



Mrs. Esti Yuliana, BTPN Syariah financing customer of Sentra Bumi Waras 23, Lampung, together with her husband, working hand in hand to produce kemplang crackers to be distributed to their customers



02 management report

Fast and adaptive measures in the midst of the pandemic dynamics, as well as having a solid synergy with stakeholders were BTPN Syariah's significant actions to respond to the conditions and realize its aspiration of building a sharia-based digital ecosystem.



president commissioner's report

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"BTPN Syariah continues to fulfill its commitments by adhering to its Mission and Vision as well as upholding the values of social justice and supporting the government's measures in the national economic recovery program."

Kemal Azis Stamboel

President Commissioner

By continuously adhering to the "Do Good, Do Well" philosophy, the Bank has supported the government and strived with the underprivileged customers to sustain the survival of their lives and their businesses.

Bismillahirrahmanirrahim

*Assalamualaikum Warrahmatullahi
Wabarakatuh*

Dear Stakeholders,

The world, including Indonesia, is still being tested with an unprecedented crisis. We have been forced to change the way we work in order to adapt to the circumstances and changes that has occurred due to the impact of the COVID-19 pandemic. The pandemic conditions have also increased risks to financial and economic stability, especially with concerns about inflation and disruptions to world supply chains causing logistical bottlenecks and affecting trade and industrial operations.

For BTPN Syariah itself, early 2021 started with positive sentiments. Various measures to restore the national economy through the acceleration of vaccination, gradual easing of restrictions on community mobility and government assistance programs began to revive people's economy. However, in the second and third quarters, Indonesia faced a second wave due to ferocious Delta variant and forced the government to respond with fast and extraordinary policies.

The situation necessitated the Bank to immediately take adjustment measures to quickly and appropriately adapt to the situations. In addition to having an agile business model, the Bank's biggest asset to overcome the situation has been its resilience and ability to inspire resilience to all stakeholders, especially the underprivileged customers.

performance of the board of directors

Since its inception, the Bank has targeted underprivileged communities as the Bank's primary segment. The segment, known as ultra-micro, consists of women from the underprivileged communities who subsequently become the Bank's financing customers. BTPN Syariah's business model based on serving this segment signifies not only the Bank's business uniqueness, but also demonstrates the significant actions for meaningful impacts on all #bankirpemberdaya in supporting and providing equal opportunities for the group that is often considered underprivileged and unbankable.

Naturally, the group also ought to be the most affected by the pandemic. Many government assistance and program activities have been directed toward them, especially in terms of health care, social protection and economic strengthening. In line with this, the Bank has also supported the government's economic recovery programs that can be utilized by this segment, such as providing stimulus, restructuring financing and increasing working capital.

The Bank's main segment is not only different, but also requires attention through specially designed innovations to bring them on the right track in realizing their aspirations. These are the primary considerations of the Board of Directors and management in formulating strategies and providing business navigation for the Bank.

By continuously adhering to the "Do Good, Do Well" philosophy, the Bank has supported the government and strived with the underprivileged customers to sustain the survival of their lives and their businesses. In particular, these included how to foster higher adaptability and be more agile in facing difficult situations and subsequently enabling recovery.

In such cases, the Board of Commissioners has continuously emphasized in constant focus on the shared mission and vision. Namely, sustaining what has been achieved so far in assisting and empowering the underprivileged customers, and high resiliency in realizing the aspirations for the future in accordance with sharia principles.

The assistance approach by continuously digging deeper into the needs of customers and building relationships with them has been the direction given by the Board of Commissioners to the Board of Directors and management. This has included being realistic in taking measures to introduce digitalization to the underprivileged customers. It has followed that the Bank has been required to really comprehend that prior to using digital devices and products, the most important thing has been to provide digital literacy through carefully thought-out stages.

Over time, these devices and products will not only offer ease and convenience of transacting, but simultaneously more added value from each of the Bank's products and services. This will help the customers go to the next level and become inspirational customers who can inspire their families and communities.

The Board of Commissioners has deemed that the Board of Directors and management were successful and most optimal in managing the Bank in 2021, which allowed the Bank to achieve excellent performance and become a great exemplar for all #bankirpemberdaya. All lessons learned in 2021 enabled the Bank to build solid teams that move in one frequency sharing the same focus and conviction. These are what we view as the significant actions for meaningful impacts.

In terms of supervisory duties, supported by the Board of Commissioners' Committees, the Board of Commissioners has consistently performed its supervisory duties and provided strategic advice and direction to the Board of Directors. The supervisory function has been conducted through an open communication system. The Board of Commissioners has invited the Board of Directors to its regular meetings, and vice versa. The two-way communication model has been carried out to allow all plans to be communicated openly, honestly, and transparently to ensure that all parties have received information properly and understood their respective duties.

implementation of good corporate governance

Good Corporate Governance (GCG) signifies the identity and character of a company. Over time, the Bank improves its performance consistently through enhanced GCG by implementing best practices in accordance with the prevailing standards and regulations. This has aimed at ensuring that the Bank has taken the right measures based on the prudential principles in the product development and refinement processes, formulation of strategic initiatives in business competition, and adequate information technology readiness. The objectives have also included assurances on the human capital development, integrity of financial reports, internal

control system and risk management, reporting and disclosure of information, compliance, and corporate governance. Other recommendations have also been given to the Board of Directors regarding policy measures deemed necessary with due observance of the prevailing laws and regulations.

Throughout 2021, the Board of Commissioners held regular meetings to ensure that sound implementation of GCG were carried out well, and discussed related topics to jointly find solutions. An important note for GCG in 2021 was the fulfillment of the important roles of financial service institutions in supporting the national economy and the efforts of the banking sector in sustaining the best services to stakeholders, as well as support for financial system stability. Accordingly, the Bank strived constantly for vigilance against ongoing conditions and prioritized measures to prevent the spread of COVID-19 in implementing GCG in 2021.

The manifestation of sound implementation of GCG principles in BTPN Syariah was to uphold the commitment to implementing GCG for Public Companies with operational processes that were adapted to the COVID-19 pandemic situations and conditions without reducing efforts to innovate aimed at continuously advancing the implementation quality.

There were no changes in the composition of the members of the Board of Commissioners of BTPN Syariah.

2022 prospect

The Board of Commissioners considers that 2022 will be a year filled with optimism. The global and Indonesia economic situations are projected to experience an accelerated recovery, although remained alert to all uncertainties and situations beyond expectations, especially concerning the pandemic.

In line with this, the Company is expected to be able to increase its growth and profitability by attentively analyzing market opportunities that may be different from the previous years. What can be more optimized by the Bank are strengthening synergy and collaboration with potential partners, as well as preparing new innovations and breakthroughs to improve performance in this line of business.

In addition, digitalization technology by now should already have become the backbone of the Bank's operational management, especially in various digitalization implementations and integrations to improve the Bank's efficiency and services for the future in line with the Bank's aspirations to create a sharia digital ecosystem.

closing

The Bank's achievements to date cannot be considered separately from the support of all parties. Therefore, on behalf of the Board of Commissioners, I would like to sincerely thank all customers, Shareholders, Government, Regulators and stakeholders for the generous support, motivation and prayers given to BTPN Syariah.

I also thank the chairman and members of the Sharia Supervisory Board, Mr. H. Ikhwan Abidin, MA and Mr. H. Muhammad Faiz, MA. for the direction and supervision given to the Bank.

Finally, our heartfelt appreciation goes to the Board of Directors and management, as well as all #bankirpemberdaya for their dedication, hard work, commitment and integrity that have enabled the realization of various new actions that have made significant impacts on millions of Indonesian people.

Wassalamualaikum Warahmatullahi Wabarakatuh



Kemal Azis Stamboel

President Commissioner/Independent