




GCG implementation in 2020 that is in line with the Company's GCG Roadmap was carried out through the implementation of the 3 GCG Pillars as follows:

 <p>Governance Structure</p>	<ul style="list-style-type: none"> • Main Organs (GMS, Board of Commissioners, Directors) • Supporting Organs (Committees under the Board of Commissioners, Committees under the Board of Directors, Corporate Secretary) • Directors and Commissioners policies such as: Board Manual, SKB, Code of Conduct, Committee Charter, GCG-based policies
 <p>Governance Process</p>	<ul style="list-style-type: none"> • Strengthening the application of a culture based on AKHLAK core values to make the Company the Best Mortgage Bank in Southeast Asia • Improvement of Business Process Improvement (BPI), Establishment of Regional Processing Center (RPC), etc • Gratuity Control • Implementation of ISO 37001: 2016 Anti-Bribery Management System • Automation and digitization of business processes • Doing quality growth
 <p>Governance Outcome</p>	<ul style="list-style-type: none"> • GCG Assessment (FSA) • Third Party Assessment • GCG Awareness • Governance reports • Disclosure of governance • Sustainable Growth

Improvement of Guidelines and Work Rules of the Board of Directors and Board of Commissioners

Periodically, the Company continued to make necessary improvements to the Guidelines and Work Rules of the Board of Directors and the Board of Commissioners (Board Manual). The preparation of the Board Manual was carried out with reference to the laws and regulations governing the Board of Directors and the Board of Commissioners, especially with the issuance of FSA Regulation No. 55 of 2016 and FSA Circular No. 13 of 2017 concerning the Implementation of Commercial Bank Governance. The Company followed up on this by establishing guidelines and work procedures for the Board of Directors and the Board of Commissioners in their respective decisions and the working relationship between the two in a Joint Decree (SKB).

Improvement of Governance Regulations

The Company continued to improve its governance policies, in 2020 it made improvements to corporate governance policies in the form of Corporate Governance Policy Guidelines (PTKP) as the main reference in implementing corporate governance policy practices.

Zero Tolerance to Fraud and Zero Defect Program

To ensure that all efforts to mitigate the risk of fraud can be done effectively, the Company continuously increase the awareness of BTNers People of compliance aspects through continuous dissemination of the anti-fraud program and establishment of Anti-Fraud Team. The Anti Fraud Strategy is supported by the implementation of 4 (four) pillars, namely:

1. Prevention
2. Detection
3. Investigation, Reporting and Sanctions
4. Monitoring, Evaluation and Follow-up

Integrated Governance, Risk and Compliance (iGRC) Implementation Initiative

In order to create stronger Infrastructure business and Human Resources (HR), since 2018 the Company has implemented Integrated Governance Risk Compliance (iGRC), a collaboration between several work units. The Company optimizes Integrated Governance Risk Compliance (iGRC) in each work unit encompassing GCG components, Risk Management, Compliance, Corporate Culture, Business Ethics (Code of Conduct) and Anti Fraud, so that the Company can operate effectively and efficiently which in turn will create excellent performance.

In an effort to implement iGRC, the Company is faced with some challenges:

1. Optimization of comprehensive understanding of SOPs in integrating iGRC for all work units.
2. Optimization of supervisory role in integrating GRC functions for all work units.
3. Enhance the effectiveness and efficiency of GRC for all work units.