determination process also considers BTN's enterprise risk management framework. Through this process, risks and opportunities related to material sustainability topics are identified, evaluated, and managed in a comprehensive manner to support the achievement of the Bank's strategic objectives.



Materiality Matrix



In 2025, BTN reaffirmed the material topics established in the previous year, as they remain relevant and significant to the impacts, risks, and opportunities associated with the Bank's sustainability performance, as well as stakeholder expectations. A review of material topics is conducted through an annual evaluation involving the Board of Directors to ensure alignment with the Bank's sustainability strategy, risk profile, and evolving business dynamics.

Material topics serve as a foundation for policy formulation, decision-making, and the implementation of sustainability initiatives while also providing a reference for the integrated management of economic, social, and environmental performance. This ensures that the Bank's responses to sustainability issues remain aligned with stakeholder priorities and expectations. The boundaries and scope of each material topic are presented in the following list.

Material Topic	Materiality Consideration	Topic Boundary	
		Internal Stakeholders	External Stakeholders
Environmental Aspect			
Climate Change and Ecosystems	Describes the Bank’s commitment to addressing climate change challenges by minimizing the environmental impacts of its operations through the management of GHG emissions and the improvement of energy efficiency.	Employees	Investors, government, financial services authorities, business partners/suppliers, and the media.
Resource Use and Environmental Management	Describes the Bank’s efforts to ensure the efficient use of water and material resources, responsible waste management, and compliance with applicable environmental regulations.	Employees	Investors, government, financial services authorities, business partners/suppliers, and the media
Social Aspect			
Employment	Describes human capital management with a focus on training, career development, occupational health and safety (OHS), and the creation of a productive work environment.	Employees	Customers, government, financial services authorities, business partners/suppliers, and community/social organizations/non-governmental organizations
Human Rights	Describes the Bank’s commitment to upholding human rights, diversity, equity, and inclusion across all operational activities, employment relationships, and services.	Employees	Customers, investors, government, financial services authorities, business partners/suppliers, the media, and business organizations
Community Development	Describes the Bank’s commitment to actively engaging in supporting communities through various financial literacy and empowerment programs to enhance community well-being.	Employees	Customers, investors, government, financial services authorities, and community /social organizations/non-governmental organizations
Information Security	Describes the Bank’s efforts to safeguard the Bank’s data, customer data, and financial transactions from cyber threats, including hacking, data theft, and malware attacks.	Employees	Customers, investors, government, financial services authorities, and the media
Governance Aspect			
Governance	Describes the Bank’s commitment to implementing sustainability governance, including strategic oversight of environmental and social–related risks and opportunities, as well as monitoring sustainability performance.	Employees	Customers, investors, government, financial services authorities, business partners/suppliers, community organizations/social organizations/non-governmental organizations, the media, and business organizations

Material Topic	Materiality Consideration	Topic Boundary	
		Internal Stakeholders	External Stakeholders
Sustainable Products and Services	Describes the Bank's efforts to integrate ESG aspects into the lifecycle of banking products and services, encompassing initial assessment, product and service development, monitoring, evaluation, and impact assessment of products and services.	Employees	Customers, investors, government, financial services authorities, business partners/suppliers, community organizations/social organizations/non-governmental organizations, the media, and business organizations
Business Ethics and Code of Conduct	Describes the Bank's commitment to upholding business ethics and a code of conduct to maintain banking integrity and customer trust.	Employees	Customers, investors, government, financial services authorities, business partners/suppliers, and business organizations
Sustainable Procurement	Describes the Bank's commitment to managing a responsible supply chain by ensuring that suppliers comply with strict ethical, social, and environmental standards.	Employees	Customers, investors, government, financial services authorities, business partners/suppliers, and business organizations

Three Lines Model

As an essential framework for strengthening governance and the effectiveness of risk management, the Three Lines Model serves as a guiding principle for BTN to ensure clear roles, responsibilities, and coordination across all levels of the organization, supporting transparent, accountable, and integrity-driven risk management while reinforcing the integration of ESG principles.

1. Role of the Governing Body

Holds primary accountability to stakeholders to ensure that the Bank's activities are conducted transparently, with integrity, and in alignment with good corporate governance principles. The Governing Body sets the strategic policy direction and ensures the effective implementation of risk management and ESG principles in support of the Bank's long-term objectives.

2. Role of the First Line

Acting as the primary executor and risk taker in risk management. This line ensures that strategies are implemented effectively, business decisions are made based on thorough risk analysis, and all operational activities comply with internal policies while integrating sustainability values.

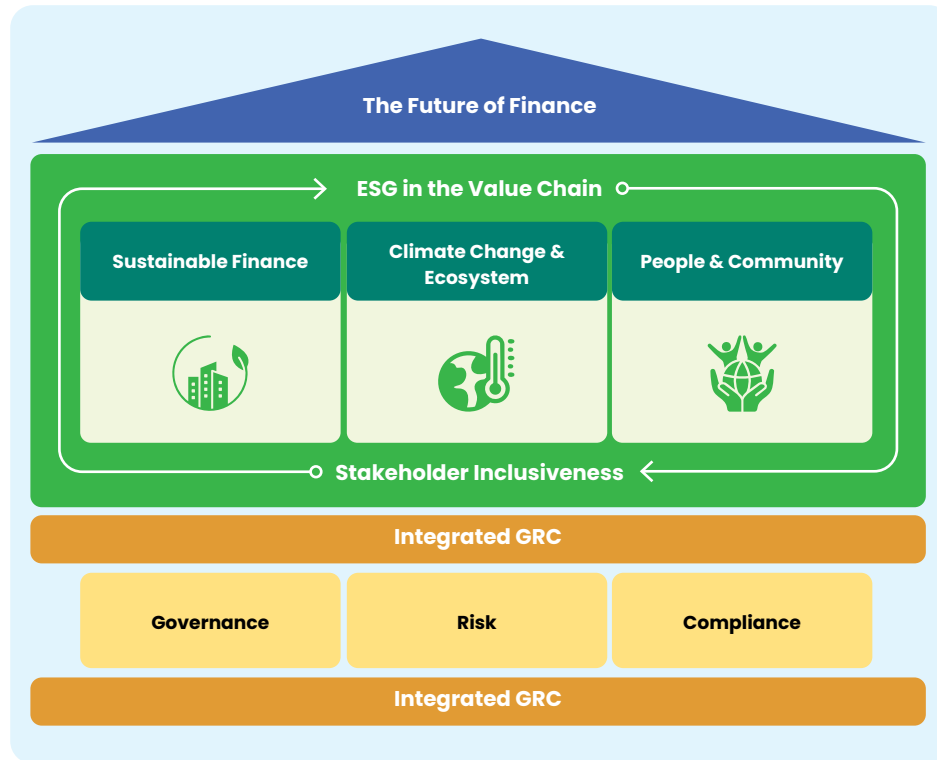
3. Role of the Second Line

Provides support and oversight for the implementation of risk management, including regulatory compliance, internal controls, and the execution of sustainability practices. This line also ensures that ethical standards and governance principles are applied consistently through the enterprise risk management (ERM) framework.

4. Role of the Third Line

This role is carried out by the Internal Audit function, which provides independent and objective assessments of the effectiveness of governance and risk management systems. The function ensures that all Bank policies and practices are aligned with ESG principles and ensure that the Bank's practices align with applicable regulations and ESG principles, while providing recommendations for continuous improvement.

ESG Framework



As part of its commitment to strengthening sustainability governance, BTN has developed an ESG framework entitled The Future of Finance, serving as a strategic guide for managing business practices that are oriented toward performance impact and support the achievement of the SDGs. Through this framework, BTN has established a foundation for more comprehensive, measurable, and sustainability-aligned decision-making.

The ESG framework comprises six interrelated core components that serve as a reference for the implementation of the Bank's activities and operations.

Components of BTN's ESG Framework

Sustainable Finance

Management of products and services that support the transition to a low carbon economy, promote environmental sustainability, and maintain social balance by ensuring equitable access to financial services and capital.

Climate Change and Ecosystem

Management of climate change risks and their impacts on ecosystem capacity.

People and Community

Management of impacts on individuals, communities, and society at large.

ESG in the Value Chain

Establishing a sustainable business system integrated with ESG aspects across BTN's entire business value chain.

Stakeholder Inclusiveness

Prioritizing stakeholder inclusivity as a key focus in achieving sustainability objectives.

Integrated Governance, Risk, and Compliance [GRC]

Ensuring that sustainability is not merely a business foundation, but is fully integrated across all aspects of governance, risk management, and compliance



Awareness of the importance of good governance has become an integral part of the Bank's sustainability foundation. Transparent and accountable governance serves as the cornerstone of all BTN's sustainability efforts, ensuring that every initiative is conducted with integrity, compliance, and responsibility.

ESG Governance [OJK E.1]

As the two main pillars of sustainability management, BTN has established the ESG Committee and the Enterprise and ESG Risk Management Division (ERMD) as the two main pillars of sustainability management within the Company. The ESG Committee, chaired by the President Director and comprised of members of the Board of Directors and SEVPs. The Committee ensures that strategic direction, policies, and sustainability targets are aligned with the SDGs and the Company's climate targets. Throughout the reporting year, the ESG Committee convened several meetings to review performance and formulate continuous improvement measures.

The ERMD operates under the oversight of the Board of Directors and is responsible for the implementation and monitoring of ESG initiatives, including climate risk management, carbon emission reduction, and the conduct of the Climate Risk Stress Test (CRST) to assess the impacts of climate change on business sustainability. The Division also manages and coordinates sustainable finance initiatives through cross-unit collaboration with the Corporate Secretary, Compliance and Governance, Commercial Banking, Corporate Banking, Digital Banking Product Development, and other supporting units to ensure the integration of ESG aspects across all BTN business processes.

More detailed information on sustainability governance policies, structures, and practices, including risk management, regulatory compliance, and commitments to ethical standards and transparency, is presented in the chapter Upholding Governance as the Foundation of Sustainability.

ESG Policy

Strategy Development

BTN has formulated 9 (nine) strategic steps that are carried out in an inclusive and integrated manner to strengthen the application of sustainability principles across all business lines, as follows:

1. Implementing sustainable banking operations and business activities.
2. Developing sustainable and inclusive banking products and portfolio management.
3. Integrating ESG components into the enterprise risk management (ERM) framework and business risk management programs.
4. Developing ESG culture programs and responsible leadership.
5. Establishing a control environment integrated with ESG components.
6. Developing ESG monitoring, communication, and reporting programs.
7. Building robust ESG data management.
8. Navigating ESG-related regulatory and policy trends.
9. Building partnerships and collaborations.

Policy

BTN continues to strengthen the implementation of sustainability principles to realize its vision as the “Leading partner in empowering the financials of Indonesian families”. These principles serve as the foundation for all operational activities and business decision-making. As a manifestation of this commitment, the Bank has established General Policy No. KU.10 on Environmental, Social, and Governance (ESG) and Special Policy No. KK.10-A on ESG Implementation Procedures, which serve as the primary guidelines for

applying ESG principles across the organization. These policies are further reinforced by technical guidelines on the Climate Risk Stress Test (CRST), greenhouse gas emissions management, and the preparation of sustainability reports, ensuring that business practices are aligned with sustainable development objectives.

Reporting and Communication

As part of its commitment to sustainability principles, the Bank systematically manages ESG performance data and information across all operational lines, with a strong emphasis on accuracy, transparency, and compliance with reporting standards. Monitoring is carried out through the Digital Action Log & Monitoring System (DAMS), which facilitates regular updates on the progress of ESG initiatives, and is further strengthened by the Integrated ESG Dashboard System as part of the strategy to Establish ESG Monitoring, Communication, and Reporting Program. The dashboard presents ESG data in a centralized digital platform, covering environmental, social, and sustainable portfolio aspects to support data-driven decision-making.

ESG data is used to assess progress against sustainability targets and identify areas for improvement, serving as a basis for refining ESG policies and initiatives to enhance effectiveness. Performance evaluations are conducted periodically through one-on-one sessions with work units to ensure that ESG implementation is consistent, measurable, and delivers positive impacts for all stakeholders.

ESG Achievements and Results

BTN ESG Roadmap

BTN's sustainability roadmap is designed to realize The Future of Finance through clear and measurable stages. Each phase represents a distinct area of focus in strengthening the Bank's ESG transformation journey, as illustrated below.

2023–2025 | Action Phase



During this phase, BTN began integrating ESG principles into its operational and business activities. The primary focus was on strengthening the ESG implementation foundation so that it becomes an integral and embedded part of every Bank process.

2026–2027 | Advance Phase



During this phase, BTN strengthens its commitment to ESG by expanding the scope and impact of its initiatives. The Bank focuses on enhancing social and environmental responsibility, with efforts directed toward increasing positive contributions to society and the environment.

2028–2029 | Fase Accelerate



This phase reinforces BTN's commitment to accelerating the positive impact of ESG implementation through effective initiatives aligned with the Bank's vision. These efforts reflect BTN's determination to advance sustainable finance in support of the achievement of the SDGs.

In formulating its ESG framework, strategy, and roadmap, BTN places stakeholder engagement as a key element in the design process. This approach is reinforced through benchmarking activities with companies, both domestically and internationally, that have successfully implemented effective ESG practices. In addition, at the early stage of implementation, BTN conducted an ESG workshop involving 20 internal work units as supporting validators to review and refine the proposed framework and ESG initiatives, ensuring alignment with the Bank's readiness and ambitions.

In 2025, through the implementation of various sustainability initiatives across the ESG pillars, BTN successfully achieved several targets set at the beginning of the year, including:

Environmental Aspect

Initiative	Indicator	2025 Target	2025 Achievement
Sustainable credit financing	Total sustainable loans/financing (Rp trillion)	200.26	203.45

Social Aspect

Initiative	Indicator	2025 Target	2025 Achievement
Employee diversity	Average composition of nominated talent		
	Female talent	28%	33.3%
	Young talent	16.5%	16.67%

Initiative	Indicator	2025 Target	2025 Achievement
Financial inclusion	Total MSME loan disbursement (Rp trillion)	4.41	5.67
Creating equal opportunities for	Number of employees with disabilities, recruitment to support equal employment opportunities for persons with disabilities	10	14

Governance Aspect

Initiative	Indicator	2025 Target	2025 Achievement
Cybersecurity breach	Number of reported cybersecurity breach incidents	0	0

Sustainable Finance Action Plan (SFAP) [OJK E.1, D.1.b]

As one of the largest banks in Indonesia, BTN is committed to strengthening the implementation of sustainable finance through the Sustainable Finance Action Plan (SFAP), which serves as a strategic guide for the development of its financing portfolio, the strengthening of business processes, and the implementation of responsible risk management.

This commitment is aligned with BTN's support for the government's program to develop three million housing units for low-income communities (MBR). Through inclusive and sustainable financing, BTN contributes to strengthening the national housing ecosystem and promoting equitable development.

The 2025 SFAP focuses on five main pillars of BTN's sustainable finance framework, which serve as the basis for the implementation of various programs and activities. BTN ensures the application of the prudential principle and effective risk management to maintain business stability while enhancing community welfare.

The achievements of programs and activities in support of sustainable finance in 2025 are presented based on the following five main pillars:

Sustainable Finance

BTN 5 Pillars



Description

Driving the development of products and/or services in line with economic, social, and environmental aspects	Ensuring that procedures, policies, and risk mitigation are implemented in accordance with the Bank's product and/or service standards	Enhancing human resource capacity to support the implementation of sustainable finance	Digital applications to support the development of the Bank's products and/or services	Implementing a range of programs related to environmental and social responsibility
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The SFAP not only serves as a strategic guideline but also acts as a relevant driver of change within the Bank's business processes and risk management. The SFAP plays a central role in ensuring the integration of ESG risk management across all of the Bank's business activities, implementing various programs under the 2025 SFAP, including:



Product Pillar

- Provision of working capital and/or investment financing to companies in the renewable energy sector
- Support for the Drinking Water Supply System (SPAM) project
- Credit disbursement for the construction of fertilizer plants using renewable technologies to support production efficiency
- Credit disbursement for sustainable natural resource and land management
- Thematic ESG wholesale funding
- Thematic credit disbursement to financial institutions
- Eco Property Developer Meeting
- Eco Housing Fee Saver
- Digital MSMEs
- Green Kring financing (paperless end-to-end process)
- Kring Go Green implementing an end-to-end and 100% paperless process
- MSME loans
- Subsidized mortgage loans
- Use of 15% eco-friendly materials in 10,000 low-emission housing units



Risk Management, Governance, Procedures, and Policies Pillar

- Implementation of a gratification control program
- Installation of solar panels at BTN offices
- Development of electric vehicle charging stations (SPKLU)
- Procurement of one ambulance unit at BTN Tower 2
- Replacement of the cooling machine (chiller) in the BTN Tower
- Payroll customer flagging
- ESG and low-emission housing awareness initiatives
- ESG ratings and signatory initiatives
- Development of a Net Zero Emission (NZE) roadmap
- Use of electric vehicles (EVs) as operational vehicles
- Green building certification for bank operational offices or other strategic buildings
- Efficiency in paper usage and procurement
- Efficiency in electricity and water consumption
- Fuel efficiency aligned with the growth of electric vehicles
- Use of electric and hybrid vehicles as official operational vehicles (COP) for Bank management (Division Heads and Regional Heads)
- Supplier and vendor engagement activities related to sustainable practices
- Enhancement of data privacy and cybersecurity
- Development of nursery room facilities at 82 branch office



Human Resources Pillar

- Empowering Women in Leadership
- Creating Equal Opportunities for Persons with Disabilities
- Short courses, training, and education programs in collaboration with universities, associations, institutions, and agencies
- Public lectures and workshops for universities, associations, institutions, and agencies
- Seminars for alumni of short course, training, and education programs conducted in collaboration with universities, associations, institutions, and agencies
- Enhancing ESG-based MSME capabilities
- Implementation of ESG training programs
- ESG Day implementation
- Customer engagement activities through training and/or socialization with customers related to financed emissions
- Development of ESG award programs for both internal and external stakeholders
- Socialization and education on digital mindset
- Employee scholarships
- Enhancement of employee diversity programs



Technology Pillar

- e-Statement for current account statements
- Paperless time deposit (certificate-free deposit)
- Enhancement of electronic Credit Committee meetings (e-RKK)
- Virtual debit card
- Government bond (SBN) purchases via mobile banking
- Digitalization of MSME loan applications (BTN Laku)
- Web-based mortgage application submission
- Tree planting through the redemption of balé poin on BTN Mobile
- Annual ESG campaign programs through social media and internal media
- Development and enhancement of ESG data architecture
- Development of an ESG knowledge portal
- Digital signature implementation
- Enhancement end to end procurement
- Implementation of digital branches across 7 branch offices



Social and Environmental Responsibility (CSR) Pillar

- BTN Entrepreneurship Competition
- Skills enhancement programs for persons with disabilities
- Tree and/or mangrove planting initiatives
- MSME development training programs
- Social Return on Investment (SROI) assessment
- Scholarships for the children of BTN outsourced workers

BTN's Commitment to the Principles for Responsible Banking

As part of its efforts to strengthen the role of the financial sector in advancing sustainable development, the Bank has been an official signatory to the UN Principles for Responsible Banking (PRB) since 2024. This global framework, developed in collaboration with the United Nations Environment Programme Finance Initiative (UNEP FI), aims to ensure that banking strategies and practices are aligned with the SDGs and the Paris Agreement.

As the first state-owned bank in Indonesia to adopt these principles, BTN is committed to strengthening its sustainability strategy through the integration of ESG aspects across all business activities. This step also serves as an important foundation for fostering innovation and expanding sustainable finance within the national banking sector.

BTN applies the six core PRB principles as guidelines for its operations and decision-making. The following presents the key explanations and the implementation progress of each principle:



Principle 1: Alignment

This principle emphasizes aligning business strategies with the needs of individuals and broader development objectives, in line with the Sustainable Development Goals (SDGs), the Paris Agreement, and relevant national and regional frameworks.

Implementation Progress

BTN aligns its business strategy, operational activities, and financing policies with national housing development priorities and the global sustainable development agenda (SDGs). As a bank with a primary focus on housing finance, BTN directs its main contribution toward expanding access to adequate and affordable housing, particularly for low-income communities, while also supporting the development of more energy-efficient and lower-emission housing.

This commitment also supports the achievement of Indonesia's Nationally Determined Contribution (NDC) targets as part of the transition toward a low-carbon economy, particularly through more sustainable financing in the property sector.

BTN aligns its policies and practices with regulations issued by the Otoritas Jasa Keuangan related to sustainable finance, including POJK 51/POJK.03/2017, the Principles for Responsible Banking, and other relevant national and international frameworks.

To ensure structured and measurable implementation, BTN has developed an ESG Roadmap as a guideline for implementing its sustainability strategy, which will continue to be refined in line with evolving business developments, regulatory requirements, and stakeholder expectations.

For further information, please refer to the BTN Sustainability Report in the following chapters/sub-chapters:

- Real Impact of BTN for Sustainability
- BTN's Contribution to the Sustainable
- Development Goals
- Sustainability Vision, Mission, and Values
- BTN Business Activities
- Building a Sustainable Finance Ecosystem

Principle 2: Impact and Target Setting

This principle emphasizes a commitment to increasing positive impacts while minimizing negative impacts and risks to society and the environment arising from activities, products, and services. To support this commitment, sustainability targets are established and disclosed, focusing on areas with the most significant impacts.

Implementation Progress

BTN systematically identifies, prioritizes, and manages both the positive and negative impacts arising from its financing and operational activities.

In 2024, BTN conducted an impact analysis using the United Nations Environment Programme Finance Initiative Impact Analysis Tools. The analysis identified two primary impact areas, namely Finance and Housing, reflecting BTN's core role within the financial system and the housing sector.

The analysis was conducted on the consumer banking portfolio, which represents 86% of the Bank's total assets, using data as of December 2023. Within this portfolio, subsidized mortgage financing for low-income communities accounts for a significant share, representing approximately 60% of the total consumer loan portfolio.

In line with the results of the impact analysis, BTN is preparing to establish targets for the identified key impact areas. These targets will be disclosed in greater detail in a separate report to be released in mid-year.

For further information, please refer to the BTN Sustainability Report in the following chapters/sub-chapters:

- ESG Achievements and Results
- BTN Commitment to the Principles for Responsible Banking
- BTN Impact Radar

Principle 3: Clients and Customers

This principle emphasizes responsible engagement with clients and customers to promote sustainable business practices and economic activities that create prosperity for present and future generations.

Implementation Progress

BTN implements responsible banking practices by ensuring that financing is provided in a prudent, transparent, and sustainability-oriented manner to support the long-term financial well-being of customers.

By supporting low-income communities in accessing adequate housing and improving their quality of life, BTN advances its business growth while contributing to society's ability to address broader global challenges. This approach strengthens the Bank's ambitions in environmental, social, and governance (ESG) performance.

- Customer engagement is carried out through:
- Comprehensive affordability assessments and prudent lending principles
- Transparency of product information and fees
- Financial literacy and education programs

BTN also ensures the protection of customer data and privacy through the implementation of information security systems, strengthened internal controls, and compliance with applicable data protection regulations.

Through these efforts, relationships with customers are built on trust, protection, and long-term sustainability.

For further information, please refer to the BTN Sustainability Report in the following chapters/sub-chapters:

- Driving ESG and Digital Product Innovation
- Risk Management
- Financial Product Oversight
- Fair Advertising Policy
- Customer Financial Protection
- Customer Data Privacy and Security
- Handling Complaints on Financial Products

Principle 4: Stakeholders

This principle emphasizes a proactive approach to consulting, collaborating, and building partnerships with relevant stakeholders to achieve shared objectives for society.

Implementation Progress

BTN recognizes that understanding sustainability impacts, risks, and opportunities requires active dialogue with stakeholders. Stakeholder engagement plays a key role in ensuring that the Bank's sustainability strategy and priorities remain relevant and responsive to evolving expectations.

BTN engages customers, investors, NGOs, senior management, employees, regulators, and supervisory authorities through a structured process. The process begins with stakeholder mapping to classify stakeholders based on their level of significance and the material issues involved, enabling targeted communication and collaboration approaches.

In the context of transforming the housing sector, BTN collaborates with developers and suppliers to encourage the adoption of more energy-efficient construction practices. This includes the use of sustainability parameters and checklists in project evaluation. These efforts aim to build a more sustainable housing ecosystem and create long-term value for all stakeholders involved.

For further information, please refer to the BTN Sustainability Report in the following chapters/sub-chapters:

- Stakeholder Engagement
- Materiality Assessment
- Social and Environmental Responsibility.

Principle 5: Governance and Culture

This principle emphasizes the implementation of sustainability commitments through effective governance practices and the strengthening of a responsible banking culture.

Implementation Progress

BTN ensures that its commitment to the Principles for Responsible Banking (PRB) is integrated into the Bank's governance system and decision-making processes. This integration is carried out through strengthening the organizational structure, enhancing strategic oversight, updating relevant internal policies, and aligning ESG and PRB principles within the Bank's governance framework.

As part of this implementation, BTN has established an ESG Committee chaired by the President Director to provide strategic direction and oversee the implementation of the ESG Roadmap. Operational support is provided by the ESG Department, which coordinates with the risk management directorate to ensure the integration of ESG aspects within the Governance, Risk, and Compliance (GRC) framework, including the management of climate-related risks.

BTN recognizes that effective governance depends on both organizational structure and a strong culture that supports its implementation. In this regard, BTN strengthens the internalization of sustainability values through the development of ESG curricula for employees, continuous training programs monitored through an internal learning dashboard, and the integration of sustainability principles into the Bank's risk culture and corporate values.

For further information, please refer to the BTN Sustainability Report in the following chapters/sub-chapters:

- BTN Sustainability Governance Structure
- Commitment to Governance Implementation
- Governance Strategy
- Risk Management
- Code of Ethics and Business Conduct
- Human Capital Management
- Training and Competency Development

Principle 6: Transparency and Accountability

This principle emphasizes periodic reviews of the implementation of sustainability principles while ensuring transparency and accountability for impacts and contributions to sustainable development objectives.

Implementation Progress

BTN is committed to maintaining transparency and accountability in the implementation of the Principles for Responsible Banking (PRB) and in managing the impacts generated by its business activities.

Sustainability information is disclosed through the Annual Report and Sustainability Report, prepared in accordance with applicable regulations and relevant reporting standards, including the Global Reporting Initiative, the Task Force on Climate-related Financial Disclosures, and the International Financial Reporting Standards Foundation.

To enhance credibility and disclosure quality, sustainability information has undergone an independent assurance process based on the AccountAbility and the GRI Standards.

Through the implementation of Good Corporate Governance principles, strengthened internal control systems, and periodic evaluations of sustainability policies and practices, BTN ensures that its commitment to responsible banking is implemented consistently and remains accountable to all stakeholders.

For further information, please refer to the BTN Sustainability Report in the following chapters/sub-chapters:

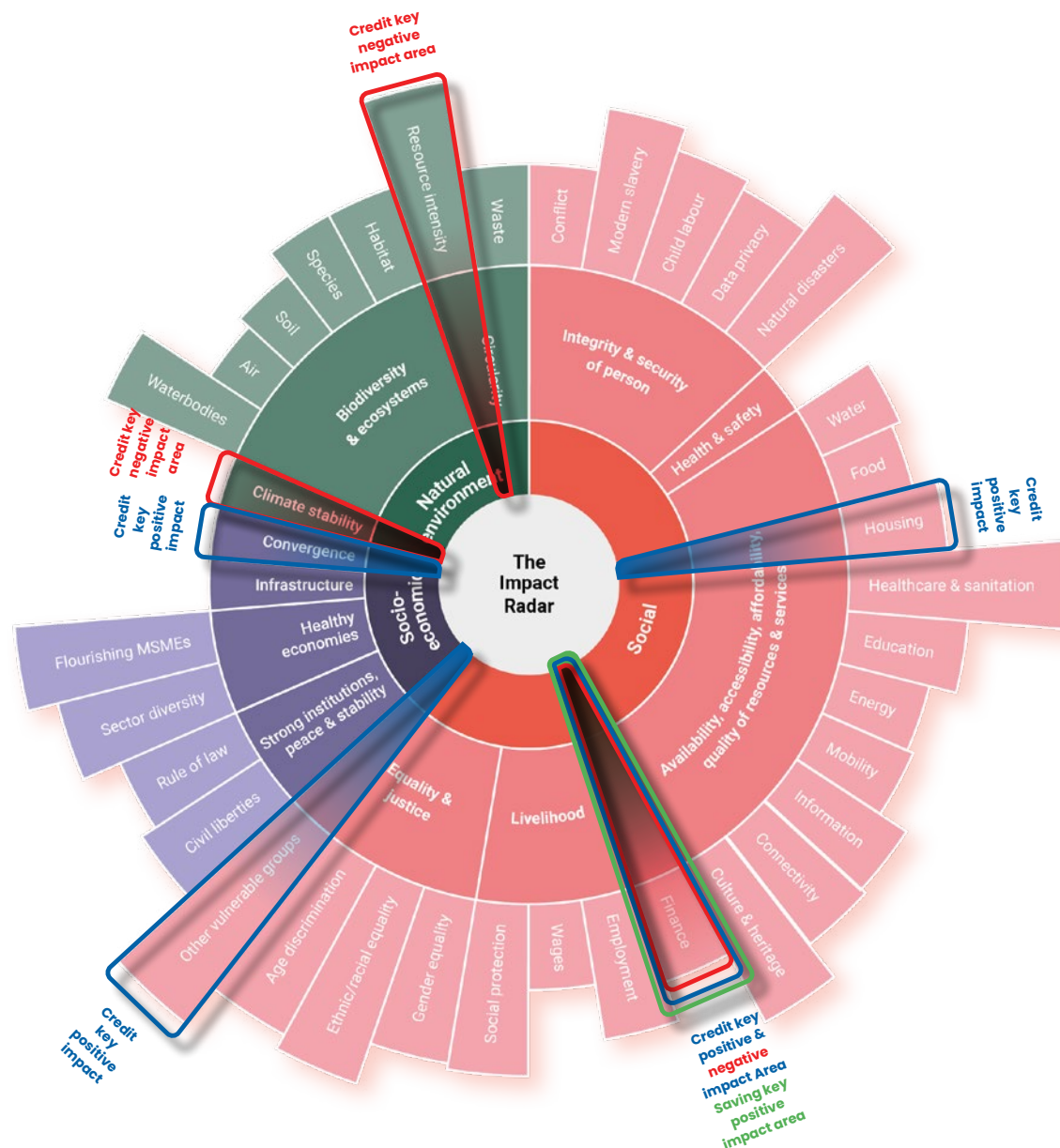
- About This Report
- Independent Assurance Statement
- Report Standard Index
- BTN Sustainability Governance Structure
- Code of Ethics and Business Conduct
- Implementation of the Prudential Principle
- Internal Oversight and Anti-Gratification Practices.

To ensure effective implementation, the Bank has conducted an initial impact analysis of its customer portfolio, preparing its first PRB report within 18 months of becoming a signatory. In addition, BTN has set specific targets for priority impact areas, reflecting its consistency in implementing the PRB principles in a measurable and sustainable manner.

BTN Impact Radar

In implementing the UN Principles for Responsible Banking, the Bank recognizes the importance of evaluating the social, economic, and environmental impacts of its financial activities. Through the adoption of the Impact Radar framework developed by UNEP FI, the Bank is able to comprehensively identify and manage both positive and negative impacts. This framework encompasses the three main pillars of sustainable development, namely economic, social, and environmental, which serve as the foundation for integrating sustainability into the Bank's business strategy.

This approach is further strengthened through the use of the UNEP FI Portfolio Impact Analysis Tools, which support BTN in establishing sustainability priorities in a contextual and data-driven manner. These tools enable measurable strategic actions to maximize positive impacts while mitigating potential negatives. The combination of the Impact Radar and the portfolio analysis tools serve as a key foundation for the development of comprehensive impact management guidelines, while ensuring alignment with global efforts to achieve the SDGs.



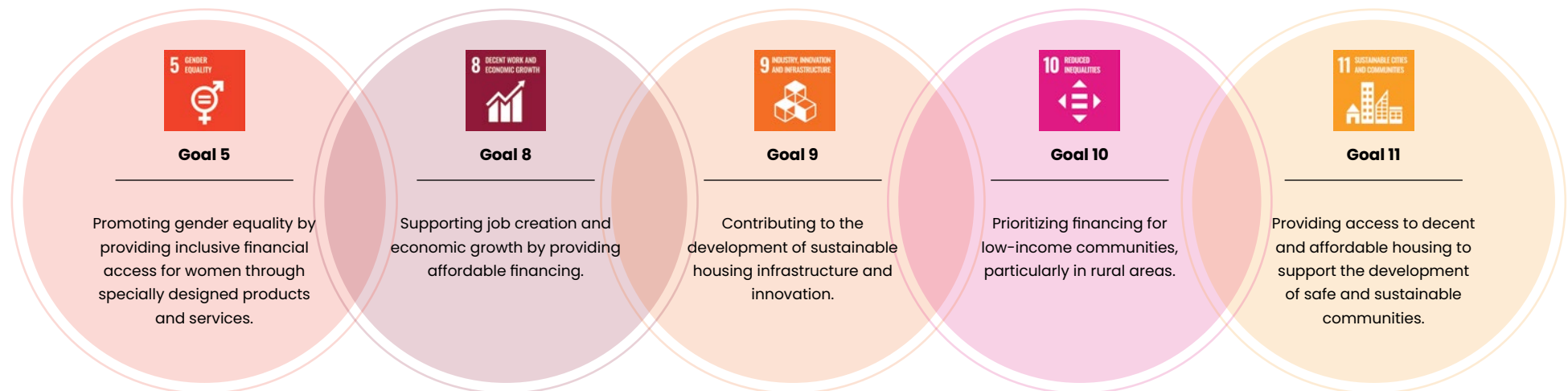
Through this approach, BTN conducts an analysis of impact areas and topics that are relevant to its portfolio, particularly in the financial and housing sectors, which represent two strategic areas with the most significant contributions to sustainable development. The analysis focuses on the customer portfolio, which accounts for approximately 70% of the Bank's total portfolio.

In the financial sector, the analysis results indicate that BTN plays a critical role in advancing financial inclusion through financing for low-income communities. This is reflected in the allocation of 59% of the mortgage portfolio to the subsidized mortgage segment, thereby expanding access to housing finance for vulnerable groups and strengthening social and economic stability within communities.

In the housing sector, BTN contributes to expanding access to decent and affordable housing with approximately 61% of BTN mortgage beneficiaries located in rural areas with limited access to housing. In terms of age profile, around 68.12% of beneficiaries belong to the productive age group between 30 and 60 years, and 31% of mortgage financing is extended to women, reflecting BTN's commitment to supporting gender equality in housing access and strengthening household economic empowerment.

Through the impact analysis process, BTN is able to evaluate the extent to which its activities contribute to the achievement of the SDGs. This not only strengthens the Bank's capacity to manage social and environmental impacts, but also reinforces its position as a responsible financial institution with a long-term sustainability orientation.

BTN Impact Analysis on the SDGs



Promoting Sustainable Financial Health through Inclusive Homeownership

BTN strengthens housing finance inclusion for low-income communities, including informal workers and first-time homebuyers, through the distribution of subsidized mortgages designed to be more affordable. The scheme reduces initial barriers to homeownership through lower upfront costs, affordable installments, and simplified application and approval processes, including down payment support starting from 1%.

To strengthen customers' long-term financial health, the Bank encourages sound financial management through the provision of savings and investment products, while promoting payment discipline through fixed and predictable installment structures. The Bank also provides bundled home and life insurance, as well as post-purchase support to help customers manage their financing obligations responsibly. Access to these complementary products is further expanded through integration within the *balé* by BTN Super App.

In line with its sustainability agenda, the Bank has introduced the "Pay Your Mortgage with Your Waste" initiative, which allows residents to exchange household waste at recycling locations for points that are converted into Rupiah and used to pay mortgage installments. The Bank also supports the development of more environmentally friendly residential areas through the implementation of low-emission housing that incorporates eco-friendly materials, including recycled materials, waste segregation practices, water efficiency measures, and energy efficiency features. These include building designs with improved natural ventilation, a window-to-wall ratio of 15%–30%, and the use of solar-powered street lighting, contributing to cleaner, healthier, and more cost-efficient communities for residents.



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Managing the Environment Responsibly



Climate change and environmental degradation are increasingly tangible global challenges that affect economic sustainability and societal well-being. Recognizing this urgency, the Bank is committed to minimizing the environmental impacts of all its operational activities while strengthening the management of climate and ecosystem-related risks as an integral part of the ESG framework.



As a manifestation of this commitment, BTN has developed various climate change mitigation and ecosystem protection programs, reflecting the Bank's support for the government's commitment to achieving net zero emission by 2060 and its contribution to the achievement of the SDGs, particularly Goal 13: Climate Action.

In addition, the Bank ensures compliance with all environmental and social management requirements through the regular submission of the Environmental Management and Monitoring Plan (RKL-RPL) reports twice a year. This reporting is conducted in accordance with the Decree of the Minister of the Environment No. 45 of 2005 and applicable laws and regulations, as a demonstration of BTN's responsibility to maintain a balance between business activities and environmental conservation.

Energy Management

Energy availability is critical to the continuity of banking operations and services. In carrying out its activities, the Bank utilizes electricity to support lighting systems, air conditioning, elevators, and various office equipment. In addition, the Bank uses fuel for operational vehicles and generators as backup power sources.

Although energy consumption in the banking sector is relatively lower compared to other industries, BTN recognizes that its operational activities still have the potential to impact the environment. Accordingly, energy management constitutes an important component of the Bank's efforts to support sustainability.

[GRI 3-3]

Energy Management Performance

BTN conducts comprehensive measurement and recording of energy consumption that serves as a basis for evaluating the effectiveness of energy-saving initiatives and improvements in operational efficiency. Since 2024, the scope of data has been expanded to include several branch offices, resulting in data that is more representative of the Bank's overall operations, including the Head Office, Regional Offices, and Branch Offices. In light of this expansion, BTN has set 2024 as the baseline year for energy consumption calculations, which will serve as a reference for assessing trends in energy efficiency in subsequent years.

Energy measurement uses the methodology of the Ministry of Energy and Mineral Resources, by multiplying the volume of energy consumed in physical units by the corresponding calorific values. Based on this methodology, total energy consumption within the organization during the reporting year is presented as follows:

Energy Consumption [GRI 3-3, 302-1] [OJK F.6]

Energy Source	Unit	2025	2024	2023
Non-renewable Energy				
Electricity	GJ	162,616	224,920	34,276
Fuel	GJ	131,783	155,332	82,321
Renewable Energy				
Electricity (Solar Power Plant)	GJ	806	69	-
Total Energy Consumption	GJ	295,206	380,321*	116,597

*Data restated

Based on the table above, energy use in 2025 will decrease by 22.38% or 85,115 GJ compared to the previous year. This decrease is due to energy efficiency initiatives. Although the Bank has not yet calculated energy consumption outside BTN or the energy reductions associated with sold products and services, the Bank is committed to developing a more comprehensive methodology to measure overall energy efficiency in the future.

BTN also measures energy intensity within the organization to assess the level of energy use efficiency in relation to operational activities, based on both the revenue and the number of branch offices, as presented in the following table: [GRI 302-2, 302-3] [OJK F.6]

Energy Consumption Intensity

Denominator	Unit	2025	2024	2023
Revenue	GJ/Rp	0.000000007	0.000000011	0.000000004
Office Unit	GJ/office unit	459.82	513.95*	157.56

*Data restated

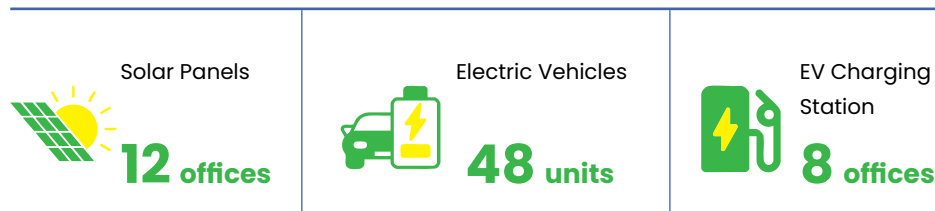
Based on the table above, energy intensity per office unit in 2025 will decrease by 10.53% compared to the previous year. This decrease is due to increased energy efficiency initiatives in the Bank's operations.



Energy Management Initiatives

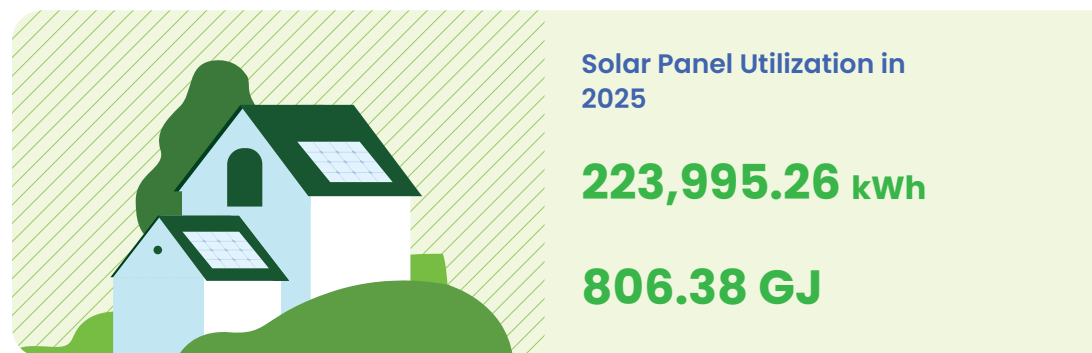
As part of its sustainability strategy, BTN implements various energy efficiency initiatives focused on areas with the most significant contribution to the Bank's overall energy consumption. Based on the identification results, air conditioning systems (chillers) and elevators are the two primary contributors to electricity usage in office buildings. Accordingly, efficiency programs have been implemented at BTN Tower through a range of measures, including optimal temperature settings, the use of energy-efficient equipment, and regular maintenance to ensure optimal performance of electrical systems. The initiatives implemented include: [GRI 302-4, 302-5, 305-5] [OJK F.7, F.12]

1. Utilizing 48 electric vehicles to support operational activities;
2. Establishing 8 public electric vehicle charging stations at BTN Tower 1 BTN Tower 2, as well as several Regional Offices and Branch Offices to support the adoption of electric vehicles and reduce the Bank's carbon footprint;
3. Encouraging employees to use public transportation when commuting to the office;
4. Using fuel for all operational vehicles in accordance with government policy prohibiting the use of high-octane fuel;
5. Supporting and participating in Earth Hour activities since 2022;
6. Implementing policies to reduce electricity loads in office buildings after operational hours;
7. Utilizing a Building Automation System (BAS) to regulate the use of electrical equipment, such as lighting, elevators, and air conditioning, to improve efficiency. The system includes adjustments to operating schedules;
8. Conducting energy-saving awareness campaigns for BTN employees;
9. Replacing tubular lamps (TL) and essential lighting with light-emitting diode (LED) lamps;
10. Modernizing 10 elevator units with more efficient, latest-model control and mechanical systems;
11. Installing motion sensors in meeting rooms to reduce lighting use;
12. Replacing outdated or inefficient chillers at BTN Tower;
13. Replacing and procuring new air conditioning units with inverter-type systems; and
14. Using LED videotron media for advertising purposes.



Increasing the Use of New and Renewable Energy (NRE) [GRI 302-4, 302-5] [OJK F.7]

As part of its commitment to the clean energy transition, BTN has gradually increased the utilization of new and renewable energy (NRE) through the installation of solar panels at several operational offices. As of the end of the reporting year, 12 BTN offices had installed solar panels with a total capacity of 473.08 kWp.



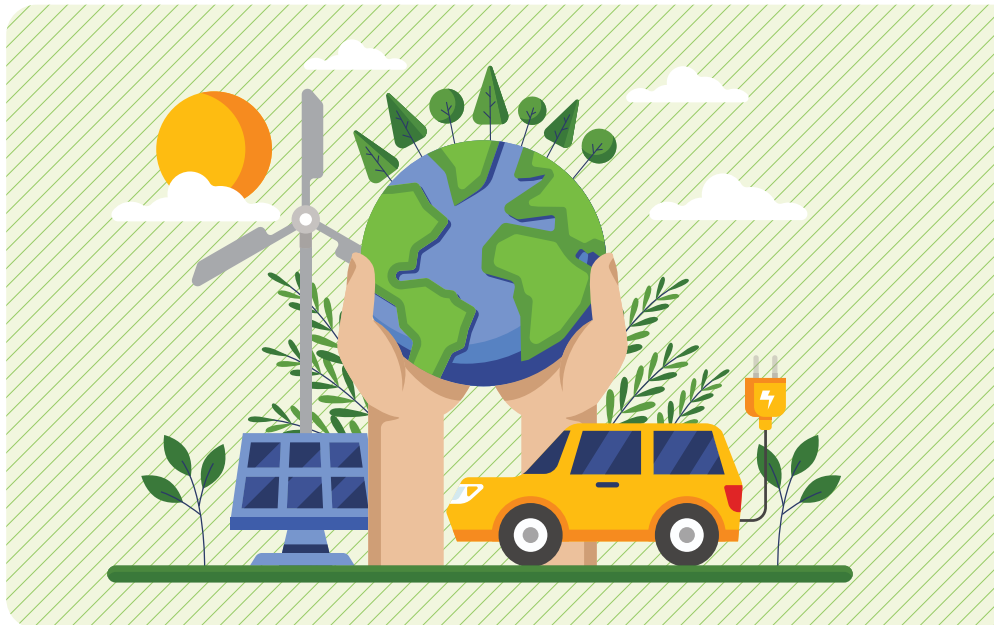
Solar panels successfully replaced 806.38 GJ of conventional electricity consumption, representing an increase of 1,071% compared to 2024 at 68.87 GJ, thereby reducing the Bank's reliance on fossil-based energy. This initiative serves as tangible evidence of BTN's commitment to mitigating carbon emissions and strengthening the implementation of sustainability principles across its operational activities.

Emissions Management

Greenhouse Gas Emissions

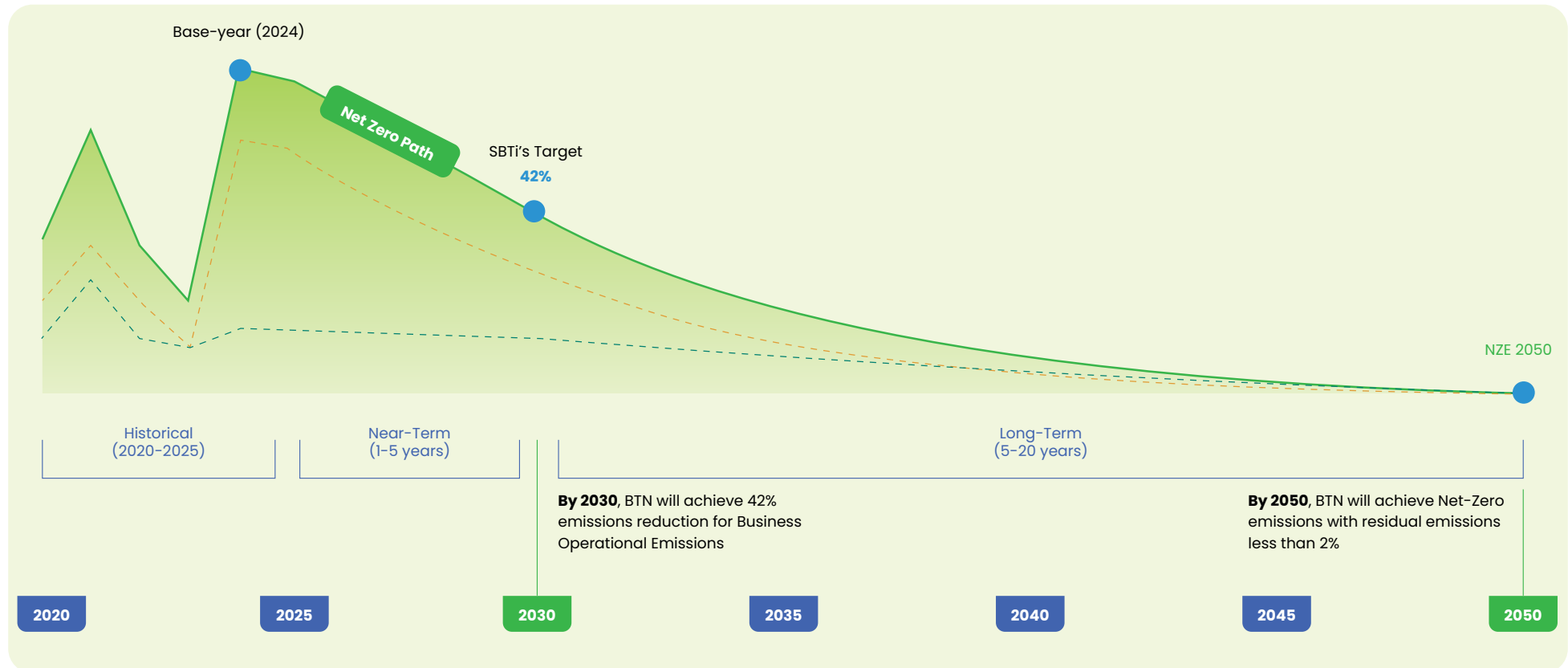
As a financial institution supporting the transition toward a low-carbon economy, BTN places greenhouse gas (GHG) emissions management as a key focus under the Climate Change and Ecosystem pillar within its ESG framework. Through this approach, the Bank seeks to ensure that environmental impacts are managed in a structured and measurable manner and integrated with its business strategy and long-term risk management. [\[GRI 3-3\]](#)

In line with this commitment, BTN is strengthening its emissions management by developing more comprehensive Net Zero Emission (NZE) targets and advancing a decarbonization strategy aligned with the Science Based Targets initiative (SBTi) framework. This commitment is reflected in a time-bound and measurable decarbonization pathway (Net Zero Path), covering short- to long-term horizons as a guideline for gradual and consistent emissions reduction toward achieving NZE by 2050. [\[GRI 3-3\]](#)



The decarbonization pathway serves as a reference framework for implementing various emission reduction initiatives in the Bank's operations (Scope 1 and 2), including improving energy efficiency, optimizing digitalization to reduce paper consumption,

and strengthening operational efficiency. These initiatives are implemented in line with BTN's ESG Roadmap 2023–2029 and support the Bank's contribution to the Sustainable Development Goals (SDGs), particularly Goal 13 on Climate Action.



Greenhouse Gas Emissions Reduction Performance Scope 1 and Scope 2

BTN's GHG inventory measures the global warming potential (GWP) of CO₂, CH₄, and N₂O, with calculation results expressed in tons of CO₂ equivalent (tCO₂e). Emissions are monitored on a regular basis across all operational areas, covering the Head Office, Regional Offices, and Branch Offices, including:

Scope 1	Scope 2
Direct emissions from the use of fuel for transportation, generators, and refrigerant.	Indirect emissions from the consumption of electricity supplied by PLN.



Emissions calculations are conducted using the operational control approach and are based on the IPCC Guidelines 2006 (2019 update) as well as ISO 14064 standards. Electricity emission factors refer to the Directorate General of Electricity 2020, while fuel emission factors are derived from Lemigas, Ministry of Energy and Mineral Resources 2021. Biogenic CO₂ emissions are excluded from these calculations. [GRI 305-1, 305-2] [OJK F.11]

BTN's Scope 1 and Scope 2 GHG emissions performance during the reporting period is presented as follows:

Table of Scope 1 and Scope 2 GHG Emissions

Emission Source	Remarks	Unit	2025	2024	2023
Scope 1 GHG Emissions					
Fuel	Direct emissions from stationary combustion	ton CO ₂ eq	271	210	124
	Direct emissions from mobile combustion	ton CO ₂ eq	7,692	9,160	4,844
Refrigerant Use	Fugitive emissions	ton CO ₂ eq	5,028	2,685	2,314
Total Scope 1 GHG Emissions		ton CO₂eq	12,992	12,054	7,282
Scope 2 GHG Emissions					
Electricity		ton CO ₂ eq	40,292	56,074	8,694
Total Scope 2 Emissions		ton CO₂eq	40,292	56,074	8,694
Total Scope 1 and Scope 2 Emissions		ton CO₂eq	53,284	68,128	16,246

GHG emissions from Scope 1 and 2 in 2025 will decrease by 14.56% compared to 2024 as the base year. This decrease is influenced by energy efficiency initiatives that have been implemented and increased use of renewable energy sources. The year 2024 was chosen as the baseline because the data coverage used has been assessed as the most comprehensive, covering all work units and applying a proxy approach to previously unavailable data, thus providing a more accurate and representative basis for comparison.

In addition to total emissions, BTN calculates GHG emission intensity, defined as the amount of emissions per revenue and per office unit. This intensity metric provides insight

into operational efficiency, enabling the Bank to monitor emission reduction trends over time and serving as an indicator of progress toward its emission reduction targets. [GRI 305-4] [OJK F.11]

Table of Scope 1 and Scope 2 GHG Emissions Intensity

Denominator	Unit	2025	2024	2023
Revenue	ton CO ₂ eq /Rp	0.0000000014	0.0000000020	0.0000000005
Office Unit	ton CO ₂ eq /office unit	90.66	92.07	21.95

Greenhouse Gas Emissions Reduction Performance Scope 3

In line with the expansion of BTN's emissions reporting, the Bank has also mapped and calculated Scope 3 GHG emissions. Measurements were taken for three types of greenhouse gases, namely CO₂, N₂O, and CH₄. Scope 3 emissions cover three main categories:



Purchased goods and services: Emissions arising from goods and services purchased by the Bank, calculated in accordance with the GHG Protocol;



Business travel: Emissions generated from employee business travel, including transportation and accommodation, calculated in line with the GHG Protocol standards;



Financed emissions: Emissions associated with BTN's financial services, investments, and lending activities to customers, calculated using the Partnership for Carbon Accounting Financials (PCAF) standard. The analysis is conducted by business sector, including construction, energy, transportation, and manufacturing industries.

The calculation of Scope 3 emissions provides a strategic basis for the Bank to assess and manage its overall GHG impacts in a comprehensive manner, serving as a reference for the formulation of more targeted and measurable supply chain emission reduction policies and initiatives in the future.

However, given the breadth and diversity of categories in Scope 3, measurements are currently still being carried out in stages and the Bank has not yet established a baseline for Scope 3. BTN is also developing Net Zero Emissions (NZE) targets and a roadmap, which will serve as the basis for establishing a baseline and strengthening a more comprehensive Scope 3 emissions reduction strategy going forward.

Information on the results of the Scope 3 GHG emissions calculations is presented as follows: [GRI 305-3] [OJK F.11]

Summary of BTN's Scope 3 Emissions

Category	Unit	2025	2024	2023
Purchased goods and services	ton CO ₂ eq	4,922	4,739	6,447
Business travel	ton CO ₂ eq	711	3,294,32	285
Financed emissions* [FN-CB-410b.3]	ton CO ₂ eq	3,734,612	573,032	691,256.65
Total	ton CO₂eq	3,740,245	581,065.32	698,018.65

*Financed emissions coverage in 2025: 100% of corporate portfolio and 100% of commercial portfolio

In 2025, Scope 3 GHG emissions, particularly financed emissions, increased due to changes in methodology from the previous year.

Greenhouse Gas Emissions Reduction Initiatives [GRI 305-5] [OJK F.12]

Based on the results of emissions measurement and analysis, BTN has implemented various initiatives to reduce GHG emissions, both from direct operations and through portfolio and supply chain management:

1. Energy efficiency and renewable energy
Installation of solar panels at 12 offices and the use of 48 electric vehicles to support low-carbon operations.
2. Sustainable procurement and sustainable waste management
Reducing emissions from purchased goods and services while minimizing the environmental impact of operational waste.
3. ESG-based Portfolio Guidelines
Safeguarding the credit portfolio by avoiding financing to sectors with high environmental risk, while also managing financed emissions.
4. Engagement with business partners
Encouraging the disclosure of GHG values associated with products transacted with the Bank to enhance value chain transparency and accountability.

Green Initiatives for Carbon Sequestration

BTN is committed to environmental preservation through various conservation programs and initiatives. One key measure is ensuring that its operational offices are not located within conservation areas or protected biodiversity zones. This commitment serves as a foundation for the Bank in designing and implementing environmental initiatives. [GRI 3-3] [OJK F.9, F.10]

As part of these efforts, the Bank implements reforestation programs through the planting of various types of trees, such as teak, mahogany, and mangroves, to support ecosystem preservation while contributing to carbon emission reduction. These activities are carried out across several Branch Offices and various other locations. To ensure effectiveness, the Bank calculated the carbon absorption generated by the planted trees so that the

impact can be measured quantitatively. The details are presented in the following table. carbon emissions. To ensure effectiveness, the Bank calculated the carbon absorption generated by the planted trees so that the impact can be measured quantitatively. The details are presented in the following table.

Carbon Sequestration from Tree Planting

Description	Unit	2025	2024	2023
Total Number of Trees	Tree	26,648	29,615	5,323
Total Carbon Sequestration Value	ton CO ₂ eq	31,600	18,291	3,449

Mangrove Planting



The mangrove ecosystem restoration program for blue carbon, covering mangrove restoration for biodiversity and blue carbon, is a strategic BTN initiative to support coastal ecosystem conservation, climate change mitigation and adaptation, and the strengthening of social and economic resilience in coastal communities. The program was implemented in 2025 at three priority locations, namely the Lantebung Mangrove Rehabilitation Learning Site in Makassar City, Wonokerto Village in Pekalongan Regency, and Mangrovesari Kaliwlingi in Brebes Regency, also Muara Adang Village (Paser Regency). The program covered a total rehabilitation area of 3 hectares with the planting of 7,600 mangrove seedlings. Program implementation focused on mangrove rehabilitation and species enrichment through planting, replanting, maintenance, and growth monitoring, including the development of monitoring access routes. The program also applied a community based approach by involving local groups and grant partners throughout all stages of implementation. This approach supports the long term sustainability of mangrove ecosystem management and strengthens institutional capacity within coastal communities.



Support for Strengthening Mangrove and Mud Crab Ecosystems in Lantebung



BTN, in collaboration with Yayasan KEHATI and YKL Indonesia, strengthens the coastal ecosystem in Lantebung, Makassar, through the planting of 2,500 mangroves and the release of 100 mud crabs, involving local communities. This initiative directly contributes to coastal ecosystem restoration, enhances carbon sequestration for climate change mitigation, increases green open space, and supports community livelihoods through ecotourism and fisheries, with long-term sustainability maintained through community-based maintenance and monitoring.

Ozone-Depleting Substances, Persistent Organic Pollutants, and Other Significant Air Emissions

As a financial institution focused on financial services and investment activities, the Bank's operational activities are not associated with ozone-depleting substances or other significant air emissions, such as persistent organic pollutants (POPs), volatile organic compounds (VOCs), particulate matter (PM), and similar emissions. Accordingly, BTN has not conducted calculations related to these pollutants. Nevertheless, BTN remains committed to managing its environmental impacts through efforts to reduce

air emissions. One tangible measure undertaken is the gradual reduction in the use of refrigerants in air conditioning (AC) systems to minimize the potential release of gases with high global warming potential. [GRI 305-6, 305-7] [OJK F.11, F.12]

Information on refrigerant usage is presented in the following table:

Table of Refrigerant Usage

Description	Unit	2025	2024	2023
Refrigerant usage	kg	3,868	2,065	1,780

Water and Effluent Management

Water Conservation

Water management is critical in supporting the continuity of the Bank's operations, particularly for office domestic needs such as sanitation, religious activities, and irrigation of green areas. The majority of the Bank's water supply is sourced from the local water utility (PDAM), with the remainder obtained from deep wells. Taking into account potential environmental risks such as effluent discharge, water scarcity, and flooding, BTN manages water resources in a responsible manner. All aspects of water resource management are carried out in accordance with Law No. 17 of 2019 on Water Resources. [GRI 3-3, 303-1]

As part of its environmental commitment, the Bank has set a target to reduce water consumption by 30% by 2029, serving as a reference for enhancing water use efficiency across all operational units without compromising water availability for the surrounding environment.

Water consumption is monitored through the recording of usage based on PDAM billing data and flow meter measurements. Starting in 2024, the data presented will include Head Office, Regional Offices, and Branch Offices. As of the reporting year, the Bank has not yet conducted an assessment of water stress levels in its operational areas. Information on water usage is presented in the following table:

Table of Water Withdrawal and Water Use [GRI 303-3, 303-5] [OJK F.8]

Water Source	Unit	2025	2024*	2023
Third-party water (PDAM)	m ³	409,384	2,230,324	284,419
Groundwater	m ³	542,959	20,199,179	7,095
Total	m³	952,344	22,429,503	291,514

*Data restated

To support the achievement of its water reduction targets, the Bank implements various water efficiency and sustainable water management initiatives. These initiatives include:

1. Using PDAM water as the primary water source in accordance with local regulations governing groundwater utilization;
2. Using of 25 infiltration wells, each with a capacity of 3.39 cubic meters;
3. Maintaining 22 biopore points distributed across the BTN Tower area;
4. Installing awareness posters in restroom areas to promote water conservation;
5. Regulating water flow rates in the BTN Tower building; and
6. Using of cooling water for plant irrigation.

Effluent Management

The Bank ensures that wastewater is managed responsibly in accordance with Governor of DKI Jakarta Regulation No. 122 of 2005. Wastewater quality is tested on a quarterly basis to ensure that all parameters comply with applicable quality standards prior to discharge into the environment. A summary of wastewater discharge volumes throughout the reporting year, including data from the Head Office, is presented as follows: [\[GRI 303-2, 303-4\]](#) [\[OJK F.13\]](#)

Water Discharge Volumes

Water Discharge	Unit	2025	2024*	2023*
Total Water Discharge	m ³	11,944	26,241	25,009

*Data restated

To ensure that wastewater is managed safely and does not impact the environment, the Bank complements its treatment processes with various supporting measures. Effluent management is further strengthened through the following initiatives: [\[OJK F.14\]](#)

1. The operation of the wastewater treatment plant (WWTP) at BTN Tower, with a capacity of 260 m³ per day, is conducted in accordance with the applicable wastewater discharge permit. Meanwhile, the WWTP at BTN Tower 2 has a capacity of 18 m³ and operates in compliance with established wastewater management standards.

2. The utilization of treated wastewater from the WWTP and harvested rainwater for non-consumptive operational activities, such as landscape irrigation, fountain water replenishment, and vehicle washing.



Waste Management

Waste Management

BTN's operational activities generate various types of waste that must be properly managed to prevent adverse impacts on the environment and public health. This includes non-hazardous waste, such as office waste and unused furniture, as well as hazardous and toxic waste (B3), which comprises used oil from vehicles and generators, damaged electronic equipment, used lamps, and used batteries. [GRI 3-3, 306-1]

Waste management is carried out in accordance with applicable laws and regulations, including Law No. 18 of 2008 on Waste Management, Government Regulation No. 101 of 2014 on Hazardous and Toxic Waste (B3) Management, and Government Regulation No. 74 on the Management of Hazardous and Toxic Materials. For B3 waste, BTN cooperates with licensed third parties to ensure that handling and transportation processes comply with technical standards and the precautionary principle. [GRI 3-3, 306-2, 306-4]

Information on the volume and management of waste at the Head Office during the reporting year is presented in the following table:

Table of Waste Generation [GRI 306-3, 306-4, 306-5] [OJK F.13, F.14]

Type of Waste	Unit	2025	2024	2023
Building waste	Ton	108.29	131.76	119.01
Food and beverage waste (organic)	Ton	17.81	5.47	5.47
Paper and cardboard	Ton	11.91	0.00	0.00
Glass, cans, and plastics	Ton	7.40	0.00	0.00
Used oil	Ton	0.53	0.00	0.01
Used fluorescent lamps (TL), PLCs, ballasts, and cables	Ton	0.02	0.01	0.03
Used freon cylinders	Ton	0.03	0.00	0.00
Other types of waste	Ton	0.00	0.00	0.00
Total	Ton	145.25	137.77	124.52



Reduced **0.58 tons**

of waste through recycling in 2025 in collaboration with licensed third-party partners.



All waste generated by the Bank, both hazardous and non-hazardous, is managed 100% off-site by licensed third parties in accordance with applicable regulations. Specifically for non-hazardous waste, it is sorted into three categories, namely inorganic waste that is processed at a recycling center and redistributed for recycling, organic waste that is reused (including as maggot feed), and residual waste that cannot be processed and is subsequently disposed of at a final disposal site (TPA). Quantitative information on each waste category cannot be disclosed, as the entire management and recording process is carried out by the appointed third party. [GRI 306-4, 306-5]

To minimize environmental impacts, various waste management initiatives are in line with the 3R principles (reduce, reuse, recycle). These efforts focus on reducing waste generation, optimizing reuse, and ensuring the safe management of hazardous waste. The initiatives implemented includes: [GRI 306-4]

1. Internal education to reduce the use of single-use products;
2. Composting of leaf waste;
3. Provision of temporary waste storage facilities (TPS) with a capacity of 14 m³ at BTN Tower and 18 m³ at BTN Tower 2;
4. Provision of waste segregation facilities on each floor to facilitate effective waste management;
5. Provision of temporary storage facilities for hazardous and toxic waste (TPS B3) to ensure safe handling prior to transfer to licensed waste management parties.

Paper Management and Digitalization Initiatives

Paper is one of the most widely used materials in BTN's operational activities, ranging from administrative processes and report printing to transaction-related documents. High levels of paper consumption may increase waste generation, contribute to higher GHG emissions, and have environmental impacts. Accordingly, the Bank strives to manage paper consumption in a more efficient and sustainable manner. [GRI 3-3, 306-1]

To reduce reliance on physical documents, BTN has strengthened digital transformation across various work processes. These initiatives also enhance service efficiency and improve data management quality. The digitalization programs implemented include:

[GRI 305-5, 306-2] [OJK F.I, F.I2]

1. Digitalization of Business Processes and Services

- End to end procurement application for end to end digitalization of the procurement process;
- Virtual debit card and Government Securities features in balé by BTN;
- BTN Properti application as a web based platform listing housing projects from developers partnered with BTN;
- e Bank Guarantee application to manage bank guarantees issued by the Bank at the customer's request to cover specific risks arising from the customer's failure to meet obligations to the beneficiary;
- e Deposit service in balé by BTN to digitalize the business process for deposit funding;
- NEXA application with features for individual customer onboarding and account opening, e forms, signature verification, and a queue management system to support digital customer services at Branch Offices; and
- BTN Digital Store featuring digital customer service, augmented reality experiences, video banking, faster account opening processes, use of artificial intelligence technology, digital forms, and the living city concept to digitalize banking services.

2. Digitalization of Documents and Internal Administration

- Use of email for correspondence;
- iWork/iFlow application for document management and workflow routing;
- PPDigital application as an internal policy portal;
- e-Mom application for managing Board of Directors meeting minutes;
- Operational Risk Tools application for operational risk management;
- The e-Committee and e-RKK applications for managing Board of Directors meeting minutes;

- BTN Best, B Gate, iLoan, iDocs, iWealth, and Smart Collection applications as part of the digitalization of the Bank's internal administrative processes; and
- Digital Signature features to improve efficiency and simplify document signing processes related to credit agreement approvals, bank guarantee documents, and internal memoranda at BTN.

BTN optimizes its digitalization programs as a key measure to reduce paper consumption. During the reporting year, this initiative resulted in savings of approximately 3,318,019 sheets of paper, equivalent to avoiding around 199.1 tons of CO₂eq emissions or conserving approximately 3,318 trees per year.

In addition to digitalization, BTN has implemented a series of initiatives to reduce paper waste generation. These include plastic-free campaigns, reuse of paper that is still suitable for use, secure destruction of obsolete confidential documents, and partnership with third parties for recycling non-confidential paper waste. Currently, BTN has not yet utilized environmentally friendly materials such as recycled paper or reclaimed materials in its operations. [GRI 3-3, 301-1, 301-2, 301-3, 306-2] [OJK F.5]

Information on paper usage during the reporting year is presented in the following table:

Table of Paper Usage

Description	Unit	2025	2024	2023
Paper Usage	Sheet	82,039,575	78,987,938	25,592,000



Strengthening Governance through Digitalization and AI

In 2025, BTN strengthened governance and ESG implementation through the use of PPDigital and the launch of AI Pvita. PPDigital was accessed by 9,516 users with a total of 192,237 visits, while AI Pvita recorded 12,011 accesses during the year. The use of AI enables employees to search for and understand regulations quickly and accurately, improving work efficiency and productivity. This initiative also strengthens compliance with the latest regulations, reduces the risk of misinterpretation, and supports a digital culture and technology driven transformation across the workplace.



Environmental Control and Compliance

The management of materials that pose potential environmental risks is a key area of concern for BTN, as spills of chemicals, oil, or fuel may result in environmental and health impacts. The Bank has implemented strict handling procedures to prevent such incidents. In 2025, there were no recorded spills or significant complaints related to non-compliance with environmental management. This achievement reflects the effectiveness of BTN's internal controls and its adherence to applicable environmental standards. [OJK F.15]

BTN's commitment to implementing best practices and complying with applicable environmental laws and regulations is further demonstrated by the absence of any violations resulting in fines or non-monetary sanctions throughout 2025, as well as the absence of environmental complaints received during the reporting year. [GRI 3-3, 2-27] [OJK F.16]

Green Building [GRI 305-5] [OJK F.12]



BTN has adopted the green office concept as an integral part of its environmental commitment in operational Bank. All implementations are carried out in accordance with national regulations related to environmental management, water, waste, and B3 waste. Through the application of green building principles, BTN enhances energy and water efficiency, improves waste management, utilizes environmentally friendly materials, and maintains indoor air quality. The green building certification process is conducted after construction is completed as part of a comprehensive evaluation of the building's environmental performance. [OJK F.1]

This commitment was recognized when BTN Tower 2 obtained Platinum green building certification from the Green Building Council Indonesia (GBCI), demonstrating strong performance, including energy efficiency of 21.86%, an increase in green open space by 32.1%, and water savings of 26.7%. This achievement has driven the expansion of green building implementation across BTN facilities, including buildings located in Kelapa Gading Square, Kebon Jeruk, Ecopark Gandul, and the BTN Learning Center in Dago.

All these initiatives support the achievement of environmental sustainability targets under the SDGs and align with the ESG Roadmap, strengthening BTN's position as a pioneer of sustainability practices in the banking sector.

As part of its commitment to maintaining environmental quality, BTN has a dedicated budget for environmental management activities, as follows. [OJK F.4]

Environmental Management Costs [OJK F.4]

Description	Management Costs
Wastewater treatment management	Rp483,284,869
Solid waste management	Rp136,228,640
Tree planting program	Rp5,266,887,500
Total	Rp5,886,401,009

04

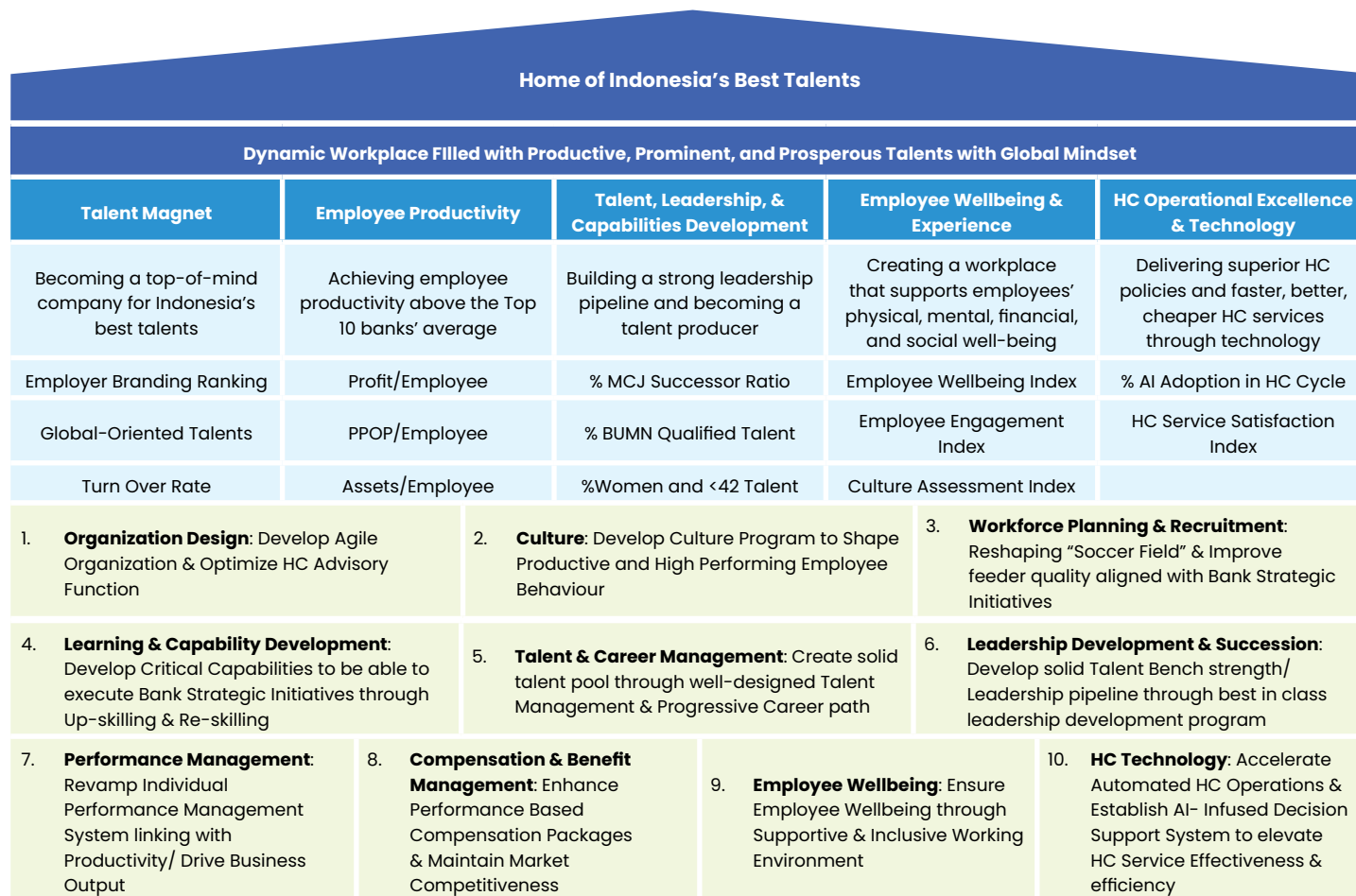
- 86 Human Capital Management
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Developing Employee Potential and Well-Being



Human Capital Management

BTN has established the mission of “Becoming the home of Indonesia’s best talents.” This is implemented through various short- and medium-term human capital development programs aligned with the strategic direction of the BTN Corporate Plan 2025–2029, including:



Strategies are implemented through the following human capital initiatives:

1. Optimize Human Capital Business Partner Function

Enhance the role of Human Capital Business Partners (HCBP) as strategic business partners by strengthening their consultative role, workforce analytics capabilities, and end-to-end understanding of business strategy and models, ensuring HC policies and interventions directly impact performance, productivity, and growth.

2. Establish New Pillar “Digital Culture” & Strengthen Sales Culture

Build a new Digital Culture pillar integrated with a strengthened Sales Culture through internalization of digital mindsets, utilization of data and technology, and embedding a results-oriented and customer-centric approach to create an adaptive and agile organization focused on sustainable revenue growth.

3. Develop Strong Governance, Risk and Compliance (GRC) Culture for Leaders

Strengthen GRC culture among leaders by enhancing leadership capabilities in risk management, compliance, and good governance to ensure prudent, ethical, and sustainable strategic decision-making.

4. Improve Change Agent Capabilities to Drive Productivity

Enhance the capabilities of change agents across the organization by strengthening competencies in change leadership, strategic communication, and transformation execution, to ensure that every change initiative drives improvements in productivity, process efficiency, and acceleration of business target achievement.

5. Recompose Manpower Posture Inline with Business Strategy

Strategically realign the manpower posture to be in line with business direction and priorities through optimization of organizational structure, reallocation of human resources, and competency adjustments to improve cost efficiency, organizational agility, and productivity per employee.

6. Develop Sales Capabilities by Establishing Sales Academy

Develop comprehensive and sustainable sales capabilities through the establishment of a structured Sales Academy, focusing on product mastery, consultative selling, data utilization, and customer lifecycle management to drive improved sales performance and corporate competitiveness.

7. Develop IT, Digital, Risk Management, and Analytic Capabilities

Strengthen IT, digital, risk management, and analytics capabilities through upskilling, reskilling, and strategic talent development programs to support digital transformation, effective risk management, and accurate, timely data-driven decision-making.

8. Develop Dual Career Path for Sales, IT, and Dealer

Develop dual career path schemes for Sales, IT, and Dealer functions to provide equal career pathways between specialist and leadership tracks, thereby increasing motivation, retention of high-performing talent, and sustainability of critical expertise within the organization.

9. Revamp Mission Critical Job (MCJ) KPI

Enhance Mission Critical Job (MCJ) KPIs to be more closely aligned with corporate strategy and focused on value-added contributions, business outcomes, and productivity, thereby driving optimal performance in roles with the greatest impact on strategic objectives.

10. Enhance Performance-Based Remuneration Scheme

Strengthen the performance-based remuneration scheme by reinforcing the linkage between individual achievement, unit performance, and corporate results to promote a pay-for-performance culture, increase productivity, and ensure fair and competitive rewards.

11. Implement Employee Recognition Programs

Implement structured and sustainable employee recognition programs to appreciate outstanding performance, innovation, and strategic contributions, thereby increasing engagement, loyalty, and a high-performance culture across the organization.

12. Develop Employee Well-Being Program

Develop holistic and integrated employee well-being programs covering physical, mental, financial, and social aspects to create a healthy, productive, and sustainable work environment, while supporting improved performance and organizational resilience.

13. Automation of Human Capital Processes

Implement end-to-end automation of Human Capital processes through the use of digital technology and integrated systems to improve operational efficiency, data accuracy, and quality of HC services, while enabling the Human Capital function to focus more on strategic roles.

Human Capital Summit 2025, Strengthening Talent Transformation



The BTN Human Capital Summit 2025 served as a strategic forum to strengthen talent transformation toward BTN Vision 2029. The event, attended by the Minister of Manpower of the Republic of Indonesia, members of the Board of Commissioners, Board of Directors, and employees from across Indonesia, emphasized the importance of an innovative, sustainable, and harmonious human capital ecosystem, while encouraging the development of resilient, adaptive, and productivity-oriented talent in an era of disruption and digitalization.

At the event, BTN activated eight flagship Human Capital programs, including PKB 2025–2027, the Human Capital Long-Term Plan 2025–2029, Corporate Culture 2025–2029, Expert Talks, the Learning Culture Festival, Human Capital ServEase, HC system digitalization, and the Talent Acceleration Program. All initiatives are designed to strengthen the competencies of BTNers, promote a digital learning culture, enhance engagement, and accelerate the development of high-potential talent to support the business transformation to a more adaptive, productive, and future-ready organization.

Diversity, Equity, and Inclusion

Diversity, equity, and inclusion form the foundation of human capital management at BTN, principles that are applied in accordance with Law No. 13 of 2003 on Manpower and the Bank's commitment to upholding human rights. They are further reinforced through General Policy No. KU.3 on Human Resources and the Collective Labor Agreement.

Implementation covers the entire employment lifecycle, from recruitment and competency development to career management, remuneration, and employee welfare, where BTN ensures that every employee receives equal opportunities without discrimination based on gender, religion, ethnicity, race, or other personal backgrounds. This approach fosters an inclusive, safe, and productivity-supporting work environment.

[GRI 3-3, 2-23] [OJK C.3, F.18]

Diversity of the Board of Commissioners and Board of Director [GRI 2-9]

Diversity in the Board of Commissioners and Board of Directors is important in creating inclusive governance and more strategic decision-making. Differences in age, education, experience, expertise, and background help broaden perspectives in assessing opportunities and risks, resulting in decisions that are more accurate, innovative, and relevant. Although there are currently no members from underrepresented social groups, the Board of Commissioners and Board of Directors remain committed to understanding and advocating for the aspirations of these groups. The complete composition is presented in the tables below.

Diversity of the Board of Commissioners [GRI 405-1]

Name	Position	Age	Gender	Education	Work Experience	Expertise
Suryo Utomo	President Commissioner	56	Male	Doctor of Philosophy (PhD)	Philosophy (PhD) Experience in finance	Economics
Dwi Ary Purnomo	Vice President Commissioner	50	Male	Master of Law	Experience in finance and risk management	Law
Fahri Hamzah	Commissioner	54	Male	Bachelor's in Economics	Experience in economics	Economics
Ida Nuryanti	Independent Commissioner	58	Female	Master of Management	Experience in banking	Management, Law
Pietra Machreza Paloh	Independent Commissioner	54	Male	Master of Business Administration	Experience in the energy and mining sectors	Business Administration
Panangian Simanungkalit	Independent Commissioner	65	Male	Master's in Engineering and Geoinformatics Technology	Experience in housing and property	Engineering

Diversity of the Board of Directors [GRI 405-1]

Name	Position	Age	Gender	Education	Work Experience	Expertise
Nixon L.P. Napitupulu	President Director	56	Male	Bachelor's in Economics	Experience in economics	Economics
Oni Febriarto Rahardjo	Vice President Director	54	Male	Master of Management	Experience in economics	Engineering, Management
Tan Jacky Chen	Director of Information Technology	42	Male	Master of Management	Experience in information technology	Engineering, Management
Venda Yuniarti	Director of Treasury & International Banking	45	Female	Master of Business Administration	Experience in banking	Business Administration
Helmy Afrisa Nugroho	Director of Corporate Banking	44	Male	Master of Agribusiness	Experience in banking	Agribusiness
Setiyo Wibowo	Director of Risk Management	48	Male	Master in Finance & Banking	Experience in banking	Engineering, Finance
Hirwandi Gafar	Director of Consumer Banking	57	Male	Bachelor's in Civil Engineering	Experience in banking	Engineering
Nofry Rony Poetra	Director of Finance & Strategy	57	Male	Master of Business Administration	Experience in banking	Business Administration, Economics
Eko Waluyo	Director of Human Capital & Compliance	54	Male	Master of Business Administration	Experience in banking	Business Administration, Management, Accounting
I Nyoman Sugiri Yasa	Director of Operations	48	Male	Master of Business Administration	Experience in banking	Business Administration
Rully Setiawan	Director of Network & Retail Funding	48	Male	Master of Management	Experience in banking	Management, Economics
Hermita	Director of Commercial Banking	57	Female	Master of Agribusiness	Experience in banking	Agribusiness, Law

The proportion of female Directors at BTN currently stands at 16.67%, with two out of a total of twelve members of the Board of Directors. This representation reflects the Bank's commitment to strengthening diversity and inclusion at the leadership level. In accordance with applicable regulations, the appointment of the Bank's Board of Directors is the authority of the majority shareholder, PT Danantara Asset Management. To support increased female representation on the Board, BTN has developed a succession pipeline, proposing female Director candidates as nominated talent. Currently, eight women have been identified as nominated talent, representing 33% of the Bank's total 24 nominated talents.

Diversity of the Board of Commissioners

Male



83.3%

Female



16.7%

Diversity of the Board of Directors

Male



83.3%

Female



16.7%

Employee Demographics [GRI 2-7, 2-8, 405-1] [OJK C.3, F.18]

Employee related information in this report is compiled from the Human Capital Management Unit database and has been verified for accuracy. In 2025, BTN employed a total of 11,429 personnel, consisting of 11,414 employees and 15 Directors and Senior Executive Vice Presidents. In addition, BTN engaged 8,902 non-employee workers, including outsourced personnel in administrative services, office support, drivers, security, marketing, collection, and information technology support roles. All BTN employees are full time employees. Details on employee composition and characteristics are presented in the following table:



Employee Demographics by Gender [GRI 2-7, 405-1] [OJK C.3.b]

Gender	2025		2024		2023	
	Total	%	Total	%	Total	%
Male	5,697	49.85	6,576	51.06	6,288	52.20
Female	5,732	50.15	6,288	48.94	5,757	47.80
Total	11,429	100.00	12,864	100.00	12,045	100.00

*Including Directors and SEVP

Employee Demographics by Nationality [GRI 2-7, 405-1] [OJK C.3.b]

Nationality	2025		2024		2023	
	Total	%	Total	%	Total	%
Indonesia	11,429	100.00	12,864	100.00	12,045	100.00
Total	11,429	100.00	12,864	100.00	12,045	100.00

*Including Directors and SEVP

Employee Demographics by Age Group, Gender, and Position Level [GRI 2-7, 405-1] [OJK C.3.b]

Age Range (years)	2025								
	Entry-level		Mid-level		Senior-level		Executive-level		Total
	M	F	M	F	M	F	M	F	
18-25	440	1,070	145	185	0	0	0	0	1,840
25-35	1,959	2,325	1,042	659	3	2	0	0	5,990
35-45	525	712	829	481	110	48	2	1	2,708
45-55	26	36	334	157	256	51	8	0	868
>55	0	0	8	3	7	1	3	1	23
Total	2,950	4,143	2,358	1,485	376	102	13	2	11,429

*M= Male | F= Female

**Including Directors and SEVP

Age Range (years)	2024								Total
	Entry-level		Mid-level		Senior-level		Executive-level		
	M	F	M	F	M	F	M	F	
18-25	553	1,158	126	191	-	-	-	-	2,028
25-35	2,542	2,759	1,152	721	4	-	-	-	7,178
35-45	482	682	852	446	94	43	1	-	2,600
45-55	29	36	416	191	300	57	10	-	1,039
>55	1	1	3	2	6	-	5	1	19
Total	3,607	4,636	2,549	1,551	404	100	16	1	12,864

*M= Male | F= Female

**Including Directors and SEVP

Age Range (years)	2023								
	Entry-level		Mid-level		Senior-level		Executive-level		Total
	M	F	M	F	M	F	M	F	
18-25	424	913	86	161	-	-	-	-	1,584
25-35	2,544	2,742	1,288	702	4	-	-	-	7,280
35-45	332	519	684	381	70	31	2	-	2,019
45-55	29	34	468	213	353	60	9	-	1,166
>55	-	-	2	-	4	1	3	1	11
Jumlah	3,329	4,208	2,528	1,457	431	92	14	1	12,060

*M= Male | F= Female

**Including Directors and SEVP

Employee Demographics by Employment Status and Work Location [GRI 2-7, 405-1] [OJK C.3.b]

Employment Status	2025															
	Head Office				Regional Office				Branch Office				Total			
	M	F	Total	%	M	F	Total	%	M	F	Total	%	M	F	Total	%
Permanent	2,365	1,428	3,793	98.55	389	187	576	99.83	2,863	4,091	6,954	99.51	5,617	5,706	11,323	99.20
Contract	39	17	56	1.45	1	0	1	0.17	27	7	34	0.49	67	24	91	0.80
Total	2,404	1,445	3,849	100.00	390	187	577	100.00	2,890	4,098	6,988	100.00	5,684	5,730	11,414	100.00

*M= Male | F= Female

**Including Directors and SEVP

Employment Status	2024															
	Head Office				Regional Office				Branch Office				Total			
	M	F	Total	%	M	F	Total	%	M	F	Total	%	M	F	Total	%
Permanent	2,256	1,320	3,576	98.05	438	182	620	99.36	3,791	4,712	8,503	99.15	816	724	12,699	98.85
Contract	40	31	71	1.95	2	2	4	0.64	33	40	73	0.85	8	8	148	1.15
Total	2,296	1,351	3,647	100.00	440	184	624	100.00	3,824	4,752	8,576	100.00	6,560	6,287	12,847	100.00

*M= Male | F= Female

**Including Directors and SEVP

Employment Status	2024															
	Head Office				Regional Office				Branch Office				Total			
	M	F	Total	%	M	F	Total	%	M	F	Total	%	M	F	Total	%
Permanent	2,051	1,045	3,096	93.19	383	163	546	98.56	3,550	4,078	7,628	92.95	5,984	5,286	11,270	93.56
Contract	114	112	226	6.80	8	-	8	1.44	182	359	471	7.05	304	471	775	6.43
Total	2,165	1,157	3,322	100.00	391	163	554	100.00	3,732	4,437	8,169	100.00	6,288	5,757	12,045	100.00

*M= Male | F= Female

**Including Directors and SEVP

Employee Demographics by Position Level and Gender [GRI 2-7, 405-1] [OJK C.3.b]

Position Level	2025				2024				2023			
	Male		Female		Male		Female		Male		Female	
	Number of employees	Percentage of employees (%)	Number of employees	Percentage of employees (%)	Number of employees	Percentage of employees (%)	Number of employees	Percentage of employees (%)	Number of employees	Percentage of employees (%)	Number of employees	Percentage of employees (%)
Entry-level	2.950	51.78	4.143	72.28	3.607	54.85	4.636	73.73	3.329	52.82	4.208	73.08
Mid-level	2.358	41.39	1.485	25.91	2.549	38.76	1.551	24.67	2.528	40.11	1.457	25.30
Senior-level	276	6.60	102	1.78	404	6.14	100	1.59	431	6.84	92	1.60
Executive-level (Including Directors and SEVP)	13	0.23	2	0.03	16	0.24	1	0.02	14	0.22	1	0.02
Total	5.697	100.00	5.732	100.00	6.576	100.00	6.288	100.00	6.302	100.00	5.758	100.00

Employee Demographics by Education Level and Gender [GRI 2-7, 405-1] [OJK C.3.b]

Education Level	2025				2024				2023			
	M	F	Total	%	M	F	Total	%	M	F	Total	%
Postgraduate	333	198	531	4.65	373	189	562	4.37	367	168	535	4.44
Bachelor's Degree	4,910	4,880	9,790	86.77	5,574	5,212	10,786	83.96	5,254	4,627	9,881	82.03
Associate Degree	377	520	897	7.86	511	706	1,217	9.47	539	734	1,273	10.57
Senior High School	64	132	196	1.72	102	180	282	2.20	128	228	356	2.96
Total	5,684	5,730	11,414	100.00	6,560	6,287	12,847	100.00	6,288	5,757	12,045	100.00

*M= Male | F= Female

**Including Directors and SEVP

Employee Demographics by Employment Status and Gender, Including Outsourced Personnel [GRI 2-7, 2-8, 405-1] [OJK C.3.b]

Employment Status	2025				2024				2023			
	M	F	Total	%	M	F	Total	%	M	F	Total	%
Permanent	5,617	5,706	11,323	58.05	6,485	6,214	12,699	61.69	5,984	5,286	11,270	55.98
Contract	67	24	91	0.47	75	73	148	0.72	304	471	775	3.85
Total (Excl. Outsourced)	5,684	5,730	11,414	58.52	6,560	6,287	12,847	62.41	6,288	5,757	12,045	59.83
Outsourced	6,804	1,288	8,092	41.48	6,551	1,187	7,738	37.59	6,930	1,157	8,087	40.17
Total	12,488	7,018	19,506	100.00	13,111	7,474	20,585	100.00	13,218	6,914	20,132	100.00

*M= Male | F= Female

**Including Directors and SEVP

Employee Demographics by Length of Service and Gender [GRI 2-7, 405-1] [OJK C.3.b]

Length of Service	2025				2024				2023			
	M	F	Total	%	M	F	Total	%	M	F	Total	%
>30	89	66	155	1.36	124	80	204	1.59	50	58	108	0.90
25-30	479	95	574	5.03	584	142	726	5.65	642	179	821	6.82
20-25	0	68	68	0.60	-	-	-	-	129	21	150	1.25
15-20	191	268	459	4.02	213	306	519	4.04	112	231	343	2.85
10-15	1,566	1,344	2,910	25.50	1,473	1,519	2,992	23.29	1,046	1,345	2,391	19.85
5-10	1,988	1,658	3,646	31.94	2,733	2,043	4,776	37.18	2,672	1,758	4,430	36.78
0-5	1,371	2,231	3,602	31.56	1,433	2,197	3,630	28.26	1,637	2,165	3,802	31.56
Total	5,684	5,730	11,414	100.00	5,560	6,287	12,847	100.00	6,288	5,757	12,045	100.00

*M= Male | F= Female

**Including Directors and SEVP

Based on the employment data table, several aspects reflect BTN's commitment to implementing fair and responsible labor practices. The composition of male and female employees is relatively balanced, indicating that the recruitment process is conducted openly and provides equal opportunities for all applicants. Then, the Bank does not employ individuals below the minimum working age; therefore, all operational activities

are ensured to be free from child labor practices and fully compliant with prevailing labor regulations. Overall, these conditions reaffirm BTN's commitment to creating a fair and inclusive working environment that upholds the principles of equality and respect for human rights. [GRI 3-3, 405-1, 406-1, 408-1] [OJK F.19]

Respectful Workplace Policy

BTN is committed to building a safe and respectful workplace that upholds the dignity and rights of every individual. This commitment includes the prevention of all forms of discrimination, exclusion or restriction, bullying, harassment, and violence, whether physical or psychological. This principle is aligned with the implementation of the Respectful Workplace Policy as stipulated in the Ministry of State Owned Enterprises Circular Letter No. SE-3/MBU/04/2022 on Respectful Conduct in the Workplace within State Owned Enterprises, and is internalized through Special Policy No. KK.3-C of 2024 on Employment Regulations and Administration, particularly Chapter III on Employee Relations.

This policy serves as the foundation for labor management practices across all BTN work units to ensure an inclusive, conducive, and productive working environment, while supporting the Bank's sustainability by upholding human rights. In its implementation, this policy also includes measures to prevent unethical practices, including human trafficking, forced labor, and child labor exploitation. In line with this commitment, BTN has established preventive measures to prevent unfair practices or treatment that may disadvantage employees, including:

1. **Discrimination** BTN anti-discrimination policies implement the principles of diversity and gender inclusion across all work activities. The Bank ensures that there is no form of direct or indirect differentiation, marginalization, or restriction based on religion, tribe, race, ethnicity, social or economic status, marital status, language, political preference, gender, or disability.
2. **Violence** This includes any act or behavior that is threatening, coercive, or harmful to others in the workplace. Such behavior may occur in public or private situations and may result in physical, psychological, sexual, or economic harm to the affected individuals.
3. **Harassment** Any form of harassment, whether through words, behavior, actions, or gestures, has the potential to disrupt employees' sense of security. Harassment may occur directly in the workplace or through various communication channels and includes acts that violate human rights provisions. Such behavior may cause physical, psychological, sexual, or economic distress, make victims feel humiliated or threatened, and create an uncondusive working atmosphere.



As part of strengthening a culture of mutual respect, in 2025 BTN will consistently disseminate information about its Respectful Workplace Policy. The policy ensures that all BTN personnel, from the Board of Commissioners and the Board of Directors to all employees, actively contribute to creating a safe, inclusive, productive, and discrimination-, violence-, and harassment-free work environment. This approach reflects BTN's commitment to the values of equality, respect for diversity, and the fulfillment of human rights.

1. Respecting the diversity of each employee's background, including ethnicity, race, nationality, skin color, age, religion, gender, disability, and individual perspectives, to foster a healthy and productive work environment.
2. Ensuring that all employees are treated fairly without discrimination of any kind and are provided equal access to facilities and infrastructure.

3. Building a work environment based on mutual respect and free from discrimination, violence, and harassment in any form.
4. Providing inclusive facilities for employees and customers with disabilities, including access ramps, priority seating, disability-friendly restrooms, tactile guiding blocks, and designated areas to enhance comfort and accessibility.

To support monitoring and strengthen the implementation of corporate values and culture, BTN provides the Culture Report Website as a reporting platform for the implementation of the Corporate Culture Program. This platform is used to submit updates on program

implementation along with supporting documentation in digital form, which are subsequently reviewed by the Change Leader for approval or returned to the Change Agent for improvement. All reporting processes are conducted online in the form of electronic documents, thereby improving efficiency, accountability, and supporting paper use reduction.

In 2025, BTN did not receive any reports or identify any cases of discrimination, harassment, human rights violations, or forced labor. This outcome reflecting the effectiveness of internal policies and the Bank's commitment to maintaining a fair and safe work environment. [GRI 3-3, 406-1, 408-1, 409-1]



Workshop on Diversity, Equity, and Inclusion [GRI 404-2]



As part of its strategic commitment to fostering a harmonious and innovative work environment, BTN has consistently implemented training programs focused on diversity, equity, and inclusion throughout the year. BTN delivers a training curriculum designed to raise awareness among all BTN employees about the importance of respecting differences in background, perspectives, and identities within the workplace.

The training program also ensures that every employee has equal access to competency development opportunities, without discrimination based on gender, age, or disability.

New Employee Recruitment and Employee Turnover [GRI 401-1]

BTN fulfills its workforce needs through both internal and external recruitment, internal recruitment selects employees who meet the criteria to fill specific positions, while external recruitment includes pre-graduate candidates, fresh graduates, and experienced applicants. All recruitment processes prioritize Indonesian citizens; therefore, all employees, including senior management, are sourced from the local community. The Bank also provides opportunities for vulnerable groups such as women, minorities, indigenous peoples, and persons with disabilities. [GRI 3-3, 202-2]

The recruitment process is conducted in accordance with Special Policy No. KK.3-A on the Human Capital Cycle, which ensures that the selection stages are structured, transparent, and fair in line with applicable standards. BTN also has a mechanism for the appointment of new employees as permanent employees. Every individual who passes the selection process is entitled to receive remuneration in accordance with labor regulations. In addition, the Bank supports the recruitment of persons with disabilities through special initiatives of the Ministry of State-Owned Enterprises (SOEs) and the Indonesia Human Capital Forum (FHCI). [GRI 3-3]

In 2025, BTN targeted the recruitment of 618 employees and successfully realized 802 employees demonstrating the Bank's commitment to expanding career opportunities and strengthening organizational capacity. Detailed data on new employees are presented in the following tables:

Composition of New Employees by Age Group and Gender [GRI 401-1] [OJK C.3.b]

Age Group	2025			2024			2023		
	M	F	Total	M	F	Total	M	F	Total
≤ 51	3	2	5	4	-	4	1	2	3
31 – 50	51	18	69	20	16	36	22	8	30
≤ 30	231	497	728	463	728	1.191	237	425	662
Total	285	517	802	487	744	1.231	260	435	695

*M = Male | F = Female

Composition of New Employees by Work Location and Gender [GRI 401-1]

Age Group	2025			2024			2023		
	M	F	Total	M	F	Total	M	F	Total
Head Office	120	119	239	135	134	269	70	75	145
Regional Office	12	14	26	13	8	21	8	1	9
Branch Office	153	384	537	339	602	831	182	359	541
Total	285	517	802	487	744	1.231	260	435	695

*M = Male | F = Female

Changes in the number of employees may result from termination of employment due to retirement, resignation, end of contract, death, and other reasons. All such processes are carried out in accordance with Special Policy No. KK.3-A on the Human Capital Cycle to ensure that every termination decision is made in an orderly, transparent, and fair manner, while maintaining the continuity of the Bank's operations.

Employee Turnover Rate [GRI 401-1]

Description	2025	2024	2023
Number of New Employees	802	1,231	695
Number of Employee Turnover	224	164	187
Number of Employees at Beginning of Year	12,847	12,045	11,745
Number of Employees at End of Year	11,414	12,847	12,045
Turnover Rate	1.96%	1.27%	1.55%

Composition of Employee Turnover by Age Group and Gender [GRI 401-1]

Age Group	2025			2024			2023		
	M	F	Total	M	F	Total	M	F	Total
≤ 51	5	1	6	6	1	7	5	2	7
31 - 50	44	59	103	24	34	58	43	55	98
≤ 30	80	75	115	28	71	99	25	57	82
Total	89	135	224	58	106	164	73	114	187

*M = Male | F = Female

Composition of Employee Turnover by Work Location and Gender [GRI 401-1]

Age Group	2025			2024			2023		
	M	F	Total	M	F	Total	M	F	Total
Head Office	28	22	50	20	16	36	21	21	42
Regional Office	3	3	6	4	1	5	3	2	5
Branch Office	58	110	168	34	89	133	49	91	140
Total	89	135	224	58	106	164	73	114	187

*M = Male | F = Female

Enhancing Workforce Diversity

Strengthening diversity is one of BTN's priorities in human capital management. The principles of equal employment opportunity and gender diversity are implemented through Special Policy No. KK.3-C on Employment Regulations and Administration, with direct oversight by the Board of Directors to ensure consistent implementation across all business processes.

As part of its sustainability commitment, BTN has also set quantitative targets to increase the representation of underrepresented groups in recruitment. The Bank targets 0.5% of new hires in 2025 to come from underrepresented groups, increasing to 1% in 2026 and 2% in 2028. These targets include persons with disabilities and other groups requiring affirmative action, in line with efforts to create a more inclusive and diverse workplace.

In line with these targets, in 2025 BTN successfully recruited 14 employees with disabilities who passed the selection process, exceeding the initial target of 10. The full demographics of employees with disabilities in 2025 are presented in the following table:



Persons with Disabilities (PWD)

Total Employees

PWD Percentage



16

5,697

0.28%



13

5,732

0.23%

BTN continues to strengthen an inclusive work culture by providing an accessible facilities for employees from diverse backgrounds. This facilities training, infrastructure adjustments, and ongoing assistance to ensure every individual can perform and develop optimally. To accelerate diversity implementation, BTN has undertaken several initiatives, including:

1. Induction training for all PWD employees covering product knowledge, code of ethics, business processes, and corporate culture;
2. Inclusive management training for managers; and
3. Regular assessments of diversity target achievements conducted transparently.

Employee Training on Diversity [GRI 404-2]

Workplace diversity at BTN is promoted through a series of training and awareness programs provided to all employees, from junior level to Senior Executive Vice President. These programs feature external speakers to strengthen understanding of diversity, equity, and inclusion principles and to ensure consistent implementation across all work units.

All initiatives receive full support from the Board of Directors through top management oversight to ensure that diversity policies are fully integrated into daily business and operational processes. The focus is on building an inclusive and respectful workplace that reflects BTN's diversity values. The training programs include:

Implementation of Employee Training on Diversity

Training Name	Implementation Time	Method	Number of Participants
Creative Leadership for Gen Z	March	Self Learning	4,309
Expert Talk Series Woman Leadership (Srikandi BTN)	Mei and December	Hybrid	324
Creating a Culture That Inspires Your Employees	June	Self Learning	581
Internalization of Respectful Workplace Policy (RWP)	June	Self Learning	10,846

Supporting Asta Cita on Gender Equality, BTN Promotes Women's Empowerment

BTN continues to strengthen its commitment to gender equality through the empowerment of Srikandi BTN as part of the Bank's transformation toward a more inclusive and adaptive work environment. Female representation in leadership is a key pillar in fostering a collaborative and service-oriented work culture and BTN believes that female leadership brings values of empathy, attention to detail, and sensitivity that are highly relevant in the banking industry.

Through the Srikandi BTN Workshop and Working Meeting 2025, BTN reaffirmed its support for capacity building and mentoring of female leaders at various organizational levels. The event also marked the handover of the Srikandi BTN management for the 2025 term and included visits to BTN-assisted MSMEs as a form of support for community economic empowerment. This initiative is aligned with the President's Asta Cita on gender equality and further strengthens BTN's efforts to build an empowered, inclusive work environment and to foster the growth of women leaders in the digital transformation era.

Competency Training and Development

Competency development is a top priority in BTN's human capital management. Through Special Policy No. KK.3-A on the Human Capital Cycle, every employee is encouraged to enhance both technical and non-technical skills to work more effectively, adapt to change, and be prepared to assume more strategic roles, with the principle of equality applied so that all employees have equal access to training without gender discrimination. [GRI 3-3]

Development programs are designed with a focus on knowledge, skills, and attitudes, using the ADDIE approach (analysis, design, development, implementation, evaluation) to ensure structured and measurable learning processes. BTN also applies the 70:20:10 method, where 70% of learning is gained through practical experience, 20% through interaction with mentors or colleagues, and 10% through formal training. Various forms of development are carried out on an ongoing basis, including training, education, special assignments, rotations, and promotions, enabling employees to meet the demands of a dynamic work environment.



Human Capital Transformation as a Catalyst for BTN's Sustainable Business Growth



Sustainable business transformation requires a parallel transformation of the people within the organization, with young talent serving as the primary driver toward adaptive and innovative leadership. BTN emphasizes the development of productive human capital through four core elements: deep knowledge, excellent skills, the right culture, and high motivation. BTN leaders are expected to balance the roles of directing, structuring, and guiding; to encourage teams through challenging projects; to facilitate the transfer of tacit knowledge; and to foster a culture of timely feedback in order to create a sustainable, learning-based work ecosystem.

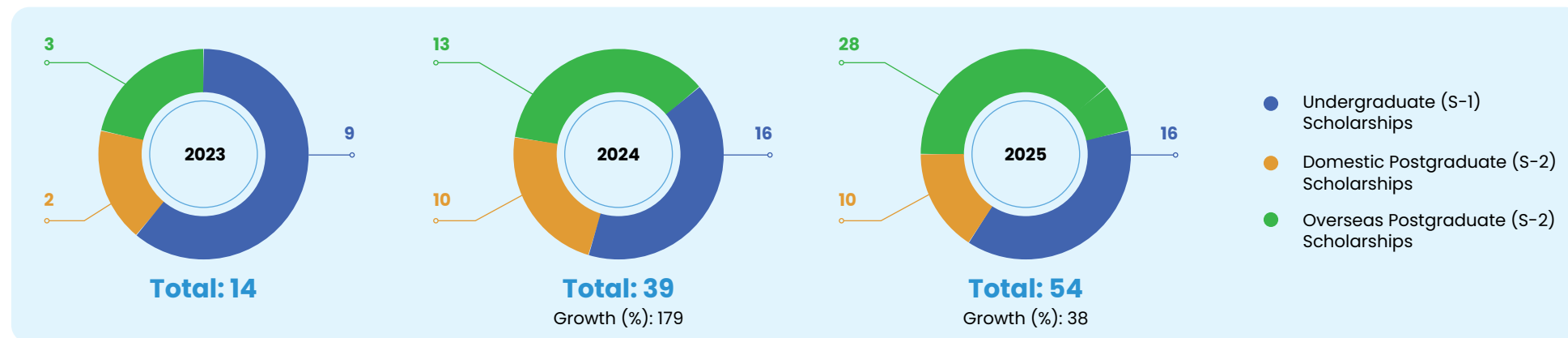
BTN's Human Capital function acts as a catalyst for innovation and competitive advantage through a five-year Human Capital Framework. The five dimensions of human capital development, Talent Magnet, Employee Productivity, Talent, Leadership and Capabilities Development, Employee Wellbeing and Experience, and HC Operational Excellence and Technology, ensure strong synergy between human capital and business objectives, enabling BTN's talent to support sustainable business growth.

Employee Development Strategy [GRI 404-2]

Talent development is a top priority for BTN in strengthening adaptive, competitive, and future-ready human resources. Throughout the reporting year, various strategic initiatives were implemented through collaboration with external partners, scholarship programs, advanced training, and professional certifications as part of the Bank's commitment to building high-quality human capital. All development programs are designed to be inclusive and cover all employees involved in the Bank's operations, including permanent employees, contract employees, outsourced personnel, contractors, and part-time workers, to ensure equal access to competency development opportunities across the organization. These initiatives include

1. Employee Scholarship Program

BTN provides undergraduate (S-1) and postgraduate (S-2) education scholarships in collaboration with leading universities domestically and internationally, including the University of Indonesia (UI), Master of Management Universitas Gadjah Mada (MM UGM), School of Business and Management Institut Teknologi Bandung (SBM ITB), The University of Sydney, Monash University, International Institute of Management (IMD), The University of Melbourne, The University of Edinburgh, and the University of Bristol. This program aims to provide access to high-quality education for employees seeking to further develop their capabilities. The data on scholarship recipients are presented below.



2. Human Capital Capability Development

BTN partners with educational institutions to develop or deliver joint training programs for employees that focus on enhancing technical skills, leadership, and strategic competencies. Through collaboration with Indonesia University, the Bank has developed and implemented integrated training and advanced education programs to support employee readiness in responding to the dynamics of the banking industry.

All programs are designed to be relevant and practical in addressing evolving business needs, and to form part of the long-term talent pipeline strategy that ensures the availability of competitive, high-quality talent in the future. Additional information is available at the following link: [Training Program for Employees](#).

3. BUMN School of Excellence

This program prepares future leaders through intensive training focused on managerial capacity building and strategic leadership development. BTN actively participates to ensure a strong talent pipeline that is ready to assume key positions.

4. Professional Certification

BTN collaborates with various accredited certification bodies to strengthen employee credibility and technical competence. These include the Risk Management Certification Agency (BSMR), Banking Professional Certification Agency (LSPP),

Sharia Finance Professional Certification Agency (LSP KS), Indonesian Capital Market Financial Industry Professional Certification Agency (LSP IKEPAMI), and ACI Financial Markets Association (ACIFMA). Through these certifications, employees receive formal recognition of professional expertise in accordance with financial industry standards.

All programs are reviewed periodically by senior management to ensure effectiveness and alignment with business direction. Through these initiatives, BTN builds a sustainable talent foundation while supporting the achievement of SDGs related to quality education and decent work.

ESG Day



ESG Day 2025 provided internal momentum to strengthen the internalisation of sustainability values while activating employee engagement in ESG implementation. The event served as a shared platform for communicating ESG directions and programs, delivered through a series of participatory activities such as Countering Day (CA), sustainability journey sharing sessions, and waste management education. Through the implementation of ESG Day, ESG principles were not merely conveyed as strategic commitments, but were manifested in daily work practices through collective action and cross-employee collaboration.

Competency Development by Position Level [GRI 2-17, 404-2] [OJK E.2, F.22] [FS4]

Competency Development for the Board of Commissioners

To strengthen their oversight role and enhance understanding of sustainability issues, the Board of Commissioners joined various training programs, workshops, conferences, and seminars related to governance and ESG throughout the reporting year. Details of these activities are presented in the table below.

Training Attended by the Board of Commissioners

Name	Position	Type of Training	Time and Venue	Organizer
Suryo Utomo	President Commissioner	Risk Management Certification Briefing – Level 6 (Fast Track)	April 16–17 2025, Jakarta	Indonesian Banking Development Institute (LPPI)
Dwi Ary Purnomo	Vice President Commissioner	Risk Management Certification Briefing – Level 6 (Fast Track)	April 16–17 2025, Jakarta	Indonesian Banking Development Institute (LPPI)
Fahri Hamzah	Commissioner	Risk Management Certification Briefing – Level 6 (Fast Track)	April 16–17 2025, Jakarta	Indonesian Banking Development Institute (LPPI)
Ida Nuryanti	Independent Commissioner	Risk Management Certification Briefing – Level 6 (Fast Track)	April 16–17 2025, Jakarta	Indonesian Banking Development Institute (LPPI)
Pietra Machreza Paloh	Independent Commissioner	Risk Management Certification Briefing – Level 6 (Fast Track)	April 16–17 2025, Jakarta	Indonesian Banking Development Institute (LPPI)
		Risk Management Refreshment – Banking Industry Preparedness in Responding to Escalating Climate Risk & Cyber Risk (2025)	June 18–19 2025, Batam	Indonesian Risk Professional Association (IRPA)
Panangian Simanungkalit	Independent Commissioner	Risk Management Certification Briefing – Level 6 (Fast Track)	April 16–17 2025, Jakarta	Indonesian Banking Development Institute (LPPI)

Competency Development for the Board of Directors

During 2025, members of the Board of Directors participated in various competency development programs, including training, workshops, conferences, and seminars focusing on governance and ESG aspects. Their participation is summarized in the table below.

Training Attended by the Board of Directors

Name	Position	Type of Training	Time and Venue	Organizer
Nixon L.P. Napitupulu	President Director	Win the Market with Digital Leadership and Customer Centricity	February 7 2025	PT Bank Tabungan Negara (Persero) Tbk
Oni Febriarto Rahardjo	Vice President Director	Win the Market with Digital Leadership and Customer Centricity	February 7 2025	PT Bank Tabungan Negara (Persero) Tbk
		Risk Management Certification Briefing – Level 7	March 13 2025	Garda Multi Talenta
Eko Waluyo	Director of Human Capital & Compliance	Win the Market with Digital Leadership and Customer Centricity	7 Februari 2025	PT Bank Tabungan Negara (Persero) Tbk
		Risk Management Certification Briefing – Level 7	March 13 2025	Garda Multi Talenta
Hirwandi Gafar	Director of Consumer Banking	Win the Market with Digital Leadership and Customer Centricity	7 Februari 2025	PT Bank Tabungan Negara (Persero) Tbk
Nofry Rony Poetra	Director of Finance & Strategy	Win the Market with Digital Leadership and Customer Centricity	7 Februari 2025	PT Bank Tabungan Negara (Persero) Tbk
Setiyo Wibowo	Director of Risk Management	Win the Market with Digital Leadership and Customer Centricity	February 7 2025	PT Bank Tabungan Negara (Persero) Tbk

Name	Position	Type of Training	Time and Venue	Organizer
Tan Jacky Chen	Director of Information Technology	Risk Management Certification Briefing & Competency Assessment – Level 7 (Fast Track)	April 29–30 2025	Indonesian Banking Development Institute (LPPI)
Venda Yuniarti	Director of Treasury & International Banking	Risk Management Certification Briefing & Competency Assessment – Level 7 (Fast Track)	April 29–30 2025	Indonesian Banking Development Institute (LPPI)
Helmy Afrisa Nugroho	Director of Corporate Banking	Risk Management Certification Briefing & Competency Assessment – Level 7 (Fast Track)	April 29–30 2025	Indonesian Banking Development Institute (LPPI)
I Nyoman Sugiri Yasa	Director of Operations	Risk Management Refreshment – Banking Industry Preparedness to Respond to Escalating Climate and Cyber Risks (2025)	June 18–19 2025 Batam	Indonesian Risk Professional Association (IRPA)
Rully Setiawan	Director of Network & Retail Funding	Risk Management Certification Briefing & Competency Assessment – Level 7	24–25 April 2025, Jakarta	Indonesian Risk Professional Association (IRPA)
Hermita	Director of Commercial Banking	Chief Business Development Officer (CBDO) Program	20–22 Agustus 2025, Singapore	Danantara x INSEAD

Employee Competency Development

BTN ensures that all employees, including permanent, contract, part-time, and outsourced personnel, have equal access to competency development programs. This inclusive approach is designed to foster a work culture that encourages continuous learning and strengthens human capital capacity across all operational lines. In 2025,

BTN employees participated in various training programs, certifications, workshops, conferences, and seminars, including those focusing on ESG aspects. Details of employee training programs are presented in the table below.

Training Attended by Employees

No	Training Name	Implementation Time	Methods	Number of Participants
1	Responsible product offering and marketing	April, August & October	Classroom	94
2	Data privacy management	June – December	Hybrid	12,274
3	Cybersecurity	January – December	Hybrid	40,834
4	ESG risk identification	January – December	Hybrid	1,579
5	Mentorship programmes	January – December	Hybrid	896
6	Diversity practices	March – July & December	Hybrid	16,060
7	Anti-money laundering and terrorism financing	March & May	Hybrid	14,953
8	Avoiding of tax evasion facilitation	November	Classroom	104
9	ESG initiatives	April – May & September	Hybrid	21,990
10	Anti-bribery and corruption	June – October	Classroom	105
11	Code of conduct	June – November	Hybrid	766

Number of Employees Receiving Training by Employment Status

Description	2025	2024	2023
Permanent Employees	11,323	12,699	11,270
Contract Employees	91	148	775
Part-Time and Outsourced Employees	8,092	7,738	8,807
Total Employees	11,414	12,847	12,045

Number and Average Training Hours by Gender [GRI 404-1]

Description	2025		2024		2023	
	Male	Female	Male	Female	Male	Female
Number of Employees	5,684	5,730	6,560	6,287	6,288	5,757
Number of Training Participants	16,968	17,443	16,941	15,630	17,342	14,086
Total Training Hours	414,861	382,760	334,376	322,746	393,096	349,610
Average Training Hours per Participant	24.45	21.94	19.74*	20.65	22.67	24.82
Average Training Hours per Employee	72.99	66.80	52.50	51.34	65.52	60.73
Total Training Participants	34,411		32,571		31,428	
Percentage of Employees Trained	100%		100%		100%	
Total Training Hours	797,621		667,122		742,706	

*Data restated

**Excluding outsourced employees

Number and Average Training Hours by Position Level [GRI 404-1]

Position Level	2025			2024			2023		
	Participants	Total Hours	Avg. Hours	Participants	Total Hours	Avg. Hours	Participants	Total Hours	Avg. Hours
Level 5B (22)	34	723	21	20	386	19	13	290	22
Level 4C-5A (19-21)	525	12,689	24	482	8,244	17	599	13,874	23
Level 3C-4B (15-18)	5,882	115,670	20	5,786	96,066	17	5,792	111,066	19
Level 3A-3B (13-14)	8,430	219,708	26	8,676	164,066	19	9,061	317,128	35
Level 2D-2F (11-12)	13,462	290,819	22	13,020	280,402	22	12,395	234,147	19
Level 2A-2C (8-10)	6,078	158,012	26	4,587	118,002	26	3,568	66,201	19

22= Executive Vice President

21= Senior Vice President

20= Vice President

19= Vice President

18= Assistant Vice President

17= Senior Manager

16= Manager

15= Manager

14= Assistant Manager

13= Assistant Manager

12= Senior Staff

11= Senior Staff

10= Staff

9= Staff

8= Junior Staff

*Excluding outsourced employees

Job-Specific Development Training Programs [GRI 404-2]

BTN focuses not only on general competency development but also on training tailored to the specific needs of each job function. Job-specific development programs are designed to strengthen employees' technical expertise so they can perform their roles and responsibilities effectively amid the dynamic banking industry. These programs are developed based on job requirements and functional needs, ensuring relevant and applicable competency development. Implementation is carried out in collaboration with competent third parties, including educational institutions, training providers, and professional partners, to ensure alignment with industry standards and the Bank's business needs. In 2025, BTN provided more than 457 types of virtual training programs covering business, credit risk, leadership, and sales and service.

Job-Specific Development Training Programs

Training Program	Number of Training Types	Number of Employees	Methods	Total Training Hours
Commercial Banking Academy	45	5,093	Hybrid	67,910
Consumer Banking Academy	54	8,823	Hybrid	202,459
GRC Academy	29	4,143	Hybrid	52,992
IT & Digital Academy	64	533	Hybrid	14,801
Leadership Academy	22	8,253	Hybrid	200,585
Operations & Finance Academy	171	8,268	Hybrid	162,270
Sharia Business Academy	63	3,131	Hybrid	46,395
Treasury & Capital Market Academy	9	1,912	Hybrid	8,416

As a further enhancement, BTN provides professional certification programs for employees in roles requiring specific specialization. These certifications serve as formal recognition of employee competencies and support career development as well as the Bank's competitiveness in the banking industry. The certification programs are implemented in accordance with industry standards and applicable regulations through collaboration with recognized professional certification bodies, with the types of certifications held by BTN employees shown in the table below.

Number of Employee Certifications

Description	2025	2024	2023
Risk Management Certification (SMR)	2,067	3,297	2,555
Mutual Fund Selling Agent Representative Certification (WAPERD)	199	175	110
Treasury Certification	44	40	40

Competency Development Costs

In 2025, BTN strengthened employee competency development by increasing its training budget by 24.55% compared with the previous year. This investment was driven by the need to ensure that all employees possess relevant and adaptive skills in response to industry changes. To support program effectiveness, the Bank implemented a blended learning approach combining online learning, virtual classes, and self-directed learning. This approach provides flexibility without compromising content quality, enabling optimal development of both technical competencies and future-ready skills. Details of competency development budget allocation are presented in the table below.

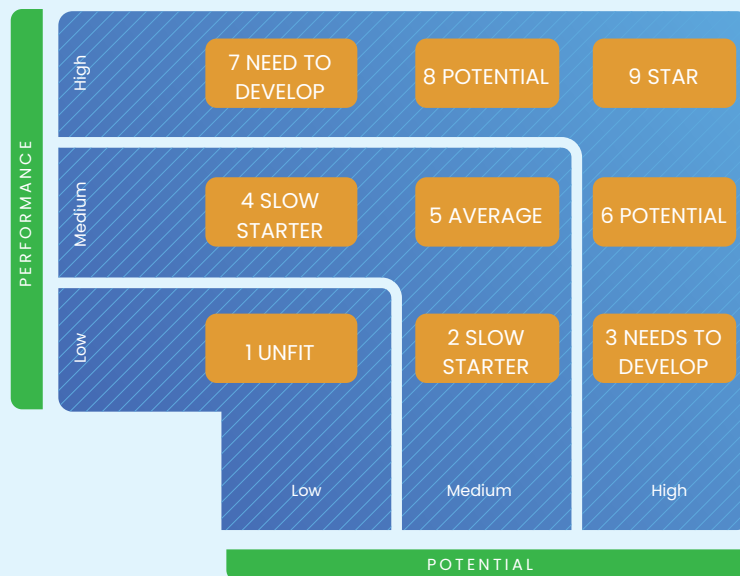
Competency Development Cost (Million Rupiah)		Growth	
2025	2024	Million Rupiah	Percentage
131,435	105,530	25,905	24.55

Career Development

BTN implements a comprehensive succession planning and development program at multiple levels for all employees, tailored to their potential and the organization's needs. Each individual is mapped through a performance and future capability based potential matrix to design targeted development strategies.

The system covers multiple levels, from staff to leadership, to ensure a sustainable talent pipeline and succession readiness.

BTN Career Development Matrix



In addition to potential mapping, BTN also implements a job posting program to provide broader opportunities for employees to develop their careers through a transparent and competitive process.

Job Posting Program Implementation Process

ANNOUNCEMENT



The Bank announces vacancies for specific positions to all employees, along with the required candidate criteria.

SELECTION



BTN conducts a selection process based on the suitability of applicants' profiles with the position requirements. The selection includes both desk review and face-to-face assessments (interviews, simulations, etc.).

DECISION



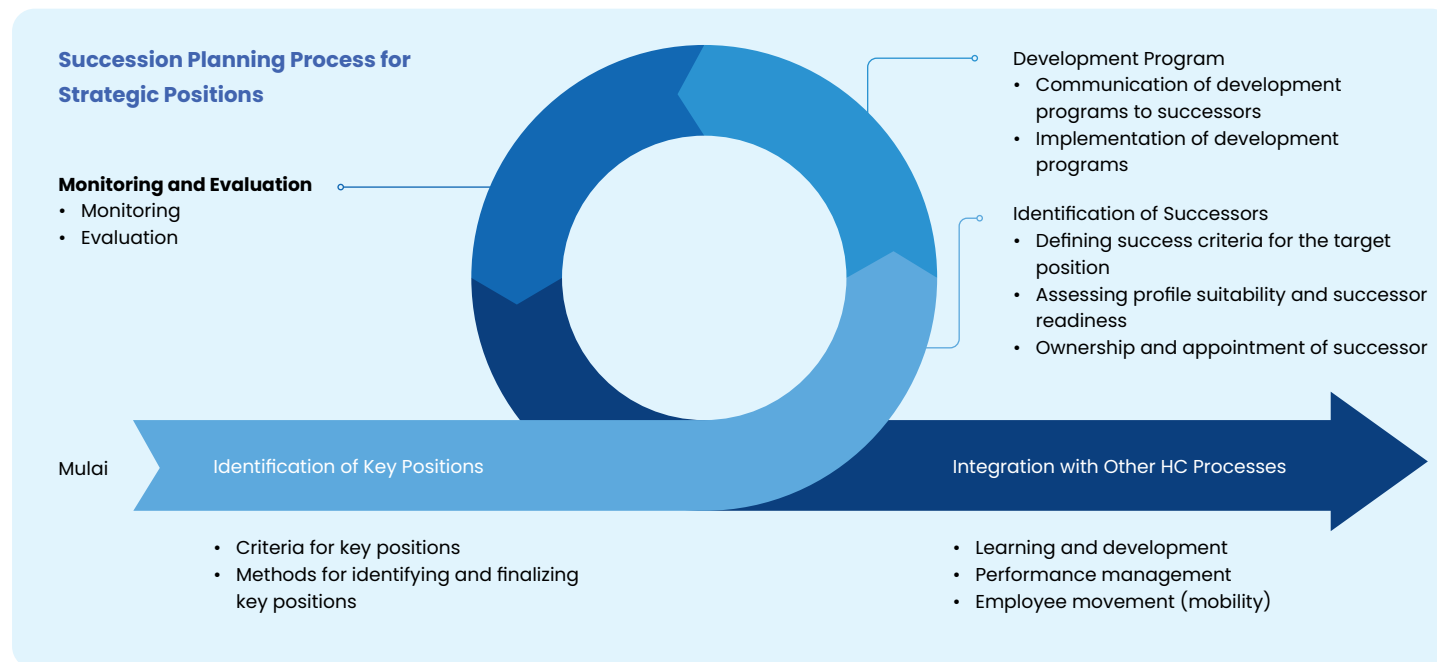
The Board of Directors confirms the selected employee based on the results of the selection process.

PLACEMENT



The selected employee is formally placed in the respective position.

To ensure the availability of talent for strategic positions, a succession planning process through nomination and selection of high-potential employees based on structured stages is in place.



The Talent Acceleration Program (TAP) prepares future leaders at BOD-1 to BOD-3 levels through two pathways: a fast-track for employees under 40 years old, and the BTN Millennials Program for new employees under 26 years old and existing employees under 30 years old.

Number of Participants in TAP, FLMDP, MMDP, and SMDP in 2025

Person Grade	TAP Batch 1	TAP Batch 2	BTN Millennial Leader	Regional Leader Development Program (RLDP)
2E	-	-	-	-
3A	-	-	-	-
3B	-	18	4	-
3C	53	45	42	7
3D	32	11	9	15
3E/4A	9	1	1	11
4B	2	-	-	5
4C	-	-	-	1
Total	96	75	56	39

The TAP focuses on strengthening leadership capabilities, expanding exposure, and deepening experience through job rotation with a dual-path approach, providing development opportunities in both managerial and functional career tracks. The selection of pathways is based on organizational needs, employee competencies, and career aspirations.

To support career growth, BTN has also designed a clear career path structure based on position categories, job families, and individual career planning integrated with the learning curriculum. In addition, in 2025, the Bank implemented coaching programs to strengthen both technical and non-technical skills, including leadership, communication, challenge management, and work-life balance. Through these various initiatives, BTN is building a transparent, structured, and inclusive career ecosystem that enables every employee to develop optimally.

Regular Performance Appraisals and Feedback Processes

In reviewing and assessing employee performance, BTN refers to the General Human Resources Policy No. KU.3 on Career Management. Through this policy, the Bank ensures that every evaluation process is conducted objectively and without discrimination based on gender, focusing instead on competencies, performance achievements, and individual potential. The results of these evaluations serve as the basis for decisions related to promotion, rotation, and career development opportunities. [GRI 3-3]

In 2025, BTN provided performance feedback to 100% of employees across all job levels without exception. Assessments were conducted through semi-annual and annual reviews using key performance indicators (KPIs), and were reinforced by the Continuous Professional Development (CPD) program as an open dialogue mechanism to discuss achievements, development areas, and career plans. [GRI 404-3]

To ensure fairness, BTN's performance-based remuneration strategy includes merit increases, incentives, and bonuses in accordance with individual and team contributions. This policy guarantees equal career opportunities for all employees, including female

employees, through remuneration adjustments that consider position, length of service, workload, and performance. This comprehensive evaluation approach strengthens employee engagement and ensures BTN's talent readiness to support future business objectives.

BTNers Excellence Award 2025 (BXA 2025)



The organization of the BTNers Excellence Award 2025 (BXA 2025) formed part of the Bank's 75th anniversary celebration and reflected a commitment to strengthen its Employee Value Proposition (EVP) in line with shareholder aspirations to enhance productivity and implement employee welfare programs. At the event, which was attended by President Commissioner Chandra M. Hamzah and Deputy President Director Oni Febriarto Rahardjo, the Bank recognized outstanding employees through five award categories: Best Employee, Best Innovation, Best Change Agent, Best Service, and Best Performance 2024, as an encouragement to foster an adaptive, innovative, and performance-oriented work culture.

Protection and Fulfillment of Employee Rights

BTN is committed to protecting employee rights as a foundation for job satisfaction, strong performance, and business sustainability. This commitment is realised through policies that ensure every employee works in a safe, fair environment that respects the balance between working hours and rest periods.

The prevention of forced labour is implemented through General Human Resources Policy No. KU.3 on Working Days and Working Hours, which clearly regulates working time and stipulates overtime compensation for employees who work beyond standard working hours. Through this policy, BTN ensures that no forced labour practices exist in any of its operational activities. [\[GRI 409-1\]](#)

BTN also maintains two-way communication with employees through the dissemination of information related to policies, procedures, and career development. All the latest provisions can be accessed through the PPDigital, ensuring that employees receive consistent and transparent information.

Employee Remuneration

BTN implements a fair, transparent, and non-discriminatory remuneration policy in line with diversity principles and labour regulations. Remuneration is recognition for employee performance and responsibilities and is not influenced by gender, ethnicity, race, religion, personal characteristics, or other factors unrelated to competence. This policy is stipulated in Special Policy No. KK.3.B on Remuneration and refers to the regulations of the Financial Services Authority (OJK), including OJK Regulation No. 45/POJK.03/2015 on the Implementation of Governance in Remuneration for Commercial Banks and OJK Circular Letter No. 40/SEOJK.03/2016 on the Implementation of Governance in Remuneration for Commercial Banks. [\[GRI 3-3\]](#)

BTN ensures that there are no differences in base salary ratios or total remuneration between male and female employees in the same positions. This consistency is reflected in the median salary ratio for men and women, which stood at one-to-one in 2025. Total salaries for male and female employees amounted to IDR89.2 billion and IDR62.4 billion, respectively, with average monthly salaries of IDR15.8 million for male employees and IDR11.1 million for female employees. These variations reflect differences in job distribution rather than discrimination, as the wage system based on person grade and performance achievement is applied consistently. [\[GRI 405-2\]](#)

Composition of Male and Female Employee Salaries

Gender	Number of Employees	Total Salary	Average Salary	Median Salary
Male	5,684	89,234,863,664	15,855,519	10,230,552
Female	5,730	62,439,957,044	11,074,842	8,814,926
Total	11,414	151,674,820,708	26,930,361	19,045,478

The Bank's salary structure is also aligned with government regulations, including Law No. 6 of 2023 on Job Creation. BTN sets minimum salaries above the Regional Minimum Wage and conducts salary reviews at least once a year. The Bank also maintains remuneration competitiveness by keeping salary levels above the P60 percentile of the industry. BTN ensures compliance with applicable minimum wage provisions for all workers, including non-employee workers/outsourced personnel. And wages for non-employee workers are determined in accordance with the minimum wage applicable in the respective work location and prevailing laws and regulations. [\[GRI 202-1, 409-1\]](#) [\[OJK F.20\]](#)

As a comprehensive implementation of its remuneration policy, BTN provides various benefits cover all employees. These benefits include base salary, annual salary

adjustments, religious holiday allowance, annual leave allowance, and long leave allowance every three years of service. BTN also ensures that annual leave is not only granted administratively, but is actually taken by employees through integrated leave monitoring and management as part of efforts to support work life balance and employee well being. The Bank also provides comprehensive healthcare facilities for employees and their families, including inpatient care, outpatient care following hospitalisation, maternity expenses, dental services, medical check-ups, and optical benefits. BTN ensures that these non-salary benefits are provided equitably, including to contract employees.

Employee Remuneration and Benefits Components

Remuneration and Benefit Components	Permanent Employees	Contract Employees
Basic Salary	✓	✓
Position Allowance	✓	✗
Functional Allowance	✓	✗
Religious Holiday Allowance	✓	✓
Annual Leave and Extended Leave Allowance	✓	✗
Clothing Allowance *)	✓	✗
Allowances for Housing, Vehicles, Expertise, Location, and Tax	✓	✗
Performance Bonus	✓	✓
Employee Welfare Loan	✓	✗
Pension Program	✓	✗
Social Security Covering Employment and Health	✓	✓
Periodic Health Check Facilities	✓	✓
Medical Assistance	✓	✓
Bereavement Assistance	✓	✓
Length of Service Award	✓	✗

*)Clothing allowance is provided in the form of uniforms (front liner, superstaff, priority banking)

As a performance-oriented bank, remuneration is aligned with individual, unit, and organisational performance achievements. Employees who work beyond official working hours receive overtime compensation in accordance with applicable provisions and proportional to their job level. Variable remuneration is also provided in line with organizational needs and prevailing policies, including overtime pay, clothing allowance, sales bonuses, annual bonuses, and location and position allowances. In accordance with Special Policy No. KK.3.B on Remuneration, the Bank also provides a Long-Term Incentive (LTI) scheme in the form of shares, cash, or other facilities as determined by the Board of Directors, as a retention mechanism and reward for the Company's strategic achievements. [GRI 409-1] [OJK F.20]

In addition, BTN supports employee welfare through employee welfare loan facilities and a Car Ownership Program to help employees meet basic needs in a more accessible and affordable manner. All remuneration components and benefits are aligned with employment status, and the rights of contract employees are ensured to comply with applicable standards. [GRI 401-2]

Employee Equity Programs

As part of its ongoing evaluation of the effectiveness of its incentive policies, BTN has completed the implementation of the MESA Management Employee Stock Allocation program and the MESOP Management and Employee Stock Option Plan. These programs previously served as share-based incentive instruments aimed at increasing the motivation and engagement of employees, executives, the Board of Directors, and the Board of Commissioners through share ownership opportunities.

Since the completion of these programs, BTN has neither extended nor introduced similar schemes for management or employees. The Bank has chosen to reassess the relevance of share-based incentives and to shift its focus to other forms of rewards deemed more appropriate to organizational needs and long-term strategy reflecting the adjustment of BTN's human capital management policies to current business dynamics and corporate priorities.

Employee Well-Being Program

The Employee Value Proposition (EVP) is strengthened through the development of a work culture that supports the physical and mental health of all employees. Throughout 2025, the Bank implemented a range of structured well-being programs aimed at enhancing comfort, fitness, and work–life balance. The programs are presented in the following table:

No	Program Name	Description	Objective
1	Employee Wellness Program (EWP)	A program to improve employee health, covering both physical and mental well-being, through the provision of consultation platforms with experts.	Meningkatkan kesehatan pegawai BTN untuk menunjang kinerja dan mendukung kesejahteraan mereka.
2	Roadshow Pekan Sehat	A socialization program across all BTN operational areas on employee health improvement programs and the use of health consultation platforms.	- To enhance employees' understanding of the importance of maintaining health to improve productivity - To enable employees to utilize the available platforms as health consultation media
3	Financial Wellness Webinar	A program to increase employee awareness of financial management.	To enable employees to manage their finances effectively and achieve financial wellness.
4	Pekan Sehat dan Seminar Kesehatan (Health Seminar)	A one-week employee health improvement program consisting of mini medical check-ups (MCU) and health seminars under the theme "Fit at Work, Happy in Life."	- To help employees establish more consistent healthy lifestyles and gain insights from health experts - To provide employees with an overview of their current health condition through examinations.
5	Donor Darah (Blood Donation)	A routine quarterly activity conducted across all Regional Offices.	To facilitate employees in maintaining their health while contributing to society.

In addition, the Bank provides productivity-supporting facilities that further enhance the employee experience, such as co-working areas, daycare, nursery rooms, and revitalized gym centers designed to improve workplace comfort.

BTNers Club



A healthy and collaborative culture is also realized through the BTNers Club, a platform that brings together 26 sports, arts, and religious communities. The presence of the BTNers Club supports the creation of work–life harmony while providing space for employees to develop hobbies, interact across units, and expand informal networks. As part of the Employee Wellbeing Program (EWP), this initiative helps foster a more positive, inclusive, and productive work environment. In 2025, this commitment was further strengthened through the organization of BTN Mini Olympic 2025, an annual event held in conjunction with BTN's anniversary that features sports and arts competitions among employees. The event involved contingents from each Regional Office and served as a platform for self expression, sportsmanship, and cross regional collaboration. Through the BTN Mini Olympic, the Bank fosters positive energy, strengthens employee engagement, and supports work life balance as a foundation for productivity and sustainable performance.

Through the integration of well-being programs and the strengthening of internal communities, BTN seeks to safeguard employees' holistic well-being so that they can continue to contribute optimally and sustainably to the Bank's growth.

BTN Jakarta International Marathon 2025



The BTN Jakarta International Marathon (BTN JAKIM) 2025 successfully attracted 31,000 runners from Indonesia and abroad, making it one of the largest running events in the country. Organized in collaboration with the DKI Jakarta Provincial Government and various stakeholders, the event applied the 4S concept (Sterile, Secure, Safety, Smooth) in accordance with international standards and once again received World Athletics Label Road Races recognition. The participation of running communities and the general public reflects strong enthusiasm for healthy lifestyles and sports tourism in Jakarta.

The event generated significant social and economic impacts through increased hotel occupancy, MSME activities, and transaction growth in the culinary, retail, and tourism sectors. With successful implementation, BTN JAKIM 2025 contributed to the development of the sports ecosystem, strengthened community engagement, and promoted Jakarta as an international sports destination city.

Maternity Leave

Birth related leave entitlements are an important part of BTN's support for employee family well being. Through General Human Resources Policy No. KU.3 on Industrial Relations Management, the Bank clearly regulates the types of leave available to employees. Female employees are entitled to three months of maternity leave, while male employees are entitled to five days of leave to accompany the childbirth process. BTN also provides 45 days of miscarriage leave for permanent female employees and offers fertility related leave of up to 30 days in accordance with applicable regulations.

Detailed information on the implementation of these leave entitlements is presented in the following table: [\[GRI 401-3\]](#)

Maternity Leave

Description	2025		2024		2023	
	Male	Female	Male	Female	Male	Female
Number of employees entitled to maternity leave	3,874	3,068	4,597	3,593	4,506	3,520
Number of employees who took maternity leave	285	512	337	384	514	564
Returned after taking maternity leave	282	422	332	350	506	472

In 2025, BTN recorded 282 male employees and 506 female employees returning to work after maternity related leave and remaining employed for at least 12 months after their return. The return to work rate after leave reached 98.9% for male employees, while the rate for female employees was 82.4%. The post leave retention rate was 98.9% for male employees and 98.8% for female employees. These results reflect BTN's commitment to supporting sustainable employee careers, particularly for women, and the effectiveness of labor policies that promote a balance between family responsibilities and professional roles.

Pre-Retirement Program

BTN ensures that employees approaching retirement receive adequate support through the 12-month Pre-Retirement Program (Program Masa Persiapan Pensiun/MPP) designed to help employees prepare for retirement in terms of skills, mental readiness, and long-term well-being. The program covers emotional, spiritual, and intellectual aspects, enabling participants to enter retirement in a healthy, productive, and empowered manner. [GRI 404-2]

The process in the MPP is delivered through three main methods:

1. Experiential learning, which builds understanding through direct experience and interaction with other participants.
2. Quantum learning, which encourages two-way communication in a comfortable training atmosphere and motivates behavioral change.
3. Technical methods, including presentations, role-playing, discussions, case studies, independent assignments, and multimedia use.

The program is provided to permanent employees approaching retirement age as a form of appreciation for their contributions during their service at BTN, with benefits that can be tailored to each employee's individual planning needs. Upon reaching retirement age, 56 years for general employees and 36 years for certain positions such as tellers, customer service officers, and secretaries, employees are entitled to receive retirement benefits in accordance with General Human Resources Policy No. KU.3 on Employment Termination Management. These benefits include: [GRI 201-3]

1. A defined benefit program based on the formula set by the pension fund.
2. A defined contribution program derived from employee contributions of 2.5 percent, Bank contributions of 7.5 percent, and investment returns.
3. Maximum pension benefits of up to 80 percent of basic pensionable income in accordance with BTN pension fund provisions.

Through this support, BTN ensures that its employees enter retirement with better preparedness while recognizing their dedication throughout their service.

Employee Grievance Handling

Grievance Management

Healthy and communicative working relationships are viewed as an essential foundation for a safe, productive, and trust-based work environment. To support this, the Bank provides various internal communication channels that are easily accessible and designed to ensure employees can obtain information quickly and transparently. One of these is the BTNBEST digital HR platform, which serves as a central hub for information and services related to administration, policies, and employee development.

In addition, the Bank provides a structured grievance and escalation mechanism for labor and human capital issues. Complaints are submitted in stages, starting with the direct supervisor, followed by the unit head, and then the Regional Office head or the Human Capital Management Unit. If the issue remains unresolved, employees may involve the BTN Labor Union to obtain support during follow up with the Human Capital Management Unit. All processes are carried out with confidentiality and protection of the complainant's identity, handled objectively and professionally, and supported by follow up services such as counseling and assistance from professional practitioners when required.

As part of its commitment to creating an integrity-driven workplace, BTN also has a Whistleblowing System (WBS) managed by an independent third party. This system provides a secure and confidential reporting channel for employees to report alleged violations without fear of retaliation. The WBS is used not only for fraud reporting but also as a channel for complaints related to employment and human rights issues, in accordance with Technical Guideline No. 7-B.2 on Whistleblowing System Management. This facility is available at all times.

Throughout the reporting year, there were no cases of violations related to the work environment. The Bank continues to ensure a professional, safe, and mutually respectful work environment through the implementation of effective policies and monitoring mechanisms. Any indication of a violation of applicable regulations will be followed up objectively and thoroughly, and if a violation is proven, the Bank will impose

disciplinary sanctions in accordance with internal policies and applicable regulations as a manifestation of its commitment to upholding behavioral standards, maintaining fairness, and strengthening a work culture that promotes openness and psychological security.

To complement this support, BTN also provides a Legal Clinic, an online consultation service that assists employees in obtaining answers to simple legal questions related to daily tasks. This service ensures that employees always have access to accurate and reliable legal information, while strengthening transparency and certainty in daily work processes.

Employee Engagement Survey

The annual employee engagement survey aims to understand employees' work experiences, needs, and motivation levels and covers 100 percent of employees serving as a primary tool to assess the effectiveness of HR policies and identify areas for improvement.

The assessment uses a 100-point scale, with results reflecting strong engagement across various aspects. The indicators measured include benefits and compensation, performance management, talent development, leadership, collaboration, innovation, and well-being. The detailed results are presented in the following engagement index table:

Employee Satisfaction Index

Description	Unit	2025	2024	2023
Satisfaction Index (average score)	%	92	93	86
Coverage (% of employees participating in the survey)	%	89	91	93

The survey results serve as the basis for developing strategic programs to improve employee productivity, employee wellbeing, and talent management initiatives. The findings also drive improvements in communication between employees and management to support and strengthen a positive and productive work culture.

Employee Health and Safety

Occupational Health and Safety Management System [GRI 403-1, 403-2]

Occupational health and safety is fundamental in creating a safe, productive, and sustainable work environment and the principle aligns with the Bank's aspiration to become a home for Indonesia's best talents, where every employee can work in an atmosphere that ensures both physical and mental security, in accordance with Law No. 13 of 2003 on Manpower. To uphold this standard, the Bank has established a zero accident and zero occupational disease target as its primary commitment to employee protection. [GRI 3-3] [OJK F.21]

The Occupational Health and Safety Management System (*Sistem Manajemen Keselamatan dan Kesehatan Kerja*/SMK3) serves as an integrated framework for managing health and safety risks across all work units. The framework encompasses policy development, planning, implementation, monitoring, and continuous evaluation, and is formalized through: [GRI 403-1]

1. Special Policy No. 9 AG on the Occupational Health and Safety Management System; and
2. Technical Guideline No. 9 AG.1 on the Implementation of SMK3.

All policies refer to Minister of Health Regulation No. 48 of 2016, which requires all offices to implement a structured occupational health and safety system to prevent workplace accidents and occupational diseases. The development of SMK3 is also carried out adaptively to suit the characteristics of office-based operations. Regulated aspects include the establishment of OHS policies, OHS planning, implementation of work plans, monitoring and evaluation, as well as periodic review and performance improvement.

BTN's Occupational Health and Safety Management System policies and implementation apply to all parties within BTN's operational scope and cover all personnel without exception, including permanent employees, contract employees, outsourced workers,

and third parties working under BTN's supervision. SMK3 implementation covers all activities within the operational environment and is supported by a centralized recording system managed by the Human Capital Management Unit, as well as the development and implementation of standard operating procedures to ensure that all work processes comply with occupational health and safety standards. [GRI 403-7, 403-8]

The implementation of SMK3 is supported by employees certified as General OHS Experts (*Ahli K3 Umum*/AK3U), who have been prepared since 2020 through certification programs by the Ministry of Manpower. AK3U-certified employees are responsible for ensuring the effective implementation of OHS standards, identifying hazards using the hierarchy of controls principle, conducting risk assessments, and investigating reports of hazardous situations or incidents to prevent recurrence. The certification program covers, among others: [GRI 403-2, 403-5, 403-7]

1. Building support facilities such as elevators, generators, air conditioning systems, and lighting;
2. Regular medical check-ups;
3. Work equipment requirements to prevent adverse health impacts; and
4. Periodic employee rotation to maintain psychological well-being.

In addition to this main framework, the Bank also implements supporting policies, including the prohibition of narcotics and addictive substances, prevention of the spread of infectious diseases, and the management of contractors and third parties to ensure compliance with OHS standards.

These preventive efforts are complemented by the provision of consultation facilities, hazard reporting channels, and transparent communication regarding all OHS standards. Although a formal OHS committee involving management and employees has not

yet been established, the implementation of SMK3 has demonstrated positive results. Throughout the reporting year, the Bank successfully maintained a work environment free from workplace accidents and occupational diseases, underscoring the effectiveness of its safety management practices. [GRI 403-4, 403-9, 403-10]

Employee Safety Management Program [GRI 403-5]

The Bank has various programs designed to ensure that every employee can work safely. All operational offices are equipped with safety devices in accordance with government standards, including fire protection systems and evacuation facilities. The safety programs implemented include:

1. Provision of safety equipment such as fire extinguishers, smoke detectors, diesel pumps, and emergency stairways in accordance with Minister of Public Works Regulation No. 26/PRT/M/2008 on Technical Requirements for Fire Protection Systems in Buildings and Their Surroundings.
2. Routine inspections and maintenance to ensure all equipment functions optimally.
3. Certification for safety equipment operators, including lifting and transport equipment and electrical occupational health and safety, attended by Building Management personnel.
4. Provision of fire evacuation plans and safety procedures in all rooms and on all floors of buildings.
5. Implementation of emergency response training and simulations related to fire and disasters in the office environment.
6. Training and certification for General Occupational Health and Safety Experts for BTN employees and outsourced personnel as part of efforts to strengthen safety competencies.

Employee Health Management Program [GRI 403-3, 403-6]

Efforts to maintain employee well-being are carried out through the provision of comprehensive health facilities, supported by cooperation with external medical service providers. This approach ensures that every employee has access to adequate health

services covering promotive, preventive, curative, and rehabilitative aspects. With this support, employee health can be sustainably maintained while strengthening productivity and workplace comfort. Health services provided to employees include:

1. Periodic medical check-ups and medical treatment services to detect and manage diseases at an early stage.
2. Various health benefits, including inpatient and outpatient care, maternity costs, dental care, eyeglasses, hearing aids, laboratory tests, and other medical services.
3. Access to polyclinics and physicians for employees and their families.
4. Health seminars such as drug abuse prevention, HIV/AIDS awareness, and other health education programs. [GRI 403-5]
5. BPJS Kesehatan (national health insurance) coverage for employees and their families.
6. Health talk activities as an educational and literacy effort for all employees on the importance of maintaining health through a healthy lifestyle.



Harmonious Industrial Relations

Respect for freedom of association is important in creating healthy and equitable industrial relations. The Bank provides full opportunity for employees to establish, join, and participate in labor organizations, in line with Indonesia's commitment as a country that has ratified 19 International Labour Organization (ILO) Conventions. This policy affirms that open dialogue between employees and management is a foundation for maintaining harmonious employment relations, improving welfare, and resolving labor issues constructively.

This freedom is in accordance with various national regulations, including Article 28E paragraph (3) of the 1945 Constitution, Law No. 21 of 2000 on Trade Unions, and ILO Convention No. 87 of 1948 on Freedom of Association. By referring to these provisions, the Bank ensures that all employees have equal access to express their aspirations and participate in industrial relations processes. [\[GRI 3-3\]](#)

This commitment is realized through the establishment of the BTN Workers Union on 24 June 1999, which has been officially registered with the DKI Jakarta Department of Manpower under registration number Kep-2241/W.26/K.2/1000. The workers union serves as a dialogue partner to management and operates in accordance with Minister of Manpower Regulation No. 28 of 2014. Employees are given full freedom to: [\[GRI 407-1\]](#)

1. Become members of the workers union;
2. Channel their aspirations through the workers union; and
3. Participate in labor organization activities.

To foster harmonious, conducive, and sustainable industrial relations, BTN consistently upholds the principles of transparency, partnership, and constructive social dialogue between management and the labor union. This commitment is implemented through regular Bipartite Cooperation Institution meetings, which serve as a formal communication and consultation forum between management and the BTN Labor Union to discuss labor and industrial relations matters.

In 2025, BTN conducted negotiations and signed a Collective Labor Agreement for the 2025–2027 period as a commitment to strengthening constructive industrial relations. The agreement serves as the foundation for regulating the rights and obligations of both parties and reflects a mutual agreement that upholds fairness, employee protection, and legal certainty in employment relations. The 2025–2027 Collective Labor Agreement guarantees the protection of labor rights for 100% of employees and ensures that all employees (100%) who are members of the BTN Labor Union have equal access to dialogue and employment dispute resolution mechanisms. The agreement is designed to build an inclusive, productive, and sustainable workforce ecosystem, aligned with the enhancement of employee welfare and the Bank's long-term performance.

[\[GRI 2-30\]](#) [\[OJK F.19\]](#)



Social and Economic Compliance

All Bank operational activities are conducted in accordance with applicable labor regulations and socio-economic standards. This commitment is reflected in fair, transparent employment practices that respect human rights, including the prohibition of human trafficking, forced labor, child labor, and all forms of discrimination in employment relations and customer services.

In terms of OHS, the Bank consistently creates a safe, comfortable, and risk-free work environment. From an economic perspective, the Bank upholds fair competition, rejects monopolistic practices, and implements anti-corruption policies as part of responsible governance. The wage structure is maintained to remain reasonable, proportional to employee contributions, and in line with applicable labor regulations. [\[GRI 3-3\]](#) [\[SASB FN-CB-510a.1\]](#)

This commitment to compliance is reflected in the absence of fines, non-monetary sanctions, or cases brought to dispute resolution mechanisms throughout the reporting year. No violations related to labor regulations, product legality, or other social issues were identified, indicating the effectiveness of internal controls and the Bank's operational compliance. [\[GRI 2-27\]](#)

05

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Strengthening Communities through Care and Inclusion



As a financial institution that grows alongside the community, BTN is committed to delivering tangible and sustainable impact. Its role extends beyond providing financial services to acting as an active partner in social development. Through social responsibility programs, empowerment initiatives, and strengthened financial inclusion and literacy efforts, BTN addresses socio economic challenges while promoting long-term community self reliance.



This approach reinforces BTN's commitment to managing its social impact on communities and stakeholders, while ensuring that its sustainability strategy aligns with expanding inclusive and equitable access to financial services. This commitment is reflected in the ESG Roadmap and the Sustainable Finance Action Plan, which position community development, financial inclusion, and financial literacy as strategic pillars to ensure that business growth delivers broader and lasting social benefits.

In line with PER-1/MBU/03/2023 and the Sustainable Development Goals (SDGs), BTN designs programs that integrate its social role with expanded access to financial services to ensure that the initiatives implemented not only address social, economic, and environmental issues, but also create opportunities for communities to enhance financial literacy and expand access to banking services.

Corporate Social Responsibility [GRI 203-1, 203-2, 413-1] [OJK F.23, F.25, F.3]

For BTN, social contribution goes beyond compliance and reflects its commitment to grow and create shared value with the community. Through its Social and Environmental Responsibility program, BTN implements initiatives focused on community empowerment, improving quality of life, and supporting environmental preservation across its operational areas, positioning the program as a key pillar of the Sustainable Finance Action Plan and reinforcing that sustainable business performance must align with social and environmental progress.

To ensure that each program delivers measurable benefits, implementation refers to ISO 26000 on Social Responsibility. This framework ensures that each initiative is precisely targeted, delivers measurable impact, and creates added value for communities, employees, and the environment. Through this approach, the BTN continues to strengthen its role in supporting sustainable social, economic, and environmental development.

During the reporting year, total CSR realization amounted to IDR119.91 billion. Details of budget utilization are presented in the table below.

CSR Program Realization

SDG	2025 (Rp)	2024 (Rp)	2023 (Rp)
Social Pillar			
1 No Poverty	24,300,797,801	11,045,972,420	10,505,377,274
2 Zero Hunger	32,834,988,494	21,159,374,300	14,798,413,813
3 Good Health and Well-Being	3,669,211,000	14,845,051,673	12,348,435,325
4 Quality Education	9,425,235,044	8,645,104,300	12,635,697,919
5 Gender Equality	582,000,000	220,000,000	-
Environmental Pillar			
6 Clean Water and Sanitation	455,714,000	95,000,000	270,000,000
11 Sustainable Cities and Communities	9,746,385,077	14,900,539,959	14,993,831,355
12 Responsible Consumption and Production	532,678,800	1,079,576,859	-
13 Climate Action	25,000,000	295,078,954	-
14 Life Below Water	516,763,040	375,120,000	-
15 Life on Land	5,417,365,000	1,592,977,380	1,184,084,000
Economic Pillar			
7 Affordable and Clean Energy	616,347,374	1,205,465,000	50,000,000
8 Decent Work and Economic Growth	25,330,651,968	5,278,260,444	4,361,935,431
9 Industry, Innovation, and Infrastructure	4,648,205,100	6,236,867,228	2,270,000,000
10 Reduced Inequalities	836,174,388	1,445,294,797	5,734,719,287
17 Partnerships for the Goals	452,974,000	495,017,300	943,694,328
Legal and Governance Pillar			
16 Peace, Justice, and Strong Institutions	521,230,966	50,000,000	-
Total	119,911,722,052	88,964,700,614	79,996,188,732



Social Pillar



BTN's commitment to growing together with the community is reflected in various social initiatives aimed at improving the welfare and quality of life of the community in social, cultural, and religious aspects. This focus aligns with SDGs 1, 2, 3, 4, and 5, which emphasize poverty alleviation, food security, better health, access to education, and gender equality.



1. Disability Skills Development

BTN organized English language training and competency certification for 100 persons with disabilities. This program enhances participants' skills, expands employment opportunities, and promotes economic self reliance as part of BTN's commitment to widening access to jobs and empowering vulnerable groups.

2. Scholarships for the Children of BTN Outsourced Workers

As part of its social responsibility, BTN provided educational scholarships to the children of outsourced workers, including operational and security personnel. The program supported 108 beneficiaries, expanded access to education, improved family welfare, and strengthened an inclusive social ecosystem within the BTN's environment.



3. BTN Provides Assistance for the Renovation of Uninhabitable Houses

BTN President Director, Nixon L.P. Napitupulu, together with the Director of Human Capital and Compliance and the Financial Transaction Reports and Analysis Center, distributed assistance for the renovation of uninhabitable houses to communities in North Jakarta, Cikarang, and Cianjur. A total of 15 housing units received renovation support as part of BTN's commitment to improving housing quality and enhancing community welfare.

Environmental Pillar



Environmental conservation efforts are realized through natural resource management and various initiatives to preserve ecosystem sustainability. This aligns with SDGs 6, 11, 12, 13, 14, and 15, which emphasize clean water management, sustainable cities, responsible consumption and production, climate action, and the protection of terrestrial and marine ecosystems.



1. Tree and Mangrove Planting

BTN carried out the planting of 19,048 trees and 7,600 mangroves as part of its environmental conservation commitment. This program increased environmental awareness, strengthened green ecosystems, and encouraged active participation from communities and stakeholders in sustainable business practices. The activities were complemented by education and networking sessions among developers, suppliers, and other stakeholders to strengthen green business synergies that are environmentally friendly and sustainability-oriented.

2. Tree Planting in a National Strategic Project Area with the Theme “Growing Together with Nature”

BTN planted 5,000 tree seedlings in Depok to strengthen the area’s ecological function as a water catchment zone. This initiative is expected to increase CO₂ absorption capacity while supporting environmental preservation and long-term ecosystem sustainability.

Economic Pillar



Efforts to strengthen inclusive economic growth are carried out through initiatives to expand employment opportunities and develop community enterprises. These initiatives support quality and sustainable community economy, in line with SDGs 7, 8, 9, 10, and 17, which emphasize energy access, economic growth, innovation, inequality reduction, and development partnerships.



1. BTN Entrepreneurship Competition

BTN organized the BTN Entrepreneurship Competition as an innovation platform within the housing ecosystem, with 1,170 participants. The program encouraged the emergence of sustainable business ideas with positive social and environmental impacts, opened new business opportunities, strengthened participants' entrepreneurial skills, and reinforced the BTN's contribution to building an inclusive and competitive housing sector.

2. MSME Development Training

The MSME development training program focused on enhancing the capacity of business actors in the property and housing sectors. Through mentoring sessions and workshops, BTN strengthened managerial capabilities and access to financing to enable MSMEs to grow sustainably within the national housing ecosystem. The program successfully reached 250 MSMEs, delivering a positive impact on the capacity and skills of business owners.



Legal and Governance Pillar



Efforts to improve legal compliance and governance are carried out through transparent, accountable, and integrity-based policies and oversight, supporting the creation of effective, fair, and professional institutions in line with SDG 16.



1. Support for Facilities and Infrastructure of Rifka Annisa Women's Crisis Center

BTN is committed to delivering its Social and Environmental Responsibility (TJSL) programs under the Law and Governance Pillar by supporting Rifka Annisa Women's Crisis Center. Rifka Annisa is a women's crisis center in Yogyakarta that focuses on eliminating gender-based violence against women and children through comprehensive support services. The organization also advocates for policies that are more responsive to violence against women and contributes to prevention efforts through training, research, and multi-stakeholder partnerships.

2. Support for a High-Profile Case (HPC)

Support for the High-Profile Case (HPC) involving Susanti binti Mahpud Dharab represents comprehensive assistance for a case receiving significant public attention and requiring special sensitivity. This support is provided to help ensure the case is handled professionally and transparently, in accordance with applicable laws and regulations. Susanti binti Mahpud Dharab is an Indonesian migrant worker from Karawang, West Java, who faced the death penalty in Saudi Arabia. BTN participated in a donation drive to help cover the required penalty payment and support efforts to save her life.

CSR Outcome

Assessing the success of a social program cannot rely solely on output or the size of the budget; it must also be evaluated on the changes experienced by the community. Based on this principle, the Social Return on Investment (SROI) approach is applied to understand the social and environmental value created by each sustainability initiative. SROI indicates the social value generated for every rupiah invested; for example, an SROI ratio of 3:1 means that an investment of one rupiah produces social benefits equivalent to three rupiah for the community.

This approach provides a more comprehensive picture of the extent to which programs address community needs, deliver tangible benefits, and create long-term impact. Every rupiah spent is assessed in terms of its social return, enabling more targeted and effective decision-making and program planning.

The results of the SROI assessment for several sustainability programs are presented in the table below, illustrating the social contributions generated throughout the reporting year. [\[GRI 413-1\]](#)

Table of CSR Outcome

Program Name	Program Objective	Target Beneficiaries	SROI Ratio
BTN Housingpreneur	Strengthen the capacity of micro, small, and medium enterprises operating across housing related value chains, including design, housing development, material innovation, and supporting sectors within the housing ecosystem.	Students and the general public	2.22
Home Renovation for Substandard Housing	Improve housing quality for low income communities.	Communities in Lagoa Subdistrict, North Jakarta; Hegarmukti Village, Cikarang Bekasi; and Margaluyu and Girimukti Villages, Cianjur Regency	0.45
Ruang Guru MSME Training Program	Strengthen MSME capacity through improved digital skills, business management, and sustainable entrepreneurship development.	BTN Rumah BUMN participants	2.13
Stunting Prevention and Reduction Program	Support child health and balanced nutrition through the provision of supplementary food.	25 children across five subdistricts	2.35
International Training and Certification for Persons with Disabilities Batch 1	Enhance the capacity and competitiveness of persons with physical disabilities to access more decent, equal, and inclusive employment opportunities.	50 participants	2.70
International Training and Certification for Persons with Disabilities Batch 2	Enhance the capacity and competitiveness of persons with physical disabilities to access more decent, equal, and inclusive employment opportunities.	50 participants	1.54
Planting of 5,000 Trees	Support environmental conservation, ecosystem quality improvement, and climate change mitigation through increased green vegetation cover.	Communities in Depok City	2.29
Urban Green Transformation Urban Farming	Support urban food security, environmental quality improvement, and community empowerment through sustainable urban farming.	Communities in Kalisari Subdistrict, Pasar Rebo District, East Jakarta	1.60
Planting of 5,000 Trees	Support environmental conservation, ecosystem quality improvement, and climate change mitigation through increased green vegetation cover.	Communities in the upper watershed of the Citarum River Basin	2.30
Mangrove Restoration and Capacity Building for Blue Carbon 7,500 seedlings	Protect coastal ecosystems, mitigate climate change, and strengthen community empowerment based on sustainable natural resource management.	Communities in Lantebung Makassar, Wonokerto Pekalongan, and Mangrovesari Kaliwlingi Brebes	0.82

Financial Inclusion and Literacy [FS6] [SASB FN-CB-240A.2]

BTN provides financing to the Micro, Small, and Medium Enterprises segment as part of its commitment to promoting inclusive economic growth, with a focus on targeting underserved communities with limited access to financial services. This commitment is implemented through several MSME financing programs with distinct characteristics and target segments, as outlined below.

In the reporting year, BTN's MSME financing recorded outstanding balances of Rp140,585 million in the past due category, reflecting non performing loans, and Rp175,566 million in the nonaccrual category, which have been classified as write offs. Past due refers to loans that have exceeded their payment due date, while nonaccrual refers to problem loans for which interest income is no longer recognized due to indications that the borrower is unable to meet repayment obligations. [FN-CB-240a.2]

Micro and Small Enterprise Financing Program (PUMK)

Empowering micro and small enterprises is one of the Company's main priorities in its social programs. Through the Micro and Small Enterprise Financing Program (PUMK), efforts are made to strengthen business capacity so that entrepreneurs can grow, improve competitiveness, and make tangible contributions to the local economy. The program also serves as a bridge for business actors who have potential but do not yet meet the requirements of conventional bank financing.

PUMK financing is provided in a measured manner by considering business sectors and operational areas, ensuring that the benefits are more targeted. PUMK funding was distributed in a structured manner through partnership schemes with third parties, with a total allocation of Rp11 billion and Rp6.55 billion disbursed to 161 assisted partners during the reporting year.

Number of Assisted Partners (Business Activities) and Funds Disbursed

Description	2025	2024	2023
Number of Assisted Partners	161	498	170
Total Funds Disbursed (in Rp million)	6,554	14,850	9,162

Realization of UMK Financing Program Disbursement by Business Sector [SASB FN-CB-410a.1]

No	Business Sector	2025		2024		2023	
		Rp Million	%	Rp Million	%	Rp Million	%
1	Industry	606	9.25	601	4.05	170	1.85
2	Trade	4,019	61.32	6,014	40.50	6,539	71.27
3	Agriculture	385	5.87	45	0.30	95	1.04
4	Plantation	50	0.76	-	-	550	6.00
5	Livestock	135	2.05	226	1.52	95	1.04
6	Fisheries	120	1.83	190	1.28	100	1.09
7	Services	1,065	16.24	2,347	15.80	1,622	17.70
8	Others	175	2.67	5,427	36.54	-	-
Total		6,554	100.00	14,850	100.00	9,162	100.00

Realization of UMK Financing Program Disbursement by Region [SASB FN-CB-410a.1]

No	Region	2025		2024		2023	
		Rp Million	%	Rp Million	%	Rp Million	%
1	Sumatra	-	-	-	-	935	10.20
2	DKI Jakarta	375	5.72	-	-	788	8.60
3	DI Yogyakarta	489	7.46	781	5.26	115	1.26
4	West Java and Banten	134	2.04	2,935	19.77	1,882	20.63

No	Region	2025		2024		2023	
		Rp Million	%	Rp Million	%	Rp Million	%
5	Central Java	4,110	62.71	1,760	11.86	1,002	10.94
6	East Java	1,446	22.06	1,517	10.22	980	10.70
7	Bali	-	-	410	2.76	60	0.65
8	East Nusa Tenggara	-	-	-	-	880	9.60
9	West Nusa Tenggara	-	-	-	-	525	5.73
10	Kalimantan	-	-	480	3.23	780	8.51
11	Sulawesi	-	-	6,966	46.91	970	10.59
12	Maluku	-	-	-	-	245	2.67
13	Papua	-	-	-	-	-	-
Total		6,554	100.00	14,850	100.00	9,162	100.00

Micro, Small, and Medium Enterprises Loan Program (KUMKM)

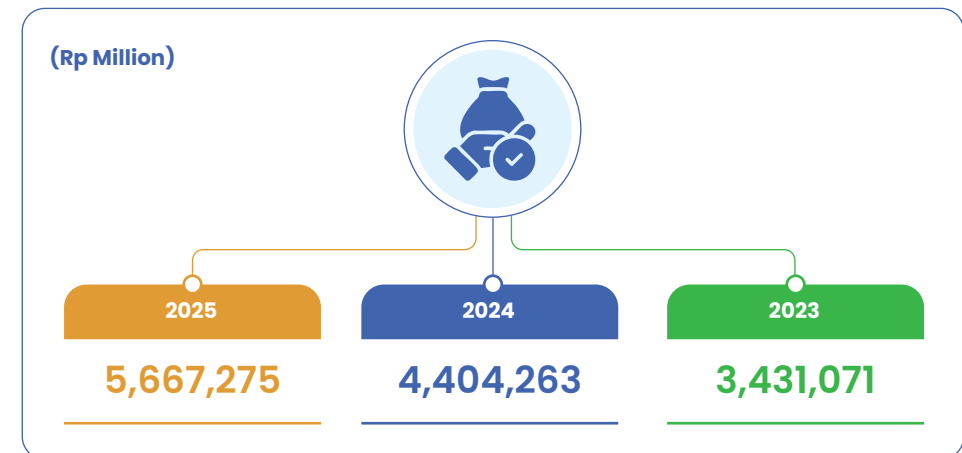
Improving access to financing for MSMEs is an important part of the sustainable economic empowerment strategy. Through the provision of working capital and investment financing, support is extended to MSMEs with potential and feasibility across various economic sectors. This not only helps expand business capacity but also encourages productivity, competitiveness, and readiness to grow in an increasingly competitive market.

As part of its economic intermediation role, the KUMKM program is designed to provide financing of up to IDR5 billion to business actors, enabling them to strengthen operations, increase production capacity, and create more employment opportunities. This initiative has a direct impact on local economic growth and community welfare. [SASB FN-CB-240a.1]

To expand outreach and improve the effectiveness of MSME credit distribution during the reporting year, BTN implemented the following strategies:

- Human Capital Competency and Capability
 - Implement MSME development programs; and
 - Optimize databases covering
 - Increase sales productivity;
 - Add outsourced sales and

- collection personnel;
 - Establish dedicated call desks for MSME credit;
 - Provide on site support to Branch Offices; and
 - Deliver targeted training for sales staff.
 - Business Process
 - Portfolio quality reviews;
 - Implementation of stop-and-go procedures; and
 - Improvement of credit processes through BTN Laku.
 - Value Chain & Ekobiz
 - Optimize sales across customer value chains and ecobiz segments;
 - Support debtor upgrading to higher business classes;
 - SME Debtor Savings Transactions
 - Implement bundling programs for Business Savings, QRIS or EDC, and Cash Management Services; and
 - Develop propositions to encourage debtor savings and transaction activity.
 - Partnerships and Sector Expansion
 - Develop strategic partnerships; and
 - Expand SME lending to high growth sectors with low non performing loan levels.
- The following is BTN's KUMKM credit distribution portfolio (Rp Million):



KUMKM Credit Distribution by Economic Sector [FS6, FS7] [SASB FN-CB-410a.1]

Economic Sector	Total Distribution (Rp Million)		
	2025	2024	2023
Agriculture, Hunting, and Forestry	17,647	17,777	12,700
Fisheries	6	-	-
Mining and Quarrying	-	-	-
Manufacturing	28,131	47,499	27,809
Electricity, Gas, and Water	46,592	8,015	22,063
Construction	3,915,168	2,833,438	2,465,069
Wholesale and Retail Trade	967,301	1,049,866	582,679
Accommodation and Food Services	29,444	44,881	30,175
Transportation, Warehousing, and Communication	92,027	24,418	32,381
Real Estate, Rental, and Business Services	179,524	153,945	85,942
Education Services	750	700	1,500
Health and Social Services	6,500	-	-
Community, Social, Cultural, Entertainment, and Personal Services	300,234	158,791	124,528
Activities Not Clearly Defined	83,952	65,532	45,864
Total	5,667,275	4,404,263	3,431,071

KUMKM Credit Distribution by Province [FS6, FS7]

Province	Total Distribution (Rp Million)		
	2025	2024	2023
Aceh	-	112,768	-
North Sumatra	218,786	49,630	110,036
West Sumatra	86,424	35,670	35,333
Riau	130,355	91,963	36,113
Jambi	100,212	111,483	75,955
South Sumatra	137,184	22,218	85,007

Province	Total Distribution (Rp Million)		
	2025	2024	2023
Bengkulu	27,707	92,584	28,955
Lampung	107,680	55,621	59,467
Riau Islands	116,022	73,286	42,869
Bangka Belitung	53,930	579,815	29,874
DKI Jakarta	577,018	938,274	489,751
West Java	1,149,051	404,100	748,559
Central Java	397,037	31,866	275,130
D.I. Yogyakarta	52,947	678,309	38,428
East Java	810,937	506,216	411,762
Banten	537,959	55,715	360,785
Bali	67,543	39,345	49,555
West Nusa Tenggara	57,671	25,684	40,670
East Nusa Tenggara	49,625	-	29,245
North Kalimantan	22,656	23,469	9,225
West Kalimantan	75,878	15,807	32,507
Central Kalimantan	17,136	50,985	20,087
South Kalimantan	127,483	47,053	77,177
East Kalimantan	58,977	5,085	47,323
North Sulawesi	64,185	26,020	30,546
West Sulawesi	45,461	45,489	10,172
Central Sulawesi	88,279	157,894	37,041
South Sulawesi	256,323	51,004	132,119
Southeast Sulawesi	100,002	21,580	53,022
Gorontalo	41,833	27,606	12,967
Maluku	15,659	6,912	913
North Maluku	58,346	13,627	15,206
Papua	16,969	7,185	5,274
Total	5,667,275	4,404,263	3,431,071

People's Business Credit (KUR)

Since 2017, BTN has supported government policy in strengthening capital for the real sector through the distribution of People's Business Credit (KUR). This support is realized by providing financing access to micro, small, and medium enterprises, particularly in construction, housing, and related supporting sectors. Through KUR Micro and KUR Small, financing is provided for both working capital and investment needs, helping strengthen borrowers' business capacity and create opportunities to increase productivity.

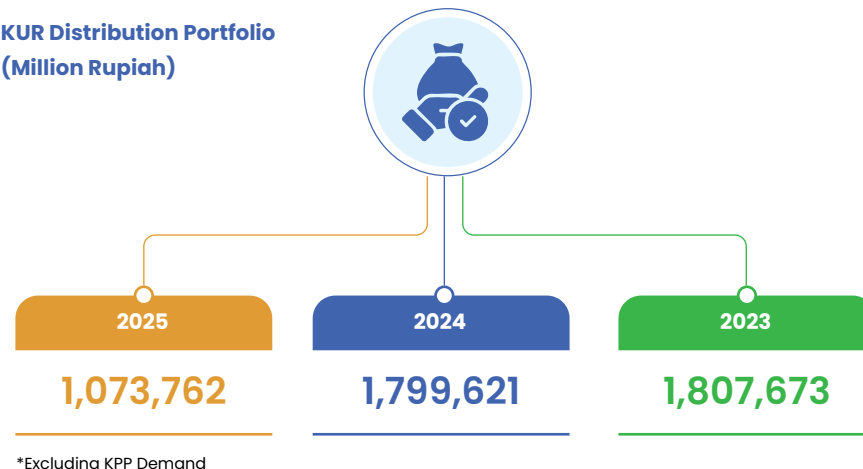
The KUR scheme is designed to reach bankable MSMEs that do not yet have access to conventional financing, including those without additional collateral. Financing is provided not only to individuals and small businesses but also to business entities and productive business groups that meet eligibility criteria.

To ensure optimal distribution, BTN implemented the following strategies during the reporting year:

- Increasing high-yield loan distribution (Eagle Project)
 - Direct KUR sales to mortgage (KPR) debtors and other consumer credit customers.
 - KUR sales segmentation based on ecosystems or communities according to regional potential through BPI SME.
- Increasing awareness and engagement
 - Conducting various socialization activities to introduce KUR products to MSME actors.

During 2025, BTN disbursed KUR Micro and KUR Small to 8,788 debtors with a total plafond of IDR1.07 trillion. The complete KUR distribution portfolio is presented below.

KUR Distribution Portfolio (Million Rupiah)



KUR Distribution (Bank) [FSB]

KUR BTN	2025 Realization		2024 Realization		2023 Realization	
	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors
Micro	369,106	6,429	543,593	9,067	249,906	3,965
Small	704,656	2,359	1,265,028	3,943	1,557,767	4,249
Total	1,073,762	8,788	1,799,621	13,010	1,807,673	8,214

*Excluding KPP Demand

KUR Distribution by Economic Sector [FS6, FS7] [SASB FN-CB-410a.1]

Economic Sector	Total Distribution					
	2025		2024		2023	
	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors
Agriculture, Hunting, and Forestry	10,975	24	11,660	36	39,298	118
Fisheries	600	2	1,515	7	6,560	36
Mining and Quarrying	-	-	830	5	-	-
Manufacturing	26,441	196	27,443	207	37,124	204
Electricity, Gas, and Water	3,085	21	3,663	31	6,100	37
Construction	57,920	137	191,400	452	511,569	1,097
Wholesale and Retail Trade	654,999	5,825	1,104,183	8,729	811,480	4,592
Accommodation and Food Services	153,586	1,238	199,297	1,574	147,147	926
Transportation, Warehousing, and Communication	11,840	68	20,354	77	17,862	64
Real Estate, Rental, and Business Services	15,756	59	24,010	102	30,976	123
Financial Intermediation Services	-	-	-	-	-	-
Education Services	3,310	21	5,360	36	4,750	26
Health and Social Services	14,240	60	-	-	-	-
Community, Social, Cultural, Entertainment, and Personal Services	91,851	824	137,450	1,132	112,124	586

Economic Sector	Total Distribution					
	2025		2024		2023	
	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors
International Organizations and Other Extraterritorial Bodies	-	-	-	-	-	-
Personal Services for Households	-	-	-	-	-	-
Activities Not Clearly Defined	29,160	313	72,456	622	81,284	402
Total	1,073,762	8,788	1,779,621	13,010	1,807,673	8,214

*Excluding KPP Demand

KPP Distribution by Province [FS6, FS7]

Province	Total Distribution					
	2025		2024		2023	
	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors
Bali	46,117	353	45,550	350	26,200	141
Bangka Belitung	12,202	62	27,572	101	26,387	80
Banten	48,610	509	123,974	1,178	147,576	907
Bengkulu	7,870	50	22,251	106	19,293	67
D.I., Yogyakarta	33,272	233	49,264	323	31,116	176
DKI Jakarta	98,986	917	160,266	1,349	165,798	921
Gorontalo	19,445	128	17,203	100	11,416	92
Jambi	11,808	77	40,730	127	53,880	114
West Java	176,646	1,819	337,849	3,021	422,064	1,879
Central Java	104,711	952	192,144	1,439	148,096	731

Province	Total Distribution					
	2025		2024		2023	
	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors
East Java	142,098	1,292	222,843	1,800	230,475	1,093
West Kalimantan	22,068	94	25,739	135	19,649	56
South Kalimantan	16,903	162	17,070	180	53,781	164
Central Kalimantan	18,610	116	14,468	97	9,526	46
East Kalimantan	7,290	77	15,455	117	17,364	110
North Kalimantan	2,285	24	9,675	71	9,690	82
Riau Islands	18,527	130	48,185	217	36,322	133
Lampung	17,789	106	20,332	124	17,775	110
Maluku	10,195	48	12,848	71	13,023	78
North Maluku	3,015	20	12,050	79	12,610	85
Aceh	-	-	-	-	-	-
West Nusa Tenggara	14,641	137	20,495	216	16,180	78
East Nusa Tenggara	18,925	171	14,587	133	8,796	42
Papua	5,780	72	8,965	93	16,212	121
Riau	16,601	92	33,470	169	63,280	130
West Sulawesi	18,175	54	20,975	67	14,066	52
South Sulawesi	44,284	256	83,899	380	40,980	217
Central Sulawesi	15,585	85	12,398	71	11,860	38
Southeast Sulawesi	26,894	156	25,800	90	15,500	44
North Sulawesi	6,690	73	8,071	72	9,349	56
West Sumatra	19,676	98	23,890	116	21,860	55
South Sumatra	16,555	85	24,717	123	40,980	109
North Sumatra	51,510	340	106,887	495	63,641	207
Total	1,073,762	8,788	1,799,621	13,010	1,807,673	8,214

*Excluding KPP Demand

Housing Program Loans (KPP)

Housing program loans (KPP) are financing facilities provided to support the sustainable development of the housing sector by strengthening both the supply and demand sides of housing. The program is intended for business actors within the housing ecosystem, including developers and micro, small, and medium enterprises, to accelerate the provision of adequate housing and promote inclusive economic activity.

Through KPP, financing is provided in the form of working capital and investment loans to support housing development, purchase, and renovation activities in accordance with applicable provisions. The scheme is designed to strengthen the capacity of housing sector businesses, maintain the continuity of the housing supply chain, and contribute to sustainable economic and social value creation.

In general, KPP covers the following:

- Financing on the housing supply side for developers and housing support businesses to support housing construction and procurement.
- Financing on the housing demand side for MSMEs and business actors for the purchase, construction, or renovation of housing that supports business activities.

KPP disbursement forms part of BTN's efforts to expand access to housing finance, support national housing programs, and strengthen the contribution of the housing sector to inclusive and sustainable economic development. Details of KPP disbursement are presented in the following table.

KPP Realization [FS6, FS7] [SASB FN-CB-410a.1]

KPP BTN	2025	
	Credit Limit (Rp Million)	Debtors
KPP Supply	2,389,138	749
KPP Demand	262,742	1,097
Total	2,651,880	1,846

KPP Realization by Province [FS7]

Province	KPP Supply		KPP Demand		Total	
	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors
Bali	19,658	9	6,832	30	26,490	39
Bangka Belitung	18,148	6	1,273	6	19,420	12
Banten	159,268	47	21,030	91	180,298	138
Bengkulu	24,356	7	826	7	25,183	14
DI Yogyakarta	14,498	4	3,719	15	18,217	19
DKI Jakarta	188,564	51	27,814	86	216,378	137
Gorontalo	12,528	4	1,000	3	13,528	7
Jambi	47,141	16	1,198	9	48,339	25
West Java	519,822	154	73,526	268	593,348	422
Central Java	158,117	55	22,821	114	180,939	169
East Java	343,306	100	47,894	235	391,200	335
West Kalimantan	47,080	13	3,162	11	50,243	24
South Kalimantan	75,069	28	2,613	12	77,682	40
Central Kalimantan	22,228	9	1,314	7	23,542	16
East Kalimantan	19,390	6	6,205	21	25,595	27
North Kalimantan	3,080	2	3,425	13	6,505	15
Riau Islands	44,771	12	4,794	27	49,565	39

Province	KPP Supply		KPP Demand		Total	
	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors	Credit Limit (Rp Million)	Debtors
Lampung	52,061	17	4,957	23	57,019	40
Maluku	1,450	1	960	3	2,410	4
North Maluku	13,411	4	2,370	11	15,781	15
West Nusa Tenggara	47,958	17	1,412	7	49,369	24
East Nusa Tenggara	33,750	11	3,447	13	37,197	24
Papua	5,500	2	136	1	5,636	3
Riau	50,645	19	2,838	15	53,484	34
West Sulawesi	28,232	11	118	1	28,350	12
South Sulawesi	107,890	36	6,991	27	114,881	63
Central Sulawesi	34,335	10	1,500	3	35,835	13
Southeast Sulawesi	76,952	25	548	4	77,500	29
North Sulawesi	20,186	8	795	2	20,981	10
West Sumatra	39,739	16	2,180	8	41,919	24
South Sumatra	57,710	17	1,836	12	59,546	29
North Sumatra	102,294	32	3,207	12	105,501	44
Total	2,389,138	749	262,742	1,097	2,651,880	1,846

Branchless Banking (balé Agent) ^[FS16]

The expansion of access to formal financial services is implemented through the Laku Pandai (Officeless Financial Services for Financial Inclusion) program initiated by the Financial Services Authority (OJK) and aligned with the National Strategy for Financial Inclusion (SNKI). This program targets communities that have not yet been reached by banking services, including remote areas and groups vulnerable to informal financing practices.

Through this scheme, BTN has established a network of agents as an extension of banking services at the community level. The public can conduct basic transactions easily and close to their place of residence, including account opening, cash deposits and withdrawals, bill payments, fund transfers, balance inquiries, mini statements, PIN changes, and the purchase of financial products. This initiative not only expands financial inclusion but also enhances financial literacy and provides additional income opportunities for individuals who join as agents.

The general requirements to become a balé Agent include the following:

1. Registration is conducted through the nearest Branch Office or Sub-Branch Office.
2. Prospective agents must be BTN customers with an active savings account used to accommodate deposits, commissions, and transaction fees.
3. Have a business that has been operating for at least one year.
4. Possess a valid business license, at a minimum a certificate from the local neighborhood authority (RT).
5. Not be listed on Bank Indonesia's National Blacklist.
6. Successfully pass the Bank's due diligence process.



As of 2025, there are

6,300

balé Agents distributed across Indonesia.

The Student Savings Program (SimPel) ^[FS16]

The Student Savings Program (SimPel) is one of BTN's key initiatives to expand financial inclusion among the younger generation. Through a simple savings mechanism, free of administrative fees, and easily accessible to students from elementary school to high school levels are introduced to the importance of saving, money management, and basic financial planning from an early age. The simplicity of the requirements allows more students to connect with formal financial services at a young age.

In 2025, the program reached more than 858,276 participants across various regions in Indonesia. The educational focus was directed toward digital financial training, enabling students to understand banking products and manage finances more wisely. Collaboration with schools, educational institutions, and local communities expands the program's reach, including in areas with limited access to financial services.

Financial education was also extended to the general public, particularly in remote areas, to help communities use banking services more effectively. This increase in financial knowledge is expected to encourage the use of a wider range of banking products while supporting local economic empowerment.

Proportion of Account Ownership ^[SASB FN-CB-240a, FN-CB-240a.3]

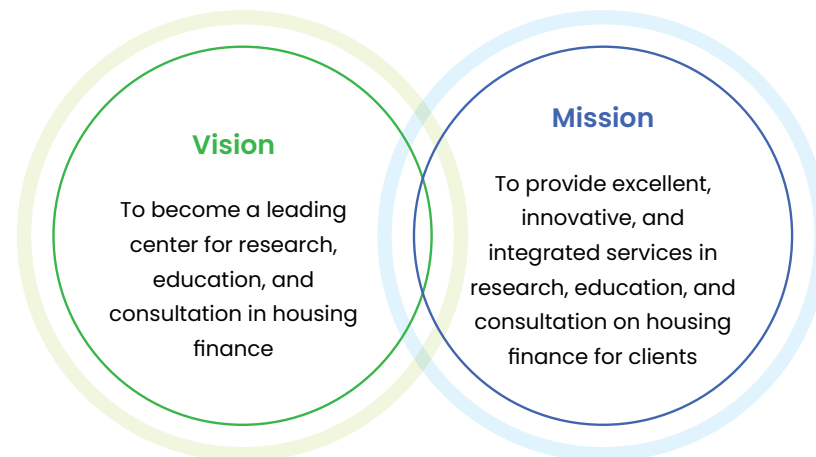
Description	2025	2024	2023
Total Account			
Total savings product accounts	7,045,749	6,139,468	7,099,737
SimPel Accounts			
Total accounts	850,879	824,069	795,592
Percentage of total accounts	12.18%	13.42%	11.00%

The 4.15% increase compared with the previous year was driven by the strengthening of financial education and literacy programs, as well as collaboration with schools, which supports one of BTN's strategies to increase low cost funding.

Housing Finance Center (HFC) [FS16]



The large number of households in Indonesia that still do not own homes indicates that the housing sector continues to have significant potential for sustainable growth, supported by the increasing number of new families and facilitation of homeownership. HFC leverages this opportunity to support the growth of the housing sector in Indonesia. HFC was established on October 16, 2014, with the following vision and mission.



HFC Functions

Through HFC, the commitment to supporting housing supply and fostering new developers in the housing sector is strengthened. This role is carried out through three main functions that serve as the pillars of HFC's business:



- Learning** The Indonesian housing finance education center through various education and training programs.
- Advisory** The Indonesian property and housing finance consultation center to assist stakeholders (communities, developers, and government) in decision-making.
- Research** The Indonesian housing finance information and innovation center through various scientific studies related to markets, business actors, and housing industry trends.

From these three main activities, several derivative programs have been developed, including:

Main HFC Activities		
Function: Learning	Mini MBA in Property	The Mini MBA in Property program is a collaboration between HFC and SBM-ITB and is regularly conducted to develop new entrepreneurs in the property industry. Since 2016, this program has been implemented on a continuous basis. In 2025, the program was conducted in three batches, namely Batch 23, Batch 24, and the Makassar (in-house) batch. Through this program, more than 800 graduates have been produced.
	Literacy Seminars / Public Lectures / Workshops / Talks	HFC actively organizes seminars, public lectures, workshops, and talkshows in collaboration with various institutions, universities, and associations to enhance audience understanding of the property business, banking digitalization, and other relevant topics. In 2025, the following activities were conducted: - Indonesia Property Outlook 2025 in the Midst of National Economic Slowdown. - Public Lecture and Talkshow at Universitas Negeri Malang titled "Unlocking Business Opportunities Amidst Global Economic Shifts and Digital Transformation". - Public Lectures at Universitas Udayana and Universitas Diponegoro titled "Green Financing in the Digital Era for a Sustainable Economy." - Scientific Oration at Universitas Negeri Padang titled "Green Financing in the Digital Era for a Sustainable Economy."
Function: Advisory	Advisory Clinic	The Advisory Clinic is a program designed to enable participants and alumni of HFC Learning Programs to engage in more intensive discussions or consultations with instructors to deepen their understanding of the materials taught during class training. The Advisory Clinic conducted in 2025 was titled "Understanding Housing Consumer Behavior to Increase Sales."
Function: Research	BTN HPI (House Price Index)	The BTN House Price Index presents data on changes in housing prices at the national, regional, provincial, and district/city levels, based on mortgage realizations with similar quality and characteristics, including non-subsidized mortgages. The index covers various housing types (21–36, 37–45, and 46–70) as well as a number of districts/cities. Data are published quarterly, with monthly calculations using the matched sales method.
	National Economic Forum Publications	HFC research results are published through annual national scientific forums, including those organized by Bank Indonesia, OJK, ISEI, and Perbanas, in accordance with the themes of each event.
	Implemented Research	Research and studies conducted by HFC in 2025 include: - Economic and Housing Update 2025 - House Price Index Study FY2024 - Preliminary Study on the Establishment of Danantara - Preliminary Study on the Establishment of the BTN Research Institute - Study on the Impact of the Three Million Houses Program on the Economy and Employment Absorption - Study on Trump Tariffs - Discussion on Developments and Outlook of Household Consumption, Investment, and Consumer Credit 2025–2026 - Regional Potential Study - Housing Finance Schemes - Feasibility Study on the Establishment of the BTN Research Institute - BTN Deposit Market Share - BTN Mortgage Market Share - Study on Redesigning Housing Finance Schemes - Study on Factors Behind the Decline in Non-Subsidized Mortgage Market Share - Study on Reducing Cost of Funds (CoF) for Deposits - BTN Research Institute FS with ITB - Industry Outlook 2026 - Informal Sector Study
	Research Fellowship	HFC collaborates with researchers, academics, and practitioners from universities and research institutions for knowledge transfer, with the aim of enhancing the competence, capacity, and capability of HFC researchers in research related to economic development and BTN business development.



Other Financial Literacy Programs [FS16]

BTN strengthens financial literacy through partnerships with financial education organizations, as well as collaboration with educational institutions, government agencies, and local communities, with initiatives specifically designed to reach specific demographic groups. Various training sessions and socialization activities are conducted to expand public understanding of financial management, particularly in relation to banking and housing finance.

One of the main initiatives is a financial inclusion program targeting university students and campus communities. Through collaboration with higher education institutions, participants gain a basic understanding of personal financial management, financial planning, and the importance of access to banking services. This program also reaches unbanked communities to improve access to formal financial services.

Education on banking products, including payroll services, is also expanded through socialization activities to various government institutions. This approach helps communities understand the benefits of banking services while encouraging more prudent use of financial products.

Through these initiatives, BTN seeks to accelerate financial inclusion and strengthen community economic empowerment. This program is expected to foster financial literacy from an early age and encourage the younger generation to play an active role in sustainable economic development.



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Driving Innovation in Financial Products and Digitalization



As a financial intermediary, BTN bears indirect responsibility for the environmental and social impacts arising from its debtors' activities, as inadequate management can increase credit risk and affect the Bank's reputation. Therefore, the management of environmental and social aspects forms an integral part of banking risk management.



BTN Service Roadmap

As part of a commitment to realizing its vision as “the leading partner in empowering Indonesian families financially” and its mission to “deliver the best customer experience through integrated digital and financial services,” BTN has formulated a Service Vision supported by 19 key initiatives which serves as a strategic guide for service development and the foundation for the BTN Service Roadmap 2023–2025.

The roadmap was developed based on an initial survey to capture the Voice of Customer (VoC) through the measurement of the Customer Experience Index (CEI). Approved by the Board of Directors and disseminated to Senior Executive Vice Presidents (SEVPs), relevant division heads (product and channel owners), as well as Regional Office Heads 1 and 2 through a forum organized by the Customer Experience Division in collaboration with external consultants, the BTN Service Mission was also agreed upon as a further articulation of the Service Vision, and Service Values were established.

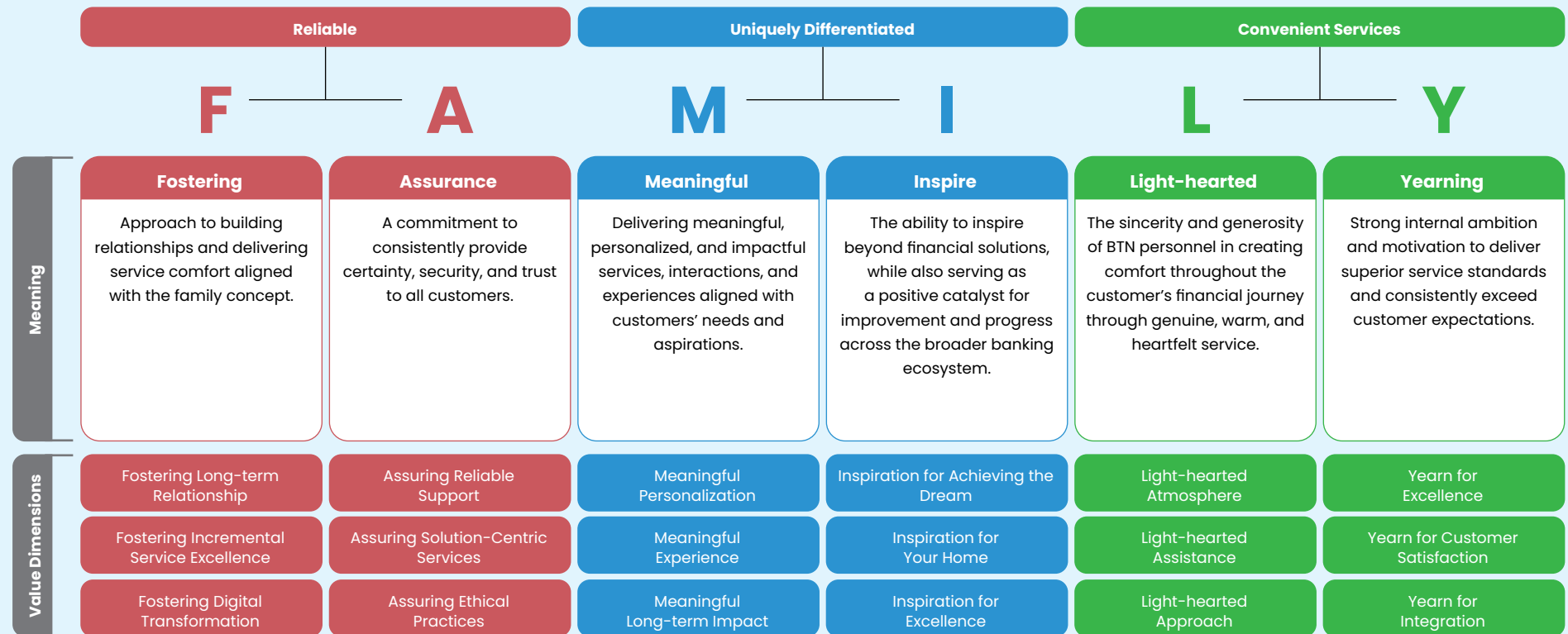
BTN Service Vision

To deliver a reliable, uniquely differentiated, convenient service beyond customer expectations

BTN Service Mission

1. To cultivate an integrated service culture across the organization by adopting a solution-centric approach to achieve service excellence.
2. To establish consistent service standards across all service channels and customer touchpoints, ensuring a seamless and exceptional experience at every interaction.
3. To become a trusted financial partner and housing advisor by delivering distinctive services grounded in organizational authenticity.
4. To provide the best service experience by focusing on customer expectations and serving customers as we would our own family, with genuine warmth and care.

BTN Service Values



BTN has established FAMILY as its Service Values framework, reflecting services that are reliable (Fostering and Assurance), uniquely differentiated (Meaningful and Inspire), and convenient (Light-hearted and Yearning), with an approach that engages customers as valued members of the BTN family. To support the Service Mission and drive customer acquisition and loyalty, Solution-Centric is now a core value by providing basic advisory services for new customers and advanced advisory services for existing and churning customers.

In alignment with the Service Blueprint, service enhancement focuses on the three key dimensions—people, process, and physical evidence—as the new standard across all service channels. This is the foundation for the implementation of the BTN Service Roadmap 2023–2025, structured as follows:

BTN Service Roadmap 2023–2025 Implementation Plan

1.

Quick Win

- Solution-Centric Response Mechanism
- Service-focused Squad
- FinEase Acceleration
- BTN Care

2.

Mid-Term

- Service Competency Enhancement Program (S-CEP)
- BTN Mobile Advancement
- CRM Empowerment
- BTN Housing & Mortgage Advisory

3.

Long-Term

- Hackathon
- BTN Heritage

Referring to the Service Program Prioritization discussed and agreed upon within the BTN Service Roadmap 2023–2025, four Quick Win Service Programs have continuously implemented service quality improvement strategies since 2023. The following strategies and programs achieve these objectives:

1. **FinEase Acceleration**

The FinEase (Finish-Ease) Acceleration program focuses on improving service quality at the first point of customer interaction with BTN, particularly the account opening process and the execution of consumer loan agreements, to deliver a better customer experience. As part of the implementation, BTN has enhanced several entry points, including:

a. **FinEase Acceleration: Account Opening**

Service enhancements focused on accelerating the account opening process for walk-in customers at each outlet, in line with established Service Level Agreements (SLAs). These improvements were implemented through the following measures:

- Refining the account opening service flow.
- Optimising the layout and placement of bank staff to support process efficiency.
- Digitising the account opening process.
- Strengthening the competency and capacity of service staff, including the use of an effective and efficient account opening script.

b. **FinEase Acceleration: Consumer Loan Agreement**

As BTN's core business, mortgage services (KPR) often serve as the public's

primary entry point and a key touchpoint that shapes the overall customer experience. In line with efforts to improve customer satisfaction, BTN refined its lending service process, particularly at the loan agreement execution stage, through the following initiatives:

- Setting maximum time limits and standard durations for loan agreement execution.
- Digitising the delivery of information during the agreement stage to ensure prospective borrowers understand their rights and obligations as BTN borrowers.
- Improving comfort during the agreement process by setting layout arrangements and minimum standards for supporting facilities at the agreement venue.

2. **Solution-Centric Response Mechanism**

Service improvement strategies for handling customer complaints, including both soft and hard complaints, have been standardised across all BTN outlets through the following measures:

- Establishing Standard Operating Procedures (SOPs) and providing supporting infrastructure to enable bank staff to resolve customer complaints.
- Conducting training for all frontliners on handling customer complaints at BTN outlets.

3. **Service-focused Squad**

BTN has established a service organisation to ensure consistent implementation of service standards while fostering a learning culture and environment. In line with

the Service Roadmap, BTN assigned additional service staff at each branch office in the form of Duty Officers to support fast service delivery. Duty Officers help improve branch operational efficiency, accelerate service processes, and ensure a smooth customer experience when conducting transactions and receiving services at branch offices.

4. **BTN Care**

BTN Care is an initiative to meet regulatory requirements while strengthening service access for customers with special needs, including those with disabilities, the elderly, pregnant women, and breastfeeding mothers, by improving branch facilities and

infrastructure. The program also supports a family-friendly service environment by providing rooms and facilities that enhance customer comfort during transactions. BTN Care facilities include:

- a. Accessibility facilities for persons with disabilities, such as wheelchair ramps or pathways, handrails, dedicated seating, and accessible toilets.
- b. Lactation room for breastfeeding mothers.
- c. Kids' Corner for children while parents or family members wait for service or transactions at BTN branches.

Environmental and Social Risk Management in the Credit Process [GRI 2-25] [SASB FN-CB-410A.2]

In its funding and lending processes, BTN consistently applies an environmental and social (ESG) risk management system across all financing activities and credit portfolios as part of its implementation of sustainable finance principles. This practice is aligned with OJK Regulation No. 40/POJK.03/2019 on the Assessment of Asset Quality for Commercial Banks, which requires a borrower's business prospects assessment to consider efforts to maintain environmental sustainability.

In line with the growth focus of its commercial loan portfolio, environmental and social aspects are integrated into the credit process through an Environmental and Social Risk Management (ESRM) framework applied end-to-end and coordinated by the Business Unit, the Credit Operation Division/Unit, and the Wholesale Credit Risk Division/Unit. BTN also defines risk appetite and industry appetite that incorporate environmental and social considerations, as set out in the Risk Acceptance Criteria (RAC) technical guidelines within the BTN Portfolio Guideline, in accordance with Technical Guideline No. PT.8-H.3. [FS1]

In practice, each Business Unit conducts assessments based on industry sector research, ESG risk analysis, and studies of sector risks and potential in line with the BTN Portfolio Guideline, including for sectors with higher ESG risk. The assessment results form the basis for the pre-approval process using credit risk tools that incorporate environmental and social factors. ESRM is then applied throughout the credit cycle, including credit analysis, legal and compliance review, credit approval, and post-disbursement monitoring, to ensure consistent risk control across the loan lifecycle.

As part of the legal and compliance review, BTN's General Policy No. KU.1 on Lending or Financing sets out project legality requirements, including: [FS1, FS2, FS9]

1. Land use permit;
2. Site plan approved by the duly authorized party;
3. Building construction permit;
4. Proof of ownership or control;

5. Copy of the Land and Building Tax Due Notification Letter (SPPT);
6. Proof of right of access (access road);
7. Flood elevation certificate;
8. Water utility (PDAM) statement; and
9. Environmental feasibility certificate or Environmental Management Efforts (UKL-UPL) and/or Environmental Impact Assessment (AMDAL).

BTN incorporates the results of the Environmental Impact Assessment (AMDAL) are incorporated into credit risk assessment prior to making financing decisions for a project. AMDAL is a licensing requirement that contains an analysis of potential

environmental impacts arising from a proposed business and/or activity, covering abiotic, biotic, and socio-cultural aspects, and is prepared during the project planning stage. The implementation of AMDAL refers to Government Regulation No. 27 of 2012 on Environmental Permits. In addition, BTN conducts monitoring and on-site verification to ensure prospective borrowers comply with applicable environmental requirements. This covers the completion of environmental and social documents in line with internal policies, and is carried out both before and after loan signing, at least once every three months. This approach forms part of the prudential principles applied in credit risk management. [FS1, FS2, FS3, FS5, FS9]

Integration of ESG Considerations into the Credit Process



To clarify the involvement of each unit and the key control points at every stage, the following outlines the loan disbursement process and the roles of the relevant units, from pre-screening through to monitoring.

1.

ESG Integration Across the Credit Cycle and Credit Risk Assessment

BTN integrates ESG considerations throughout the credit cycle, from application to monitoring, through a comprehensive risk assessment framework. The Bank also identifies eligible financing and projects in line with regulations and global standards.

2.

Standards-Based ESG Assessment and Climate Risk

BTN strengthens its assessment of sectors with higher ESG exposure to ensure alignment with its sustainability policies, including:

- a. Policy Compliance
The Bank refers to sustainability standards and guidance such as OJK's Climate Risk Stress Test guidance, MSCI ESG Industry Risk, and OJK Regulation (POJK) No. 51/POJK.04/2017, and incorporates ESG criteria into its compliance checklist.
- b. Sector-Based ESG Risk Assessment
A sector-based ESG scoring system for sectors with higher risk to environmental risk, such as energy, agriculture, and oil and gas, including the application of Enhanced Due Diligence (EDD) to ensure compliance.
- c. Climate Impact and Risk Analysis
BTN assesses the impact of climate change on its portfolio by combining Scope 3 financed emissions calculations, physical and transition risk analysis, and a comprehensive climate risk stress test. The results inform business units, the risk management, and the Board of Directors in developing mitigation and adaptation strategies for climate-related risks.

3.

Governance and Oversight

The Risk Management Committee oversees ESG commitments, with senior management from Risk, Business, and Compliance to ensure financing decisions are managed transparently and accountably while considering environmental, social, and climate-related risks.

4.

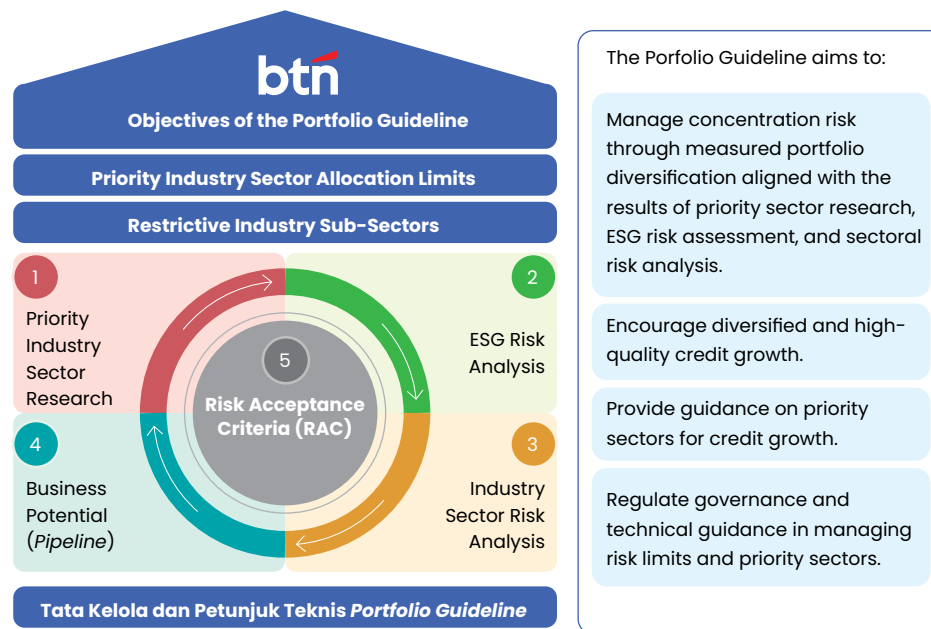
Transparent Disclosure of ESG Financing

BTN enhances transparency by disclosing ESG financing data in its annual sustainability report, in line with applicable regulations and recognized best practice disclosure standards.

BTN Portfolio Guideline

In responding to economic growth dynamics and the direction of monetary policy, credit risk management is strengthened to safeguard financial stability and business sustainability. For this purpose, the Portfolio Guideline as a strategic instrument to manage credit concentration risk through measured portfolio diversification.

The Portfolio Guideline maintains asset quality by prioritizing credit allocation to sectors with sustainable growth prospects, supporting business growth while also contributing to the mitigation of ESG risks. The Portfolio Guideline plays a critical role in balancing credit expansion and risk control in accordance with BTN's sustainability principles.



Portfolio Guideline Implementation Mechanism

Priority Industry Sector Research

To support of ESG principles in financing, the Portfolio Guideline in accordance with Technical Guideline No. PT.8-H.3 is a tool to control credit concentration risk. This directs lending toward specific industry sectors by integrating ESG considerations, prudential principles, and sound credit management, thereby ensuring alignment with ESG aspects.

Priority sectors include:

- Environmentally friendly transportation and public transportation, warehousing, and communications;
- Financial intermediation;
- Health services and social activities;
- Education services;
- Wholesale and retail trade;
- Construction;
- Real estate, rental businesses, and corporate services;
- Agribusiness; and
- New and renewable energy.

ESG Risk Analysis

Portfolio screening based on ESG risk analysis referring to regulations and best practices, including the OJK Climate Risk Stress Test Guidelines, MSCI ESG Industry Risk, and OJK Regulation (POJK) No. 51/POJK.04/2017. The analysis is summarized in the Portfolio Guideline Composite Rating Matrix, which maps industry sectors based on business prospects and ESG risks and impacts, including emissions intensity, social impact, governance quality, and other relevant factors. Sectors under particular attention include: **[FS5]** **[FS10]**

- a. Transportation, warehousing, and communications;
- b. Mining and quarrying;
- c. Electricity, gas, and water;
- d. Agribusiness;
- e. Manufacturing; and
- f. Construction.

Industry Sector Risk and Potential Analysis

BTN further assesses the risks and opportunities of each industry sector to maintain a healthy and sustainable credit portfolio. Credit allocation is determined based on internal data, national banking data, and indicators such as Non-Performing Loan (NPL) ratio, credit yield, and contribution to the Corporate Work Plan and Budget (RKAP) targets. This analysis also considers ESG aspects across sectors and subsectors with strong business potential, enabling risks to be managed in alignment with sustainability principles.

Risk Acceptance Criteria (RAC)

To strengthen prudential principles and inherent risk management in priority industries, Risk Acceptance Criteria (RAC) evaluate prospective debtors, with General RAC minimum criteria applicable to all sectors and Specific RAC: criteria tailored to the characteristics of each business sector. Both RAC types cover debtor, technical, and financial aspects, and include sector-specific provisions as guidance for BTN's wholesale marketing and lending activities.

Credit Policy for High ESG Risk Sectors

BTN's commitment to sustainable finance is reflected through the establishment of Portfolio Guideline Terms & Conditions as an instrument for managing credit risks related to ESG. These provisions ensure that lending is conducted selectively, particularly for priority sectors with high ESG risk, based on ESG risk analysis results, through clear standards for identifying, evaluating, and limiting exposure to sectors with potentially significant negative environmental and social impacts.

The Bank continues to establish specific terms and conditions for both sectors as part of its commitment to ESG-based credit risk management. The provisions for sectors with high ESG risk are as follows:



Agriculture (Agriculture, Forestry, and Fisheries)

The Bank applies binding credit policies for debtors in this sector to ensure that they:

1. Hold a PROPER Gold or Green rating.
2. Are not new companies opening new land areas.
3. Have a Waste Treatment Facility (IPL) with studies confirming operational availability and compliance with water quality standards.
4. For public companies, publish a Sustainability Report.
5. Commit to No Deforestation, No Peat, No Exploitation (NDPE), including land clearing, protection of High Conservation Value (HCV), High Carbon Stock (HCS) areas, and peatlands.
6. For palm oil plantation subsector, possess Indonesian Sustainable Palm Oil (ISPO) and/or Roundtable on Sustainable Palm Oil (RSPO) certification, or at minimum proof of registration.
7. For palm oil plantation companies that do not yet hold ISPO and/or RSPO certification, the following criteria apply:
 - a. Possess a Code of Conduct and Environmental and Labor Policies (including Occupational Health and Safety/OHS).
 - b. Hold Environmental Management certification such as ISO 14001/ISO 45001 or equivalent documentation acceptable to the Bank.
8. Have Standard Operating Procedures (SOPs) for land fire prevention and response, appropriate firefighting equipment in accordance with land characteristics, fire monitoring towers, and a dedicated, trained fire response team in line with the standards of the Directorate General of Plantations.
9. Hold valid Plantation Business Licenses (IUP) in accordance with the Location Permit, including Cultivation License (IUP-B), Processing License (IUP-P), and Plantation Business Registration Certificate (SPUP).
10. No significant social or environmental disputes within the past three (3) years.
11. For the SME segment, ISPO compliance is applied as an affirmative covenant, monitored periodically by the Relationship Manager and subject to periodic internal audit.
12. Hold valid permits for industrial plantation forest management, including Timber Forest Product Utilization License (IUPHHK) and/or Non-Timber Forest Product Utilization License (IUPHHBK), as well as an approved Business Work Plan (RKU) from the Ministry of Environment and Forestry (KLHK).
13. Do not conduct business activities in areas identified as having high biodiversity value.



Energy

The Bank applies binding credit policies for debtors in this sector to ensure that they:

1. Financing is limited to companies with strong ESG implementation.
2. Companies hold a PROPER rating and/or at minimum an approved Environmental Impact Assessment (AMDAL) or Environmental Management and Monitoring Efforts (UKL-UPL).
3. For financing of new coal-fired power plants (PLTU) with PLN as the offtaker, the financing tenor has considered alignment with the coal phase-out strategy under the applicable PLN Electricity Supply Business Plan (RUPTL).

4. Operating power plants hold ISO 14001/ISO 45001 or equivalent documentation acceptable to the Bank.
5. Operating power plants have a code of conduct and policies related to the environment (carbon emissions, coal ash, water and waste management) and labor.
6. No significant social or environmental disputes.



Coal*

The Bank applies binding credit policies for debtors in this sector to ensure that they:

1. Financing is limited to top-tier corporates with strong ESG implementation.
2. Companies hold at least a PROPER Green rating and/or approved AMDAL or UKL-UPL (including reclamation and post-mining guarantees).
3. Hold ISO 14001/ISO 45001 or equivalent documentation acceptable to the Bank.

4. For coal mining financed as a supplier to PLTU, the financing tenor considers alignment with the coal phase-out strategy under the applicable PLN RUPTL.
5. Have a roadmap for GHG emissions reduction.
6. Debtors agree to comply with loan agreement clauses requiring adherence to all applicable environmental regulations and documentation; failure to comply may affect loan continuity.

*For reference only. The Bank currently has no exposure to this sector.



Mining*

The Bank applies binding credit policies for debtors in this sector to ensure that they:

1. Financing is limited to corporate debtors with strong ESG implementation.
2. Hold at least a PROPER Green rating and/or approved AMDAL or UKL-UPL (including reclamation and post-mining guarantees) issued by the Environmental Agency (BLH).
3. Hold Environmental Management certifications such as ISO 14001/ISO 45001 or equivalent documentation acceptable to the Bank.

4. Implement Good Mining Practice in accordance with applicable laws and regulations, supported by an approved Annual Work Plan and Budget (RKAB) issued by the Ministry of Energy and Mineral Resources (ESDM), and/or other relevant supporting documents.
5. Maintain internal policies (code of conduct) related to environmental management and labor practices.

*For reference only. The Bank currently has no exposure to this sector.



Construction

The Bank applies binding credit policies for debtors in this sector to ensure that they:

1. Hold an approved AMDAL report.
2. Have no significant social or environmental disputes within the past four (4) years that could affect business continuity.



Oil and Gas

The Bank applies binding credit policies for debtors in this sector to ensure that they:

1. Financing is limited to corporate debtors with strong ESG implementation.
2. Hold Environmental Management certifications such as ISO 14001/ISO 45001 or equivalent documentation acceptable to the Bank.
3. Hold approved AMDAL or UKL-UPL (including reclamation and post-operation guarantees) issued by the Environmental Agency (BLH).
4. Demonstrate efforts to improve energy efficiency and reduce

greenhouse gas (GHG) emissions, in accordance with regulatory requirements at the operating location. For public companies, a Sustainability Report or equivalent document is required.

5. Maintain documentation confirming compliance with Oil and Gas Safety requirements (covering installations and equipment, workers, public safety, and environmental protection); for supporting service providers, this must be evidenced by a valid Supporting Business Certificate (SKUP).
6. Have no deforestation practices, including land clearing, and no exploitation.



Transportation

The Bank applies binding credit policies for debtors in this sector to ensure that they:

1. Hold Environmental Management certifications such as ISO 14001/ISO 45001 or equivalent documentation acceptable to the Bank.
2. For public companies, publish a Sustainability Report.
3. Demonstrate efforts to improve energy efficiency and reduce emissions, and ensure adequate availability of electricity and water resources.



Pulp & Paper

The Bank applies binding credit policies for debtors in this sector to ensure that they:

1. Hold Environmental Management certifications such as ISO 14001/ISO 45001 or equivalent documentation acceptable to the Bank.
2. Hold at least a PROPER Blue rating and/or approved AMDAL or UKL-UPL (including reclamation and post-operation guarantees) issued by the Environmental Agency (BLH).
3. For public companies, publish a Sustainability Report.
4. Demonstrate efforts to improve energy efficiency and reduce emissions, and ensure adequate availability of electricity and water resources.
5. Have adequate wastewater treatment facilities (IPAL/IPL/IPLC) and hazardous waste (B3) treatment facilities, supported by documentation acceptable to the Bank.
6. Hold valid industrial forestry management permits (IUPHHK and/or IUPHHBK) and an approved Business Work Plan (RKU) from the Ministry of Environment and Forestry (KLHK).



Biodiversity

The Bank applies binding credit policies for debtors in this activity categories to ensure that they:

1. Hold valid industrial forestry management permits, including IUPHHK and/or IUPHHBK, as well as an approved Business Work Plan (RKU) issued by the Ministry of Environment and Forestry (KLHK).
2. Do not conduct business activities in areas with high biodiversity value, including Ramsar Convention sites and locations classified as IUCN Category 1 and 2.

ESG-Based Products

Evolving stakeholder expectations regarding sustainable financing have driven BTN to integrate ESG principles into all investment decisions and transactions. This is intended to safeguard financial performance while strengthening positive social and environmental impact across the Bank's operational areas. This commitment is also reflected in the

Bank's significant business linked in sustainability-oriented financial products, supported by evidence of best-in-class product innovation. BTN has developed a range of ESG and sustainable financing product and service innovations, including: [\[OJK B.1\]](#)

BTN ESG-Based Products

Sustainability Bond



A financing instrument for environmentally friendly and low-emission projects, supporting the low-carbon economic transition and national climate targets, supported by strict ESG standards and transparent impact reporting.

ESG Mutual Fund



A collective investment instrument that allocates funds to a portfolio of issuers with strong ESG practices and accountable governance. The product aims to generate sustainable financial performance while delivering long-term social and environmental impact.

Sustainable Business Activity Category Loans (KKUB)



Financing classified under sustainable business activity categories in accordance with POJK 51/2017, covering environmentally oriented business activities (KUBL) and socially oriented business activities (KUBS).

Sustainability-Linked Loan (SLL)



A credit scheme that links pricing incentives and fees to the borrower's achievement of sustainability KPIs and targets, encouraging improved ESG performance and measurable contributions to the SDGs and the low-carbon economy.

Subsidized Mortgage (KPR Subsidi)



Subsidized housing finance for low-income communities (MBR) with affordable interest rates and schemes, expanding financial inclusion and promoting more sustainable housing, including energy-efficient and green building-based homes.

Green Initiative Programs



A series of green economy initiatives integrated with BTN products and services, encouraging customer participation and promoting sustainable financing and environmental action.

Sustainability Bond

BTN's ESG-based Green/Social/Sustainability Bond portfolio, consists of bonds issued to finance projects that support environmental sustainability through the integration of ESG principles. It instrument emphasizes environmental aspects such as carbon emission reduction and renewable energy development, while also considering social impacts, including community empowerment and job creation, and requiring strong governance and transparency. Projects financed must comply with strict ESG standards and are subject to transparent reporting on both the use of proceeds and impact.

In line with the strengthening of its sustainable finance offerings, a Sustainable Finance Framework is a reference for the issuance of environmental and social instruments. The framework covers the use of proceeds, project evaluation and selection, management of proceeds, and reporting, and received an "Excellent" rating under a Second Party Opinion (SPO) by Sustainable Fitch, confirming its alignment with the International Capital Market Association (ICMA) standards.

Under this framework, in 2025 BTN issued two of green/social/sustainability bond, namely Obligasi Subordinasi Berkelanjutan I Bank BTN Tahap I Tahun 2025 and Obligasi Berawasan Sosial Tahap I, with a total issuance value of Rp2.29 trillion. The Obligasi

Berawasan Sosial Tahap I was intended to finance and/or refinance eligible social projects, with a focus on affordable housing for low-income communities (MBR), MSME/KUR financing to support job creation, and the development of affordable basic infrastructure such as access to clean water.

To ensure accountability in the use of proceeds, the project evaluation and selection process is conducted through a cross-functional Sustainable Finance Working Group, supported by earmarking mechanisms and recording in the Sustainable Finance Register. BTN is also committed to publishing annual allocation and impact reports, including key social indicators such as the number of homes built, MSMEs financed, jobs created, and improved access to clean water.

In addition, BTN has increased its exposure to sustainable finance instruments through holdings of ESG-based sustainability bonds purchased and held by the Bank. As of 2025, the value of the sustainability bonds portfolio amounted to Rp1.19 trillion. Details of the ESG-oriented bonds issued and held by Bank Tabungan Negara are presented in the following table. [OJK. F.3]

Value of Green/Social/Sustainability Bond Issued by BTN [OJK. F.3]

Bond Type	Unit	Actual Amount Raised from Public Offering	Planned Use of Proceeds (per Prospectus)	Actual Use of Proceeds (per Prospectus)
Sustainable Subordinated Bond I of BTN, Tranche I, 2025	Rp Billion	1,992.09	1,992.09	1,992.09
Social Sustainability Bond I of BTN, Tranche I, 2025	Rp Billion	294.81	294.81	294.81
Total	Rp Billion	2,286.90	2,286.90	2,286.90

Nominal Value of BTN's Green/Social/Sustainability Bond Portfolio [OJK. F.3]

Instrument Series	Unit	Nominal Value
SBSN Series PBSG001 & PBSG002	Rp Billion	1,003.68
SUKBII10326091MSINR4C87435	Rp Billion	114.85
SMF Sustainability Bond VI, Tranche II, 2021	Rp Billion	25.00
SMF Sustainability Bond VI, Tranche I, 2021	Rp Billion	25.00
Bank Mandiri Sustainability Bond I, Tranche I, 2025, Series B (BMRI01BSLCNI)	Rp Billion	25.00
Total	Rp Billion	1,193.53

ESG Mutual Funds

As a Selling Agent for Mutual Fund Securities (APERD), BTN has a partnership with Batavia Prosperindo Aset Manajemen, one of Indonesia's leading investment managers, to distribute ESG-based mutual fund products. This collaboration expands investment options that combine potential financial returns with contributions to the sustainability agenda. The flagship products distributed include Batavia Global ESG Sharia Equity USD Sharia Mutual Fund, Mandiri FTSE Indonesia ESG Index Fund Class A, and Batavia ESG Impact Equity Fund. These mutual funds integrate ESG principles into their investment portfolios and comply with Sharia principles, with a focus on equity instruments issued by companies demonstrating strong performance in environmental management, social responsibility, and transparent, accountable governance.

Through these products, BTN facilitates investors in achieving financial benefits while supporting the SDGs by selecting instruments that consider long-term environmental and social impacts. BTN ensures that this partnership strengthens sustainable finance literacy among domestic investors, in line with the Bank's commitment to continuously expand its ESG-based mutual fund offerings. To support transparency and performance monitoring, the targets and realization of product development and distribution are presented in the following table.

Assets Under Management in ESG Mutual Funds [OJK. F.3]

Mutual Fund Name	2025	2024	2023
Mandiri FTSE Indonesia ESG Index Fund Class A*	1,005,131,593	6,491,141,068	2,794,377,318
Batavia Global ESG Sharia Equity USD Sharia Mutual Fund*	1,949,012,969	947,622,137	282,042,597
Batavia ESG Impact Equity Fund	-	-	1,120,201
Total AUM ESG	2,954,144,562	7,438,763,205	3,077,540,116

Note:

*) Figures have been converted into Rupiah.

Sustainable Business Activity Category Loans (KKUB)

BTN's ESG Roadmap is reflected in the distribution of financing under the Sustainable Business Activities Category (KKUB), which refers to financing in accordance with POJK No. 51/2017 and POJK No. 18 of 2023. These cover environmentally sustainable business activities (KUBL) and socially sustainable business activities (KUBS). Overall, BTN continues to increase the share of green financing in its loan portfolio, as reflected in the 77% increase in KUBL financing compared to the previous year, in line with its commitment to support the transition toward a more sustainable economy. KKUB financing is distributed through various types of loans, including construction, investment, working capital, corporate, and short-term loans, which are directed toward sustainability-focused projects. In 2025, BTN disbursed KKUB financing with a total loan portfolio of Rp205.32 trillion, up 11.63% from

Rp183.93 trillion in 2024. These loans were directed to various sustainability-focused sectors, including:

1. Development in the renewable energy sector;
2. Construction of factories adopting renewable technologies through energy efficiency;
3. Sustainable management of living natural resources and land use;
4. Environmentally friendly transportation;
5. Sustainable water and wastewater management;
6. Green buildings;
7. Affordable housing; and
8. Job creation, including MSME financing.

KKUB Loan Disbursement [OJK F.3]

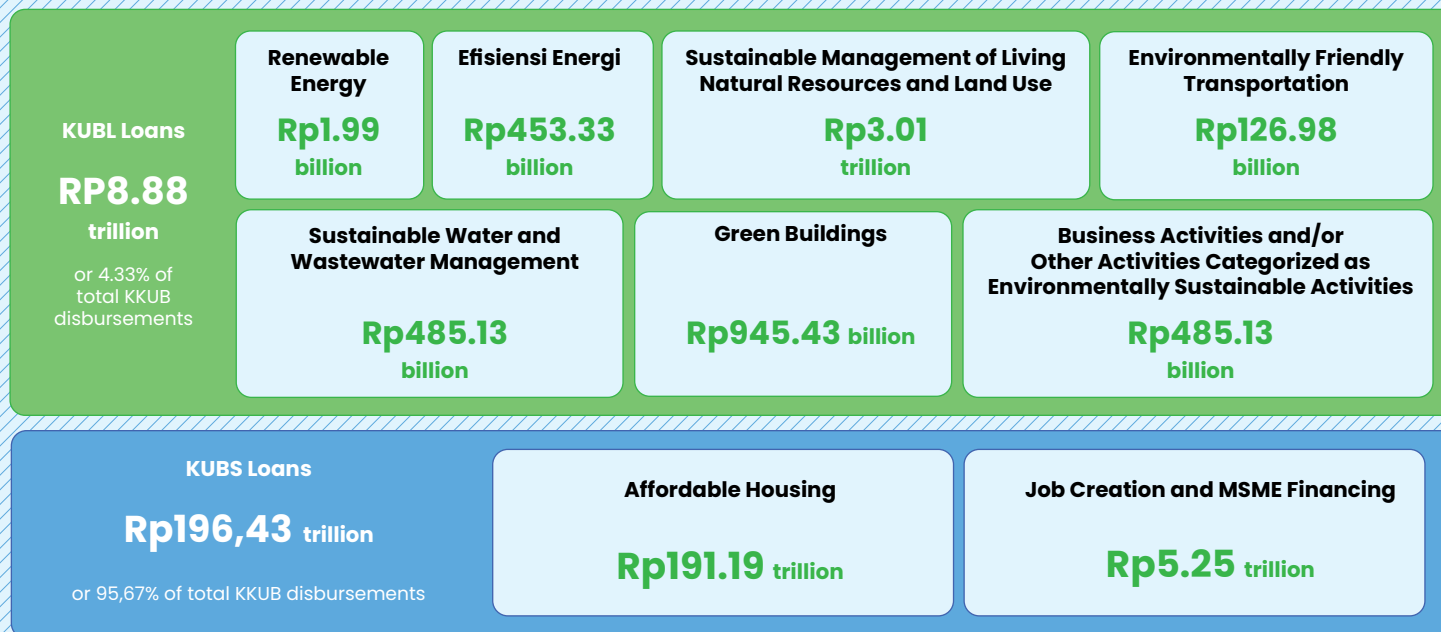
Total KKUB loan disbursements in 2025 amounted to

Rp205.32
trillion

61.28% of total loan disbursement.



Increased **11.63%** compared to the previous year.



Sustainability-Linked Loan (SLL)

BTN has developed a Sustainability-Linked Loan (SLL) policy framework to respond to growing financing demand that increasingly emphasizes sustainability performance. This scheme is designed to support BTN's ESG objectives in alignment with the SDGs and the transition to a low-carbon economy. Through SLL, BTN provides incentives to companies that achieve sustainability targets, while ensuring that financing contributes to measurable positive environmental and social impact.

Under this framework, SLL terms link financing conditions to the debtor's verifiable sustainability performance, measured through Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) agreed by both parties and stipulated in the Loan Agreement (PK). In 2025, all SLL borrowers settled their obligations in accordance with the applicable terms, resulting in no outstanding SLL facilities at the end of the reporting period. Incentives are granted when the agreed KPIs and SPTs are achieved. The incentives offered by BTN include:

1. Pricing Incentive

Pricing incentives are provided through a reduction in the applicable interest rate, determined based on the Bank's internal calculation methodology. This incentive is applied through two mechanisms:

- a. Pricing Incentive - Step Up: An incentive applied at the initial period of the SLL facility. The incentive will be withdrawn and the debtor will be subject to an increased interest rate for the remaining loan tenor if KPIs and SPTs are not achieved.
- b. Pricing Incentive - Step Down: A tiered incentive applied when the debtor successfully achieves the agreed KPIs and SPTs.

2. All in Fee Incentive

This incentive is granted at the initial period of the SLL facility through a reduction in the all-in fee, determined based on the Bank's calculation. The incentive may be withdrawn and the debtor will be required to pay the reduced portion of the All-in Fee if KPIs and SPTs are not achieved.

Subsidized Mortgage (KPR Subsidi)-Social Product Outstanding

Expanding access to banking and financial services is being realized through the provision of inclusive and sustainable products, including the development of subsidized mortgage financing (KPR Subsidi) for low-income communities (MBR) with low interest rates and affordable financing schemes. BTN also has financial literacy and inclusion programs in line with recommendations from Bank Indonesia and the Financial Services Authority (OJK) to improve public understanding of sustainable financial planning while supporting the achievement of the SDGs in Indonesia.

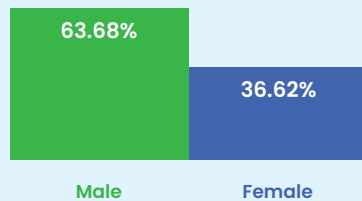
BTN continues to expand its portfolio of ESG-based housing finance products, including financing for environmentally friendly housing, such as energy-efficient homes and green building-based housing, while encouraging the use of eco-friendly materials in residential development. The integration of ESG aspects is also applied in the development of mortgage products to support a more sustainable housing ecosystem.

In 2025, BTN disbursed 132,803 units of subsidized housing finance with a total value of Rp22 trillion. Of this amount, 109,752 units valued at Rp18.2 trillion were disbursed to the millennial segment, while 19,610 units valued at Rp3.2 trillion were disbursed to the underserved segment or informal sector, including traders, online motorcycle taxi drivers, and workers with irregular income. By gender, disbursement to female debtors reached 48,235 units valued at Rp7.9 trillion, while disbursement to male debtors reached 84,568 units valued at Rp14 trillion, reflecting BTN's support for financial inclusion and equitable access to housing for all segments of Indonesian society.

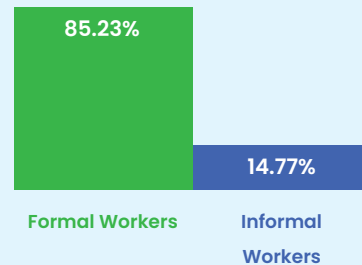
Targets and Realization of Subsidized Mortgage (KPR Subsidi) Disbursement [OJK. F.3]

Description	Unit	2025	2024	2023
Target	Mortgage Value (Rp billion)	25,800	18,145	20,415
	Number of Units (Units)	160,051	117,065	136,100
Realization	Mortgage Value (Rp billion)	22,016	19,451	20,115
	Number of Units (Units)	132,803	118,665	130,830
Achievement	Mortgage Value %	117.19	93.29	101.49
	Number of Units %	122.36	98.65	104.03

Mortgage (KPR) Disbursement by Gender in 2025 [OJK. F.3]



Mortgage (KPR) Disbursement by Employment Type in 2025 [OJK. F.3]



Inclusive Mortgage (KPR) Products

KPR BTN Sejahtera FLPP

KPR BTN Sejahtera FLPP is a subsidized home ownership program initiated by the Ministry of Housing and Settlement Areas for low-income communities (MBR), offering low interest rates and affordable installments for the purchase of landed houses or public apartment units. This program refers to the provisions of the Housing Savings Management Agency (Tapera) under BTN Regulation No. 9 of 2021 on Home Ownership Financing through the Housing Finance Liquidity Facility (FLPP).

Product Name	KPR BTN Sejahtera FLPP
Description	The Housing Financing Liquidity Facility (FLPP) is a home ownership program initiated by the Ministry of Housing and Settlement Areas for low-income households (MBR). It offers low interest rates and affordable installments for the purchase of landed houses or public apartment units.
Debtor Segment	Low-income Communities (MBR)
Income Limit	Zone 1 Java (excluding Jakarta, Bogor, Depok, Tangerang, Bekasi), Sumatra, East Nusa Tenggara, and West Nusa Tenggara - Single : Rp8,500,000 - Married : Rp10,000,000 Zone 2 Kalimantan, Sulawesi, Bangka Belitung Islands, Riau Islands, Maluku, North Maluku, Bali - Single : Rp9,000,000 - Married : Rp11,000,000 Zone 3 Papua, West Papua, Central Papua, South Papua, Highland Papua, and Southwest Papua - Single : Rp10,500,000 - Married : Rp12,000,000 Zone 4 Jakarta, Bogor, Depok, Tangerang, Bekasi - Single : Rp12,000,000 - Married : Rp14,000,000
Key Terms	- Maximum loan amount equals the selling price of the property minus the down payment provided by the debtor. Debtors are also eligible for a government down payment subsidy (SBUM) of Rp4 million for Java, Sumatra, Kalimantan, Sulawesi and Rp10 million for Papua. - The mortgage interest rate payable by the debtor is 5% per annum, inclusive of life insurance, fire insurance, and credit insurance premiums. The interest rate is fixed for the entire loan tenor (fixed rate) and calculated using the annual annuity method. - The funding source for the FLPP program consists of 75% government funds and 25% Bank funds. BTN cooperates with PT Sarana Multigriya Finansial in providing funding for the FLPP program. - The mortgage tenor is agreed between BTN and the MBR debtor, adjusted to the debtor's repayment capacity, with a maximum tenor of 20 years.

KPR BTN Tapera

KPR BTN Tapera is a home ownership loan facility specifically intended for Civil Servants (ASN) who are registered participants in the Public Housing Savings Program (Tapera). The program aims to support ASN participants in acquiring their first home under favorable terms and conditions.

Product Name	KPR BTN Tapera
Description	A mortgage facility provided by BTN to eligible MBR Tapera participants for the purchase of landed houses or apartment unit.
Debtor Segment	Low-income Communities (MBR) Participating in Tapera
Income Limit	Zone 1 Java (excluding Jakarta, Bogor, Depok, Tangerang, Bekasi), Sumatra, East Nusa Tenggara, and West Nusa Tenggara - General: - Single : Rp8,500,000 - Married : Rp10,000,000 - Single applicant (Tapera participant) : Rp10,000,000 Zone 2 Kalimantan, Sulawesi, Bangka Belitung Islands, Riau Islands, Maluku, North Maluku, Bali - General: - Single : Rp9,000,000 - Married : Rp11,000,000 - Single applicant (Tapera participant) : Rp11,000,000 Zone 3 Papua, West Papua, Central Papua, South Papua, Highland Papua, and Southwest Papua - General: - Single : Rp10,500,000 - Married : Rp12,000,000 - Single applicant (Tapera participant) : Rp12,000,000 Zone 4 Jakarta, Bogor, Depok, Tangerang, Bekasi - General: - Single : Rp12,000,000 - Married : Rp14,000,000 - Single applicant (Tapera participant) : Rp14,000,000

Key Terms

- 1, Maximum loan amount equals the selling price of the property minus the down payment provided by the debtor, who must have been a Tapera participant for at least 12 months.
- 2, The mortgage interest rate payable by the debtor is 5% per annum, inclusive of life insurance, fire insurance, and credit insurance premiums, The interest rate is fixed for the entire loan tenor (fixed rate) and calculated using the annual annuity method.
- 3, Funding source is derived from Tapera participant contributions,
- 4, The mortgage tenor is agreed between BTN and the MBR debtor, adjusted to the debtor's repayment capacity, with a maximum tenor of 30 years,.

In addition to KPR BTN Tapera, BTN also provides Tapera Home Renovation Loans (KRR Tapera) and Tapera Home Construction Loans (KBR Tapera) to expand access to affordable financing for housing renovation and construction. Through these products, BTN supports the implementation of the Tapera Program while promoting greater access to housing and the application of sustainable finance principles.



Inclusive Mortgage (KPR) Quota and Realisation [OJK. F.3]

Description	Metric	2025		2024		2023	
		Quota	Realization	Quota	Realization	Quota	Realization
KPR BTN Sejahtera FLPP	Mortgage Value (Rp billion)	25,600	22,006	18,815	18,815	20,738	19,411
	Number of Units (Units)	160,000	132,744	114,853	114,853	140,000	126,312
KPR BTN Tapera	Mortgage Value (Rp billion)	9.8	9.8	930	636	528	703
	Number of Units (Units)	59	59	5,000	3,812	5,000	4,518

Green Initiative Programs

Environmental preservation is promoted through initiatives that actively engage customer participation. A tree-planting program uses the redemption of Balé Points in the Balé by BTN application, which are converted into donations for mangrove tree planting via the Lindungi Hutan platform, strengthening customer engagement in BTN's sustainability agenda.

Targets and Realization of Tree Planting from Balé Point Redemptions [OJK. F.3]

Description	Unit	2025	2024
Target	Trees	1,000	500
Realization	Trees	2,214	1,014*

*Restated



Digital Innovation for Modern Services [OJK F.26]

Financial inclusion is promoted through the expansion of strategic, innovative, and technology-based service access to address Indonesia's geographic and demographic challenges. As of 2025, various initiatives ensure that all segments of society, particularly those in remote areas, can access banking services while strengthening independence in financial management.

BTN has expanded financial access to more than 20 million Indonesians, including the underserved demographics. In 2025, 117 Branch Offices (BO) and 631 Sub-Branch Offices (SBO) were operated as service touchpoints across Indonesia to meet customer needs in both urban and rural areas, including housing finance services.

24/7 service availability is supported by 1,044 Automated Teller Machines (ATMs), 1,047 Cash Recycling Machines (CRM), and 24 Digital Store outlets. Unlike ATMs, which are limited to cash withdrawals, CRM (Cash Recycling Machine) enables both cash deposits and withdrawals in a faster, easier, and real-time manner. BTN has also developed the balé by BTN digital channel with 3.7 million users, and provides alternative payment access through 6,000 EDC merchants and 250,000 BTN QRIS points in strategic locations. Service coverage is further expanded through 6,300 balé agents, who play an important role in extending financial service access, particularly in areas previously underserved by conventional banking services.

BTN is committed to maintaining equal service quality for all customers, including special attention to customers with specific needs, such as those with disabilities. This commitment is demonstrated through the provision of accessible facilities, including ATMs and special lanes equipped with Braille features for visually impaired customers, as well as dedicated pathways for wheelchair users, ensuring that services are delivered in an inclusive and comfortable manner. [FS14]



Ai-based mobile applications deliver a faster, safer, and more convenient banking experience, ranging from daily transactions to housing finance applications. Through continuous development of service channels and innovation, access to banking services becomes increasingly equitable and sustainable across Indonesia.

balé by BTN



balé by BTN is a super app, developed as part of the transformation of BTN Mobile, to simplify banking transactions and financial services. The application supports the expansion of service access in response to geographic challenges, particularly for communities in underserved demographics. In 2025, balé by BTN reached users in underdeveloped regions totaling 3.7 million users, in line with Presidential Regulation of the Republic of Indonesia No. 63 of 2020, which supports the development of digital technology in these areas.

The integration of balé by BTN includes various services such as balé Properti, balé Community, balé Bisnis, and other. The application also supports routine payments for household and business needs, as well as electricity, clean water (PDAM), mobile credit and data packages, environmental management fees (IPL), as well as security, parking, and property maintenance services. Key features available in balé by BTN include:

1. **Online Account Opening**, opening a bank account without visiting a branch, anytime and anywhere.
2. **Single Sign-On**, one account to access all BTN services without switching applications.
3. **Cardless Transaction**, cash withdrawals at BTN ATMs without a physical card via the application.
4. **Auto Debit**, automatic recurring bill payments.
5. **Auto Transfer**, scheduled recurring transfers to other accounts, within BTN and to other banks.
6. **Cashflow Tracker**, monitoring income and expenses.
7. **Split Bill**, practical bill-splitting functionality via the application.

For MSMEs customers, balé by BTN provides flexible banking access through a branchless banking approach, enabling customers to manage transactions and routine obligations more efficiently to support business activities. The use of the Quick Response Code Indonesian Standard (QRIS) is also a key feature of balé by BTN enables easy and secure digital payments. The increasing number of QRIS transactions and users indicates that balé by BTN provides an easy, secure, and inclusive payment solution, while supporting broader financial inclusion across Indonesia.

Transactions Using balé by BTN [OJK. F.3]

Description	Unit	2025 Target	2025 Realization	2024	2023
Number of Transactions (Financial and Non-Financial)	Transactions (million)	1,553	2,216	1,237	415
Transaction Value	Rp billion	92,000	103,610	81,111	57,542
Integrated Users	Users (thousand)	3,600	3,688	2,220	2,691
Number of Acquisitions	Acquisitions (thousand)	1,500	1,615	1,249	1,139

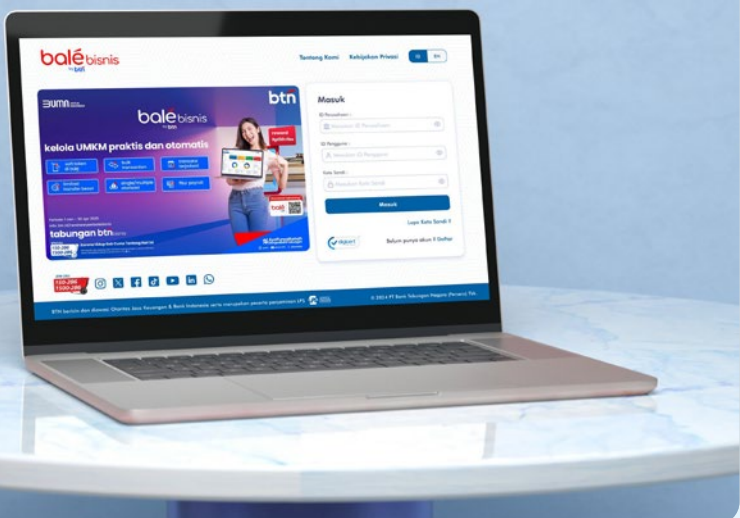
* 2023 reflects the migration process from BTN Mobile Banking (blue version) to the balé by BTN superapp

Transactions Using QRIS [OJK. F.3]

Description	Unit	2025 Target	2025 Realization	2024	2023
Number of Merchants	Merchants	206,000	250,000	125,082	15,602
Number of Transactions	Transactions (million)	27,000	62,294	17,397	3,523
Transaction Value	Rp billion	2,400	4,401	1,347	302

balé
by btn

balé Bisnis



balé bisnis is a rebranding of BTN Internet Banking Business, designed for MSME customers who hold BTN Business Savings Accounts, to support business management and development. As part of its digital transformation, balé Bisnis offers several key advantages that support the operational and financial management needs of business customers, including:

1. Soft token integrated with balé by BTN
2. Single / multiple authorization
3. High transfer limits
4. Registration Service Level Agreement (SLA): 1 x 24 hours
5. Scheduled transactions
6. Bulk transfer
7. Payroll
8. Cash flow tracker
9. Bank statements in xls, pdf, and mt940 formats

Transaction Using balé bisnis (Financial and Non-Financial) [OJK. F.3]

Description	Unit	2025 Target	2025 Realization	2024
Number of Transactions (Financial and Non-Financial)	Transactions	3,800	61,700	3,751
Transaction Value	Rp billion	50	1,453	60
Integrated Users	Users	4,000	12,000	843
Number of Acquisitions	Acquisitions	3,200	11,208	732

*2024 reflects the migration process from BTN Internet Banking Business to balé bisnis.

BTN Digital Store



BTN's transformation focuses on increasing sales capacity and improving service quality with a strong orientation toward customer satisfaction. While the branch network continues to serve customers directly, technological developments have accelerated the shift toward digital banking services, that are efficient, and customer-centric. BTN has responded to this need through the implementation of BTN Digital Store services within Branch Offices (KC) and Sub-Branch Offices (KCP).

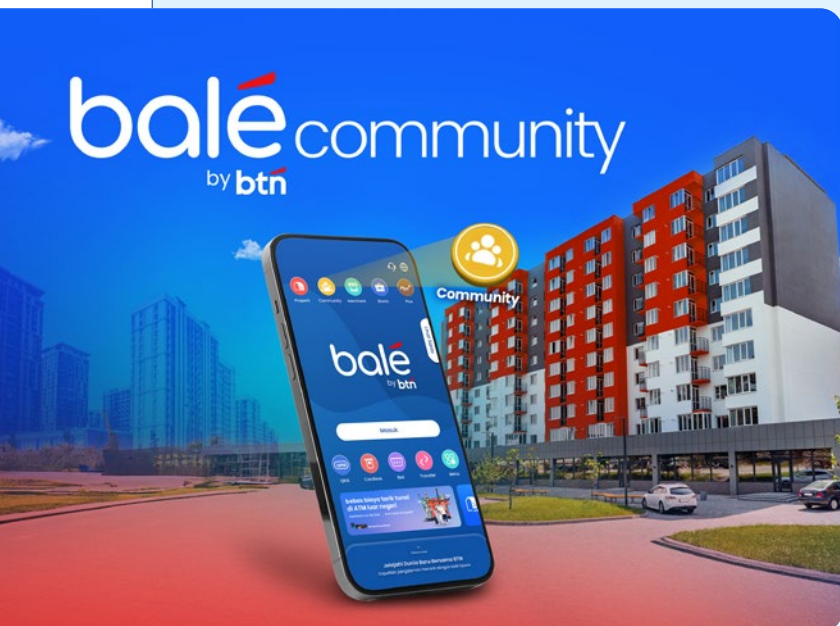
BTN Digital Store utilizes digital devices and applications to meet customer needs while delivering a differentiated service experience. The service focus emphasizes effective and efficient transactions, as well as a practical and secure customer experience. This also supports increased sales capacity and employee productivity. To ensure effective implementation, BTN has prepared adjustments to organizational structure, roles, and responsibilities across office networks, including the establishment of specific authorities for BTN Digital Store operations. There are three types of BTN Digital Store:

1. Flagship Branch is the most comprehensive Digital Store format, using a hybrid branch concept that focuses on customer experience, brand image, and transaction convenience. This format is found at selected KC or KCP located in a business center with a large office area.
2. Digital Oriented Branch focuses on faster and more convenient transactions at selected offices through self-service facilities supported by "superstaff." This format is placed at KC or KCP in retail areas, communities, and commercial hubs that are easily accessible and have sufficient office space.
3. Digital First Branch is a new branch format within BTN's network, adopting the "Bring Bank to the People" concept. It focuses on serving the retail segment through a self-service approach. This format is placed in high-traffic areas such as activity centres, public places, and high-mobility locations, supported by a more space-efficient branch layout.

BTN Digital Store Transactions (Financial and Non-Financial) [OJK. F.3]

Description	Unit	2025 Target	2025 Realization	2024
Number of BTN Digital Stores in Operation	Units	24	24	1
Number of Transactions (Financial and Non-financial)	Transactions	12,000	18,889	2,007
Number of Branches Upgraded to BTN Digital Store	Branches	14	14	1

balé Community



balé Community is an enhancement of the BTN Smart Residence platform, integrated with the balé by BTN Super App, to connect residents and community managers in managing community services end-to-end, from bill or fee payments to information updates and the submission of complaints or grievances. This integration supports the digitalization of the housing ecosystem by making processes more transparent, efficient, and well-documented, in line with BTN's commitment to digital transformation and the expansion of community-based services.

For community managers, the platform simplifies billing management and systematic and digitalized bill reconciliation, centralized and timely communication of updates to residents, and monitoring of complaint status to improve the quality of community services. For residents, balé Community allows convenient payments for management fees, parking, and maintenance anytime and anywhere, supported by a fast and well-documented complaint channel. Key features of balé Community include:

1. Residence and Tenant Management – organizing residents by cluster/tower, block/floor, and unit number.
2. Billing Management – enabling managers to input individual resident bills.
3. Information Management – sharing the latest residential updates.
4. Complaint Management – monitoring complaints submitted by residents.

Transactions Using balé Community [OJK F.13]

Description	Unit	2025	2024	2023
Registered Users	Persons	20,000	13,945	8,915
Number of Transactions	Transactions	47,000	43,602	16,973
Transaction Volume	Rp billion	13.20	11.83	7.46

balé Properti



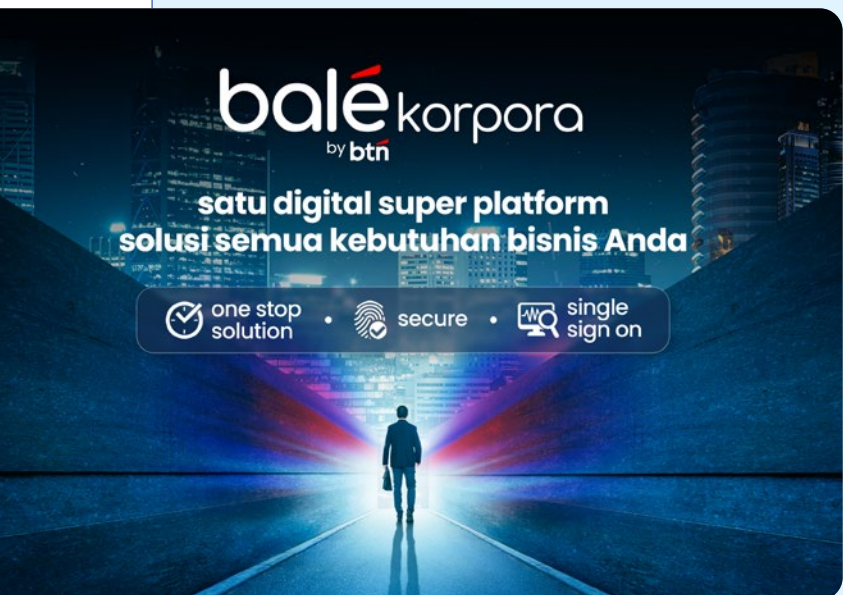
balé Properti is the transformed version of BTN Properti, developed to support individuals and businesses, in meeting their property needs, and is integrated with the balé by BTN Super App. Through this platform, customers can browse and select properties from BTN's partner developers across Indonesia, apply online for a Home Ownership Loan (KPR) or Apartment Ownership Loan (KPA), and access productive loans to support business growth. The presence of balé Properti contributes to enhancing financial inclusion and expanding access to sustainable housing financing. balé Properti also provides digital capabilities that support an end-to-end process, from exploration through to monitoring application progress. The platform can be accessed via btnproperti.co.id and the balé by BTN app. Key features of balé Properti include:

1. Property search by region, developer name, or housing project name.
2. Loan simulation to estimate monthly instalments.
3. Real-time tracking of loan application status.
4. 24-hour live chat service.
5. A 4D Tour service to visit show units virtually through a four-dimensional viewing feature.

Transactions Using balé Properti [OJK F.13]

Description	Unit	2025 Target	2025 Realization	2024	2023
Number of Registered Users	Users	947,000	986,264	747,456	515,339
Number of loan applications submitted	Applications	47,000	62,616	49,217	28,494
Transaction value (volume)	Rp Billion	2,800	2,807	2,405	2,210

balé Korpora



BTN Cash Management is an internet-based service that enables institutional customers to conduct a wide range of banking and financial transactions online and in real time. Through this service, customers can transact anytime and anywhere through practical processes supported by appropriate security standards. In 2025, acquisition realisation reached 154.65% of the target of 2,970. [OJK F.3]

Transactions Using balé Korpora

Description	Unit	2025	2024	2023
Number of Transactions (Financial and Non-Financial)	Transactions	2,999,876	1,552,528	2,206,654
Transaction Value	Rp billion	265,863	218,317.61	88,204.54
Number of Registered Users	Users	22,631	17,585	11,922
Number of Acquisitions	Acquisitions	4,593	3,917	2,361

Credit Offer Program for Selected Customers

BTN offers a credit offer program for selected existing borrowers to provide faster and simpler access to financing. The program uses integrated offer channels, does not require additional documents, and allows loan agreement execution without the customer

visiting a branch, subject to the Bank's policies. This umbrella program includes KRING BTN Ultimate and KAR Ultimate.

cairkan pinjaman instan melalui BTN Kita di balé by BTN



KRING BTN Ultimate

KRING BTN Ultimate is a light credit program offered under a new lending scheme, with loan limits and tenors determined in accordance with Bank policies, targeting selected (pre-approved) customers and featuring a faster and more streamlined disbursement process.

Terms and Conditions:

- Selected existing BTN debtors, both subsidized and non-subsidized.
- Offered through telesales channels and the balé by BTN platform (BTN KITA feature).
- No additional documentation required.

berawal dari rumah penuhi kebutuhan dengan mudah

kar btn

travelling

pendidikan

renovasi

KAR Ultimate

KAR Ultimate is a loan program using a Home-Backed Loan (KAR) Top-Up scheme for selected customers. The top-up is provided as an additional facility, allowing the borrower to hold two credit facilities, with a limit not exceeding the original facility and a maturity date not extending beyond the main loan. Offers are delivered through WhatsApp blasts, telesales, BTN KITA, and/or branch offices. The process does not require additional data or documents, the loan agreement can be carried out without the customer visiting a branch, and disbursement is processed quickly.

Terms and Conditions:

- Selected existing borrowers, both subsidised and non-subsidised, with a good repayment history for at least one year.
- Employed with a fixed income.
- The loan is still active and the collateral remains with BTN.
- No additional documents required.

Financial Product Oversight

BTN ensures that every financial product and service meets standards for fairness, security, and compliance, while managing potential risks. Each product and financial service development at BTN is carried out through a strict oversight process to ensure compliance with applicable regulations and prudent banking principles. Prior to launch, all products must obtain approval from Bank Indonesia and the OJK. This approach aligned with Policy No. KK.9-Z on Customer and Public Protection, which serves as the basis for responsible product and service risk management.

An end-to-end product management approach, covering planning, development, testing, launch, and post-launch monitoring is applied. For new product plans and/or activities undertaken for the Bank's purposes, the product owner division prepares a proposal and submits it through the relevant coordinating function to fulfil the required notification to OJK in accordance with prevailing regulations. Subsequent steps are carried out by each product owner division, including submitting go-live information in line with the Bank Product Implementation Plan (RPPB) through the relevant function for onward submission to OJK.

Product and service evaluations are conducted regularly to ensure security standards and regulatory compliance, while also identifying risks inherent in product development. Oversight of this process is through the Business Committee, which comprises members of the Board of Directors and Senior Executive Vice Presidents (SEVP). The Business Committee supports policy formulation and decision-making, and oversees strategic matters related to the development, modification, or discontinuation of BTN's products and business activities. The committee's working procedures refer to Special Policy (KK) No. KK.9-D on the Governance Procedures for the Board of Directors' Committees.

The main duties of the Business Committee include:

1. Being accountable for decisions made in Business Committee Meetings and Board of Directors Meetings;

2. Being responsible for submitting a report on Significant Decisions made to the Board of Directors Meeting at least once per year; and
3. Determining corrective actions related to the Bank's product development and reporting such actions to the Board of Directors.

Through this oversight mechanism, the Business Committee ensures that both product development and product discontinuation consider risk management and customer interests, while continuing to support the Bank's long-term objectives. In line with consumer protection principles, BTN ensures that product information is communicated to customers in a transparent, clear, accurate, and easily accessible manner, enabling customers to adequately understand the benefits, risks, and terms of products before making decisions.

The product assessment process includes input from reviewers and control owners, evaluation reports, assessments of compliance with internal and external standards, and follow-up actions based on investigation criteria related to impact and regulatory compliance. Assessments are conducted at least once a year, or more frequently in the event of significant changes to products or regulations. The results serve as the basis for improving policies and procedures to enhance the quality of inclusive and sustainable financial services.

In 2025, product oversight effectiveness was measured through regulatory compliance, customer satisfaction levels, and contribution to financial inclusion, supported by customer feedback. The oversight structure at the level of the Board of Directors and Committees ensures that BTN's products and services remain reliable, secure, and aligned with the Bank's sustainability and integrity principles.

Advertising Policy

In line with its commitment to GCG and sustainable business practices, a Fair Advertising Policy through several Special Policies (KK), including KK.9-Y on Marketing Communication Activities, to build consumer trust and safeguard business integrity. This ensures that all marketing, promotional, and public communication materials are prepared with due consideration to legal aspects, compliance, reputational risk management, educational value, and transparency. The principles of transparency, accuracy, and non-misleading communication form the foundation of BTN's marketing communications.

Marketing communication standards require the use of clear and understandable language, in accordance with proper language rules, and prohibit claims or terminology that may be misleading, including the use of the word "free" when fees are still applicable. Information regarding promotions, refunds, and customer testimonials must be conveyed transparently and subject to verification. Through KK.9-Y, BTN also regulates the use of logos, brands, talents, music, and other digital assets to ensure compliance with applicable laws and copyright and intellectual property rights.

Marketing and communication activities for products and services are managed by the Marketing Communication Division (MCD) under the oversight of the Board of Directors. All marketing communications are coordinated with the risk management, legal,

compliance, product management, and corporate communications functions to ensure campaigns are responsible, not misleading, and protective of the Bank's reputation. The MCD reports the implementation of these activities to the Board of Directors at least once a year, covering performance, effectiveness, and compliance aspects.

In advertising placements, BTN considers the appropriateness of audience, media, and timing to minimize potential negative impacts. All materials must undergo legal, compliance, and risk verification processes prior to publication, including cybersecurity assessments of the media and channels used. Campaign evaluations are ensure effectiveness and compliance with applicable provisions.

Regular training programs for marketing and communication teams maintain consistency in the application of ethics and integrity in information delivery. Responsible marketing principles are integrated with customer protection, as stipulated in KK.4-F, which emphasizes education, information transparency, responsible business conduct, and customer data protection. Accordingly, BTN's marketing activities support business objectives while strengthening public trust and the implementation of good corporate governance, including compliance with sharia principles where relevant. For more information, please visit the following link [Fair Advertising Policy](#).

Employee Training Related to Advertising and Marketing [GRI 404-2]

Training Name	Implementation Date	Number of Employees Participating	Total Training Hours
Customer Service Centre Certification	February	2	44
Service Quality Certification	August	11	209
Business Communication Skills Development	October	18	145
Integrated Marketing Communications	October	3	15

Training Name	Implementation Date	Number of Employees Participating	Total Training Hours
Full-Stack Digital Marketing	October	3	30
Creative Thinking and Problem Solving	December	25	213
BTN Business Competition Compliance Webinar	December	63	16

Customer Financial Protection

In line with product oversight and the control of marketing communications, BTN manages customer protection through financial protection. Customer financial protection is through Special Policy (KK) No. KK.9-Z on the Protection of Customers and the Public, which regulates the delivery of product and service information in a clear, accurate, and transparent manner, including the consequences and risks of usage. Controls are aimed at reducing potential financial losses and legal risks, while maintaining customer trust in interactions and transactions with BTN.

These provisions are aligned with OJK Regulation (POJK) No. 22 of 2023 on the Protection of Consumers and the Public in the Financial Services Sector. This serves as BTN's reference in providing fair and responsible financial products and services, while prioritizing customer interests and welfare at every stage. The Bank applies fundamental principles of consumer and public protection as the basis for customer financial protection, which include:

1. Adequate education;
2. Openness and transparency of information;
3. Fair treatment and responsible business conduct;
4. Protection of customer assets, privacy, and data;
5. Effective and efficient complaint handling and dispute resolution;

6. Enforcement of compliance; and
7. Fair competition.

In managing products and services, BTN applies controls throughout the Product and/or Service Life Cycle to ensure consistent implementation of consumer and public protection principles, covering the following stages:

1. Product and service design;
2. Provision of product and/or service information (RIPLAY);
3. Delivery of product and/or service information;
4. Marketing of products and/or services;
5. Preparation of agreements related to products and/or services;
6. Service delivery related to the use of products and/or services; and
7. Complaint handling and dispute resolution related to customer products and/or services.

In implementing consumer protection principles that support customer financial protection, BTN undertakes the following:

1. Strengthened human resources and customer protection infrastructure through the establishment of structures that perform customer protection functions at each BTN Branch Office representative.

2. Development of a strategic planning cycle for financial literacy and inclusion education, implemented through structured education, literacy, and inclusion programs carried out periodically each year, including the development of digital inclusion.
3. Establishment of internal regulations on consumer and public protection that adopt external regulations related to customer protection, education and inclusion, and personal data protection, as guidelines for Bank operations.

4. Enhancement of complaint handling services by providing easily accessible complaint channels and ensuring that complaint resolution complies with the applicable Service Level Agreement (SLA).

To support the consistent implementation of these principles across all service networks, BTN conducts training programs for employees involved in customer financial protection. Details of the training programs implemented throughout 2025 are presented in the following table.

Employee Training and Certification Related to Customer Financial Protection [GRI 404-2]

Training Name	Implementation Date	Number of Employees Participating	Total Training Hours
Customer Service Centre Certification	February	2	44
Value Creation: Conquering the Market through Digital Leadership and Customer Orientation	February	1	4
Fair Competition Compliance Procedures	July	25	5
Service Quality Certification	August	11	209
High-Impact Business Communication Skills	October	15	121
MRI Insights Webinar: Going Beyond the Customer Experience	October	5	15
Creative Thinking and Problem Solving	December	20	170

Customer Data Privacy and Security

Information Technology (IT) governance is one of the main pillars in safeguarding service reliability, information security, and the Bank's operational effectiveness, covering aspects of management, planning, development, operational infrastructure, and system

security. This governance framework is reviewed periodically and regulated at a high level through the General Policy No.KU.5 on Information Technology, Data Management, and Digital.

To ensure consistent implementation across the organization, these provisions are supported by Special Policies that regulate technical aspects and provide more detailed operational and supervisory guidance, applying to all relevant business lines and subsidiaries of BTN, and cover the entire data lifecycle, from data collection, processing, storage, to data destruction.

BTN's comprehensive IT governance and policy framework encompasses technical guidelines, data and digital management, IT procedures and standards, IT security, and operational resilience, supported by Business Continuity Management (BCM) and recovery planning, including Business Impact Analysis (BIA), Business Continuity Plan (BCP), and Disaster Recovery Plan (DRP). This framework also includes IT, digital, and cyber risk management, as well as governance over electronic system placement and committee structures to ensure consistent implementation throughout the organization. Further details regarding oversight, policy frameworks, and customer data security controls are elaborated in the sections below.

Responsibilities and Oversight for Data Privacy and Security

The effective management of privacy, cybersecurity, and data protection happens through a clearly defined information security structure and mechanisms, including the implementation of dual control to maintain segregation of duties within IT operations. Governance responsibilities are at the level of the Board of Commissioners and Board-level Committees, in accordance with the Special Policy on Personal Data Protection, the Technical Guidelines for Data Governance Implementation, and compliance with the Personal Data Protection Law (UU PDP). Oversight is carried out through supervision of committees under the Board of Directors formed to support decision-making aligned with the Bank's vision, mission, and strategy, with the Information Security Organization structured as follows:

1. Board of Commissioners;
2. Information Technology Steering Committee (KPTI);
3. Director in Charge of Information Technology;

4. Information Security Manager (ISM);
5. Information Asset Owner (IAO);
6. Information Asset Custodian (IAC);
7. Head of Work Unit;
8. Information Security Management System (ISMS) Team;
9. Cyber Security Incident Response Team (CSIRT);
10. Compliance Work Unit;
11. Operational & Digital Risk Management Work Unit;
12. Employees; and
13. Third Parties.

Policy Framework and Controls for Customer Data Security

BTN places customer privacy and information security as a top priority, based on two key principles. First, customer data obtained through the Bank's services is confidential, must be protected, and must not be disclosed without consent. Second, the increasing use of data through digital applications has also increased exposure to cyber threats that may disrupt data security.

The risk of data leakage is controlled through internal storage systems with strict access controls, and limitations on the use of customer data strictly in accordance with the customer's explicit consent and applicable legal provisions. Risk management is supported by the Operational and Digital Risk Management Work Unit, which manages operational, IT, and digital risks, including the application of risk management to every technology solution developed to ensure that services remain secure and reliable. [OJK F.27]

These provisions are aligned with regulations issued by the Financial Services Authority (OJK) and laws and regulations of the Indonesian government relating to banking, consumer protection in the financial services sector, customer data confidentiality and security, bank secrecy, and personal data protection, and are supported by internal

Special Policies on data governance and customer and public protection. A Special Policy on Information Technology Security No. KK.5-B and on Personal Data Protection No. KK.6-K adopt the principles of confidentiality, integrity, and availability (CIA) to ensure that management is effective, efficient, secure, orderly, well-governed, traceable, and auditable. [GRI 418-1] [SASB FN-CB-230a.2]

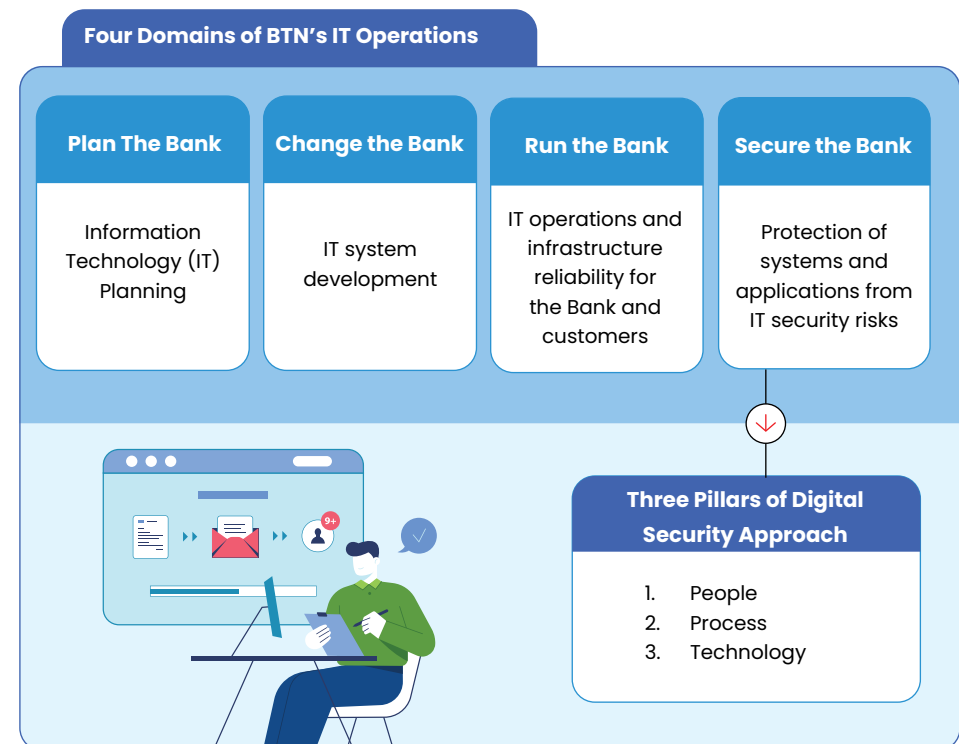
Control implementation includes IT security training for users, the use of authorized and regularly updated software, password standardization, and routine evaluation of the data security architecture to ensure continued adequacy and effectiveness. In 2025, there were no complaints related to breaches of customer data security, including loss, theft, or data leakage. In addition to awareness programs, the Bank also conducts data security risk identification through: [GRI 418-1] [SASB FN-CB-230a.2, FN-CB-230a.1]

1. Record Security Management policies;
2. Retention of sensitive information;
3. Identification of critical records;
4. Storage of critical records;
5. Storage of business source documents;
6. Storage of application transaction data;
7. Destruction of information;
8. Storage of sensitive information; and
9. Storage of violation and security incident records.

BTN is committed to protecting customer rights as personal data subjects in accordance with applicable regulations, including the Personal Data Protection Law. Customer protections, include the right to receive clear information regarding the collection and use of their personal data, the right to complete or rectification data in case of inaccuracies or incompleteness, and the right to access and obtain copies of personal data held by the Bank. Customers also have the right to terminate, delete, or destroy their personal data if the data is no longer required or if consent previously granted is withdrawn.

Information Technology (IT) Operations and Digital Security

IT operations are positioned as a key enabler of the Bank's operational effectiveness and efficiency. To manage its broad scope, BTN structures IT operations into four primary domains with distinct roles and focus areas: [GRI 3-3]



As IT evolves and digital banking transactions continue to increase, BTN has strengthened its focus on the “Secure the Bank” domain to ensure that services remain protected against key IT-related risks, namely data breaches and cyberattacks. In response, BTN implements digital security through a combination of proactive and reactive approaches based on the three main pillars: People, Process, and Technology, to protect customer data and transactions and ensure that digital services remain secure and reliable.

Pillar: People

The People pillar focuses on strengthening information security awareness and capabilities across the entire ecosystem, including employees, customers, and third parties. Its implementation is carried out through two main focuses: security awareness and competency development through training and certification.

Security Awareness

BTN fosters a strong security culture is fostered across all work units through an IT Security Index program that monitors the effectiveness of security awareness initiatives in mitigating cyber and information security risks. Senior management delivers monthly updates to employees, emphasizing the direct link between information security, customer trust, and the Bank’s reputation. Security awareness education is conducted regularly for employees, customers, and third parties. For employees, dissemination is carried out through BTN’s digital platforms, including:

- a. BTN official website
- b. Podcast
- c. Learning Management System
- d. Email Blast Security Awareness

- e. Wallpaper Desktop Security Awareness
- f. Screen Saver Security Awareness
- g. Bulletin Security Awareness
- h. Security Awareness Understanding Survey

For third parties, education is conducted annually to ensure proper information security management and protection of BTN data under their control. For customers, the focus is on secure transactions, cybercrime awareness, and personal data protection. Communication is delivered through BTN’s e-channels, BTN social media platforms (Instagram, X, Facebook, etc.), and various offline events and marketing activities organized by the Bank.

Competency Development [GRI 404-2]

BTN is committed to strengthening cybersecurity professionalism and competence through training and certification programs conducted at least once per year for employees, as well as vendors and contractors who support operations, system development, or maintenance and may access the Bank’s information and IT assets. The scope of training and certification provided includes cybersecurity and digital risk management, personal data protection, privacy and compliance, as well as cyber defence preparedness and cybercrime response.

As part of this competency development program, BTN conducts cybersecurity and personal data protection training and certification for employees, particularly those directly involved in IT risk management, information security, system development and operations, as well as incident monitoring and handling. Details of implementation during 2025 are presented in the table below.

Employee Training and Certification Related to Data Privacy and Cybersecurity

Training Name	Implementation Date	Number of Employees Participating
IBM i System ADM & Control AS400	January	2
Training CompTIA® Security+	March	2
Pelatihan Keamanan & Pelindungan Data	March	4
Comptia Pentest+	March	1
Refreshment Sertifikasi Manajemen Risiko	March	14
Training Sosialisasi Cyber Threat & Digital Risk Awareness	April	9,963
Certified Information System Security Professional (CISSP)	April	1
Microsoft Identity & Access Administrator	April	3
Digital Forensic Management	May	2
Certified Risk & Information System Control (CRISC)	May	3
Comptia Security+	May	2
Training CompTia Security+ (SY0-701)	June	2
Training The Future of Cybersecurity : Threats, Challenges, and Innovations	June	6
Training Keamanan & Perlindungan Data	July	4
Training Compliance Excellence - Data Privacy Excellence	August	12,011
Training Certified Indonesia Data Protection Officer (CIP DPO)	August	2
Secure Coding with GenAI	November	3
Training CompTia Security+	October	2
Training Perlindungan Data Pribadi	December	28

Pillar: Process

Governance is implemented in accordance with applicable standards and regulations by applying SOP-based operational processes that are consistently communicated and implemented by all stakeholders. In alignment with these standards, BTN has implemented the following initiatives:

1. Establishment of a Computer Security Incident Response Team (CSIRT) that collaborates with regulators and is supported by advanced technology and a monitoring system in the form of Security Incident and Event Management (SIEM).
2. Periodic cybersecurity testing on network, system, and data security in accordance with regulatory requirements, including:
 - Vulnerability-based testing through vulnerability assessments and penetration testing for new applications, application developments, and regular applications based on criticality levels, conducted by certified independent external parties registered with the Indonesian Payment System Association (ASPI).
 - Scenario-based testing, including table-top exercises, social engineering exercises (phishing via email), and Adversarial Attack Simulation Exercise (AASE). Table-top exercises are conducted by cross-unit CSIRT teams to review attack playbooks, response, and recovery, covering topics such as:
 - Data Breach Guidelines
 - Snapshot Server DFIR
 - Chain of Custody
 - Server Forensics
 - Insider Threat
 - Social Engineering
 - Data Breach Incident

- Ransomware
- Operational/Management Incident
- Web Application Attack

3. In 2025, BTN's operations were certified under ISO 27001:2022 for its Information Security Management System. To ensure consistent implementation of the standard, BTN conducts annual internal and external audits of its information security system, including Data Center operations.
4. BTN conducted an assessment of its implementation of SEOJK No. 29/SEOJK.03/2022 on Cyber Resilience and Security, carried out by an external auditor registered with the Indonesian Payment System Association (ASPI). Based on the assessment results, BTN achieved a Level 2 rating for cyber security risk, indicating that the Bank's overall cyber security maturity is at a high level.
5. In support of government and regulator programs to combat online gambling and the sale of accounts under customer identities, BTN conducts cyber patrols using its Cyber Threat Intelligence (CTI) tools.

Pillar: Technology

BTN applies a defense-in-depth approach through layered security controls to enhance information technology security capabilities and optimize defense. This approach includes endpoint security, application security, network security, IT infrastructure security, and data security, to safeguard confidentiality, integrity, and availability, and to protect customer data and transactions.

Implementation of Layered IT Security Controls

Security Layer	Initiative / Technology	Primary Objective
Endpoint Security	Enhanced Endpoint Protection for servers	To detect, prevent, and respond to malware/ransomware in real-time and reduce the risk of data leakage, damage, or theft.
Endpoint Security	Enhancement of DNS Security and IP Address Management	To mitigate access to unsafe domains and improve traceability of endpoints accessing IT resources.
Application Security	Security by design & Mobile Application Security	To safeguard customer mobile applications through strengthened design and security controls on access devices.
Application Security	Enhancement of API security	To detect and prevent Application Programming Interface (API)-based attacks in line with the increased use of open banking.
Application Security	Enhancement of IBB security through content delivery network	To improve security of web-based applications while maintaining access performance for Internet Banking Business (IBB).
Application Security	Manage Service Digital Application Protection	To provide comprehensive application protection and support monitoring and operational follow-up on digital transactions.
Network Security	Implementation of Network Access Control (NAC)	To regulate, verify, and monitor device access to the network based on policy to prevent unauthorized access.
Network Security	Enhancement of Internet Access Control and Proxy Outbound	To separate and identify internet traffic for business transactions and back-office productivity through access control and outbound proxy.
Network Security	Enhancement of email security	To protect email systems from spam, phishing, and malicious attachments.
IT Infrastructure Security	Enhancement of Network Time Protocol (NTP)	To maintain time synchronization for audit log accuracy, security control consistency, and to mitigate the risk of data manipulation.
IT Infrastructure Security	Implementation of active-active security infrastructure	To enhance availability, resilience, and reliability of transactional infrastructure to ensure service continuity.
IT Infrastructure Security	Strengthening of security management for Microsoft-based systems (Windows, Active Directory, MSSQL, Microsoft Office, Office 365)	To apply best practices and professional service support for current security, operational support, and access to the latest technology.
Data Security	Implementation/Improvement Data Loss Prevention (DLP)	To mitigate customer and Bank data leakage through preventive controls and monitoring of data flows.
Data Security	Cyber Threat Intelligence (CTI) and Digital Right Protection	To actively monitor cyber threat patterns and perform takedowns of content that may harm customers and the Bank's reputation.
Data Security	Enhancement of database security	To limit and prevent attacks that exploit databases as digital access and transactions increase.

Disclosure and Control of Data Shared with Third Parties

BTN ensures that data protection standards also apply to suppliers and business partners who process Bank data or have access to the Bank's network, and that data is not transferred to third parties except for legitimate service provision purposes and in accordance with applicable regulations.

Third-party compliance with information security standards and procedures is regulated under Special Policy (KK) No. 5-B on Information Technology Security and reinforced through clauses in cooperation agreements or Non-Disclosure Agreements (NDA), including the obligation for suppliers and business partners to maintain data protection and information security policies or to comply with BTN policies. Implementation is carried out through the following key measures:

1. The Bank manages information security and cybersecurity risks throughout the service delivery process by suppliers and partners through comprehensive processes and procedures to ensure the security, integrity, and confidentiality of information during IT solution delivery.
2. The Bank ensures that any amendments to cooperation agreements with suppliers and partners must be mutually approved in accordance with applicable change procedures, accompanied by identification and review of information security requirements for any agreed scope changes.
3. The Bank conducts supervision and inspection through routine monitoring of services provided, requires periodic reporting on service delivery outcomes, and ensures the availability of support and information required for internal audit processes to verify compliance.
4. Upon termination of cooperation, the Bank also implements an exit strategy to ensure that data remains protected even after the relationship with suppliers or partners ends.

5. The Bank manages third-party security risks related to IT service providers and digital partners through Third-Party Risk Assessments, Security Questionnaires, and Security Scorecards, to ensure these third parties meet the Bank's IT security standards.

Personal Data Protection

Personal data protection is a systematic effort to safeguard the privacy rights of personal data subjects by protecting the confidentiality, integrity, and availability of their personal data. This process emphasizes transparency so that data subjects understand how their data is collected, used, and protected. The framework sets out the obligations of the data controller, namely the Bank, as well as the rights of personal data subjects to protect their interests.

BTN personal data protection practices maintain customer trust and comply with Law No. 27 of 2022 on Personal Data Protection. A Data Privacy Unit acts as the Personal Data Protection Officer within the Compliance function under the Human Capital, Compliance & Legal Directorate, overseen by the Board of Directors through the Information Technology Steering Committee (KPTI) and the Risk Management Committee. The Data Privacy Unit develops the governance framework and policies and runs personal data protection program to ensure holistic control implementation.

BTN's personal data protection and management practices are governed by an internal policy framework covering the entire data processing lifecycle, from collection, use, and sharing, through to storage and deletion. Special Policies (KK) cover personal data protection, IT security, customer and public protection, and records management implemented through Technical Guidelines (PT) that address data subject consent, Records of Processing Activities (ROPA), impact assessments, data protection incident handling, management of data protection aspects in third-party engagements, and

records management procedures. To safeguard data, BTN applies technical security controls in line with internal requirements, including masking of sensitive data based on the relevant Security Baseline Technical Guideline, and restrictions on data transfers through Data Loss Prevention (DLP) solutions in accordance with the applicable DLP Technical Guideline.

The confidentiality of personal data is maintained through information security controls and governance over data sharing with third parties. BTN also ensures that personal data is processed on a lawful basis, used only for the purposes communicated to customers, and deleted once those purposes have been fulfilled.

BTN does not sell, provide, or rent personal data belonging to personal data subjects associated with BTN to third parties, except for transaction processing, financial service delivery, regulatory reporting, law enforcement requests, and other exceptions as stipulated by law. BTN also does not collect or use customer personal data from third parties without customer consent. Transparency regarding data use and protection is provided through a privacy notice accessible on the Bank's official website. The Bank also applies the principle of data minimization in data processing.

As a data controller, BTN ensures the consistent application of personal data protection obligations through the following commitments:

1. BTN ensures that the collection and processing of personal data is limited to data that is necessary and relevant for specific purposes, in accordance with the data minimization principle. Processing purposes are defined in writing and approved by the data subject prior to processing, as stipulated in KK No. KK.6-K on Personal Data Protection and Technical Guideline No. PT.6-K.1 on Data Subject Consent.
2. BTN adopts data protection standards set out in KK No. KK.6-K on Personal Data

Protection and KK No. KK.5-B on Information Technology Security, incorporating control procedures aligned with ISO 27001:2022 Information Security Management System.

3. BTN has established a mechanism to provide timely notifications to personal data subjects in the event of changes to requirements, processing purposes, and/or personal data protection incidents. This provision is supported by incident response guidance for handling personal data protection failures, with reference to Special Policy (KK) No. KK.6-K and Technical Guideline (PT) No. PT.6-K.4 on the Handling of Personal Data Protection Failures.
4. BTN ensures that data processing is lawful and transparent, with explicit consent obtained when required. Consent from data subjects, both individuals and corporates, is clearly obtained for informed purposes, including when involving third parties, and recorded in ROPA in accordance with KK No. KK.6-K.
5. BTN requires third parties involved in data sharing to comply with the Bank's policies through third-party risk management and compliance standards, as stipulated in KK No. KK.6-K and PT No. PT.6-K.5 on Third-Party Cooperation for Personal Data Protection.

In line with these obligations, BTN implements Law No. 27 of 2022 on Personal Data Protection, which requires the deletion of personal data but does not explicitly specify a retention period. Accordingly, BTN refers to its internal policies, namely Technical Guideline No. PT.9-J1 on Records Management as the framework for the Records Retention Schedule, and Technical Guideline No. PT.9-M.1, which sets out detailed data retention periods by category. Under these provisions, the retention period for personal data is set at a minimum of 10 (ten) years for transaction data, customer data, and credit data. Upon expiry of the retention period, personal data is deleted provided that the customer no longer has any active products or services with BTN and the data does not fall under the exceptions stipulated in Article 50 of Law No. 27 of 2022 on Personal Data Protection. Retention periods for other data categories are determined by the respective data owners based on the product, service, and data type, in accordance with the applicable retention schedule.

BTN's privacy policy at [Privacy Policy](#) and on other BTN digital platforms, and fulfills data subject rights in accordance with applicable laws and regulations. Requests related to data subject rights may be submitted through balé by BTN, BTN Call Center, or customer service at Bank outlets. Customer service handles requests for personal data information, data updates or corrections, and requests for processing termination and data deletion, while access to personal data information is also available via balé by BTN.

Additionally, BTN has initiated a periodic evaluation process regarding personal data protection, conducted by an internal team, and involving third parties appointed by the Bank to support the process.

During this reporting period, BTN did not record any incidents of personal data protection failure, tangible evidence of BTN's commitment to maintaining privacy and protecting customer data to the highest standards. Furthermore, BTN did not receive any similar complaints, either from regulatory authorities or institutions responsible for monitoring and overseeing banking sector regulations. [\[GRI 418-1\]](#)

The Bank's Internal Audit Division (SKAI) carried out audits focused on cybersecurity and applications, including data security, through its Information Technology (IT) Audit activities. These covered mandatory audits required by regulators, such as security audits of BI Payment System applications, cybersecurity risk management, and data security management, as well as thematic audits of critical applications covering the validity of information processing, data integrity, and the security of applications and data. All of these audit activities were conducted in accordance with the Annual Audit Plan.

Additional information is available at the following link: [Data Collection, Use, Storage, and Retention Policy](#).



Debt Collection Policy

A Standalone Debt Collection Policy is a structured and transparent guideline for collection activities, aligned with responsible and sustainable banking practices designed to protect consumer rights while safeguarding business sustainability through the application of GCG principles. All employees and authorized parties involved in collection activities are required to uphold ethical standards, respect debtor rights, and conduct collection professionally in accordance with applicable regulations.

The Standalone Debt Collection Policy refers to Special Policy (KK) No. KK.1R and Technical Guideline (PT) No. PT.1-R.1 on Consumer Segment Credit Collection Management Procedures. These provisions regulate collection workflows through multimedia channels, success fee mechanisms, verification and reconciliation processes, and payment procedures, to ensure that collection activities are structured, documented, and compliant with internal policies and applicable laws. For further information, please visit the following link [Debt Collection Policy](#).

BTN manages consumer credit collection and resolution in accordance with the principles of prudence and GCG covering collection activities, restructuring, settlement, and write-offs of consumer loans, conducted professionally, responsibly, and oriented toward credit risk mitigation and the achievement of business targets. Collection activities are through desk collection, direct visits to debtors, and cooperation with collection service partners based on a success fee mechanism, with an emphasis on debtor data validity, tiered approvals, verification, and payment reconciliation.

BTN ensures that each stage of the collection process is implemented systematically, starting from data review and verification, debtor confirmation, collection execution, to reporting of results. Complete and validated documentation is mandatory, including request memoranda, collection reports, invoices, and payment reconciliation evidence. Payment of success fees to third parties is made only upon realization of debtor payments and fulfillment of all documentation requirements. All collection processes are conducted while respecting debtor rights and privacy, without physical or verbal coercion, and in accordance with prescribed timing and communication channels.

To ensure consistent implementation regular annual training and certification programs for employees and collection development materials basic collection practices, collection negotiation techniques, fraud prevention strategies, and operational risk management in collection activities.

As part of continuous strengthening, BTN has developed the Strategic Collection & Recovery Excellence (SCORE) Program through the Collection Academy, designed in stages from basic, intermediate, to advanced levels. The program applies the 10–20–70 learning model (10% formal learning, 20% social learning, and 70% experiential learning) and is supported by learning evaluation mechanisms to ensure effective competency development. Through this approach, BTN also builds structured career pathways and continuously develops a talent pool in the collection function.

Details of training and certification conducted during the reporting period are presented in the table below.

Employee Training and Certification Related to Debt Collection Policy [GRI 404-2]

Training Name	Implementation Date	Number of Employees Participating	Total Training Hours
Collections Refreshment for Branch Managers	January	72	576
SCORE collection	February – September	756	6,059
Collection academy level basic	April & July	128	1,512
Collection academy level intermediate	October	91	1,456
Integrated collection excellence 2025	June – August	79	1,894
Collateral Verification and Valuation Techniques	July	233	1,398
Asset Sales Strategy & Credit Settlement	August	30	481
Consumer Credit Restructuring Analysis	August	26	416
Internalisation of the Collections Code of Ethics	October	567	183
Commercial Financing Restructuring (Sharia Banking)	October	102	1,854
Commercial Credit Restructuring and Exit Strategy	November	31	496
Compliance Excellence – Consumer Collection	December	12,271	3,060

Offering of Loan Modification Options

In line with the implementation of customer financial protection and ethical collection practices, BTN provides loan modification options that include income-based considerations and customer access to escalation options for those experiencing financial difficulties through a restructuring program. Available schemes include adjustments to repayment schedules, temporary reductions in loan interest, and principal payment moratoriums, with the objective of achieving a balanced solution for both the Bank and the debtor. The restructuring process begins with discussions between the debtor and the account officer or Relationship Manager. Debtors may also obtain information regarding restructuring through OJK. Upon approval, BTN issues a Restructuring Approval Letter that sets out the applicable scheme, terms, and conditions.

Restructuring options offered refer to OJK Regulation (POJK) No. 40 of 2019, including:

1. Adjustment of Repayment Schedule
2. Temporary Reduction of Loan Interest
3. Principal Payment Moratorium

Applications are submitted through a debtor's formal request and subsequently reviewed by the risk management team. If approved, BTN issues an approval letter in accordance with the agreed scheme, enabling the debtor to obtain payment relief while ensuring that credit risk remains properly managed.

Handling of Financial Product Complaints [GRI 413-2] [OJK F.24]

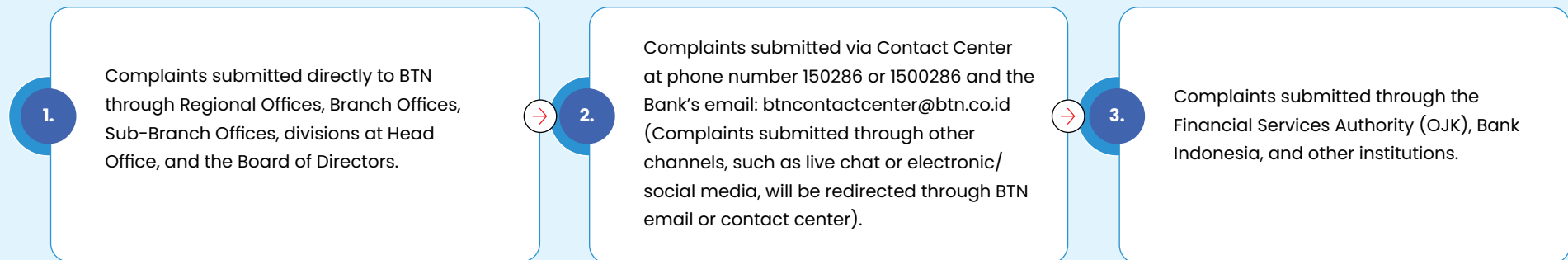
Transparency and open communication are key to BTN's efforts to build stakeholder trust. Accordingly, the Bank provides accessible, responsive, and effective communication channels that allow stakeholders, including local communities, to submit feedback, suggestions, and complaints related to the Bank's operations. These channels also serve as a dialogue platform to accelerate responses and promote collaborative issue resolution. [OJK F.24]

Consistent management of these channels supports BTN in maintaining constructive relationships with stakeholders while managing the impacts of decisions and operational activities in a measurable manner. Throughout the reporting period, the Bank receive no complaints related to its operations or any negative impacts arising therefrom.

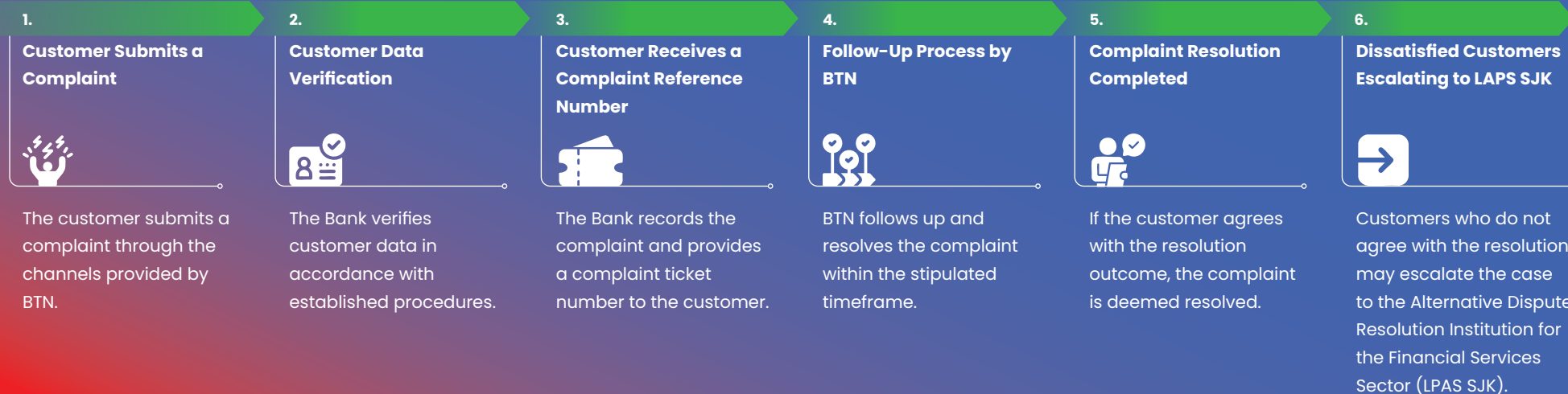
Customer Complaint Mechanism

Timely and accurate handling of complaints is critical in maintaining service quality and the customer experience. Special Policy (KK) No. KK.9-K on Customer Complaints is the guideline for complaint management through which the Bank provides complaint channels accessible to customers across all work units, enabling complaints to be submitted anytime and from anywhere, without dependence on the branch where the customer was initially registered. Complaints may be submitted orally or in writing through various channels, including:

Customer Complaint Channels



Customer Complaint Handling Flow



To ensure effective complaint handling, BTN collaborates with external parties, including the Ombudsman and the National Consumer Protection Agency (BPKN), to accelerate timely and accurate complaint resolution while maintaining service credibility. This collaboration supports the implementation of an Ombudsman-based complaint handling system, which includes:

1. Integrated Complaint Channels

BTN provides multiple complaint channels, including balé by BTN, call center, and physical branches, in accordance with OJK service standards.

2. Clear Escalation Procedures

Complaints unresolved at the operational level are subject to evaluation to ensure independent and accountable resolution.

3. Specialized Employee Training

BTN conducts complaint-handling training for employees.

4. Enhanced Transparency

BTN is committed to periodically reporting complaint statistics, resolution rates, and customer feedback as part of transparency efforts.

Service quality consistency is supported by the implementation of a validated management system through ISO 9001:2015 certification, which covers Contact Center Service Quality Standards and Customer Protection and Complaint Handling Management. This validation ensures that contact center services as a complaint channel and complaint handling processes are standardized, structured, and documented during the reporting period.

Oversight of Customer Complaint Management

The BTN Risk Monitoring Committee at the Board of Commissioners level oversees customer complaint management as part of operational risk management, coordinating with the Director of Operations to receive complaint performance reports from the Experience Division Unit. This mechanism is used to identify potential risks, ensure appropriate follow-up, and continuously improve processes so that emerging risks can be minimized and complaint management remains effective and efficient.

If a complaint cannot be resolved and escalates into a dispute, customers may pursue dispute resolution mechanisms through authorized institutions, including arbitration,

mediation, or litigation, in accordance with applicable regulations. This provision supports the management of legal and reputational risks while safeguarding the Bank's credibility. Through the application of prudential principles and continuous evaluation, BTN is committed to improving the quality of complaint handling and maintaining customer satisfaction and trust.

To provide a measurable overview of complaint handling performance, BTN presents a recap of the number of complaints, resolution rates, and handling status by product/service category in the table below.

Customer Complaint Data

Complaint Category	2025					2024					2023				
	Total Complaints	Resolved		In Process		Total Complaints	Resolved		In Process		Total Complaints	Resolved		In Process	
		Total	%	Total	%		Total	%	Total	%		vTotal	%	Total	%
Funding Products	1,574	1,455	92.44	119	7.56	1,064	654	61.47	410	38.53	318	318	100.00	0	0.00
Lending Products	759	543	71.54	216	28.46	461	324	70.28	137	29.72	208	206	99.04	2	0.96
Partnership Products	4	4	100.00	0	0.00	15	12	80.00	3	20.00	8	8	100.00	0	0.00
Other Products	2,084	1,629	78.17	455	21.83	1,259	808	64.18	451	35.82	812	706	86.95	106	13.05
Payment Systems	68,195	63,032	99.76	163	0.24	90,198	89,385	99.10	813	0.90	61,261	61,261	100.00	0	0.00
Total	72,616	71,663	98.69	953	1.31	92,997	91,183	98.05	1,814	1.95	62,607	61,137	97.64	108	0.17
Resolution Rate	98.69%					98.45%					99.83%				

Notes:

- Funding Products category: savings, time deposits, current accounts, etc.
- Lending Products category: subsidized loans, non-subsidized loans, working capital loans, etc.
- Partnership Products category: bancassurance, mutual funds, retail government bonds (ORI), etc.
- Other Products category: officer services, bank guarantees, facility provision, etc.
- Payment Systems category: ATM, mobile banking, internet banking, etc.

Customer Satisfaction

The Bank maintains product and service quality while ensuring equal access and fair treatment for all customers without exception. Policies and service standards are applied comprehensively across all service touchpoints to ensure a consistent customer experience and to build sustainable trust in the Bank. [OJK F.17]

BTN's efforts to maintain customer satisfaction include:

1. Offering products and services in accordance with established quality standards;
2. Providing the best service to all customers and following up on every complaint fairly and without discrimination;
3. Conducting service promotion that is healthy, fair, honest, non-misleading, and aligned with generally accepted social norms;
4. Implementing fair trade practices in accordance with BTN policies, namely: [FS15]
 - a. Special Policy No. KK.2-L on Retail Funding Services;
 - b. Technical Guideline PT.2-C.1 on Foreign Exchange Transfer Service Fees; and
5. Ensuring that all employees support the Bank's efforts to achieve customer satisfaction and trust.

In addition to ensuring consistent service delivery, BTN provides product information clearly and transparently, including product name and type, features, benefits, risks, usage procedures, fees, and other terms, to enable customers to make informed decisions. To ensure compliance with product labeling and information procedures, BTN conducts internal review and approval of all information materials before publication through official channels. Compliance assessment covers 100% of product and service categories marketed to customers, including deposit products, loans/financing, transaction services and digital channels, and other service offerings. [GRI 3-3, 417-1] [OJK F.27]

Furthermore, BTN's marketing communication activities are conducted in accordance with applicable regulations to ensure that product and service information is delivered accurately and does not cause misperception. During the reporting year, there were no negative impacts arising from BTN's products or services, no products withdrawn or cancelled, and no instances of non-compliance related to product and service information or labeling. BTN also received no reports of breaches related to marketing communications during 2025. [GRI 3-3, 417-2, 417-3] [OJK F.28, F.29]

To monitor customer experience and the effectiveness of service standards, BTN uses third-party surveys, namely the Customer Experience Index (CEI) and Net Promoter Score (NPS). CEI measures satisfaction, engagement, and loyalty as the average of the Customer Satisfaction Index (CSI), Customer Loyalty Index (CLI), and Customer Engagement Index (CGI), while NPS assesses loyalty based on customers' likelihood to recommend BTN's products or services. The measurement results are used to understand service usage behaviour, capture customer needs and expectations, and set improvement priorities. CLI covers referral, repurchase, retention, advocacy, and loyalty, while CGI is influenced by trust, fairness, pride, and passion.

The results show improvements across several customer categories in the CEI survey. In 2025, BTN's CEI reached 80.85, up 3.81%, with CLI at 80.23, increasing by 5.89%, and CGI at 81.56, rising by 6.98% compared with the previous year. These achievements were also reflected in external assessments through the Satisfaction Loyalty Engagement (SLE) index survey at the end of 2025, where BTN ranked first in the NPS category for KBMI 3 banks with a score of 50, up 8.49% year-on-year. This improvement highlights stronger customer loyalty and a higher likelihood of customers recommending BTN's services, in line with rising satisfaction levels. [OJK F.30]

07

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Strengthening Governance as the Foundation of Sustainability

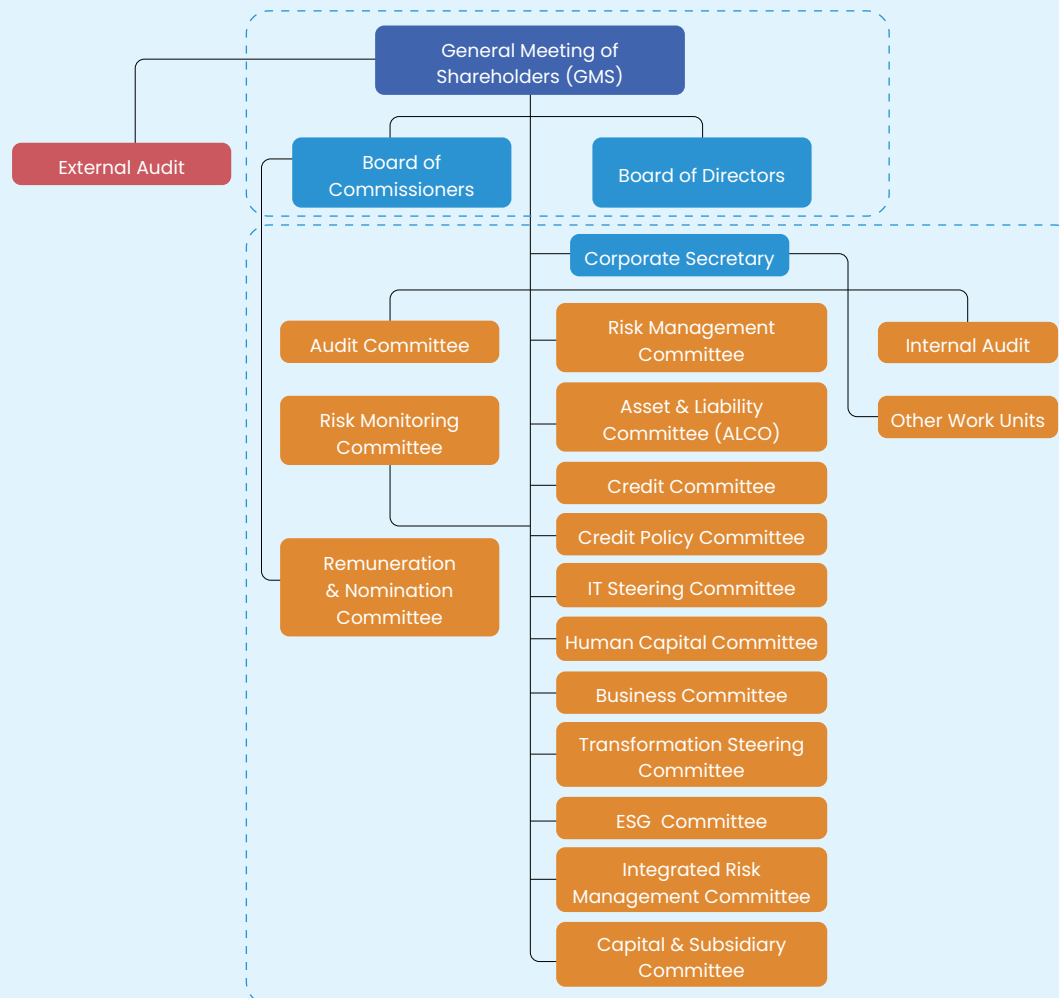


BTN Sustainability Governance Structure [GRI 2-9, 2-10, 2-11, 2-12, 2-13]

BTN's governance structure established in accordance with Law No. 40 of 2007 on Limited Liability Companies stipulates three main governing bodies, namely the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors whose establishment ensures a clear division of duties and responsibilities, while supporting the checks and balances mechanism required to implement good, effective, and accountable corporate governance practices.

Within this framework, the Board of Commissioners supervises the Bank's management and provides strategic guidance to the Board of Directors, including compliance with applicable regulations and internal policies and safeguarding shareholders' interests. The Board of Directors is responsible for the Bank's overall management and day-to-day operations, the formulation and execution of strategy, and performance reporting to the Board of Commissioners. Collectively, the Board of Directors leads the achievement of BTN's vision and mission in line with the mandates of shareholders and stakeholders, while the Board of Commissioners ensures the consistent application of GCG and ESG principles through its oversight and control functions.

BTN Governance Structure



General Meeting of Shareholders (GMS) [GRI 2-11]

The GMS is the highest governing body and holds authorities that are not delegated to the Board of Directors or the Board of Commissioners in accordance with Law No. 40 of 2007. Through this forum, Shareholders are entitled to obtain information, evaluate the performance of the Board of Commissioners and the Board of Directors, and approve the Bank's policies and strategic decisions. In relation to the management of economic, environmental, and social impacts, the Bank engages Shareholders through the submission and discussion of sustainability plans and performance at the Annual GMS to obtain direction and approval. These plans are prepared by the Board of Directors, reviewed and approved by the Board of Commissioners, and then presented to Shareholders as a form of accountability. [GRI 2-11, 2-12]

BTN holds Annual GMS and Extraordinary GMS. The Annual GMS is held no later than six months after the end of the financial year, while the Extraordinary GMS may be held at any time as required by the Bank. In the 2025 financial year, BTN held two Annual GMS, with the following details:

Convening of BTN GMS

Description	Date and Time	Venue
Annual GMS	26 March 2025	Menara BTN, Jakarta
Extraordinary GMS	18 November 2025	Menara BTN, Jakarta

Board of Commissioners

Oversight of the Bank's management is exercised by the Board of Commissioners whose role includes reviewing the policies and performance of the Board of Directors and providing strategic direction to safeguard the interests of the Bank and its shareholders, while taking into account stakeholder expectations.

To ensure effective oversight, the Board of Commissioners has supporting committees that report directly to them. All roles, authorities, and working mechanisms of the Board of Commissioners are carried out in accordance with Law No. 40 of 2007, Law No. 7 of 1992, and applicable regulatory provisions, including those issued by the Financial Services Authority, Bank Indonesia, and BTN's Articles of Association.

Composition of BTN Board of Commissioners

Name	Position	Gender	Basis of Appointment	Effective Date Approved by OJK
Suryo Utomo	President Commissioner	Male	Annual GMS dated 26 March 2025	26 June 2025
Dwi Ary Purnomo	Vice President Commissioner	Male	Annual GMS dated 26 March 2025	26 June 2025
Fahri Hamzah	Commissioner	Male	Annual GMS dated 26 March 2025	17 December 2025
Ida Nuryanti	Independent Commissioner	Female	Annual GMS dated 26 March 2025	9 October 2025
Pietra Machreza Paloh	Independent Commissioner	Male	Annual GMS dated 26 March 2025	15 August 2025
Panangian Simanungkalit	Independent Commissioner	Male	Annual GMS dated 26 March 2025	15 August 2025

The Board of Commissioners holds regular meetings to ensure that the oversight function is carried out effectively and in line with the GCG principles. Each meeting documents attendance, which serve as the basis for assessing members' participation in strategic decision-making processes and in overseeing the Bank's operations.

Percentage of Attendance at Board of Commissioners' Meetings

Number of Board of Commissioners' Meetings

53

Average Attendance Percentage

100%

Board of Directors

The Board of Directors is responsible for directing operations, strategy, and asset protection to achieve the Bank's objectives in a sustainable manner. Management is reported to the Board of Commissioners, with the appointment of the Board of Directors determined through the GMS and effective as of the closing of the GMS.

The appointment of members of the Board of Directors the GMS based on the recommendation of the Remuneration and Nomination Committee, with a five-year term of office that may be extended for one additional term. The GMS has the authority to dismiss members of the Board of Directors before the end of their term in accordance with applicable regulations.

Composition of BTN Board of Directors

Name	Position	Gender	Basis of Appointment	Effective Date Approved by OJK
Nixon L. P. Napitupulu	President Director	Male	Annual GMS dated March 16, 2023	June 7, 2023
Oni Febriarto Rahardjo	Vice President Director	Male	Annual GMS dated March 16, 2023	June 7, 2023
Setiyo Wibowo	Director of Information Technology	Male	Extraordinary GMS dated November 27, 2019	July 3, 2020
Hirwandi Gafar	Director of Treasury & International Banking	Female	Extraordinary GMS dated November 27, 2019	August 28, 2020
Nofry Rony Poetra	Director of Corporate Banking	Male	Annual GMS dated March 10, 2021	August 9, 2021
Eko Waluyo	Director of Risk Management	Male	Annual GMS dated March 10, 2021	August 9, 2021
Tan Jacky Chen	Director of Consumer Banking	Male	Annual GMS dated March 26, 2025	September 1, 2025
Venda Yuniarti	Director of Finance & Strategy	Male	Annual GMS dated March 26, 2025	September 1, 2025
Helmy Afrisa Nugroho	Director of Human Capital & Compliance	Male	Annual GMS dated March 26, 2025	Still undergoing the Fit and Proper Test process.
I Nyoman Sugiri Yasa	Director of Operations	Male	Annual GMS dated March 26, 2025	July 25, 2025
Rully Setiawan	Director of Network & Retail Funding	Male	Annual GMS dated March 26, 2025	July 25, 2025
Hermita	Director of Commercial Banking	Female	Annual GMS dated March 26, 2025	July 25, 2025

The Board of Directors is responsible for the Bank's management and administration to achieve its purposes and objectives in accordance with prevailing laws and regulations, the Articles of Association, and resolutions of the GMS. The Board of Directors represents the Bank both in and out of court and ensures that management is conducted effectively and in alignment with the Bank's vision, mission, and strategies. The management of the Bank is led by the President Director, who serves as the principal coordinator in decision-making and leadership of the Board of Directors, with duties that include:

1. Leading meetings of the Board of Directors.
2. Fostering a culture of openness and facilitating constructive discussions.
3. Providing advice to members of the Board of Directors regarding the effective performance of management duties.
4. Maintaining relationships and cohesion among members of the Board of Directors in the execution of management responsibilities.
5. Maintaining effective and sound relationships with the Board of Commissioners.

Each member of the Board of Directors bears collective responsibility for losses arising from errors or negligence in the performance of their duties. A release from liability may be granted if a member of the Board of Directors can demonstrate that:

1. The loss was not caused by their error or negligence.
2. They have carried out management duties in good faith, with full responsibility and due care, in the interests of and in accordance with the purposes and objectives of the Bank.
3. They have no conflict of interest, either directly or indirectly, in the management actions that resulted in the loss.
4. They have taken actions to prevent the occurrence or continuation of such loss.

To support the effective performance of its duties, the Board of Directors is assisted by the following committees:

1. Asset & Liability Committee
2. IT Steering Committee
3. Risk Management Committee
4. Human Capital Committee
5. Credit Policy Committee

6. Credit Committee
7. Business Committee
8. Transformation Steering Committee
9. ESG Committee
10. Integrated Risk Management Committee
11. Capital & Subsidiary Committee

The Board of Directors has supporting units such as the Corporate Secretary, Internal Audit Unit, and Risk Management Unit to ensure more integrated management of the Bank. Scheduled meetings of the Board of Directors are complete with attendance records serving as the basis for assessing members' participation in strategic decision-making processes and oversight of the Bank's operations.

Percentage of Attendance at Board of Directors' Meetings

Number of Board of Directors' Meetings

183

Average Attendance Percentage

85.23%

ESG Committee

As part of its commitment to implementing a structured sustainability approach, BTN established an ESG Committee at the board level, chaired by the President Director and comprising members of the Board of Directors and SEVPs. The Committee functions to ensure that environmental, social, and governance considerations are integrated into the Bank's policies and to support the achievement of the SDGs and the Bank's climate targets.

The ESG Committee is responsible for formulating ESG and CSR policies, strategies, and program objectives, including oversight of sustainability-related risks and opportunities.

The Committee establishes strategic decisions in the implementation of programs through meetings held on a regular basis, and has the following duties and responsibilities:

1. Establishing improvement measures related to ESG and CSR programs, including community development programs, Micro and Small Business Financing (PUMK), the Sustainable Finance Action Plan, and business activities undertaken as part of the Bank's responsibility to society for business risks arising from the Bank's operations, and reporting these to the Board of Directors.
2. Making decisions on the Bank's strategies that have impacts on environmental, social, and community aspects within the ESG Program and Roadmap.
3. Monitoring the implementation of the Bank's ESG Strategy and Roadmap.
4. Providing information to Bank management on all ESG-related issues, including laws

and regulations, government programs, international developments, future business trends, and climate change.

5. Monitoring, evaluating, and providing recommendations on ESG reports, investor concerns, or feedback from other third parties regarding ESG implementation.
6. Making decisions related to:
 - a. The objectives and implementation guidelines of the CSR Program.
 - b. The mapping and formulation of the CSR Program.
 - c. The evaluation of the implementation of the CSR Program.

The ESG Committee is governed by Special Policy No. KK.9-D on the Governance Procedures of Board Committees, with the following committee composition:

BTN ESG Committee Structure

Structure	Position
Chairperson	President Director
Members	• Vice President Director *) • Director overseeing Risk Management **) • Director overseeing Finance & Strategy • Director overseeing Information Technology • Director overseeing Human Capital & Compliance • Director overseeing Operations • Director overseeing Treasury & International Banking • Director overseeing Consumer Banking • Director overseeing Network & Retail Funding • Director overseeing Corporate Banking • Director overseeing Commercial Banking • SEVP overseeing Business Digital • SEVP overseeing Assets Management • SEVP overseeing Credit Risk

*) Acting Chair I

**) Acting Chair II

Commitment to Governance Implementation

BTN places GCG as a fundamental principle in conducting its business and managing the organized manifested through the integration of transparency, accountability, and integrity values into every operational process and decision-making activity, enabling the Bank to maintain public trust and responsibly achieve its long-term objectives.

BTN ensures that all control mechanisms, risk assessment processes, and oversight structures operate effectively to support disciplined operations that are free from conflicts of interest. This helps to minimize the potential for fraud and ensures that strategic decisions are aligned with stakeholder interests and best practices in the banking industry.

The implementation of GCG at BTN is guided by the applicable regulatory framework in the banking sector, capital markets, and SOEs, including provisions issued by the Financial Services Authority (OJK), Bank Indonesia, the government, and the Bank's Articles of Association. All serve as the basis for ensuring that governance is implemented consistently and in compliance with prevailing regulations. BTN also adopts various governance standards recognized at both regional and international levels to broaden the scope of GCG implementation. These standards include:

				
Corporate governance principles of the Organisation for Economic Co-operation and Development (OECD).	ASEAN Corporate Governance Scorecard issued by the ASEAN Capital Markets Forum (ACMF).	Indonesian Code of Corporate Governance (PUGKI) issued by the National Committee on Governance Policy (KNKG).	Indonesian Banking GCG Guidelines issued by KNKG.	Principles for Enhancing Corporate Governance issued by the Basel Committee on Banking Supervision.

The implementation of GCG sustainable value for the Bank, going beyond a purely compliance-oriented approach by strengthening the quality of decision-making and organizational performance. As a form of transparency and accountability, BTN provides public access to its governance policy commitments and internal control framework through the Bank's official website. This includes key policies related to corporate governance, internal control and audit, risk management, business ethics and code of conduct, as well as anti-bribery and gratification control, and can be accessed at this link [Governance Policy](#). [GRI 2-23]

Governance Commitment and Principles

GCG principles are applied consistently across all work processes to ensure that the Bank's operations are conducted in a transparent and accountable manner and aligned with the Bank's vision and mission. For shareholders, this is reflected in the professional and transparent management of the Bank. Accordingly, BTN ensures that every decision and business activity is carried out in accordance with the principle of accountability to meet stakeholder expectations.

BTN believes that business sustainability depends on sound internal management. Through the application of GCG principles, the Bank seeks to maintain a balance between commercial objectives and social responsibility to generate both short-term and long-term value for all stakeholders. To ensure continued relevance, BTN refers to governance practices recognized at the national, regional, and international levels, supporting the Bank's readiness to respond to the dynamics of the banking industry and strengthening organizational resilience.

Objectives of Implementing GCG Principles



To support BTN's vision and mission.

To provide benefits and added value for shareholders and stakeholders.



To maintain and enhance sustainable, sound, and competitive business continuity over the long-term (sustainable).

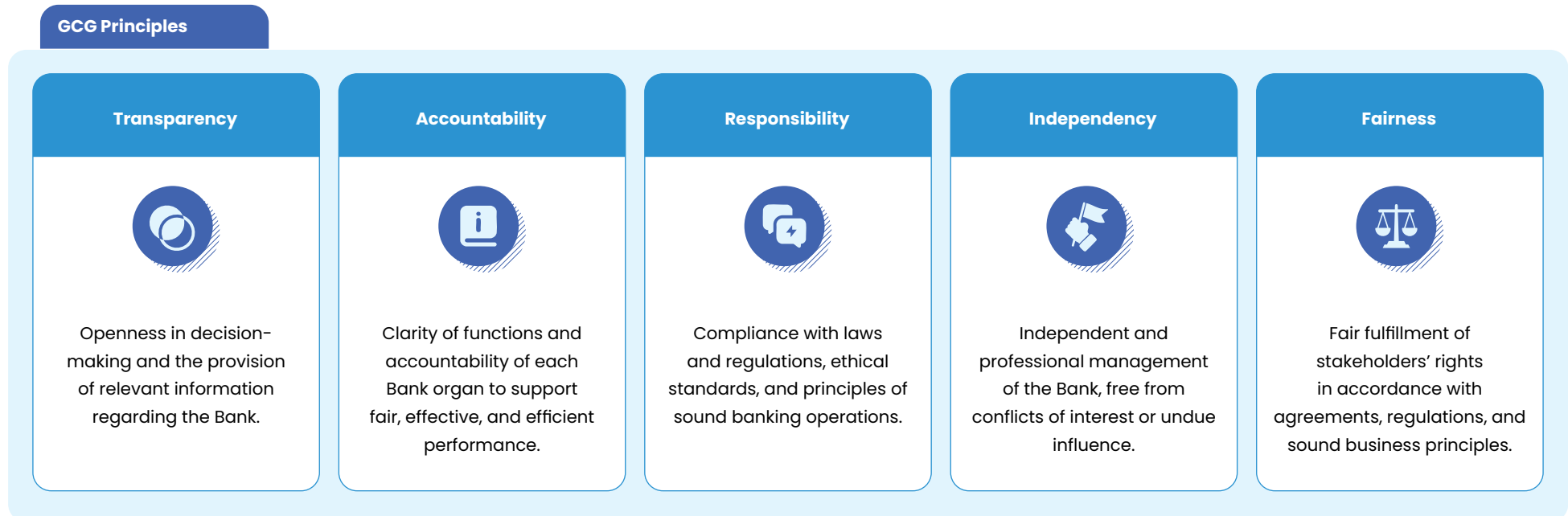


To increase investor confidence in BTN.



BTN is committed to consistently applying GCG principles across all business and operational activities. This implementation is based on OJK Regulation (POJK) No. 17 of 2023 on the Implementation of Governance for Commercial Banks, which serves as the

primary guideline to ensure that the Bank is managed in a transparent, accountable, and compliant manner. The GCG principles implemented by BTN include:



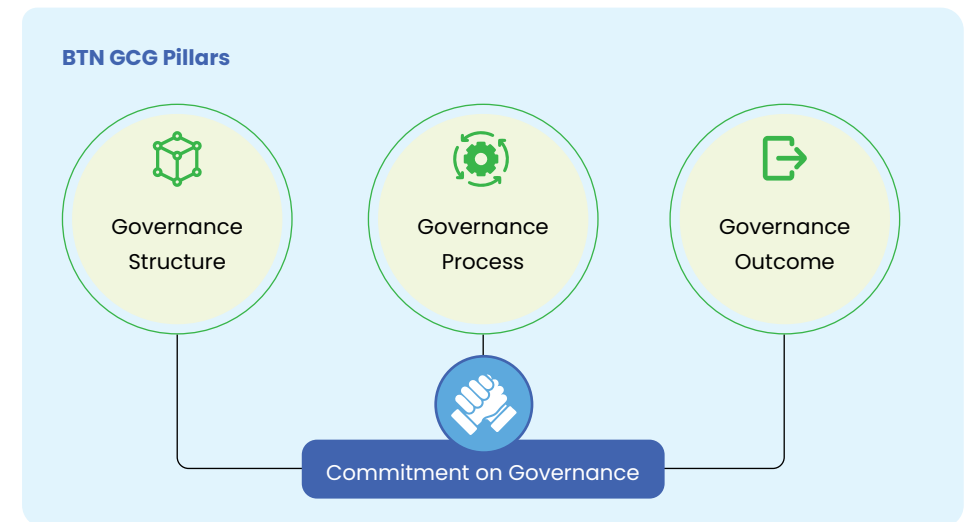
GCG implementation serves as a foundation for BTN in enhancing performance and accountability, while ensuring the Bank delivers long-term value to shareholders by taking into account the interests of stakeholders. This is conducted in accordance with applicable regulations and business ethics standards, particularly in addressing the increasing complexity of risks.

As part of this commitment, BTN strengthens GCG to align with the needs of modern governance and remain relevant to business sustainability. The Bank strives to manage all business activities in a professional and ethical manner, supported by competent human resources who uphold high standards of work ethics.



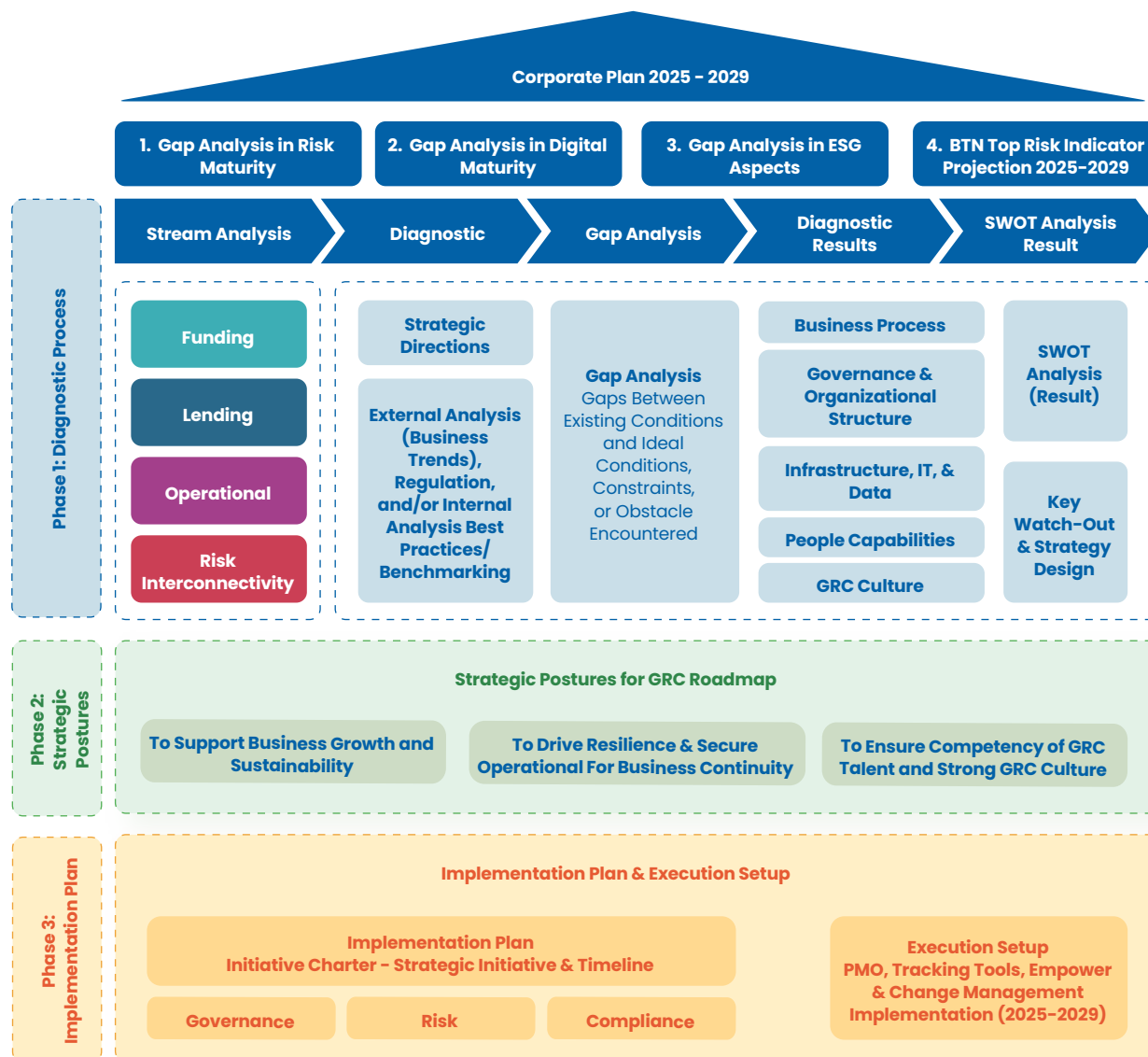
Governance Strategy

To ensure that GCG is consistent and supports the established strategic direction, BTN has defined the GCG Pillar as the main framework for integrated governance management. The pillar serves as a reference in formulating governance strategies, encompassing the strengthening of commitment, structuring of governance bodies, management of processes, and achievement of governance outcomes. This framework is elaborated as follows:



Governance, Risk, and Compliance Roadmap

With GCG Pillars as its foundation, BTN has expanded implementation through the strengthening of risk management and compliance. To ensure that governance remains effective and adaptive, the Governance, Risk, and Compliance (GRC) Roadmap 2025–2029 strengthens governance, risk, and compliance, and drives operational efficiency, sustainable profitability, and the enhancement of digital services. The Bank has developed a framework as a guideline for formulating the GRC Roadmap, as illustrated in the following chart:



BTN designed the GRC Roadmap as a strategic framework to manage risk, compliance, and governance in an integrated manner strengthen the Bank's ability to identify, assess, and mitigate risks at an early stage in order to maintain operational and financial stability amid regulatory dynamics.

The GRC Roadmap also serves to ensure that compliance is implemented adaptively, enabling BTN not only to meet legal requirements but also to leverage policy changes as opportunities to enhance competitiveness. Through this approach, the Bank underscores

the importance of transparency, accountability, and efficiency as a foundation for sustainable growth.

The Corporate Plan 2025–2029, comprises four main elements as guidelines for the development of the Bank's performance, strengthening the Bank's position in the national housing market while supporting the realization of inclusive and sustainable economic growth. These four elements include:

Main Elements of the Corporate Plan 2025–2029

Vision, Mission, and Values

Reflecting BTN's purpose and core values

BTN 2029 Aspirations to Achieve the Vision

Describing the Bank's aspirations and ambitions for the next five years

BTN Plan: 1+3+5 Strategic Initiatives

Explaining a structured approach and key priorities in achieving the objectives

Strategic Initiatives

Detailing the specific initiatives to be implemented to support the Bank's strategy

BTN 2029 Aspirations to Achieve the Vision

BTN's vision and mission outlines the Bank's strategic direction, with the 2025 vision, to become the main partner in empowering the financial well-being of Indonesian families, underscoring a commitment to expanding access to financial services and enhancing the economic capacity of society. To realize this vision, BTN has formulated the 2029 Aspirations as a roadmap toward achieving the Bank's vision through five strategic focus areas that reflect innovation integration, operational efficiency, and sustainability into the Bank's business strategy and execution. These aspirations include:

- 1. Building a Sustainable Savings Engine to Mobilize Rp120 Trillion in Savings**
BTN has targeted the mobilization of Rp120 trillion in third-party funds by capturing 3% of savings from the 20 largest provinces. This is supported by the launch of innovative propositions for the payroll segment, first-time homebuyers, and self-employed professionals, as well as the strengthening of transaction capabilities to become the primary bank for retail and business customers.
- 2. Empowering Indonesian Families through Housing Loan Distribution to Realize Homeownership Aspirations with Approximately Rp450 Trillion in Disbursements**
Housing loan disbursements of approximately Rp450 trillion, including support for 1.2 million subsidized mortgage (KPR) customers and 290 thousand non-subsidized mortgage customers are the target. This program also involves empowering 27 thousand housing-related MSMEs through solutions that support the entire business cycle.

3. Becoming a Financial Partner for Consumers and Businesses by Providing a Comprehensive Range of Everyday Banking Solutions

This includes strengthening the consumer portfolio through high-margin loans (targeting 8% of the portfolio), developing investment and payment solutions, and expanding non-housing loans (18% of the portfolio). BTN has also targeted increasing fee-based income (FBI) to approximately 20% of total income and optimizing the conversion of mortgage customers into full-service banking users.

4. Building a High-Quality Portfolio with Operational Efficiency

BTN strengthens portfolio quality through more efficient digital operations, targeting a cost-to-income ratio (CIR) below 50 percent and fostering a stronger service culture. Credit risk management is directed toward maintaining NPL below 2.3 percent through underwriting and collection processes supported by AI-based technology.

5. Expanding Service Coverage through Three Subsidiaries

BTN develops three subsidiaries, including scaling up the Sharia Bank to achieve the second-largest national ranking, growing the multifinance business with disbursement targets exceeding Rp2.5 trillion, and developing the insurance business with a gross written premium (GWP) target of more than Rp2 trillion.

BTN Plan: 1+3+5 Strategic Initiatives

To support BTN's 2029 Aspirations in achieving its vision is the BTN Plan: 1+3+5 Strategic Initiatives, which consists of 1 New core strength pillar, 3 Holistic banking proposition pillars, and 5 Capabilities to deliver at scale pillars.

1 Core Strength	3 Holistic banking propositions	5 Capabilities for success at scale
Funding • Increase low-cost transactional deposits (CASA) through payroll (target 5% penetration) and higher customer engagement in mobile banking (~3+ million customers). • Deepen presence in key micro markets (top 20 cities). • Build a tailored proposition for ~70,000–300,000 high-potential professional entrepreneurs who are cash-rich, increasing wealth proposition penetration and expanding the MSME merchant base. • Capture a larger share of full-transaction banking in SME & wholesale (target 20% utilization). • Scale up securitization and direct market funding.	Housing ecosystem • Maintain ~60% share in subsidized mortgages (KPR) by developing an innovative distribution model. • Grow new customer acquisition through mortgages, reaching ~1.2 million subsidized KPR customers and ~0.3 million non-subsidized KPR customers (cumulative), and strengthen the Bank's role as the primary banking partner. • Deepen partnerships with 50+ established developers and increase value-chain penetration through 25+ anchor clients. Full banking offering • Increase cross-selling of HYL (target ~8% of total loans) and expand fee-based income from FTB consumer customers. • Expand into new lending segments for SMEs (including KUR and KUMK) Financial group • Develop new funding sources to become the second-largest Sharia banking competitor and launch an insurance subsidiary. • Establish a multifinance subsidiary to improve margins and complement the mortgage (KPR) offering.	Digitization • Strengthen transaction banking capabilities to deliver new propositions such as payroll and CMS. • Digitize four priority lending customer journeys to scale faster and improve efficiency. • Drive branch efficiency through a no-ops model to achieve CIR <50%. • Enhance front-line sales tools to accelerate cross-selling. Sales model Redesign the sales and operating model to enable cross-collaboration (the One-CST model) and improve effectiveness (including selected mono-line lines of business). Upskilling Build bank-wide capabilities for a more customer-centric sales culture through a Sales Academy. Tech & data • Accelerate modernization of core banking platforms to improve stability and speed of execution. • Promote the development and adoption of advanced AI assets. Risk Management Strengthen risk underwriting and enhance collections and recovery (process, underlying models, and technology infrastructure) to maintain CoC <1.2%.

Strategic Initiatives

Strategic initiatives drive sustainable growth and strengthen the Bank's competitiveness, strengthening funding, optimizing the housing ecosystem, transforming banking services, developing subsidiaries, and enhancing digital and human capital capabilities. The details of these strategic initiatives are as follows.

Strengthen Engine for Sustainable Funding (2025)

The strategic initiatives for 2025 are focused on developing a sustainable funding engine and optimizing the housing ecosystem to deepen market penetration and improve product performance. Key priorities include the development of integrated payroll products, housing product offerings for the millennial segment, increased customer

acquisition and transaction activity through BTN Mobile/balé, and the strengthening of retail funding sales with high volume and growth potential.

As part of monetizing the housing ecosystem, subsidized housing financing at 60% and deeper partnerships with 50 key developers are a priority. This strategy is supported by the development of value-added banking products, yield enhancement, and the strengthening of the Sharia business following the spin-off.

In addition, accelerating digitalization to reduce manual processes, enhance transaction service capabilities, and sharpen sales effectiveness through measurable KPIs are complemented by improvements to advanced data-based underwriting models and the strengthening of IT and digital capabilities to support a modern and reliable banking platform.

No	Initiative	Objective	Impact (as of December 2025)	Remarks
1.	Bundle Payroll Proposition	Increase penetration among existing BTN corporates and NTB (New-to-Bank) by: - Increasing the number of corporate and commercial companies with payroll systems. - Increasing the number of payroll accounts. - Increasing SA and product holding from employees who are active and transact through payroll.	1. Growth in active payroll VoA DPK position: Rp6.1 trillion 2. Increase in active payroll NoA position: 635,097 accounts	Will be continued and further developed under the CASAvolution initiative – Increase payroll customer penetration in 2026.
2.	Geographical Play	- Geographical play to intensify the retail funding sales footprint (internal and outsourced) in markets with strong SA volume and growth potential. - Increase SA by expanding BTN's coverage in the top 20 cash-saturated areas to improve BFS productivity.	Increase in CASA (%) per branch: Rp39.4 trillion **) Realization as of September 2025 (based on BI data already released)	Will be continued and further developed under CASAvolution – Expand digital store & sales footprint in 2026.
3.	Retail Deposit War Room	- Increase CASA. - Improve efficiency of transactional customers. - Drive new customer acquisition, digital penetration, and transaction activity via balé, including win-back for inactive customers and NTB acquisition.	1. NoA position (cash-rich): 316 accounts 2. VoA position (cash-rich): Rp122.7 billion	Will be continued and further developed under CASAvolution – Develop sector-based solutions in 2026.
4.	Driving Registration & Transactions	- Drive registration and utilization of transaction banking products through an integrated platform, launch sector-specific solutions for prioritized, cash-heavy and trade-focused segments and reactivate dormant accounts institutionally. - Increase CA balances from corporate and commercial segments. - Increase fee-based income.	1. eGuarantee volume: Rp5,899 billion 2. Trade & supply chain financing volume: Rp4,517 billion	Will be continued and further developed under Enhance Transaction Banking Capabilities in 2026.

No	Initiative	Objective	Impact (as of December 2025)	Remarks
5.	Wholesale Deposit War Room	- Target wholesale and top SME customers to increase CASA penetration through campaigns supported by advanced analytics. - Increase CA balances from mid-size corporates, commercial, and retail funding. - Operationalize the war room for key initiatives.	- CA balance: Rp28.63 trillion (Large size), CA balance: Rp32.67 trillion (Mid-size) - Active transaction banking users: 24,294	Completed in 2025.
6.	High Yield Lending (KAR, KRING & KUR)	- Grow high-yield lending (KRING & KAR) by expanding the customer base through advanced analytics, improved credit scoring, consistent omni-channel experience, personalized marketing, and automated top-up nudges. - Grow high-yield lending (KUR) by expanding the customer base through personalized marketing. - Increase KUR position while maintaining credit quality.	- KRING disbursement: Rp2.045 trillion - KRING yield: 9.98% - KUR disbursement: Rp1.33 trillion - KUR yield: 10.92% - KAR disbursement: Rp1.673 trillion - KAR yield: 11.92%	Will be continued and further developed under Expand High-Yield Loan (HYL) Portfolio in 2026.
7.	Digitize Front-End App and Back-End Processes	Digitize end-to-end customer journeys, including front-end application tools and integration with back-end systems, covering: - Consumer loan journey - Branch operations, including back-office processes	Project concept design has been defined for the Digitization stream in Branch Ops and Consumer Lending; piloting and implementation will start in 2026.	Will be continued and further developed under Project Garuda in 2026.
8.	Automate Branch Journey and Back-End Operations	- Automate branch servicing journeys and back-end operations to eliminate manual intervention and enable a "No-Ops" environment where processes are simplified, digitized, and self-sustaining. - Improve operational efficiency by increasing STP and reducing TAT (turnaround time).	Faster account opening service time: 12 minutes	Will be continued and further developed under Automate Branch Journeys & Back-end Operations (Nexa Phase 2) in 2026.
9.	Strengthen Sales Organization and Sales Performance Model	- Develop and enhance sales organization capabilities by revamping the network organization structure (Branch & Regional Office) and implementing the Central Sales Management (CSM) model. - Explore short- and long-term approaches to improve the sales model and sales transformation, while ensuring CSM implementation aligns with business priorities and improves sales performance across retail, mid-size, and SME segments.	Average conventional DPK balance: Rp342.48 billion	Will be continued and further developed under Accelerate Network Transformation & Workforce Development in 2026.
10.	Client Service Team (CST)	Develop the CST model to drive downstream business and value-chain plays from corporate/ large institutions while maintaining profitability.	- Payroll: 954 units - KRING: 171 units - KAR & Non-subsidized KPR: 139 units - Subsidized KPR: 301 units	Will be continued and further developed under Implement Client Service Team (CST) in 2026.
11.	BPI Monoline Collection & New CMS	Transition collection management from branch-based to monoline, enabling more focused, sustainable, and efficient processes.	- NPL reduction (pilot area): 3.19% - Kol 2 reduction (pilot area): 9.4%	Will be continued and further developed under Improve Credit Quality through BPI (Monoline Collection & NCS) in 2026.

Broaden Product Propositions and Cross Selling (2026–2027)

The 2026–2027 target period is focused on strengthening the sustainable funding engine, monetizing the housing ecosystem, and expanding products and cross-selling initiatives. Key priorities include penetrating wealth offerings for cash-rich customers and hidden affluent segments, developing solutions for self-employed professionals, and providing merchant products for the retail food and restaurant sectors.

In monetizing the housing ecosystem, BTN optimizes agent-based acquisition channels for secondary housing, deepens penetration of anchor corporate clients, and launches bundled products for the construction and real estate sectors. This is complemented by the development of fee-based products, the expansion of MSME financing in high-growth and low-risk sectors, and the establishment of an insurance subsidiary through a joint venture scheme.

As an enabler, BTN enhances digital marketing capabilities for cross-selling, strengthens technology infrastructure and data analytics, and revitalizes underwriting and collection through integrated omnichannel orchestration.

Deliver Full Banking Offerings with Superior Customer Experience (2028–2029)

The 2028–2029 target period is focused on delivering a comprehensive banking offering supported by a superior customer experience. The funding strategy emphasizes cross-selling to acquire the end-to-end housing value chain, expanding the ecosystem to cash-rich residential segments, industrial estates, and top APBN-related institutions, as well as increasing the registration and utilization of TB products from 9% to 20% through a single integrated platform.

In monetizing the housing ecosystem, churn management and early repayments through centralized counter-offer teams are priorities, along with enhancing the value and profitability of joint finance (B2B) schemes and channeling partnerships. To diversify products and services, BTN plans to establish a multifinance subsidiary.

BTN develops holistic service tools such as RM workbench and CRM, supported by advanced technology and analytics platforms, strengthened sales organizations, and digitally and data-driven personalized customer journeys.

Strategic Initiatives Roadmap

BTN's roadmap is a control framework for strategic initiatives to ensure that target achievement is aligned with timelines, priorities, and resource capacity. Through this roadmap, implementation readiness is optimized, anticipating risks at an early stage and ensuring that the execution of the BTN Corporate Plan 2025–2029 is measurable and effective.

Building a Holistic Framework / Actions for Sustainable Growth (2025)

In 2025, BTN directs its strategic roadmap toward three main focus areas, namely:

- Support Business Growth & Sustainability
Optimizing the Bank's asset and liability management (ALM) structure to support sustainable business growth and enhance bank profitability.
- Drive Resilient & Secure Operations for Business Continuity
Ensuring resilient and secure operations by reducing cyber risks, improving the effectiveness of Service Level Agreements (SLAs), and preventing fraud.
- Ensure Competency of GRC Talent and Strong GRC Culture
Developing employee talent and instilling a strong GRC culture to promote organizational integrity and high performance.

The implementation of the 2025 roadmap is focused on developing a holistic risk management framework to support balance sheet optimization, asset and liability risk management, and the strengthening of credit risk through the integration of external data using a more proactive and forward-looking approach. The integration of ESG principles into banking operations is also accelerated, including reducing paper-based processes through end-to-end digitalization of underwriting and verification.

In line with this, operational resilience is strengthened through enhanced data security, fraud detection systems, and regulatory compliance. On the human capital side, BTN prioritizes leadership development, professional certification, and the internalization of a GRC culture across all work units, including subsidiaries. All of these initiatives are designed to ensure sustainable growth, reliable performance, and solid corporate governance throughout 2025.

Driving Transforming and Effectivity through Advanced Analytics (2026–2027)

The 2026–2027 target period is focused on transformation and enhanced effectiveness through the use of advanced analytics. In balance sheet optimization, Optimization models and a FTP system are implemented, while strengthening ESG-based credit risk analytics and the use of external data. ESG principles are integrated into core banking operations, and the governance and risk management of subsidiaries are aligned with global standards. Process digitalization continues through data-driven decision-making, strengthened model risk management using digital tools, and improved operational efficiency through the digitalization of inbound documents and sector-priority mechanisms.

To further strengthen operational resilience in this advanced phase, oversight of third parties, data security, and fraud detection systems is in place, alongside enhancements to risk management systems and regulatory compliance. During this period, BTN develops an asset and liability risk management framework with a focus on balance sheet optimization, cost of funds reduction, and the strengthening of credit risk through the implementation of core and non-core models. In the area of human capital, BTN

advances a strong GRC culture through enhanced leadership development, leadership forums, the implementation of dual career paths, increased professional certification, the establishment of a Risk Academy, and the integration of GRC into talent management and development systems.

Accelerate iGRC (Integrated Governance, Risk, and Compliance) Excellence (2028–2029)

In the 2028–2029 period, BTN focuses its roadmap on balance sheet optimization, strengthening risk management, and enhancing operational effectiveness. Key initiatives include the implementation of a market and liquidity risk management system, the integration of credit risk with advanced collection scoring through iLoan, and the strengthening of individual BMWK through Credit Decision Maker Certification. For strategic risk, risk-based capital allocation using the Risk-Adjusted Return on Capital (RAROC) method improves performance efficiency and capital utilization, while accelerating ESG initiatives to achieve the position of an ESG Champion.

On the operational and governance side are Early Warning systems, Stop & Go Mechanisms, and Model Risk Management through iLoan, while strengthening operational resilience through AI-based cybersecurity, enhanced data and IT compliance, and the reinforcement of zero-trust architecture for AI-based, mobile, and cloud applications. BTN also strengthens governance related to AML, CFT, and PF-WMD, develops AI-based fraud detection, and ensures the implementation of the GRC roadmap across all subsidiaries through the enhancement of employee integrity and capabilities.

Nomination Process of the Highest Governance Body [GRI 2-10]

The nomination process for members of the highest governance body involves shareholders through the GMS mechanism, as regulated under Special Policy Number KK.6-F on Corporate Governance Procedures, with selection and nomination conducted transparently, taking into account recommendations from the Remuneration and Nomination Committee. The appointment and dismissal of members of the Board of Commissioners and the Board of Directors are determined through resolutions of the GMS. In assessing candidates for the Board of Commissioners and the Board of Directors, the Bank refers to a set of criteria that includes integrity, honesty, professionalism, leadership experience, loyalty, and the availability of time to support the Bank's progress. In addition, diversity, as well as expertise and experience in economic, environmental, and social fields, are also key considerations. The Bank ensures that proposed candidates do not have financial, familial, or business relationships with members of the Board of Commissioners, the Board of Directors, or the Controlling Shareholder that could impair their independence. [GRI 2-10]

Based on the Board of Commissioners' Charter and Rules of Procedure Number 18/KOM/ BTN/2024, the Bank has established criteria and requirements for Board of Commissioners candidates in accordance with the Bank's Articles of Association and prevailing laws and regulations. Candidates are required to pass the fit and proper test in accordance with OJK provisions and obtain approval from OJK, with at least one member domiciled in Indonesia. During their tenure, members of the Board of Commissioners are required to demonstrate integrity, competence, and a good reputation.

For Independent Commissioners, the Bank requires adequate knowledge and experience in the banking and/or financial sectors, as well as compliance with the applicable cooling-off period for former members of the Board of Directors, Executive Officers, or other parties with relationships to the Bank, in accordance with prevailing regulations. Independent

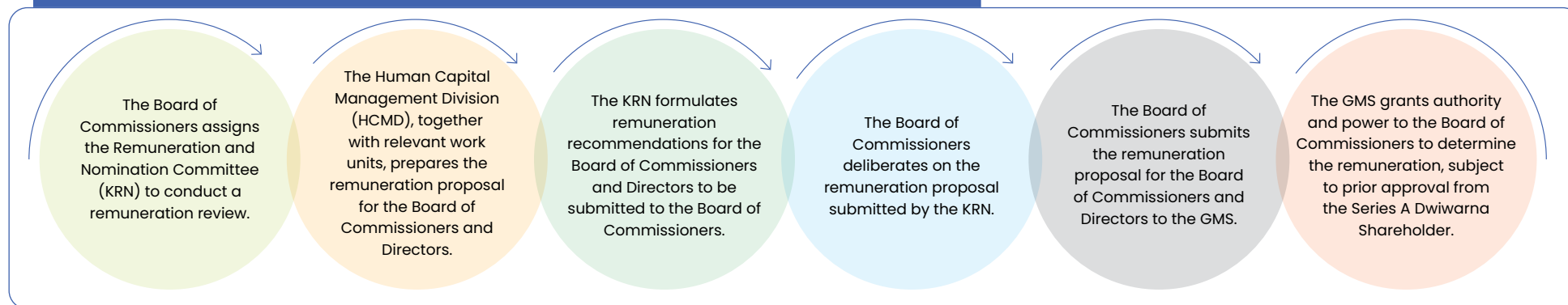
Commissioners must be free from financial, management, ownership, affiliation, family, business, or shareholding relationships that could impair their independence. The transition from Commissioner to Independent Commissioner may only take place after the required cooling-off period has been fulfilled and approval has been obtained from the Financial Services Authority through a fit and proper assessment. [GRI 2-10]

The term of office of members of the Board of Directors and the Board of Commissioners is set at 5 (five) years and they may be reappointed for one additional term. The term of office of the Board of Directors takes effect from the date determined at the GMS until the closing of the fifth Annual GMS, in compliance with prevailing capital market regulations, and members may be dismissed at any time by the GMS. The tenure of a Director ends upon the expiration of the term of office, resignation, death, dismissal by the GMS, or failure to continue to meet the required qualifications. Members of the Board of Commissioners may be reappointed by the GMS for one subsequent term.

Remuneration Policy of the Board of Commissioners and Directors [GRI 2-19]

BTN determines the remuneration of the Board of Commissioners and Directors by referring to the Regulation of the Minister of State-Owned Enterprises Number PER-13/ MBU/09/2021 concerning the Sixth Amendment to the Regulation of the Minister of SOEs Number PER-04/MBU/2014 on the Guidelines for Determining the Remuneration of the Board of Directors, the Board of Commissioners, and the Board of Supervisors of SOEs. In determining remuneration, the Bank also takes into account performance achievements as well as the contributions of the Board of Commissioners and the Board of Directors in managing the Bank's impacts on economic, environmental, and social aspects.

Procedure for Determining the Remuneration of the Board of Commissioners and Directors [GRI 2-20]



Within the remuneration determination framework, benchmarking and or salary surveys are conducted through cooperation with Willis Towers Watson. In addition, BTN applies a mechanism for deferring variable remuneration (malus) and for the clawback of variable remuneration that has been paid to officials classified as Material Risk Takers (MRTs). These policies are implemented by considering the level of loss or reputational impact on the Bank, as well as the individual's involvement, whether direct or indirect, in the relevant actions or transactions. [GRI 2-19]

The determination of salaries or honoraria for members of the Board of Commissioners and the Board of Directors allows for the scale and complexity of the Bank's business, the inflation rate, as well as the Bank's financial condition and capacity, while also considering other relevant factors and ensuring compliance with prevailing laws and regulations. The composition of salaries or honoraria for the Board of Directors and the Board of Commissioners is as follows:

- The salary of the President Director is determined based on internal guidelines stipulated by the Minister.
- The salary of the Vice President Director is set at 95% of the President Director's salary.
- The salary of other members of the Board of Directors is set at 85% of the President Director's salary.
- The honorarium of the President Commissioner is set at 45% of the President Director's salary.

- The honorarium of the Vice President Commissioner is set at 42.5% of the President Director's salary.
- The honorarium of other members of the Board of Commissioners is set at 90% of the President Commissioner's honorarium.

Remuneration at BTN is not based solely on an individual's position and responsibilities, but is also influenced by the achievement of the established Key Performance Indicators (KPIs). These serve as metrics to assess the extent to which the Bank's strategic and operational objectives are achieved. One of the key parameters within the Board of Directors' KPIs is sustainability, which focuses on the achievement of long-term objectives that support the Bank's social, economic, and environmental continuity. This parameter includes the weighting of ESG ratings, growth in green financing, the disbursement of subsidized mortgages (KPR) and the Millennial Housing Program mortgages, digital channel services, a zero-accident target, cybersecurity breaches, and women's representation in the nominated talent pool. The remuneration and benefits package received by the Board of Commissioners and the Board of Directors comprises a remuneration structure that includes salary, short-term incentives, long-term incentives, pension benefits, severance pay, allowances, and one-off payments, such as recruitment or retention awards. [GRI 2-19]

In line with the implementation of a performance-based remuneration structure, BTN provides short-term incentives as a form of recognition for the performance achievements of the Board of Commissioners, the Board of Directors, and employees within a short-term period. The provision of these incentives is regulated under Special Policy Number KK.3-B on Remuneration, which refers to POJK Number 45/POJK.03/2015. Short-term incentives are granted in various forms, including cash bonuses, performance-based salary increases, profit sharing, and other forms of rewards aimed at encouraging the achievement of the Bank's targets within a relatively short timeframe.

In addition to short-term incentives, BTN also provides long-term incentives as recognition for the contributions of the Board of Commissioners and the Board of Directors to sustainable performance. The provisions governing long-term incentives are regulated under Special Policy Number KK.3-D on the Remuneration of the Board of Directors, the Board of Commissioners, Senior Executive Vice Presidents (SEVPs), and Supporting Organs of the Board of Commissioners, as well as Special Policy Number KK.3-B on Remuneration, with reference to the Regulation of the Minister of SOEs Number PER-13/MBU/09/2021 and POJK Number 45/POJK.03/2015. Long-term incentives may be granted in the form of shares, cash, and other awards to encourage a focus on long-term objectives and to support retention and loyalty. The components of remuneration and other facilities for the Board of Commissioners and the Board of Directors are presented in the following table.

Components of Remuneration for the Board of Commissioners and the Board of Directors

Types of Remuneration and Other Facilities	Board of Commissioners	Board of Directors
Remuneration		
Honorarium/Salary	✓	✓
Regular Allowances (Clothing Allowance and Income Tax Allowance)	✓	✓
Religious Holiday Allowance	✓	✓
Tantiem	✓	✓
Other facilities in kind (such as housing, health insurance, and similar benefits) that:		

Types of Remuneration and Other Facilities	Board of Commissioners	Board of Directors
a. Are ownership-based		
Post-Employment Insurance	✓	✓
b. Non-ownership-based		
Housing Allowance	✗	✓
Health Facilities	✓	✓
Transportation Facilities	✓	✓
Communication Allowance	✗	✗

Ratio of the Highest and Lowest Salaries [GRI 2-21]

To maintain equitable employee compensation, the distribution of remuneration in a proportional manner to avoid significant disparities. The Bank does not implement unconditional variable-based remuneration schemes, as such schemes do not take employees' length of service into account. As part of its commitment, BTN applies a remuneration system that is competitive, fair, and proportional, and ensures that compensation for all employees is provided in accordance with prevailing government regulations.

The remuneration policy is periodically reviewed and adjusted. At the same time, compliance with banking regulatory provisions related to remuneration is implemented on a gradual basis. The ratio of the highest to the lowest salaries over the past three years is presented as follows. [GRI 2-21]

Ratio of the Highest and Lowest Salaries

Description	2025	2024	2023
Ratio of the highest to the lowest employee salary	31.58 : 1	25.00 : 1	22.44 : 1
Ratio of the highest to the lowest Board of Directors' salary	1.18 : 1	1.18 : 1	1.18 : 1
Ratio of the highest to the lowest Board of Commissioners' salary	1.11 : 1	1.11 : 1	1.11 : 1
Ratio of the highest Board of Directors' salary to the highest employee salary	2.23 : 1	2.89 : 1	2.92 : 1

Ratio of the Highest and Lowest Salaries

Description	Unit	2025	2024	2023
Total annual compensation for the highest-paid individual in the organization	Rupiah	4,169,759,730	23,977,998,581	18,933,904,119
Median total annual compensation for all employees of the organization, excluding the highest-paid individual	Rupiah	199,103,460	189,655,513	184,671,636
Increase in total annual compensation for the highest-paid individual in the organization	%	18.43		26.64%
Increase in the median total annual compensation for all employees of the organization, excluding the highest-paid individual	%	4.98		2.70%

Share Ownership Policy for Members of the Board of Directors and the Board of Commissioners

In carrying out share ownership transactions by the Board of Directors and the Board of Commissioners, BTN refers to Financial Services Authority Regulation Number 11/POJK.04/2017 on the Reporting of Share Ownership or Any Changes in Share Ownership of Public Companies, the Decree of the Board of Directors of the Indonesia Stock Exchange Number KEP-00066/BEI/09-2022 on the Amendment to Regulation Number I-E concerning Information Disclosure Obligations, as well as the Bank's Articles of Association. Each member of the Board of Directors and the Board of Commissioners is required to report their share ownership and any changes thereto, whether direct or indirect, to the Financial Services Authority no later than 10 (ten) days after the change occurs.

In accordance with these provisions, the Board of Commissioners and the Board of Directors disclose information regarding their own share ownership and/or that of their family members amounting to 5% or more, whether in BTN or in other companies domestically or abroad. Such disclosure is made to ensure transparency and to mitigate potential conflicts of interest that could affect corporate governance, as part of BTN's commitment to the application of GCG principles and sustainability.

As of December 31, 2025, no members of the Board of Commissioners or the Board of Directors of BTN held shares with total ownership of 5% or more, either in BTN or in other companies. This indicates the absence of any significant influence arising from share ownership on independence in carrying out oversight and management functions, and supports objective decision-making free from conflicts of interest.



Performance Evaluation of the Highest Governance Body [GRI 2-18]

In order to maintain the quality of governance implementation, the Bank conducts periodic performance evaluations to ensure alignment with best practices and business dynamics. The performance assessment of the highest governance body in relation to the implementation of GCG and the management of economic, environmental, and social impacts is through a self-assessment mechanism conducted each year at the end of June and December without the involvement of third parties, and covers the performance of the Board of Commissioners, the Board of Directors, and relevant work units based on the established assessment factors. The development of corporate governance self-assessment results over the past 3 (three) years is presented in the following table.

Results of the Corporate Governance Self-Assessment for 2022–2024 Period



2025

2

2024

2

2023

2

A self-assessment result with a rating of 2 indicates that the Bank has generally implemented GCG through adequate compliance with GCG principles. Although several weaknesses remain, their impact is assessed as not significant and can be reasonably addressed by management. Information on the assessment criteria, rating, recommendations, and follow-up actions arising from the self-assessment is presented in BTN's Annual Report.

In addition to conducting GCG self-assessments, BTN participates in the Corporate Governance Perception Index (CGPI) organized by the Indonesian Institute for Corporate Governance (IICG). In 2025, the Bank achieved a CGPI score of 91.8 with the designation “Most Trusted Company,” an improvement compared to 2024, which recorded a score of 91.52. This reflects BTN’s steadfast commitment to the implementation of good corporate governance.

BTN also participates in the ASEAN Corporate Governance Scorecard (ACGS), an assessment framework developed by the ASEAN Capital Market Forum (ACMF) with reference to the OECD Principles. The ACGS assessment is conducted by the Domestic Ranking Body (DRB) and Corporate Governance (CG) Experts, which in Indonesia are represented by PT RSM Indonesia, as part of efforts to enhance global investor confidence in the quality of corporate governance across the ASEAN region.

Risk Management [GRI 2-23] [OJK E.3]

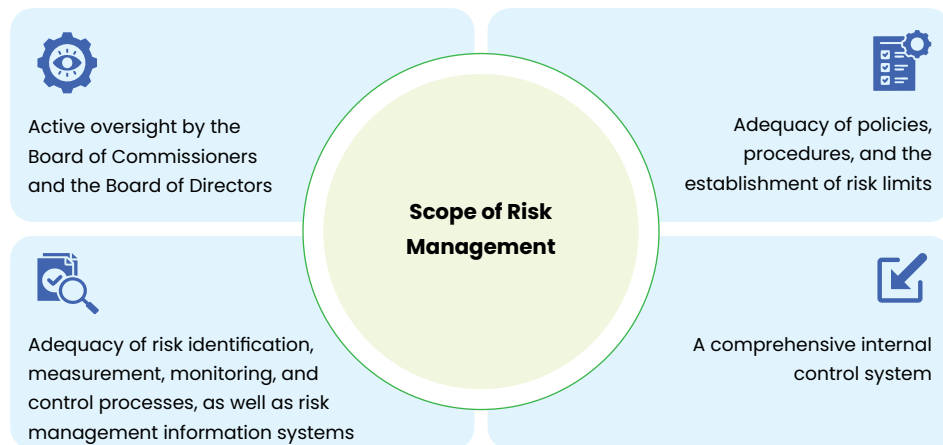
BTN is a bank focused on providing housing loans and financing, with an asset portfolio dominated by mortgage loans, and influenced by various internal and external risk factors, including business climate dynamics, inflation levels, and interest rate fluctuations. To mitigate potential impacts arising from these factors, sustainable risk management is a key priority for the Bank.

In managing risks, BTN refers to GCG principles as the foundation of its risk management policies and procedures. GCG implementation ensures that risk management processes

occur in a transparent, accountable, and integrity-driven manner, while supporting prudent and sustainable decision-making.

To safeguard performance sustainability and the achievement of the Bank’s objectives, BTN implements a comprehensive risk management system across all operational lines. This system is supported by four main pillars as the fundamental framework for the Bank’s risk management implementation, which include:

Pillars of BTN's Risk Management System

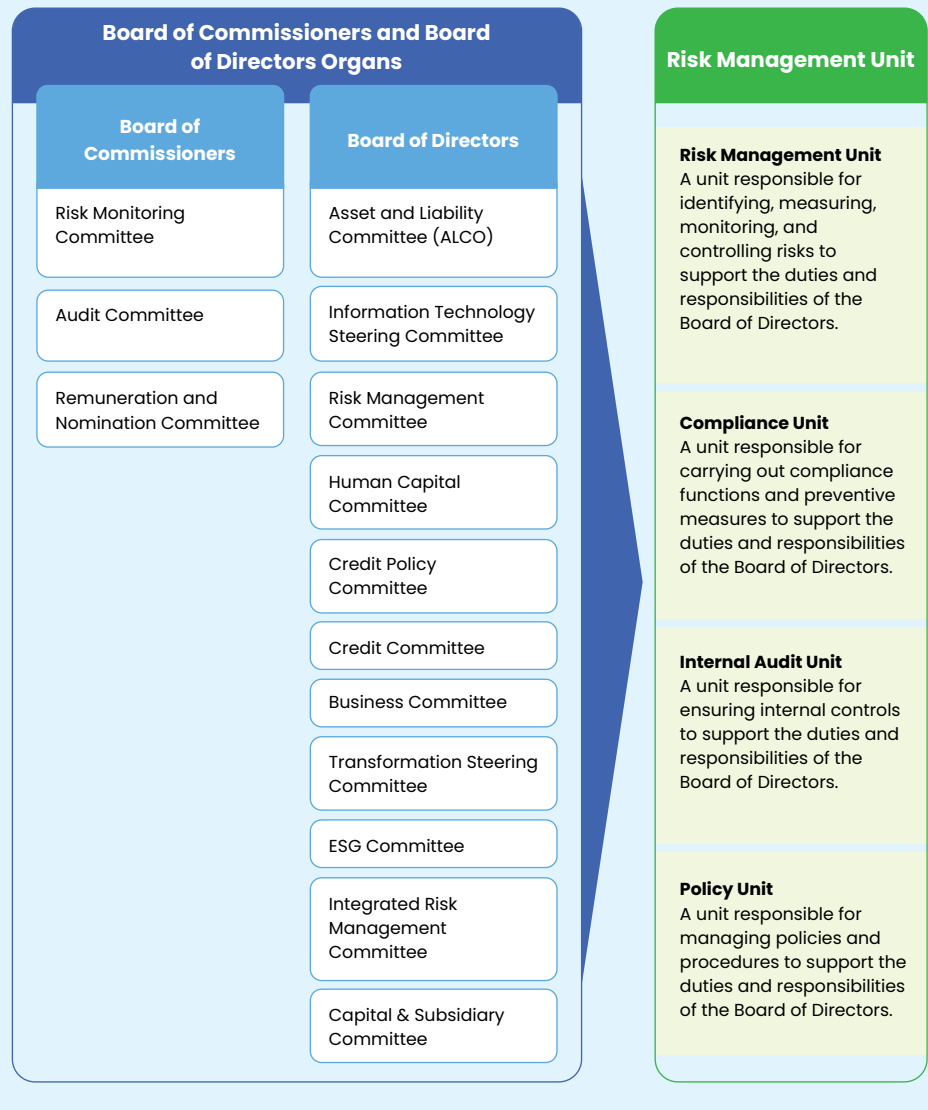


The following section is structured with reference to BTN's four pillars of the Risk Management System beginning with active oversight by the Board of Commissioners and the Board of Directors, followed by the adequacy of policies, procedures, and the establishment of risk limits. It then addresses the adequacy of risk identification, measurement, monitoring, and control processes, including the risk management information system, and concludes with a comprehensive internal control system.

Active Oversight by the Board of Commissioners and the Board of Directors

This pillar represents the initial stage in the implementation of risk management. Risk oversight and management are effectively carried out by the Board of Commissioners and the Board of Directors, supported by various committees in accordance with applicable regulatory requirements, to ensure that all strategic decisions are aligned with the principles of GCG. This oversight is supported by the Risk Management Unit, as illustrated in the following risk management organizational structure:

Risk Management Organizational Structure



Risk Management Unit (SKMR)

The Risk Management Unit operates under the direct responsibility of the Director in charge of the Risk Management function. The unit leads the Bank's risk management activities and operates independently from Operational Units as risk-taking units, as well as from the Internal Audit Unit and the Compliance Unit. The Bank's risk governance is based on GCG principles and is implemented through the involvement of all governing bodies in risk management, as reflected in the Bank's risk management organizational structure. In addition, the Director of Risk Management oversees ESG risks in the financing process to ensure effective management in accordance with established policies and procedures.

The Board of Commissioners conducts risk management oversight through meetings of the Risk Monitoring Committee, while the Board of Directors manages risks through meetings of the Risk Management Committee, to ensure that implementation is aligned with the Bank's characteristics, complexity, and risk profile. Both committees play an active role in risk management by referring to the Risk Management Implementation Quality (KPMR) standards, which cover risk governance, the risk management framework and processes, the adequacy of management information systems, and the effectiveness of the internal control system.

The implementation of the risk management function is supported by the Risk Management Unit (SKMR), led by the Head of the Unit and reporting directly to the Director of Risk Management. Currently, SKMR comprises four divisions, namely the Enterprise & ESG Risk Management Division (ERMD), the Digital & Operations Risk Management Division (DORD), the Wholesale Credit Risk Division (WRD), and the Retail Credit Risk Division (RCRD).

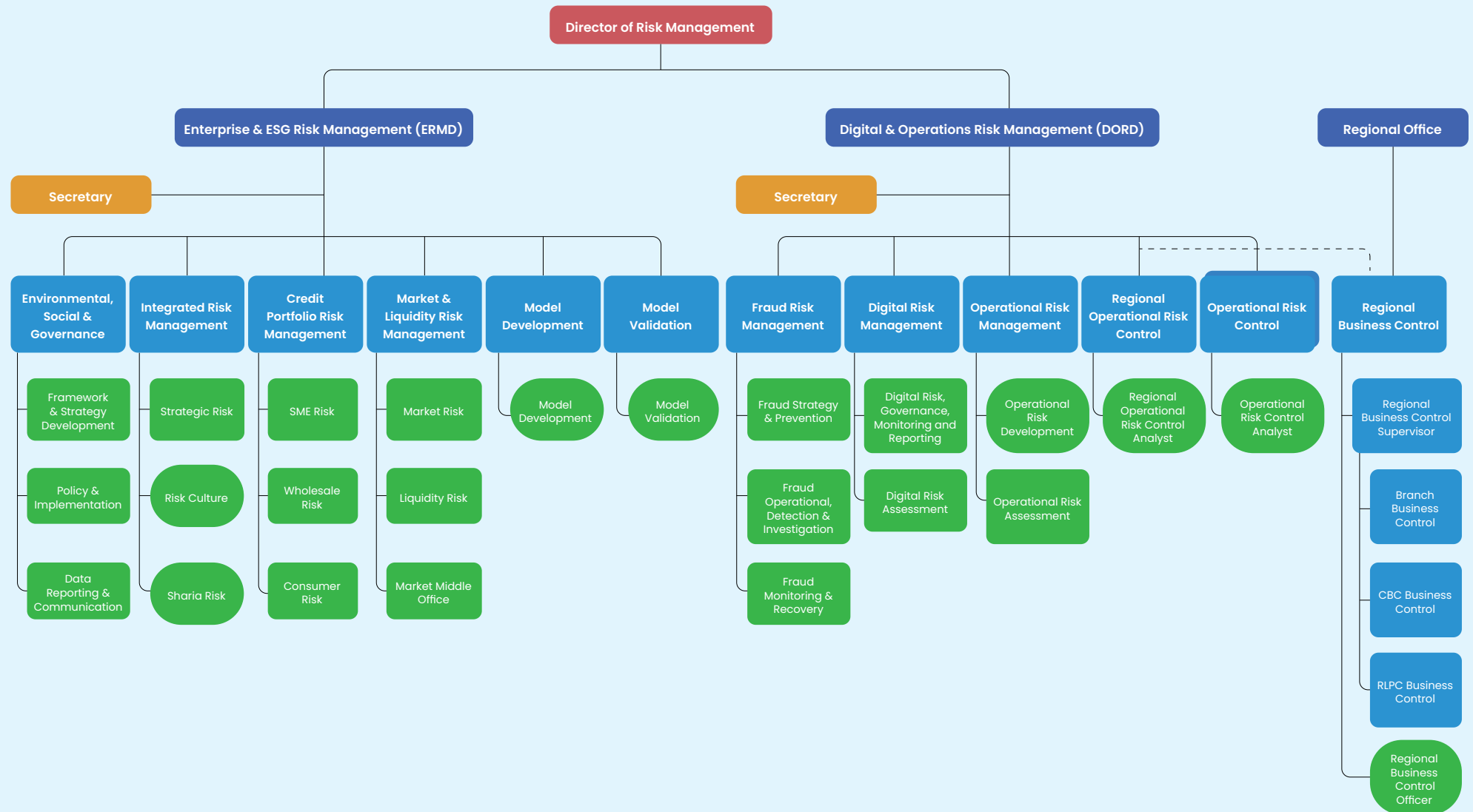
As part of the integration of ESG principles, the Risk Management & ESG Unit or the Enterprise & ESG Risk Management Division (ERMD) is led by a BOD-1 and serves as a control tower with directive, controlling, and supportive roles. This unit performs an oversight function as the second line of defense and acts as a 1.5 line in the formulation of ESG strategies, initiatives, and roadmaps. Its key responsibilities include overseeing the implementation



of the ESG roadmap and conducting continuous evaluations of ESG strategies to ensure consistent application of ESG principles across all Bank activities. The Enterprise & ESG Risk Management Unit oversees the ESG Department, the Integrated Risk Management Department, the Credit Portfolio Risk Management Department, the Market & Liquidity Risk Management Department, and Model Validation. The organizational structure of this unit has been approved by the Board of Commissioners and the Board of Directors and is designed to strengthen digital banking capabilities and ESG management.

The organizational structure of the Digital & Operations Risk Management Division (DORD) comprises the Fraud Risk Management Department, the Digital Risk Management Department, the Operational Risk Management Department, the Regional Operational Risk Control Department, and the Operational Risk Control Department. The Wholesale Credit Risk Division and the Retail Credit Risk Division form part of the four eyes principle and are included in the 1.5 line model. The establishment of the Digital & Operations Risk Management Division structure is aligned with the IT and Digital Risk roadmap and responds to the increasing risk trends in the digital IT and operational risk environment. The organizational structures of the ERMD and DORD units are presented in the following chart:

Organizational Structure of the ERMD and DORD Units



ESG Risk Management Integration

BTN has integrated ESG principles into the credit due diligence process by directly involving the credit risk management team in the evaluation of ESG aspects, including involvement in conducting deep-dive assessments for industries with high ESG risk intensity.. Through the Risk Management Unit (SKMR), the Bank ensures that all risks arising from business activities, including credit risk and ESG-related risks, are identified, measured, monitored, and reported in a transparent manner. The results of these evaluations are reported to the Board of Directors to ensure responsible risk management.

The ESG assessment process is conducted in accordance with the Four Eyes Principle, involving joint analysis at each stage of the credit approval process. The stages include:

1. Initial Analysis under the Four Eyes Principle

The Four Eyes Principle ensures that credit analysis is conducted by two independent units, namely the business unit and the risk unit, with due consideration of ESG aspects. The business unit assesses prospective borrowers and collects supporting documents, while the risk unit evaluates potential credit risks incorporating ESG considerations and provides mitigation recommendations where necessary.

2. Preparation of the Credit Proposal

Following the ESG analysis conducted by both units, the results are documented in the credit proposal, which includes a credit risk assessment incorporating ESG aspects, risk mitigation recommendations, and a conclusion on credit feasibility.

3. Pre-Credit Committee Meeting (Pre-RKK)

At this stage, the business unit and the risk unit present the results of the credit analysis, including ESG considerations, while the compliance unit and the legal unit provide input on regulatory and legal aspects.

4. Credit Committee Meeting (RKK)

The Credit Committee Meeting serves as the final decision-making forum for the credit proposal, where the credit analysis incorporating ESG considerations agreed upon during the Pre-RKK is presented. Decisions are reached through consensus, and where consensus cannot be achieved, by majority vote. The decision is documented in the meeting minutes and serves as the basis for the issuance of the Credit Approval Letter (SP2K).

BTN also identifies ESG risk triggers, including conditions or indicators that require additional evaluation prior to financing decisions. Where material risks are identified, such as significant environmental impacts, the case is escalated to the ESG Committee for the formulation of appropriate mitigation measures. Once mitigation measures are determined, they are submitted to the Board of Directors for approval and the necessary follow-up actions. This escalation process ensures that significant ESG risks are addressed in a prudent and responsible manner through a clearly defined ESG risk escalation process, with details on thresholds for triggering escalation and examples of extra due diligence where necessary, in line with BTN's commitment to sustainability and good governance principles.

Adequacy of Risk Management Policies and Procedures and the Establishment of Risk Limits

BTN has established this pillar to translate the oversight direction of the Board of Commissioners and the Board of Directors into operational governance instruments. Risk management policies, procedures, and risk limits are formulated to ensure that risk exposures are measurable and aligned with the Bank's risk profile, capital capacity, and performance targets.

Risk Management Policies and Procedures

Efforts to mitigate the impacts of various risks are implemented through the development of comprehensive risk management policy guidelines designed to anticipate different types of risks. Implementation represents compliance with Financial Services Authority Regulation (POJK) Number 18/POJK.03/2016 on the Implementation of Risk Management for Commercial Banks, which requires banks to apply risk management effectively. These risk management policies are set out in formal documents that are reviewed and updated periodically, at least annually, to ensure consistent understanding and implementation by risk owners and risk managers.

In line with the strengthening of risk management implementation, BTN has aligned its internal policy structure with the new transformation of the policy and procedure architecture. Intended to ensure that risk management policies and procedures remain consistent with operational needs and applicable regulations. The policy structure is arranged in a hierarchy comprising general policies, specific policies, and technical regulations, thereby supporting business sustainability and the application of GCG practices.

Based on the above, the General Risk Management Policy (KUMR) as the primary guideline for the implementation of risk management, which incorporates the minimum provisions in accordance with regulations issued by Bank Indonesia and the Financial Services Authority (OJK). In its implementation, the KUMR is further elaborated into various more detailed internal derivative policies, including the following:

1. Guidelines for the Implementation of Bank Risk Profile Reporting and Assessment
2. Implementation of Bank Soundness Level Reporting and Assessment
3. Risk Model Validation Procedures
4. Guidelines for Risk Data Collection for the BTN Loss Event Database Application (BTN-LED Tool)
5. Guidelines for the Liquidity Risk Measurement Process
6. Guidelines for the Calculation and Reporting of the Liquidity Coverage Ratio
7. Guidelines for the Market Risk Measurement Process
8. Interest Rate Risk Management in the Banking Book
9. Guidelines for the Implementation of Stress Testing
10. Risk Model Validation Procedures
11. Liquidity Monitoring Guidelines
12. Risk Management Policy Guidelines (PKMR)
13. Risk and Control Self-Assessment
14. Guidelines for the Implementation of Action Plans (Recovery Plan)
15. Risk Culture
16. Guidelines and Assessment of Risk Profiles for Branch Offices and Sharia Branch

Offices

17. Internal Credit Rating (ICR) Process
18. Guidelines for the Credit Scoring Model (CSM) Process
19. Credit Authority Limits for Commercial and Consumer Loans
20. Guidelines for the Calculation of Allowance for Impairment Losses
21. Policy for Debtors Affected by the COVID-19 Pandemic
22. Business Continuity Management (BCM)
23. Standard Operating Procedure for the Business Continuity Plan (BCP)
24. Standard Operating Disaster Recovery Plan (DRP)
25. Standard Operating Business Impact Analysis (BIA)

Within the risk management policies, ESG risks related to financing activities are included. BTN ensures that each financing decision takes ESG aspects into account, including environmental impacts, compliance with social rights, and the application of sound corporate governance practices. This approach aims to mitigate potential risks arising from financing activities that do not adequately consider sustainability and social responsibility principles.

The application of ESG risk considerations in financing is essential to ensure that credit extended by BTN delivers not only financial benefits but also positive impacts on society and the environment. Accordingly, BTN is committed to consistently applying ESG principles throughout all stages of financing, from risk analysis to impact evaluation.

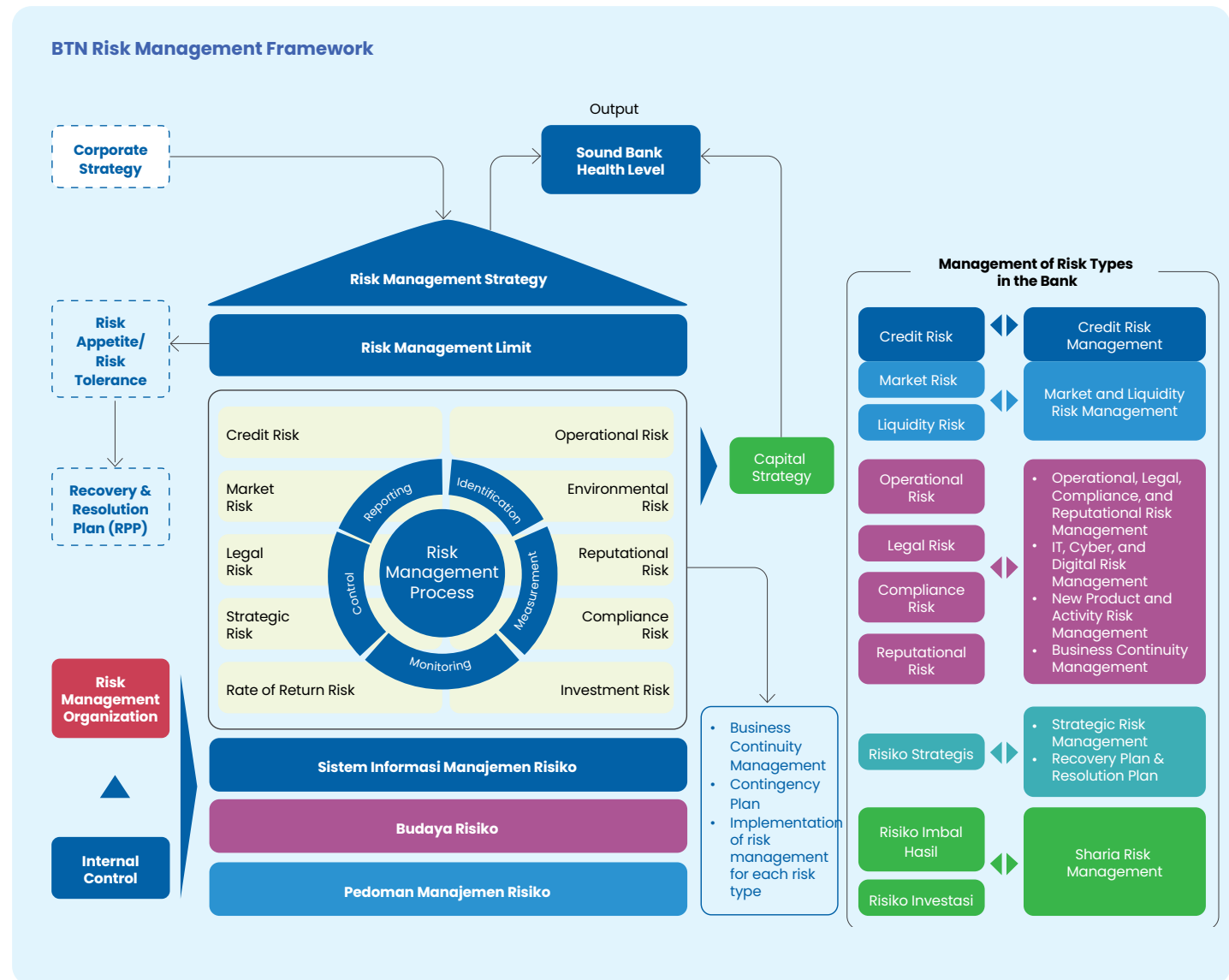
BTN conducts periodic reviews of its internal policies to ensure alignment with the latest regulatory requirements, including gap analysis and adjustments to prevailing best practices in the banking industry to enhance the quality of risk management implementation.

BTN continuously enhances its risk management information system to strengthen the quality of its risk data foundation, aimed at enabling integrated risk measurement and monitoring, supported by the phased development of systems that deliver timely and accurate information.

Risk Management Policies and Procedures and the Establishment of Risk Limits

As a strategic step in implementing risk management policies, BTN has adjusted the General Risk Management Policy as the highest-level policy within the Bank's risk management framework. This policy framework covers all risk management activities, ranging from risk management strategy to more detailed operational risk management, with the ultimate objective of supporting the achievement of a sound bank health level (TKB).

As part of the update to its risk management policies, BTN has adjusted the General Risk Management Policy as the highest-level policy within the Bank's risk management framework. This policy framework covers all risk management activities, from risk management strategy to more detailed operational risk management, with the ultimate objective of supporting the achievement of a sound bank health level (TKB).



The Bank has established a risk limit setting process that refers to the Corporate Work Plan and Budget (RKAP) as well as the recovery plan, in accordance with applicable regulatory requirements. This is designed to ensure that risk management is conducted in a measurable, consistent, and aligned manner with the Bank's business strategy.

The application of risk limits happens in a tiered manner by linking the RKAP, Risk Appetite, and Risk Tolerance as references for risk management under business-as-usual conditions. When risk exposures approach or exceed the established tolerance thresholds, the Bank activates contingencies as well as preventive, recovery, and corrective recovery plans to safeguard business continuity and maintain the Bank's financial stability. Further details on the risk limit implementation process are presented in the Bank's Annual Report.

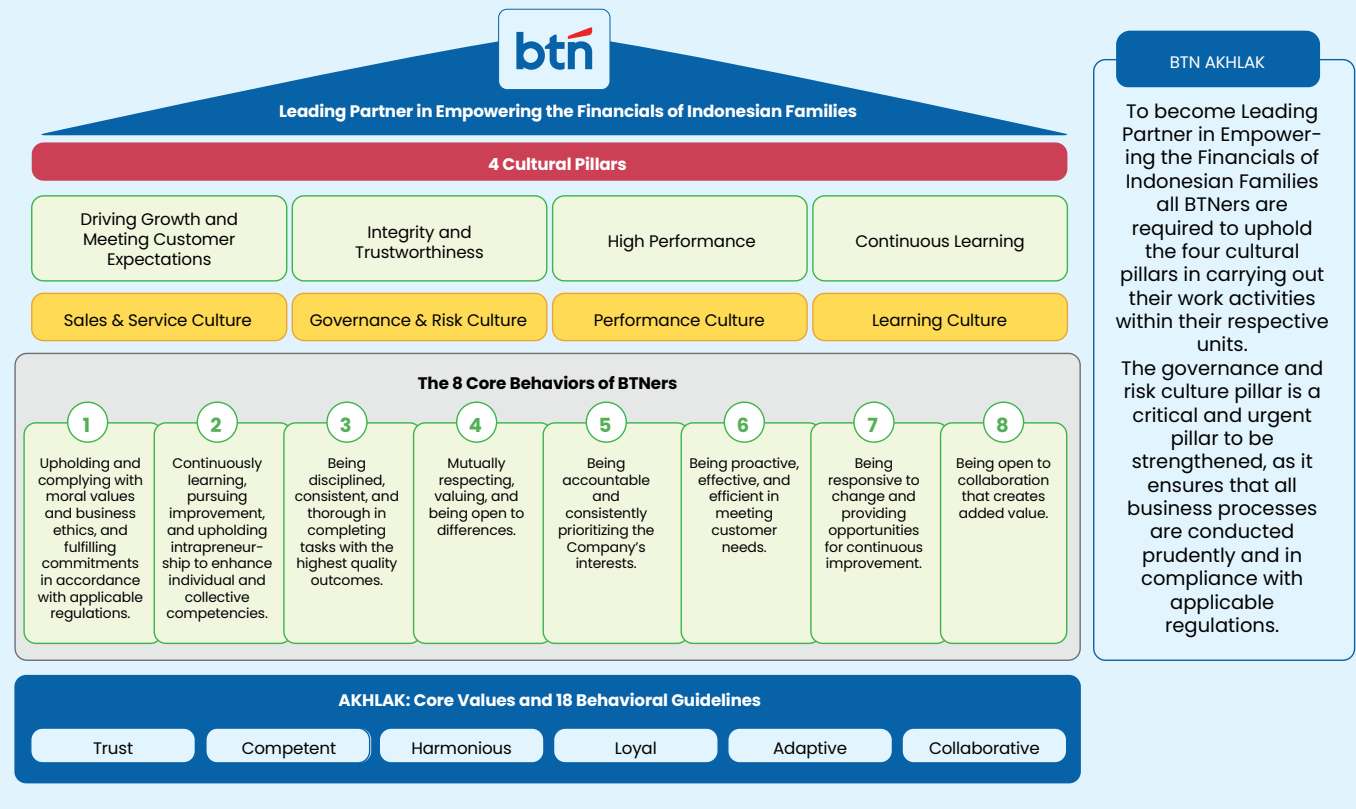
Strengthening Risk Management Policies and Procedures

Risk management policies and procedures are strengthened by internalizing risk management as one of the pillars of BTN's corporate culture, namely governance and risk culture. This plays a strategic role in ensuring that all business

processes are conducted in a prudent manner and in compliance with applicable regulations. The Bank requires all BTNers to apply this cultural pillar in every activity within their respective work units. Governance and risk culture remains a

key priority in ensuring that business activities are carried out prudently and in full regulatory compliance.

BTN Governance and Risk Culture Framework



Based on the illustration above, in supporting the Bank's objectives grounded in BTN's values and the 8 (eight) Core Behaviors of BTNers, four cultural pillars serve as the main foundation of the Bank's Culture Program, with the following objectives:

1. **Sales & Service Culture – Driving Growth and Meeting Customer Expectations**

The targeted end state is to increase sales of funding, lending, and digital products, as well as to enhance service quality in order to drive BTN's business growth and overall performance.

2. **Risk & Governance Culture – Integrity and Trust**

Building awareness and understanding of risks and their mitigation, and consistently and comprehensively applying risk management principles across the organization.

3. **Performance Culture – Superior Performance**

Efforts to enhance performance in order to achieve the established targets.

4. **Learning Culture – Continuous Learning**

Fostering a learning mindset and strengthening critical competencies, including Sales, Digital Analytics, Risk & Collection, as well as reinforcing BTNers' understanding of the importance of culture and the application of the Core Behaviors in daily activities.

To maintain resilience amid the increasing complexity of challenges in the evolving banking industry, BTN conducts regular reviews of its risk management policies. These reviews aim to ensure the adequacy of risk management policies, procedures, and risk limit setting, while maintaining alignment with the latest regulatory requirements. The process is carried out through gap analysis and the adoption of banking industry best practices, and is conducted at least once a year with the involvement of the Board of Commissioners and the Board of Directors.

Adequacy of Risk Identification, Measurement, Monitoring, and Control Processes as well as the Risk Management Information System

This pillar ensures that established policies, procedures, and risk limits are implemented effectively through an end-to-end process that encompasses continuous risk

identification, measurement, monitoring, and control, supported by a risk management information system that provides relevant and timely data to support effective decision-making.

Risk Identification, Measurement, and Assessment [GRI 2-16]

BTN conducts risk identification to recognize potential risks that may affect the achievement of business objectives. The results serve as the basis for establishing the Risk Appetite Statement (RAS), which defines the level of risk the Bank is willing to accept. The RAS functions as a reference for business decision-making and the execution of operational activities to ensure they remain within the established risk tolerance limits.

Furthermore, the risk measurement system assesses risk exposures across all business activities and compares them with the Bank's risk appetite. Risk measurement is conducted periodically for products, portfolios, and business activities to support the determination of appropriate mitigation measures and to ensure capital adequacy in absorbing residual risks. The methodologies applied combine standard approaches in accordance with the provisions of Bank Indonesia and the Financial Services Authority (OJK) with internal methodologies developed by BTN based on the Bank's business characteristics and level of complexity. All methodologies are reviewed and refined on a regular basis or as necessary to ensure the appropriateness of assumptions, accuracy, fairness, data integrity, and the effectiveness of procedures.

To enhance the accuracy of risk measurement and assessment results, BTN conducts stress testing to estimate potential losses under abnormal market conditions. Through defined scenarios, stress testing measures the sensitivity of the Bank's performance to changes in risk factors and serves as a basis for reviewing risk policies and limits when exposures exceed the established tolerance levels. To provide a continuous view of the Bank's risk profile, BTN regularly performs a self-assessment of the Bank Soundness Level (TKB) and prepares a Risk Profile Report. The TKB assessment refers to POJK No. 4/POJK.03/2016 and SEOJK No. 14/SEOJK.03/2017 and is conducted on a semi-annual basis, while the Risk Profile Report is prepared quarterly. The assessment covers risk profile,

profitability, governance, and capital aspects. The results of the risk identification, measurement, and assessment conducted by BTN cover 9 (nine) main risk categories, which are presented in detail as follows.

Identification and Assessment of the 2025 Risk Profile

Risk Name	Risk Identification	Risk Management & Control	Risk Measurement & Monitoring	Risk Information & Reporting System	Risk Profile
Credit Risk	Risk arising from the failure of other parties to meet their obligations, including the risk of borrower default, credit concentration risk, counterparty risk, settlement risk, and country risk, originating from credit and financing activities, as well as financial instruments such as securities, interbank transactions, trade finance, foreign exchange, derivatives, and commitments and contingencies.	Implementation of the Credit and Financing Policy Guidelines, establishment of a Credit Committee, application of the Four Eyes Principle through the segregation of business and risk functions, use of Portfolio Guidelines to control concentration risk, and integration of ESG aspects into credit analysis for the commercial and corporate segments.	Portfolio Quality Reviews, monitoring of credit exposure against Risk Appetite and Risk Tolerance, implementation of SME Credit Scoring Models and an Early Warning System (EWS), as well as risk measurement in accordance with the Basel III Reforms using the standardized approach under SEOJK No. 24/SEOJK.03/2021 on the Calculation of Risk-Weighted Assets (RWA).	Reporting of credit quality and risk exposure to the Board of Directors and relevant units through the Portfolio Quality Review forum, as well as through the centralized Commercial Banking Center (CBC) and SME Processing Center (SPU).	Inherent Risk Rating: Moderate KPMR Rating: Satisfactory Overall Risk Level Rating: Low to Moderate
Liquidity Risk	The risk of the Bank's inability to meet its maturing obligations through cash flows or high-quality liquid assets without disrupting operations and financial condition, which may arise from constraints in cash flows from earning assets, asset sales, funding activities, interbank transactions, and borrowings.	Implementation of the Liquidity Risk Management Policy Guidelines, active oversight by the Board of Commissioners and the Board of Directors, and the establishment of liquidity risk policies, procedures, and limits.	Measurement conducted by the Treasury Division and the Risk Management & ESG Work Unit in accordance with Technical Guideline No. PT.8-F.4, using stock-based methods, maturity profile analysis, cash flow projections, and stress testing under Bank-Specific Crisis (BSC) and General Market Crisis (GMC) scenarios; daily, weekly, monthly, and quarterly liquidity monitoring against the Risk Appetite, Risk Tolerance, Recovery Plan trigger levels, as well as Early Warning Indicators (EWI), the Liquidity Coverage Ratio (LCR), and the Net Stable Funding Ratio (NSFR).	Monitoring and reporting of the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) in accordance with POJK No. 5 of 2024, POJK No. 19 of 2024, and POJK No. 20 of 2024.	Inherent Risk Rating: Moderate KPMR Rating: Satisfactory Overall Risk Level Rating: Low to Moderate

Risk Name	Risk Identification	Risk Management & Control	Risk Measurement & Monitoring	Risk Information & Reporting System	Risk Profile
Market Risk	Risks of loss arising from changes in market conditions, including interest rates, foreign exchange rates, equity, and commodities, affecting both the trading book and banking book positions, including derivative transactions.	Market Risk Management is carried out by business units and the Enterprise & ESG Risk Management Division through processes of risk identification, control, and periodic discussion within the Assets and Liabilities Committee (ALCO), with a focus on banking book risk.	Market Risk Measurement is conducted through interest rate and foreign exchange sensitivity analysis on profit (loss) and equity, the repricing gap method for Interest Rate Risk in the Banking Book (IRRBB) in accordance with Technical Guideline PT.8-F.I, and quarterly reporting based on OJK Circular Letter Number 12/SEOJK.03/2018. Stress testing is performed at the beginning of each year using regulatory and internal scenarios. Exposure is evaluated against the Bank's Risk Appetite and Risk Tolerance, and the Net Open Position (PDN) is determined in accordance with Bank Indonesia Regulation Number 17/5/PBI/2015.	Reporting of IRRBB and Market Risk RWA is conducted in accordance with OJK Circular Letter Number 23/SEOJK.03/2022, along with monthly reporting of the Liquidity Coverage Ratio (LCR) and quarterly reporting of the Net Stable Funding Ratio (NSFR) through the OJK Online Reporting Application (APOLO) in compliance with POJK 19 of 2024 and POJK 20 of 2020.	Inherent Risk Rating: Low to Moderate KPMR Rating: Satisfactory Overall Risk Level: Low to Moderate
Operational Risk	Risks arising from inadequacies or failures in internal processes, human resources, systems, or external events that may affect the Bank's operations and the achievement of its objectives.	The Bank implements Operational Risk Tools to identify, measure, and control Operational Risk, which include: 1. Risk and Control Self-Assessment (RCSA) – A mechanism for identifying and evaluating operational risks in each work unit, covering daily activities and the achievement of unit objectives. 2. Loss Event Database (LED) – For recording operational risk events at Branch Offices in accordance with Basel II criteria, including actual loss, near miss, and potential loss. 3. Key Risk Indicator (KRI) – Indicators for monitoring operational risk, both predictive and lagging.	Operational Risk Measurement and Monitoring are carried out through the results of RCSA in each work unit, analysis of risk event data in the LED to identify patterns and trends, and monitoring of KRIs to detect early warnings and confirm risk events that have occurred.	The Operational Risk monitoring system is supported by Business Continuity Management (BCM) to ensure operational continuity during natural disasters or IT system disruptions, as well as by the Operational Risk Control unit, which serves as a 1.5th line of defense responsible for operational risk control functions at the Head Office. In addition, the Business Control function acts as a 1.5th line of defense by providing integrated oversight of operational risk across Branch Offices (KC), Commercial Banking Centers (CBC), and Regional Loan Processing Centers (RLPC) through Regional Business Control (RBC), Branch Business Control (BBC), and Commercial Banking Centre Business Control (CBC-BC).	Inherent Risk Rating: Moderate KPMR Rating: Satisfactory Overall Risk Level: Low to Moderate

Risk Name	Risk Identification	Risk Management & Control	Risk Measurement & Monitoring	Risk Information & Reporting System	Risk Profile
Legal Risk	Risks arising from legal claims and weaknesses in the legal aspects inherent in various functional activities of the Bank, including lending, treasury, investment, operations, information technology, and human resource management.	Legal Risk Management is carried out through the implementation of legal policies and procedures, compliance controls over regulations and Bank limits, as well as the provision of legal advice and recommendations by the Legal Work Unit to each division, including conducting legal reviews of contracts with third parties.	Legal Risk Measurement is conducted by the Risk Management Work Unit together with the Legal Work Unit through the analysis of ongoing legal cases, contingent liabilities from legal claims, and the quality of contractual obligations in lending documents. Monitoring is performed periodically to assess the effectiveness of policy implementation, procedures, and compliance with regulations.	Legal Risk Monitoring and Reporting is supported by the Legal Application System (LAPs) to track the progress of criminal and civil legal cases at Branch Offices and the Head Office. It is also supported by the placement of Regional Legal Representatives (RLR) in each Regional Office, responsible for providing litigation assistance, legal opinions, legal monitoring, and managing Legal Risk in accordance with Bank Indonesia regulations.	Inherent Risk Rating: Low to Moderate KPMR Rating: Satisfactory Overall Risk Level: Low to Moderate
Reputation Risk	Risks arising from stakeholders' negative perceptions of the Bank, originating from sources such as customer complaints and adverse media coverage related to the Bank's activities and services.	Reputational Risk Management involves all business units, with each unit acting as the first line of defense in managing customer relationships. Controls are implemented through the management of negative media coverage by the Corporate Secretary Work Unit and the handling of customer complaints by the Customer Service Work Unit in accordance with the applicable Service Level Agreement (SLA).	Reputational Risk Measurement is conducted by assessing factors that affect the Bank's reputation, including the intensity and nature of media coverage and customer complaints. Monitoring is carried out by the Risk Management Work Unit, which provides corrective recommendations based on the evaluation of Reputational Risk.	Reputational Risk Monitoring and Reporting is supported by the Customer Complaint System (SPN), which is integrated with Branch Offices and the Contact Center to centrally monitor customer complaints and negative media coverage.	Inherent Risk Rating: Low to Moderate KPMR Rating: Satisfactory Overall Risk Level:
Strategic Risk	Risks arising from inappropriate strategic decision-making or execution, as well as failure to anticipate changes in the business environment. This includes misalignment of strategies with the Bank's vision and mission, incomplete environmental analysis, inconsistencies in strategic plans across organizational levels, and changes in technology, macroeconomic conditions, competitive dynamics, and government or regulatory policies (Bank Indonesia and OJK).	Strategic Risk Control is carried out through the preparation and evaluation of the business plan by the Corporate Strategy & Planning Work Unit, based on the General Policy established by the Board of Directors. It also involves analyzing the gap between actual performance and business plan targets, with corrective actions reported to the Board of Directors on a regular basis.	Strategic Risk Measurement is conducted by comparing actual performance against established targets and monitoring key performance indicators (KPIs). Risk exposure is monitored on a monthly basis by the Risk Management & ESG Work Unit by assessing the risk level against the Bank's Risk Appetite and Risk Tolerance.	Strategic Risk Reporting and Evaluation are submitted regularly to the Board of Directors and the Board of Commissioners, including through the review of core strategy, business transformation, infrastructure, and human resource management, as well as an annual review of Risk Appetite and Risk Tolerance to ensure that the Bank's strategies remain relevant and adaptive.	Inherent Risk Rating: Low to Moderate KPMR Rating: Satisfactory Overall Risk Level: Low to Moderate

Risk Name	Risk Identification	Risk Management & Control	Risk Measurement & Monitoring	Risk Information & Reporting System	Risk Profile
Compliance Risk	Risks arising from the Bank's non-compliance with external regulatory requirements and from internal policies that are inconsistent with applicable regulations.	Compliance Risk Management is carried out through the role of the Compliance and Governance Division (CMGD), which is responsible for preparing a list of external obligations, ensuring the alignment of internal policies, and conducting compliance oversight. Control is further strengthened by the Regional Compliance Supervisory Officer (RCSO) at Regional Offices, who evaluates Branch Offices' adherence to transaction flows and standard operating procedures (SOPs).	Compliance Risk Measurement is conducted by assessing the potential losses arising from non-compliance based on the type of violation, its frequency, and the compliance track record. The effectiveness of risk management implementation is monitored through coordination between the Risk Management Work Unit and the Compliance Work Unit.	The monitoring and reporting system for Compliance Risk is supported by the Compliance Regulatory Management System (CRMS), which provides access to external regulatory requirements, alerts on regulatory reporting obligations, and periodic or ad hoc reporting of compliance risks to the Board of Directors as needed.	Inherent Risk Rating: Low to Moderate KPMR Rating: Satisfactory Overall Risk Level: Low to Moderate

BTN's ESG Risk Appetite Statement (RAS) reinforces the Bank's commitment to conducting sustainable business through the management of climate change risks, social impacts, and shared prosperity, while supporting the transition toward net zero emission.

ESG Risks

The implementation of ESG principles, including the management of climate change-related risks and opportunities, is a material topic for BTN as it has a significant and direct impact on the Bank's risk profile, business sustainability, and financial performance. ESG issues may affect asset quality, income stability, and BTN's financial position, including through increased credit risk, reputational risk, and compliance risk if not managed adequately. At the same time, effective ESG implementation also creates opportunities for the development of sustainable financial products and services that support long-term business growth.

BTN conducts mapping of ESG risks and opportunities, including climate change, to identify, assess, and measure the resulting material financial impacts. The management of climate related risks and opportunities is under the direct oversight of the Board of Directors, supported by the ESG Committee as a governance mechanism to ensure ESG integration into strategy and decision making. The results of this mapping serve as a strategic basis for BTN in formulating risk management actions and leveraging opportunities, including through the integration of ESG criteria into credit disbursement and the strengthening of sustainable financing. These efforts are aligned with IFRS S1 and S2 to safeguard the resilience and sustainability of the Bank's financial performance.

Based on the results of this mapping, the following table presents a summary of the risks, opportunities, financial impacts, and management strategies related to ESG topics that are material to BTN. [GRI 3-2, 201-2] [FS10, FS11]

Risks and Impacts of Material Topics

Sustainability Risk	Description of Sustainability Risks	Potential Negative Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Information Security								
Cybersecurity risk and data breaches (Likelihood: Medium)	Potential cybersecurity incidents (e.g., phishing, malware/ransomware) and customer/Bank personal data leakage due to weaknesses in security controls, human error, or third parties.	Financial losses (incident response costs, recovery costs, higher investment in controls), potential regulatory sanctions and legal claims, service disruption, and reputational damage resulting in reduced trust in the Bank.	Service disruption and higher incident response costs; data recovery efforts for malware-encrypted data; potential customer claims if personal data is leaked.	Sanctions/regulatory action; remediation costs and increased security investment; higher customer churn risk and reduced digital transaction activity.	Decline in trust; constraints on partnerships/digital transformation; pressure on performance and company valuation.	- Financial losses resulting from malware attacks or data breaches that require system recovery costs. - Potential legal claims or compensation to customers due to data breaches. - Reputational damage that may trigger customer fund withdrawals (bank run) and reduce public trust.	- Operating Expenses - Provision Liabilities for Legal Litigation - Third-Party Funds (Deposits from Customers)	The Bank has committed to Personal Data Protection, including the establishment of a dedicated ID team and the formation of a Personal Data Protection (PDP) unit under the Compliance & Governance Division.
Ethics and Code of Conduct								
Risk from breaches of the code of ethics, fraud, gratification, and conflicts of interest (Likelihood: Medium)	Risk of breaches of the code of ethics, fraud, gratification, and conflicts of interest by employees/management if the integrity culture, internal controls, and oversight mechanisms are not effective.	Financial losses due to fraud, regulatory sanctions, legal claims, and reputational damage that reduces trust among the public and investors.	Financial losses and operational disruption due to investigations, process suspension, and corrective actions.	Decline in trust; regulatory and investor scrutiny; higher compliance and monitoring costs.	Prolonged reputational damage that may constrain business growth and the Bank’s long-term sustainability.	- Potential legal claims or regulatory penalties related to violations of the code of ethics, fraud, gratification, or conflicts of interest. - Potential financial losses due to declining investor confidence, which may limit access to funding or investment. - Reputational damage that may trigger customer fund withdrawals (bank run) and reduce public trust.	- Operating Expenses - Provision Liabilities for Legal Litigation - Third-Party Funds (Deposits from Customers)	- The Bank has established internal policies related to gratification. - The Bank is committed to maintaining integrity through the signing of integrity pacts. - Implementation of an Anti-Corruption Program to raise employee awareness.

Sustainability Risk	Description of Sustainability Risks	Potential Negative Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Governance								
Reputational risk and declining stakeholder trust due to weak governance (GCG) (Likelihood: Medium)	Risk of declining stakeholder confidence if the implementation of GCG, transparency, and compliance is inadequate (e.g., weak oversight, reporting, and internal controls).	Declining investor and public trust; potential regulatory sanctions/ actions; increased compliance costs; pressure on funding access and cost of funds.	Increased audit/ regulatory findings, remediation costs, and disruption to decision-making processes.	Declining investor/ partner confidence and pressure on GCG and ESG ratings.	Sustained reputational decline that may weaken performance, competitiveness, and the Bank’s long-term sustainability.	• Potential losses due to declining investor confidence, which may reduce access to funding or investment. • Reputational damage to the Bank that may trigger customer fund withdrawals and reduce funding stability.	• Operating Expenses • Provision Liabilities for Legal Litigation • Third-Party Funds (Deposits from Customers)	The Bank has implemented anti-corruption, anti-fraud, and anti-bribery controls, as well as digitalization initiatives to support more efficient and paperless business processes.
Employment								
Risk of high turnover and competency gaps (Likelihood: Medium)	Risk of high employee turnover, competency misalignment, and low workforce readiness to support digital transformation and ESG.	Lower productivity, higher recruitment costs, and increased risk of operational disruption and service quality deterioration.	Difficulty meeting the Bank’s strategic competency needs and delays in transformation initiatives.	Reduced long-term competitiveness and higher risk of losing top talent.	Sustained decline in the Bank’s competitiveness over the long term.	• Increased recruitment, training, and human capital development costs. • Decline in productivity leading to higher operating expenses. • Decrease in service quality that may affect the Bank’s revenue growth	• Operating Expenses – Recruitment Costs • Operating Expenses – Salaries and Benefits • Operating Expenses – Training Costs • Profitability Impact: Interest Income, Fees and Commissions, Fee-Based Income, Interest, Allowance for Impairment Losses (CKPN)	• Maintain competitive remuneration in line with market standards. • Recruit from Top 100 universities in Indonesia. • Fulfill mandatory certification requirements. • Implement thematic training programs focused on critical capabilities.

Sustainability Risk	Description of Sustainability Risks	Potential Negative Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Human Rights								
Risk of human rights breaches in operations, supply chain, and financing (Likelihood: Medium)	Risk of alleged human rights breaches (e.g., discrimination, harassment, privacy breaches, workplace safety issues at vendors, child/forced labor in the supply chain), and potential social impacts from financed projects (e.g., land/relocation conflicts) if due diligence is insufficient.	Complaints and disputes; sanctions/regulatory action; disruption to projects/partnerships; reputational damage and loss of trust among investors and customers.	Complaints/incidents and case handling costs, including investigations.	Higher compliance requirements; constraints on partnerships/financed projects; ESG-related pressure and risk of project delays.	Long-term reputational impact and declining trust, potentially constraining growth and company value.	• Potential regulatory sanctions, fines, or legal costs arising from human rights violations. • Increased investigation and case remediation costs. • Potential losses due to declining investor confidence, which may reduce access to funding or investment.	• Operating Expenses • Provision Liabilities for Legal Litigation	• Implement the Respectful Workplace Policy (RWP) program to foster a workplace free from discrimination, harassment, and bullying. • Provide reporting and complaint channels for RWP-related cases. • Increase the proportion of employees with disabilities to strengthen Diversity, Equity, and Inclusion (DEI).
Sustainable Products and Services								
Risk of losing competitiveness in sustainable products/services (Likelihood: Medium)	Risk of lagging in the development of sustainable products and services, resulting in lost market opportunities, reduced access to green funding, and weaker investor support as investor focus on ESG increases.	Loss of growth opportunities and cheaper funding access; declining competitiveness; ESG assessments/ratings may be suboptimal.	Missed opportunities to launch/scale sustainable products and to secure sustainable funding.	Reduced competitiveness and risk of losing customers/investors with ESG preferences.	Weakening competitive position and potential decline in ESG ratings, affecting funding access and reputation.	• Loss of potential revenue from sustainable financing products, such as sustainability bonds, sustainability-linked loans, or other green financing instruments. • Loss of funding opportunities from investors focused on ESG.	• Interest Income • Provision and Commission Income • Fee-Based Income • Interest Expense • Credit Loss Expense (CKPN)	The Bank has implemented Low-Emission Housing initiatives, developed financing and funding instruments that support ESG aspects such as sustainability-linked loans and sustainability bonds, and launched the balé by BTN Super App and BTN Digital Store.

Sustainability Risk	Description of Sustainability Risks	Potential Negative Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Community Development								
Risk of ineffective community development programs and low financial literacy (Likelihood: Medium)	Risk that community development/TJSL programs are not well targeted or effective, as well as low financial literacy and inclusion among target communities, which may reduce social impact and weaken stakeholder trust.	Social impact targets not achieved; public complaints; reputational decline affecting relationships with communities, regulators, and investors.	Complaints/negative assessments of programs and low community participation.	Declining stakeholder trust and limited opportunities for collaboration within community/ecosystem initiatives.	Weakened reputation and social trust, reducing the Bank’s positioning as a pioneer in inclusive housing.	- Increased social program costs without generating optimal impact. - Reputational decline that may affect customer trust. - Potential decrease in business growth from community or local ecosystem segments.	- Non-Operating Expenses – Environmental Development - Loans Disbursed - Interest Income - Third-Party Funds (Deposits from Customers) - Interest Expense	The Bank ensures that Environmental and Social Responsibility (TJSL) disbursements are aligned with the four TJSL pillars and targeted appropriately. BTN also conducts monitoring and evaluation, including Social Return on Investment (SROI) assessments, to ensure that funds are distributed effectively and contribute to community development and self-reliance.
Sustainable Procurement								
Non-sustainable procurement practices and third-party risks (Likelihood: Medium)	Risk of procurement practices that do not align with sustainability principles (environmental, social, and ethical aspects), including third-party/vendor risks and lack of transparency that may lead to inefficiencies, fraud, or reputational issues.	Cost inefficiencies, disruption to supply of goods/services, audit findings and compliance issues, and reputational risks if vendors fail to meet good governance standards.	Delays in procurement processes, audit findings, and increased operational costs.	Risk of service disruption from vendors and increased costs due to re-procurement or contract adjustments.	Reputational and company value risks, including potential legal issues, vendor fraud/ corruption recurrence, or loss of control.	- Increased operating costs due to inefficient procurement processes. - Potential losses arising from fraud or non-compliance with contract terms. - Additional costs for audits, monitoring, and improvements to the procurement process.	- Operating Expenses - Provision Liabilities for Legal Litigation	The Bank urges vendors to implement Sustainable Procurement principles through formal communication.

Sustainability Risk	Description of Sustainability Risks	Potential Negative Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Natural Resource Use and Environmental Management								
Climate pattern change risk: water scarcity and flooding (impact on the housing portfolio) (Likelihood: Medium)	As a bank with a portfolio predominantly in the housing sector, BTN faces risks from water crises, such as droughts, declining water quality, and flooding. These conditions can reduce the value of financed assets, increase credit risk, decrease property attractiveness, and affect the long-term stability of BTN's financing portfolio.	- Declining Collateral Value & Stranded Assets: Properties in areas prone to water crises or flooding risk losing value, reducing the quality of BTN's credit collateral. - Increased Non-Performing Loan (NPL) Risk: Water crises and flooding raise developers' operational costs and reduce property attractiveness, increasing the risk of debtor defaults for BTN. - Reduced Mortgage Demand: People tend to avoid houses in high-risk water or flood areas, hindering the growth of BTN's mortgage portfolio.	- Regulatorily, OJK requires banks to conduct climate risk stress tests, including for portfolios located in areas prone to flooding and fires. This may create non-compliance risk. - From a profitability perspective, water crises do not currently pose a short-term risk to BTN, as the housing financed by BTN is presently located outside flood-prone areas.	If, over the next 3–5 years, there is a significant increase in rainfall causing flooding or drought in the areas where BTN finances housing, then: - Increased NPL risk in the affected areas. - Decline in property loan demand in the affected areas. - Disruption to ongoing projects. - Decline in collateral value and occurrence of stranded assets.	Over the next 10 years, water crises and increasing flood risks may lead the government to tighten regulations on water management, potentially creating new risks for BTN, including: - Financing Restrictions: Regulations may prohibit housing development in water-prone areas, reducing BTN's opportunities. - Water Efficiency Requirements: Implementation of water conservation technologies and green drainage systems may increase costs and slow down projects - Integration of Water Risk: OJK may require banks to consider water risks in lending, affecting property financing. - Rising Insurance Premiums: Increased water risk could raise insurance costs and reduce demand for BTN mortgages.	- Decline in collateral value and potential stranded assets in property portfolios located in flood-prone areas. - Increase in non-performing loans (NPLs) due to higher operating costs for developers and reduced property attractiveness. - Decrease in mortgage (KPR) demand due to public concerns about living in flood-prone areas, which may slow the growth of BTN's financing portfolio.	- Loans - Allowance for Impairment Losses (CKPN) on Loans - Provision for Impairment Losses on Financial Assets - Interest Income - Provision and Commission Income - Foreclosed Assets (AYDA)	BTN has conducted Climate Risk Stress Testing (CRST) to assess the financial impact of physical risks from flooding and fire on its loan portfolio in high-risk areas.

Sustainability Risk	Description of Sustainability Risks	Potential Negative Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Climate Change and Ecosystems								
Compliance risk: carbon tax policies and emissions regulations. (Likelihood: Medium)	Transition risk arising from carbon tax or levy policies as regulated under Law No. 7/2021, as well as the potential expansion of coverage to other sectors (including construction and industries related to the Bank's portfolio).	- Increased NPL: Carbon tax raises debtor costs, increasing the risk of default and worsening loans. - Stranded Assets: High-emission assets may lose value, reducing BTN's credit collateral. - Declining ESG Ratings: Financing high-emission projects may hinder access to green funding. - Bank Tax Risk: If BTN is subject to carbon tax, operational costs rise, profitability decreases, and financing for high-emission sectors is reduced.	The direct impact is relatively limited if the Bank's exposure to sectors initially subject to the carbon tax is low; however, portfolio transition risk mapping is required.	If the carbon tax is extended to BTN's debtor sectors, NPL risk will increase. If the bank itself is also subject to the tax, BTN will face higher operational costs, reduced profitability, and decreased financing for high-emission sectors.	If, after the implementation of the carbon tax, BTN continues to provide loans to sectors subject to the tax, the impacts on BTN are: - Stranded Assets and Declining Credit Collateral Value due to stricter regulations. - Declining ESG Ratings and Difficulty Accessing Green Financing.	- Increase in non-performing loans (NPLs) due to carbon tax, as higher operating costs for debtors increase the risk of default. - Potential stranded assets in high-emission sectors, leading to a decline in collateral value and asset quality. - Decrease in the debtor's ESG rating, which may limit access to funding and increase credit risk. - If the Bank is also subject to carbon tax, higher operating costs may reduce profitability and limit financing to high-emission sectors.	- Loans - Allowance for Impairment Losses (CKPN) on Loans - Provision for Impairment Losses on Financial Assets - Interest Income - Provision and Commission Income - Foreclosed Assets (AYDA)	- The Bank has established an exclusion list and a sustainable finance framework to guide portfolio management in reducing exposure to high-emission sectors by increasing financing to low-carbon projects. - The Bank continues to develop green financing products to diversify its portfolio, including green bonds and other sustainable financing instruments. - As the majority of BTN's portfolio is in the mortgage sector, the Bank primarily finances low-emission housing that meets green building standards, such as the use of recycled or eco-friendly materials and energy efficiency, supporting the transition to a more sustainable property sector. - The Bank has conducted Climate Risk Stress Testing (CRST) to assess the impact of climate risk on its loan portfolio, including transition risks related to carbon tax and stranded assets.

Opportunity and Impacts of Material Topics

Sustainability Opportunity	Description of Sustainability Opportunity	Potential Positive Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Information Security								
Opportunities from Strengthening Personal Data Protection (PDP) and information security (Likelihood: High)	Personal Data Protection Law (UU PDP) No. 27/2022 became effective in October 2024, requiring stronger measures to protect personal data, prevent misuse, and increase public trust. Strengthening information security governance also improves compliance and operational resilience.	With strong PDP governance and information security, the Bank is better protected from financial losses such as data breaches and customer lawsuits.	Strengthened PDP policies/procedures, data classification, and employee awareness; improved access controls and audit trails.	Reduced frequency and severity of incidents; improved compliance and service quality; higher adoption of digital channels.	Stronger reputation and trust supporting digital business growth; easier collaboration with fintech/ecosystems; sustained PDP and information security performance.	• Reduce the risk of financial losses resulting from data breaches or misuse of customer information. • Avoid potential legal claims or regulatory sanctions. • Maintain the Bank's reputation and strengthen customer trust.	• Operating Expenses – Salaries Expenses • Third-Party Funds (Deposits from Customers) (increase) • Loans (increase) • Intangible Assets (Application Development)	The Bank has committed to Personal Data Protection, including strengthening its IT systems and establishing a dedicated Personal Data Protection (PDP) unit under the Compliance & Governance Division.
Ethics and Code of Conduct								
Opportunities from Strengthening integrity culture, code of ethics, and effective whistleblowing system (Likelihood: High)	Implementation of the code of ethics, anti-fraud and anti-gratification programs, integrity training, and an effective whistleblowing system across the organization.	Reduced fraud and breaches, improved compliance, and enhanced quality of decision-making.	Strengthened internal compliance and risk control through socialization, training, and enforcement of discipline.	Increased trust among regulators, investors, and customers.	Strong corporate culture and reputation as a high-integrity institution, supporting long-term business sustainability.	• Improved operational cost efficiency through reduced losses from fraud and ethical violations. • Increased trust from customers and stakeholders, supporting business growth. • Strengthened reputation, leading to higher banking activity and service utilization.	• Employee Training Expenses for socialization programs • Third-Party Funds (Deposits from Customers) • Intangible Assets (Application Maintenance and Enhancement)	• The Bank has established internal anti-gratification policies. • Implementation of an Anti-Corruption Program • Signing of Employee Integrity Pacts.

Sustainability Opportunity	Description of Sustainability Opportunity	Potential Positive Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Governance								
Opportunities from Strengthening GCG, transparency, and risk-ESG integration (Likelihood: High)	Strengthening governance structure and processes (Board/ Committees and policies), enhancing internal control/ ICOFR, and improving transparency in sustainability reporting to strengthen the Bank's credibility.	Increased investor and regulator confidence; stronger risk management discipline and mitigation; improved access to more competitive funding.	Alignment of governance policies and processes; improved disclosure quality; strengthened accountability across work units.	Improved stakeholder perception, stronger reputation, better access to funding and collaboration, and reduced operational, compliance, and reputational risks.	Greater resilience and enhanced company value through stronger governance and more consistent decision-making aligned with GCG principles.	- Increased access to funding from investors and capital markets through improved governance credibility. - Improved funding stability for the Bank. - Greater operational cost efficiency through strengthened internal control systems.	- Third-Party Funds (Deposits from Customers) - Cash and Cash Equivalents - Capital Stock/ Additional paid-in capital - Securities Issued/ Subordinated Liabilities - Operating Expenses	- Strengthen the implementation of GCG and transparency to investors and regulators. - Improve the effectiveness of risk management and internal controls. - Enhance compliance with applicable laws and regulations. - Improve the quality of reporting and information disclosure. - Optimize funding strategies to secure more competitive access to capital.
Employment								
Opportunity from capability development, employee wellbeing, and engagement (Likelihood: High)	Development of capabilities through ESG/digital banking and service excellence training, strengthened employee wellbeing, and higher employee engagement to enhance organizational capabilities.	Higher employee productivity and loyalty, stronger organizational readiness to respond to industry changes.	Improved skills and work motivation through training and development programs.	Better talent retention and a stronger talent pool.	Becoming an employer of choice and a more adaptive organization in response to industry changes.	- Increased employee productivity through competency development and strengthening of human capital capabilities. - Reduced operating costs through improved employee retention, lowering recruitment costs due to turnover. - Improved service quality and operational performance, which may drive revenue growth. - Enhanced investor confidence in the quality of human capital management, supporting funding stability and business growth.	- Salaries Expenses - Training and Development Expenses - Employee Benefits Expense - Operating Expenses - Operating Income - Cash and Cash Equivalents - Capital Stock/ Additional Paid-in Capital - Securities Issued/ Subordinated Liabilities	- Implement employer branding programs through various channels. - Conduct employee engagement surveys (EES) by independent parties and evaluate program implementation. - Implement career acceleration programs. - Conduct salary surveys to assess the competitiveness of employee remuneration relative to the market.

Sustainability Opportunity	Description of Sustainability Opportunity	Potential Positive Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Human Rights								
Opportunity from strengthening human rights policy and remediation mechanisms (Likelihood: High)	Implementation of human rights policies, due diligence for vendors and financing, effective grievance channels, and inclusion and access programs for vulnerable groups.	Fewer social incidents and disputes; stronger stakeholder trust; improved access to sustainable financing.	Strengthened policies, awareness programs, and grievance/ remediation mechanisms.	Improved quality of supply chain and responsible financing; stronger relationships with communities and regulators.	Stronger reputation and business resilience through inclusive practices that respect human rights.	• Reduced Operating Expenses through improved employee retention, lowering costs associated with turnover. • Increased Interest Income and Provision and Commission Income through higher productivity and service quality. • Increased Personnel Expenses through enhanced employee competencies and engagement.	• Third-Party Funds (Deposits from Customers) • Loans • Interest Income • Provision and Commission Income • Other Operating Income • Intangible Assets	• Ensure supporting facilities for employees and customers with special needs (persons with disabilities) to DEI • Implement the RWP to ensure a workplace free from discrimination, violence, and harassment.
Sustainable Products and Services								
Opportunities from Expanding green finance and sustainable digital services (Likelihood: High)	Opportunity from government NZE targets and rising demand for sustainable financing through Low-Emission Housing programs, sustainability-linked loans, green/social/ sustainability bonds, and stronger digital services such as balé by BTN.	☒ Higher income: additional fee-based income via balé by BTN and improved cost efficiency from paperless/digitalized processes. ☒ Stronger ESG rating and competitiveness. ☒ Better access to green funding from ESG investors and international financial institutions supporting sustainability. ☒ Product diversification: expanded portfolio of green financial products and services, including OJK KKUB sustainable sectors.	Higher income and operating efficiency (digitalization/ paperless), and a stronger pipeline for sustainable financing.	Stronger BTN positioning as a provider of sustainable products and services, and higher customer satisfaction and loyalty.	Improved access to funding through issuance of green/ social/sustainability bonds, and stronger ESG ratings supporting the Bank’s reputation and trust.	• Increased revenue through fee-based income from balé digital services. • Improved operational efficiency through service digitalization. • Increased access to funding from ESG funds and international financial institutions. • Diversification of the green financing portfolio. • Additional revenue potential from carbon trading. • Enhanced reputation and ESG rating, strengthening investor and customer confidence.	• Provision and Commission Income • Non-Interest Income / Other Income • Interest Income • Operating Expenses • Loans Disbursed • Issued Securities / Subordinated Liabilities • Third-Party Funds (Deposits from Customers)	The Bank has implemented Low-Emission Housing initiatives, developed financing and funding instruments that support ESG aspects such as sustainability-linked loans and sustainability bonds, and launched the balé by BTN Super App.

Sustainability Opportunity	Description of Sustainability Opportunity	Potential Positive Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Community Development								
Opportunity from strengthening inclusion, financial literacy, and community empowerment (Likelihood: High)	Financial literacy programs, local economic empowerment (MSMEs/housing communities), and innovative social initiatives (e.g., housing ecosystem, house-to-mortgage) to improve welfare while expanding the customer base.	Increased community engagement, broader customer base, and stronger reputation and trust.	Improved literacy and community engagement; strengthened relationships with local governments and communities.	Growth in customer base and stronger social partnerships with community/developer ecosystems through housing platforms.	Long-term social impact and stronger reputation as an inclusive and sustainable housing-focused bank.	• Growth of new customer base from housing communities and ecosystems. • Increased housing and MSME financing disbursement. • Higher Bank revenue from financing activities and banking services.	• Loans • Third-Party Funds (Deposits from Customers) • Interest Income • Provision and Commission Income • Issued Securities / Green Bonds / Sustainability Bonds	BTN carries out various TJSL (Social and Environmental Responsibility) initiatives across four pillars: Social, Economic, Environmental, and Governance, with key focus areas in Education, Environment, and MSME Development. These initiatives aim to support business continuity, create social and environmental impact, and strengthen branding and reputation. BTN views its TJSL programs as a strategic effort to build harmonious and mutually beneficial relationships with the environment, communities, and stakeholders at both local and national levels, while also supporting its mission to deliver positive impact and contribute to sustainable economic development.

Sustainability Opportunity	Description of Sustainability Opportunity	Potential Positive Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Sustainable Procurement								
Opportunities from Implementation of End-to-End Procurement (Likelihood: High)	Sustainable procurement still has significant potential for development, one of which is through digitalization.	- With this application, the Bank can achieve cost savings on paper in the procurement process. - The Bank's reputation improves as its procurement system becomes more integrated, transparent, and paperless, while business processes become more efficient.	With this application, the Bank can achieve cost savings on paper in the procurement process.	More integrated and transparent processes, reducing risks of fraud or non-compliance in procurement activities.	The Bank's reputation improves as its procurement system becomes more integrated, transparent, and paperless, while business processes become more efficient and sustainable.	- Improved operational cost efficiency through reduced paper usage and enhanced procurement process efficiency. - Enhanced Bank reputation through a procurement system that is more transparent, integrated, and paperless.	- Operating Expenses - Intangible Assets	The Bank has developed an End-to-End Procurement application to support a sustainable and paperless procurement process.
Natural Resource Use and Environmental Management								
Opportunity from the implementation of KKUB and the OJK's Indonesia Sustainable Finance Taxonomy (TKBI), as well as the government's Net Zero Emissions (NZE) targets (Likelihood: High)	OJK has issued the Indonesia Green Taxonomy / Taxonomy for Sustainable Finance in Indonesia as a guideline for financial service institutions (FSIs) to map and increase financing in the Green sector. In addition, OJK classifies Sustainable Business Activity Categories (KKUB) as a guide for FSIs to support financing in sustainable sectors and contribute to the NZE 2060 target.	- Increased Green Financing: Focus on alignment with OJK's KKUB and TKBI frameworks. - Access to Green Funding: Enables the issuance of green, social, or sustainability bonds. - Support for NZE 2060: Green Building certification and environmental initiatives enhance the Bank's reputation.	- Increased Sustainable Financing: Focus on OJK's KKUB and Green Taxonomy enhances the bank's reputation and investor confidence. - Green Building Certification: Effective environmental and waste management supports green certification and strengthens the Bank's reputation.	Through lending activities to sustainable sectors, the Bank will gain access to funding, such as through the issuance of green, social, or sustainability bonds.	By maintaining a strong commitment to sustainability, BTN can strengthen its reputation among investors, improve its ESG ratings, and enhance the Bank's financial stability and resilience.	- Increased green financing through loans to sectors aligned with the OJK Green Taxonomy. - Access to funding through the issuance of green and sustainability bonds. - Improved ESG reputation through green building certifications and environmental initiatives.	- Loans - Interest Income - Provision and Commission Income and Other Operating Income - Issued Securities / Green Bonds / Sustainability Bonds - Subordinated Liabilities	- The Bank has extended loans to relevant sectors (KKUB OJK), such as SPAM projects, renewable energy, environmentally friendly transportation, and others. - The Bank has planned the issuance of thematic green, social, and sustainability bonds. - It also supports environmental preservation and waste management programs, resulting in Green Building certification for two BTN buildings.

Sustainability Opportunity	Description of Sustainability Opportunity	Potential Positive Impact	Impact Time Horizon			Financial Statement Impact Analysis	Affected Financial Statement Accounts	Mitigation Measures
			Short-term	Medium-term	Long-term			
Climate Change and Ecosystems								
Revenue and innovation opportunities from carbon credits (Likelihood: Medium)	The government has enacted Presidential Regulation No. 98/2021 on Carbon Economic Value (NEK) and OJK Regulation No. 14/2023 on Carbon Trading through the Carbon Exchange (IDX Carbon). Under these regulations, BTN has the opportunity to sell carbon credits both domestically and internationally from low-emission buildings that meet sustainability standards.	- Increased Income: BTN can generate revenue from the sale of carbon credits. - Enhanced ESG & Competitiveness: Participation in carbon trading improves ESG ratings and attracts investors. - Green Product Diversification: BTN can develop products based on carbon credits. - Support for NZE 2060: Utilizing carbon credits contributes to the transition toward a low-carbon economy.	BTN can increase its income through carbon trading on the Indonesia Carbon Exchange (IDX Carbon) as well as in the operational international carbon markets.	- As the volume of low-emission housing increases, BTN may generate more carbon credits that can be traded, potentially increasing carbon trading volumes and contributing to additional revenue streams. - The expansion of the domestic carbon market may create more competitive and attractive carbon credit pricing, providing potential benefits for BTN.	- With the increasing volume of low-emission housing, BTN can significantly enhance revenue from carbon trading as a stable income source. - Carbon credit prices are expected to rise as emissions regulations become stricter, increasing demand from companies required to reduce their carbon footprint. - Carbon credits may become a more established financial instrument, creating opportunities for integrat	- Increased revenue from the sale of carbon credits generated from low-emission housing projects. - Strengthened ESG profile and improved investor attractiveness. - Diversification of carbon-based financial products and green financing. - Support for the transition to a low-carbon economy.	- Other Operating Income - Provision and Commission Income - Other Financial Assets (Carbon-Related Assets / Environmental Instruments)	- The Bank has conducted a feasibility study with consultants as the basis for the sale of carbon credits from low-emission housing projects. - As the next step, BTN will seek approval from relevant authorities to register carbon savings and prepare a Climate Mitigation Action Plan (DRAM). The DRAM draft will be registered and evaluated by the National Registry System (SRN) and international verification bodies. - BTN currently has 11,412 low-emission housing units under a pilot project, with a target to develop a total of 150,000 low-emission housing units by 2029.

BTN uses metrics for material topics to set targets and to monitor the achievement of activities supporting the realization of those targets.

Metrics and Targets

Material Topic	KPIs Related to Board of Directors' Compensation	KPI Strategy and Objectives	Realization of KPIs
Information Security	No incidents related to cybersecurity breaches were recorded.	BTN continuously enhances its Information Technology security capabilities as part of its commitment to strengthening strategic IT security capacity, supporting a secure digital environment, and minimizing the risk of cybersecurity breaches. These efforts are carried out through the implementation of a defense-in-depth approach covering endpoint, application, network, IT infrastructure, and data security. In line with regulatory priority controls, BTN also continues to strengthen its cyber resilience and improve cyber risk management by implementing the NIST Cybersecurity Framework, which includes the functions of Govern, Identify, Protect, Detect, Respond, and Recover. In addition, BTN regularly measures and evaluates the effectiveness of its information security controls to ensure the optimal protection of systems and data. These efforts are reflected in the achievement of ISO/IEC 27001:2022 certification and the implementation of the IT Security Index as part of the mechanism for assessing the maturity level of Information Technology security across BTN.	No incidents related to cybersecurity breaches were recorded.
Employment	Human Capital Diversity improved, with the average ratio of women in the nominated talent pool reaching 25%, and millennials (under 42 years old) accounting for 15% of those included in the nominated talent pool (BoD-1 level), who were proposed to the Ministry of SOEs based on performance and capability.	BTN remains committed to upholding human rights, diversity, equality, and inclusion across all of its operations, employment practices, and services. This commitment covers the full employee lifecycle, from recruitment, including employees with disabilities, to competency development, career management, remuneration, and employee welfare. BTN ensures that all employees have equal opportunities without discrimination based on gender, religion, ethnicity, race, or other personal background. This approach helps create an inclusive and safe working environment that supports employee productivity. In addition, BTN strengthens organizational capabilities through competency development programs in ESG, digital banking, and service excellence, as well as through employee welfare improvement and employee engagement initiatives.	The ratio of women in the nominated talent pool was targeted at 28%, with actual realization reaching 33.3%. Meanwhile, the ratio of young top talent ($\leq$ 42 years old) in the nominated talent pool was targeted at 16.5% and achieved 16.67%. Going forward, BTN will continue its efforts to maintain diversity within the Board of Commissioners and Board of Directors, particularly in terms of gender and age diversity.

Material Topic	KPIs Related to Board of Directors' Compensation	KPI Strategy and Objectives	Realization of KPIs
Sustainable Products and Services	Sustainable financing/loans categorized as Sustainable Business Activities (KKUB) amounted to Rp200.26 trillion.	BTN is committed to implementing sustainable finance by providing broad support for sustainable economic growth through sustainable financing. In doing so, BTN refers to the Sustainable Business Activities Category (KKUB) as the basis for supporting business activities that aim to preserve the environment and improve social well-being.	Sustainable financing/loans amounted to Rp203.45 trillion, consisting of Rp7.01 trillion in Green Financing and Rp196.43 trillion in Social Financing.
	The number of active users of the balé by BTN app supports the digitalization of financial services for customers. A total of 1.69 million users were registered.	BTN prioritizes digitalization and access to financing through the development of digital platforms such as the balé by BTN Super App, balé Properti, and balé Community to make inclusive financial services more accessible, especially for underserved communities. Collaboration with merchants, fintech companies, and banking agents (Agen BTN) enables the Bank to expand its service reach, supported by continuously strengthened technology infrastructure to ensure system security and reliability. BTN also actively develops digital solutions and expands technology-based service channels to reach more users and provide financial literacy programs for underserved, underbanked, and MSME communities.	3.7 million balé by BTN users

Several material topics are also considered important to external stakeholders and are therefore managed in a targeted manner to address their expectations and needs. BTN emphasizes efforts to create positive impacts while minimizing negative impacts arising from all operational activities, products, and services. Within this framework, two

material topics identified as key priorities are Community Development and Sustainable Products and Services. These topics reflect the Bank's commitment to supporting social and environmental sustainability in a sustainable manner.

Material Issues for External Stakeholders

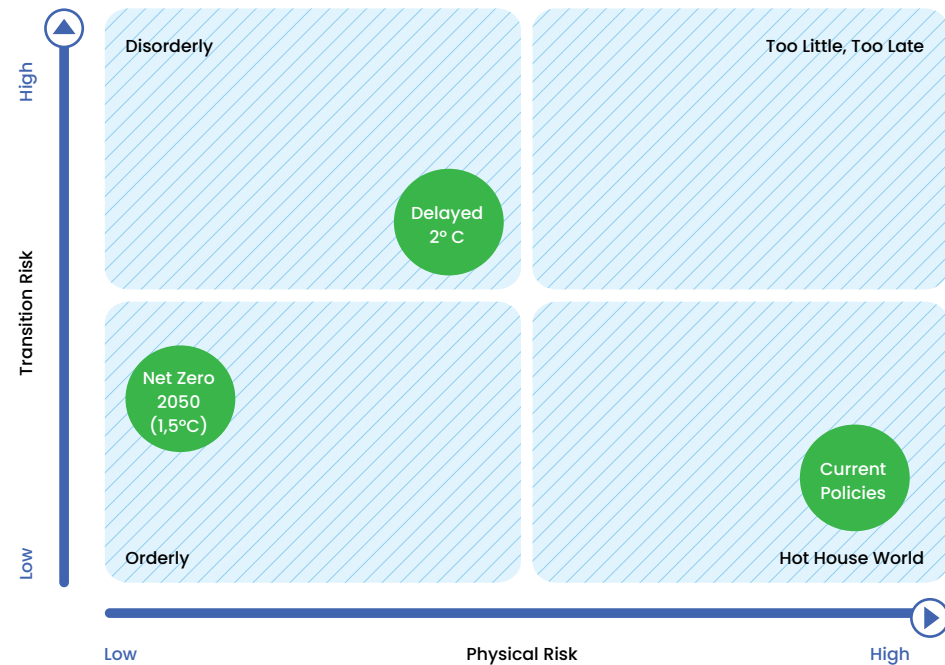
Material Topic	Related Stakeholders	Impact	Explanation of Impacts on Stakeholders	Quantitative Target	Realization
Community Development	Community, Regulators	Positive	BTN plays an active role in supporting community development through economic empowerment programs, support for MSMEs, provision of access to adequate housing, and improved access to education and healthcare. These initiatives create economic opportunities, generate employment, and help build more independent, inclusive, and competitive communities.	TJSL disbursement amounted to Rp120 billion.	TJSL disbursement amounted to Rp119.91 billion.
		Negative	Challenges such as dependency risk, misalignment between programs and local needs, and potential social inequality must be anticipated to ensure that the programs remain effective and sustainable.		

Material Topic	Related Stakeholders	Impact	Explanation of Impacts on Stakeholders	Quantitative Target	Realization
Sustainable Products and Services	Community, Regulators	Positive	BTN continues to play an active role in implementing ESG principles across the Bank's business processes and operations through inclusive financing, particularly for the MSME sector and subsidized mortgage programs. This initiative aims to improve public access to affordable financing, support local economic growth, and enhance community welfare through access to decent housing and the strengthening of micro, small, and medium enterprise capacity.	• MSME loan disbursement amounted to Rp4.41 trillion.	• MSME loan disbursement amounted to Rp5.67 trillion.
		Negative	Challenges such as the potential dependency of communities on subsidized financing programs, including People's Business Credit (KUR) and Subsidized Mortgages, need to be balanced with improved financial literacy and stronger business capacity to ensure that these programs remain effective and sustainable.		

Climate Risk Stress Testing (CRST)

Since the Financial Services Authority (OJK) issued the Climate Risk Stress Testing (CRST) guidance in 2023, BTN has integrated CRST into the risk management framework as part of strengthening climate risk management and long-term financial resilience. CRST is implemented through scenario-based stress testing to identify, quantify, and assess the transmission of climate change risks, covering both physical and transition risks, and their potential impacts on the Bank's risk profile, financial performance, and capital adequacy in a comprehensive manner.

Matriks Climate Risk Stress Testing (CRST)

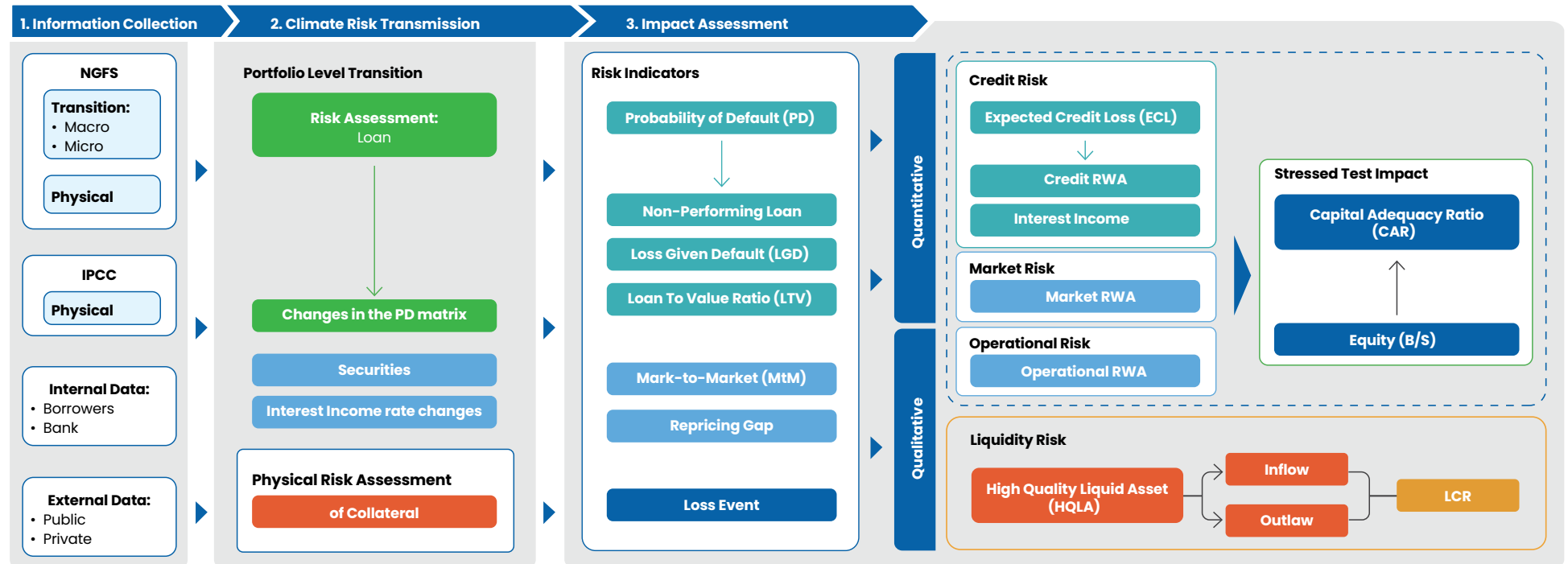


BTN uses climate scenarios developed by the Network for Greening the Financial System (NGFS) and adapted to Indonesia's conditions by OJK, namely: Current Policies, which reflects existing policies with no additional changes; Delayed Transition, which assumes a postponed shift to a low-carbon economy that requires significant adjustments in the future; and Net Zero 2050, an ambitious transition scenario aimed at achieving net zero emissions by 2050. These scenarios are linked to projections of key macroeconomic

variables, including gross domestic product (GDP), inflation, exchange rates, and interest rates, as the main risk drivers to assess the impact of climate risks on credit risk, market risk, liquidity risk, and operational risk, as well as the implications for the Bank's capital adequacy and overall financial resilience.

The following presents an illustration of the CRST methodology, covering the process from information gathering to the assessment of capital adequacy impacts.

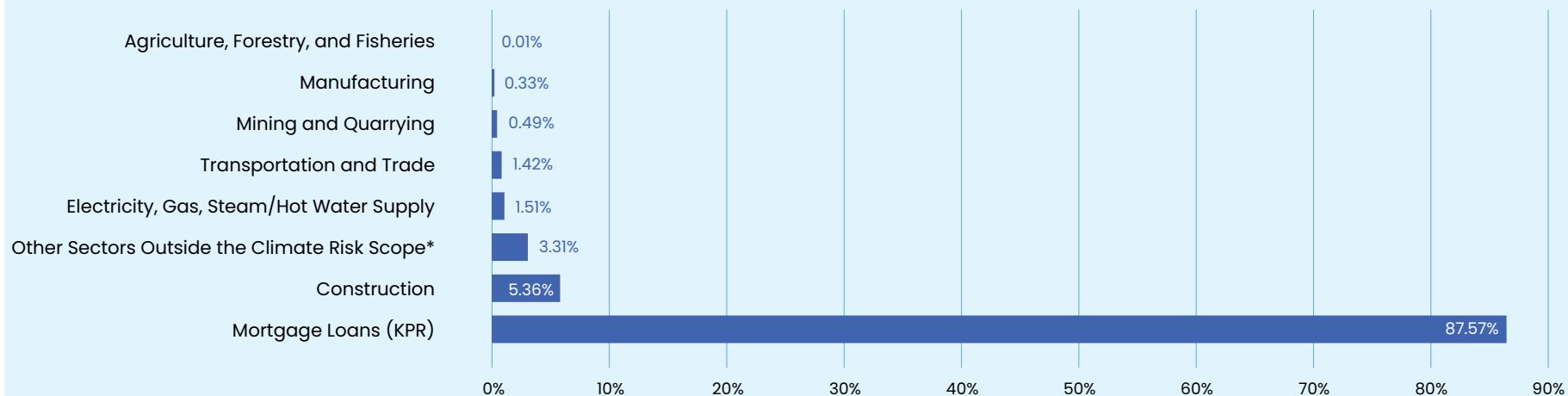
CRST Framework Overview



To translate scenario-based stress testing results into portfolio analysis, BTN enhances its modeling through the collection of relevant internal and external data. Internal data include credit portfolio profiles and sectoral exposures, including borrower and collateral information as required for the analysis, while external data is used to enrich the risk context and strengthen variable assumptions. Using a top-down approach, macroeconomic

projections are translated into sectors with higher climate risk exposure. The following chart presents the Distribution of Climate Risk Exposure by Sector, summarizing exposure concentration and supporting the prioritization of mitigation actions within the credit portfolio.

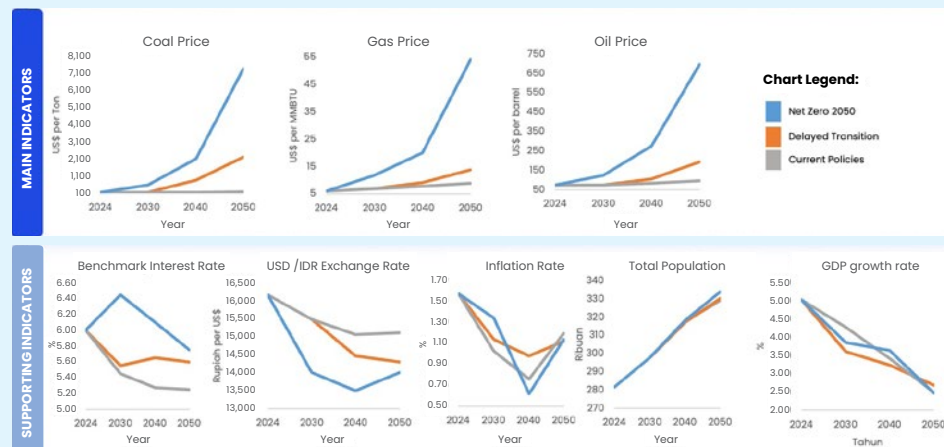
Distribution of Climate Risk Exposure by Sector



A. Transition Risk Scenario Analysis

To assess transition risk, BTN applies scenario-based stress testing using projections of key macroeconomic variables sourced from the NGFS and adapted to Indonesia's conditions by OJK. The variables analyzed serve as risk drivers to assess the transmission of transition risk to the Bank's credit portfolio, including the implications for key credit risk metrics such as stressed Probability of Default (PD), stressed Loss Given Default (LGD), and Non-Performing Loans (NPL).

Macroeconomic Projection Chart



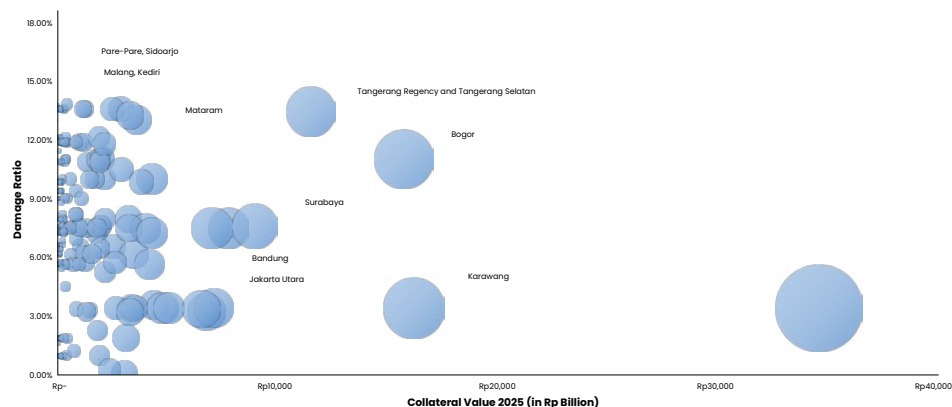
The CRST simulations under the Current Policies, Delayed Transition, and Net Zero 2050 scenarios indicate that transition risk can affect capital adequacy through changes in CKPN (expected credit loss allowances), mark-to-market movements in securities, and adjustments to risk-weighted assets (RWA) for credit, market, and operational risk. Across the simulations, BTN's capital adequacy ratio (CAR) remained at around 18.5% and stayed above the regulatory minimum, although at certain horizons capital pressure increased, as reflected by the breach of the Bank's internal thresholds in line with the applicable risk appetite framework and trigger levels.

B. Physical Risk Scenario Analysis

Within the CRST framework, BTN identifies physical risk as the risk arising from disaster events such as floods and fires that may impair collateral quality and increase Loss Given Default (LGD). To manage this risk, BTN maps collateral portfolio exposure by considering collateral values and regional damage ratios to identify exposure concentrations and collateral vulnerability, which serve as the basis for prioritizing physical risk mitigation.

Based on the mapping results, BTN assesses the distribution of exposure and areas with relatively higher vulnerability as part of its qualitative operational risk assessment. Considering historical disaster events, the characteristics of the collateral portfolio, and mitigation measures already in place, the overall physical risk impact from floods and fires in 2025 is assessed as minimal or close to nil. The mapping of physical risk exposure against collateral values and regional damage ratios is presented in the following chart.

Mapping of Physical Risk Exposure for BTN Mortgage (KPR) Collateral



C. Climate Change Mitigation Plan

Following the CRST results, BTN has developed climate change mitigation plans focused on strengthening data foundations and enhancing climate risk management capabilities. Key initiatives include the development of GHG Data Management, increased automation of climate risk measurement and scenario analysis, as well as the preparation of a decarbonization plan and the establishment of Net Zero targets to guide the Bank's long-term transition.

In addition to portfolio mapping, BTN also considers the financial implications of climate risk within CRST simulations. Based on these simulations, BTN estimates the financial impact of physical risks from floods and fires increased by 56.46% compared to the previous year, driven by the expansion of its Sustainable Finance Action Plan (RAKB) programs.

Gradually, climate risk analysis results are integrated into underwriting policies and pricing strategies through adjustments to Risk Acceptance Criteria (RAC), risk limits, and BTN Portfolio Guidelines. This approach aims to strengthen risk discipline, support

the development of a green portfolio, and ensure that climate risk considerations are embedded in business decisions and credit portfolio management.

Risk Management Information System Management

The Bank operates a risk information management mechanism that covers risk exposures, risk tolerance, compliance with internal limits, stress testing results, and the consistency of policy and procedure implementation. This risk information is presented in periodic reports to management as a basis for decision-making, the determination of mitigation measures, and the required follow-up actions.

The reliability of the risk information management mechanism is supported by the provision of adequate back-up systems to minimize potential disruptions. The effectiveness of the system is reviewed periodically to ensure the continuity of risk data

availability. In this regard, the risk management information system is managed in a coordinated manner across divisions, with a focus on enhancing the quality of the risk data repository, enabling risk measurement and monitoring processes to be carried out in an integrated, timely, and regulator-compliant manner.

Impact and Risk Assessment

Impact and risk assessment is a comprehensive evaluation process carried out by the Bank to identify and analyze potential risks and impacts arising from specific activities or policies. This assessment aims to ensure effective risk control while ensuring that every business decision considers its implications for the Bank's operations and long-term sustainability. The process comprises the following key elements:

Key Elements of Impact and Risk Assessment

New Product Development



The Bank conducts risk assessments for new funding and lending products by considering their potential impacts on customers, operations, as well as business, information technology, compliance, legal, and financial aspects, to ensure that product implementation is carried out in a safe and controlled manner.

BTN Technology / Applications



The risks associated with the use of technology are specifically evaluated with a focus on data privacy and cybersecurity to ensure the protection of customer data and the reliability of information systems, as well as to prevent data breaches and cyberattacks.

Responsible Investment



Each investment is assessed based on sustainability principles by considering its social and environmental impacts, thereby generating financial value while fulfilling social and ethical responsibilities.

Human Resource Development Policy



The human resource development policy is evaluated to ensure that the management and enhancement of employee competencies are carried out effectively, support the Bank's strategic objectives, and do not create additional operational risks.

Comprehensive Internal Control System

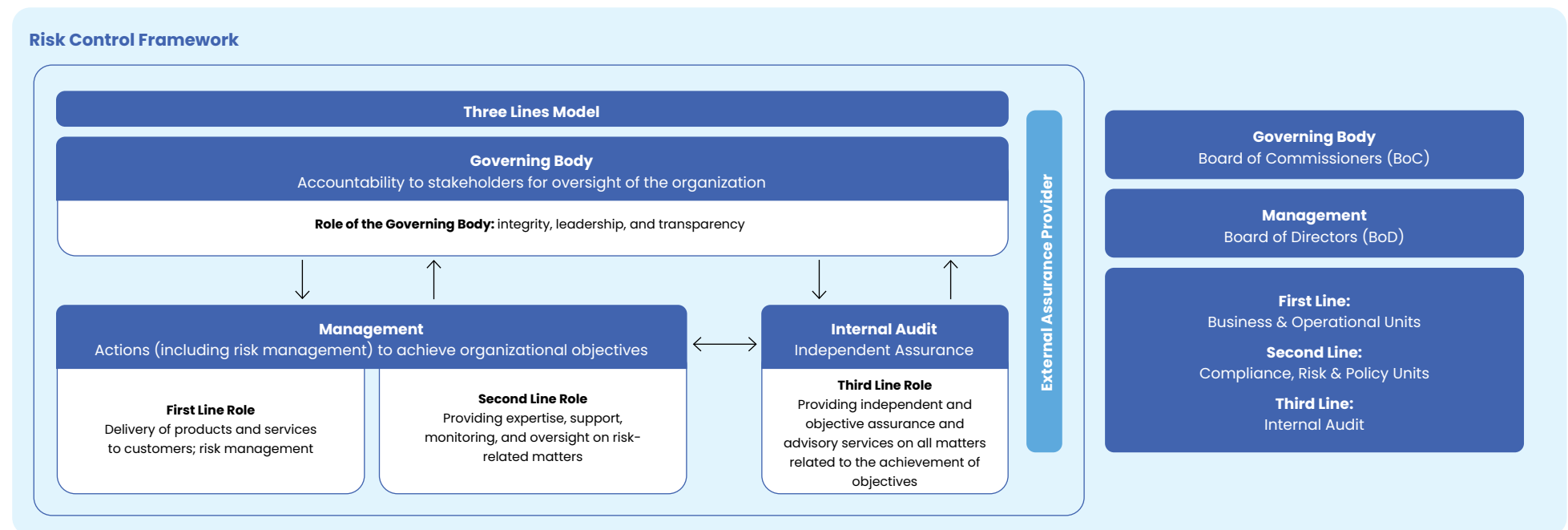
All supervisory activities, policies, and risk processes are supported by a comprehensive and consistent internal control mechanism. This pillar ensures compliance with applicable regulations, the effectiveness of controls, and the implementation of corrective follow-up actions, thereby maintaining risk management discipline and supporting the sustainability of the Bank's performance.

Risk Control System

BTN implements a comprehensive internal control system to ensure the effective application of risk management. This system aims to safeguard the Bank's assets, ensure the reliability of financial and management reporting, enhance compliance

with regulations and applicable laws, and mitigate potential losses, irregularities, and breaches of prudential principles.

Within this framework, risk control is a core element embedded in the internal control system and functions to ensure that risk exposures and risk levels remain within the established tolerance. Control mechanisms include, among others, hedging, the issuance of guarantees, asset securitization, credit derivatives, and capital strengthening to absorb potential losses. The reliability of the internal control system is the responsibility of all operational units, supporting units, and the Internal Audit Unit. Audits of all operational activities are conducted comprehensively at least once every 3 (three) years. All control processes are designed in an integrated manner and are outlined through the following stages.

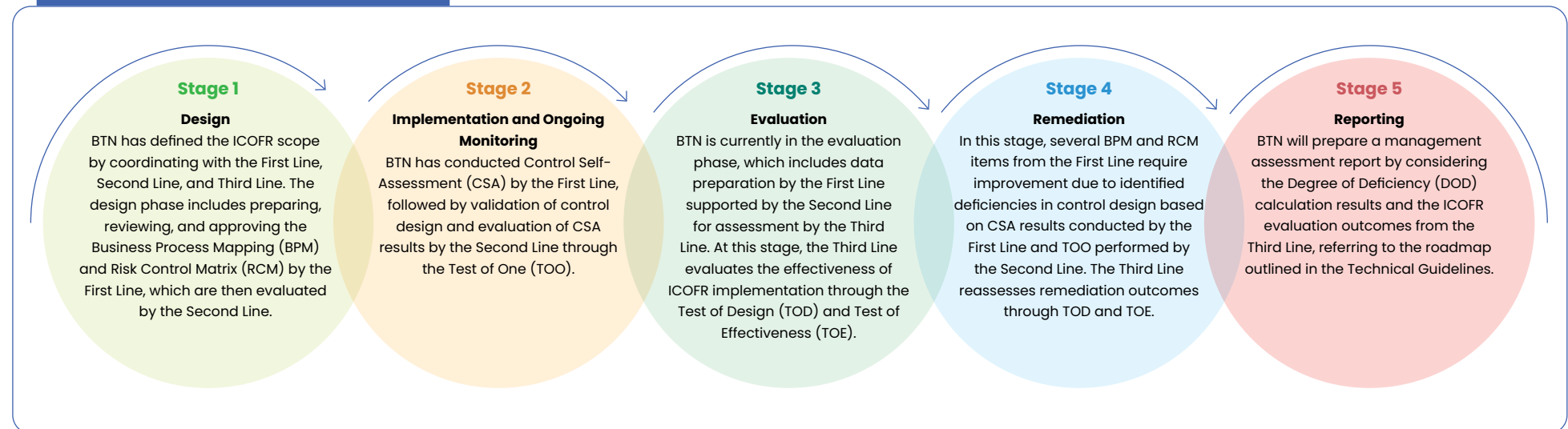


Internal Control Over Financial Reporting (ICOFR)

An Internal Control over Financial Reporting (ICOFR) is part of the internal control system to provide reasonable assurance over the reliability and integrity of financial reporting, in accordance with POJK No. 15/2024 on the Integrity of Bank Financial Reporting and SK-5/2024 on the Technical Guidelines for Internal Control over Financial Reporting (ICOFR) for State-Owned Enterprises.

In line with this implementation, the Bank has conducted an ICOFR diagnostic since 2024 and began implementation in 2025. The Bank has also established Special Policies and Technical Guidelines and formed a dedicated working unit (UKK) within the Digital & Operations Risk Management Division to ensure ICOFR implementation follows the defined stages, including:

Stages of BTN's ICOFR Diagnostic Review



Through the implementation of ICOFR, BTN reaffirms its commitment to GCG principles strengthening internal controls, enhancing the transparency and accountability of financial reporting, and supporting business sustainability amid the evolving dynamics of the banking industry.

Basel Implementation

The Basel framework is an international standard aimed at strengthening banking stability through enhanced capital adequacy, liquidity, and risk management. In Indonesia, the implementation of Basel is carried out in accordance with OJK regulations to maintain bank resilience, customer confidence, and financial system stability. In line with the application of risk management, particularly Basel II and Basel III, which apply to all commercial banks, BTN has complied with the following requirements:

Requirements		Status
Implementation of Basel II Pillar 1	The Bank has implemented market risk measurement using the standardized approach in accordance with SEOJK No. 38/SEOJK.03/2016 dated September 15, 2016 concerning Guidelines for the Use of the Standardized Approach in the Calculation of the Minimum Capital Adequacy Requirement for Commercial Banks by Taking Market Risk into Account. The portfolios included in the calculation of the Market Risk Capital Adequacy Requirement comprise the trading book portfolio for interest rate risk, as well as both the trading book and banking book portfolios for foreign exchange risk. The Bank has also prepared for the implementation of SEOJK No. 23/SEOJK.03/2022 dated December 7, 2022 concerning the Calculation of Risk-Weighted Assets for Market Risk for Commercial Banks, which became effective on January 1, 2024. This preparation included trial calculations and reporting to the Financial Services Authority (OJK) for Market Risk RWA positions as of June 2023, September 2023, and December 2023.	✓
Implementation of Basel II Pillar 2	The Bank has submitted reports on the implementation of risk management for Interest Rate Risk in the Banking Book (IRRBB) and IRRBB calculation reports to the regulator on a quarterly basis, in accordance with SEOJK No. 12/SEOJK.03/2018 dated August 21, 2018 concerning the Implementation of Risk Management and Standardized Measurement Approach for Interest Rate Risk in the Banking Book (IRRBB) for banks.	✓
Implementation of Basel III	In relation to the regulator's plan to implement Basel III as stipulated in OJK Regulation No. 22 of 2022/2023, the Bank has maintained its Capital Adequacy Ratio (CAR) at 20.92%, well above the minimum Basel III requirement of (12.75%).	✓

Code of Conduct and Business Ethics [GRI 2-23, 2-24]

The Code of Conduct is BTN's commitment to GCG by referring to banking best practices. Credibility and the trust of the public, shareholders, and customers form an essential foundation for the Bank's business sustainability. Accordingly, all of BTN's business activities are required not only to comply with applicable laws and regulations but also to uphold prevailing norms and ethical standards within society and the business community. Strong ethical implementation is a key element in building reputation and strengthening BTN's position as a good corporate citizen. To this end, the Bank upholds integrity through the implementation of clear conduct and ethical guidelines as a reference for all BTN personnel in carrying out their duties professionally, in line with BTN's vision, mission, values, and applicable internal and external provisions.

BTN has ethical and conduct standards that are aligned with the Bank's vision, mission, and cultural values, with implementation formalized through the Joint Decree of the Board of Commissioners Number 01/SKPB/KOM/BTN/2024 and the Board of Directors Number SKPB-01/DIR/BTN/2024 concerning the Business Ethics and Code of Conduct of PT Bank Tabungan Negara (Persero) Tbk. This Code of Conduct provides clear guidance for all members of the Bank to act in accordance with the values upheld by the Bank and to maintain integrity and professionalism in every aspect of its operations.

Business Ethics and Code of Conduct are accessible to all parties through BTN's official website, ensuring transparency and openness of information. The Code of Conduct not only sets the expected standards of behavior in a business context but also aligns with respect for Human Rights, in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGP BHR). It underscores the Bank's commitment to operating ethically and upholding the fundamental rights of individuals in all aspects of its business activities. [GRI 2-23]

In addition, every action undertaken by the Bank must be carried out in accordance with the principle of prudence, meaning that all decisions and activities are conducted with careful consideration and full accountability. The implementation of BTN's Code of Ethics requires all relevant parties to perform due diligence, namely a thorough review of prospective customers, business partners, or other related parties, to ensure compliance with the ethical and legal standards established by BTN.

Compliance with the Code of Ethics has a direct impact on BTN's reputation and risk profile. Ethical breaches may give rise to reputational risks that can affect operational and credit risks. Therefore, the Code of Ethics is implemented to foster professional conduct and instill a work culture grounded in BTN's values. The Code comprises four main sections, as follows.

Introduction

The Code of Conduct constitutes a compilation of policies and provisions that establish standards of behavior for the Board of Commissioners, the Board of Directors, and employees. Its implementation serves as a reference for business activities, managerial practices, and performance assessments, while also supporting the application of GCG principles.



Business Ethics Standards

The ethical standards govern the Bank's relationships with employees, customers, business partners, government institutions, communities, the media, and competitors. These relationships are conducted based on principles of honesty, transparency, and mutual respect to safeguard the Bank's integrity.



Employee Conduct Standards

Members of the Board of Commissioners, the Board of Directors, and employees are required to avoid conflicts of interest and abuse of authority, and are prohibited from giving or receiving gratuities that may influence decision making. They are expected to uphold fair business competition, conduct business ethically in accordance with applicable laws and regulations, avoid monopolistic practices, and comply with all legal requirements and internal regulations.



Implementation and Enforcement

Any violation of the Corporate Code of Conduct must be reported to the Human Capital Management and Culture Specialist Division, with confidentiality guaranteed. Reports are followed up through evaluation and the determination of sanctions or corrective actions by the Board of Directors and or the Board of Commissioners, and are reinforced by preventive measures to avoid recurrence of breaches. **[GRI 2-16]**



Oversight of Ethical Issues

In an effort to strengthen good governance and ensure compliance with ethical principles, BTN implements rigorous oversight of fraud and ethical breaches through the Anti-Fraud Sub-Committee under the Risk Management Committee. This Sub-Committee plays a strategic role in establishing policies, strategies, and the fraud risk management framework to prevent, detect, and address potential breaches. The Anti-Fraud Sub-Committee comprises permanent and non-permanent members from various directorates, including Risk Management, Operations, Information Technology, and Legal, with the Head of the Operational and Digital Risk Management Work Unit serving as the secretary.

As part of its commitment to managing fraud risk, the Anti-Fraud Sub-Committee is responsible for determining the necessary corrective actions and reporting significant decisions to the Board of Directors. In carrying out its duties, the Sub-Committee formulates policies and fraud risk tolerance limits, evaluates the effectiveness of the prevention strategies that have been implemented, and ensures that any risks that arise remain within acceptable limits. In addition, BTN conducts periodic audits across all Bank operations at least once every three years.

Meetings of the Anti-Fraud Sub-Committee are held regularly at least once every three months, or more frequently if necessary. Decisions are made through deliberation or, if consensus cannot be reached, by voting. All decisions are documented in formal meeting minutes and signed by the chairperson and all committee members as a demonstration of transparency and accountability.

To ensure the effective implementation of anti-fraud policies, the Anti-Fraud Sub-Committee is supported by a Supporting Group responsible for developing strategic recommendations, collecting data, and evaluating policy implementation. In addition, the Operational and Digital Risk Management Work Unit plays an important role in monitoring and following up on the outcomes of decisions made in committee meetings. Through this structured oversight mechanism, BTN is committed to fostering a high-integrity working environment, mitigating potential fraud risks, and ensuring that the principles of good corporate governance are applied consistently across all Bank operations.

Internalization of the Code of Conduct

The Code of Conduct applies to all members of the highest governance bodies and employees in every aspect of the Bank's business activities, including interactions with stakeholders. This is stipulated in BTN's Business Ethics and Code of Conduct. The Bank requires every individual within the organization to sign an Integrity Pact to ensure that the Code of Conduct is implemented responsibly. The successful implementation of the Code of Conduct is the responsibility of leaders at each work unit, who are required to ensure that all employees understand and properly apply the Code of Conduct within their respective working environments.

BTN implements the Code of Conduct in a comprehensive manner, covering introduction, awareness campaigns, implementation, reporting, and follow-up on breaches of the Code of Conduct. [\[GRI 2-23\]](#)

Code of Conduct Internalization Process

Socialization	Implementation	Reporting and Follow-Up
- The Code of Conduct is disseminated and accessible to all Bank personnel through the Digital Room for E-learning Modules (DREAM). In addition, quizzes on the Code of Conduct are conducted to assess employees' level of understanding; and - Commitment to the implementation of the Code of Conduct is also formalized through an Integrity Pact that must be signed by all members of the Board of Directors, the Board of Commissioners, and Bank employees. Furthermore, the Code of Conduct is accessible to all Bank stakeholders through the Bank's website.	- Completion and signing of the Integrity Pact by all employees in accordance with the values set out in the Code of Conduct; - Internalization of the Code of Conduct, gratification control, and the Anti-Bribery Management System (ABMS) for all employees through the Digital Room for E-learning Modules (DREAM); - Collaboration with the Corruption Eradication Commission (KPK) through the Integrity Professional Program (PROFIT), which includes the development of competent human resources to strengthen integrity and support corruption prevention within the Bank. This is carried out through participation in training as Integrity Development Experts (API), certification as Anti-Corruption Counselors (PAKSI), and joint anti-corruption campaigns with KPK through various communication channels; - Implementation of the gratification control program in accordance with the established plan and periodic reporting of its implementation to KPK on a semiannual basis; and - Management of reports on the receipt of gratification from all work units and reporting to KPK in accordance with applicable regulations.	- Implementation of the Anti-Bribery Management System (ABMS) ISO 37001:2016 as part of the application of business ethics and conduct as stipulated in the Code of Conduct; - Implementation of the Whistleblowing System (WBS); and - Imposition of sanctions on employees who violate the Code of Conduct.

As part of its efforts to internalize its commitment to maintaining high ethical standards, BTN conducted Code of Conduct training in 2025 for all employees, including permanent employees, contract employees, part-time workers, as well as contractors and developer partners. This training aimed to ensure that all parties involved understand, embrace, and comply with the principles of conduct applicable at the Bank and are able to apply them in their daily activities. In addition, all new employees are required to participate in business conduct training as part of their orientation to ensure they understand and implement the established standards of conduct.

This training constitutes an important element in strengthening BTN's ethical culture and ensuring that all actions align with the values of integrity, transparency, and accountability. By involving all employees and business partners, BTN is committed to fostering an ethical working environment and safeguarding the Bank's reputation and credibility. The training also aims to raise awareness of the importance of ethical conduct in business interactions and to equip participants with the skills to manage potential conflicts of interest.

Implementation of Employee Training on Ethical Standards [GRI 404-2]

Training Name	Training Date	Number of Employees Participating	Total Training Hours
Know Your Employee	February	11,463	2,866
Gratification Control and SMAP ISO 37001:2016 Policy	March	10,979	6,404
Employee Disciplinary Sanctions	April	11,784	7,097
Conflict of Interest (COI) Management	June	11,636	3,172
Fair Business Competition Compliance Procedures	July	11,957	2,586

In line with efforts to internalize and strengthen an ethical culture, BTN consistently enforces its Code of Conduct through the imposition of sanctions for every proven violation. Sanctions are applied in a graduated manner according to the severity of the violation, as a manifestation of the Bank's accountability and commitment to upholding integrity

and organizational discipline. The following presents details of the number of employees subject to sanctions for breaches of the Code of Conduct by sanction category during the period 2023–2025.

Sanctions for breaches of the Code of Conduct

No	Sanction Categories	Types of Sanctions	Number of Employees		
			2025	2024	2023
1	Minor Sanctions	Minor Category A	20	4	11
		Minor Category B	25	15	15
		Minor Category C	0	0	11

No	Sanction Categories	Types of Sanctions	Number of Employees		
			2025	2024	2023
2	Moderate Sanctions	Moderate Category A	24	8	15
		Moderate Category B	14	20	12
		Moderate Category C	0	0	10
3	Severe Sanctions	Severe Category A	4	3	1
		Severe Category B	42	27	43
		Severe Category C	5	4	1
Total			134	81	119

Anti-Fraud and Conflicts of Interest [GRI 2-15]

BTN has implemented detailed formal policies on bribery and anti-corruption, which are set out in the form of special policies and technical regulations. These policies aim to prevent bribery practices across all Bank operations. In 2023, the President Director and the President Commissioner of BTN signed the BTN Anti-Bribery Policy, which forms part of the Anti-Bribery Management System (ABMS) Guidelines. The signing underscores BTN's commitment to upholding integrity and transparency in every aspect of its operations.

Through these policies and guidelines, BTN ensures that all Bank personnel and business partners comply with high standards of integrity and anti-corruption. The Anti-Bribery Policy is supported by clear guidelines, procedures, and internal controls to prevent bribery practices, while strengthening a culture of accountability and ethics. The implementation of this policy supports compliance with applicable legal requirements, safeguards BTN's reputation, and fosters a clean and trustworthy business environment.

Anti-Fraud

Public trust in integrity is a foundation for BTN in building sustainable relationships with stakeholders. Accordingly, the Bank conducts its business activities honestly, fairly, and free from corruption, bribery, and fraud, recognizing that any violation may have a material impact on the Bank's reputation and sustainability performance.

BTN emphasizes that any breach of anti-corruption, anti-bribery, and anti-fraud policies is a serious violation and will be subject to strict sanctions in accordance with applicable regulations. This commitment is supported by General Policy No. 6, which covers legal and compliance matters, AML (APU), CFT (PPT), counter-proliferation financing (PPSPM), and GCG principles, and applies to all employees, both permanent and contract, including the Board of Commissioners and the Board of Directors. It is further reinforced through guidelines, procedures, and internal controls. In line with POJK 12/2024, the Bank has developed the 2024–2026 Anti-Fraud Strategy (SAF) Roadmap based on OJK's four pillars

and translated into ten key aspects: (1) Organization, (2) Strategy & Policy, (3) Procedure and Governance, (4) Process, (5) Fraud Investigation, (6) System, (7) Use of Data, (8) Use of Analytics, (9) Digital Channels, and (10) Reporting/Training. BTN also established a Fraud Risk Management Department under the Digital and Operations Risk Management Division (DORD) to ensure effective implementation. [\[GRI 3-3\]](#)

In line with these efforts, BTN operates a Zero Tolerance to Fraud and Zero-Defect program in accordance with OJK Regulation Number 39/POJK.03/2019 on the Implementation of

Anti-Fraud Strategies for Commercial Banks. This program is supported by integrated fraud prevention, detection, investigation, and monitoring measures. The Bank consistently conducted anti-fraud policy awareness sessions for all employees (100%), totaling 11,414 employees during the reporting year. The Bank also communicated its anti-corruption policy to all active vendors (100%), totaling 1,092 vendors during the reporting year, through the inclusion of SMAP clauses in contracts, reinforced by regular anti-corruption and anti-fraud training. The following is a breakdown of employee anti-fraud training conducted in 2025. [\[GRI 205-2\]](#)

Implementation of Employee Anti-Fraud Training [\[GRI 404-2\]](#)

Training Name	Training Date	Number of Employees Participating	Total Training Hours
<i>Compliance Excellence – Anti-Fraud Strategy (SAF)</i>	January	10,813	2,703
Identification of Critical Fraud Points in Procurement of Goods/Services and Corporate Sector Supply Chain Management	February	15	180
Monitoring and Maintaining Whistleblower: Towards an Effective Anti-Fraud Mechanism	March	2	28
Fraud Auditing Training	July	1	16
<i>National Anti-Fraud Conference</i>	July	6	108
<i>POJK 12 Socialization on the Implementation of Anti-Fraud Strategy</i>	July	10	35
Certified Fraud Examiner (CFE)	August	1	40
<i>Fraud Risk Assessment (FRA) Workshop</i>	August	3	21
Anti-Fraud Manager Certification (CAFM) Training	October	3	63

Fraud Risk Assessment

BTN remains vigilant to exposures arising from its involvement in business activities or operations in regions with higher incidences of corruption. Such risks include potential involvement in controversies related to corrupt practices, which may undermine the Bank's reputation, affect relationships with stakeholders, and result in legal sanctions that could adversely impact BTN's operational stability.

To mitigate these risks, BTN implements a Fraud Risk Assessment (FRA) to identify and analyze potential fraud risks, whether arising from internal or external sources. The FRA covers various business activities and functions, including funding, lending, human capital, operations, and IT, using a proactive and structured approach to strengthen oversight and enhance employee awareness of fraud risks.

BTN affirms that the Bank has no exposure to corruption scandals or involvement in political and social instability. The implementation of the FRA is carried out in accordance with Technical Guidelines Number PT.8-D.2 as an early detection mechanism for fraud risks. The results of the FRA are used to assess the impact of identified risks and to formulate the necessary corrective and preventive measures to ensure that the Bank's operations remain transparent and free from corrupt practices.

Conflict of Interest [GRI 2-15]

BTN recognizes that interactions, both internal and with external parties, may give rise to potential conflicts of interest that could affect the objectivity and integrity of decision-making. Accordingly, the Bank is committed to identifying, managing, and resolving any conflicts of interest in a firm and transparent manner to prevent detrimental practices, including corruption, collusion, and nepotism, and to maintain sound and sustainable relationships with all stakeholders.

Every BTN employee is required to avoid making decisions that involve conflicts of interest. In circumstances where a decision must still be made, any such conflict is required to be disclosed openly. Provisions governing transactions involving conflicts of interest are stipulated in the Guidelines and Rules of Procedure of the Board of Directors and the Board of Commissioners. In the event of a conflict of interest between the Bank and its shareholders, the Board of Commissioners, the Board of Directors, executive officers, or other related parties, the concerned parties are prohibited from participating in decision-making that may be detrimental to the Bank and are required to disclose the conflict to ensure transparency and accountability.

Conflict of Interest Prevention Policy

Special Policy No. KK.6-H on Conflict of Interest Handling Procedures as the primary guideline for managing potential conflicts of interest throughout the Bank. This policy

applies to the Board of Directors, employees, and related parties, with provisions focused on human resources, procurement processes, and credit activities, to ensure the consistent implementation of controls in line with the principles of GCG.

BTN has also established provisions to reinforce the integrity and independence of the Board of Directors in performing their duties in order to ensure the effective implementation of policies. Each member of the Board of Directors is prohibited from obtaining or receiving personal benefits beyond the remuneration and lawful facilities approved by the GMS, and from using the Bank for personal, family, or other interests that may be detrimental to the Bank. The Board of Directors is also prohibited from giving, offering, or receiving anything of value from customers or government officials to influence decisions or as compensation for certain actions, in accordance with applicable laws and regulations.

If a member of the Board of Directors has an interest in a transaction or contract involving the Bank, the concerned individual is required to disclose such interest at a Board of Directors' meeting and refrain from voting on the related decision. In situations involving a potential conflict of interest, particularly where the Bank's economic interests are not aligned with personal economic interests, members of the Board of Directors are required to:

1. Prioritize the Bank's interests and not reduce the Bank's benefits in the event of a conflict of interest.
2. Refrain from participating in decision-making in situations where a conflict of interest exists.
3. Make full disclosure if a decision must still be taken under conditions involving a conflict of interest.
4. In the event of credit facilities granted to members of the Board of Directors, ensure that such facilities are provided on an arm's length basis, in accordance with the Bank's prevailing regulations and without preferential treatment compared to other customers.
5. Report any transactions involving the Bank's shares within 3 (three) working days.

To ensure governance independence and accountability, the Board of Commissioners is not involved in operational banking decision-making, except in specific matters expressly regulated in the Bank's Articles of Association and prevailing laws and regulations, including the provision of funds to related parties. Any involvement or approval by the Board of Commissioners does not diminish the responsibilities of the Board of Directors in managing the Bank. Furthermore, the Board of Commissioners is prohibited from making decisions that may give rise to conflicts of interest or that are contrary to legal provisions and ethical standards of office, and is therefore required to consistently apply the following principles:

1. Prioritizing the interests of the Bank and not reducing the Bank's benefits in the event of a conflict of interest.
2. Disclosing ownership of shares held by the member and/or their family amounting to 5% (five percent) or more in the Bank or in other companies domiciled domestically or overseas.
3. Disclosing any family, financial, management, or ownership relationships with other members of the Board of Commissioners, members of the Board of Directors, controlling shareholders of the Bank, and/or other parties in relation to the Bank's business activities.
4. Disclosing any concurrent positions held.
5. Making disclosure if a decision must still be taken under conditions involving a conflict of interest, and ensuring that the concerned member of the Board of Commissioners does not participate in the Bank's decision-making process related to such matter.
6. Not requesting, receiving, permitting, and/or approving the receipt of rewards, commissions, additional payments, services, cash, valuables, and/or anything of economic value or other benefits for personal, family, or other parties' interests in the conduct of the Bank's business activities and other activities related to the Bank.

All disclosures of conflicts of interest are documented and recorded in meeting minutes in accordance with applicable regulations to ensure transparency and accountability. The Bank discloses such conflicts of interest to stakeholders through the prevailing disclosure mechanisms as part of the implementation of good corporate governance, including

conflicts of interest related to concurrent positions, share ownership, relationships, transactions, and outstanding balances with related parties, in accordance with applicable laws and regulations. [\[GRI 2-15\]](#)

Alleged breaches involving conflicts of interest may be reported through the Whistleblowing System (WBS), which enables secure and anonymous reporting. To minimize the risk of conflicts of interest, all Bank employees are required to sign an Integrity Pact as a commitment to BTN's Code of Ethics. Information on the disclosure of conflicts of interest, including multiple directorships, cross ownership, the presence of controlling shareholders, as well as relationships and transactions with affiliated parties, is comprehensively presented in BTN's Annual Report. [\[GRI 2-15\]](#)

In addition, credit disbursement also refers to Special Policy Number KK.1-A on Commercial Loan Procedures, which reinforces the principle that lending activities must be free from conflicts of interest. Under this policy, the Bank is prohibited from extending credit, whether in rupiah or foreign currencies, to the following businesses:

- Nightclubs
- Horse racing
- Casinos
- Turkish baths
- Massage rooms
- Other businesses prohibited by the government and regulators

BTN may also provide project financing to several categories of projects, including:

- Toll roads
- Power plants
- Airports
- Monorail projects
- Telecommunications

Policy on Fair Treatment of Shareholders

BTN has established specific provisions on insider trading as part of its conflict of interest controls. These provisions are stipulated in Special Policy Number KK.9-EE on Investor Relations Activities, the Board of Directors' Rules of Procedure, and the Board of Commissioners' Rules of Procedure. Under these policies, Bank insiders are prohibited from purchasing or selling BTN securities or the securities of other companies that have transactions with BTN.

Bank insiders are defined as:

1. Commissioners, Directors, or employees of the Bank
2. The Bank's principal shareholders

3. Individuals who, due to their position, profession, or business relationship with the Bank, may obtain inside information
4. Parties who, within the last six months, are no longer included in the categories referred to in points 1, 2, and 3 above

Restrictions on securities transactions for insiders are based on the principle of transparency in the capital market to ensure equal access to information in investment decision making. Insiders are prohibited from trading BTN securities if they possess material information that has not been publicly disclosed (inside information or material facts). Transactions may only be conducted after such information has been officially announced to the public.

Implementation of the Principle of Prudence [GRI 2-23]

Know Your Customer (KYC) and Know Your Employee (KYE)

BTN strengthens the application of the principle of prudence through two main approaches, namely Know Your Customer (KYC) and Know Your Employee (KYE), as part of its operational risk management framework. The implementation of KYC has been further developed into customer due diligence (CDD), which encompasses the processes of identification, verification, and monitoring of customers and prospective customers to ensure that transactions are consistent with their risk profiles, both for walk-in customers (WIC) and registered customers.

The implementation of CDD refers to POJK Number 23/POJK.01/2019 concerning the Amendment to POJK Number 12/POJK.01/2017 on the implementation of AML and CTF programs in the financial services sector. To enhance implementation effectiveness,

BTN conducts online training for employees based on CDD case studies to strengthen understanding and vigilance in every transactional activity.

Anti-Money Laundering (AML), Counter-Terrorism Financing (CTF), and Proliferation Financing of Weapons of Mass Destruction (PFWMD)

BTN's Anti-Money Laundering (APU), Counter-Terrorism Financing (PPT), and Counter-Proliferation Financing of Weapons of Mass Destruction (PPSPM) programs within its customer due diligence (CDD) process are in accordance with applicable banking laws and regulations. To ensure these AML/CTF/CPF programs are implemented effectively and in full compliance with regulatory requirements, the Bank has established a dedicated

working unit (UKK) for APU, PPT, and PPPSPM, which is responsible for overseeing the implementation of these programs at BTN.

At the operational level, Regional Office Heads and Branch Management, acting as Senior Officers, are responsible for ensuring that all activities related to the implementation of the APU, PPT, and PPPSPM programs within the units under their supervision are carried out effectively, through oversight, monitoring, and coordination functions in accordance with applicable regulations.

Anti-Money Laundering and Counter-Terrorism Financing Policy (AML and CTF)

BTN has established comprehensive policies and strategies for the implementation of Anti-Money Laundering (AML), Counter-Terrorism Financing (CTF), and Proliferation Financing of Weapons of Mass Destruction (PFWMD) programs. These policies are approved by the Board of Directors and aligned with applicable laws and regulations, as well as relevant national and international standards. They are designed to mitigate risks and ensure that the Bank's transactions and business activities are not used as instruments for money laundering, terrorism financing, or the financing of the proliferation of weapons of mass destruction.

BTN is committed to maintaining clean, transparent, and accountable banking practices by involving all employees and business partners in education and training programs to ensure effective understanding and implementation of AML, CTF, and PFWMD policies, thereby supporting a secure financial system that is not misused for unlawful purposes. Furthermore, to support the implementation of these policies, the Bank submits reports and/or data to regulators and/or law enforcement authorities in accordance with applicable regulations, including but not limited to:

1. Submission of Financial Transaction Reports to the Financial Transaction Reports and Analysis
 - a. Suspicious Financial Transaction Reports (LTKM);
 - b. Cash Financial Transaction Reports (LTKT);
 - c. Cross-Border Fund Transfer Financial Transaction Reports (LTKL); and
 - d. Integrated Service User Information System (SIPESAT).
2. Submission of Data/Information Compliance to Law Enforcement Agencies and Regulators, as follows:
 - a. AML-CTF Program Information System (SIGAP) to the Financial Services Authority (OJK);
 - b. AML-CTF reports through the OJK APOLO Application;
 - c. Terrorism Financing Suspect Information System (SIPENDAR) to PPATK;
 - d. Electronic Data Exchange (PEDAL) to the Corruption Eradication Commission (KPK); and
 - e. Fulfilment of data requests from Supervisory and Regulatory Institutions (LPP) and other law enforcement agencies, including the Police, the National Narcotics Agency, and the Public Prosecutor's Office.
3. Submit monitoring reports on transactions related to the Free Nutritious Meal Program (MBG) to PPATK.

Strategic Awareness Initiative Program

1. Thematic refreshment on AML, CTF, and PFWMD.
2. AML, CTF, and PFWMD training is provided to employees in accordance with their roles and responsibilities. The training is conducted on an ongoing and periodic basis through internal programs and/or in collaboration with external parties.
3. Branch Visit and Surprise Visit.

4. Internalization program for the implementation of AML, CTF, and PFWMD through site visits to Branch Offices to enhance employees' understanding of AML, CTF, and PFWMD programs, as well as Surprise Visits to Sub-Branch Offices to assess employee awareness and evaluate the effectiveness of program implementation.
5. AML, CTF, and PFWMD Coaching Clinic.
6. Discussion and coordination forums between Regional AML officers and Branch Offices to address issues and identify solutions related to challenges in implementing AML, CTF, and PFWMD programs.

Enhanced Due Diligence and High-Risk Jurisdictions

BTN's enhanced due diligence (EDD) and proportionate countermeasures manage risks arising from business relationships and transactions involving prospective customers, existing customers, walk-in customers (WIC), and related parties originating from high-risk jurisdictions as published by the Financial Action Task Force (FATF). Monitoring of High-Risk Jurisdictions is conducted through the AML, CTF, and PFWMD system, which is accessible to all relevant personnel, including frontliner staff such as customer service officers. The Bank has also ensured that throughout the reporting year, there were no violations related to money laundering, terrorism financing, or the financing of the proliferation of weapons of mass destruction.

Internal Control and Anti-Gratification

Internal Control

The internal control system support the achievement of the Bank's optimal performance while creating added value for stakeholders. This mechanism is designed to minimize potential losses, ensure compliance with regulations, and maintain the Bank's operations in a sound, efficient, and well-controlled manner. In developing its internal control framework, BTN refers to the Committee of the Sponsoring Organizations of the Treadway Commission (COSO) – Internal Control–Integrated Framework to ensure the effectiveness of controls over operational activities, financial reporting, and compliance with applicable regulations.

To strengthen the effectiveness of these controls, BTN's management implements continuous monitoring mechanisms (on an ongoing basis) to safeguard the Bank's assets, ensure the reliability of reporting, and enhance regulatory compliance. The system is also directed toward improving cost efficiency, reducing potential financial losses, and preventing irregularities, including fraud, integrity risks, and potential conflicts of interest. Internal supervision serves as a primary instrument in ensuring compliance with ethical standards and responsible business conduct. In this context, internal control forms the foundation for the implementation of gratification controls as part of the Bank's efforts to reinforce a culture of integrity and strong corporate governance.

Gratification Control

In managing compliance risk and strengthening integrity, BTN has structured gratification controls through Special Policy KK.6-A – Gratification Control Procedures, which serves as a guideline for all employees across work units to report any acceptance or refusal of gratuities to the Compliance & Governance Work Unit through the Gratification Control Unit (UPG), as part of efforts to foster a culture of integrity and strong corporate governance.

Gratification control is carried out through mechanisms for identification, reporting, analysis, and follow-up of any indications of gratuities, including assessments based on value, the context of the provision, and potential conflicts of interest. This process is integrated with WBS as an alternative reporting channel for alleged breaches. To reinforce anti-fraud values, BTN consistently conducts internalization of the anti-fraud strategy and WBS through socialization activities facilitated by independent third parties, to ensure objective and transparent implementation.

Throughout the reporting year, BTN received 90 gratification reports originating from the Head Office and Branch Offices, covering bribery, official gratuities, gifts provided ahead of religious holidays, as well as refusals of gratuities. As part of its efforts to prevent gratification and corruption, the Bank continued to strengthen operational risk oversight. In order to maintain its ISO 37001 – Anti-Bribery Management System (ABMS) certification, in 2025 BTN conducted a Surveillance Audit covering the procurement of

goods and/or services within the Procurement and Fixed Asset Management Division (PFAD); commercial lending activities within the Commercial Banking Division (CMBD – Head Office), Corporate Banking Division (CBD), Wholesale Credit Risk Division (WRD), and Commercial Banking Centers (Jakarta Raya, Bekasi, Bandung, and Bintaro Jaya); SME Restructuring across Regional Offices (West Java, Jakarta II, East Java Bali Nusra, Sumatra, Sulawesi Maluku Papua, and Central Java DIY); as well as the Business Banking Division (BBD), Credit Operation Division (COD), with extended scope including the Commercial Asset Management Division (CAMD), and Jakarta Harmoni Branch Office. The scope is determined based on corruption risk within the Bank's core business activities. This approach ensures that the Bank's operations remain aligned with principles of transparency, integrity, and compliance with applicable regulations. [\[GRI 205-1\]](#)

Number of Gratification- Related Reports Received

2025

90

2024

79*

2023

78

*Restated

Whistleblowing System

BTN's anti-fraud strategy is part of its risk control framework to prevent and address potential fraud in a structured manner, carried out through the following four main pillars:

Prevention

The prevention pillar encompasses various measures aimed at reducing the risk of fraud through enhanced anti-fraud awareness, identification of potential vulnerabilities, and the

implementation of know your employee policies. As part of strengthening the compliance culture, the Bank consistently conducts internal training on the internalization of WBS for employees to ensure effective understanding and application of the whistleblowing reporting mechanisms. The number and percentage of employees who participated in the training, including their distribution by Work Region, are presented below. [\[GRI 205-2\]](#)

Implementation of Employee Training on the Internalization of BTN's WBS [\[GRI 404-2\]](#)

Work Region	Total Participants	Passed		Did Not Pass		Did Not Access	
		Number of Employees	%	Number of Employees	%	Number of Employees	%
Head Office	3,742	3,728	99.63%	10	0.27%	4	0.11%
Jakarta I Regional Office	1,172	1,144	97.61%	22	1.88%	6	0.51%
Jakarta II Regional Office	1,003	968	96.51%	27	2.69%	8	0.80%
West Java Regional Office	1,169	1,135	97.09%	31	2.65%	3	0.26%
Central Java & Yogyakarta Special Region Regional Office	768	726	94.53%	33	4.30%	9	1.17%
East Java, Bali & Nusa Tenggara Regional Office	1,207	1,184	98.09%	19	1.57%	4	0.33%
Kalimantan Regional Office	511	482	94.32%	26	5.09%	3	0.59%
Sulawesi, Maluku & Papua Regional Office	726	697	96.01%	27	3.72%	2	0.28%
Sumatra Regional Office	1,116	1,094	98.03%	20	1.79%	2	0.18%
Total	11,414	11,158	97.76%	215	1.88%	41	0.36%

Detection

The detection pillar of BTN's Anti-Fraud strategy is directed toward the early identification of potential fraud through various integrated mechanisms, including the implementation of the Whistleblowing System (WBS) policy, the conduct of surprise audits, the use of surveillance systems, and direct supervision by the Operational Responsible Officer (PJO). The implementation of WBS refers to Regulation of the Financial Services Authority (POJK) Number 39/POJK.03/2019 on the Implementation of Anti-Fraud Strategies for Commercial Banks, and serves as a means of prevention and early detection of irregularities that may affect the Bank's reputation, compliance, and business sustainability, while also fostering an open, transparent, and safe work culture for employees in reporting breaches. [SASB

FN-CB-510a.2]

BTN has developed supporting facilities for the implementation of its Whistleblowing System (WBS) policy. Any complaint report may be submitted through the following channels:

Mail : PO Box 2828 JKP 10028
 Website : idn.deloitte-halo.com/btinsiips
 Email : btinsiips@tipoffs.info
 SMS : +62 813 8870 1117
 WhatsApp : +62 813 8870 1117
 Telephone : +62 21-50928882 / +62 21-5092888

BTN is committed to providing protection guarantees for whistleblowers who report breaches in good faith, particularly where such breaches have the potential to cause losses to the Bank. These guarantees are implemented through the following policies:

1. Provision of independent and confidential WBS reporting channels. Whistleblowers receive information on the status of their WBS reports from the Independent WBS Administrator through the designated communication channels.
2. Guarantee of confidentiality of the whistleblower's identity, and anonymous reporting is permitted, except where legal requirements mandate disclosure of the whistleblower's identity before a court of law.

3. Protection against retaliation by the reported party, which may include:
 - a. Physical and/or psychological protection, for the whistleblower and/or their family members;
 - b. Protection of personal and family assets from threats or acts of retaliation;
 - c. Administrative protection, including protection against threats of delayed promotion, dismissal, improper transfers, assurance of employment, and other adverse actions; and
 - d. Legal protection, including protection through litigation processes in accordance with applicable regulations.

A total of 276 complaints were received in 2025, consisting of 99 complaints submitted through SMS/telephone/WhatsApp and 177 complaints submitted via email/website/P.O. Box. Based on the complaints received, 227 were unsubstantiated, 43 remain under information gathering or follow-up review, and the remaining 6 complaints have been resolved and/or resulted in sanctions.

Investigation, Reporting, and Sanctions

Under the investigation, reporting, and sanctions pillar, the Bank manages structured systems and mechanisms to obtain information, collect and assess evidence, manage reporting, and recommend and impose sanctions for fraud incidents. Every report received, including those submitted through WBS, is followed up in accordance with established procedures through verification and investigation processes to ensure the validity and completeness of the information. The BTN WBS Team responsible for managing WBS reports consists of:

1. Head of the Internal Audit Division;
2. Deputy Head of the Internal Audit Division; and
3. WBS Unit within the Fraud Investigation & Whistleblowing System (WBS) Department of the Internal Audit Division.

In its implementation, every report received through the WBS is followed up in accordance with established procedures through verification and investigation processes to ensure its validity. Based on the results of the handling process, the Bank imposes proportionate sanctions on parties proven to have committed breaches in order to strengthen internal

controls, enhance early detection and prevention of misconduct, and gradually foster an open, honest, sincere, and accountable work culture at BTN. Details of the number of complaints and their follow-up actions are presented below.

Number of Whistleblowing System (WBS) Reports Followed Up Through the Audit Process

Year	Submission Method			Follow-Up Action			
	Letter / P.O. Box	SMS / Telephone / WhatsApp	Email / Website	Report Closed (Unsubstantiated)	Report Still in Process (Audit Process / Reporting Process / Cross-Division Process)	Report Completed and/or Sanctioned (incl. administrative sanctions)	Report Referred to Investigators (criminal or corruption cases)
2025	0	0	1	0	0	1	0
2024	0	0	3	0	1	2	0
2023	0	1	4	0	0	5	0

Monitoring, Evaluation, and Follow-up

Through this pillar, BTN carries out continuous monitoring and evaluation to identify potential fraud and ensure the availability of adequate follow-up mechanisms. Throughout the reporting year, BTN recorded 38 internal fraud cases, of which 38 cases were resolved, while the remaining cases are still in the process of being handled. All identified cases are followed up through the applicable handling mechanisms, including legal proceedings where necessary, as part of the Bank's commitment to upholding integrity, compliance, and discipline across all operational activities. [SASB FN-CB-510a.1]

Untuk memastikan WBS dikelola secara efektif dan akuntabel, BTN memperkuat sistem To ensure that WBS is managed effectively and accountably, BTN strengthened its complaint-handling system through cooperation with the Corruption Eradication Commission. This collaboration aims to enhance the quality of handling reports submitted by employees and external parties through an integrated, professional, and transparent approach, while upholding the principles of confidentiality and whistleblower protection. Every complaint received through WBS is followed up in accordance with established procedures through verification and investigation stages to ensure the validity of the report.

The WBS Team follows up on every report received through the following mechanism:

1. If the reported party is a BTN employee up to 2 (two) levels below the Board of Directors and is not a member of the BTN WBS Team, the Independent WBS Administrator submits the report to the BTN WBS Team.
2. If the reported party is a BTN employee 1 (one) level below the Board of Directors and is not a member of the WBS Team, the Independent WBS Administrator submits the report to the President Director.
3. If the reported party is a member of the BTN WBS Team, the Independent WBS Administrator submits the report to the President Director.
4. If the reported party is a member of the Board of Directors, the Independent WBS Administrator submits the report to the Board of Commissioners and the WBS Administrator of the Ministry of SOEs.
5. If the reported party is a Commissioner and/or a Committee under the Board of Commissioners, the Independent WBS Administrator submits the report to the

Commissioner(s) and Committee Member(s) under the Board of Commissioners who are not related to the complaint, as well as to the WBS Administrator of the Ministry of SOEs (specifically for reported Commissioners).

6. If the reported parties are Commissioners acting collectively, the Independent WBS Administrator submits the report to the WBS Administrator of the Ministry of SOEs.
7. If the reported party is a member of the Board of Directors and/or the Board of Commissioners of a Subsidiary, the Independent WBS Administrator submits the report to the President Director of the Bank.

Below is a summary of internal fraud cases handled by the Fraud Risk Management Department through Whistleblowing System (WBS) reports, internal audit findings, and internal investigations.

Table of Internal Fraud in 2025 [GRI 205-3]

Internal Fraud Throughout 2025	Number of Internal Fraud Cases Committed					
	Members of the Board of Commissioners and Members of the Board of Directors		Permanent Employees		Non-Permanent Employees	
	Previous Year (2024)	Current Year (2025)	Previous Year* (2024)	Current Year (2025)	Previous Year (2024)	Current Year (2025)
Total Reports	0	0	24	38	1	1
Resolved	0	0	24	38	1	1
In Process of Internal Resolution within the Bank	0	0	0	0	0	0
Not Yet Subject to Resolution Efforts	0	0	0	0	0	0
Followed Up through Legal Proceedings	0	0	0	0	0	0

Notes:

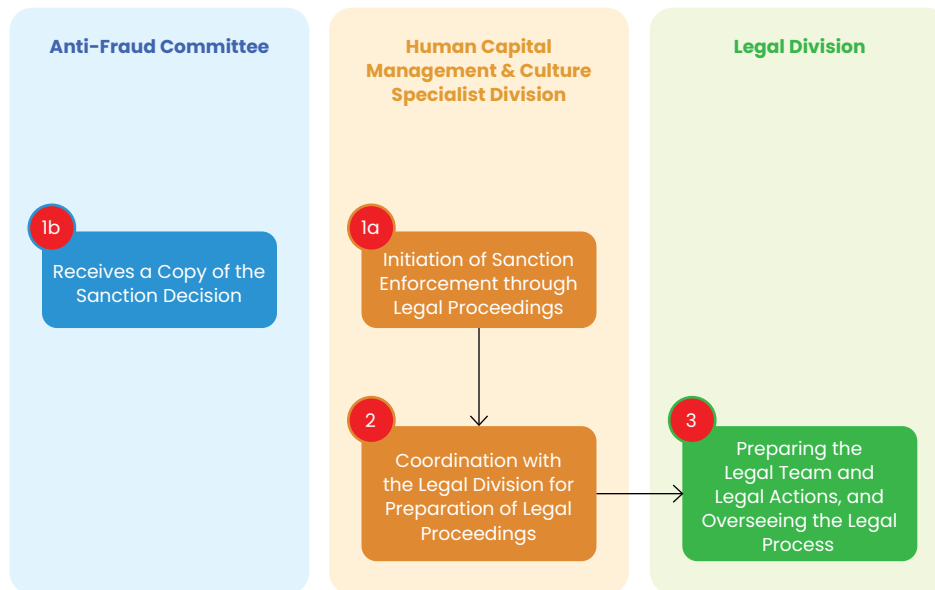
1. The number of cases in the current year is based on the Special Audit Result Reports and Preliminary Review Result Reports for the period from January to December 2025;
2. The number of cases categorized as "Resolved" refers to cases that had received a sanction decision from the Board of Directors as of December 2025;
3. The number of cases categorized as "In the process of internal resolution within the Bank" refers to cases that had not yet received a sanction decision from the Board of Directors as of December 2025; and
4. The number of cases categorized as "Followed up through legal proceedings" refers to cases that had been resolved and had received criminal sanction decisions. The legal proceedings were followed up by LGD.

*Restated

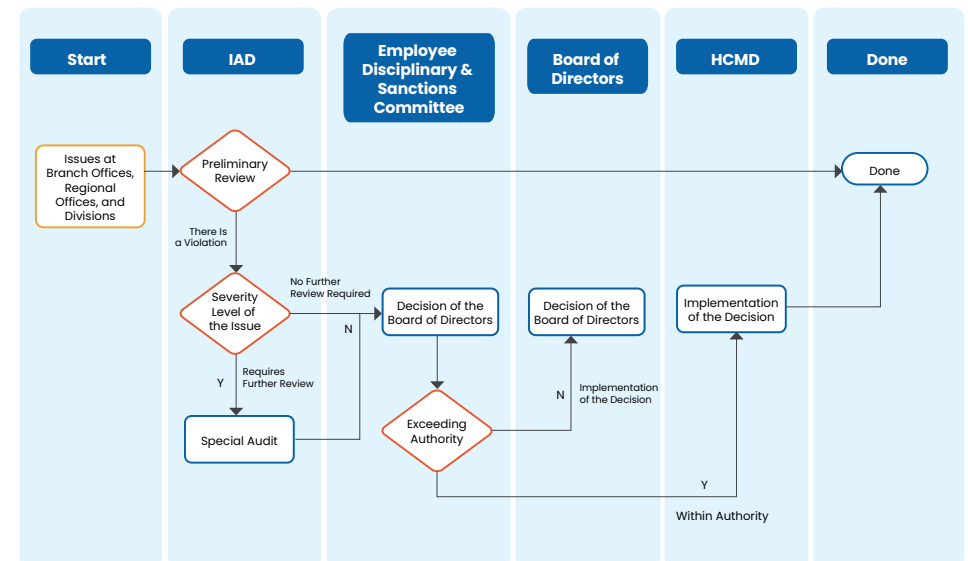
As part of its governance mechanism, the outcomes of complaint handling that are classified as significant matters are reported to the Board of Directors and/or the Board of Commissioners through the applicable forums and reporting channels. During the 2025 reporting period, BTN submitted four reports to the Board of Directors and/or the Board of Commissioners through the Anti-Fraud Sub-Committee, containing a summary of fraud cases arising from breaches of internal policies, fraudulent activities, and significant administrative violations. All material issues presented in these reports were followed up in accordance with the relevant authority and served as a basis for management decision-making as well as for strengthening the Bank's internal control framework. [GRI 2-16]

Based on the results of complaint handling and directions from the relevant governance authorities, the Bank determined appropriate follow-up actions and proportionate sanctions for parties proven to have committed breaches. This approach aimed to ensure consistent enforcement of discipline, prevent the recurrence of similar breaches, and strengthen internal controls. The implementation of sanctions was carried out through a structured and integrated process flow in accordance with the respective authorities of each function, including both internal mechanisms and legal proceedings, to ensure that all stages were conducted objectively, accountably, and in compliance with applicable regulations.

Sanction Process Flowchart – Legal Proceedings

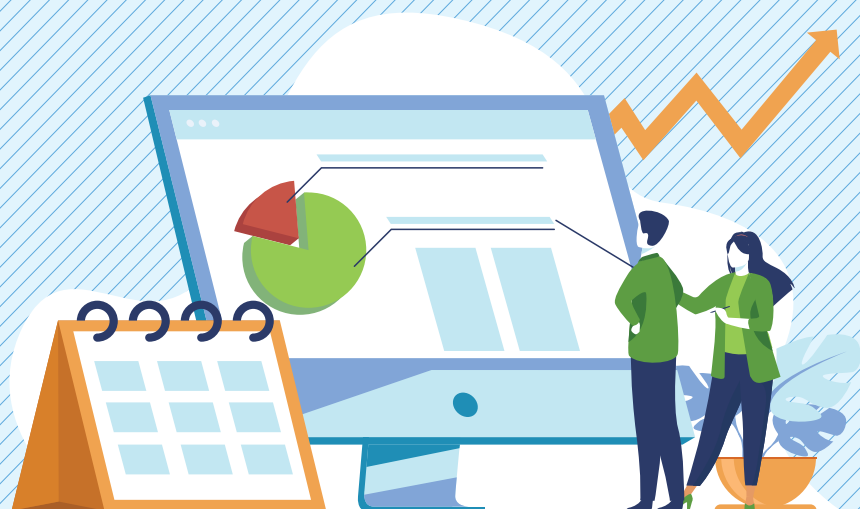


Flowchart of the Disciplinary Process at BTN



About the Report

This report presents a comprehensive overview of BTN's sustainable finance direction and implementation, carried out through strengthening the business portfolio as well as developing innovative financial products and services. In addition, the report outlines BTN's strategic contributions in supporting the Sustainable Development Goals (SDGs), as reflected in achievements and initiatives across environmental, social, and governance (ESG) aspects.



Reporting Period and Scope [GRI 2-2, 2-3, 2-4]

The 2025 Sustainability Report presents the Bank's operational performance for the period from 1 January to 31 December 2025, covering the Head Office, Regional Offices, and Branch Offices in Indonesia, and is aligned with the audited Consolidated Financial Statements as of 31 December 2025. This report is the 17th edition, continuing the previous edition published in March 2025. The preparation of this report refers to GRI Standard 2021, OJK Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, as well as in accordance with the Technical Guidelines for the Preparation of Sustainability Reports for Issuers and Public Companies as set out in OJK Circular Letter No. 16/SEOJK.24/2021.

BTN ensures that all data and information are presented accurately. If there are changes compared to the previous period, including those resulting from adjustments in measurement methods, the notation “* restated” is used to explain such adjustments. As of the date of this report, BTN does not have any Subsidiaries and/or Associated Entities, including joint ventures; therefore, there is no disclosure regarding the list of entities and ownership information.

IFRS S1 and S2 Implementation Plan

The IFRS S1 and S2 implementation plan reflects BTN's commitment to strengthening the quality of its sustainability reporting in line with global standards. In 2026, BTN is conducting a gap analysis and developing an implementation roadmap, targeting initial adoption by year-end, followed by full implementation and further enhancements in the subsequent year.

Reporting Standards [GRI 2-3]

BTN refers to a number of national and international standards in preparing this Sustainability Report, including:

 - Financial Services Authority (OJK) Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. - OJK Circular Letter No. 16/SEOJK.04/2021 concerning the Form and Content of Annual Reports of Issuers or Public Companies.	 Standar Global Reporting Initiative (GRI)	 Sustainability Accounting Standard Board (SASB)	 Partnership for Carbon Accounting Financials (PCAF)
	 International Financial Reporting Standards (IFRS) S1 and S2, which have been adopted in Indonesia as the Sustainability Disclosure Standards (PSPK) 1 and 2.		

External Assurance [GRI 2-5, 2-14] [OJK G.1]

BTN appointed an independent third party to perform external assurance on the 2025 Sustainability Report to enhance the reliability of disclosures and ensure the absence of conflicts of interest. The assurance was conducted by CBC Global Indonesia, which is certified under AA1000AS v3 (license number 000-310) and was not involved in the preparation of the report. The assurance statement is available on page 267. In addition to external assurance, the Board of Commissioners and the Board of Directors ensured that all material topics were comprehensively covered and subsequently approved and signed the report on pages 24 and 25.

Feedback and Report Contact [GRI 2-3] [OJK G.2, G.3]

BTN provides a Feedback Form at the end of the report to facilitate two way communication with stakeholders. Feedback, suggestions, and opinions are handled by the Corporate Secretary or the Information and Documentation Management Officer and are used as input to improve the quality of future reporting. As of 2025, BTN had not received any feedback on the Sustainability Report for the previous reporting period. This report is intended for all stakeholders, who may access information related to the Sustainability Report by contacting:

PT Bank Tabungan Negara (Persero) Tbk
Corporate Secretary Division

Menara 2 BTN
Jalan H.R. Rasuna Said No. 1
South Jakarta, 12980
Email : csd@btn.co.id



INDEPENDENT ASSURANCE STATEMENT

PT. Bank Tabungan Negara Tbk.
Sustainability Report 2025
Statement No: 01/IAS/CBC/III/2026
Type 2, Moderate Level

Scope of Engagement in Assurance

CBC Global Indonesia (“CBC Global Indonesia”, “us” or “we”) were commissioned by PT. Bank Tabungan Negara Tbk. (“Bank **BTN**”) with the objective to provide assurance of Bank **BTN**’s 2025 Sustainability Report (the “Report”) in relation with accordance to GRI Standards, POJK No.51/POJK.03/2017, SEOJK No.16/SEOJK.04/2021, SASB, IFRS, and the adherence to AA1000 Accountability Principles (2018) with assurance over the Subject Matter presented in the Report, for the period from 1st January 2025 to 31st December 2025. **This statement is intended to be used by stakeholders & management of Bank BTN.**

The **scope and limitation** of our work is restricted to the following areas:

1. Subject Matters

- Climate Change and Ecosystems (Including GHG Emission)
- Natural Resource Use & Environmental Management
- Employment (Education and HSE)
- Human Rights (Diversity, Equity, dan Inclusion)
- Community Development
- Information Security
- Governance
- Sustainable Products and Services
- Business Ethics and Code of Conduct
- Sustainable Procurement



2. AA1000 Principles (2018)

Our assurance engagement was planned and performed to meet the requirements of a **Type 2 “moderate level”** of assurance as defined by AA1000 Assurance Standard (AA1000AS) v3 to evaluate the nature and extent of Bank **BTN**'s adherence to the four AA1000 AccountAbility Principles (2018): Inclusivity, Materiality, Responsiveness and Impact. Sufficient appropriate evidence has been obtained to support our conclusion. This reduces the risk of error, but does not reduce it to a very low level or to zero.

We have not performed any work, nor do we express any conclusion, on information other than the Subject Matter included within the scope of our assurance engagement that may be presented in the Report. We have assumed that the financial data and figures provided by Bank **BTN** have been audited by independent parties. Accordingly, the presentation of financial data and figures in the Report is not within the scope of this assurance engagement. The verification of greenhouse gas emissions was conducted based on the methodology applied by Bank **BTN**. Our assurance procedures included reviewing the underlying activity data and performing sample-based recalculations. No additional external verification standard was applied in relation to the emissions data.

Responsibilities of Management of Bank BTN

The Management of Bank **BTN** is responsible for the preparation and fair presentation of the Subject Matter in accordance with the Reporting Criteria. This responsibility includes designing, implementing, and maintaining appropriate internal controls to ensure that the Subject Matter information is free from material misstatement, whether arising from fraud or error. Management is also responsible for ensuring that the data and information subject to assurance are not edited, amended, or otherwise altered following the completion of the assurance engagement.

Responsibilities, Competencies and Independency of CBC Global Indonesia

Our responsibility is to conduct the assurance engagement in accordance with the agreed scope and criteria, and to express an independent conclusion based on the procedures performed. We plan and perform our work to obtain a moderate level of assurance that the Subject Matter information is free from material misstatement.

The engagement was carried out by a team of qualified sustainability assurance professionals with appropriate knowledge, skills, and experience in sustainability reporting, non-financial data verification, and assurance methodologies. At least one member of the team holds the Certified Sustainability Assurance Practitioner (CSAP) credential issued by AccountAbility.



CBC Global Indonesia is bounded by rules of conduct and professional practice relating to independence and quality overseen by AccountAbility (www.accountability.org/standards/licensing/AA1000 as licensed-providers) and has established policies and procedures that are designed to ensure that our team maintain independence and integrity. We had no financial interest in the operation of Bank **BTN** other than for the assessment and assurance of this report. We don't accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

Methodology

We conduct the following assurance procedures and activities:

- Pre-engagement to ensure the independence and impartiality of the assurance team.
- Kick-off meeting and initial analysis of the report draft.
- Review, assess and evidence the reliability and quality of sustainability performance and disclosed information as specified in the Report content for the reporting period of 1st of January up to 31st of December 2025.
- Evaluate the adherence of report content, disclosure and presentation against the agreed criteria.
- Conduct in-depth interview with the representatives of the relevant functions/divisions of the Bank **BTN**.
- Obtained an understanding of how material topics are identified, how responses to these topics are managed, and how material impacts are monitored and measured, including stakeholder engagement. It also includes understanding how information and data are collected, compiled, and aggregated internally.
- Performed limited substantive testing, on a sample basis, of the sustainability information identified, to verify the assumptions, estimations and computations Bank **BTN** made and to check that data had been appropriately measured, recorded, collated and reported.
- Compare the subject matter presented in the report to corresponding information in the relevant underlying sources on a sample basis.
- Discuss and analysis data and reports with management of Bank **BTN** and data contributor to determine whether there are any material misstatement of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

Finding and Conclusions

Based on the assurance procedures performed and the evidence obtained, a detailed review against the agreed criteria is presented below:

INCLUSIVITY

Bank **BTN** has identified its significant stakeholders based on factors such as influence, dependence, needs, diversity, and willingness to engage. Each stakeholder group has been involved through appropriate engagement mechanisms, allowing the Bank to understand their key interests and concerns. For instance, customer privacy and product portfolio are priorities for customers, while anti-corruption measures and decarbonization strategies are considered material by investors, as they ensure Bank **BTN** remains aligned with global sustainability issues. Based on our review, we conclude that Bank **BTN** has applied the principle of inclusivity in its sustainability reporting processes.

MATERIALITY

In determining material topics, Bank **BTN** applies a double materiality approach. Both internal and external stakeholders are engaged to assess the significance of the Bank's impacts on the environment and people, as well as how social and environmental aspects may pose risks to Bank **BTN**'s sustainability. The assessment results are then mapped according to their level of significance. Based on our review, we conclude that Bank **BTN** has applied the principle of materiality in its sustainability reporting processes.

RESPONSIVENESS

Bank **BTN** has developed an ESG framework titled *The Future of Finance*, covering all material topics and serving as a strategic guide across the organization. The Bank has also established an ESG Committee and an Enterprise and ESG Risk Management Division (ERMD) as the two main pillars for sustainability management, with the ESG Committee chaired by the President Director. This approach ensures that Bank **BTN** provides appropriate decisions, actions, and performance management for each material topic. Based on our review, we conclude that Bank **BTN** has applied the principle of responsiveness in its sustainability reporting processes.

IMPACT

The Report presents Bank **BTN**'s performance data for each material topic, demonstrating that the Bank monitors, measures, and is accountable for its impacts. The Bayar Angsuranmu Pakai Sampahmu program is an initiative that generates positive outcomes not only for local communities but also for the environment. In addition, the Bank's low-emission housing development initiatives, while maintaining affordability for low- and middle-income households, effectively address both local economic issues and global climate-related challenges. Based on our review, we conclude that Bank **BTN** has applied the principle of impact in its sustainability reporting processes.



GRI STANDARDS

The disclosures in the Report are in accordance with the GRI Standards, consistent with Bank **BTN**'s claim regarding the preparation of the Report. The disclosures of management approach for each material topic in general is fairly disclosed. The Management of Bank **BTN** has applied the principles for defining the report's quality (balance, comparability, accuracy, timeliness, clarity, and reliability) and the principles for defining the report's content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and supporting documents were adequately presented during the assurance.

Adherence to POJK No.51/POJK.03/2017, SEOJK No.16/SEOJK.04/2021, SASB, and IFRS

Based on the procedures performed and the evidence obtained, we conclude that the disclosures in Bank **BTN**'s Sustainability Report are in alignment with the reporting requirements outlined in POJK No. 51/2017 and SEOJK No.16/2021. In addition, the disclosure of sustainability-related financial information in the Report is consistent with the recognition and measurement requirements of IFRS, as well as the applicable SASB Standards. In particular, with regard to climate-related transition and physical risks, Bank **BTN** has disclosed its strategies to address these risks, including how it provides credit to customers in high-risk industries. The Report provides a fair representation of the Bank's sustainability performance in accordance with the above criteria.

Opinion Statement

Our professional and certified team of sustainability report assurer has assured this report in accordance with AA1000AS v3. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion, nothing has come to our attention that causes us to believe that the subject matter in the Report for the period from 1 January 2025 to 31 December 2025 are materially misstated. The Report provides a fair representation in accordance with the agreed criteria.

Conclusion & Recommendations

- Strengthening Stakeholder-Driven Materiality

Bank **BTN** is encouraged to more systematically integrate stakeholder engagement outcomes into the identification of material impacts and risks, including insights from customer satisfaction surveys, employee engagement surveys, and community programs. This would ensure that material topic selection is not driven primarily by peer practices, reporting standards, or rating agency expectations.

A more impact-focused approach would allow stakeholders to surface the issues most relevant to them and support the determination of material topics based on a clear and consistent criterion: the significance of impacts and/or the associated financial and non-financial risks.



- **Enhancing Oversight of Waste Management**

Bank **BTN** could consider obtaining more detailed reports from its contractors on the final treatment of non-hazardous (non-B3) waste from the **BTN** Tower after it has been managed by third parties, including information on the quantities and types of waste that are recycled, recovered, or disposed of to landfill. Strengthening monitoring at this post-transfer stage would enhance traceability of non-B3 waste streams, improve data accuracy and transparency, and reinforce the Bank's accountability for its environmental impacts in line with its sustainability commitments.

For and on behalf of:
Jakarta, March 9th, 2026

Dr. Erna Lovita, SE., MSi., Ak., CA., CSRS., CSRA
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Report Standard Index

GRI Content Index

Statement of Use

PT Bank Tabungan Negara (Persero) Tbk has reported in accordance with the GRI Standards for the period 1 January until 31 December 2025.

GRI 1 Used

GRI 1: Foundation 2021

Applicable GRI Sector Standard

GRI G4 Financial Services

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Feedback Sheet [OJK G.2]

Thank you for reading PT Bank Tabungan Negara (Persero) Tbk 2025 Sustainability Report. To realize better reporting quality in the coming year, we expect suggestions, criticisms and suggestions from readers and users of this report. The Company is committed to continuously improving sustainability performance and providing the best for stakeholders.

Profile

Name :

Institution/
Company :

Phone/Hp :

We really appreciate the feedback you provide. For this, please send this feedback sheet to:

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Email: csd@btn.co.id

Stakeholder Category

☐

Customer

☐

Employee

☐

Stakeholders

☐
Government and policy
makers
☐

Mass media

☐

Partners, suppliers

☐

Society, local community

☐

Other, please specify

Please choose the appropriate answer by putting a ✓ in front of the available answers:

- Does this report describe the Company's performance in contributing to sustainable development?

☐ Agree
 ☐ Disagree
 ☐ I don't know
- Is this report useful for you?

☐ Agree
 ☐ Disagree
 ☐ I don't know
- Is this report easy to understand?

☐ Agree
 ☐ Disagree
 ☐ I don't know
- Is this report interesting?

☐ Agree
 ☐ Disagree
 ☐ I don't know

Please write the answers according to your opinion?

- Which piece of information is the most useful and interesting?
- Which part of the information is not useful so it needs to be improved?
- Is the data presented transparent, reliable, and balanced?
- Suggestion/comment for future improvement of the report



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