

Corporate Social Responsibility Associated with Responsibility to Consumers —

As a pioneer bank providing housing for communities, the Company continues to build and maintain its reputation by strengthening customer service and satisfaction. The Company realizes that quality banking services are key to maintaining customer loyalty and business continuity.

Understanding customer needs, prioritizing excellent service, and optimizing digital banking, are the best ways for the Company to ensure long-term business growth. Until the end of 2019, the Company had launched a number of digital technology-based services for all products and transactions in stages so that banking transactions had become more efficient, convenient, and practical.

Commitment and Policy of Corporate Social Responsibility to Consumer

The Company constantly does its utmost to maintain overall customer satisfaction by enforcing the best service systems. The establishment of policies for handling and resolving customer complaints is one form of the Company's responsibility to defend customer's rights in interacting with the Company. On the other hand, the Company is also committed to business alignment strategies to protect customers and enhance the quality of products and services. These measures are not only in line with business development but are also important for Company culture and values that consistently safeguard customer interests.

Target/Activities Plan of Corporate Social Responsibility to Consumer

The Company has set targets to enhance customers satisfaction through various programs, including customers protection, service improvements, education for customers, settlement for customers complaints, as well as CSR distributions to customers and/or its surroundings.

Activities and Impact of Corporate Social Responsibility to Consumer

Access to Product Information

The Company makes available the access to its banking products and services, which is available through its website <http://btn.co.id>. Moreover, the Company has established and operated systems and procedures to ensure that all products and services information are in accordance with Bank Indonesia regulations.

Banking Product Information Transparency and Use of Customer's Personal Data include:

1. Providing complete and clear written information in the Indonesian language concerning the characteristics of each Bank Product
2. Delivering information to Customers both in writing and verbally
3. Delivering no misleading and/or unethical information
4. Delivering information on the characteristics of the Bank's products including, product name, product type, benefits and risks inherent in the product, requirements and procedures for using Bank products, costs attached to the product, calculation of interest or profit sharing and profit margins, the period of validity of the product and the issuer/originator of the product.
5. Delivering information about the product guarantee program related to Bank products and raising funds.
6. Informing customers of any changes, additions and or deductions on the characteristics of the Company's products.
7. Including information on the characteristics of bank products whose location and/or shape are clearly visible and/or legible and/or easy to understand.
8. Providing bank product characteristics information services that can be accessed easily by the public and publishing them through the Company's website www.btn.co.id which is easily accessible to the general public.

Program Customer Education Program

The Company has executed financial literacy and other financial education programs every year. This is in accordance with the directive of the Financial Services Authority (OJK) regarding the Indonesian national financial literacy blueprint program as well as Financial Services Authority Regulation No.76/POJK.07/2016 concerning enhancing financial literacy and inclusion in the financial services sector for consumers and/or the public

Customer Data Confidentiality

The Company consistently upholds the confidentiality of customer data in accordance with applicable provisions including: (1) Law No. 7 of 1992 concerning Banking; (2) Law of the Republic of Indonesia No. 10 of 1998, concerning Amendment to Law No. 7 of 1992; (3) Bank Indonesia Regulation No. 2/19/PBI/2000, concerning Requirements and Procedures for Granting Written Orders or Permits Conveying Bank Secrets Regarding Customer privacy policies.

The Company, correspondingly, has in place a special policy stated in Circular of the Board of Directors No. 40/DIR/ICTD/2016, concerning the Information Security Guidelines of PT Bank Tabungan Negara (Persero) Tbk. In this policy, the Company establishes prerequisites to ensure that all confidential and sensitive information is protected from computer viruses and is safeguarded from information leaks and damages. Various attempts made by the Company to safeguard customer data include installing all approved software and updating it regularly, organizing IT security training for IT users, implementing management/standardization of passwords to ensure authorized access only to protected information.

In 2020, the Company did not record any complaints from customers related to data leakage or customer data confidentiality. The company also did not find any lost customer data and other complaints from outside parties or regulators.

Customer Deposit Insurance Protection

One of the keys to business continuity in the banking industry is safeguarding the trust of customers and all other stakeholders. Internally, the Company is committed to harmonizing business strategies with efforts to protect customers and improve the quality of products and services. Trust is nurtured with the presence of legal certainty, Bank supervision and guarantees of customer deposits. As stipulated in Law No. 24 of 2004 concerning the Deposit Insurance Corporation (Lembaga Penjamin Simpanan/LPS), the Company guarantees customers deposits through the Deposit Insurance Corporation.

Customer Complaint Mechanism

The Company has made various efforts to meet customer expectations in accordance with the customer complaint center through the Customer Complaint System (SPN) which can monitor complaint resolution in a comprehensive manner. The establishment of the complaint system is based on the Financial Services Authority Regulation No.1/POJK.07/2013 regarding the Consumer Protection in Financial Services Sector.

SPN is a web-based system that facilitates monitoring of the status of complaint resolution while providing certainty for customers regarding the time required by the Company to resolve complaints. By using an online and integrated system, customers can also submit complaints and check the status of the complaint at Branch Offices throughout Indonesia. In addition, through SPN, complaint handling mechanisms have become more structured and are monitored properly.

Customer Satisfaction Survey

The Company worked with third parties to carry out customer satisfaction surveys using qualitative and quantitative approaches. This method was carried out through in-depth interviews, while the quantitative approach method was carried out through the face to face interview method.

Impact of Corporate Social Responsibility to Consumers

The Company provided a sense of comfort and safety to customers in making transactions. This also had a positive impact on the growth in the number of the Company's customers from year to year. The effectiveness of handling customer complaints had an impact on the customer satisfaction index. In addition, consistency in the implementation of social responsibility related to consumers also had an impact on increasing company operations such as an increase in consumer lending by 3.16%, commercial savings by 37.40%, sharia financing disbursement of 372.65% and sharia savings of 9.01%.