

Material Information on Investment, Expansion, Divestment, Business Merger/Consolidation, Acquisition, or Debt and Capital Restructuring

Investment

As one of the business activities in the banking industry, the Bank invests in the form of debt securities, both issued by the Government and corporations. Below are details of investments

in the form of debt securities made by BTN as of December 31, 2023 and 2022:

Table of Securities Investment

(in IDR million)

Description	Value	
	2023	2022
Fair value through profit or loss	4,838,453	20,385,030
Fair value through other comprehensive income	14,440,327	14,988,242
Amortized cost	21,921,022	18,314,868
Total Securities	41,199,803	53,688,141

Throughout 2023 the Sharia Business Unit (UUS) has invested in bonds with a total accumulation of IDR126.29 trillion. In the same year, investment in these bonds which had matured or been disbursed amounted to IDR116.70 trillion

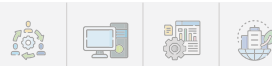
Expansion

In 2023, the Company through the Procurement & Fixed Asset Management Division (PFAD) expanded in terms of procurement and management of fixed assets as follows:

- On December 18 2023, purchase of a multi-storey building consisting of 28 floors and 2 basements worth IDR1.28 trillion located on Jalan H.R. Rasuna Said No. 01 RT.001 RW.006, Guntur Village, Setiabudi District, South Jakarta. Subsequently, the building was called the BTN Tower 2 Building and became the operational office for the Business Division, Regional Office and Branch Office.
- On September 14 2023, purchase of an office building in the form of a shophouse worth IDR3.33 billion located in Komp. BSD, Ruko Sector VII E Blok K Jl. Raya Serpong, Tangerang. The building is located adjacent to the Bumi Serpong Damai Branch Office (KC BSD) and is operated as an extension of the KC BSD building.
- On November 10 2023, purchase of an office building in the form of a shophouse worth IDR1.27 billion located on Jl. IN. Panjaitan Km. 9 Bintan Center Plaza Complex Blok Bunga, Tanjung Pinang, Riau Islands Province. The building is located adjacent to the Tanjung Pinang Branch Office and is operated as an expansion of the Tanjung Pinang KC building.
- On December 13 2023, land acquisition worth IDR80 billion located in the Pondok Indah area, South Jakarta. Next, permits are processed for the land for the construction of a branch office building.
- On December 20 2023, procurement and installation of a new generator for the BTN Tower Building worth IDR14.8 billion. The new generator replaces the old generator which has been operating for 30 years.

- On April 4 2023, work began on the revitalization and renovation of the Bank BTN Education and Training Center building located on Jalan KH. Mas Mansyur No. 86 Tanah Abang, Central Jakarta with a value of IDR33.8 billion. Furthermore, the building was operated as the Sharia Business Unit Bank BTN Head Office.
- On November 22 2023, work began to utilize the Company's land located on Jalan Raya Gandul – Cinere, Depok City, which has an area of ± 5 Ha. The land was developed into BTN ECOPARK, and it is planned that a record center building, archives building, data center building, training center building and sub-branch office were built. Development progress is at the land maturity stage.

Throughout 2023, the Company has expanded in terms of developing its office network by adding 2 (two) Sharia Branch Offices (KCS) (KCS Jember, KCS Pontianak), then the Company has also opened a network of 7 Conventional Sub-Branch Offices (KCP). (seven) Offices (KCP Soreang, KCP Sentul Industrial Area, KCP Tanah Abang Market Block A, KCP RS Bhayangkara Kediri, KCP Manna, KCP Barabai and KCP Wonosobo). Apart from Conventional KCPs, the Company also opened 4 Sharia KCPs (KCPS) (KCPS Rangkasbitung, KCPS Solok, KCPS Batang and KCPS Bantul). In total, the Company's office network in 2023 consists of 6 (six) Regional Offices, 81 Conventional KCs, 34 Sharia KCs, 541 Conventional KCPs and 75 Sharia KCPs.



Divestment

Throughout 2023, Bank BTN did not carry out divestment activities

Business Merger/Consolidation

Throughout 2023, Bank BTN did not carry out business merger/consolidation activities.

Acquisition

Throughout 2023, Bank BTN did not carry out acquisition activities.

Debt and Capital Restructuring

Throughout 2023, Bank BTN did not carry out debt and capital restructuring activities

Information on Material Transactions Containing Conflicts of Interest and/or Transactions with Affiliates Parties

Material Transactions were any transactions made by public companies or controlled companies that met the transaction value limit equal to 20% (twenty percent) or more of the Public Company's equity (OJK Regulation Number 17/POJK.04/2020 Concerning Material Transactions and Changes in Business Activities).

Transactions Containing Conflicts of Interest

In accordance with the provisions of the OJK Regulation Number 42/POJK.04/2020 Concerning Affiliated Transactions and Conflicts of Interest Transactions, a conflict of interest was the difference between the economic interests of a public company and the personal economic interests of members of the board of directors, members of the board of commissioners, major shareholders or controllers who can be detrimental to the said public company.

Bank BTN's business activities are inseparable from the relationships and interactions between individuals within Bank BTN and with other parties, there is a potential conflict of interest that may be unavoidable between one party and another, so that

it can affect the decision-making process and the performance of the decision. which can be detrimental to Bank BTN. Bank BTN realizes the importance of a firm attitude towards controlling and handling conflicts of interest that occur within Bank BTN, so that effective business management can be created in achieving Bank BTN's goals, free from all forms of corruption, collusion and nepotism (KKN) and harmonious relationships with all stakeholders.

Bank BTN always complied with the applicable provisions in terms of transactions that contained conflicts of interest, as stated in the OJK Regulation Number 42/POJK.04/2020 Concerning Affiliated Transactions and Transactions with Conflicts of Interest and OJK Circular Letter Number 13/SEOJK. 03/2017 dated March 17, 2017 concerning Implementation of Governance for Commercial Banks. From an internal standpoint, Bank BTN had a Transaction Policy Containing Conflicts of Interest as stipulated in the Guidelines and Work Procedures for the Board of Directors and the Board of Commissioners. The policy of providing funds to related parties that contained conflicts of interest was contained in a separate Directors Regulation which stipulated that Bank BTN was prohibited from providing funds to related parties without the approval of the Board of Commissioners.

In the event of a conflict of interest between Bank BTN and shareholders, members of the Board of Commissioners, members of the Board of Directors, Executive Officers and/or other parties related to Bank BTN, members of the Board of Commissioners, members of the Board of Directors and Executive Officers were prohibited from taking actions that might harm or reduce profits of Bank BTN and had to disclose the conflict of interest in every decision. Bank BTN also properly documented every disclosure in accordance with applicable regulations. Disclosure of conflict of interest was set forth in the minutes of meeting at least including the name of the party having the conflict of interest, the main issue of the conflict of interest and the basis for consideration for making the decision.

In principle, every Bank BTN employee avoided making decisions that had situations and conditions where there was a conflict of interest. Lending to the Directors, Board of Commissioners and employees of Bank BTN was carried out based on reasonable limits and in accordance with applicable Bank BTN regulations without differentiating it from other customers (arm's length basis).

Throughout 2023, there were no transactions containing conflicts of interest

Table of transactions containing conflicts of interest

Name	Position	Decision Maker	Transaction Type	Transaction Value	Information
Nil	Nil	Nil	Nil	Nil	Nil