


35

initiatives
implemented
in 2023



FUNDING: Retail, Institutional & Wholesale					
1. Develop electronic channels and activate retail banking transactions (Mobile Banking, EDC, QRIS, & related channels)	2. Develop retail customer acquisition/activation strategies on channels (Mobile Banking, EDC, QRIS, & related channels)	3. Develop Operational Risk Readiness and Fraud Risk Strategy	4. Developing products and activating retail banking transactions	5. Develop a retail customer activation strategy	6. Developing CASA in the business segment
7. Increased Sales of Foreign Exchange & Securities Transactions with Customers	8. Develop Trade Finance and Bank Guarantee Business	9. Prepare a Transaction Banking Road Map	10. Implementation of the Single Relationship Model for Corporate Segments		
LENDING: KPR, Personal Loan, SME, Asset Management					
1. Building a KPR Business Model for the Emerging Affluent Segment	2. Develop an alternative proxy income model to increase the approval rate	3. Optimizing Sales Channels for personal loan offers via digital (New Mobile Banking/BTN Properti) & Telesales	4. Building a High Yield Loan business in the consumer credit segment	5. Expansion of High Yield Loan Business for SMEs	6. Develop a Collection Strategy for the SME Segment
7. Centralize the SME credit process in the MSME Process Center	8. Implementation of the new SME business process and SME Decision Engine				
ENABLER: Human Capital, Operations, Finance					
1. Develop HCBP to align HC strategy with Business and answer the Bank's needs	2. Refine HC's organizational structure and design a grading system that is in line with business needs	3. Further improvements to increase operational excellence and HR management practices	4. Implementing a multi-sourcing strategy and running an on boarding program for new recruits and internal movements	5. Apply systematic productivity measurement methodologies and matrices for the business and support segments	6. Implement integrated performance management principles and governance and apply multi-source performance assessments to ensure overall objectivity
7. Align remuneration systems and incentive programs to attract, retain and motivate employees	8. Sharpen learning strategies, apply coaching consistently and carry out interventions to support a learning culture	9. Carry out succession management to ensure the fulfillment of key/critical positions and close the generation gap	10. Activate the 4 EVP Pillars: Learn, Grow, Contribute and Engagement in encouraging increased branding of Bank BTN	11. Increasing the internalization of AKHLAK culture and the four pillars of Bank BTN culture through continuous optimization of Change Agent Networks and Cultural Programs	12. Implement integrated HCIS to support operational excellence, data-based decision making. As well as providing a seamless employee experience
13. Implementation of predictive and productivity-based workforce planning	14. Rollout-record (Centralization and Digitization) in 30 KC	15. Development of Profitability Measurement Systems	16. Implement an SBU structure to build a performance-driven organization	17. Review/Rebranding of Bank BTN	

In 2023, corresponded to the Company's Transformation Journey phase in 2023 is "Digital Disruption to Master the Housing Ecosystem", Bank BTN succeeded in exceeding the profit target set, net profit in 2023 was realized at IDR3.50 trillion with growth of 14.97% (yoy), this increase was due to the success of

the Company's strategy in improving credit quality, expanding high yield credit and optimizing operational income besides flowers. The profit in 2023 will be the largest profit in the history of the Company's existence.

Dividend Policy, Announcement and Payment

Dividend Policy

The policy basis for dividend distribution was based on the resolution of the Annual General Meeting of Shareholders (AGMS) or the Extraordinary General Meeting of Shareholders (EGMS) based on Law no. 40 of 2007 concerning Limited Liability Companies. The amount of Bank BTN dividends was determined at the General Meeting of Shareholders (GMS).

The factors considered in determining the amount and payment of dividends included the level of financial soundness, the level of capital adequacy, the need for funds for further business expansion, without prejudice to the right of the Bank BTN GMS

to determine otherwise in accordance with the provisions of the articles of association. Based on these matters, unless there were other fundamental reasons, management plans to pay a minimum cash dividend of 20% of net profit each year.

Dividend Announcement and Payment

Information regarding the announcement and payment of dividends for the 2022-2021 financial year is presented as follows.

Table of Announcement and Payment of Dividends for Fiscal Year 2022 - 2021

Description	Fiscal Year 2022	Fiscal Year 2021
Net income (IDR)	3,045,071,859,198	2,376,225,756,803
Cash Dividend	609,014,371,840	237,622,575,680
Non-Cash Dividend *)	-	-
Number of Shares (qty)	14,034,444,413	10,590,000,000
Cash Dividend per Share (IDR)	43.39	22.43



Description	Fiscal Year 2022	Fiscal Year 2021
Non-Cash Dividend per Share *)	-	-
Dividend Pay Out Ratio (%)	20	10
Announcement Date	March 17, 2023	March 04, 2022
Cash Dividend Payment Date	April 14, 2023	March 31, 2022
Non-Cash Dividend Payment Date*)	-	-

Note: *) The Company does not have Non-Cash dividends

Announcement and Payment of Dividend For Fiscal Year 2022

In 2023, the Company distributed cash dividends for the 2022 financial year in accordance with the results of the 2023 Annual GMS decision dated March 16, 2023. Based on the 2023 Annual GMS, Shareholders decided to approve and determine the use of the Company's net profit for the 2022 financial year amounting to IDR3,045,071,859,198 (three trillion forty-five billion seventy-one million eight hundred and fifty-nine thousand one hundred and ninety-eight Rupiah) as follows:

1. In the amount of 20% (twenty percent) or IDR609,014,371,840 (six hundred nine billion fourteen million three hundred seventy one thousand eight hundred and forty Rupiah) as cash dividends to Shareholders paid under the following conditions:
 - a. Dividends from the Government of the Republic of Indonesia for ownership of 60% (sixty percent) shares amounting to IDR365,408,623,104 (three hundred sixty five billion four hundred eight million six hundred twenty three thousand one hundred four Rupiah), was deposited into the State General Treasury Account in Rupiah currency.
 - b. Other Shareholder Dividends for ownership of 40% (forty percent) of public shares amounting to IDR243,605,748,736 (two hundred forty three billion six hundred five million seven hundred forty eight thousand seven hundred thirty six Rupiah) was paid to shareholders proportionally according to share ownership.
 - c. Grant authority and power to the Company's Directors with substitution rights to determine the schedule and procedures for distributing dividends for the 2022 financial year in accordance with applicable regulations.

2. 80% (eighty percent) or IDR2,436,057,487,358 (two trillion four hundred thirty-six billion fifty-seven million four hundred eighty-seven thousand three hundred and fifty-eight Rupiah) as retained earnings.

Announcement and Payment of Dividend for Fiscal Year 2021

In 2022, the Company distributed the 2021 Fiscal Year cash dividends in accordance with the results of the 2022 Annual GMS decision dated 02 March 2022. Based on the 2022 Annual GMS, Shareholders decided to approve the use of the Company's Fiscal Year 2021 Net Income amounting to IDR2,376,225,756,803 (two trillion three hundred seventy six billion two hundred twenty five million seven hundred fifty six thousand eight hundred three rupiah) as follows:

1. An amount of 10% (ten percent) or IDR237,622,575,680 (two hundred thirty-seven billion six hundred twenty-two million five hundred seventy-five thousand six hundred and eighty rupiah) is determined as cash dividends to Shareholders who will paid under the following conditions:
 - a. Specifically, the Government's share of dividends for ownership of 60% (sixty percent) shares amounting to IDR142,573,545,408 (one hundred forty-two billion five hundred seventy-three million five hundred forty-five thousand four hundred and eight rupiah) will be deposited into the State General Treasury Account .
 - b. Grant authority and power to the Company's Directors with the right of substitution to determine the schedule and procedures for distribution of Fiscal Year 2021 dividends in accordance with applicable regulations.
2. 90% (ninety percent) or IDR2,138,603,181,123 (two trillion one hundred thirty eight billion six hundred three million one hundred eighty one thousand one hundred twenty three rupiah) is determined as retained earnings balance.

Realization of Use of Proceeds from Public Offering

Throughout 2023, no bonds were issued so there was no obligation for the Company to report the proceeds from the bonds. However, there was additional capital through a rights issue/privatization mechanism with State Capital Participation Report (PMN) amounting to IDR2,479,999,977,600, plus funds

from the public amounting to IDR1,653,333,318,000, all of which was deposited into Bank BTN Capital after deducting the issuance costs. Detailed information regarding additional capital through the rights issue/privatization mechanism is presented in the State Capital Participation Report (PMN) section.