



# Operational Overview

## Strategy Bank

The Bank's strategic plans consists of short, medium and longterm strategy.

### Short and Medium Term Strategy

#### Credit Sector

Strategic initiatives to develop credit business in the short and medium term are as follows:

##### 1. Increasing The Contribution To The Government Subsidized KPR (Mortgage) Program

- a. Optimizing Bank BTN's portion of the FLPP and TAPERA Subsidized KPR quota.
- b. Developing the Rent to Own KPR scheme as an affordable and equitable KPR scheme, targeting the millennial generation.
- c. Developing funding scheme for affordable housing provision.
- d. Partnership for housing funding of millennial and urban segment.
- e. Development of millennial housing projects with affordable price and having complete facilities (working space, walkable/close to everywhere) through Transit Oriented Development (TOD) establishment.

##### 2. Developing KPR (Mortgage) Market Share In The Emerging Affluent And Affluent Segments

- a. Establishing a sales center that focuses on selling mortgages to the emerging affluent segment, which in 2023 will open sales centers in Jakarta-Kelapa Gading Square, Tangerang-BSD and Surabaya.
- b. Collaboration and marketing program with national and individual property agents, as a Direct to Customer (D2C) strategy.
- c. Developing collaboration with developers to develop residential projects in the emerging affluent segment.
- d. Strengthening the BTN Property application and portal by end-to-end digitalization of the mortgage process, good for consumers and developers
- e. Making one-stop-shop housing ecosystem for customers' life-cycle.
- f. Building an instant purchase platform as part of BTN Property.

##### 3. Increase in High Yield Margin Loans

- a. Increasing high yield credit (KRING, KAR, KUR) beyond mortgage through up-selling and cross selling programs to captive customers, office and industrial areas.

- b. Upselling and cross selling programs for non-subsidized products to subsidized KPR customers who have or are almost paid off through analytics capabilities and upselling programs.

- c. Pre approved loans or credit to existing debtors who meet the criteria through the Eagle Project and Ultimate Project (KAR and KRING)

##### 4. Widening Real Estate Value Chain That Targeting MSMEs And Contractors.

- a. Establishing an MSME financing center as an initiative to support the expansion of SME loans, especially KUR.
- b. Cross selling Supply Chain Financing (SCF), Bank Guarantee (BG), Domestic Letter of Credit (SKBDN) and e-Banking to SME, Commercial, Corporate and Agency customers.
- c. Increasing KUR distribution to captive customers, both self-employed debtors, subsidized KPR and non-subsidized KPR.

#### Credit Quality and Financing Sector

Initiatives for business improvement in the areas of credit and financing quality in the short and medium term are as follows

##### 1. Continuing Credit Business Process Improvement Initiatives

- a. Optimization of regional Loan Processing Center (RLPC).
- b. Implementation of Commercial Banking Center (CBC).
- c. Continuing Repair process business credit especially in the commercial and SME segments.

##### 2. Improve The Quality and Effectiveness of Collections

- a. Standardization of the credit restructuring process
- b. Improve collection management
  - Implementation of collection scoring
  - Monitoring the productivity of Outsourced Power (TAD) Collection.i-coll usage and contacted rate
  - Improving the business process of SME restructuring and Commercial.
- c. Developing an early warning system.
- d. Optimization of cooperation with lawyers, Regional Legal Representative (RLR), courts and BPN.

##### 3. Accelerate Bulk Settlement of Bad Debts (Sales Asset Strategy)

- a. Sales through Investors or partners.
- b. Offering to potential investors/partners through small gathering at each regional office or office branches that have large NPL outstanding (pareto).
- c. Sales through bulk sales.
- d. Offering to potential investors/partners made in bulk to one party.
- e. Settlement of commercial credit through litigation.

- f. Coordinating Assets Sales Management work units with Legal unit to litigate debtors which could potentially be done recovery.
- g. Sales through BTN's low-cost home portal (www.rumahmurahbtn.co.id).
- h. Maximizing sales through digital platforms in order to provide massive awareness to audience in the hope of attracting the interest of buyer candidates.

## Funding Sector

Initiatives to develop business funding in the short and medium term are as follows:

### 1. Developing Capabilities as a Transactional Bank and Transaction Channels

- a. Optimizing the productivity of office networks in target market areas (offices, shops and shopping centers).
- b. Increasing sales productivity through development BTN Smart.
- c. Savings campaign programs and strategies through Integrated Marketing Communication activities in the middle segment and non-subsidized mortgage debtors.
- d. Acquisition and sale of bundling products to state-owned corporations.
- e. Acquisition of BTN Business Savings for customers and partners of SME and Commercial segments.
- f. Increasing the acquisition of BTN Investa Savings to priority customers to increase CASA in the High Network Income (HNW) segment.

### 2. Becoming an Operational Bank For Institutional Fund Management

- a. Increasing the acquisition of Government Task Force (SATKER) and SPAN interconnection.
- b. Increasing cash management acquisition and utilization on institutional and corporate customers.
- c. Payroll customer acquisition program through sales bundling products (BTN Solution Program).
- d. Developing a customer base through a business ecosystem approach that focuses on the property related, healthcare, trade, education and industrial area sectors.
- e. Developing retail and wholesale transactions through acquisition and activation programs for mobile banking, debit cards, EDC, QRIS, cash management and trade services.

## Other Operating Income Sector and Subsidiaries Establishment

### Other Operating Income

To increase profitability, Bank BTN business plan in the next three years is also focused on improving Other Operating Income (POL) which is mostly sourced from fee-based income, especially on new sources based on transactions and services, with redetermined targets as follow:

### 1. Developing Fees from Digital and Transaction Banking

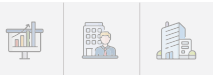
- a. Accelerating the development of features in Bank BTN's new mobile banking.
- b. Accelerate the implementation of digital on boarding to increase Retail DPK.
- c. Developing a Cash Management System (CMS) for online submission of cash collateral and bank guarantees to develop fees from the transaction banking segment.

### 2. Developing Fee Based from New Sources

- a. Forming a special work unit that manages wholesale and transaction banking to increase wallets from the commercial, wholesale and corporate segments.
- b. Developing fees from priority segments, especially in foreign exchange services (market link deposits, forex swap deposits, and others).
- c. Improving treasury profitability from managing Available for Sale (AFS) and Hold to Maturity (HTM) portfolios, through:
  - The focus of the HTM portfolio is on portfolio distribution that has a short term tenor, a maximum of 10 years.
  - Recomposition of the AFS portfolio to be shorter and attempted to be a maximum of 10 years.
  - Diversify the tenor of the AFS and HTM portfolio by considering the bank's liquidity ratio, the direction of the reference interest rate and the comparison of interest rates on investment placements with BI with SBN yields.
- d. Developing new sources of fee-based treasury earnings through forex trading and structured products.
- e. Increasing fees sourced from Bank Guarantees (BG), Domestic Letters of Credit (SKBDN), Supply Chain Financing (SCF), Cash Management System (CMS) in the Corporate segment.

To achieve this target, strategic initiatives carried out in the short and medium term are as follows:

- 1. Accelerate the implementation of new mobile banking.
- 2. Accelerate the implementation of digital on boarding to increase Retail DPK.
- 3. Develop a Cash Management System (CMS) for online submission of cash collateral and bank guarantees to develop fees from the corporate segment.
- 4. Develop fee based from new sources.
  - a. Forming a special work unit that manages wholesale and transaction banking to increase wallets from the commercial, wholesale and corporate segments.
  - b. Developing fees from priority segments, especially in foreign exchange services (market link deposits, forex swap deposits, etc.).
  - c. Improving treasury profitability from managing Available for Sale (AFS) and Hold to Maturity (HTM) portfolios.
  - d. Recomposition of the Available for Sale (AFS) portfolio to be shorter and attempted to be a maximum of 10 years.



- e. Diversifying the tenor of the AFS and HTM portfolio by considering the bank's liquidity ratio, the direction of the reference interest rate and the comparison of interest rates on investment placements with BI with SBN yields.
- f. Developing new sources of fee-based treasury earnings through forex trading and structured products.
- g. Increasing fees sourced from Bank Guarantees (BG), Domestic Letters of Credit (SKBDN), Supply Chain Financing (SCF), Cash Management System (CMS) in the corporate segment.

### Subsidiary Establishment Plan

To strengthen the bank's core business and initiatives in supporting the synergy of SOEs, in the medium term of business development, it is also carried out with the plan of establishing a subsidiary or inorganic strategy through capital participation plan in the field of investment management, venture capital firms, insurance, establishment of multifinance subsidiaries and cooperation in developing the Sharia Business Unit (UUS) business. The Investment Management (MI) subsidiary establishment plan is planned to be carried out under a capital participation scheme direct control, in this case the candidate of the company which is planned is investment management company which is one of the subsidiaries of state-owned enterprises.

Next. Paying attention to the competitive advantage of the business strong in housing which is mainly mortgages, Company plans to form a life insurance subsidiary or disadvantages that are inorganic strategies for providing one stop solution service in facilitating financial services family. The plan to establish such subsidiaries is carried out with a direct control capital participation scheme, with the target of potential company partners/life insurance subsidiary that has been running or a new establishment. Furthermore, to support the idea of BUMN synergy and as a special vehicle in the Assets Management development strategy, the Company also plans to establish a Venture Capital subsidiary. Apart from that, the business focus of establishing subsidiaries in this field is also aimed at investing in several potential businesses such as fintech.

### Sharia Business Sector

Based on the Royal Islamic Strategic Studies Center (RISSC) report entitled The Muslim 500: The World's 500 Most Influential Muslims 2024, Indonesia is the country with the largest Muslim population in the world. RISSC noted that the Muslim population in Indonesia would reach 240.62 million people in 2023. This number could be equivalent to 86.7% of the national population totaling 277.53 million people. As a country with the largest Muslim population, Indonesia's sharia financial industry has enormous potential. With relatively low literacy and inclusion conditions, total assets are in 7th position globally. Overall growth

in Indonesia's sharia financial assets has reached IDR2,450.55 trillion or around USD 163.09 billion as of June 2023. This figure shows growth of 13.37% (yoy) with a market share of 10.94% of total national finances. After experiencing a slowdown due to the impact of the pandemic and uncertain global conditions, the national sharia banking industry has managed to record quite good growth. As of June 2023, the sharia banking market share in Indonesia grew to 7.31% of the total national banking industry. This growth was supported by 13 Sharia Commercial Banks, 20 Sharia Business Units, and 171 BPRS with an asset portion distribution of 65.78% for Sharia Commercial Banks, 31.68% for Sharia Business Units, and BPRS of 2.54%.

In addition, based on the results of the 2022 national financial literacy and inclusion survey, the sharia financial literacy and inclusion index was recorded at 9.14% for the literacy index and 12.12% for the sharia financial inclusion index. The low literacy and inclusion index is certainly an opportunity and challenge for Islamic banks to continue to develop their business. The concept of sharia banking is currently also relevant to retail banking businesses such as mortgage financing and MSMEs which are one of the arteries of the Indonesian economy. Meanwhile, the challenges of sharia economic and financial development mean that there is still a large gap with the conventional financial industry. This includes a relatively low market share at around 11%. The low level of sharia financial literacy also has an impact on the limited rate of sharia financial inclusion. Apart from that, there is limited differentiation of business models or sharia financial products, the use of information technology which currently still needs to be improved, and sharia financial human resources are not yet optimal. Indonesia as a country with the largest Muslim population has the potential to become an example of excellence in sharia finance. This ambition is in line with ongoing efforts by various agencies to encourage a strong and diversified financial ecosystem that is in line with sharia principles. Sharia banking in Indonesia continues to show positive developments, this is inseparable from its market share which is still not saturated and continues to grow. Based on FSA statistical data, in the 2019-2022 period sharia banking assets grew 14.24%, the growth of which was dominated by Sharia Commercial Banks (BUS). In line with this growth, the market share of national sharia banking assets was also strengthening from 6.18% in 2018 to 7.09% in 2022.

In line with the potential of national sharia banking, Bank BTN's Sharia Business Unit also experienced unidirectional business growth. This was demonstrated by the performance that continued to grow and the ability of Bank BTN's Sharia Business Unit which continued to grow amidst the challenges of the pandemic. In September 2023, Bank BTN's UUS assets were recorded at IDR48 trillion, growing 16.81% (yoy). This asset growth was supported by financing of IDR35.79 trillion, growing 17.94% (yoy), and the collection of Third Party Funds which was recorded at IDR36.25 trillion, growing 16.76% (yoy).

## Capital Strengthening

Supporting soundness and sustainable business growth requires strong capital support by considering the fulfillment of the bank's minimum capital requirements following Basel III. According to OJK Regulation No.11/POJK.03/2016 dated January 29, 2016, concerning Minimum Capital Adequacy Requirements for Commercial Banks, banks must provide capital in the form of minimum capital based on risk rating and additional capital as a buffer based on Basel III (there are 3 types: capital conservation buffer, counter cyclical buffer, capital surcharge).

## Human Capital Sector

To realize the One of Home of Indonesia's Best Talent, the work program for Human Capital (HC) development in the short and medium-term is aligned and the basis for the 2021-2025. The medium-term plan in the HR sector aims to attract and retain the best talents who have superior capabilities and high productivity. In an effort to realize these aspirations, the formulated dimensions and parameters as follows:

### 1. Ability to Attract Top Talent

Become one of the top of mind employers for external candidates from leading companies and universities in Indonesia.

### 2. Ability to Retain Top Talents

Able to retain top talents to work and develop with Bank BTN.

### 3. Talent's Capability Readiness

Have the capability to achieve the bank's current and future strategic goals..

### 4. Employee Productivity

Has employee productivity that is above the average of well-known organizations.

To achieve these aspirations, strategies and strategic initiatives were prepared as follows

## Strategy

Description of the strategy in achieving aspirations in the field of human capital, namely:

1. Become the first choice for the best talent to work by improving the recruitment and onboarding process which provides employee experience with a motivating and competitive reward system in the market, as well as activating the bank's employee value proposition.
2. Strengthen HR capabilities, productivity and competitiveness through improving employee capability development programs, supporting a learning culture, implementing consistent coaching, and implementing productivity measures in workforce planning and performance management.

3. Focus on creating value and becoming a business partner through organizational alignment, and implementing digital human resources to support operational excellence and implementing corporate culture internalization.

## Initiative

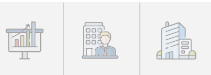
Short and medium term initiatives are outlined as follows:

### SHORT TERM INITIATIVE

1. Develop and implement Employee Value Proposition (EVP) to attract the best talent.
2. Renew focus on talent development and retention.
3. Implementation of a Strategic Business Unit (SBU) based organizational structure
4. Fulfill employee needs using multisourcing recruitment methods to attract quality talent, especially in the fields of funding, transactional and digital banking.
5. Implementation of succession programs and special career paths for general management, funding, transactional and digital banking.
6. Develop employee competencies, especially related to critical capability, leadership, funding, transactional and digital banking.
7. Enable the implementation of the EVP Program to improve employee experience.
8. Strengthen the role of change leaders to internalize core values in each work unit and encourage behavioral changes.
9. HC Technology development that focuses on talent management, people analytics and employee self service to improve employee experience.

### MEDIUM TERM INITIATIVE

1. People Analytics and Employee Experience
  - a. Developing HC Business Partner (HCBP) capabilities to align HC strategy with business and answer bank needs by implementing HCBP at the end state stage, namely at the Division Level.
  - b. Refining the HC organizational structure and designing a grading system that is aligned with business needs:
    - Strengthening learning organizations and learning center infrastructure.
    - Implementation of a new grading system.
  - c. Implementing a multi-sourcing strategy and running an onboarding program for new recruits and internal movements.
  - d. Describing dual career paths (specialist and generalist career paths) for critical positions.
  - e. Improving a self-learning learning culture with the 70-20-10 learning method.
  - f. Aligning remuneration systems and incentive programs to attract, retain and motivate employees.



- g. Activating and implementing the 4 (four) Pillar Employee Value Proposition (EVP) program.
- h. Implementing an integrated HCIS to support operational excellence, data-based decision making, and provide a seamless employee experience, through:
  - Digitalization of recruitment, and onboarding.
  - Recruitment and onboarding people analytics.
  - Integration of Performance Management System (PMS), Learning Management System (LMS), and Succession Individual Development Plan (IDP).
  - Integration of talent management system and people analytics.

## 2. Scale Up and Deep Dive

In this phase, all initiatives that have been running in 2022 - 2024 are strengthened, including:

- a. Aligning remuneration systems and incentive programs to attract, retain and motivate employees, including through:
  - Transition of basic salary and position allowances.
  - Continued development for variable pay components in business families.
- b. Implementing an integrated HCIS for data-based decision making, as well as providing a seamless employee experience.
  - Digitalization of workforce planning through integrated man power planning in the HC Information System (HCIS).
  - Man power planning people analytic.
  - Scale up people analytics capabilities to provide predictive functions.

## IT Infrastructure

To support the corporate plan, business aspirations and vision of Bank BTN as "Becoming the Best Mortgage Bank in Southeast Asia by 2025", Bank BTN prepared six themes in the Information Technology strategic plan for 2021-2025. In implementing the 2021-2025 Information Technology strategic plan, Bank BTN carries three main annual themes as follows:

### 1. 2022: Start to Scale

2022 began with preparations for large-scale changes at Bank BTN. Initiatives related to the implementation of an agile-based multi-speed Information Technology operating model. Study of critical systems that could be upgraded/replaced. In this phase, the initiatives carried out also focused on increasing Information Technology maturity.

### 2. 2023: Expand the Transformation

Continue executing upgrade/replace and/or enhancement of critical systems that have been identified. Continuing agile based system development (such as digital channels).

### 3. 2024-2025: Continuous Improvement

Focus on improving/enhancement of non-critical systems, process improvements to increase Information Technology maturity.

## Good Corporate Governance (GCG), Risk Management and Compliance

### Good Corporate Governance (GCG) Improvement

The Company is aware of the importance of implementing GCG as one of the strategic steps to achieve the vision that has been set. Therefore, strengthening the organizational structure and business processes based on GCG principles is consistently applied through strengthening the four main pillars of GCG implementation: (i) Commitment on Governance; (ii) Governance Structure; (iii) Governance Process and (iv) Governance Outcome. The strengthening of the first pillar is done by internalizing GCG principles in business activities and bank operations, which has been listed as one of the bank's missions "Implementing banking management following prudential principles and Good Corporate Governance to increase shareholder value". Strengthening the second and third pillars is done by implementing GCG principles on changes in the Organizational Structure and Business Process as a whole which is currently being carried out as a stage of the bank's business transformation. Broadly speaking, these changes were carried out by streamlining the process to separate the roles of sales, operations and risk policies. The strengthening of these pillars is done by strengthening the supervisory mechanism for office operations, both from the Directorate level to the Work Unit.

Furthermore, the strengthening of the fourth pillar is carried out through results application of GCG principles in the bank's business processes as set forth in the GCG report and assessment as well as the awards received by the bank, including governance outcomes which includes qualitative aspects and quantitative aspects. such as: adequacy of report transparency, regulatory compliance legislation, bank performance such as profitability, efficiency and capital, increase/decrease in adherence to applicable regulations and problem solving faced by the Bank such as fraud. Maximum Limit violations Lending (BMPK), violation of the provisions related to the report Banks to regulators. In order to improve the implementation of GCG so that company management can run well and achieve the expected goals, a strategic plan is needed contained in the GCG Roadmap which serves as a guide for all BTNers in contributing to the creation of directed GCG management.

### Risk Management Improvement

In order to support Bank BTN's long-term plan, to become The Best Mortgage Bank in Southeast Asia by 2025, it is necessary to maintain a company with sustainable profitability and continue strategic steps and initiatives related to Risk Management, including:

#### 1. Developing Retail Transaction Banking by Building Operational Risk Acceptance Readiness and Fraud Risk Strategy

##### a. Strengthen Policies and Processes

The bank had a framework and operating model related to comprehensive fraud management that accommodates all channels and products.

- b. Organizational Development and Human Capital Capabilities  
Development of a special organizational structure for anti-fraud in work units (1st line of defense) to make it more effective and efficient.
  - c. Technology Development  
Updated technology for more dynamic fraud detection using AI and machine learning.
- 2. Improving Risk Assessment for the Special Non-Fixed Income Segment Through the Development of Non-Fixed Income Analytical Models and Credit Analyst Competency Development**
  - 3. Develop Risk Criteria for Targeted Segments and Overlay Models to Increase Approval Rate**
    - a. Determining priority target segments (existing debtors, funding customers, and new to banks) to manage risks in the implementation phase.
    - b. Building a proxy income model to project increases in debtor and potential debtor income in determining credit limits and standardizing recommendations and decisions.
    - c. Sharpening Credit Policy according to risk-based segmentation.
  - 4. Establishment of the SME Processing Center as a Supporting Platform for MSME Credit Growth**  
Implementation of new SME business processes and decision engines through digitalization of processes that will be carried out to support SME process improvements.
  - 5. Development of Digital, Information Technology and Cyber Risk Capabilities is carried out through the development of the Information Technology Risk Organizational Structure and Initiatives in Building Fraud Risk Management**  
As the use of technology increases, the risks in using technology also increase, so strong technology, digital and cyber security risk management is needed. Based on this, Bank BTN developed the IT, Digital and Cyber Risk Management Department under the Enterprise Risk Management Division which focuses on managing all Bank BTN Information Technology risks through 6 (six) main domains, namely cyber security risk, data privacy risk, project delivery risk, third party risk, continuity and resilience risk and regulatory compliance risk.
  - 6. Better Credit Business Processes by Centralizing Credit Operations (CBC, SME and Consumer), Improving Checks and Balances and Strengthening the Risk Framework Through Appropriate Risk Guidelines**
    - a. To improve the decision process and quality of consumer loans, speed up the consumer loan approval process through a data analysis process using models, the bank developed a Credit Scoring Model (CSM). In addition, the bank has implemented collection scoring, to support the collection team in determining the priority scale for collecting debtors based on their risk level (high, medium, low risk) to pay their obligations so that the credit development process becomes more effective and efficient.
    - b. In order to improve the underwriting process and credit quality of commercial loans, supporting the implementation of the new Business Process Improvement

(BPI) and Commercial Banking Center (CBC), the bank has implemented an internal credit rating (ICR). In line with one of the bank's strategic themes in its 2025 aspirations, namely strengthening SME BPI by improving Turn Around Time (TAT) through automated credit workflows, the bank will develop SME application scoring, which is expected to speed up the MSME credit approval process through data processing using models and can classify prospective MSME debtors based on their risk level. This is expected to increase the market share of the MSME segment and improve the quality of MSME credit

- c. Developing the operation risk tools application to increase convenience, integration, visibility and the latest information system in operational risk management, Bank BTN has developed an operational risk application which contains Loss Event Database (BTN-LED), Risk and Control Self-Assessment (RCSA) and Key Risk Indicator (KRI).

#### **7. Maintaining Low NPL in All Segments Through Strong Risk Monitoring**

Development of the Commercial Loan Early Warning System (EWS) to support the strengthening of commercial credit risk monitoring through standardization, digitization and development of guidelines and tools. the bank will develop Commercial Loan Early Warning System (EWS) by setting risk parameters indicating presence worsening quality of commercial credit debtors individually. This is expected to assist work units that provide commercial credit for identifying actions that need to be taken immediately to prevent commercial credit from the debtor as it will become an issued commercial credit.

### **Network Development Sector (Delivery Channel)**

Optimization of delivery channels to support business is carried out through developing the quantity and variety of channels with network expansion strategy focused on four main initiatives, such as the regionalization strategy, branch expansion, banking agent and digital channels. The regionalization strategy is a form of grouping work area that is not only based on location, but also based on the density of existing branches to ensure better strategy alignment. The consideration used in the regionalization strategy is as follows:

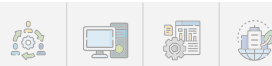
#### **1. Development of highly dense areas will ensure control of Key Performance Indicators (KPI) and more comprehensive strategy alignment.**

Determination of branch operational zones does not only consider the location. but also the density of branch ratio.

#### **2. Optimizing Branch Office Productivity**

In the short term, the company is not very expansive in opening a branch office. further, in this year, the Company will improve the oversight of the branch office to the outlet below and conduct an assessment or evaluation of the nonproductive outlets performance for closure. This is conducted so that the office branches can monitor the performance of subordinate outlet that it will support corporate performance.





### 3. Banking Agent

Optimizing banking agents as aggregators with expanding strategic alliances, e.g. post office and mini-market as sales agent.

### 4. Digital Channel

The development of digital channel is intended for remote access to target the emerging affluent segment, the younger generation and increase the convenience of transactions for customers. Digital channel development is focused on:

- Attractive and clearly defined target segments with a focus on segment selection age range between 20 to 35 years.
- Right-to-target offering by advantaging big data analytical advantage to obtain product or service recommendations for each customer.
- Customer value management through offering broad and universal products and services. However, it is more focused on the main needs of customers (customer centric).

## Long-Term Strategy

To increase its contribution to the housing sector and support the transformation roadmap of the Ministry of BUMN, Bank BTN has set a vision to become The Best Mortgage Bank in Southeast Asia by 2025, with aspirations for 2025 as follows:

#### 1. Double Low Cost Funding

Transformation of channel capabilities so that they become transactional banks to support increased low cost funding and growth in fee based income.

#### 2. Encouraging affordable access to housing for Indonesian people

Presenting banking products to improve living standards, subsidized housing financing for the mass segment and building new direct-to-customers channels for the mass affluent segment.

#### 3. Building a One Stop Shop Financial Solution for Consumers and Housing-Related Businesses

Providing loan and investment solutions to develop housing ecosystem-based businesses that will encourage the contribution of the housing sector.

#### 4. Become a Digital Innovator and Home of Indonesia's Best Talent

Carry out the digitalization process to build the most efficient operations and develop the best talent.

#### 5. Build a High Quality Portfolio and Maintain a Low NPL Level

Utilizing technology to develop an integrated and robust risk management process to reduce NPLs in line with market sustainability.

To achieve these aspirations, 10 (ten) strategic themes for the 2021-2025 Corporate Plan have been determined as follows:

- Improving the branch operational model to increase low-cost DPK and retail business by optimizing the network footprint and building end-to-end customer ownership (Commercial, SME, Consumer segments) including funding, lending, fees and other services.
- Partnership/inorganic growth to support the main business in the housing sector, capturing opportunities in the fields of multi-finance, insurance and asset management.
- Development of housing financing for the emerging affluent and affluent segments, by increasing the direct-to consumer proposition, and collaborating with leading developers and real estate agent networks.
- Development of a subsidized KPR home ownership program to support the national agenda for affordable housing.
- Expanding the value chain in real estate targeting SME suppliers and contractors by providing supply chain financing, bank guarantees, SKBDN and business savings solutions.
- Develop complete financial solutions (loans, savings, transactions and investments) targeting fixed income customers, especially emerging affluent and SMEs, as well as preparing cross-selling and upselling strategies
- Develop electronic transaction channels, automate various business processes and develop cooperation with the digital ecosystem, including setting up supporting Information Technology infrastructure and operational models.
- Implementation of an SBU structure, which is suitable for creating a performance-oriented organization, building hard and soft skill capabilities, as well as launching culture programs for sales and service, governance and risk management, performance and learning.
- Better credit business processes by centralizing credit operations (CBC, SME, Consumer), improving checks and balances, and strengthening the risk framework through appropriate risk guidelines.
- Maintaining low NPL levels in all segments through strong risk monitoring, work standardization, billing processes that utilize digital solutions, and asset sales strategies.

The transformation journey of the 10 (ten) strategic themes up to 2025 above is as follows:

- In 2021, "Transform to Achieve Sustainable Growth".
- In 2022, "Expand to New Business Areas".
- In 2023, "Digital Disruption to Master the Housing Ecosystem".
- In 2024, "Expanding Business Areas and Providing Integrated Financial Solutions".
- In 2025, "One Stop Financial Solution in the Housing Ecosystem".

## Bank BTN Transformation Journey 2021-2025

	2021 Transform to Achieve Sustainable Growth	2022-2023 Expand to New Business Areas	2024-2025 Disrupt and Scaleup Through Digital
Business	<p><b>Funding</b></p> <ul style="list-style-type: none"> <li>Redesign the branch operating model by centralizing operations and support functions</li> <li>Launched branch sales transformation</li> <li>Launched a re-branding campaign for BTN</li> <li>Improve BTN Solusi, sector proposition</li> </ul> <p><b>Lending</b></p> <ul style="list-style-type: none"> <li>Launched CASA/payroll related products</li> <li>Penetrating top developers &amp; national property agents to increase BTN Properti</li> <li>Develop collaboration with TAPERA for housing programs and process integration</li> <li>Develop value chain propositions (BG, SCF, SKBDN, Business Savings, Internet Banking)</li> <li>Redesigned the Relationship Manager (RM) scope and sales process</li> </ul> <p><b>Ecosystem</b></p> <ul style="list-style-type: none"> <li>Establish a venture capital company</li> <li>Joint Venture to establish life insurance</li> </ul>	<p><b>Funding</b></p> <ul style="list-style-type: none"> <li>Launched a new branch operating model and sales transformation to 700+ branches</li> <li>Relocating branch offices to priority micro markets</li> <li>Strengthening Wealth &amp; premium services</li> <li>Launched an analytics-based cross-sell platform</li> </ul> <p><b>Lending</b></p> <ul style="list-style-type: none"> <li>Launched a KPR tracking portal for customers and a dashboard for developers</li> <li>Designed and piloted individual property programs/agents for initial segments</li> <li>Penetrating the value chain of 10-20 developers, then scale up to at least 100 developers</li> <li>Launched a credit card issued by BTN</li> </ul> <p><b>Ecosystem</b></p> <ul style="list-style-type: none"> <li>Established an investment management subsidiary</li> <li>Launched an instant property purchasing platform</li> </ul>	<p><b>Funding</b></p> <ul style="list-style-type: none"> <li>Increasing BTN Solutions and offering sector-specific programs to more sectors</li> <li>Improve more analytics use cases</li> </ul> <p><b>Lending</b></p> <ul style="list-style-type: none"> <li>Launched a one-stop digital customer housing ecosystem</li> <li>Launching a business to business (B2B) real estate market and bundling services outside of banking</li> <li>Launching property-backed MSME loans for other sectors (non-residential)</li> <li>Increasing BTN Properti to become the 3rd largest online property portal in the country</li> </ul> <p><b>Ecosystem</b></p> <ul style="list-style-type: none"> <li>Developing BTN Properti into the 3rd largest online property portal in the country</li> </ul>
Enabler	<ul style="list-style-type: none"> <li>Digitize the end-to-end mortgage process</li> <li>Improve API &amp; Sandbox management</li> <li>Set up governance and data structure</li> <li>Designing the Strategic Business Unit (SBU) structure and pilot</li> <li>Implementing the BUMN corporate culture</li> <li>Increase commercial BPI; launched CBC</li> <li>Strengthen Collection &amp; accelerate asset sales</li> </ul>	<ul style="list-style-type: none"> <li>Launched updated mobile banking, and internet banking for business</li> <li>Building Big Data Analytics capabilities</li> <li>Setting up digital factory &amp; Information Technology risk organization</li> <li>Develop credit risk models</li> <li>Developing a collection analytics based strategy</li> <li>Launch individual development platforms</li> </ul>	<ul style="list-style-type: none"> <li>Digitize the end-to-end mortgage process</li> <li>Improve API &amp; Sandbox management</li> <li>Set up governance and data structure</li> <li>Designing the Strategic Business Unit (SBU) structure and pilot</li> <li>Implementing the BUMN corporate culture</li> <li>Increase commercial BPI; launch CBC Strengthen Collection &amp; speed up asset sales</li> </ul>

### Marketing Aspect

### Marketing Strategy

To help the Company increase its competitive advantage, it requires a marketing strategy as a guideline in product marketing and providing direction regarding the running of the business.

### Campaign Plan 2023

Campaign Plan 2023 was Bank BTN's promotional planning strategy for 2023, by optimizing conventional media and digital media, Out of Home (OOH) as well as various activation activities, which are divided into categories:

1. **Primary (Hero Campaign)** : BTN Mobile (January - December)  
**Secondary** : - BTN Bisnis (June - October)  
 - Plus by BTN Prioritas (July)  
 - BTN Spekta (August)  
 - BTN Gaess Housing Loan (KPR) (November - December)  
 - BTN Bersubsidi Housing Loan (KPR) (November - December)
  
2. **Product of The Month (POM)** : - BTN Mobile (January - December)  
 - BTN Bisnis Savings (May - October)  
 - BTN Gaess Housing Loan (KPR) (November - December)
  
3. **Festive Campaign** : - Bank BTN 73rd Anniversary Promo (February) = moment of truth for Bank BTN's 73rd anniversary  
 - Ramadan and Eid al-Fitr Promo (March - April) = moment of truth Ramadan and Eid al-Fitr.  
 - Promo for the 78th Independence of the Republic of Indonesia (August) = moment of truth for the 78th Anniversary of the Republic of Indonesia
  
4. **Always ON** : This is publication and marketing through digital media, both as a call to action and to build awareness regarding the product.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Primary</b>												
<b>Secondary</b>												
<b>POM 1</b>												
<b>POM 2</b>												
<b>Festive Campaign</b>												
<b>Always On</b>	<ul style="list-style-type: none"> <li>• BTN eChannel Products &amp; Promos (BTN Mobile, IB and ATM)</li> <li>• BTN Visa &amp; GPN Debit Card Products &amp; Promos.</li> <li>• BTN Bataara Savings &amp; BTN Siap!</li> <li>• BTN Bisnis Savings</li> <li>• KPR and BTN Properti</li> <li>• BTN Specta</li> <li>• BTN Prioritas Services and Programs</li> <li>• Non-Subsidized KPR, Subsidized KPR, KAR and KRING products and programs</li> <li>• Sharia Products &amp; Programs</li> <li>• Other Products &amp; Programs</li> <li>• Corporate Corremunication</li> <li>• Festive</li> <li>• Government Communication</li> </ul>											

## Hero Campaign

<b>Objective</b>			
Increasing awareness by maintaining the relevance of BTN & HGCTHI with the younger generation, especially gen Z and millennials through BTN features & services in owning a home, investment and ease of transactions.			
HGCTHI 2020	HGCTHI 2021	HGCTHI 2022	HGCTHI 2023
BTN Gives a new perspective on the principle of You Only Live Once for the sake of a more planned future.	BTN Steps with the young people to embrace optimism: <b>Dare to face and get around today's challenges.</b>	BTN Provides <b>real solutions (actionable) to progress in live</b> in many ways (starting to own a house, investing and setting up a pension fund) that are digitally integrated.	BTN with its flagship product in 2023, supports and provides a way for customers to be braver in taking action, not to delay any longer in terms of owning assets because life is not just about today, <b>NOW IS THE TIME</b>



**HERO CAMPAIGN AS BTN MOBILE CAMPAIGN IN 2023**

**1. Making TVC for BTN Mobile features**

BTN Mobile’s superior features were packaged with communication materials that highlight ethnic diversity from each region, so that the information conveyed in the communication materials is more interesting and relates to various financial needs.

**CARI PROPERTI & KPR / SUNDA**

Easier to choose housing and apply for financing with KPR BTN  
TVC: [bit.ly/tvcbtnmobilesunda](https://bit.ly/tvcbtnmobilesunda)

**CASHFLOW TRACKER / MINANG**

Easier to monitor transactions in one hand TVC: [bit.ly/tvcbtnmobilepadang](https://bit.ly/tvcbtnmobilepadang)

**ONLINE ON BOARDING / JAWA**

Easier of choosing housing and applying for financing with KPR BTN TVC: [bit.ly/tvcbtnmobilejawa](https://bit.ly/tvcbtnmobilejawa)

**2. BTN Mobile Pre-launch (December 2022 – February 2023)**

**LED Videotron**

Plaza Indonesia, Ratu Plaza, SCBD, Sarinah (outdoor & Indoor), wisma indomobile, prapanca, Bandara Soetta

**MEDSOS**

Own Asset: Instagram, Facebook, X, Youtube

**TV**

**moji**

Squeeze frame & Superimpose

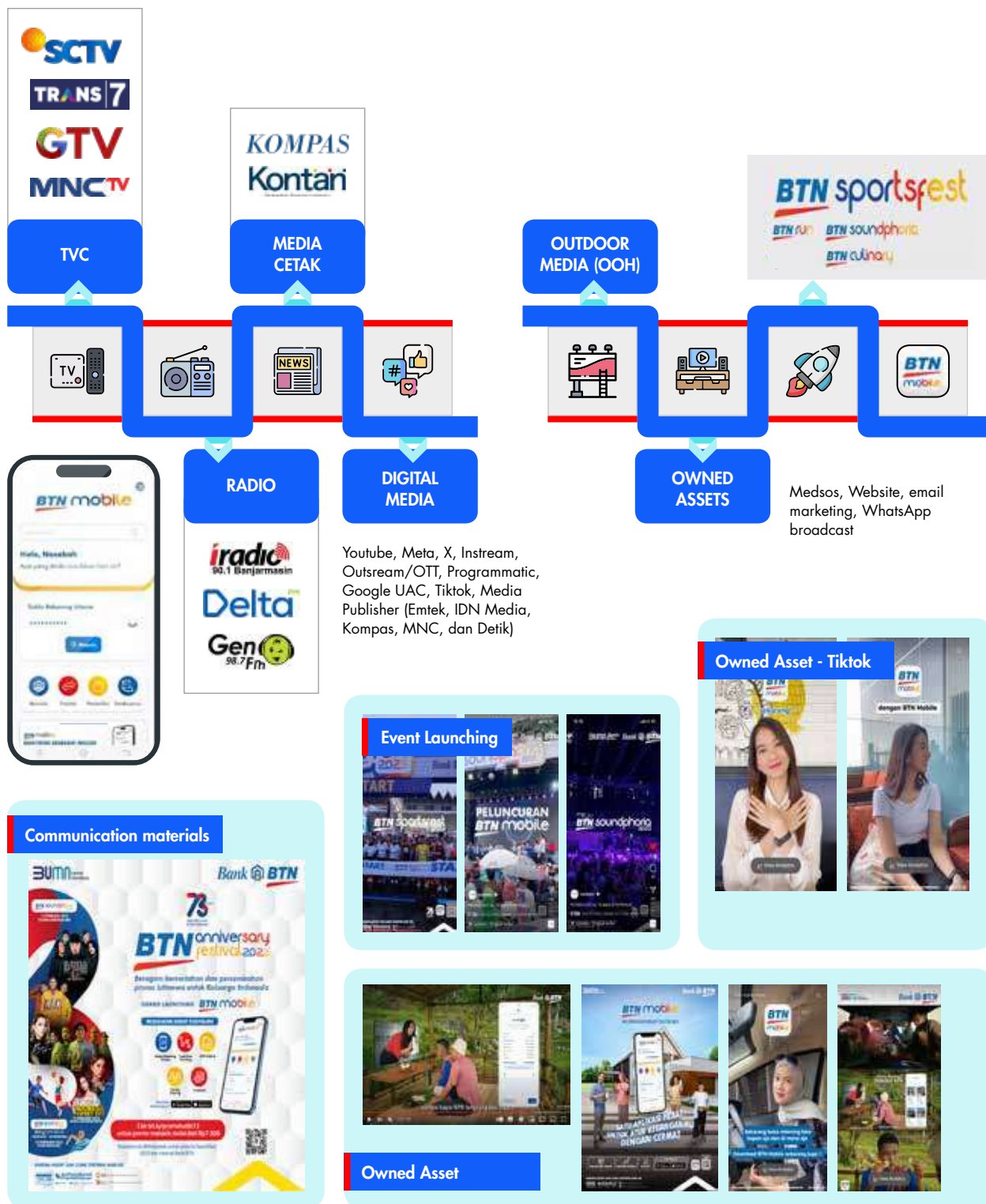
**Banners and Pennants**

**ATM**

**Head Office Building Sticker**

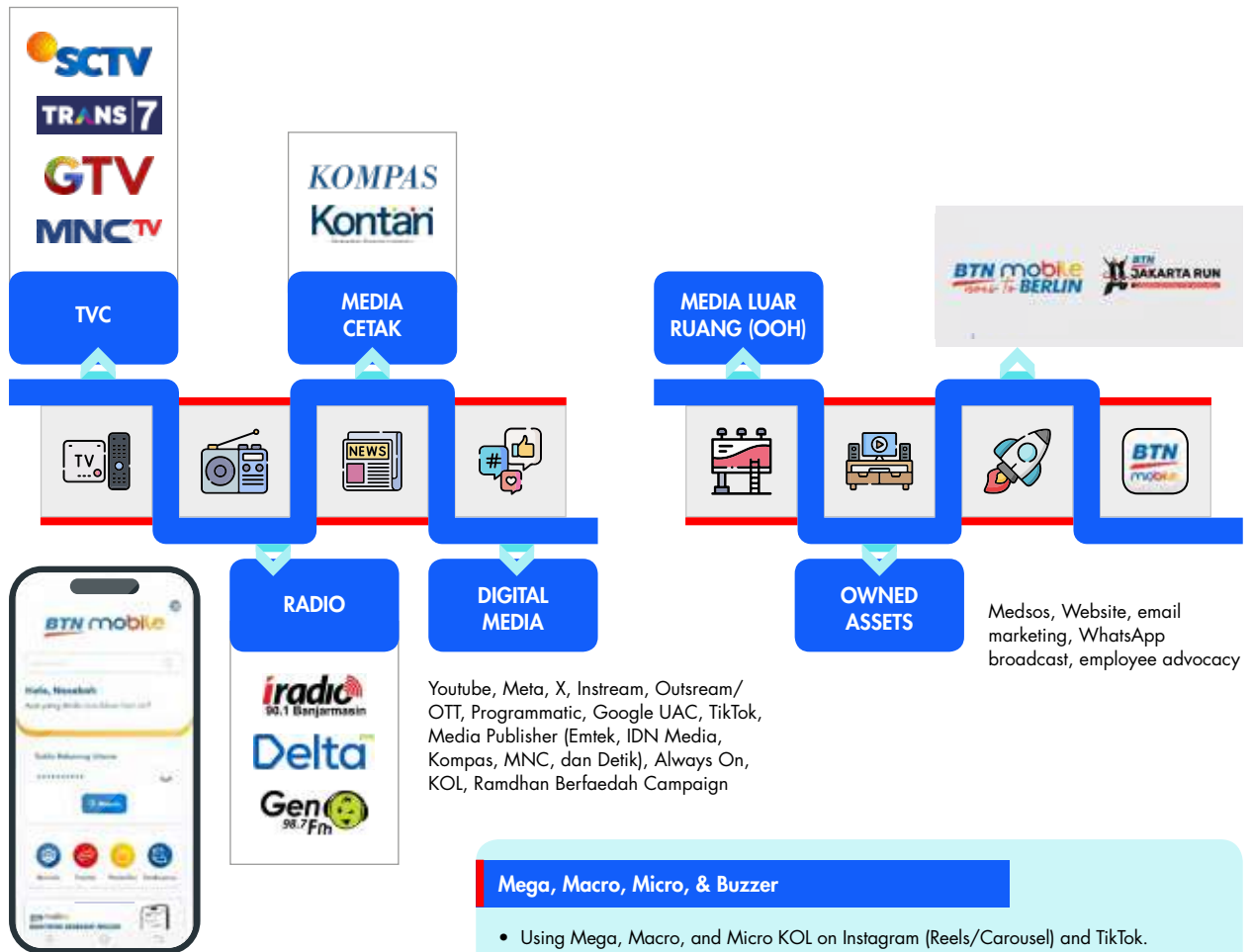
**Branch Office Building Sticker**

### 3. BTN Mobile Launching (February 2023)





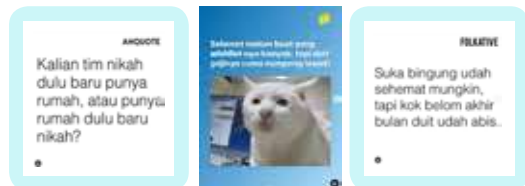
4. BTN Mobile Post launch (March - December 2023)



**▶ POST LAUNCH - KOL**

**Mega, Macro, Micro, & Buzzer**

- Using Mega, Macro, and Micro KOL on Instagram (Reels/Carousel) and TikTok.
- KOL videos are motivated by various problems or complications experienced by many people.
- Supported by a buzzer to create positive sentiment in KOL content and BTN Mobile ratings.



**1.649.930 Views, 305.830 Likes, 3.075.153 Reach**

- 4 Mega & Macro KOL on Instagram with 890,781 views, 79,593 likes, 749,395 reach, and ER 11.12%
- 4 Mega & Macro KOLs on TikTok with 735,000 views, 40,896 likes, and ER 5.61%
- 4 Micro KOLs on Instagram with 24,149 views, 3,306 likes, 223,823 reach, and ER 1.55%
- 7 Micro KOL on Tiktok with 174,909 views, 12,503 likes and ER 2.36%
- 4 Aggregators on Instagram 169,532 likes, 2,101,935 reach, and ER 8.55%

### ▶ Communication Materials

- TV, ATM, TV Banking Hall
- Paid Ads (digital)

### ▶ Communication Materials

### ▶ OHH - BUSWAY

### ▶ BRANCH OPERATIONAL CAR

### ▶ OHH - TAKSI

### ▶ INFLIGHT ADS

## ▶ POST LAUNCH - FESTIVE

## Ramadan Berfaedah

- With stories that relate to the audience
- Presenting content creators as talents based on various problems or complications experienced by many people

Part 1 - Hevi... Pasti sebagian dari kamu yang bakal iri pernah kerjain fitur salongin toll pas buktian kartu...  
Part 2 - Yah... Kok Pusan... Eits! Semangat jaban gak bakal ngejorin lagi kalau niku buka Tabungan BTN B...  
Part 3 - Jangan sampe samu barang ngabong temu bawak berak cuma bisa bengong kayak saat ompeng...  
Part 4 - Kalo tau gak kalau dari rumah yang jawab fu sempangin bakal video baik alyyy...  
<https://yt.fiktok.com/ZSL1RkQb/>



## ▶ POST LAUNCH - SUSTAIN

## EMPLOYEE ADVOCACY (PARTIPOST)

- Employee** advocacy is a promotional activity and awareness of the company and/ or its products and services by employees who work there. **52% of consumers** trust employees at a company more than the company or brand itself (Forbes.com).
- Employees promote BTN Mobile on personal social media accounts to **increase awareness**.

5. BTN Mobile goes to Berlin



Phase - 1 (Run Community & Competition)

**BTN Run 2023**  
12 February 2023

- Objective:**
- Launching BTN Mobile apps
  - Kick-off activation program "BTN Mobile Goes to Berlin"

**Activity**

**BTN RUN 2023**

**BTN Mobile Goes to Berlin "Run Community Roadshow"**  
February - Maret 2023

- Objective:**
- Create awareness dan trial untuk BTN Mobile apps
  - Help shape BTN's image as a modern and prestigious bank.

**Activity**

- Roadshow 5 cities community fun run
- IG competition to select **5 Indonesian runners** to run in the 2023 Berlin Marathon

Phase - 2 (Marathon Journey)

**BTN Run 2023 Goes to Berlin "Runners Journey"**  
May - September 2023

- Objective:**
- Education regarding the features of the BTN Mobile apps
  - Strengthen BTN's image as a modern, prestigious bank.

**Activity**

- Social media & offline activation regarding the journey of BTN runners in preparation for running in the 2023 Berlin Marathon

**BTN Runner Trip to Berlin 2023**  
21-25 Sept 2023

BTN runners travel to Berlin to take part in the 2023 Berlin Marathon  
Event date: September 24, 2023  
Travel date: September 21-25, 2023







## 6. BTN Jakarta Run 2023



## 360° Communication

### Marketing Activity

#### ATL (Above the Line) Marketing:

- Broad audience target
- Explains more of a concept or idea. No direct interaction with the audience



TV



Radio



Magz/  
News Paper



OOH/  
DOOH

#### BTL (Below the Line) Marketing:

- Limited audience target
- Media Or activities provide the audiences opportunity to interact and to purchase



Event  
Sponsorship



Point of Sale  
Materials  
(Poster/Leaflet)



Direct Marketing  
(Mail/SMS/WA  
Blast)

Through the Line (TTL) Marketing melibatkan penggunaan strategi pemasaran ATL & BTL. Tren konsumen baru-baru ini di pasar membutuhkan integrasi strategi ATL & BTL untuk hasil yang lebih baik. Periklanan 360° di mana kampanye dikembangkan dengan visi membangun merek serta konversi/akuntabel. Digital Marketing termasuk dalam TTL Marketing karena menggabungkan ATL & BTL Marketing.

Apart from implementing the marketing strategies mentioned above, the Company also implements product and service marketing strategies to encourage an increase in the share

of products and services. Apart from that, the Company also increases the effectiveness of cooperation in marketing and developing new products.

## Corporate Loan Marketing Strategy

The description of the marketing strategy for corporate loan products throughout 2023 was as follows:

### 1. Increase in Corporate Loan Portfolio in Sectors:

- a. Housing area
- b. Construction
- c. Telecommunication
- d. Energy Infrastructure
- e. State Institutions (Ministry of Finance Domestic Loans)
- f. Expansion of strategic cooperation with potential corporate debtors and their value chains (Semen Indonesia Group (SIG))

### 2. Expand Corporate Credit Financing in New Sectors:

- a. Renewable energy
- b. Agro Industry (Fertilizer)
- c. Other Infrastructure (Drinking Water)
- d. Health

## Commercial Loan Marketing Strategy

The company is implementing several marketing strategies for commercial credit products during 2023, namely as follows:

### 1. Expanding Commercial Loans Focusing on Financing Position Growth

- a. Product bundling with Subsidized KPR and Non-Subsidized KPR products.
- b. Determination of targets based on the potential in each Commercial Banking Center (CBC) area including its economic sector.
- c. Expansion of commercial credit segmentation targeting long-term loans.
- d. Continuing previous programs including the hospital and education sectors.
- e. Bank BTN synergy program with developer associations.

### 2. Better Commercial Loans Governance with the Aim of Improving Services to Customers

- a. Development and socialization of commercial credit products in accordance with business developments.
- b. Optimizing the use of commercial credit applications and Information Technology support.

## Housing Loan Marketing Strategies

Initiatives to develop the credit business in the short and medium term are:

### 1. Develop KPR Market Share in the Emerging Affluent and Affluent Segments

- a. Establishing a sales center that focuses on selling mortgages to the emerging affluent segment, where in 2023 sales centers will be opened in Jakarta-Kelapa Gading Square, Tangerang-BSD and Surabaya.
- b. Collaboration and marketing program with national and local property agents, as a Direct to Customer (D2C) strategy.

- c. Develop collaboration with developers to develop housing projects in the emerging affluent segment.
  - d. Strengthening the BTN Properti application and portal by digitizing the KPR process end to end, both for consumers and developers.
  - e. Building an instant purchase platform as part of BTN Properti.
  - f. Developing the Rent to Own KPR scheme as an affordable and equitable KPR scheme, targeting the millennial generation.
- ### 2. Increase in High Yield Margin Credit
- a. Increasing high yield credit (KRING, KAR) beyond mortgage through up-selling and cross selling programs to captive customers, office and industrial areas.
  - b. Upselling and cross selling programs for non-subsidized products to subsidized KPR customers who have or are almost paid off through analytics capabilities and upselling programs.
  - c. Pre approved loans or credit to existing debtors who meet the criteria through the Eagle Project and Ultimate Project (KAR and KRING)

## Subsidy Housing Loan Marketing Strategy

The marketing strategy for subsidized housing loans is as follows:

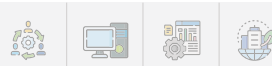
1. Expanding relationships with Subsidized KPR Supporting Institutions (Ministry of PUPR, BP TAPERA, Ministry of Finance, Ministry of Agrarian and Spatial Planning (ATR), Bappenas, and others)
2. Optimizing and monitoring informal sector programs that are already running, such as the Indonesian Market Traders Association (IKAPPI), the Indonesian Traditional Fishermen's Association (KNTI), and Gojek.
3. Get support from BP Tapera and SMF, as a source of additional funds for Subsidized KPR.
4. Develop equitable and inclusive financing schemes.
5. Increase the market share of Subsidized KPR by optimizing the acceleration of the file process.

## Commercial Funding Marketing Strategy

The marketing strategy for commercial funding is carried out as follows:

### 1. Business Ecosystem

Deepen acquisition activities for all institutional customer business potential, both to increase funding, fee-based and lending volumes. The main focus in the ecosystem business strategy is property related, education, healthcare, trade and industrial areas.



## 2. Reward Program

In order to appreciate and improve cooperative relationships with customers, a special reward program is provided for customers, namely the Supportive Program and Customer Engagement Xtra Rewards (SPACE-X). SPACE-X is a program that aims to stimulate the acquisition of new gear and optimize existing customers, by providing more benefits for CMS activation and referrals.

## 3. Customer Diversification

Acquisition of customers in categories (cash rich and middle) with a focus on all segments including SOEs Group, Private Corporation, Education and Government throughout the region.

## 4. Enhance Organization Structure

To strengthen middle institution customer acquisition, a new organizational structure was formed specifically to handle medium institution fund acquisitions.

## Funding Retail Marketing Strategy

The 2023 Marketing Strategy for Third Party Fund (TPF/DPK) Retail products is outlined as follows:

### 1. Business Ecosystem

Developing a business ecosystem as a sustainable business transformation with property related, healthcare, trade, education and industrial area segments.

### 2. Participating Account

Increase participating accounts with first usage, activation and strategic partnership programs.

### 3. Financial Solution

The BTN Solusi program offers financial solutions for employees originating from payroll/allowance management. Acquisition of payroll with the main focus on the BUMN and subsidiary sectors, education and health and retirees.

### 4. Branchless Banking

The agency business will focus on increasing awareness and agent quality through the number of transactions and funding.

## SME Banking Marketing Strategy

The 2023 marketing strategy for SME Banking products is outlined as follows:

### 1. Increased Disbursement of High Yield Loan (Eagle Project)

- a. Formation of MSME Unit Partners at Sub-Branch Offices (KCP) for Distribution of Establishment of MSME Unit Partners at Sub-Branch Offices (KCP) for MSME loan distribution.
- b. Increasing the realization of People's Business Credit (KUR) through direct selling to KPR debtors and other consumer loans.
- c. Segmenting sales of People's Business Loan (KUR) and KUMK Loan to ecosystems or communities according to regional potential through BPI SME.

## 2. Developing a Digital MSME System

Developing digitalization of the MSME loan distribution process using mobile apps and web apps.

## 3. Improvement of Business Processes and HR Quality

- a. Development of Business Process Improvement (BPI) for MSME loan products.
- b. SME education and Sales Loan Program using in-house training and e-learning methods.
- c. Increasing SME Loan performance through the SME of the Year Program, SME Reward Program and SME Gathering.
- d. Effectiveness of strategies and work programs through coaching SCPU Head, SME and Loan Program Sales.
- e. Optimization of SME Expert Power (TAD) in Sub-Branch Office (KCP).

## Sharia Product Marketing Strategies

The sharia product marketing strategy includes sharia funding and sharia financing products which are described as follows:

### 1. Sharia Funding Product Marketing Strategies

- a. Increasing collaboration with Educational Institutions. Islamic Institutes. Developers. State Ministries/ Government Agencies to deliver institutional fund management as well as transactional and investment services.
- b. Increasing collaboration with agencies/institutions in payroll services.
- c. Strengthening institutional cooperation with collaboration programs and customer incentives.
- d. Increasing collaboration with educational institutions for the distribution of Smart Indonesia Cards and Savings for students.
- e. Increasing Non-FLPP Giro TPF from Government cash management cooperation (Ministries/Institutions/ Public Service Agencies)
- f. Increasing payment cooperation and optimizing Zakat. Infaq. Alms and Waqf funds digitally with philanthropic Institutions.
- g. Intensifying the savings of existing and community financing customers.
- h. Collaborating with the Hajj Financial Management Agency (BPKH) to provide Integrated Hajj Information and Computerized System (SISKOHAT) services to increase Hajj and Umrah savings.
- i. Increasing the role of the Sharia Service Office (KLS) in Hajj registration services and sales of Hajj and Umrah Savings products.
- j. Increasing Current Account and Savings Account (CASA) funds through marketing activities such as investor gathering, property expo and individual engagement.
- k. Increasing Company Sharia Business Unit (UUS) brand awareness through marketing communications programs.

- i. Providing Digital Banking services through online customer account opening without the customer needing to visit the outlet.
- m. Developing e-channel features (mobile banking, internet banking, ATM).

## 2. Sharia Financing Product Marketing Strategies

- a. Developing cooperation with Top Developers to obtain higher ticket size (i.e. emerging affluent and affluent) with increased marketing efforts.
- b. Strengthening communication with housing stakeholders (Ministry of Public Works and Housing, Ministry of Finance) in the preparation of the Government's One Million Houses Program.
- c. Establishing cooperation and marketing programs with national and individual property agents, as direct-to-consumer (D2C) strategy, especially for Second-hand Housing Loan.
- d. Developing financing business that targets the millennials through partnership with developers in joint promos for the millennials and KPR Harapan.
- e. Optimizing the existing Housing Loan customer database through financing top-up program.
- f. Developing and selling products along the commercial developer partners value chain.
- g. Conducting ongoing maintenance for Existing Developers - New Project or Existing Project Development.
- h. Diversifying the financing portfolio for SOEs, Bonafide Private Business Groups and Educational Institutions.
- i. Conducting digitization and automation of consumer and commercial financing processes (increasing Consumer FOS and Use of Commercial FOS).
- j. Developing special millennial mortgage (KPR) products to increase millennial market acquisitions.
- k. Develop effective and integrated marketing communications and rebranding through an umbrella campaign.
- l. Merchant and partnership promotions that can reach all of Indonesia.
- m. Organize events that directly impact business achievements through integrated activities (customer gathering) and branch activation.
- n. Create products that can accommodate the Rent to Own Sharia scheme.
- o. Synergy and optimization of cooperation between development partners and the Employment Social Security Administering Agency (BPJS TK) in the distribution of BPJS TK Additional Service Benefit (MLT) KPR.
- p. Expand cooperation with partners providing goods and services with a KPR bundling system.
- q. Expansion of cooperation with travel provider partners.

## BTN Prioritas Services Marketing Strategy

BTN Prioritas service is a special service specifically intended for BTN Prioritas customers. Due to the specific target market, most marketing activities are Bellow The Line (BTL), through direct communication to customers. Starting from the first time a customer joins BTN Prioritas, the customer will receive a welcome greeting. Customers will also get updates about BTN Prioritas promos and interesting ongoing programs via SMS blasts sent tactically or regularly via the Priority Booklet.

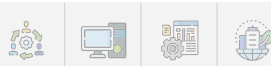
Even so, Above The Line (ATL) marketing strategies are still being implemented, because BTN Prioritas still needs exposure to become better known as a brand, considering that Top of Mind Bank BTN is still related to KPR. Activities carried out include advertisements on TVCs, advertisements in cinemas, and events in public places, and exhibitions in collaboration with partners.

Apart from BTL and ATL marketing strategies, BTN Prioritas marketing utilizes PLUS by BTN Prioritas as a marketing engine to increase BTN Prioritas customer loyalty. Currently, PLUS Acquisition has been developed as a marketing tool as an alternative for the sales team in offering programs with various benefits and/or attractive prizes for BTN Prioritas customers, which previously were offered directly by the BTN Prioritas Relationship Manager. PLUS Acquisition in the marketing strategy is a pull factor that functions to create needs for BTN Prioritas customers.

## Transaction Banking Product Marketing Strategy

A description of the marketing strategy for transaction banking products throughout 2023 includes the following:

1. Piloting 3 (three) Business Ecosystem Segments which is an initiation program in 2023 to support the provision of "One Stop Service", including in the Cement, Health and Education Industries.
2. Increasing collaboration on new customer acquisition with the SME, Commercial and Corporate Segments to encourage transaction banking product and service activities, including cash management to support increasing CASA and trade finance to support increasing fee based income.
3. Expanding cooperation with insurance companies, government agencies, private companies and state-owned companies, as well as other stakeholders who support the acceleration of transaction banking product acquisition.
4. Optimizing the role of transaction banking sales and wholesale implementers in executing transaction banking business in the region.



## Digital Service Marketing Strategy

In increasing digital reach, company prepared several marketing strategy steps as follows:

### 1. Digital Service Development

To increase customer satisfaction, the digital channel continued to develop digital product and service features oriented to customer banking needs, Digital Channel developed various digital platforms ranging from Superapps BTN Mobile, EDC Acquiring, QRIS, API Management to services that support customer transaction security such as SMS notifications, biometric logins and others. These various platforms were designed in such a way that BTN customers could carry out banking transactions anywhere and anytime according to their needs. so that the customer's sense of engagement with BTN got stronger and synergy.

### 2. Strengthening the Digital Mortgage Ecosystem

- a. BTN as a bank that focuses on the housing sector had a central role in shaping the digital mortgage ecosystem. On this basis. in every service development. the bank always prioritized strategic cooperation with partners who were members of the housing ecosystem from upstream to downstream through various digital products and services such as BTN Property, BTN Property for Developers, E-Mitra, to the BTN Smart Residence application.
- b. Apart from developing these applications. BTN routinely organized BTN Property Expo both offline and online to accommodate the needs of the community in obtaining housing through KPR BTN.

### 3. Increase in User Acquisition and Active Rate Transactions through Direct Sales:

One of the digital channel marketing strategies implemented through a direct sales scheme to customers and to increase the active rate of transactions was as follows:

- a. BTN Mobile acquisition reward program  
Customers who register and activate BTN Mobile during the program period will receive a savings balance reward that is credited to the customer's account. This program runs periodically throughout 2023 with different cashback values according to the current momentum.
- b. Acquisition incentive program for Branch Offices (KC)
  - Branch Offices that successfully registers from digital services will received a reward worth:

Acquisition Package	Reward Value	Kuota
BTN Mobile Banking/ BTN Internet Banking + Notification SMS	IDR5.000,-/ account	60.000/month
BTN Mobile Banking + BTN Internet Banking + Notification SMS	IDR7.500,-/ account	

- c. Culinary Snack Program with QRIS BTN Mobile which is implemented in several cities in collaboration with several merchants typical of each city's region.
- d. Regular program to increase transactions and brand awareness of features on BTN Mobile.
- e. Offline events have been held in several regions, nationally and regionally. Nationally, it has been implemented in several malls, events and office food courts in the Jakarta area. The promo program is as follows:
  - Mall  
Open booths in various malls in Jakarta and other areas.
  - Event  
Collaboration with promoters or other event organizers, to collaborate with BTN Mobile (method: sponsorship)
  - Foodcourt  
Promotion in the form of paying for customer lunch with BTN Mobile. Customers who register and activate BTN Mobile at the offline event will get a lunch voucher at that location.
- f. Carrying out activation activities via social media such as conducting hashtag campaigns, creating challenges on social media (such as: Tiktok), collaborating with influencers both micro, macro and medium.
- g. Carrying out BTN Mobile branding in all the Company's Branch Offices and Regional Offices. An example is branding BTN Mobile on office buildings and official office cars, as well as several public facilities in collaboration with management agencies in big cities.

## Market Share

Information regarding Bank BTN's market share compared to the banking industry is presented as follows.

**Table of Bank BTN Market Share dibandingkan dengan Banking Industry Indonesia**

(in IDR trillion)

Description	Information	September 2023	September 2022
Asset	Banking Industry	11,170	10,501
	Bank BTN	410	389
	<b>Bank BTN Market Share (%)</b>	<b>3.67%</b>	<b>3.71%</b>
Third-party Fund	Banking Industry	8,147	7,647
	Bank BTN	324	313
	<b>Bank BTN Market Share (%)</b>	<b>3.97%</b>	<b>4.09%</b>
Loans	Banking Industry	6,908	6,338
	Bank BTN	318	290
	<b>Bank BTN Market Share (%)</b>	<b>4.61%</b>	<b>4.57%</b>

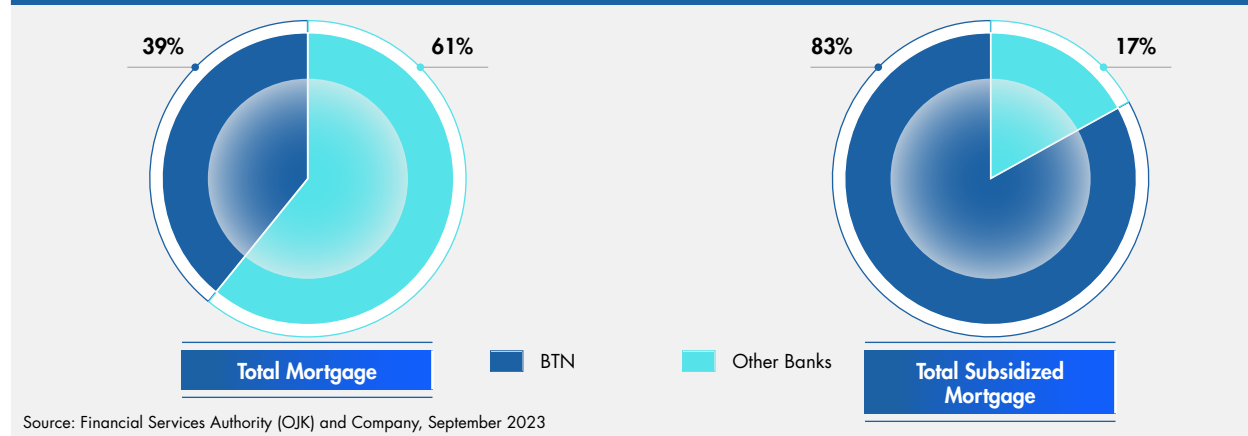
Source: Indonesian Economic and Financial Statistics Bank Indonesia (SEKI BI), Indonesian Banking Statistics Financial Services Authority (SPI OJK), Internal Data, processed.

Bank BTN's assets grew by 5.24% yoy, lower than the growth in total Asset Banking Industry, which was 6.37% yoy, in connection with the Company's focus in 2022 on improving business quality. Until September 2023, Bank BTN Market Share is 3.67%. Bank BTN's Third-party Fund (DPK) grew by 3.54% yoy, to IDR324 trillion until September 2022, lower than the growth of Banking Industry DPK which grew 6.54% yoy. This caused Bank BTN's DPK market share to fall by 12 bps to 3.97% in September 2023 from the previous 4.09% in September 2022. Bank BTN's loan and financing grew 9.87% yoy, to IDR318 trillion until September 2023, higher than banking loan growth which grew 8.99% yoy. This prompted an increase in Bank BTN's loan market share to 4.61% until September 2023.

## Housing Loan Market Share

As the largest Housing Loan (KPR) provider in Indonesia, Bank BTN has a market share of 39% with a total outstanding KPR of IDR251 trillion. The main competitor in the KPR business in Indonesia is Bank BCA with outstanding credit of IDR118 trillion, followed by Bank BNI with outstanding credit reaching IDR57 trillion. As a bank that focuses on mortgage financing, both subsidized and non-subsidized mortgages, the Company has a large market share in housing credit distribution in Indonesia. Especially with the One Million Houses Program agenda from the Indonesian Government through the Ministry of Public Works and Public Housing and BP Tapera, the Company is believed to get the largest portion in the distribution of subsidized KPR financing. On September 30, 2023, the Company's market share in the subsidized mortgage financing sector reached 83% while the Company's market share in overall mortgage financing on September 30 2023 reached 39%.

### Housing Loan (KPR) Market Share September 2023



Source: Financial Services Authority (OJK) and Company, September 2023