

Best Products and Services for Customer Satisfaction

Customers become one of the main stakeholders for the Company. Their existence greatly determines the development and sustainability of the Company. The greater the number of customers, the more secure the sustainability of the business will be. Vice versa. Reflecting on the importance of customers, the Company continued to strive to provide the best and equal products and services to all customers without exception. Through these efforts, the Company expected to be able to maintain, even increase the trust of its customers, which results in realizing satisfaction among them. **(GRI 103-1)(F.17)**

In serving customers, Sahabat Keluarga Indonesia (Indonesian Family's Best Friend) became the spirit of the Company. In accordance with the line of business in the Articles of Association, the Company served and supported the housing sector through three main products, personal banking, business and sharia. In the midst of increasingly fierce competition, the Company established the best policies and service standards to achieve customer satisfaction. To achieve customer satisfaction, the Company did various things, among others: **(GRI 103-2)**

1. Offering products and services in accordance with predetermined quality standards.
2. Providing the best service to customers and following up on customer complaints fairly without discrimination.
3. Conducting sustainable promotions in a healthy, fair, honest, not misleading manner and are accepted by the norms that are generally accepted in society.
4. Employees were required to support the Company in its efforts to achieve customer satisfaction and trust.

Another effort to achieve customer satisfaction was that the Company continued to make various product and service innovations. Innovations during 2020 included launching a new Mobile Banking service application that was expected to attract millennial customers to make transactions. Meanwhile, to increase the acquisition of third party fund savings, the Company launched the Batara Spekta, held a promotion of mortgage loan interest rates starting at 4.44% fixed for one year, and free of fees such as administration fees, appraisals, provisions and additional top-up savings of IDR 144,000 to IDR 440,000 depending on the amount of the plafond received along with the momentum of the 44th Anniversary of KPR on December 10, 2020; launched a Special KPR TNI / Polri to coincide with the 75th Anniversary of the TNI, October 5, 2020, under the name KPR BTN Patriot, and others. **(F.26)**

Like existing products and services, the Company provided clear information about the products and innovations made so that customers felt safe with their choices. As for the marketing of products and services provided, the Company conducted marketing communications by referring to various applicable regulations. Thus, during the reporting year, there was no negative impact on products and services issued by the Company. In addition, there were also no products and services withdrawn or canceled for some reason. Moreover, during 2020, the Company also did not record any incidents of non-compliance related to marketing communications. **(GRI 103-3, 417-3)(F.27)(F.28)(F.29)**

The Company's commitment to providing the best services and products, as well as being equal to all customers, was the implementation and adherence to various regulations on customer protection as consumers. These regulations were the Financial Services Authority Regulation No. 1 / POJK.07 / 2013 concerning Consumer Protection in the Financial Services Sector and the Law of the Republic of Indonesia No. 8 of 1999 concerning Consumer Protection. **(F.17)**

Furthermore, in line with the government's program to cut the spread of Covid-19, the Company continued to provide services to customers, although with a number of adjustments. There were a number of outlets that were temporarily closed; there were also outlets that operated on certain days, namely Monday. Adjustments were also made regarding working hours and operational services, from 09.00 to 15.00.

In the effort to achieve customer satisfaction, the human capital factor behind those various programs, including their competence and expertise, are very important. When information technology dominates, Digital Banking is the answer offered by Bank Tabungan Negara. In this context, the technological aspects are very important, even become the main necessity. Therefore, the Company continues to strive and ensure that the existing IT system is well planned and able to adjust to the needs and trends of business development (IT as Business Enabler). In line with that, to provide plenary services, the Company is also aware of the importance of Risk Management, the effective implementation of the Compliance Function, and the implementation of Internal Control.

Transformation and Implementation of the Company's IGRC

Transformation is a mandatory aspect for the Company to be able to sustain, even to grow in the midst of intense competition in the field of financial services. To achieve that goal, the Company has set some strategic pillars, namely: focused and specific business segment, agile organization, human capital, and work culture, optimization of sales channels and IT infrastructure.

In carrying out the strategic pillars, the Company has launched the transformation of the main functions of Head Office, Regional Offices and Branch Offices. Furthermore, the transformation plan is also supported by the development of new operating models that include: (1) Business Process Improvement, (2) Network & Distribution Design, and (3) completing the organizational design such as increasing the role of risk management and improving human capital capacity.

To ensure that Head Office, Regional Offices, and Branch Offices can perform its function properly and integratedly, the role of Integrated Governance, Risk, and Compliance (IGRC) is very important. IGRC is also very important to ensure that business processes and Risk Management run properly and supported by human capital with sufficient competence.

The framework of iGRC used by the Company includes aspects as follows:

1. Business Strategy:
This aspect is very important for Head Office in determining the overall strategy and direction of the bank's Risk Strategy.
2. Business Management:
This aspect is significantly needed for the Head Office to determine policies, monitoring tools, and risk analysis.

Digital Banking

Saat ini, disrupsi ekonomi tidak dapat dihindari. Selain At present, economic disruption is inevitable. In addition to optimize the flow of funds from unicorns in the digital ecosystem, banks must also be flexible in opening opportunities for collaboration with start-ups and financial technology to improve service excellence in financial services, which has an impact on the increasing customer trust and fee-based income.

In facing the development of digital technology, the Company took advantage of the development of the digital ecosystem in Indonesia through two strategies. First, the Company partners with Plug n Play Indonesia in finding start-up companies that will serve as strategic partners to meet the Company's needs in digital transformation. Second, enhancing e-channel

- The company focuses on increasing collaboration with e-commerce and fintech.
- One of them becomes e-commerce acquirer considering e-commerce transaction in Indonesia rapidly develops.

In line with the strengthening of digital banking, the Company continued to polish the features of Mobile Banking transactions so that customers were increasingly interested in using them. As an illustration, at the end of 2019, there were only 62 features in Bank BTN Mobile Banking, now no less than 297 features appeared on Mobile Banking, including SPP payments to a number of universities, Drinking Water Company payments, purchasing streaming vouchers, BPJS (National Health insurance) payments and so on. The company planned to continue adding these features to reach more than 489 features in the Mobile Banking of the Company.

Customer Education

The Company continued to make efforts to disseminate its products and services. These activities were packaged into customer education programs, including:

- o **BTN Zone**
The Company provided BTN Zone facilities on several college campuses. This facility was a system infrastructure and services with a digital solution concept from the Company's with the aim of increasing convenience and facilitating smartcard / digital-based transaction and access services. The BTN Zone provided access for students to connect to the internet, learnt about the Company's banking products, and experienced firsthand the ease of making transactions with digital solutions applications that could encourage a cashless society. BTN Zone had been present at Diponegoro University, Syiah Kuala University, Jenderal Soedirman University, Yogyakarta State University, and Bandung Institute of Technology.

- o **Digital Application**

Education programs for customers were also carried out through banking applications for smart phones other than internet banking which could be downloaded via the playstore/appstore. This application made it easy for customers to make credit card/insurance bill payments, transfer and pay for e-commerce purchases as well as top up digital payments such as gopay, grabpay, and so on.

Customer Data Privacy and Security

The Company has complete data from every customer. The data are obtained since every applicant must fill the form completely before they become customers. The data is personal information that is only known by the Company and customers so that their privacy must be strictly maintained. In the midst of various ease of data access along with advances in information technology, including the risk of cybercrime, the privacy and security of customer data are the top priority for the Company. **(GRI 103-1)**

With regard to customer data privacy, the Company has always complied with relevant laws and regulations. In this context, the Company refers to Act Number 7 of 1992 concerning Banking, Act Number 10 of 1998 concerning the amendment to Act Number 7 of 1992, and Bank Indonesia Regulation Number 2/19 / PBI / 2000 concerning Requirements and Procedures for the Issuance of Bank's Confidential or Written Permits related to customer privacy. Guided by these various regulations, the Company always preserves and maintains the privacy and security of customer data on every transaction. **(GRI 103-2)**

To realize the commitment and to increase information security that are able to ensure smooth-running business and create better, safer, successful, and auditable operational activities, and to maintain the image of the Company as a trusted bank, the Company has a specific policy, namely the Board of Directors' Circular Number 40/DIR/ICTD / 2016 concerning the Information Security Guidelines of PT Bank Tabungan Negara (Persero) Tbk. In this policy, prerequisites have been established to ensure that all confidential and sensitive information is protected from computer malwares, thus minimizing the malware attack.

The various efforts have been made by the Company to protect customer data including installing all software that has been authorized (approved) and periodically updated, providing information technology security (IT) training to users who use IT resources, implementing management or standardizing passwords to ensure secure access to protected information. In addition, periodically, the Company also evaluates the overall data security system. Until now, in general, our data security system is still very adequate and effective to provide security protection for customer data.

The Company's high commitment in maintaining customer privacy and data result in the zero complaints related to violations of customer privacy, such as data leakage, hack, or loss of customer data. In addition, there are also no similar complaints from the authorities in the financial industry. **(GRI 103-3, 418-1)**