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btpn

A MEMBER OF
SMBC Group

Sustainable Growth in the Midst of **Challenging Time**

Sustainability Report 2020

Sustainable Growth in the Midst of Challenging Time

Sustainable development is a paradigm for the world of the future that is becoming to be a reality. As part of the global world, Bank BTPN is actively involved in realising the Sustainable Development Goals (SDGs) through sustainable financial management. Bank BTPN endeavors to integrate the principles of sustainable finance in various policies and every aspect of the Company's operations to create economic, social, and environmental value.

During this pandemic, Bank BTPN has fully acknowledged its role to support the community and customers in facing such hindrances. Bank BTPN offers solutions through various mitigating policies while continuing to provide support and donations to affected communities. In the midst of this disruption, Bank BTPN continued to record excellent growth while adapting to the new normal. Bank BTPN continues to implement the principles of sustainable finance and to expand financial inclusion for the wider community for the welfare of the nation.



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Vision [GRI 102-16] [OJK C.1]

To become the first choice bank in Indonesia, which gives significant change in the life of millions of people, mainly with the support of digital technology.

Mission [GRI 102-16] [OJK C.1]



1

To offer complete financial solution and service to various segments of retail, micro, SME and corporate business in Indonesia, and for the Indonesian Nation and Country as a whole,



2

To provide valuable opportunities for professional growth of the Bank BTPN employees,



3

To create significant and sustainable values for stakeholders, including for Indonesian society,



4

To use technology innovation as the main differentiator to provide the best quality and experience in its class to the Bank BTPN clients and partners.

Main Values [GRI 102-16] [OJK C.1]



Integrity

As a professional, always act with sincerity and a high ethical standard



Customer First

Always look at it from the customer's point of view to provide additional value



Proactive & Innovative

Step up and relentlessly innovate



Speed & Quality

Differentiate ourselves through the speed and quality of our decision making and service delivery



Synergy

Collaborate as one team

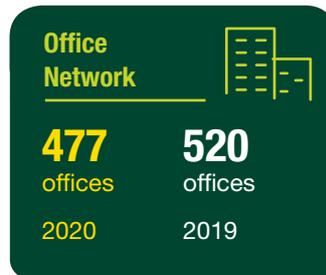
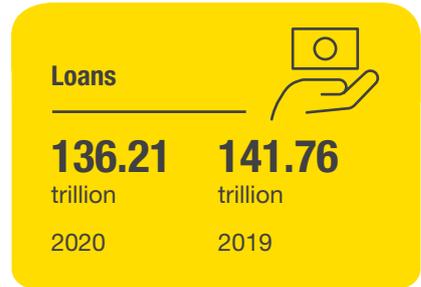
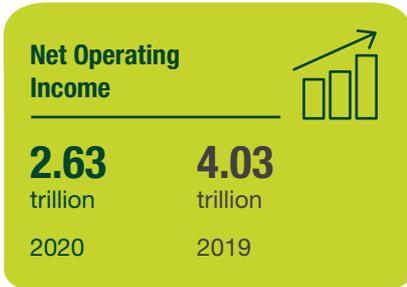




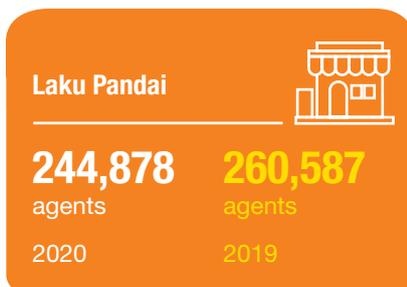
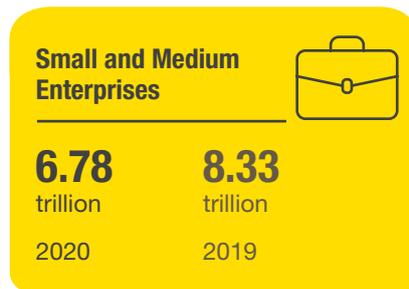
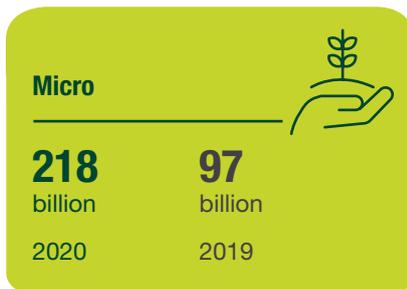
Sustainability Highlights

ECONOMIC

[OJK B.1]



Sustainable Financing



SOCIAL

[OJK B.3]

Total Employee



7,482 employees 2020	7,740 employees 2019
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Average Hours of Training



33 hours/ employee 2020	24 hours/ employee 2019
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Sustainable Finance Training Participants



1,187 employees 2020	212 employees 2019
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Financial Literacy Participants



14,976 participants 2020	817,485 participants 2019
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Daya.id Website Visitors



883,926 visitors 2020	166,031 visitors 2019
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CSR Fund



2.96 billion 2020	9.12 billion 2019
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ENVIRONMENT

[OJK B.2]

Energy Use



2,444 GJ 2020	71,844 GJ 2019
----------------------------	-----------------------------

Energy Intensity



0.0001 GJ/m ² 2020	0.372 GJ/m ² 2019
--	---

Emissions



9,681 TonCO ₂ 2020	26,985 TonCO ₂ 2019
--	---

Emission Intensity



0.05 TonCO ₂ /m ² 2020	0.14 TonCO ₂ /m ² 2019
---	---



Awards



1



2



4



14



5



16



20

1. Indonesia Innovation Award 2020 in the Sustainability category from IDX Channel for the Daya.id program
2. Gold Rating in The Asia Sustainability Reporting Rating from the 2020 National Center for Sustainability Reporting
3. Best Bank from Investor Magazine 2020
4. Public Relations Indonesian Award 2020 - Gold Winner of Digital PR Sub Category for Jenius from PR Indonesia magazine
5. Public Relations Indonesian Award 2020 - Gold Winner of Social Media Sub Category for Jenius from PR Indonesia magazine
6. Mortgage Awards for Best BUKU 3 Bank category from Infobank
7. Top SME Lender 2020 in the Best BUKU 3 Bank category from Infobank
8. Investor Awards Best BUKU 3 Bank from Investor Magazine
9. Corporate Social Intrapreneur of the Year 2020 from the Schwab Foundation (affiliated with the World Economic Forum)
10. Best Companies to Work For in Asia from HR Asia
11. The Best Contact Center Indonesia 2020 for Top 10 The Best Contact Center Indonesia 2020 from the Indonesia Contact Center Association
12. The Best Contact Center Indonesia 2020 for The Best Operations Contact Center Platinum Medal from the Indonesia Contact Center Association
13. The Best Indonesia Contact Center 2020 for The Best Employee Engagement Gold Medal from the Indonesia Contact Center Association
14. Bankers of the Year 2020 from Infobank
15. Best Performing Bank 2020 BUKU 3 Bank from Infobank
16. Indonesia Best Digital Marketing Champion 2020 for the 2nd Rank of Overall Winners Digital Marketing Champion from SWA
17. Best Content in Owned Channel in Banking Category from Kompas Gramedia's Indonesia Content Marketing Awards
18. Best Use of Brand Content Marketing Website from Indonesia Content Marketing Awards Kompas Gramedia
19. The Content Marketing Implementation of the Year from the Indonesia Content Marketing Awards Kompas
20. BAZNAS Awards, Best Online Zakat Collection

Significant Events



23 April 2020

The Annual General Meeting of Shareholders (AGMS) of PT Bank BTPN Tbk approved the 2019 financial report. The AGMS also agreed not to distribute dividends to shareholders as a reflection of long-term commitment so that the bank can grow sustainably.

2 July 2020

Sumitomo Mitsui Banking Corporation Group (SMBC Group) donated 100 million yen (equivalent to IDR13.17 billion) to UNICEF Indonesia to help ease the burden on Indonesian people affected by the COVID-19 pandemic.



27 July 2020

Jenius launched a new feature, Jenius QR, which makes it easier for digital savvy customers to do transactions without using cash or debit cards because it immediately deducts the Active Balance without the need to switch applications. Jenius QR also supports the Bank Indonesia program to increase non-cash payments.

25 June 2020

Jenius launched its latest innovative feature, Moneytory. This feature helps the digital savvy community manage cash flow more simply by recording expenses and income automatically through the Jenius app. With Moneytory, Jenius users can clearly summarize their financial condition, starting from the amount of income/expenditure, how much the difference between the two is, and easily view expense charts by date and name.



11 August 2020

Jenius celebrated its 4th birthday. In June 2020, it was recorded that more than 2.7 million people had joined Jenius users, with savings balances (Third Party Funds, DPK) of more than IDR10 trillion. Throughout its 4 years of life, Jenius has launched 20 revolutionary innovations and features.



7 August 2020



BTPN launched Sinaya Prioritas, banking services for customers with a total portfolio of at least IDR500 million. Integrated with the Jenius application, Sinaya Prioritas allows customers to monitor their savings and investment funds, and make transactions from anywhere and anytime via their device.



11 September 2020

Sumitomo Mitsui Banking Corporation Group (SMBC Group) donated IDR1.3 billion (equivalent to 10 million yen) to the Indonesian General Practitioners Association (PDUI) as one of its global initiatives to help overcome the transmission and impact of COVID-19 in Indonesia. PDUI was chosen as one of the recipients of funding assistance from the SMBC Group because the organization has collaborated since 2010 with PT Bank BTPN Tbk (Bank BTPN), a subsidiary of the SMBC Group, through a community empowerment program called Daya.



16 September 2020



Jenius launched Jenius for Business, a starter kit for digital savvy people who want to start and grow a business. Jenius for Business has two services, namely the Jenius business account and the Bisniskit from Jenius.

24 September 2020



Jenius collaborated with PT Bank Negara Indonesia Tbk (BNI) to present BNI TapCash top up services through the Jenius application by utilizing the NFC (Near-Field Communication) feature. In addition, this collaboration also introduced the BNI TapCash Jenius Edition Card with a unique Jenius design and character.

2 November 2020

Jenius held an annual co-creation and collaboration event, Co.Creation Week 2020, on 2-6 November 2020 virtually. Jenius Co.Creation Week 2020 carried the theme Reshape, with the aim of inviting the digital savvy community to make friends with the big changes that have occurred in various aspects of everyday life as a result of the COVID-19 pandemic. The Jenius Co.Creation 2020 series of events consisted of competitions, conferences and talks with three pillars, namely technology, creativity, and finance.



18 November 2020

The Extraordinary General Meeting of Shareholders (EGMS) of PT Bank BTPN Tbk approved changes in the members of the Board of Directors and the Board of Commissioners. The shareholders approved Kazuhisa Miyagawa's resignation from his position as Deputy President Director, and approved the appointment of Kaoru Furuya as the new Deputy President Director to replace Miyagawa. The meeting also approved the appointment of Chow Ying Hoong as President Commissioner and Edmund Tondobala as the new Independent Commissioner.



23 December 2020

Bank BTPN participated in financing the medium-term working capital of PT Perusahaan Listrik Negara (Persero) with a total value of US\$500 million which is guaranteed by MIGA (World Bank Group) in a joint consortium with 7 foreign banks.



Chow Ying Hoong
President Commissioner

Remarks from The President Commissioner

[GRI 102-14] [OJK D.1]

“Bank BTPN’s commitment to implementing sustainable finance requires alignment, not only internally, but also through the involvement of customers and other supply chains”

Dear Valued Stakeholders,

Now that global awareness of the reality and impact of climate change has substantially increased, we find that the future quality of human life must now be examined and handled through the lens of this imperative sustainability issue. As human beings, our lives and our businesses can only prosper within a healthy environment. Hence, we can no longer say that sustainability is not our focus and concern.

With this in mind, the Board of Commissioners supports the involvement of Bank BTPN in its efforts to achieve the Sustainable Development Goals (SDGs) which is an initiative of the global community, including Indonesia. Thus, the Board of Commissioners further welcomes and supports the implementation of sustainable finance measures in Indonesia. In this matter, the strategic stages that need to be undertaken by the Bank are to prepare and to implement a Sustainable Financial Action Plan (RAKB-Rencana Keuangan Aksi Berkelanjutan) in addition to preparing and publishing a sustainability report in compliance with the Financial Services Authority’s regulations.

In order to embrace sustainable finance, it is a necessary requirement for the Board of Directors to make the essential adjustments, starting with organisational adjustments, as well as in governance and risk management, and by making improvements to systems and procedures related to environmental and social issues. Within that context, the support of professional and competent resources has become an essential part of our focal capital for carrying out sustainable finance.

Such professionalism and competence must be built in a systematic manner through various approaches, such as education, training, as well as internalising the concept of sustainability in our work culture and standpoints that are in line with the principles of sustainable finance. The effective implementation of sustainable finance requires the participation of customers and the supply chain to apply the principles of sustainability in doing business with Bank BTPN. Therefore, the Board of Directors is encouraged to implement systematic and measurable customer education programs and supply chains related to sustainability.



The Board of Commissioners mandates the Board of Directors to further develop the sustainability portfolio which forms part of the results of our Sustainable Business Activities, as outlined by the Financial Services Authority. This Sustainable Business Activity is increasingly pivotal in its implementation considering that Bank BTPN is a subsidiary of the Sumitomo Mitsui Banking Corporation (SMBC), an international bank that is listed as a signatory to the Equator Principles (EP) and the Principles for Responsible Banking (PRB). These two initiatives bind members to implement risk management by integrating Environmental, Social, and Governance (LST) aspects in the corporate financing decision-making process.

In particular, it must be noted that the SMBC (Sumitomo Mitsui Banking Corporation) Group, the holding company of Bank BTPN, has developed the “SMBC Group Green x Globe 2030”, a long-term plan that will proceed until 2030 with specific objectives related to sustainability. The SMBC Group is making its best endeavour to promote sustainability under the motto “Making Sustainability a Reality.” This commitment is exhibited by the SMBC Group’s target to finance a Green Finance Portfolio of USD 90 billion and reduce emissions by 30% in the next 10 years. Not to mention, the SMBC Group is also the leading bank in Asia Pacific on providing financing for renewable energy. In addition, the SMBC Group also supports research related to climate change carried out by various international universities.

It is apparent that 2020 was as challenging as it was arduous. The pandemic has changed the fabric of human lives, including the business patterns of various industries which have an impact on the financial services sector. The pandemic has further forced management to take pre-emptive moves in implementing sustainable finance. The Board of Commissioners appreciates the Board of Directors’ strategic steps in overcoming the impact of COVID-19 on Bank BTPN including collaborating with various parties to help people affected by this pandemic.

Lastly, the Board of Commissioners would like to convey its heartfelt appreciation to the Board of Directors for their achievements in sustainability performance amidst these challenging conditions. Lastly, we would like to restate our gratitude for the dedication, hard work, and high professionalism delivered by the management and all employees of Bank BTPN.

With our hard-working deeds accompanied by our stakeholders’ support and collaboration, let us continue to cultivate the sustainability performance of Bank BTPN in the coming years.

Jakarta, March 2021

Chow Ying Hoong
President Commissioner



Having the Sustainability Report on hand, Bank BTPN's contribution can be viewed in the effort to achieve the Sustainable Development Goals/SDGs



Ongki Wanadjati Dana
President Director

Remarks from The President Director [GRI 102-14]

“Bank BTPN takes the role of directing the transformation of the business world and industry towards sustainable practices through investment decisions that concern about the environment, social, and good governance”

Dear Stakeholders,

Financial institutions are one of the foremost pillars in a nation, and not only driving the economy, but also playing a major role in the welfare of society in general. In addition to supporting the smooth running of the economic process, financial institutions further determine the criteria upon which investors or corporations invest. Thus, banks take an imperative role in directing the transformation of the business world and industry in sustainable practices. Bank BTPN's endeavours to encourage investment decisions that show concern regarding the environment, social needs, and responsible governance, are Bank BTPN's contribution towards achieving sustainability goals. [\[OJK D.1.a\]](#)

In the second year of the publication of this sustainability report, Bank BTPN has ventured to report upon its sustainability performance in a comprehensive manner with the aim of providing a wider and more complete picture of our attempts to build Bank BTPN as a sustainable financial institution.

IMPACT, RISK, AND OPPORTUNITY

[\[GRI 102-15\]](#) [\[OJK D.1.c\]](#)

The COVID-19 pandemic has caused massive disruptions for industry, corporations, and individuals. The economy is experiencing a slowdown and banks are vulnerable to the risk of bad credit. Bank BTPN, however, carries out thorough examination and mitigation measures to manage the impact of the pandemic and ensures bank stability through the following strategies:

1. Establishment of the COVID-19 task force
2. Conducting various program initiatives for employees, customers, and the Bank BTPN community.

Examples of programs for customers are restructuring loans, expanding the reach of contact centers, establishing health protocols at branch offices, and encouraging customers to perform digital services.

The pandemic has disturbed many of our predetermined programs and targets. Nevertheless, Bank BTPN has responded to this as an opportunity to organise itself, to improve capabilities, and to seek out various possibilities to obtain better outcomes. In the economic field, Bank BTPN took the opportunity to provide a provision to the public to



improve its business, especially in the midst of a pandemic. In the environmental sector, awareness of the importance of implementing sustainable finance, both from Bank BTPN as well as from industry and corporations, has opened up opportunities for increasing the green financing portfolio. Bank BTPN has succeeded in increasing its green financing portfolio by 19%, to a level that is much higher than the target that Bank BTPN had previously planned.

In addition, physical restrictions and community mobility during the pandemic have provided new opportunities for the growth of digital banking. Bank BTPN has welcomed the new circumstances and focused on becoming a digital bank so that it can provide a wider range of services to the public. Likewise, Bank BTPN's empowerment program has entered the digital platform through Daya.id.

ISSUES WITH THE IMPLEMENTATION OF SUSTAINABLE FINANCE MEASURES

[OJK E.5]

The implementation of sustainable finance is a new development in the banking world which was stipulated by the Financial Services Authority (OJK) in 2017. There are many things that Bank BTPN is required to learn and apply in all business processes related to this matter, from planning, policies, to implementation of finance as well as in our empowerment program (CSR). One of the challenges is the limited understanding of employees regarding the principles and implementation of sustainable finance. This certainly affects the development of sustainable financial policies and products. However, Bank BTPN has conducted a series of outreach programs to all employees through sharing sessions, workshops, and e-learning since 2018.

Bank BTPN is developing internal capacity to lead, implement, and develop sustainable finance. Bank BTPN is also integrating ESG (environmental, social, governance) practices in all Bank BTPN's activities. Not only does Bank

BTPN promote such activities for employees, but Bank BTPN also promotes relevant sustainability practices for customers, especially those related to sustainable products and services.

Another challenge is that Bank BTPN needs to adjust Daya into a community empowerment program that is integrated with all of Bank BTPN's business lines. This is done not only by targeting the needs of society, but also by aligning with the three principles of sustainable finance: people, planet, and profit. These challenges serve as a trigger for Bank BTPN to move forward and encourage us to increase the added value of Bank BTPN for stakeholders and the communities we serve.

BUILDING A CULTURE OF SUSTAINABILITY

The culture of a company is a vital aspect that shapes the behaviour of all the people in the Company. To that end, Bank BTPN continues to strive build a culture of sustainability whereby every employee understands the importance of sustainability and behaves and makes decisions in accordance with the principles s/he believes in. Bank BTPN has made various efforts in this regard, one of which is through dissemination of information and continuous training to all employees with the hope that every Bank BTPN's employee can support the sustainability programs and policies set by the Company.

In addition, the preparation of this sustainability report is also a means of developing a culture of sustainability. With the obligation to report on sustainability performance, every leader and employee of Bank BTPN is more motivated to design and implement a progressive sustainability program and make a better sustainability report from year to year.

ACHIEVEMENT AND PERFORMANCE

[OJK D.1.b]

We are appreciative that in the midst of a situation full of challenges, Bank BTPN was still able to record a good performance, including:

1. Organising a debriefing program to prepare for a healthy and independent retirement period attended by 6,909 people;
2. Managing to increase the green financing portfolio for the corporate segment by 19.1% from the previous year;
3. Undertaking an empowerment towards BTPN Wow! agents for the Laku Pandai program, as many as 244,878 agents.

Decreasing purchasing ability and restrictions on community mobility have had a severe impact on MSME businesses. This cannot be taken lightly, for the crisis experienced by MSMEs can be a threat to the national economy as well. To increase the economic capacity of the community, Bank BTPN held a business capacity building forum for MSME players which was attended by 894 participants from various cities. Bank BTPN encourages MSME players to carry out various innovations and remain enthusiastic about doing business in the midst of the pandemic.

In addition, Bank BTPN conducts education in the form of financial literacy, including financial management and working capital management which are significant topics in the economic situation during a pandemic. Through this financial literacy, Bank BTPN strives to improve the knowledge and skills of both customers and non-customers, MSMEs and non-MSMEs, on how to manage finances properly and grow. In the reporting year, Bank BTPN reached 14,976 participants in 87 meaningful activities.

In the environmental sector, Bank BTPN succeeded in increasing financing related to the management of living natural resources and sustainable land use from IDR347 billion in 2019 to IDR1,442 billion in the reporting year, or an increase of four times from the previous year.

Bank BTPN's work in sustainability has also received various awards, including:

1. 2019 is the first year that Bank BTPN published Sustainability Report and received a Gold Rating for the 2019 Sustainable Financial Report through the ASRRAT (Asia Sustainability Reporting Rating) event.



Bank BTPN was awarded the Gold Rating for the 2019 Sustainability Report

2. Main award in the Sustainability category for Daya.id innovation in the IDX channel Anugerah Inovasi Indonesia 2020 event.

Bank BTPN's concern for the community in the midst of a pandemic is manifested by educating the public about COVID-19 through videos that can be accessed on the Daya.id platform. Bank BTPN is working with PDUI (Indonesian General Practitioner Association) to prevent the spread of COVID-19, by increasing public understanding.



FUTURE ANALYSIS

The good news regarding the availability of the free COVID-19 vaccine for all Indonesians gives fresh air to the uncertain economic situation. Business actors are starting to be optimistic and it is expected that by 2021 the community will be able to operate normally as before the pandemic. Meanwhile, Bank BTPN will continue to do its best in developing its business, based on the principles of sustainability.

Bank BTPN acknowledges that the journey of economic recovery will still be long and full of challenges. However, Bank BTPN is thankful for the support of the management team, employees, and every stakeholder who has given their best contribution and dedication to Bank BTPN. Bank BTPN would like to express its gratitude and convey heartfelt appreciation to everyone for the good cooperation so far. Let's continue to work and move together so we can overcome any challenges ahead.

Jakarta, March 2021

Ongki Wanadjati Dana

President Director





About Bank BTPN

Bank BTPN has committed to give more meaning to the customer and communities in terms of finance as well as other aspects of life.



Established in Bandung in 1958, Bank BPTN was originally known as Bank Pegawai Pensiunan Militer (Bapemil) but this name was changed to the National Savings Bank for Pensioners (BTPN) in 1986. At present, Bank BTPN has a central office in Jakarta, branches in more than 270 cities in Indonesia.

Initially, Bank BTPN focused upon serving and empowering low-income communities including retirees, micro, small and medium-scale enterprises (MSMEs) and productive underprivileged segment. After a merger in 2019, Bank BTPN started

to offer a more comprehensive range of banking services and products, serving a broader segment including corporate customers as well as existing segments. In today's digital world, Bank BTPN continues to expand its services by providing digital banking services through "BTPN Wow!" and "Jenius."

Together with its business activities, Bank BTPN has developed the potential and welfare of the community through its Daya program. "Together, we create opportunities for growth and a more meaningful life". The social

activity of the community has become an integral part of the Bank BTPN business from the central office to the branch offices, all are committed to increasing the welfare of the nation.

Together, we create opportunities for growth and a more meaningful life.

Company name [GRI 102-1]
PT Bank BTPN Tbk

Line of Business [GRI 102-2] [OJK C.4]
Commercial bank

Business Permit [GRI 102-2]
Foreign exchange bank activity

Product [GRI 102-2] [OJK C.3.d]

- Funding
- Financing

Legal Basis of Establishment [GRI 102-5] [OJK C.3.c]

- Notarial deed No. 21 dated October 6, 1959 of Notary Noezar S.H
- Notarial deed No. 203 dated May 31, 1960 of Notary Noezar S.H
- Notarial deed No. 53 dated November 7, 1960 of Notary Noezar S.H
- State Gazette No. 13, Supplement No. 5 dated February 14, 1961

Date of Establishment
February 16, 1958

Ownership [GRI 102-5]

- Sumitomo Mitsui Banking Corporation (92.43%)
- Public (5.23%)
- PT Bank Central Asia Tbk (1.02%)
- PT Bank Negara Indonesia (Persero) Tbk (0.15%)
- Treasury shares (1.17%)

Head Office Address [GRI 102-3] [OJK C.2]
Menara BTPN,
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Operational Areas and Service Networks [GRI 102-4] [OJK C.3.d]
In all regions of Indonesia

Market Coverage and Area of Operation [GRI 102-6]
Indonesia

Subsidiary Entity [GRI 102-45]
The Bank owns a single business subsidiary entity with 70% ownership, namely
PT Bank BTPN Syariah Tbk

Company Rating - Business Planning

- AAA (Idn) Outlook Stabil – Fitch Rating Jk PJNG
- F1+(idn) – Fitch Rating JK Pendek
- idAAA (Triple A, Outlook Stabil) - Pefindo

Membership in Industrial Associations [GRI 102-13] [OJK C. 5]

- Indonesian Public Listed Companies Association (AEI)
- Communication Forum of Bank Compliance Directors (FKDKP)
- Association of Indonesian National Private Commercial Banks (Perbanas)
- Banker Association for Risk Management (BARa)

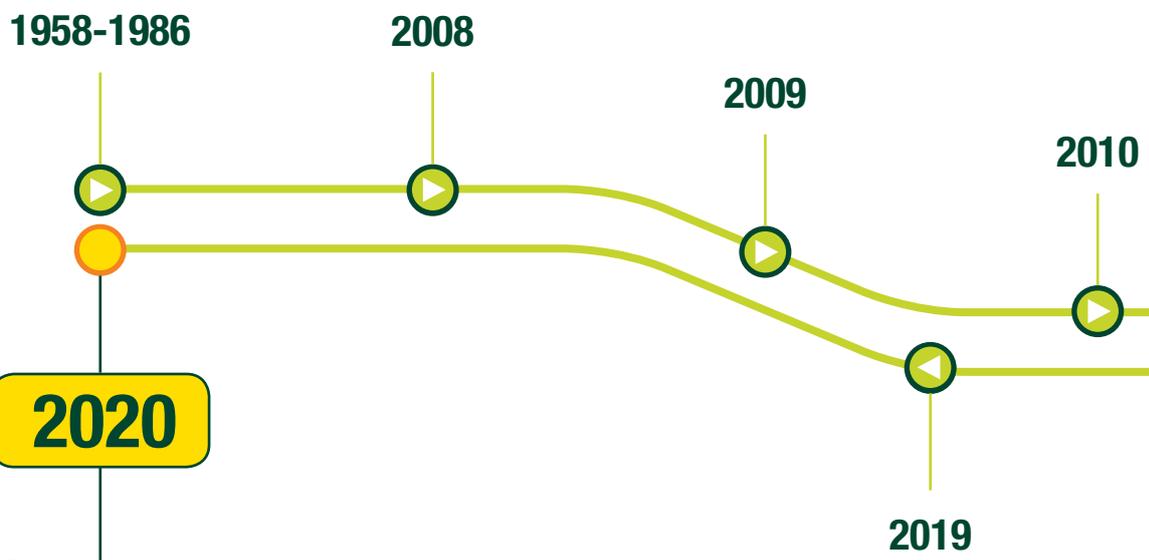
Company Scale [GRI 102-7] [OJK C.3] [OJK C.3.a]

Description	2020	2019	2018
Number of Employees	7,482	7,740	7,802
Total Operating Income - Net (IDR million)	2,630,514	4,032,519	2,947,756
Authorized capital (IDR million)	300,000	300,000	300,000
Issued paid-up capital (IDR million)	162,979	162,979	177,303
Total capitalization (IDR million)			
• Third party funds	100,788,906	86,939,479	70,844,712
• Borrowings	37,176,309	44,086,343	8,442,765
• Equity	32,964,753	31,471,928	18,786,330
• Total assets	183,165,978	181,631,385	101,341,224
Number of offices/networks	477 offices 218 ATMs dan TCRs	520 offices 217 ATMs dan TCRs	736 offices 218 ATMs dan TCRs
Total funding products	15	38	40
Total financing product	26	18	18
Number of services	23	6	5



Bank BTPN's Milestones

- In 1958 BTPN was established in Bandung under the name Bank Pegawai Pensiunan Militer (Bapemil).
- 1960 - obtained license as a commercial bank.
- 1986 – BTPN changed its name to PT Bank Tabungan Pensiunan Nasional.
- TPG Nusantara S.à.r.l. acquired 71.6% of BTPN shares by buying the shares in the Indonesia Stock Exchange. BTPN became a public bank with assets amounting to IDR 13.7 trillion by the end of 2008.
- Launched micro and small business (MSB), BTPN Mitra Usaha Rakyat.
- Opened 539 branch offices and recorded a credit growth of up to IDR 2.3 trillion.
- Issued the first IDR bonds, ranked A+ (National) by Fitch Ratings.
- Received long-term Rupiah loans from International Finance Corporation (IFC), a World Bank subsidiary.
- Issued two long-term bonds valued at IDR 2.4 trillion.
- Completed a rights issue in the amount of IDR 1.3 trillion.
- As of the end of 2010, the Bank's total assets totaled IDR 34.55 trillion, up from IDR 13.7 trillion at the end of 2008; and due to this the bank was ranked at 10th place for market capitalization value, and 5th for number of branches.



- Jenius rolled out the latest feature innovations like Moneytory. This helps digital savvy people manage their cash flow more easily by automatically logging income and outcome through the Jenius application.
- Sumitomo Mitsui Banking Corporation Group (SMBC Group), donated 100 million yen (equivalent to IDR13,17 billion) to UNICEF Indonesia to help the Indonesians affected by the COVID-19 pandemic.
- Sumitomo Mitsui Banking Corporation Group (SMBC Group) donated IDR1.3 billion (equivalent of 10 million yen) to the Association of Indonesian Doctors (PDUI) as one of its global initiatives to help tackling the transmission and effects of COVID-19 in Indonesia.
- Jenius launched Jenius for Business, a starter kit for the digital savvy community that wants to start and grow businesses. Jenius for Business has two services, namely, the Jenius business account and Bisniskits from Jenius.

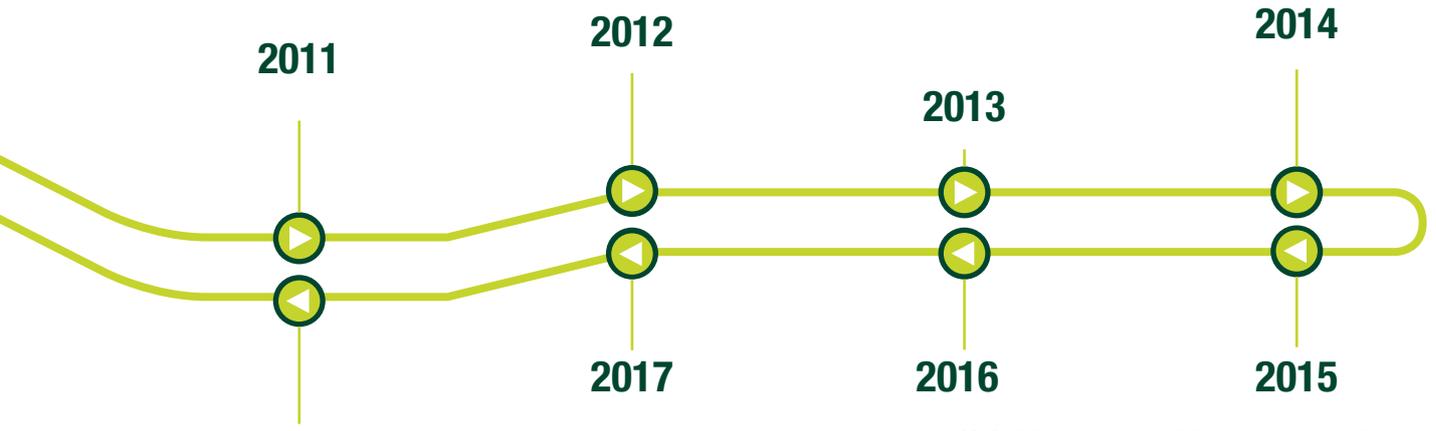
- PT Bank BTPN Tbk (Bank BTPN) officially operates as a new bank as a result of a merger between PT Bank Tabungan Pensiunan Nasional Tbk (BTPN) and PT Bank Sumitomo Mitsui Indonesia (SMBCI). Bank BTPN becomes a universal bank with wider variety of business and serving a broader scope of customer segments from the mass market (retail) to corporations.
- Sumitomo Mitsui Banking Corporation (SMBC) released 4.91% of their ownership, or equivalent to 400 million shares of Bank BTPN at the price of IDR 3,600 per unit per share. This corporate action is SMBC's commitment as the Bank's controlling shareholder in fulfilling its obligation of partial release of shares so that the number of shares circulating in public or owned by non-controlling shareholders reaches 7.5%. In a merger between BTPN and SCMBCI, the ownership of SMBC as a controlling shareholder has increased to 97.34% due to the cash offer and conversion of share resulting from the merger.
- Bank BTPN announced the issuance of bonds through a Sustainable Public Offer (PUB) IV Phase I amounting to IDR 1 trillion. The entire fund from the issuance of bonds will be used to finance expansion of credit to all segments, from micro, small and medium business (MSMEs), from retail to corporate.

- Launched Daya, a program of mass market empowerment and an integral part of BTPN business activities.
- Launched the Sinaya funding program.
- Started the trial of the Islamic Shari'a community banking business that originated from a subsidiary of BTPN (BTPN Syariah – Tunas Usaha Rakyat).
- Expanded the ATM network with ATM Prima, in addition to the existing ATM Bersama network.
- Total network of linked ATM as per end of 2011 reached 57.331 ATMs throughout Indonesia.

- The subsidiary of BTPN (BTPN Syariah - Tunas Usaha Rakyat) has grown with the number of community groups (sentra) reaching 28,927 distributed in Banten, West Java and East Java, and empowering 444.000 customers.
- Completed the piloting of the new mobile phone banking program called BTPN Wow! which was later rolled out in 2015.

- In 2013, BTPN's subsidiary (BTPN Syariah - Tunas Usaha Rakyat) grew fast, more than doubling in size to about IDR 1.4 trillion and contributing about 3.0% of total loans. The number of sentra soared to 69.500, empowering more than 931.500 customers across the archipelago,
- BTPN acquired PT Bank Sahabat Purba Danarta (Bank Sahabat) and converted it to a sharia bank, before spinning off its shari'a unit into a new entity in 2014.
- At the end of 2013, Japan's Sumitomo Mitsui Banking Corporation (SMBC) obtained 24.3 % of BTPN shares through purchase of shares of TPG Nusantara S.à r.L.'s (TPG) and other shareholders.

- Ownership of BTPN shares by SMBC, the second largest bank in Japan, with assets of US\$1.3 trillion, continued to grow and reached 40.0% and SMBC thus became the controlling shareholder.
- BTPN became more established as it now had access to the regional and international financial markets, if needed.



- BTPN managed to realize the strategic corporate action of issuing BTPN Syariah's initial shares as a subsidiary.
- BTPN completed a merger process with PT Bank Sumitomo Mitsui Indonesia (SCI). A corporation coming out of this merger is named PT Bank BTPN Tbk. The Bank is thus able to offer a broader range of financial services across the customer spectrum, from individuals to enterprises, and micro- and community-enterprises in the regions.

- Realized the transformation project named 'Gemilang,' covering the Bank's organization, technology, people and risk controls.
- All branches can provide banking services to all customer segments. This is aimed at increasing both cost and operational efficiency and provides the basis for the Bank's growth.

- From February 2016, BTPN started operating as a foreign exchange bank, as the Bank obtained its foreign exchange license from Bank Indonesia in December 2015. BTPN started to conduct foreign currency transactions, for cash needs, providing loans and raising funds.
- In the second semester of 2016, BTPN launched the "Jenius" product, the second mobile phone platform for the bank. The Jenius mobile banking services uses a smart phone to connect customers' accounts with banks, which allows them to make banking transactions. The target of Jenius is tech-savvy urban communities with higher incomes.
- The service received a positive response. By the end of 2016, Jenius had 70.000 followers on social media sites and 3 million views on YouTube.

- BTPN officially launched BTPN Wow!, providing banking services for the mass market that are accessible from a mobile phone and are supported by agents to widen the network reach to people that had been unbanked.
- Transactions made available include: savings, cash withdrawal, money transfers, bill payments and credit applications and microinsurance product purchases. Clients in remote areas can carry out banking activities through their mobile phone, as if the bank is in their hands.

Overcoming The Pandemic

The pandemic has adverse impacts on several layers of the economy. However, it has also impelled society to support, preserve, and share our human bonds with one another.

The World Health Organization (WHO) announced COVID-19 to be a pandemic on March 11, 2020. This set the global economy on course for a massive collision that was never expected in all realms of business around the world. COVID-19 has further triggered many disturbances in the global marketplace and has impacted various business layers, such as travel, transportation, retail, and others. As a consequence, the banking sector in Indonesia has also been affected, including Bank BTPN. Uncertainty in the market, as well as increasing risks, both economically and in terms of human health and wellbeing, are the main concern of Bank BTPN.

In rapid response, Bank BTPN attempted to mitigate against the pandemic by issuing Memo No.M.003a/DIRUT/RBB/III/2020 on April 1, 2020, in order to formally direct Bank BTPN's strategy towards coping with COVID-19. Bank BTPN also established working groups to determine strategies and work plans to deal with crises covering aspects of risk, finance, business, and others. Moreover, Bank BTPN has also provided support for the acceleration of national economic recovery by implementing the government's National Economic Recovery (PEN) programs.

In the health zone, Bank BTPN has activated BCP (Business Continuity Plan) procedures and implemented worker protection measures, such as working from home, travel regulations, and new HR policies to deal with the pandemic. Bank BTPN has further responded to the health crisis by:

1. Forming a COVID-19 task force led by the President Director that covers risk management mitigation, operations, wealth management business, information engineering, human resources, communication, Daya, compliance, and legal.
2. Showing concern for Bank BTPN employees through: setting appropriate working hours, enabling split operations, working from home, distributing masks and vitamins for frontline workers, restricting business travels, arranging insurance, establishing protocols in case of infection.

3. Showing concern for Bank BTPN's customers through:
 - a. Loan restructuring for customers
 - b. Expanding the reach of contact centres by opening three contact centres in Jakarta and activating a contact centre in Semarang.
 - c. Determining health protocols at branch offices, waning working hours, and propelling customers towards using digital services.
4. Showing concern for the community by mobilising donations from Bank BTPN's staff and management for communities affected by COVID-19.

In maintaining workplace safety and safeguarding the health of employees and the community, Bank BTPN has been proactively following the protocols required at the various stages since COVID-19 was declared a pandemic which include:

1. Providing staff with hand sanitizers and masks;
2. Checking body temperature and limiting the number of visitors at Bank BTPN;
3. Scanning body temperature: provided by the BTPN Tower management;



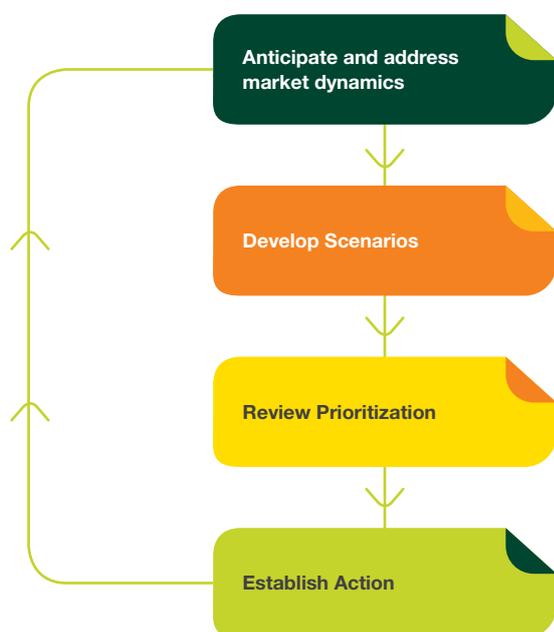
Disinfectant spraying



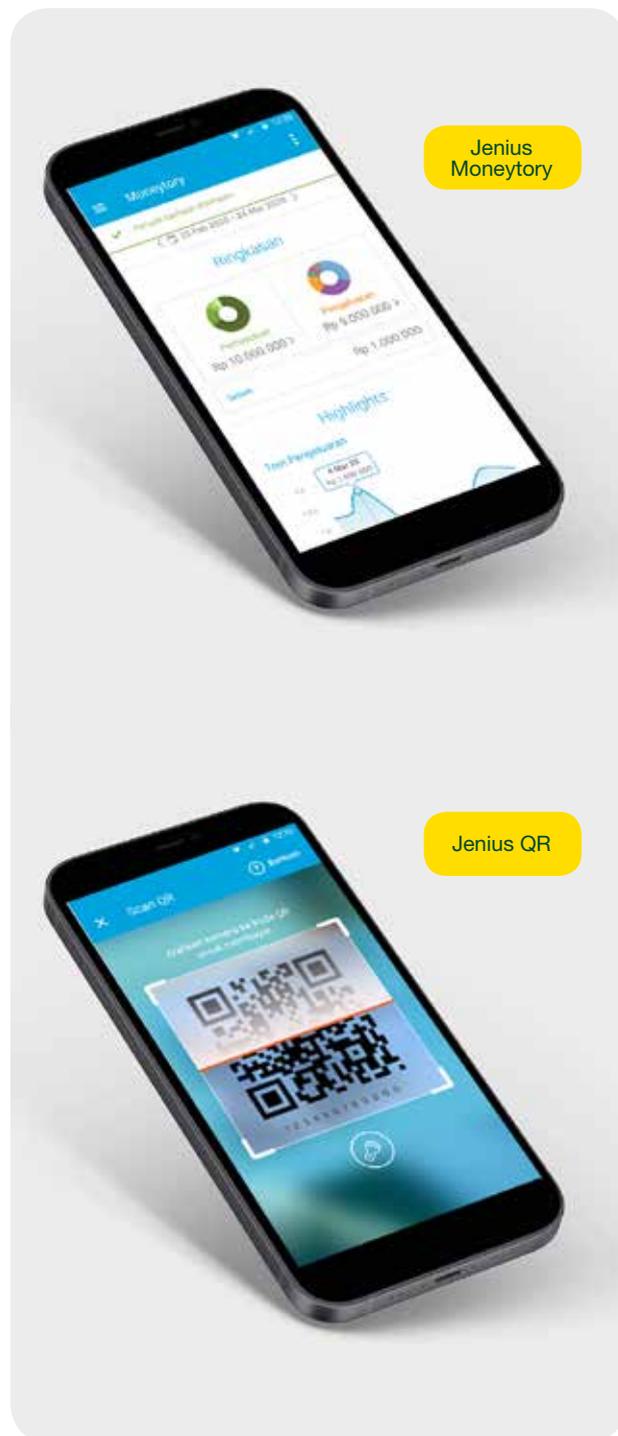
Scanning body temperature before entering the Bank BTPN's area

4. Conducting travel warning dissemination for countries including in the severely affected areas;
5. Spraying office buildings with disinfectants.

On the economic front, Bank BTPN has prepared a strategic plan to confront the crisis. The BTPN Strategic Crisis Action Plan has been formulated to anticipate the dynamic changes that ensue in the market from time to time. Bank BTPN has also developed assorted scenarios and simulations regarding the impact of the pandemic on the banking business as well as the perils. The next step is to set priorities to ensure the future business development of Bank BTPN. We elucidate these in the following chart:



Facing this pandemic period has impelled Bank BTPN to innovate in order to keep providing prominent service for customers despite their having limitations upon being able to come to the Bank. Bank BTPN has launched relevant digital services and made it easier for customers to manage and to undertake their financial transactions, such as Moneytory, Multi Flexi Saver, Jenius QR, and Top up BNI Tap Cash.



In the midst of the doubt and fear of the pandemic, Bank BTPN remains steadfast to conserve the emotional and mental health of the employees by proposing encouraging messages through videos and newsletters delivered by the Board of Directors. Bank BTPN further promotes education concerning COVID-19 through serial videos conveyed by doctors in collaboration with PDUI (Indonesian General Practitioner Association). Additionally, Bank BTPN disseminates the latest information about COVID-19 through diverse online communication media. On another point, Bank BTPN has also shared tips and messages of caution from former COVID-19 patients who have recovered. It is expected that all employees will remain enthusiastic while continuing to pay attention to health protocols.

Furthermore, Bank BTPN has also adjusted the focus of empowerment activities undertaken through the Daya work unit. Empowerment activities in the form of trainings and seminars which were originally conducted face-to-face since the end of the first quarter of 2020 have been adjusted to online training and seminars. In providing material through information media and online seminars during the COVID-19 pandemic, Bank BTPN spreads information ranging from material related to a healthy lifestyle in the new-normal era

to material on how to manage finances and how to maintain a business during a pandemic. In addition to focusing on online training and seminars, Bank BTPN continues to help customers and the public by providing various categories of information on health, finance, entrepreneurship, and environmental preservation through the digital platform www.daya.id.

The participation of all parties in dealing with the COVID-19 pandemic is also urgently required. Bank BTPN acknowledges the circumstances, invites stakeholder participation, and is itself called to action by channelling donations to parties in need, such as the health workers facing the pandemic at the frontline, and rural children who need solid internet signal support so that they can learn online.



Raising The National Economy

Implementing sustainable finance is a major focal point for Bank BTPN in raising the national economy, even in the midst of the pandemic.



BANK BTPN AT A GLANCE

In making its contribution to the nation and society, Bank BTPN focuses on serving the mass market segment. Which consists of pensioners, micro, small, and medium enterprises (MSMEs), productive underprivileged communities, the consumer class segment, and the corporate segment. Our business focus is supported by our business units:

1. Wealth Management Business — a business unit that provides funding
2. Retail Lending Business — a business unit to service pension benefit payments through savings and provide credit to pre-retirement customers
3. Mitra Bisnis — a business unit for providing credit for business capital
4. Consumer Finance — a business unit providing financing for end-users, companies or financial institutions
5. Micro business — a business unit that focuses on providing loans to Micro and Small Enterprises
6. BTPN Wow! — delivers Laku Pandai products that focus on the unbanked segment
7. Jenius — a digital banking platform for the consumer class segment
8. Corporate Banking — focuses on serving Japanese companies, tier 1 and tier 2 companies in Indonesia, Commercial Banking and Multinational Companies

SUSTAINABLE FINANCIAL POLICIES AND COMMITMENTS [OJK A.1]

Being aware of the importance of environmental and social issues, Bank BTPN is committed to supporting and implementing sustainable finance. To this end, Bank BTPN has designed the RAKB (Sustainable Financial Action Plan) to fulfil the bank's obligations in accordance with Financial Services Authority Regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies. Bank BTPN has now implemented and compiled the RAKB for 2019-2023. This policy is set by the Board of Directors. [FS1]

As elucidated in POJK Number 51/POJK.03/2017, the objectives of Sustainable Finance are to:

1. Provide sufficient sources of funding to achieve sustainable development goals and climate change-related funding
2. Increase the resilience and competitiveness of FSIs, Issuers, and Public Companies through better

social and environmental risk management by developing financial products and/or services that apply Sustainable Finance principles so that they can contribute positively to financial system stability.

3. Reduce social inequality, reduce and prevent environmental damage, protect biodiversity, and encourage efficient use of energy and natural resources.
4. Develop financial products and/or services that apply the principles of Sustainable Finance.

Bank BTPN is fully committed to supporting the achievement of the Sustainable Development Goals prepared in the (SDGs)

To support the achievement of these objectives, Bank BTPN has formulated a variety of sustainability objectives in implementing the RAKB, namely [OJK A.1]:

1. **Portfolio.** Provide inclusive financial products and services to support sustainable development and climate change.
2. **Business Process.** Financial services that are integrated with environmental, social, and governance risks in products, services, business decision making as well as running banking operations that are more environmentally friendly.
3. **Learning and Growth.** Developing the capacity and capability of the bank, both internally and through partnerships, to implement and to improve sustainable finance in accordance with the needs of stakeholders and the direction of business development.

Bank BTPN's various sustainability policies and initiatives are manifested in comprehensive business development. This initiative has been compiled and formulated in line with Bank BTPN's business activities so far. Several sustainability initiatives includes: [FS1] [OJK F.1]

1. Development and enhancement of the portfolio of sustainable financial services products.
 - a. Preparations to enter retirement period actively and independently



- b. Briefings on the topic of sustainability for MSME entrepreneurs
 - c. Environmental financing in the corporate segment
 - d. Philanthropy mutual funds
 - e. Competency enhancement and empowerment of BTPN Wow! Agents
2. Developing human resource competencies, particularly the introduction of sustainability finance to employees and mitigating environmental and social risks from banking activities. **[FS4]**
 3. Development of the organization, policies, processes and integration of environmental, social and governance (LST).

In particular, this sustainable finance design is the responsibility of Communications and Daya Head who is under the supervision of the Compliance and Legal Director. At the implementation level, the person in charge for implementing the RAKB is each respective Line of Business (LOB) leader and their relevant support functions. **[FS2] [OJK F.1]**

Related to the services above, Bank BTPN's policies provide new opportunities that motivate the preparation of product innovations that prioritise sustainability. On the other hand, there are challenges in achieving a balance between commercial products and sustainable products. In addition, there are still limitations in the types of sustainable products on the market. **[FS1]**

SCREENING AND INTERACTION REGARDING ENVIRONMENT AND SOCIAL **[FS5] [FS11]**

Bank BTPN determines the environmental and social requirements for proposed financing, including among other things, that the corporation in question is not a debtor with significant social and environmental risks. The standards set for financial policy are as follows: **[FS5]**

1. Bank BTPN does not provide credit to companies or projects that appear to be significantly dangerous to environmental & social.
2. Bank BTPN pays attention to environmental risk management in the debtor's business, including waste disposal, pollution mitigation, and other environmental measures.
3. Bank BTPN considers environmental risks when receiving rifles or in re-examination of collateral, to then determine the risk mitigation required.
4. Bank BTPN will not be involved in extending credit for the arms trade.
5. Bank BTPN refuses to extend credit to industries that contain pornographic elements.

ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT PROCEDURE **[FS2]**

In implementing our sustainability policies and principles, Bank BTPN conducts an assessment and screening process for corporations that apply for financing through the following procedures: **[FS2] [OJK E.3]**

1. Scrutinising documents related to the business licensing of prospective debtors with reference to the Regulation of the Minister of Environment of the Republic of Indonesia No. 05 of 2012 and the amendments (if any) regarding AMDAL and the obligation to implement RKL and RPL in the AMDAL Documents.
2. The Credit Committee ensures that the prospective debtor is not a prohibited target market, and has met the Risk Acceptance Criteria in accordance with the provisions. As well as other processes related to the collateral provided, it must pay attention both when collateral is received and at the time of re-examination of collateral. Environmental risk to collateral can hamper or even burden the Bank (where the collateral value can be negative) at the time of collateral sale.
3. The Credit Committee applies the four eyes principle to granting credit, namely by ensuring that at least two people give approval before a decision is made.

4. After the credit provision is approved, the Credit Admin will check the loan to be forwarded to the credit operational section for the disbursement process.
5. Supervision of loan/credit quality will continue to be carried out by each business unit and by the risk management unit.
6. Quality Assurance: internal and external audits carry out an examination of the monitoring process, which is followed by supervision from the regulator, in this case the FSA.
7. In order to supervise and foster debtors, Bank BTPN periodically visits debtors whose results are reported in a call report. This visit discusses topics related to the debtor's business condition as a whole, including compliance with environmental aspects. This interaction is carried out by the departments of each line of business. [FS5]
8. In particular, Bank BTPN conducts a monitoring process for compliance with environmental regulations, such as set out in the Corporate Banking SOP addendum. [FS4]

ENVIRONMENTAL AND SOCIAL COMPLIANCE AND IMPLEMENTATION MONITORING PROCESS [FS3]

Bank BTPN always monitors clients in terms of their implementation and compliance with environmental and social regulations to ensure that the relevant agreements made can be carried out as well as possible. Bank BTPN applies the Equator Principles (EP), which is a risk management framework, implemented by financial institutions to determine, assess, and manage environmental and social risks in Bank BTPN financing. The EP are intended to provide a minimum standard in due diligence to support responsible decision and risk making in project financing. This incorporates the bank's right to inspect the debtor's compliance with environmental regulations. Bank BTPN applies this matter in all project financing according to the EP protocol.

In this monitoring effort, the Relationship Manager acts as the representative for Bank BTPN and conducts inspections at the project site through regular visits. Monitoring is carried out at least every year. However, during the pandemic, as there is limited movement, monitoring is carried out via telephone. If there is something that is not in accordance with the credit agreement, Bank BTPN will consider it during the process of extending the facility. [FS3]

OVERVIEW OF THE ECONOMY OF INDONESIA

The COVID-19 pandemic has become the major determinant of the global economy, including Indonesia's economic situation. Until the end of 2020, there were 719,219 confirmed cases with 21,452 deaths. This epidemic does not appear to have subsided, and the government has established Large-Scale Social Restrictions (PSBB) to suppress widespread transmission and decrease casualties. However, this has resulted in lower demand for goods and services, and a sluggish economy due to the closure of shopping centres. In response to this, the government has prepared various programs for national economic recovery, including stimulating business actors, even though economic development is still relatively slow. Not only Indonesia, but the whole world is experiencing the threat of a recession.

In the third quarter of 2020, the Indonesian economy contracted by 3.49% (y-o-y). Although the economic growth per quarter in the third quarter appeared to be 5.05%, the impact of the pandemic on the economy has not yet seen an encouraging bright spot. According to World Bank projections, Indonesia will need at least five years to restore the economy to what it was before the COVID-19 pandemic. Furthermore, the Minister of Finance, Sri Mulyani, said that there would be no worldwide economic recovery until all countries had access to the COVID-19 vaccine.

The banking sector has an important role in reducing the impact of the pandemic, considering that banking is a doorway to provide credit and capital to the public which will increase economic activity. Banking industry conditions were maintained with adequate capital and liquidity amid the slowing down of the domestic economy. The government has issued various financial policies that are anticipatory and adaptive to the pandemic which are covered in the PEN (National Economic Recovery) Program. This program is in the form of incentives to restore the economy from the production and consumption side, in the form of incentives and various kinds of social assistance.

Other programs launched by the government include relaxation of credit payments. Demand for credit, however, is still weak, given that the private sector and the public in general are still cautious and waiting for certainty about future risks. Another stimulus provided by the Government is incentives for the MSME segment which in a pandemic condition is one of the segments that has experienced the deepest slowdown.

The total loans during fiscal year 2020 amounted to IDR136.2 trillion. Compared to 2019 which amounted to IDR141.8 trillion, there was a decrease of 3.9%. The decline was mainly due to the COVID-19 pandemic, which is a tough challenge for the banking industry. The slowdown in lending was also caused by weakening business activity and higher loan repayments compared to the provision of new credit facilities. The business segments most affected by the COVID-19 pandemic in 2020 are the Consumer Financing and MSME segments. The business segments that were still experiencing growth were the Corporate and Sharia Financing segments, which still grew by 3.9% and 5.8%, respectively. Meanwhile, the pension business segment experienced a decline due to Pension business reached maturity. Meanwhile, the capital adequacy ratio (CAR) was still at a healthy level, namely 25.6% at the end of December 2020.

The Bank proactively provides support to debtors with a focus primarily on the most affected debtors, provides financial solutions tailored to the conditions of the debtors, loan restructuring policies are in line with applicable government regulations in an effort to support customers. At the end of December 2020, the restructured loan outstanding balance of debtors affected by COVID-19 reached IDR8.75 trillion. This amount is equivalent to 6.42% of the total consolidated loan portfolio.

In addition, online shopping growth has increased due to the implementation of the Large-Scale Social Restrictions. Bank BTPN took the opportunity to promote digital banking through its Jenius products. The threat of a pandemic was still not over by the end of 2020, however, Bank BTPN will continue to survive by maintaining the quality of its portfolio, increasing TPF (Third Party Funds) and actively moving into the digital banking space so as to diminish the impact of the pandemic.

PERFORMANCE OF BANK BTPN

Summary of Bank BTPN's 2020 Economic Performance

Description	2020	2019	2018
Balance Sheet Summary (IDR Million)			
Total Assets	183,165,978	181,631,385	101,341,224
Earning Assets	176,915,917	173,854,020	94,345,608
Loans	136,212,619	141,760,183	68,136,780
Deposits from Customers	100,788,906	86,939,479	70,844,712
Borrowings	37,176,039	44,086,343	8,442,765
Securities issued	993,045	3,190,628	1,197,442
Total Liabilities	150,201,225	150,159,457	82,554,894
Total Shareholders' Equity	32,964,753	31,471,928	18,786,330
Income Statement Summary (IDR Million)			
Net interest income	10,624,428	10,991,695	9,600,408
Other Operating Income	1,688,837	1,616,578	600,139
Operating Expenses	(6,883,113)	(7,129,872)	(5,877,519)
Allowance for Impairment Losses	(2,799,638)	(1,445,882)	(1,375,272)
Net Operating Income	2,630,514	4,032,519	2,947,756
Net Profit for the Year	2,005,677	2,992,418	2,128,064
Total Comprehensive Income	2,029,875	2,977,822	2,366,344

Overview of Economic Aspects Performance [OJK B.1]

Description/Year	2020	2019	2018
Bank operating income	12,313,265	12,608,273	10,200,547
Bank net profit	2,005,677	2,992,418	2,128,064
Performance of Economic Aspects related to Sustainability			
Types of products that meet the criteria for sustainable business activities	5 projects and MSME	6 projects and MSME	-
Nominated products and/or services that meet the criteria for sustainable business activities	9,878,788	10,843,037	-
Percentage of total portfolio of sustainable business activities to total portfolio (%)	8%	8%	-
a. Raising funds	-	-	-
b. Distribution funds	9,878,788	10,843,037	-
Inclusive Financial Performance			
Laku Pandai Development			
a. Total Agents	244,878	260,587	223,010
b. Nominated products and/or services provided by the Agent	33,062	38,037	45,568

* Data are taken from the Bank's Annual Report

* All numbers in Rupiah are in million

Comparison of Production Targets and Performance, Portfolios, Financing Targets, or Investment, Income and Profit and Loss [OJK F.2]

Description/Year	2020	2019	2018
Total Assets	183,165,978	181,631,385	101,341,224
Earning Assets	176,915,917	173,854,020	94,345,608
Loans	136,212,619	141,760,183	68,136,780
Third-Party funds	100,788,906	86,939,479	70,844,712
Operating Income	12,313,265	12,608,273	10,200,547
Operating Expenses	(6,883,113)	(7,129,872)	(5,877,519)
Net Profit	2,005,677	2,992,418	2,128,064
Performance Ratio			
Capital Adequacy Ratio (CAR)	25.55%	24.21%	24.61%
Non-performing earning assets and non-earning assets to total earning assets and non-earning assets	0.59%	0.47%	0.89%
Non-performing earning assets to total earning assets	0.96%	0.70%	1.00%

Description/Year	2020	2019	2018
Allowance for Impairment Losses for financial assets to earning assets	2.00%	0.89%	1.27%
NPL gross	1.21%	0.81%	1.24%
NPL nett	0.50%	0.43%	0.51%
Return on Asset (ROA)	1.41%	2.25%	3.00%
Return on Equity (ROE)	6.12%	9.94%	11.64%
Net Interest Margin (NIM)	6.11%	6.89%	11.27%
Operating Expenses to Operating Revenues	89.47%	83.44%	80.05%
Loan to Deposit Ratio (LDR)	134.21%	163.02%	96.18%
Liquidity Coverage Ratio (LCR)			
a. LCR individually	282.08%	226.12%	146.40%
b. LCR on a consolidated basis	281.70%	229.14%	158.96%

*) Only filled in by Banks that are required to compile and publish the Quarterly Liquidity Coverage Ratio (LCR) calculation and value as stipulated in the provisions concerning the liquidity adequacy ratio (LCR) compliance requirement for commercial banks. LCR values are first presented for the reporting position for March 2019.

*All numbers in Rupiah are in million

Comparison of Portfolio Targets and Performance, Financing Targets, or Investments in Financial Instruments or Projects that are in Line with the Implementation of Sustainable Finance [OJK F.3]

RAKB Achievements (IDR Billion)

Description/Year	2020		2019
	Total	The numbers are in billions	The numbers are in billions
The number of products that meet the criteria for sustainable business activities			
a. Raising funds	-	-	-
b. Distribution of funds	5 projects & MSME	9,878	10,843

Consolidation Financing According to KKUB (IDR Billion) [FS8] [OJK F.26]

Description/Year	2020	% compared to the value of products in the line of business	2019
a. Renewable energy	199,124	7%	264,827
b. Energy efficiency	653,439	23%	689,274
c. Sustainable management of living natural resources and land use	1,442,213	50%	347,062
d. Environmentally friendly transportation	586,709	20%	1,117,311
e. MSME activities	6,997,300	100%	8,424,561



Bank BTPN provides financing for environmentally friendly transportation

PERCENTAGE OF BUSINESSES WITH ENVIRONMENTAL AND SOCIAL INSIGHT

[FS10]

In particular, Bank BTPN provides financing for corporate customers with environmental and social perspectives, such as:

1. Power generation projects from renewable energy sources.
2. Environmentally friendly business activity financing.
3. Management of living natural resources.
4. Sustainable land use.
5. Environmentally friendly transportation.

During the reporting year, there were five companies with environmental and social perspectives covering 3.7% of the total loans/financing of Bank BTPN's Corporate Banking, or amounting to IDR2.87 trillion. Overall, the total Bank BTPN Corporate Banking loan portfolio in the reporting year amounted to IDR78.64 trillion. [FS10]

This loan is channelled to support the business of customers in the corporate segment, including for infrastructure development and environmentally friendly development activities. It is Bank BTPN's commitment to increasing financing within the Sustainable Business Activities aspect in the coming years.

PERCENTAGE OF BUSINESS PORTFOLIO BY SECTOR AND SIZE [FS6]

In conducting financing, BTPN is committed to covering businesses or industries that do not have high risks and large impacts in the environmental and social sectors. Bank BTPN implements the Equator Principle, which is a process to ensure debtor compliance with laws and regulations related to environmental and social aspects. Furthermore, this process is discussed in the description of the procedure for examining environmental and social risks or FS 2. In addition, Bank BTPN also classifies according to sector, namely the type of industry being financed. Bank BTPN does not classify by region, for BTPN only operates in Indonesian territory.

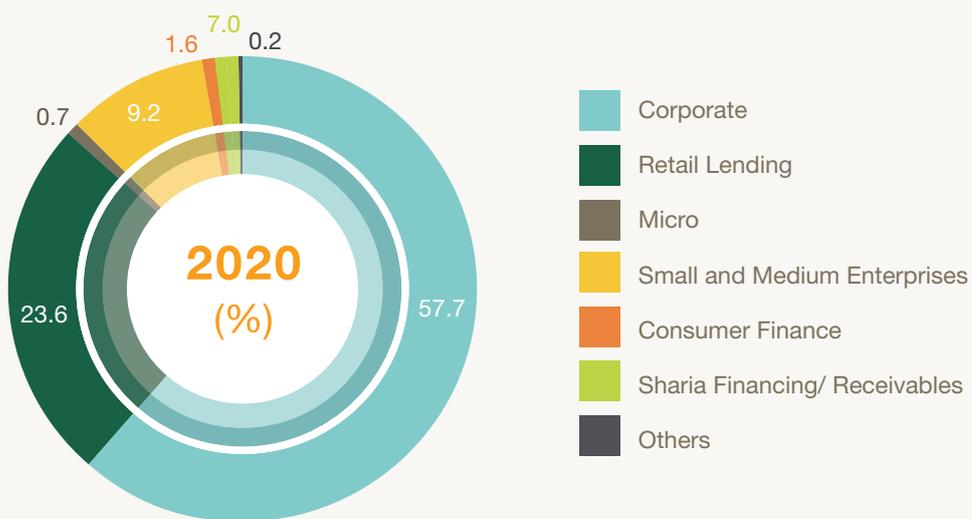
Of all financing, there is 0.2% or a total of IDR218 billion to promote micro business, and 5.0% or a total of IDR6.8 trillion to support small and medium enterprises. In the face of a pandemic that is quite pressing on the business world, especially MSMEs (Micro, Small, and Medium Enterprises), Bank BTPN provides loan restructuring related to lower interest rates and postponement of loan interest payments. The distribution of financing to MSMEs during the COVID-19 period slowed down in line with the slowing down of the national economy.

On the basis of the business segment, Bank BTPN's financing distribution is dominated by the corporate sector and retail lending.

Consolidated Loan by Business Segments (IDR Million) [OJK F.26]

Percentage of portfolios by size

Description	2020	2019	2018
Corporate	78,642,664	75,713,860	-
Retail Lending	32,107,874	35,611,265	38,459,840
Micro	905,462	1,611,149	3,043,803
Small and Medium Enterprises	12,545,170	13,883,980	12,898,289
Consumer Finance	2,181,035	5,561,484	5,634,680
Sharia Financing/ Receivables	9,522,866	8,999,574	7,277,162
Others	307,548	378,871	823,006
Total	136,212,619	141,760,183	68,136,780



Conventional Loans (Bank Only) by Business Segments (IDR Million)

Portfolio percentage by sector

Description	2020	2019	2018
Household	33,238,812	39,045,239	41,688,438
Trading	15,530,411	14,756,122	8,949,400
Industry	27,808,419	30,156,970	3,927,984
Other services	24,092,459	24,720,232	4,107,220
Agriculture	4,267,071	3,041,389	277,932
Accommodation services	208,210	267,585	383,978
Construction	6,137,209	6,388,053	786,772
Transportation and communication	7,454,427	7,912,554	569,664
Mining	1,903,710	2,065,567	140,341
Others	6,049,025	4,406,898	27,888
Total	126,689,753	132,760,609	60,859,618



ASSESSING THE IMPLEMENTATION OF ENVIRONMENTAL AND SOCIAL POLICIES AND RISK ASSESSMENT PROCEDURES [FS9]

As part of an audit system to ensure the implementation of environmental and social policies, as well as risk management, Bank BTPN carries out audits in a systematic, orderly, and well documented. This audit is carried out by the Wholesale and Commercial Banking Audit business unit during the wholesale and commercial credit examination

in accordance with the audit cycle stipulated in the Annual Audit Plan and based on a risk assessment at the time of conducting the examination.

For this audit system, Bank BTPN conducts a study on the provision of credit/projects related to the Equator Principles which refers to the procedures regarding social and environmental risk analysis, and on the implementation of Equator Principle. Should there be findings that are deemed necessary to be followed up, Bank BTPN will submit recommendations and monitor the follow-up on the settlement.

DISTRIBUTION OF ECONOMIC VALUE ACHIEVEMENT

The economic contraction due to the pandemic has had an impact on the economic value received by Bank BTPN. The total economic value received in 2020 was IDR17.5 trillion, a decrease of 11% compared to the previous year. In line with the decline in income, the economic value distributed also decreased by IDR2.2 trillion or 14,3% relative to the previous year. However, Bank BTPN ensures that all of Bank BTPN's obligations to the government and Bank BTPN's contributions to the community in the form of CSR funds are still carried out, responsibly. In 2020, Bank BTPN did not distribute dividends to support business development.

Bank BTPN's contribution to the state is realized either directly or indirectly in the form of non-financial contributions. Direct contributions are in the form of tax

payments of IDR848.7 billion. Meanwhile, the indirect contribution is in the form of BTPN's efforts to develop MSMEs and for underprivileged people who previously did not have access to banking support. This development certainly increases the welfare of the people in general, in addition to advancing the economy which in turn increases the payment of taxes to the state. In developing its business, Bank BTPN does not receive any subsidies or financial assistance from the government, including subsidies, tax exemptions, nor other assistance. [GRI 201-4]

There has been no direct climate impact on Bank BTPN's business. However, there has been an indirect impact because Bank BTPN provided microcredit to farmers. Climate change certainly has an impact on the quality and quantity of the harvest, which then affects their credit payments. [GRI 201-2]

Distribution of Economic Value Acquisition (IDR Million) [GRI 201-1] [OJK B.1]

Description	Deviation		2020	2019	2018
	Value	Percentage			
Received Direct Economic Value					
Interest income and sharia	(2,277,496)	(12.2%)	16,403,483	18,680,979	14,126,651
Other operating income (net)	109,262	11.4%	1,071,864	962,602	231,130
Total economic value received	(2,168,234)	(11.0%)	17,475,347	19,643,581	14,357,781
Distributed Direct Economic Value					
Operating costs	(93,043)	(2.9%)	3,062,933	3,155,976	2,730,838
Employee salaries and benefits	(127,190)	(3.8%)	3,211,395	3,338,585	2,811,122
Interest costs and sharing of syirkah funds	(1,910,229)	(24.8%)	5,779,055	7,689,284	4,526,243
Dividend payment	-	-	-	-	-
Payments to the government (PPH and VAT)	(15,098)	(1.7%)	848,722	863,820	750,805
Distribution of CSR funds	(6,161)	(67.6%)	2,958	9,119	10,580
Total economic value distributed	(2,151,721)	(14.3%)	12,905,063	15,056,784	10,829,588
Economic Value On Hold	(16,513)	(0.4%)	4,570,284	4,586,797	3,528,193

SUPPLY CHAIN [GRI 102-9]

In running a business, Bank BTPN involves various partners as part of the work and operational system of Bank BTPN. The supply chain needs in Bank BTPN include security personnel, customer service, and several teller functions which are supplied through an outsourcing scheme. Bank BTPN is very careful in selecting work partners, considering that the partners and suppliers are part of the image of Bank BTPN. To that end, Bank BTPN ensures that every business partner and supplier meets the requirements of applicable laws and regulations, including compliance with social and environmental aspects. [GRI 414-1]

The number of suppliers examined in the social aspect is 130 suppliers. None of these suppliers were identified as having negative social impacts; therefore, none of the suppliers were terminated due to social risks.

[GRI 414-2]

Apart from the supply chain, Bank BTPN also engages in business with other goods and service suppliers. Cooperation with suppliers and partners is carried out through a tender process and direct appointment. In 2020, Bank BTPN will cooperate with 240 suppliers, or down from the previous year which amounted to 300 suppliers. The total procurement of goods and services is IDR410,402,218,901 which is a decrease of 4% from the previous year's figure which amounted to IDR427,641,257,292.

In order to maintain our service quality, Bank BTPN conducts periodic evaluations of all supplier partners, including goods, services, and information technology products. Bank BTPN assesses aspects of financial capacity, employment and the quality of goods or services provided during a certain period. We keep a list of all partners and suppliers as well as their track records. Bank BTPN manages this within Bank BTPN's e-procurement system. Through this system, Bank BTPN ensures transparency, efficiency and effectiveness of the procurement process. This e-procurement procedure and system is designed using benchmarks for similar financial institutions in the national scope.

For efficiency, and while at the same time improving the local economy, Bank BTPN prioritises the purchase of goods and the fulfilment of services from the region, namely from the provinces in which Bank BTPN is located. The proportion of expenditure for local suppliers during the reporting year was 100% of all purchases and fulfilment of Bank BTPN services. [GRI 204-1]

IMPROVEMENT OF INTERNAL COMPETENCY AND CAPACITY

[FS4] [OJK F.1] [OJK E.2]

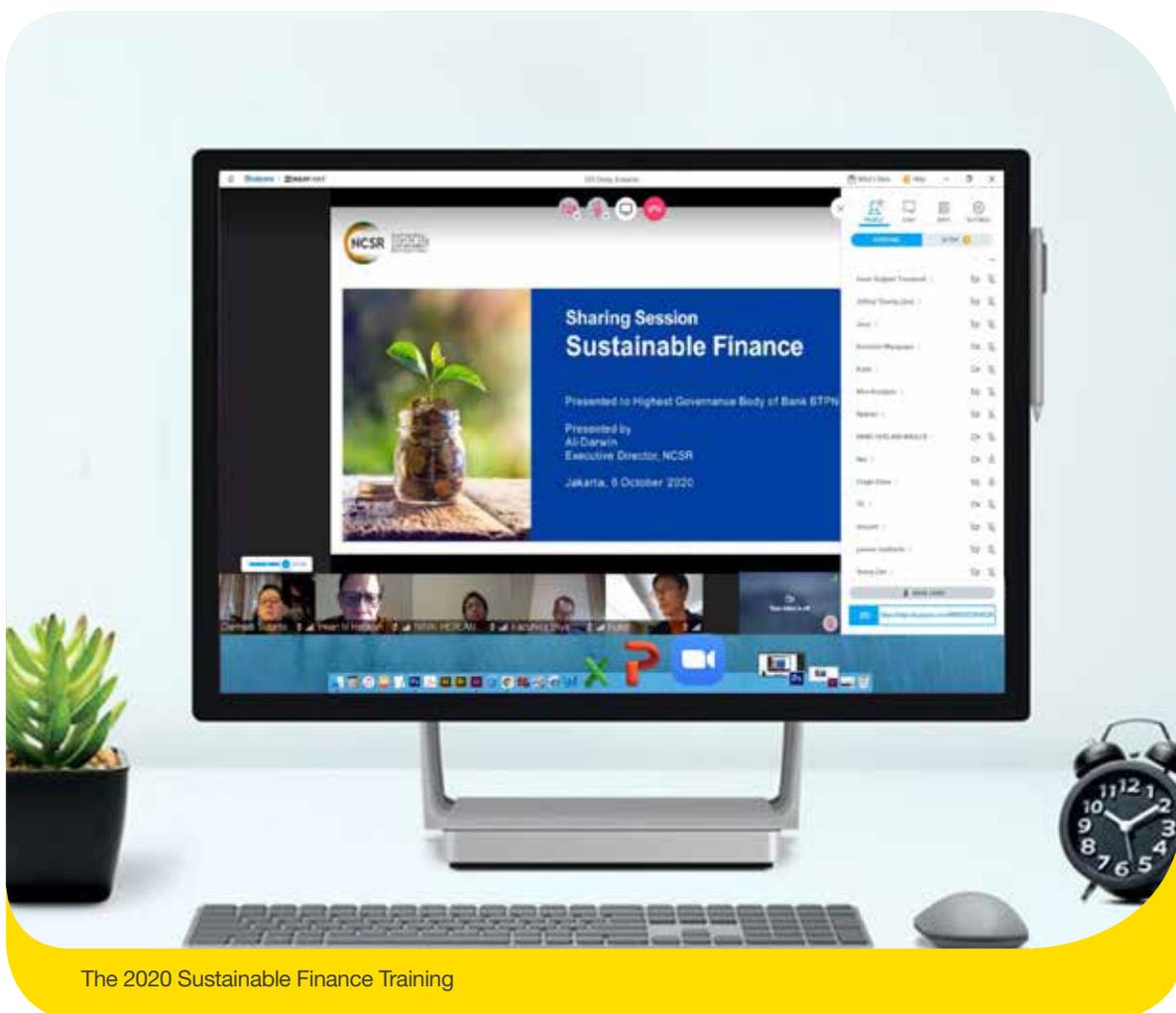
To ensure the achievement of our sustainable finance goals, Bank BTPN conducts various trainings for governance members and BTPN employees on sustainability topics, namely on economic, social and environmental topics.

Internal capacity building objectives are:

1. Increasing and building internal capacity to lead, implement and develop sustainable finance in line with Bank BTPN's business objectives.
2. Introducing and integrating ESG (environmental, social, governance) practices in all of Bank BTPN's activities, products and financial services by all employees.
3. Promoting relevant sustainability practices for customers and communities, especially those related to developing a portfolio of financial products and services in the RAKB.

Bank BTPN conducts outreach and workshops to ensure that Bank BTPN staff have the competence to implement environmental and social policies in relation to their duties. In total, three activities were held on the topic of sustainability and these were followed by 1,187 participants. The following are the trainings that were conducted in the reporting year:

Training Topics	Date	Participants	Total	Form	Description
Sustainable Finance Implementation	September 30, 2020	Sustainable Finance Implementation Team	43	Workshop	Special Training
Dissemination of Sustainable Finance	October 6, 2020	Board of Directors & Board of Management	20	Sharing session	Mandatory Training
Sustainable Finance Implementation	November - December 2020	All employees	1,124	e-Learning	Optional Training



The 2020 Sustainable Finance Training

1,2

- Infografis percepatan penanganan COVID-19 di Indonesia per tanggal 28 Desember 2020 Pukul 20:20. https://twitter.com/BNPB_Indonesia/status/1343474795858432002
- <https://www.antaranews.com/infografik/1823636/ekonomi-indonesia-kontraksi-349-persen#:~:text=Perekonomian%20Indonesia%20pada%20triwulan%20III,kuartal%20sebesar%205%2C05%20persen.>
- <https://news.ddtc.co.id/pemulihan-ekonomi-butuh-berapa-lama-ini-proyeksi-world-bank-27399>
- <https://newssetup.kontan.co.id/news/menkeu-pemulihan-ekonomi-dunia-tergantung-dari-ketersediaan-vaksin-corona>
- <https://mediaindonesia.com/ekonomi/349355/ojk-sektor-perbankan-masih-terjaga-di-masa-pandemi>

SUSTAINABLE PRODUCTS AND SERVICES

Bank BTPN supports sustainable finance initiatives by coming up with products and services that match our economic, social, and environmental interests.



SUPPORTING SUSTAINABLE FINANCIAL ACTIONS AND ACHIEVEMENTS

Bank BTPN shows its commitment to support sustainable finance by providing financing innovations that reinforce the creation of sustainable economic growth. Bank BTPN develops products with social goals that support the community to increase their economic capacity, in addition to provide financing that is environmentally sound.

In providing its products and services, the main objective of Bank BTPN is to provide opportunities for customers to grow by increasing their capacity to develop their businesses and achieve a healthier and more prosperous life. Thus, not only have Bank BTPN's customers experienced an increase in welfare, but so have millions of other Indonesians who have also shared in the benefits.

VARIETY OF BANK BTPN'S PRODUCTS [GRI 102-2] [OJK C.4]

Bank BTPN has launched various products:

Hedging Products

- IRS/CCS and foreign exchange transactions

Loan Products

- Bilateral and Syndication Loans (IDR, USD, and JPY);
- Working capital credit;
- Investment Credit;
- Project/Structured Finance;
- ECA (Export Credit Agency) ;
- Other Credits.

Cash Management Products

- Current Account and Term Deposits;
- Payment (ACH, RTGS, Payroll, Wires);
- E-Tax Payments (non-import and import taxes);
- Collections (ACH, RTGS, Payroll, Wires, Check/Cash Deposit, Giro);
- Virtual Accounts;
- Internet Banking/Host to Host;
- Liquidity Management (domestic cash polling).

Domestic, Export and Import of Trade Products

- Import LC Issuance/Import Bill Negotiation;
- Export LC Advising/Confirmation/Export Bill Collection;
- Documentary Collection (DP, DA);
- Trust Receipt/Trade Loan;
- Structured Trade Finance;

- Receivable Purchase;
- Bank Guarantees/SBLC;
- Avalization.

BTPN WOW!

- Funding BTPN Wow!
- Productive and Consumptive Loans
- Student Loans
- Supply Chain

JENIUS

- Jenius application;
- Savings (Flexi Saver, Dream Saver & Foreign Exchange);
- Deposit (Maxi Saver);
- Bill payment;
- ATM Card/Jenius Debit;
- Transfer (RTOL, SKN & RTGS);
- e-Wallet top-up;
- Loans (Flexi Cash);
- Jenius Pay;
- Jenius QRIS;
- Jenius Keyboard;
- Jenius for Business;
- Bisniskit by Jenius;
- Moneytory;
- Sinaya Prioritas on Jenius Application.

TREASURY & FI

- Foreign Exchange;
- Derivatives;
- Money Market.

WEALTH MANAGEMENT BUSINESS

- Taseto Premium;
- Taseto Business;
- Tabungan Pasti;
- Current Account Sinaya;

- Time deposit;
- Flexible deposits;
- Mutual funds;
- Bancassurance;
- ATM Card/Debit Sinaya;
- Safe Deposit Box;
- Bank Sharia Services;
- Weekend Banking;
- Sinaya Prioritas.

MICRO

- Term Installment Loans;
- People's Business Credit;
- Business Partner Savings;
- Time Deposit Equivalent;
- Oil Palm Smallholders Financing;
- Upper Micro.

RETAIL LENDING BUSINESS

- Pension Credit;
- Active Employee Credit;
- Cross Over Credit.

BUSINESS BANKING

- Cash Management;
- CPP SME;
- BPR Financing;
- ABF.

SUPPLY CHAIN AND STRUCTURED PROGRAM

- Supply Chain;
- Lending Program.

CONSUMER FINANCE

- Asset Based Financing (A/R Financing);
- Fintech;
- Financing with MF.

Some of the highlights of Bank BTPN's flagship products are as follows:

BTPN JENIUS



Jenius is a revolution in the banking sector with a digitalization process that has been commenced since the beginning. Jenius offers a complete and comprehensive Life Finance solution that further helps manage life and finances simpler, smarter, and safer. From handling bills, sending money quickly, arranging savings for aspirations, dreams, and unexpected things in life.

Jenius is equipped with a Visa debit card to manage Life Finance simply, smartly, and safely on smartphones based on Android or iOS. Jenius is intended for everyone who is digitally connected with high mobility.

Various features in Jenius were created to help the transaction process go faster and to enhance savings with optimal interest rates, as well as to manage finances with additional debit cards for allocation of funds and budget limits.

1. **Save It**, makes savings from daily transactions through the following options:
 - a. **Flexi Saver**, savings with flexibility that can be withdrawn/deposited according to customer wishes without being bound by a certain time period with an interest of 3% per year.
 - b. **Dream Saver**, a savings scheme that is used to achieve the goals or dreams the customer wants with an interest of 3% per year.
 - c. **Maxi Saver**, a time deposit that can be made, managed and accessed directly from a smartphone with an interest rate of up to 4.25% per year.
2. **Flexi Cash**, standby funds that are ready to be disbursed at any time as needed. Fund submission is fast and easy, without additional documents.

In the reporting year, Jenius launched its latest feature innovation, Moneytory. This feature helps the digital savvy community manage cash flow more simply by recording expenses and income automatically through the Jenius app. With Moneytory, Jenius users can clearly summarize their financial condition, starting from the amount of income/ expenditure, how much the difference between the two is, and easily view expense charts by date and nominal.

BTPN Wow! [OJK F.26]

Innovation in inclusive financial services

Our concern for the unbankable community is shown through the BTPN Wow!. BTPN Wow! providing services for marginalised communities or those living in remote areas of Indonesia that have not had economical access to banking services until now. This product is one of the products with a social purpose that Bank BTPN have launched to improve the welfare of economically disadvantaged people. [FS7]

BTPN Wow! provides facilities for opening savings accounts, transfers, bill payments, and other facilities that can be accessed through simple cellular telephone devices. Customers can also get services by visiting the closest BTPN Wow! agent to do cash and non-cash transactions.

Through BTPN Wow! we have provided banking access that is relevant to the micro and ultra-micro segments, that is for 4.4 million customers who have not previously been touched by the banking sector. To help customers make transactions, we have prepared 244,878 agents in 116 cities and 25 provinces in Indonesia. Total Funding BTPN Wow!

at the end of 2020 is IDR140 billion with YoY growth of 6% compared to the 2019 ending funding of IDR132 billion.

Having this banking facility on hand, both agents and customers of BTPN Wow! can now increase their income through business opportunities that have been made possible through the features/products offered at BTPN Wow!. Through this service, Bank BTPN also affirms its commitment to sustainable finance and helps create financial inclusion for all levels of Indonesian society.

BTPN Wow! is an achievement of Bank BTPN that is recognised by the world. The September 2016 edition of Fortune Magazine stated that Bank BTPN through BTPN Wow! is one of the 50 financial companies in the world that are recognised for their achievements in solving social issues in developing countries. In Indonesia, BTPN Wow! is also well-known as a pioneer in Branchless Banking services in the framework of Financial Inclusion (Laku Pandai) by the Financial Services Authority. This service has also recognized by the international organisations, where the Schwab Foundation give an award to Mr. Hadi Wibowo for his contribution in developing BTPN Wow!.

IMPROVING THE PORTFOLIO OF ENVIRONMENTAL AND SOCIAL FINANCIAL PRODUCTS [OJK F.26]

With the support of the International Finance Corporation (IFC), Bank BTPN has initiated lending for activities environmentally friendly infrastructure development. Bank BTPN applies the Equator Principle (EP), so that Bank BTPN can apply the debtor's compliance clause with the laws and regulations in the social and environmental fields. The approaches that Bank BTPN applies to developing a portfolio that incorporates a social and environmental perspective are:

1. Bank BTPN develops and implements procedures to access and segregate the social and environmental risks of the business sector to be supported. The Risk Management Division adjusts this clause in the applied risk management.
2. Bank BTPN will include a clause monitoring corporate debtor compliance against environmental regulations in a loan agreement clause that allows the Relationship Manager, as Bank BTPN's representative, to conduct inspections at the project site during periodic visits. Bank BTPN stipulates that this clause refers to the internal provisions regarding social and environmental risks as well as the Equator Principle.
3. Bank BTPN will advance cooperation amongst institutions that are signatories to the Equator Principle through global syndicated financing to signify its environmentally friendly financing portfolio in line with the achievement of the sustainability goals.

PRODUCTS WITH A SOCIAL PURPOSE [FS7]

As part of our community service, Bank BTPN provides banking services aimed at supporting the community, particularly in the social sector. Bank BTPN has launched its social products through MSME financing and this data can be seen on page 41. By providing credit to weak and marginalised economies, including through BTPN Wow!, Bank BTPN endeavours to improve their welfare and to reduce the income gap, which in turn, reduces the occurrence of various other social issues.



Sinaya's Branch Office

ACCESS DEVELOPMENT

Physical and Non-Physical Access

Access development is an important part of Bank BTPN's commitment to providing services that make it easier for the public and customers to reach Bank BTPN. Bank BTPN provides a variety of access, starting from the head office, branch offices, sub-branch offices, payment points, and ATM and TCR (Teller Cash Recycler) networks, functional offices and branchless networks.

Bank BTPN provides physical access to support customers including corporations, SMEs, and individuals. Along with customer development, Bank BTPN is adjusting the number and location of Bank BTPN's offices. In the reporting year, there were a reduction of 45 physical offices due to optimisation of adjacent offices while closing offices that were less than optimal.

As for customers with high mobility, Bank BTPN provides ATM and TCR networks as well as Functional Offices to support branchless financing activities supported by Laku Pandai agents (Branchless Financial Services for Inclusive Finance).

EXCELLENT PRODUCTS AND SERVICES

[FS15] [OJK F.27]

Excellent products and services are fair and safe products and services that fulfill the needs of the customers and society.

The focus of Bank BTPN is to provide banking products and services that answer customer needs, fairly and safely. In terms of credit policies, Bank BTPN follows the guidelines set by the FSA through FSA Regulation No. 42/POJK.03/2017 concerning Obligations to Prepare and Implement Credit or Bank Financing Policies for Commercial Banks.

In particular, Bank BTPN has prepared a policy to launch fair and safe products and services to be offered to customers. This policy covers a variety of principles and guidelines used to design products and services, including:

1. Product conformity with the vision and mission of Bank BTPN.
2. Suitability of products and services with customers' needs and capabilities.
3. Considering environmental issues, such as conservation of nature, environmental risk management (for example, waste disposal, pollution management and others). Bank BTPN determines certain conditions related to environmental risk which must be stated by the Business Unit in the loan granting procedure.
4. Considering social issues, such as providing credit and various trainings to the UMKM community.
5. Delivering information based on the principle of transparency. For each product and service that Bank BTPN offers to customers, Bank BTPN submits a summary of information about the product at the time of the offer and / or the signing of the credit agreement. Product summary provisions that Bank BTPN convey refers to the applicable FSA regulations.

6. Ensuring that each product has gone through a thorough inspection, including:
 - a. Risk assessment, related to eight types of risk: credit risk, market risk, liquidity risk, operational risk, strategic risk, compliance risk, reputation risk and legal risk.
 - b. Study of compliance test.
 - c. Operational review.
 - d. Financial studies.
 - e. IT studies.
 - f. Studies of related supporting work units.
7. Ensuring that all products have received approvals from related parties as stipulated in the Bank BTPN Product and Service Policy, supported by adequate standard procedures and infrastructure, including human resources who already have the required certificates, as well as the existence of a Business Continuity Plan (BCP).
8. For products that require regulatory approval, Bank BTPN ensures that these products will only be launched after obtaining regulatory approval.

Internal Audit conducts regular monitoring to ensure that this policy is implemented, properly. Bank BTPN also performs supervision at the Head Office level as part of bank-wide risk management.

In providing products and services, Bank BTPN also ensures that all products and services of Bank BTPN have been evaluated for safety and comply with the prevailing laws and regulations. Bank BTPN's policies and commitment in providing quality, fair and safe products have resulted in no issues of non-compliance with laws and regulations in the economic and social fields. [GRI 419-1] [OJK F.17] [OJK F.29] [OJK F.27]

IMPROVING THE SERVICE QUALITY

Service Quality Control Policy

Service quality is one of the most important points in the banking industry when engaged in the service sector. For this reason, customer satisfaction is a serious concern of Bank BTPN. Bank BTPN sets certain standards in customer service, namely Service Level Agreements (SLA) that all Bank BTPN's staff need to follow in providing services to customers.

SLA must be elucidated in detail when applied to each of the different functions and positions, depending on their duties and responsibilities. Moreover, these SLA targets need to be met, because this achievement is one of the points for evaluating the performance of the ranks.

Handling of Customer Complaints

Bank BTPN's commitment is to provide excellent and professional service as well as to foster good relationships with customers. To accelerate the resolution of customer complaints, Bank BTPN implements an integrated system

to handle complaints from end to end. The Customer Complaint Management application that Bank BTPN uses, conducts in-depth analysis of customer complaints from all regions, and provides periodic reports on analysis of customer complaints per area which are then submitted to the Board of Directors. These reports are used to assist Bank BTPN in determining the causes of these problems and the results are used as a basis for designing solutions for prevention in the future. The next step is to develop a systematic customer complaint handling mechanism.

Not only does this increase customer satisfaction, but this customer service policy and system is also a fulfilment of Bank BTPN's compliance with regulatory regulations. As part of its responsibility to customers, Bank BTPN has opened a complaint channel and is committed to providing solutions as quickly as possible. In 2020, Bank BTPN received 130,846 customer complaints, and almost all of these complaints were resolved within the reporting year.



Complaint Handling Publications for the Period of January - December 2020

Types of Financial Transactions	Complete		In Process		Incomplete		Number of Complaints
	Total	Percentage	Total	Percentage	Total	Percentage	
ATM	39,166	98%	741	2%	-	-	39,907
Bancassurance	2	100%	-	-	-	-	2
BTPN Wow!	1,505	97%	40	3%	-	-	1,545
BTPN Wow! Loan	1	100%	-	-	-	-	1
Third-party Funds	304	97%	9	3%	-	-	313
E-Statement	11	100%	-	-	-	-	11
Flexi Cash	1,314	97%	44	3%	-	-	1,358
Internet Banking	70	99%	1	1%	-	-	71
ISME	4	100%	-	-	-	-	4
Jenius	84,737	99%	632	1%	-	-	85,369
Join Finance	1,714	97%	58	3%	-	-	1,772
Pension Credit	217	89%	27	11%	-	-	244
MSE Credit	42	89%	5	11%	-	-	47
Mobile Banking	142	99%	2	1%	-	-	144
Working capital	-	-	-	-	-	-	-
Mutual Funds	3	100%	-	-	-	-	3
Remittance	-	-	-	-	-	-	-
RTGS/SKN	47	98%	1	2%	-	-	48
Standing Instruction	2	100%	-	-	-	-	2
Wow! Link	5	100%	-	-	-	-	5
Others	-	-	-	-	-	-	-
TOTAL	129,286	99%	1,560	1%	-	-	130,846

Customer Privacy Protection

Maintaining the privacy of customer data is Bank BTPN's way of maintaining their trust. Bank BTPN is very concerned with the privacy and security of customer data. Bank BTPN maintains strict procedures to ensure that data is properly stored and managed. In the reporting year, there were no complaints based on violations of customer privacy and loss of customer data. [GRI 418-1]

PRODUCT INFORMATION AND MARKETING

Bank BTPN cares about the conditions and needs of the community, for this reason Bank BTPN provides various products with different characteristics, which are tailored to the needs of the community. In order to protect the interests of customers and provide fair services, Bank BTPN implements clear and easy to understand product launch guidelines, covering: [GRI 417-1]

1. Summary of product information.
2. Features, terms and conditions.

3. The use of Indonesian that is easy to understand with a font size that is in accordance with the provisions.
4. Notification of changes to features or terms and conditions of a product.
5. Easy access to the latest information for customers and the public.
6. Explanation of products through personal means of communication for customers.
7. Services for consumers with special needs.

In addition, Bank BTPN periodically conducts surveys to obtain feedback in order to improve the quality of Bank BTPN products and services. Bank BTPN reviews each

product to adapt to the development of society and the business world. As part of Bank BTPN's commitment to quality services, Bank BTPN also conducts an SLA (Service Level Agreement) fulfilment assessment of all frontline employees, including Relationship Managers who are responsible for corporate customer accounts.

Bank BTPN's prudence in delivering information and marketing has yielded good results, namely no incidents of non-compliance related to product and service labelling and information, and no incidents of non-compliance related to marketing communications.

[GRI 417-2] [GRI 417-3]



Daya EMPOWERING COMMUNITY

Daya is an innovative implementation of a sustainable finance program to propel community development in various aspects of people's lives.



SUSTAINABILITY POLICY THROUGH DAYA

Bank BTPN's commitment to sustainable finance is manifested, among other things, by the Daya program which is a sustainable and measurable empowerment program to reinforce capacity building for all levels of society, from corporations to micro communities. This capacity building is intended to allow community to grow in various fields. This program is an ideal integration between corporate social responsibility activities and Bank BTPN's business and day-to-day operations. Daya is also a mean of manifesting the sustainable development goals proclaimed in the SDGs.

Daya is a unique value proposition that distinguishes Bank BTPN from other banks. It is an innovative program which has attained various awards and appreciations, both at the national and international levels.

In designing this program, Bank BTPN conducted comprehensive research to acquire a good understanding of the needs of the community in various different segments. Bank BTPN has used this knowledge to develop programs, modules and training curriculum, by collaborating with various universities, corporate partners and organisations that are experienced in their fields.

Daya - a sustainable and measurable empowerment program that aims at escalating capacity building and the quality of life of Indonesians.

SCOPE OF THE DAYA PROGRAM

[OJK F.25]

The Daya program is integrated with Bank BTPN's business units and day-to-day business activities. This program has been implemented after first conducting research and assessment to identify the real issues and needs of the community. In particular, the Daya program is focusing on economic, social, and environmental aspects. Daya, which is an added value and differentiates Bank BTPN from other banks, is built on the following four pillars:

- 1. Competence Development**, this is a term for providing opportunities for communities to develop their skills to face existing challenges. The modern world with all its complexities requires individuals who can continue to adapt and solve existing problems in this era. Having acknowledged the need, Bank BTPN provides opportunities for the community to develop their personal capacity and expertise through various training seminars and improvement of education infrastructure.
- 2. Personal Financial Health**, which aims to provide financial education for the Indonesians society according to their needs, delivered by experts in their fields. Financial literacy is a basic need that is highly important for everyone, in order to avoid financial problems. Most financial difficulties arise due to mistakes in financial management. However, while the level of financial inclusion has increased to reach 76%, financial literacy in Indonesia has only reached 40%. It can be concluded that people have greater access to finance, but do not yet have enough understanding of how to manage it properly in order to avoid financial issues. We realise how significant financial literacy for the community is, and for that we provide financial education for the community according to their individual needs. The program is delivered by experts in offline and online format, to reach a wider coverage so that more people can benefit from it.
- 3. Capacity to Grow for Business**, our aim is to provide educational programs to increase business capacity of Indonesian community so that they can consistently grow by transferring knowledge of marketing, resources, operational and other relevant matters. The industrial revolution 4.0 and especially the COVID-19 pandemic in 2020 have completely changed people's lives. Nowadays, business practitioners need to adapt quickly, not only to understand health protocols, but also to switch their business through online channels. To that end, Bank BTPN provides various online business trainings and seminars with tailor-made topics and relevant with pandemic situation. The business capacity improvement is not only aimed for BTPN customers, but also beneficial for Indonesian society; so that their business can continue running and growing despite of facing economic impact of the pandemic. Through the increasing business capacity, the Indonesians economic situation will surely arise. [GRI 203-2]

4. **Sustainable living**, this concern relies on Bank BTPN's support for customers to achieve a healthier quality of life, an environmentally friendly business, and a sustainable life as a whole. A prosperous life can only occur when a person lives in a healthy environment. To that end, Bank BTPN has prepared various programs to increase public health and improve cleanliness and preservation of the surrounding environment. This program is held online and offline and is well-prepared so that it can be examined at any time according to the time availability of the people participating it.

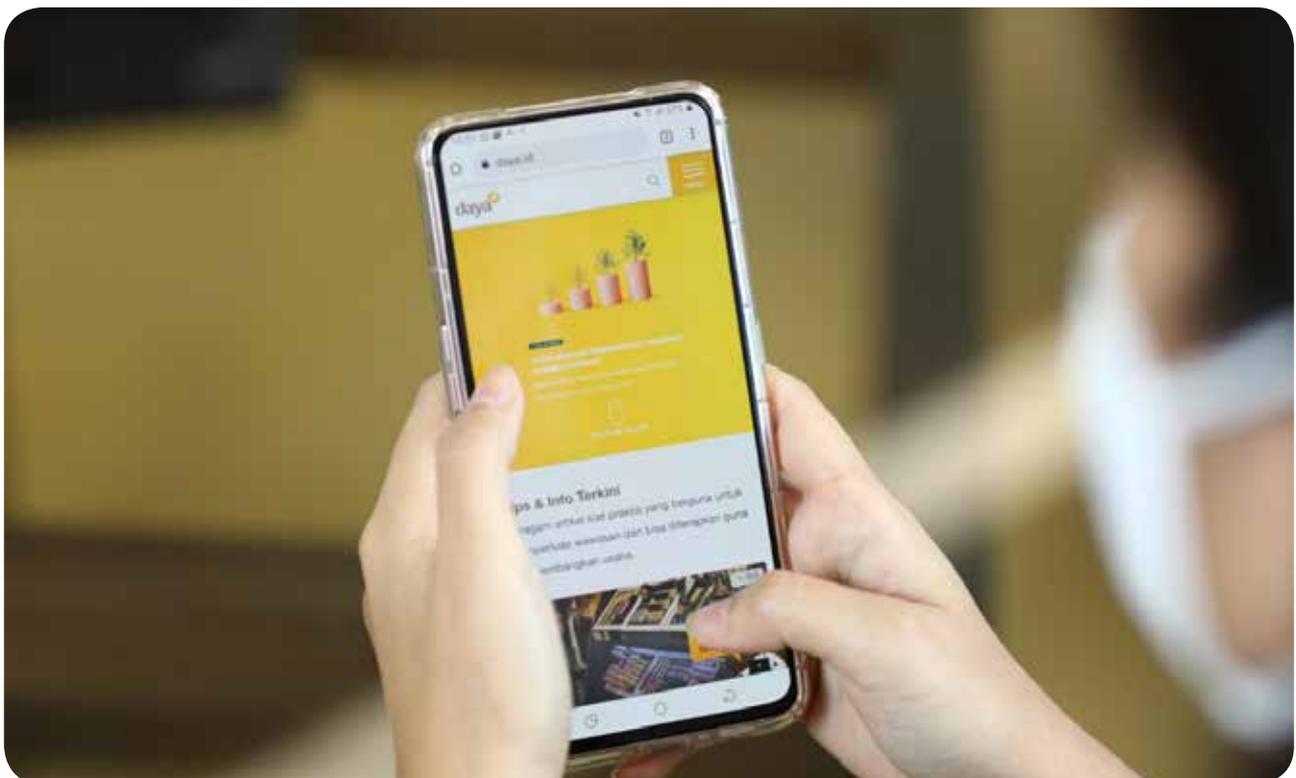
All Bank BTPN's programs that involve the community or are related to the community as the subject and object of development have gone through a careful assessment in order to be right on target and avoid any negative impacts that may occur as a result of the program. Thus, there is no negative impact in our CSR program and there have been no protests/complaints from the public regarding the program. [GRI 413-1] [GRI 413-2] [OJK F. 25]

Daya is a manifestation of Bank BTPN's commitment to empower and to improve the capacity of customers and Indonesians in a sustainable manner. Through Daya programs, we provide opportunities to grow and to develop a more meaningful life.

ADVANTAGES AND IMPLEMENTATION OF DAYA PROGRAMS

The advantages of the Daya program through Daya.id—a digital platform in the form of a website that provide trusted information to develop the entrepreneurial capacity and a healthy lifestyle—has received appreciation from well-known external parties. It is proven by having received the main award for sustainability innovation category at the IDX Channel Anugerah Inovasi Indonesia 2020, an event which rating 100 innovations from various businesses including banking, infrastructure, mining, and others. The innovations in this empowerment program lie in its strengths:

1. Providing access 24 hours a day and operating 7 days a week;
2. Providing access to all areas of Indonesia that are with internet access;
3. Being able to get accessed via mobile and desktop;
4. Giving people the opportunity to have online consultation with business & healthy lifestyle experts;
5. Building community and collaboration between various parties to empower each other;
6. Providing market access for business owners who have had online stores.



In particular, the Daya program is implemented within various activities:

Health Services [OJK F. 23] [OJK F. 25]

The health of our pension customers or those who have retired has been our vital concern. For this reason, we provide free medical consultations by doctors that are given when customers are waiting in line to collect their pension money. On these occasions, doctors are promoting the concept of a healthy lifestyle for disease prevention as well as early detection for better treatment. This program is usually conducted in 191 branch offices of Bank BTPN throughout Indonesia in collaboration with the PDUI (Indonesian General Practitioner Association). In 2020, we aimed to serve 21,159 people through this program. This number has now decreased drastically, for we only implemented our program until March due to the fact that the pension customers are at high risk if exposed to COVID-19. This is also in line with branch initiatives to minimise the arrival of the pension customers to branches. Being adaptive to pandemic conditions and our role in supporting government programs in educating the public about COVID-19, we are collaborating with PDUI to develop 9 educational videos related to COVID-19 which can be accessed through the Daya.id platform.

Health Cadre [OJK F. 23] [OJK F. 25]

Some of the pension customers still have the potential to carry out productive activities. However, they no longer have routine activities, which lead them into ennui and even a decreasing condition of their well being level. To that end, Bank BTPN provides opportunities for retirees to be trained as health cadres to help other retired customers in a promotional and preventive manner. The training material provided consists of knowledge and skills related to:

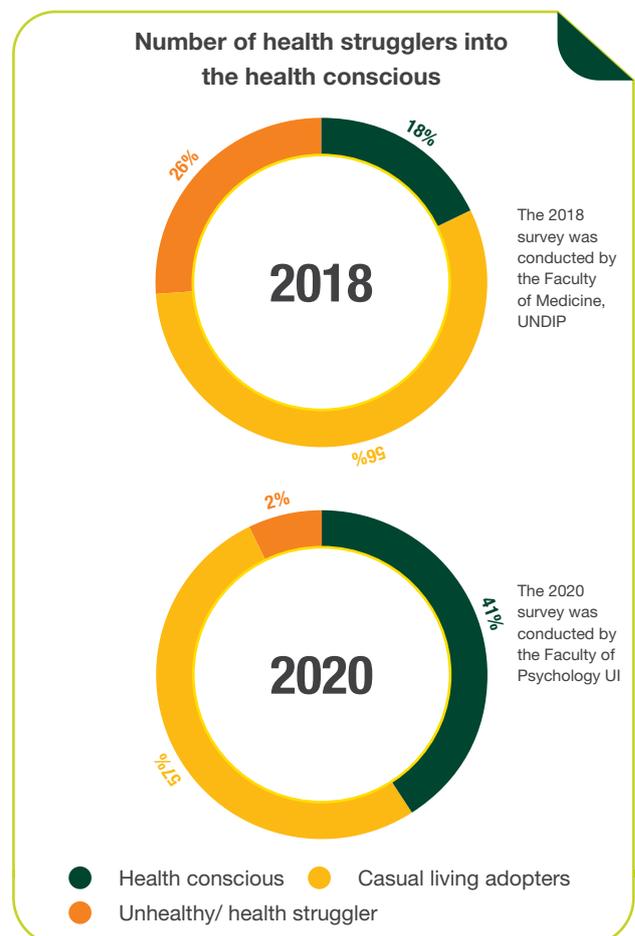
1. Elderly nutrition eating habits;
2. Basic health checks (blood pressure, Body Mass Index, etc.);
3. Coaching methods.

This health program was established in 9 cities in Central Java and Yogyakarta provinces, and has succeeded in building 44 health cadres, all of whom are Bank BTPN customers. These cadres have served a total of 3,514 participants to date. However, during the pandemic, this program also decreased the number of beneficiaries quite significantly because we only implemented the program until March in consideration not only of the cadres, but also our pension customers who are at high risk if exposed to

COVID-19. In 2020, we conducted research to measure the impact of the health cadre program. Based on this research, it was found that there were changes in the mindset and lifestyle of program recipient customers. We divided the customer profile into 3 criteria, namely:

1. Unhealthy/health struggler: those who experience health problems, do minimal physical activity, and do not lead an optimal healthy lifestyle.
2. Casual living adopters: those who are good at doing daily activities, have started doing physical activity but still consume sugar and tea/coffee in their daily lives.
3. Health conscious: those who are quite active in their daily life and have a healthy lifestyle, such as: physical activity, eating vegetables, and drinking enough water.

In this research, we conducted comparisons before the program was implemented in 2018 and after the program was implemented in 2020. The result was a significant shift in the number of health strugglers into the health conscious category as follows:





Development of Welding Education Facilities at SMK NU Ma'arif Kudus



Development of Marine Education Facilities at SMK Wisudha Karya Kudus

Daya for Corporate Customers

[OJK F. 23] [OJK F. 25]

In the corporate segment, Bank BTPN has developed an empowerment program to increase the capacity of the employees and customers' family, and the environment around our customers for the sake of improving their welfare. The empowerment program includes:

1. Financial literacy training to support wise financial management;
2. Competence development in the form of English language training that can be applied in their work;
3. Professional competency development training in the form of training in reading financial statements, balance sheets, and profit and loss reports;
4. Family management program;
5. Healthy lifestyle education program.

Throughout 2020, this program has reached 2,179 people from 80 activities. This is in line with the increase in the capacity of employees and their work productivity will also likely increase as a result. This is the goal that encourages us to carry out empowerment programs for corporate customers. [GRI 203-1]

Collaboration With SMBC And Djarum Foundation

[GRI 203-1]

Collaboration is the key to success in improving the welfare of the Indonesian people due to the Increase of

resources and expertise. In 2020, Bank BTPN will continue to collaborate with SMBC and Djarum Foundation in improving the quality of the younger generation, the nation's future, through the development of educational facilities in schools that have been carried out in previous years. In 2020, the achievement of the benefits of the facilities at the school that has been provided reaching 45,849 participants for the entire session nya with a total of 2,294 activities.

Daya For Sinaya Prioritas Individual Customers

In the customers segment of Sinaya Prioritas individual customers, Bank BTPN has developed an empowerment program to provide opportunities for growth and a more meaningful life. The empowerment program includes:

1. Family Management Program
2. Financial Management Program
3. Business Development Program
4. Healthy Lifestyle Program
5. Volunteering Program (Sahabat Daya)

In 2020, this program reached 1,149 people through 17 activities.

Digital Empowerment Daya.id

[GRI 203-1] [OJK F. 23] [OJK F. 25]

In today's modern world, and especially during a pandemic that has forced people to carry out various activities online, digital services are a strategic activity in education and empowerment. To that end, Bank BTPN has developed www.daya.id, a website to facilitate access to entrepreneurial capacity building programs and healthy lifestyles which can be accessed by anyone, anytime and from anywhere for free. In the reporting year, [daya.id](http://www.daya.id) was visited by 883,926 participants, 46,397 of whom were registered visitors.

Daya.id partners with 12 experienced experts in business and health sector to provide high quality and trusted content based on [daya.id](http://www.daya.id) users' urgencies, also collaborate with Indonesian General Practitioners Association (PDUJ), Indonesian Sports Medicine Center (ISMC), Indonesian Nutritionist Association (PERSAGI), Tangan Di Atas Foundation (TDA), Trubus, and others. The eight main features of [Daya.id](http://www.daya.id) are:

1. TIPS DAN INFO that provides reliable and easy to be applied in daily activities with topics in the business world such as finance, marketing, human resources, operations, law and licensing, as well as personal development. For the health sector, we cover topics around healthy lifestyles, illness and psychology.
2. PELATIHAN ONLINE in the form of short videos from partners experts related to topics that can help [Daya.id](http://www.daya.id) users to have better understanding in healthy lifestyle patterns and the business development.
3. KISAH SUKSES are an inspirational stories to motivate entrepreneurs and also to give inspiration to adopt healthy living behaviours.
4. TANYA AHLI provides access to online consultation with experience experts in the field of business and health, where the users can submit their questions which will then be answered directly via online by the experts.

5. PELUANG USAHA BARU offers a wide selection of franchises, consisting of 45 franchise brands that collaborate with Franchise Indonesia Magazine. Apart from franchising, there are also various tested business opportunities from various business fields such as culinary, retail, services and health.
6. AKSES PASAR displays quality products from selected Bank BTPN customers, ranging from retail products such as local cuisine to fabrics, up to other manufactured products. With Market Access, it is expected that it can increase the promotion of customer products to increase business revenue of the program participants.
7. SAHABAT DAYA provides an opportunity for everyone to contribute their knowledge and expertise in empowering others. Being a volunteer has been proven to increase enthusiasm and give meaning to one's life, in addition to being very beneficial for the recipients of the aid.
8. PRODUK KEUANGAN provides information on financial services provided by Bank BTPN's business lines, ranging from savings, loans and investment. Information on financial services can be used by website users in achieving their financial goals.

Business Capacity Development [OJK F. 23] [OJK F. 25]

We provide business capacity development, especially for MSME businessmen, in the form of tiered curricula and modules, so that every business actor can benefit according to their needs and level of business. This educational program is held through offline and online classes, using the [Daya.id](http://www.daya.id) digital platform and other online communication channels. In 2020, there were 21 business capacity development forums that were attended by 1.512 participants from various cities. [Daya.id](http://www.daya.id) also collaborates with the TDA (Tangan Di Atas) Foundation which is one of the largest MSME communities in Indonesia.

Financial Literacy [FS16] [OJK F. 23] [OJK F. 25]

Providing financial education is part of our ongoing initiative. This education aims to increase the knowledge, skills and confidence of customers and the community so that they are able to better manage their personal finances, now and in the future.

The financial literacy program is a program to increase the knowledge and skills of the community, both customers and non-customers, MSMEs and non-MSMEs, on how to manage finances properly and grow. This financial literacy takes the form of meetings or seminars for customers. Bank BTPN discuss various financial and business topics, including:

1. Simple financial management
2. Fundamentals of financial management
3. Cash management
4. Working capital management
5. How to invest
6. Preparing finances after retirement

This financial literacy program is organised by Bank BTPN's branches and partners in various regions. In 2020, this program reached 14,976 participants in 87 activities.

We also hold a Course and Provision (Suska) program for candidates from retired Civil Servants, POLRI and TNI to prepare them to enjoy retirement with the right mindset, wise financial management and prepared for business and retirement. This program has reached 6,909 participants from 67 activities.

Sahabat Daya [OJK F. 25]

The COVID-19 pandemic has hit Indonesia hard since the end of the first quarter and has forced us to restructure our empowerment activities and readjust them to the existing situation and conditions, including all activities in the Sahabat Daya program. The Sahabat Daya activities for Bank BTPN employees, which were previously carried out by way of direct interaction between employees and customers and the public, have been transformed into activities directed using the online method. During 2020, the Sahabat Daya activities involving BTPN employees were attended by 478 participants in 16 activities. The types of activities carried out include:

1. Helping customers lift their product sales through social media,
2. Sharing knowledge about entrepreneurship, financial literacy, health and self-capacity building with students,
3. Financial literacy seminars for teachers and other educators,
4. Seminar on environmental and various social issues with public figures,
5. Sharing tree planting activities in their respective homes through social media.

Sahabat Daya activities also involved external parties or Bank BTPN partners. During 2020, there were 13 activities carried out in the Sahabat Daya program involving partners and these were attended by 723 participants. Activities ranged from sharing knowledge about financial literacy, to making and sharing information through infographics, with the theme of health and entrepreneurship, involving hundreds of students from the community medicine department of the medical faculty at Trisakti University and students from the IPB University Business School.

THE STORY OF AN EMPOWERED CUSTOMER [OJK F. 23]

Customer's Stories in the Entrepreneurial Sector



After her husband was laid off from his job, Eka Maisyaroh took the initiative to help her family make a living by making banana cake. The name “Putri” banana cake is taken from the name of her only child, in fact, it actually brought big changes for Eka Maisyaroh’s family.

Inspiration Can Come from Anywhere

Since her husband was laid off from work, Eka Maisyaroh has been selling cakes to help out the family economy. Various cakes sold are donuts, pastels, risol, and other types of food at neighbouring stalls. She is determined to continue running this business even though the proceeds from her sales are not sufficient to support the family’s economy.

The beginning of her interest in the banana cake (bolpis) business was when she tasted the bolpis made by her neighbour. The taste was delicious and fragrant; it inspired Eka to start experimenting with recipes for making her own bolpis. At the start of her business, Eka sold 9 pans which were cut into 12 pieces and sold at a price of Rp1,000 per piece to a neighbouring stall. The result was unexpected, the bolpis ran out and was in great demand by other stalls to sell.

Maintaining Relationships with Employees and Resellers

Over time, Eka’s bolpis were not only sold in stalls but also in factories. From the sales of 9 pans, it increased to more than 80 pans per day. Feeling overwhelmed with orders, Eka decided to add more employees. Currently, Eka is assisted by 10 employees from the surrounding area. Division of work tasks is based on the level of expertise and personnel. Starting from moulding the dough, putting it in the oven, decorating cakes, and

packaging cakes. If there is an increase in orders, it is not uncommon for Eka to ask for help from her closest family to help buy raw materials and deliver goods.

For Eka, employees and resellers are the keys to the success of her business. Proximity to employees will generate high enthusiasm and loyalty to work so that the business will move forward. To maintain employee closeness and loyalty, Eka always carries out activities that strengthen relationships and motivate employees, such as being invited to have a picnic with their family every year, being registered by BPJS, and participating in monthly recitations.

Product Innovation

The advantages of Eka’s bolpis lie in the colours, ingredients, innovation, and retained taste, that are chocolate, cheese and mochaccino. In 2010, Eka’s bolpis business started to get competitors, but she is not worried about this and remains optimistic that her bolpis business will continue to grow. What is more, the quality of Eka’s bolpis is maintained by using natural ingredients, not using preservatives, and by using real bananas. “I want something pure, without preservatives and healthy,” added Eka. Eka continues to strive to create different innovations every year. Innovations from taste, style, design, size, and packaging. Initially, the



bolpis packaging only used boxes; it now uses long and small mica and there is even premium packaging. Currently, Eka's bolpis has 9 flavours (chocolate, mochaccino, strawberry, blueberry, cheese, chocolate cheese, strawberry mochaccino, mochaccino cheese, blueberry cheese, walnut and sesame). In addition to flavour innovation, Eka also develops products by accepting orders for birthday cakes and parcels made from banana cake which are also a mainstay in this business.

Business Cannot be Separated from Constraints

Even though it has been considered a success, Eka admits that this business is not without obstacles. Initially, she often had difficulty finding Ambon banana as a raw material, so she had to search in various places as far away as Jonggol, Cileungsi, Cisalak, and Anyar Market. Ambon banana was chosen because it has a distinctive fragrance and it does not need artificial food fragrances. The problem with seasonal bananas is that unripe, or overripe bananas are an obstacle to production, especially when there are lots of orders. She never gave up and solutions continued to be sought. Now, Eka already has a network of Ambon banana sellers that are spread across various banana centres to meet her raw material needs.

In cooperation with Bank BTPN

As a customer of Bank BTPN, Eka has not only been aided by additional capital given, but has also been helped to develop her business through Daya programs. Initially, Eka was invited to take part in business training at Bank BTPN's Citeureup Branch which is routinely held every month. Knowing that the training material is very useful for her business, Eka not only takes the time to attend the training, but also works hard to apply the knowledge she gets: starting from doing her bookkeeping to managing her business. In addition, Eka has also participated in several other business development programs held by Bank BTPN, including personal coaching on how to make product photos more attractive, and how to make premium packaging designs so that their products can also reach the elite.

Currently, Eka admits that she is better off in terms of bookkeeping and financial arrangements. In terms of marketing, Eka is also often involved in exhibitions and bazaars held by Bank BTPN. Eka even had the highest turnover at the annual Daya customer product exhibition called "Selendang Mayang". Moreover, business training, which was previously held in branches, can now be accessed online through www.daya.id so that she can study anytime and anywhere.

Customer Stories in the Health Sector

Sustainability Living Program Bank BTPN opens opportunities for customers to become health workers in the Health Cadres Program. With this program, customers receive skills training and basic knowledge of health checks to be applied to help people in their neighbourhood. One of the health workers in the Health Cadres Program is Lilik, a housewife who also owns a batik business. Although she does not have a background in the health sector, this in no way hinders her intention to join the Health Cadres Program.



Addressing Misinformation

These days, people read health information from various online media without knowing for sure whether it is true or not. On the other hand, we never know who to ask about this. This exposure to misinformation was also experienced by Lilik. However, after joining the Health Cadres Program, Lilik learned that not all of the health information she read was correct. She had once read a recommendation to drink only fruit juice every day for the sake of her health. In fact, if you only drink fruit juice every day, the body does not get carbohydrate intake which is a source of energy. Through the health cadres, she not only receives the right information, but Lilik also has the opportunity to share this information with the people closest to her.

Being More Active with a Healthy Diet

Joining the Health Cadres Program has had a positive impact on Lilik's healthy lifestyle. Previously, she had paid attention to the lifestyle of her family, but she was not as diligent as when she joined the Health Cadres Program. These days, Lilik gets up early to walk for about half an hour. After breakfast, her daily routine goes on as usual. Lilik runs her written batik business. She has also arranged a time for lunch, which is from 12:00-13:00, as well as a break from work activities. She chooses to have dinner by 17:00 at the latest and not consume heavy meals after that, so that the fat content in her body will not become excessive. Not only that, Lilik also acknowledged other changes after joining the Health Cadres Program, for example eating fruit before eating a meal and not drinking ice. "Every day I have to consume fruit before eating. We also drink plain water now. We used to use ice, but not anymore," she said.

Never be Afraid to Have a Health Check

Just because a person looks and feels healthy, it does not necessarily mean that they are so. Based on Lilik's experience while joining the Health Cadres Program, there are people who claim to be healthy, but when they are checked it turns out that their fat levels are not balanced. From the examination result, Lilik was able to provide suggestions and inputs. That way, the person concerned can immediately implement a change in behaviour. When they return for a health check-up the following month, their condition could be better. Joining the BTPN Health Cadres Program made Lilik more aware of the importance of a healthy lifestyle. She hopes that this program can educate many people about their health and they will not hesitate to have their health checked as early as possible.

DEVELOPING THE POTENTIAL OF BANK BTPN EMPLOYEES

Maintaining the spirit at work and work balance has been a central concern for Bank BTPN. When the people of BTPN enjoy their work, Bank BTPN will reach its highest potential.



“You can’t spot it, but you can sense it,” is the definition of a positive work atmosphere that turns out to be a big part of better employee performance. Employees will do their best when they feel comfortable and content at work. In turn, a good working environment not only determine the employees’ satisfaction, but also determines the customers’ satisfaction, for as a service provider, Bank BTPN’s employees face the customers, directly. Therefore, Bank BTPN endeavours to create a positive work environment where every employee feels valued through competitive remuneration, gets the opportunity to work, and has a chance to develop through various trainings. Employees are a very valuable asset for Bank BTPN. Their progress and satisfaction will have an impact on the progress and development of Bank BTPN’s business.

employees as well as the interests of the Company itself. Bank BTPN attempts to create a comfortable work atmosphere but also faces up to HR challenges; thus, the employees are allowed to develop their potential. Bank BTPN encourages harmonious staff relationships without losing sight of professionalism to pursue the targets set.

In the reporting year, the total number of Bank BTPN employees was 7,482 people consisting of 4,392 males (58.7%) and 3,090 females (41.3%). This number is reduced from the previous year (7,740 people) and this is related to the Bank’s strategy to exercise control over the employee’s recruitment process in order to adapt to the pandemic. Bank BTPN keeps developing itself into a Company of Choice where the opportunity to work at Bank BTPN is the goal of professionals and potential employees.

THE PEOPLE OF BANK BTPN

[GRI 102-8] [OJK F.21]

Bank BTPN involves aspects of human resource management within the Company’s strategic planning. The HR governance in Bank BTPN is performed transparently and with consideration for the rights and interests of

Total Number of Employees Based on Employment Contracts (Permanent and Temporary) and by Gender

Description	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Permanent Employees	3,912	2,996	3,921	3,027	3,762	2,675
Temporary Employees	480	94	663	129	989	376
Total	4,392	3,090	4,584	3,156	4,751	3,051

Total Number of Employees Based on Employment Contracts (Permanent and Temporary) and by Region

Description	2020		2019		2018	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Jabodetabek	2,766	158	2,647	186	2,142	245
Java	2,027	187	2,092	259	2,088	428
Outside Java	2,115	229	2,209	347	2,207	692
Total	6,908	574	6,948	792	6,437	1,365

Number of Workers based on Employment Contracts, and by Gender

Description	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Full time worker	3,912	2,996	3,921	3,027	3,762	2,675
Part time worker	480	94	663	129	989	376
Total	4,392	3,090	4,584	3,156	4,751	3,051

EMPLOYEE RECRUITMENT AND TURNOVER [GRI 401-1]

According to banking statistics, the turnover rate in the banking sector is among the highest, at around 16%. In addition, the number of workers in the banking sector is undergoing a downward trend due to the demands of the public who are now looking forward to having convenience in all aspects, including easy access to banking services through technology. In the reporting year, Bank BTPN's employee's turnover rate was 11.84%; which is still lower than the turnover rate in the banking industry in general. The two main reasons for the turnover were due to resignation and the end of the work contract.

Bank BTPN is committed to prioritising the recruitment of local workers, namely recruiting employees from those provinces or islands where the office operates. At the national level, most members of governance and the Board

of Directors are from Indonesia. Bank BTPN sometimes recruits foreign workers, or places workers from outside the province/land if it is deemed necessary. These workers have special skills that cannot be obtained locally, and their placement is done with the aim of transferring knowledge to local workers.

Recruitment is carried out transparently by placing job vacancies advertisements on the Bank BTPN's website as well as through job search sites to get the best talent available and to provide equal and widest opportunities for prospective employees. However, filling certain positions is intended for internal employees with the intention of providing promotion opportunities from within. This policy encourages the employees' enthusiasm to give their best in pursuing a career at Bank BTPN.

Employee Recruitment by Gender

Description	2020		2019		2018	
	Total	%	Total	%	Total	%
Male	402	63%	1,296	66%	752	60%
Female	234	37%	656	34%	511	40%
Total	636	100%	1,951	100%	1,263	100%

Employee Recruitment by Age Group

Description	2020		2019		2018	
	Total	%	Total	%	Total	%
Under 30 years of age	356	56%	1,046	53.6%	741	58.7%
30-50 years of age	270	42%	882	45.2%	512	40.5%
Above 50 years of age	10	2%	23	1.2%	10%	0.8%
TOTAL	636	100%	1,951	100%	1,263	100%

Employee Recruitment by Region

Description	2020		2019		2018	
	Total	%	Total	%	Total	%
Jabodetabek	404	64%	990	51%	478	38%
Java	96	15%	436	22%	304	24%
Outside Java	136	21%	525	27%	481	38%
TOTAL	636	100%	1,951	100%	1,263	100%

Turnover by Gender

Description	2020		2019		2018	
	Total	%	Total	%	Total	%
Male	584	66%	1,351	75%	1,182	68%
Female	302	34%	444	25%	559	32%
TOTAL	886	100%	1,795	100%	1,741	100%

Turnover by Age Group

Description	2020		2019		2018	
	Total	%	Total	%	Total	%
Under 30 years of age	298	33%	552	31%	668	38%
30-50 years of age	521	59%	1,171	65%	1,021	59%
Above 50 years of age	67	8%	72	4%	52	3%
TOTAL	886	100%	1,795	100%	1,741	100%

Turnover by Region

Description	2020		2019		2018	
	Total	%	Total	%	Total	%
Jabodetabek	322	36%	508	28.3%	874	50.2%
Java	235	27%	580	32.3%	362	20.9%
Outside Java	329	37%	707	39.4%	505	29.0%
TOTAL	886	100%	1,795	100%	1,741	100%

Termination of Worker Status

Description	2020	2019	2018
Retired	76	64	46
Deceased	9	9	7
Dismissed	34	60	47
Resigned	508	791	971
Others	259	871	670
TOTAL	886	1,795	1,741

Remuneration and Benefits [GRI 401-2]

Benefits are a vital part of a competitive remuneration package, in addition to a basic salary. Whereas a salary is given to pay for the employee's working hours, Bank BTPN also sets an allowance to retain and to attract the best talent to work at Bank BTPN. Another goal in providing benefits

is to build good relationships between the Company and employees, so that this can have a positive effect on employees' productivity. Bank BTPN provides the following benefits for its employees:

Description	Permanent Employees	Non-Permanent Employees
Salary	√	√
Holiday Allowance	√	√
Life Insurance	√	√
Disability Insurance	√	√
Health Insurance for Workers	√	√
Health Insurance for the Workers' Spouses	√	√
Health Insurance for the Workers' Children	√	√
Pension Fund	√	√
Annual Leave	√	√
Maternity and Miscarriage Leave	√	√
Severance Pay	√	-

The service fee provided by Bank BTPN to each employee is given regardless of gender or other background. Bank BTPN also ensures that the wages given to “entry level” employees are at least the same or usually better than the Regional Minimum Wage (UMR) standard as shown in the following table

[GRI 202-1] [OJK F.20]

Region	2020 Provincial Minimum Wage	Salary “entry level”	Ratio
Bali	2,494,000	2,560,000	103%
Banten	2,460,997	2,720,000	111%
Bengkulu	2,213,604	2,220,000	100%
DI Yogyakarta	1,704,608	1,800,000	106%
DKI Jakarta	4,276,350	4,500,000	105%
Jambi	2,630,162	2,640,000	100%
West Java	1,810,351	1,890,000	104%
Central Java	1,742,015	1,800,000	103%
East Java	1,768,777	1,920,000	109%
South Kalimantan	2,877,449	3,230,000	112%
Lampung	2,432,002	2,440,000	100%
Maluku	2,604,961	2,770,000	106%
Papua	3,516,700	3,520,000	100%
West Sulawesi	2,571,328	2,580,000	100%
South Sulawesi	3,103,800	3,110,000	100%

Bank BTPN prioritises the recruitment of local senior management (Indonesian territory) in meeting the needs of the Bank BTPN’s leaders, from 18 senior management people, namely those who fall into the “senior management” and “top management” categories, 15 people come from Indonesia, or 83,3% of the total senior management [GRI 202-2]

Building Balance

The contentment of employees through support for their performance in the workplace is determined, among other things, by their work-life balance. However, it is not easy to strike a good balance in this fast-paced business world. Bank BTPN is willing to help create a more balanced life for every Bank BTPN's employee by providing various facilities while encouraging every employee to be involved in various existing activities, such as:

- **BTPN Club**, a facility where every employee can do his/her hobby while blending in with other Bank BTPN's colleagues. Various clubs exist, such as futsal, badminton, athletics, tennis, bowling, karate, judo, bicycles, even eSports (online sports), and other sports clubs. There are also clubs for those whose hobby is singing or dancing. Bank BTPN also has the photography fan club and other hobby-themed clubs. In addition to clubs for sports and hobbies, BTPN Club holds regular religious and social activities involving all people of BTPN.
- **BTPN Parents Club** is a club that is popular with parents, where they can share tips on childcare, nutrition, and information about building a healthy and happy family.
- **Sahabat Daya** is a facility where BTPN people can engage and participate in community empowerment through direct interaction or training that supports the community to achieve a better life.
- **Beranda** is a common room equipped with various game facilities so that employees can relax for a while in the middle of a busy workplace. The veranda is also equipped with a music studio and karaoke room for employees who like to play music. In addition, they can also "nobar" aka watch movies together in the Beranda theatre which is equipped with a wide screen and sound system with prime quality. The employees can watch popular films as well as sports events that are never empty of audiences.

It is expected that with the availability of these various facilities, every employee of Bank BTPN can enjoy a work environment that is soothing and uplifting. It is also expected to create meaningful interactions with fellow colleagues. Thus, the emotional state of employees is well-maintained so that work productivity also increases.

ENSURING THE RIGHTS OF EMPLOYEES

Leave [GRI 401-3]

Bank BTPN provides time for employees to take leave to take a break from their busy work, get a change of atmosphere, and refresh themselves. To that end, Bank BTPN applies a policy of providing paid leave which means employees can take time off while still getting their full salary. This leave is a mandatory leave which is the right of every employee. Around 86% of employees took their compulsory leave during the reporting year.

Bank BTPN also supports the fulfilment of the rights of employees who take maternity leave in accordance with the prevailing laws and regulations while still paying their salaries and other benefits. Bank BTPN allows all employees to return to work after taking maternity leave. In the reporting year, 214 employees took maternity leave and 196 people returned to work, which is a 92% retention rate. Of those who took maternity leave in the previous year (2019), 196 people were still working at Bank BTPN one year after they returned to work from maternity leave. This proves that Bank BTPN is a preferred workplace even for working mothers.

These leave rights are also given to husbands who accompany their wives to give birth. Bank BTPN provides male employees with 4 (four) days of leave. In the reporting year, there were 190 male employees who took leave to accompany the birth of their child, out of 3,440 male employees who were entitled to take this leave. Of these, 97% of employees returned to work after their leave ended.

Pension Program [GRI 201-3] [GRI 404-2]

Bank BTPN highly appreciates employees who have shown loyalty to the Company until they enter retirement. In order to maintain their welfare, Bank BTPN includes them in the following pension programs:

1. Fixed Benefit Pension Plan or defined income, where employees contribute 1% of their salary, while Bank BTPN's contribution is 2%. This program is a mandatory/voluntary program which is in collaboration with PT Asuransi Allianz Life Indonesia.
2. BPJS Ketenagakerjaan, which is a mandatory government program, with employee contributions of 3.7% and Bank BTPN contributions of 2%.

Programs that are no less important in preparing for retirement are skills training and mental preparation. Bank BTPN provides various entrepreneurship and financial management training programs, to help employees remain productive members of society in their old age.

Collective Labour Agreement

Bank BTPN supports employee participation in the Workers' Union (SP) for this is a basic right for employees. To that end, Bank BTPN facilitated the formation of the Bank BTPN Workers Union which was established in September 2007. This Worker Union is registered at the Manpower and Transmigration Office under number 256/DPP.SP.BTPNCTT.22-DISNAKER/2007. Bank BTPN puts forward the principles of peaceful dialogue to build a conducive working relationship with its employees.

From time to time, Bank BTPN holds interactive meeting sessions as a means of open communication between management and Bank BTPN employees. Various topics are discussed at these meetings, including the socialization of labour regulations and rules. This can create a positive work environment, which of course contributes to increasing employee productivity.

In an effort to include employees in decision making related to their work, Bank BTPN has entered into a Collective Labour Agreement (PKB) which is conducted through negotiations with leaders of the Bank BTPN Workers Union serving as the workers' representatives. The CLA contains an agreement regarding the rights and obligations of the

company and all employees, which serves as the guideline for dispute resolution between the two parties. This Collective Labour Agreement also provides comprehensive clarity regarding work procedures, thus supporting the creation of conducive working conditions. The CLA is currently in effect from 2019 to 2021. [GRI 102-41]

The management of industrial relations is perpetually improved through various means of communication through an employee engagement survey in which employees can provide input or feedback to the Company.

INCLUSION AND DIVERSITY [OJK F.18]

One of the hindrances in human resource management is creating a cohesive team amongst people with different characteristics, beliefs, experiences, work backgrounds, and even generations. However, Bank BTPN believes that each employee, with their own uniqueness, has a contribution that can enrich Bank BTPN. Thus, Bank BTPN practices policies that promote diversity, equality, and anti-discrimination. Our goal is to create a working environment where every employee is treated equally and "fairly" and to create a culture of mutual respect. Bank BTPN also ensures that every employee has equal opportunity to access resources; so that they can make the maximum contribution to the advancement of Bank BTPN. The implementation of this inclusion and diversity policy has produced good results with no incidents of discrimination in the reporting year. [GRI 406-1]

Bank BTPN applies gender equality principles and stipulates that female workers should receive equal remuneration to their male counterparts in the same position. The ratio of basic wages and remuneration of women to men for each category of position and for each location of Bank BTPN's operation is 1:1. On the other hand, the determination of the amount of the remuneration package received by the employee is determined according to the position and performance, not based on the gender or background of the person concerned. [GRI 405-2]

Bank BTPN's commitment to gender equality is also shown by Bank BTPN's participation in the GEARS (Gender Equality Assessment, Results and Strategies) assessment. GEARS is an assessment tool that helps organisations to

scrutinise gender equality and it also offers strategies when significant gaps are found. The results of the GEARS assessment show that Bank BTPN has a good gender composition with a very good level of responsibility, namely 41% female and 59% male as a whole.

The following is data on the diversity of employees and members of BTPN's governance body.

Diversity of governance bodies and employees by gender [GRI 405-1] [OJK C.3.b]

Description	2020			2019			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Position									
Board of management	6 (55%)	5 (45%)	11	10 (77%)	3 (23%)	13	5 (56%)	4 (44%)	9
Top management	112 (70%)	49 (30%)	161	98 (64%)	56 (36%)	154	66 (57%)	49 (43%)	115
Senior management	464 (66%)	244 (34%)	708	475 (67%)	231 (33%)	706	453 (70%)	197 (30%)	650
Management	1,726 (61%)	1,083 (39%)	2,809	1,632 (61%)	1,060 (39%)	2,692	1,496 (62%)	922 (38%)	2,418
Officer/Supervisor	1,043 (61%)	677 (39%)	1,720	1,244 (65%)	665 (35%)	1,909	1,678 (65%)	908 (35%)	2,586
Clerical	1,041 (50%)	1,032 (50%)	2,073	1,125 (50%)	1,141 (50%)	2,266	1,053 (52%)	971 (48%)	2,024
Total	4,392	3,090	7,482	4,584	3,156	7,740	4,751	3,051	7,802

Diversity of governance bodies and employees by age [GRI 405-1]

Description	2020			2019			2018		
	<30 years of age	30-50 years of age	>50 years of age	<30 years of age	30-50 years of age	>50 years of age	<30 years of age	30-50 years of age	>50 years of age
POSITION									
Board of management	-	5	6	-	5	8	-	3	6
Top management	-	114	47	-	105	49	-	73	42
Senior management	8	602	98	5	588	113	2	546	102
Management	515	2,178	116	502	2,040	150	373	1,914	131
Officer/Supervisor	346	1,351	23	520	1,369	20	727	1,832	27
Clerical	717	1,342	14	890	1,354	22	736	1,261	27
Total	1,586	5,592	304	1,917	5,461	362	1,838	5,629	335

Employee data by education level

Education Level	2020	2019	2018
Doctoral Degree	1	2	1
Master's Degree	295	283	263
Bachelor's Degree	5,899	5,970	6,025
Diploma	915	1,047	930
SHS/equivalent	372	438	583
TOTAL	7,482	7,740	7,802

EMPLOYEE TRAINING AND DEVELOPMENT [GRI 404-2] [JK F.22]

Bank BTPN strives to develop a learning culture in order to achieve the highest potential of every employee. Those who are skilled and competent in performing their duties are more likely to enjoy their work and this has an impact on improving performance. The training provided to employees is also useful for their career development. In addition, the improvement in employee capabilities has a very positive impact on Bank BTPN's performance in general. To that end, Bank BTPN provides a variety of strategic trainings for every level of employee position.

Employee training and development programs are carefully designed through the Human Capital Management System (HCMS). This system maintains administrative records for each employee, including competency management and employee performance, as well as analysis and reporting. Through the HCMS, Bank BTPN can evaluate employees and work systems; thus, they can implement appropriate training and career development for each employee.

Bank BTPN encourages, even requires, employees to participate in various trainings, most of which were conducted online during the reporting year, given the pandemic situation. Training programs are provided for all levels of employees, from leaders down to "tellers" and security officers.

The progress of a company rests on the shoulders of its leaders. Therefore, Bank BTPN has prepared various leadership training programs for employees who have the opportunity to lead for the first time as well as for middle to senior managers:

1. Leadership Development Program Level 1 (LDP P1): leadership training for employees who are the first to lead the work team.
2. Leadership Development Program Level 2 (LDP P2): leadership training for leaders in charge of managers in charge of different work teams.
3. Leadership Development Program Level 3 (LDP P3): leadership training for senior leaders who lead different departments. Nevertheless, the implementation of this program was postponed during the pandemic, considering that the main part of this program was face-to-face visits and networking sessions.

In addition to giving training by inviting experts in their fields, Bank BTPN also provides sharing sessions on leadership and digital knowledge. It is expected that through these sharing sessions, participants can share what they face in the field with each other and find solutions, in addition to providing mutual support to fellow leaders.

Bank BTPN also conducts trainings on sustainability topics, both those discussing sustainability in general as well as those specifically related to the banking industry. For example, exercises to introduce and to mitigate risks from social and environmental aspects in channelling funds. Some of the training is directly related to sustainability, for example:

1. Sustainable Finance
2. Credit Analysis

All of these trainings are of course not only useful for career development within Bank BTPN, but also beneficial in the long term to improve skills which employees can also use in the future when they no longer work at Bank BTPN.

Number of trainees by position and gender [GRI 404-1]

Position Level	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Top Management	116	54	15	7	113	58
Senior Management	463	242	288	141	529	261
Management	1,674	1,076	1,191	639	1,711	1,103
Office/Supervisor	1,023	663	4,152	2,754	1,662	917
Clerical	1,032	1,032	9	5	899	994
Sub Total	4,308	3,067	5,655	3,546	4,914	3,333
Total		7,375		9,201		8,247

Number of trainings by position and gender [GRI 404-1]

Position Level	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Top Management	1,453	702	160	209	568	333
Senior Management	5,570	3,437	10,068	5,406	3,092	1,580
Management	19,917	14,246	32,309	18,517	9,770	6,640
Office/Supervisor	11,650	8,168	88,347	68,875	6,642	4,852
Clerical	11,144	11,683	161	209	4,358	5,224
Sub Total	49,734	38,236	131,044	93,216	24,430	18,629
Total		87,970		224,259		43,059

Average hours of training per employee by position and gender [GRI 404-1]

Position Level	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Top Management	36	40	11	30	16	21
Senior Management	42	53	35	38	43	25
Management	36	37	27	29	34	37
Office/Supervisor	29	32	21	25	23	23
Clerical	25	25	18	42	12	24
Sub Total	32	33	23	26	27	25
Total		33		24		26

As a company that employs a lot of security officers, we ensure that every security officer understands the basic aspects of human rights and performs their duties in accordance with human rights practices. Bank BTPN trains security officers in human rights aspects under the guidance and supervision of the police. Bank BTPN requires every security officer, most of whom are obtained through an outsourcing mechanism, to have certification in the human rights aspect. In the reporting year 55.89% of Bank BTPN security officers had received human rights training through Garda Pratama training. [GRI 410-1]

Bank BTPN also ensures compliance with laws and regulations by not employing child labour and no forced labour. [GRI 408-1] [GRI 409-1] [OJK F.19]

During the reporting year, Bank BTPN conducted 281 training programs which were attended by 7,375 active employees. A total of 87,970 participants took part, with a total training duration of 240,305 hours or an average of 33 training hours per employee. For these employee training and development programs, Bank BTPN invested IDR71,070 billion. [GRI 404-1] [OJK F.22]

PERFORMANCE REVIEWS

Building the capabilities and skills of employees to carry out their duties is imperative for the right running and progress of the Company. To that end, Bank BTPN conducts job

assessments once a year for all (100%) of its employees. The performance review is carried out using a KPI (Key Performance Indicator) system that is set either by team or individually at the beginning of the year. In addition to evaluating employee performance, this performance review also considers employee attitudes. [GRI 404-3]

This evaluation is also useful for employees and their superiors, for the results of the assessment can be used to identify the strengths and weaknesses of individual employees as well as their development. Thus, employees can perform their duties optimally and this has a positive impact on their job satisfaction. In addition, this performance review is also useful for mapping employee competencies which can be used in formulating promotion strategies and determining compensation for those concerned, in addition to managing the overall Company performance.

Promotions in Bank BTPN are carried out according to the availability of positions, in addition to assessments of the competence of the prospective officials. Should the employee's performance fall into the "extraordinary" or "above average" category for several periods, then the employee can be promoted to a higher level in line with Bank BTPN's business development and position availability.



MAINTAINING SUSTAINABILITY OF THE ENVIRONMENT

We are cognisant that business can only grow well in a healthy environment. Together with the community and other partners, Bank BTPN makes its best endeavours to propel the government's attempts to meet the targets for achieving the Sustainable Development Goals (SDGs).



Some might have a concern on their minds, what does banking have to do with climate change? And some people can easily see that climate change and environmental sustainability are linked to the mining industry or factories. However, every industry, every line of business, even every individual, can play an important role in preserving the environment and preventing climate change. Bank BTPN believes that even small-scale environmental conservation efforts can have a real impact on preventing climate change. To that end, Bank BTPN has made a commitment towards participating in preserving the environment through various endeavours. As a bank with many customers and offices throughout Indonesia, we believe that the role of Bank BTPN in environmental preservation can be deemed imperative. Thus, Bank BTPN can help support the Indonesian government in achieving its Sustainable Development Goals (SDGs).

BANK BTPN'S ENVIRONMENTAL POLICY

The manifestation of Bank BTPN's commitment to the environment is shown through the management of Bank BTPN's financial business as well as through practices in Bank BTPN's day-to-day operations. Firstly, Bank BTPN has developed a sustainable financial policy that supports the achievement of environmental sustainability goals. Secondly, Bank BTPN carries out corporate financing with environmentally friendly activities. Thirdly, Bank BTPN conducts environmentally friendly funding by implementing the Equator Principles. Fourthly, Bank BTPN implements environmentally friendly operational policies. These four approaches have been carefully designed in the 2019-2023 Bank BTPN Sustainable Finance Action Plan. Thus, Bank BTPN can measure and ensure the achievement of Bank BTPN's sustainability goals.



Positive and negative impacts of activities on the environment [OJK F.28]

In every business, it is certain that there are positive and negative impacts of business activities and operations on the environment. Bank BTPN's operations have a negative impact on the environment due to the use of electricity and fuel, water, paper, and the use of other natural resources. The use of electricity and fuel has resulted in BPTN Bank being recorded as an emitter of greenhouse gas (GHG) emissions which contribute to global warming. Meanwhile, the positive impact of Bank BTPN's activities on the environment is in the form of environmentally sound business portfolio financing including financing for new renewable energy (EBT) and energy efficiency.

Environmentally Friendly Financing

Bank BTPN supports Environmentally Friendly Business Activities (KUBL) by financing a portfolio of new renewable energy and energy efficiency. Bank BTPN has also contributed in providing financing for corporate customers engaged in power generation from renewable energy sources, as well as other business activities with an environmentally friendly aspect. Bank BTPN has also encouraged the adoption of sustainable agricultural standards, one of which is by providing financing for palm oil plantation activities that are RSPO/ISPO certified. In addition, Bank BTPN also provides financing for corporations involved in the management of living natural resources and sustainable land use as well as environmentally friendly transportation.

To support the implementation of environmentally friendly financing, Bank BTPN has developed due diligence procedures, including the introduction and mitigation of environmental risks. In addition to stipulating environmental clauses in the agreement, Bank BTPN also conducts field inspections to check debtor business activities, including checking the Debtor's compliance with laws and regulations in the environmental sector.

Environmentally Friendly Funding

Bank BTPN's commitment is to raise funds by applying the principles of sustainability, both at the individual and institutional level. On an individual level, Bank BTPN is developing a fundraising program through Sinaya in the form of mutual funds with the themes of Environment, Society, and Governance (LST). Institutionally, Bank BTPN seeks

to strengthen cooperation with fellow Equator Principles members. Further details regarding environmentally friendly funding can be found in the Raising the National Economy.

Environmentally Friendly Operations

Green Building

Bank BTPN's head office, which is located in the BTPN Tower, Jakarta, was designed with an environmentally friendly approach, thus earning a Gold Standard Certificate for Green Building certification. Bank BTPN buildings have met criteria such as energy savings, efficient water use, reduced CO2 emissions, and air quality in buildings that meet the requirements. In the building, Bank BTPN utilizes LED lights to reduce electricity consumption, and uses motion sensors to monitor the efficiency of lighting in the building. Reduction of electrical energy is also achieved by utilizing natural lighting systems, by not using window blinders, and reducing the use of blocking partitions. To improve air quality in buildings, Bank BTPN uses an open ceiling system which increases oxygen by up to 50%. Meanwhile, for the sterilization of indoor air from microorganisms, Bank BTPN uses ultraviolet germicidal irradiation technology. In addition, Bank BTPN uses epoxy floor coating to prevent bacteria and germs. In a fresh and safe environment, Bank BTPN believes that every worker in the building will be healthier and more productive.

This commitment to environmentally friendly buildings is also applied to the branches of Bank BTPN, by implementing environmentally friendly exteriors, utilizing living plants to maximize green space and reduce temperatures. A beautiful design is an added value, in addition to reducing energy use due to an environmentally friendly design.



Rooms in the Bank BTPN's Building

Digital Services

Digital banking financial services provide a minimal environmental footprint. This service is one of Bank BTPN's ways to reduce paper usage without reducing the quality of service for customers. On the contrary, this service actually increases customer satisfaction. Digital services are also more environmentally friendly, for they reduce or completely eliminate the mileage to the bank, thereby reducing fuel use, for both private and public transportation. In addition to services to customers, Bank BTPN also uses a lot of digital systems internally.

Environmental Education

Change and progress in environmental conservation starts with individuals who comprehend the significance of the environment. To that end, Bank BTPN provides education related to sustainable finance in which there are environmental education examples for employees and customers. Through this training, Bank BTPN strives to create employees and customers who can promote sustainability practices.

Bank BTPN's commitment and compliance with environmental laws and regulations resulted in no incidents of non-compliance with environmental regulations in the reporting year. [GRI 307-1] [OJK F.16]

ENERGY USE

Bank BTPN's sustainability policy emphasises energy saving practices in Bank BTPN buildings by measuring usage levels and efforts to reduce electricity use, both at the head office and at Bank BTPN branch offices. Bank BTPN uses energy efficient LED lights, regulates lighting systems, and uses scheduled elevators. Bank BTPN records the use of electricity bank-wide to measure the effectiveness and savings of electrical energy which currently comes entirely from PLN. In addition, Bank BTPN monitors the consumption of BBM (Fuel Oil) for all operational vehicles of Bank BTPN. Energy use during the reporting year is as follows:

In the reporting year, the total energy use was 2,444 GJ or decreased by around 97% from the previous year, 71,844 GJ.

Energy Consumption in Organisations [GRI 302-1] [OJK F.6]

Type of Energy	2020		2019	
	Volume	Gjoule	Volume	Gjoule
Electricity	6,133 Mwh	22	16,321 Mwh	58,755
Fuel	602,568 Liter	2,422	3,256,741 Liter	13,089
Total		2,444		71,844

Note

- 1) Kwh electricity usage is calculated by dividing the total cost of electricity (IDR) by the electricity tariff per kwh.
- 2) Electricity consumption from kwh is converted to Gigajoules using The Greenhouse Gas Protocol Initiative, 2004.
- 3) As this is the second year sustainability report, BTPN has only recently reported energy consumption for 2019 and 2020.
- 4) Fuel consumption (Pertamax) in litres is calculated from the amount of fuel purchased (IDR) divided by the price of fuel per litre.
- 5) Fuel consumption from litres is converted to Gigajoules using The Greenhouse Gas Protocol Initiative, 2004.
- 6) As this is the second-year sustainability report, BTPN has only recently reported energy consumption for 2019 and 2020.
- 7) 2019 data after restatement to adjust the 2020 data calculation methodology.

Energy Consumption Outside the Organisation [GRI 302-2]

Energy consumption outside the organisation refers to energy consumption by partners who are incorporated in the supply chain of Bank BTPN. In general, all products and services of Bank BTPN are managed by the Company without employing significant partners. Therefore, it is not relevant to report energy usage data from partners (outside the organisation).

In the reporting year, the total energy use was 2,444 GJ or decreased by around 97% from the previous year, 71,844 GJ. This immense decrease occurred due to the inevitable existence of COVID-19 pandemic where during 2020, there will be a reduction in electricity and fuel usage due to Work From Home. While official travel during 2020 is practically stopped contribute to energy savings is done by holding electricity saving competitions for all branch offices. This year is the first year of implementation, and in the coming years Bank BTPN has a specific target to be achieved. However, Bank BTPN has not yet been able to record the amount of energy reduction as a result of this activity.

[GRI 302-4] [GRI 302-5] [OJK F.7]

The energy efficiency of Bank BTPN can also be seen from the calculation of energy intensity, namely energy use per production unit, in this case Bank BTPN calculates the area of offices. The higher the energy intensity, the higher the energy use per unit of production. Conversely, the lower the energy intensity, the lower the energy use per unit of production. The following is a record of the energy intensity of Bank BTPN:

Energy Intensity [GRI 302-3][OJK F.6]

Type of Energy	2020	2019
Energy use (GJ)	22	71,844
Spacious office (m ²)	192,639	192,639
Energy intensity (GJ/m ²)	0.0001	0.372

GREENHOUSE GAS EMISSIONS

Greenhouse Gas Emissions (GHG) are emissions of gases that contribute to global warming. Bank BTPN strives to monitor and to reduce GHG emissions in its operations, and carries out careful records of the use of BBM for operational vehicles, electricity for BTPN Bank offices, as well as official trips made by airplane. Based on these data, the following is a calculation of the amount of GHG emissions in the reporting year and the previous year.

Greenhouse Gas Emissions [GRI 305-1] [GRI 305-2] [GRI 305-3] [OJK F.11] in TonCO₂e

Emission source/scope	2020	2019
BBM (Scope 1)	1,481	8,005
Electricity (Scope 2)	6,133	16,321
Official travel (Scope 3)	47	640
Total	9,681	26,985

- 1) Calculation of GHG emissions on fuel consumption (Pertamax) using the reference to the technical guidelines for calculating the baseline GHG emissions in the energy-based sector, Bappenas, 2014.
- 2) The calculation of GHG Emissions for electricity consumption is carried out based on the provisions of the Directorate General of Electricity, Ministry of Energy and Mineral Resources, 2017.
- 3) Calculation of GHG Emissions for official travel is carried out in accordance with ICAO (International Civil Aviation Organisation) standards.
- 4) The 2019 data after restatement is to adjust to the 2020 data calculation methodology.

GHG emissions in the reporting year is 9,681 TonCO₂e, a decrease of around 65% from the preceding year due to a significant decrease in energy consumption during the pandemic. [GRI 305-4]

Meanwhile, the emission intensity in the reporting year is calculated as follows [GRI 305-4] [OJK F.11]

Description/Year	2020	2019
Emissions (TonCO ₂ e)	9,681	26,985
Production unit (m ²)	192,639	192,639
Emission intensity (TonCO ₂ e/m ²)	0.05	0.14

*) The 2019 data after restatement is to adjust to the 2020 data calculation methodology

The reduction in energy consumption that Bank BTPN implements has an impact on reducing emissions. In addition, Bank BTPN has also made a reduction in official travel. Compared to the previous year, Bank BTPN only applied 15.3% of official trips.

Various efforts have been made to reduce emissions, such as: [\[OJK F.7\]](#)

Reduction efforts	Reduction amount (Ton CO ₂ eq) [GRI 305-5] [F.12]	Calculation standard
There has been a 96% reduction in official travel compared to the previous year's reduction.	593 TonCO ₂ eq	Cancelling the official travel due to pandemic
The reduction in greenhouse gas emissions from electricity consumption in 2020 was waned by 82% compared to 2019 due to the Work From Home (WFH) policy including the closure of several branch offices	6,524 TonCO ₂ eq	The reduction on electricity consumption leads to the lower greenhouse gas emissions by 2020

The basis of this calculation is the level of use in 2020 compared to the use of the previous year, taking into account CO₂ gas in GHG emissions of Scope 1, 2, and 3.

Bank BTPN does not calculate ODS (Ozone Depleting Substances) considering that Bank BTPN's business does not use these materials significantly. In addition, Bank BTPN also does not calculate Nitrogen oxides (NOX), sulphur oxides (SOX), and other pollutants, because they are not relevant to Bank BTPN's business. [\[GRI 305-6\]](#) [\[GRI 305-7\]](#)

WATER CONSUMPTION [\[OJK F.8\]](#)

Water consumption in Bank BTPN is the water use for domestic purposes in Bank BTPN's offices which is obtained from PDAM. Bank BTPN does not calculate water volume, considering that water use is integrated into building rental facilities.

WASTE [\[OJK F.13\]](#)

To preserve the environment, Bank BTPN attempts to reduce the generation of waste, especially paper waste. Bank BTPN uses modern communication and electronic processes to replace paper. Since 2018, Bank BTPN has used the Front-End System (FES), which is an information system that can be accessed directly and interacts with users; thus, it is more environmentally friendly for it does not use paper-based processing. Bank BTPN is also developing digital banking through BTPN Wow! and Jenius which use mobile device technology. Therefore, paper is no longer required from the initial process of opening an account to banking transactions and other reporting.

In addition, Bank BTPN's commitment to environmental preservation is manifested by reducing the generation of plastic waste. Every year, nearly three million tonnes of plastic waste worldwide comes from single-use bottled water. For this reason, at the head office, Bank BTPN no longer uses bottled drinking water and has replaced it with a personal glass or tumbler. At the head office, they no longer use gallon water, but replace it with a reverse osmosis system which does not use plastic gallon bottles.



SUSTAINABILITY GOVERNANCE

Good Corporate Governance manifests a strong foundation for Bank BTPN in terms of creating a sustainable Company which not only maintains profitability, but also preserves the interests of the next generation.



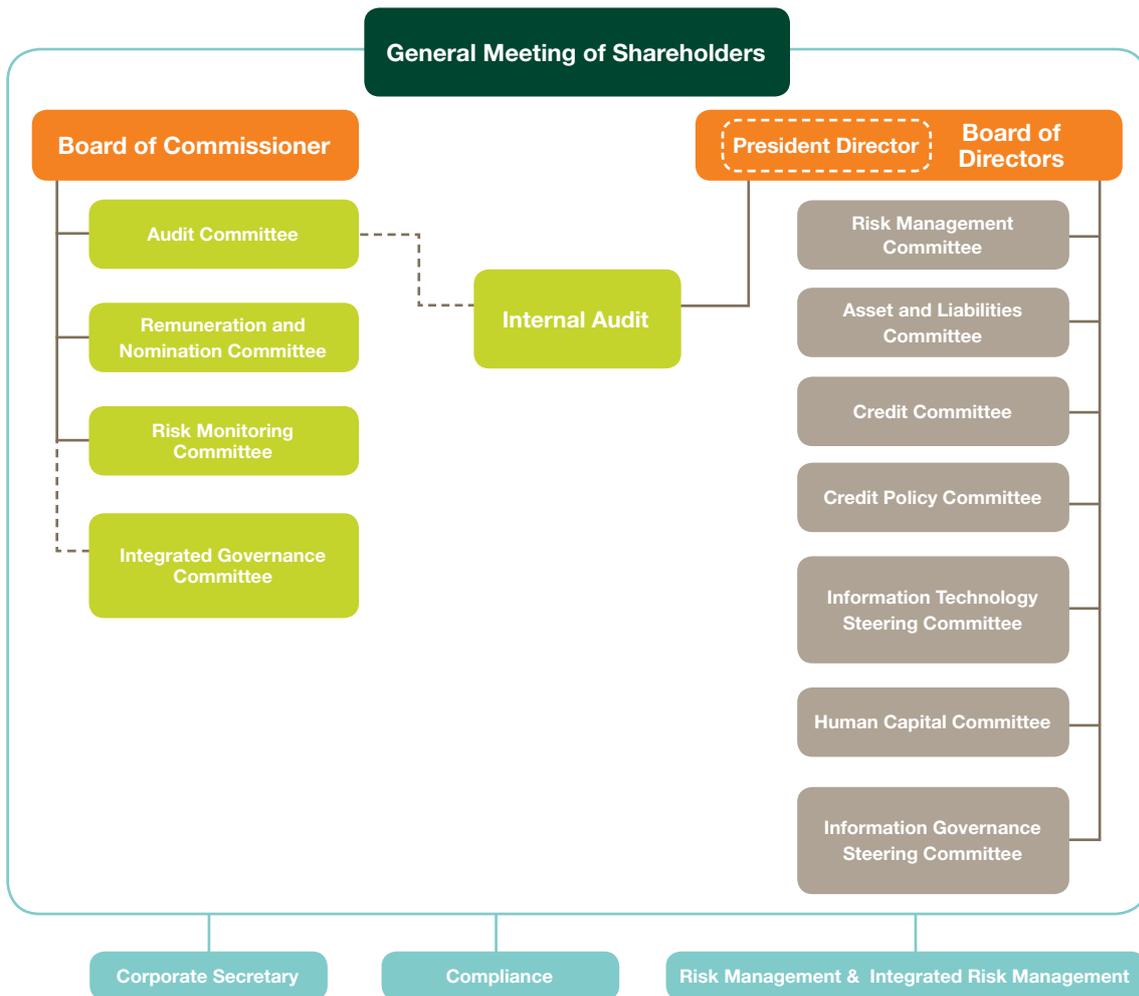
The implementation of GCG has been a beneficial impetus for Bank BTPN, for good governance only serves to proliferate the trust of shareholders and other stakeholders. For shareholders, Bank BTPN is willing to declare itself a reliable bank in which their investment is safely held in the hands of the right managers. For other stakeholders, we are keen to show our commitment to working together in order to produce good work that is beneficial to both parties.

Thus, GCG triggers benefits in every business and operational activity of Bank BTPN, both at the central and branch offices. Through the implementation of good governance, Bank BTPN endeavours to become a bank of trust for the public. In this way, Bank BTPN can foster its business potential and profitability to the maximum so that the long-term sustainability of Bank BTPN can always be well-maintained.

The implementation of GCG is performed on the basis of the Financial Services Authority's Regulation (POJK) on the Implementation of Governance for Commercial Banks as stipulated in POJK No.55/POJK.03/2016. Bank BTPN checks and evaluates the implementation of good governance within Bank BTPN in a consistent manner.

STRUCTURE AND MECHANISM OF GOVERNANCE

The following are the structures, mechanisms, and governance guidelines for Bank BTPN [GRI 102-18]



The governance structure of Bank BTPN consists of the following organs:

General Meeting of Shareholders (GMS)

The GMS is the means by which shareholders can make decisions related to Company policies that are not submitted to the Board of Commissioners or the Board of Directors. The GMS approves financial reports, annual reports, changes in the members of the Board of Commissioners or the Board of Directors, the determination of the use of profits, the remuneration for the Board of Commissioners or the Board of Directors, as well as pivotal plans related to other companies. The GMS is held once a year, or if required, an Extraordinary GMS may be held as needed. During 2020, Bank BTPN held 1 (one) GMS and 1 (one) Extraordinary GMS.

Board of Commissioners

The function of the Board of Commissioners is to supervise the operations of Bank BTPN performed by the Board of Directors. Furthermore, the Board of Commissioners provides advice to the Board of Directors regarding various plans, such as the Company's long-term plan, work plan, articles of association, the Company's budget, and the GMS' verdicts. In addition, the Board of Commissioners further ensures that Bank BTPN has implemented GCG principles and complies with all applicable laws and regulations.

In the structure of the Board of Commissioners, there are several committees that support the duties and functions of the Board of Commissioners, such as:

1. Audit Committee;
2. Remuneration and Nomination Committee;
3. Risk Monitoring Committee;
4. Integrated Governance Committee (IGC).

The duty of these committees is to provide recommendations to the Board of Commissioners in terms of undertaking its supervisory function on economic, social and environmental topics in compliance with the KPI (Key Performance Indicator) set. In addition, these committees further provide recommendations regarding operational activity supervision, performance appraisal, and the amount of the remuneration package for the Board of Commissioners and the Board of Directors, according to Bank BTPN's performance achievement. Together with the Board of Directors, the Board of Commissioners submits the accountability and supervision report on the management of the Company in the GMS which is the achievement of the Company's performance targets through KPI.

The Board of Commissioners is elected and appointed by the GMS after having had a fit and proper test. The composition of the Board of Commissioners of Bank BTPN consists of one President Commissioner, three Independent Commissioners, and one Commissioner. They perform their duties on the basis of the Board Work Guidelines and Rules for Commissioners, Articles of Association, the Limited Liability Company Law, as well as statutory provisions that apply to banking and public companies. The working period of the Board of Commissioners is three years and they can be reappointed.

Board of Directors

The Board of Directors is a corporate organ whose job is to lead and execute the daily operational activities of Bank BTPN led by a Director who manages the Heads of Divisions along with the Corporate Secretary and the Board of Directors' Committees. The five focal duties of the Board of Directors are management, risk management, internal control, communication, and social responsibility. The duties and responsibilities of the Board of Directors are elucidated in the Board of Directors' Work Guidelines and Procedures, the Articles of Association, the Company's Law, and the applicable laws and regulations for banks and public companies. These duties and responsibilities are measured and evaluated through KPIs that have been agreed upon with the Board of Commissioners covering various aspects, including economic, social, environmental, and governance aspects.

In carrying out its duties, the Board of Directors is assisted by various committees, such as:

1. Asset and Liability Committee;
2. Risk Management Committee;
3. Information Technology Steering Committee;
4. Credit Policy Committee;
5. Credit Committee;
6. Information Governance Steering Committee;
7. Human Capital Committee;
8. Integrated Risk Management Committee.

Each committee meets as regularly as needed with a specific agenda according to the expertise of each committee. The results of this symposium are harnessed as recommendations for the Board of Directors to make certain policies or decisions.

ROLE OF THE GOVERNANCE BODY

General policies and strategies related to economic, environmental, and social topics are determined by the Board of Commissioners through the GMS to then be delegated and implemented by the Board of Directors and all levels of division and management [GRI 102-19]. These policies are determined in compliance with the aspirations of the shareholders through the GMS. On top of that, in establishing and implementing a sustainability policy, Bank BTPN is concerned about feedback from other stakeholders, such as regulators (OJK), employees, etc. [GRI 102-21]

Bank BTPN has not yet appointed an executive position exclusively responsible for economic, environmental, and social topics. [GRI 102-20]

COMPOSITION OF THE GOVERNANCE BODY

The Board of Commissioners and the Board of Directors of Bank BTPN lead the way the Company runs through implementing their respective independent capacities and functions. The Chairman and members of the Board of Commissioners do not have concurrent positions in the Board of Directors. [GRI 102-23]

Board of Commissioners [GRI 102-22]

Name	Position	Gender	Tenure	Competence
Chow Ying Hoong	President Commissioner	Male	2019 -2022	Economy
Ninik Herlani Masli Ridhwan	Independent Commissioner	Female	2019 -2022	Economy
Takeshi Kimoto	Commissioner	Male	2019 -2022	Economy
Irwan Mahjudin Habsjah	Independent Commissioner	Male	2019 -2022	Economy
Edmund Tondobala	Independent Commissioner	Male	2020 -2022	Economy

Name	Position and Other Commitments	Stakeholders' Representative
Chow Ying Hoong	- Managing Executive Officer, - Co-Head of Asia Pacific Division of Sumitomo Mitsui Banking Corporation	Representing the controlling shareholders
Ninik Herlani Masli Ridhwan	-	Representing shareholders
Takeshi Kimoto	- General Manager of Asia Growing Markets Department of Sumitomo Mitsui Banking Corporation - Commissioner of PT Summit Oto Finance	Representing the controlling shareholders
Irwan Mahjudin Habsjah	-	Representing shareholders
Edmund Tondobala	-	Representing shareholders

Board of Directors [GRI 102-22]

Name	Position	Gender	Tenure	Competence
Ongki Wanadjati Dana	President Director	Male	2019 -2022	Mechanical Engineering
Kaoru Furuya*	Deputy President Director	Male	2020 -2022	Legal
Darmadi Sutanto	Deputy President Director*	Male	2019 -2022	Civil Engineering
Dini Herdini	Compliance Director	Female	2019 -2022	Legal
Yasuhiro Daikoku	Director	Male	2019 -2022	Legal
Henoch Munandar	Director	Male	2019 -2022	Economy
Adrianus Dani Prabawa	Director	Male	2019 -2022	Economy
Hirokichi Kubo	Director	Male	2019 -2022	Commercial Science
Merisa Darwis	Director	Female	2019 -2022	IT
Hanna Tantani	Director	Female	2019 -2022	Economy

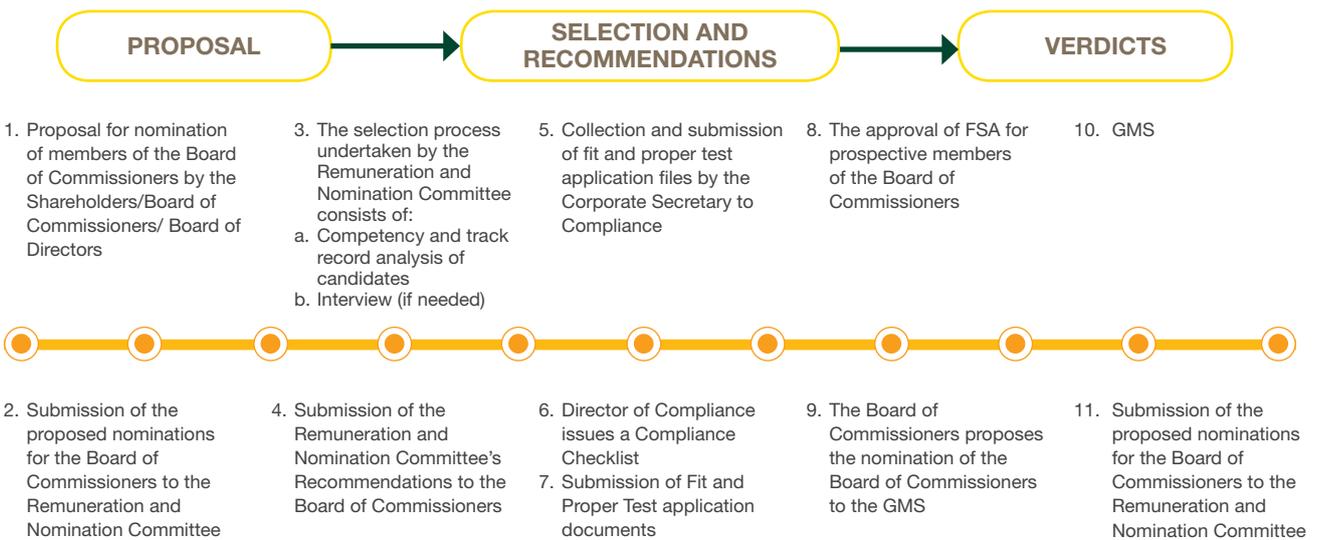
*) The EGMS on November 18, 2020, approved the appointment of Kaoru Furuya as a Deputy President Director who will be effective after he had obtained a complete Work Permit from the Ministry of Manpower of the Republic of Indonesia

Nomination Process of The Governance Body [GRI 102-24]

The nomination process for members of the Board of Commissioners is undertaken in a transparent manner by accepting the input from the shareholders submitted at the GMS. The selection process is carried out by the Remuneration and Nomination Committee with consideration for their competence, professional experience, and diversity of composition, regardless of race, ethnicity, gender, and religion. The names proposed by the Remuneration and Nomination Committee are submitted to the Board of Commissioners for approval and ratification at the GMS.

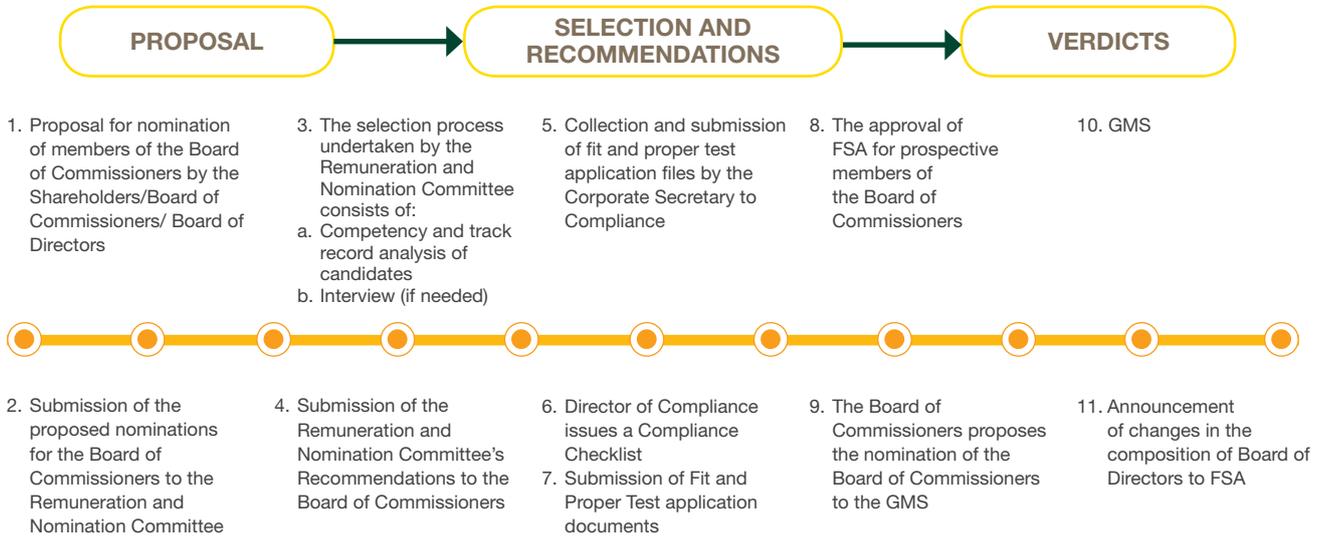
Before having been appointed, candidates for the Board of Commissioners must undergo a fit and proper test and meet the requirements for integrity, competence, and financial reputation. The candidates for the Board of Commissioners are submitted for approval from the Financial Services Authority to be subsequently proposed in the GMS and ratified if approved.

The following is the flow of the nomination process for members of the Board of Commissioners:



In the nature of the nomination procedure for the Board of Commissioners, nominations for candidates for the Board of Directors are submitted at the GMS by the Remuneration and Nomination Committee by envisaging competence, professional experience, and diversity of composition without discriminating against race, ethnicity, gender, and religion. The selected candidates are proposed to the Board of Commissioners at the GMS for approval only after the candidates have passed the fit and proper test and have met the requirements for integrity, competence, and financial reputation. The names of the candidates for the Board of Directors are then submitted to the Financial Services Authority for approval to then be proposed at the GMS by the Board of Commissioners.

The following is the flow of the nomination process for members of the Board of Directors:



In this nomination process, Bank BTPN ensures independence. Both the Board of Commissioners and the Board of Directors:

1. Have no direct or indirect business relationship with the Bank's business activities.
2. Have no concurrent positions as Directors or executive officers who carry out supervision.
3. Have no family relationship up to the second degree with fellow members of the Board of Commissioners and/or the Board of Directors.

CAPACITY OF THE GOVERNANCE BODY

The expansion and growth of the Company lies in the progress of its leaders. To that end, members of Bank BTPN's governance body are committed to perpetually developing themselves and increasing their knowledge on economic, social, and environmental topics through various seminars and debriefings during the reporting year, as follows:

[GRI 102-27] [OJK E.2]

Board of Commissioners

No	Name	Training	Time
1.	Chow Ying Hoong – President Commissioner	<ol style="list-style-type: none"> 1. Analysis of Economic Condition and Impact from COVID-19 2. Senior Officer Briefing on Financial Highlights of 2019 and Managing the Bank through COVID-19 3. BTPN Leadership Workshop as part of the BTPN Operating Model 4. Impact Analysis of Economic Conditions due to COVID- 19 5. Session I - Leadership Alignment Workshop 6. Session II - Leadership Alignment Workshop 7. Session III - Leadership Alignment Workshop 8. BTPN: Refreshment of Risk Certification (Mandatory) for all BOC Members 9. BTPN: Economic Outlook 10. BTPN: Leadership Series: COVID-19: Opportunities for MSMEs and Digitization of Financial Services 11. PwC Future of Banking Event 	<ol style="list-style-type: none"> 1. March 31, 2020 2. April 8, 2020 3. June 5, 2020 4. June 9, 2020 5. June 16, 2020 6. June 18, 2020 7. June 22, 2020 8. September 1, 2020 9. October, 2020 10. December 10, 2020 11. December 11, 2020
2.	Takeshi Kimoto – Commissioner	<ol style="list-style-type: none"> 1. Bahasa Indonesia 5 day course 2. Analysis of Economic Condition Impact from COVID-19 3. APPI Seminar 4. AGMD Socialization by Commissioner Office Unit 5. Impact Analysis of Economic Conditions due to COVID -19 6. Session I - Leadership Alignment Workshop 7. Session II - Leadership Alignment Workshop 8. Session III - Leadership Alignment Workshop 9. SMBC Compliance Training - Insider Dealings and Conflicts of Interest 10. Risk Certification Refreshment (Mandatory) for all BOC members 11. SMBC Compliance Training - Banking Secrecy, PDPA, Firewall 12. Economic Outlook Seminar from Creco Consultant Group 13. Leadership Series Training - Opportunities for MSMEs and Digitization of Financial Services by Graham Wright (Microsave Consulting) 	<ol style="list-style-type: none"> 1. February 10-14, 2020 2. March 31, 2020 3. May 28, 2020 4. June 4, 2020 5. June 9, 2020 6. June 16, 2020 7. June 18, 2020 8. June 22, 2020 9. August 26, 2020 10. September 1, 2020 11. September 28, 2020 12. October 20, 2020 13. December 10, 2020
3.	Ninik Herlani Masli Ridhwan – Independent Commissioner	<ol style="list-style-type: none"> 1. Analysis of Economic Condition Impact from COVID-19 2. Impact Analysis of Economic Conditions due to COVID-19 3. Risk Certification Refreshment (Mandatory) for all BOC members 4. Economic Outlook Seminar from Creco Consultant Group 5. Leadership Series Training - Opportunities for MSMEs and Digitization of Financial Services by Graham Wright (Microsave Consulting) 	<ol style="list-style-type: none"> 1. March 31, 2020 2. June 9, 2020 3. September 1, 2020 4. October 20, 2020 5. December 10, 2020
4.	Irwan Mahjudin Habsjah – Independent Commissioner	<ol style="list-style-type: none"> 1. Analysis of Economic Condition Impact from COVID-19 2. Impact Analysis of Economic Conditions due to COVID-19 3. BNSP Certification Maintenance Program 4. Regulations and Role of Management (Board of Commissioners and Directors) related to Bank's Risk-Based Rating 5. Ethics of Integrity and Governance in the Financial Industry 6. Risk Certification Refreshment (Mandatory) for all BOC members 7. Economic Outlook Seminar from Creco Consultant Group 8. The Age of Digital Transformation: Enabling Organizations with Artificial Intelligence During Market Transitions 9. Leadership Series Training - Opportunities for MSMEs and Digitization of Financial Services by Graham Wright (Microsave Consulting) 	<ol style="list-style-type: none"> 1. March 31, 2020 2. June 9, 2020 3. June 30, 2020 4. August 12, 2020 5. August 25, 2020 6. September 1, 2020 7. October 20, 2020 8. November 19, 2020 9. December 10, 2020
5.	Edmund Tondobala – Independent Commissioner	<ol style="list-style-type: none"> 1. Refreshment of Risk Management Level 4 2. Leadership Series Training - Opportunities for MSMEs and Digitization of Financial Services by Graham Wright (Microsave Consulting) 	<ol style="list-style-type: none"> 1. April 6, 2020 2. December 10, 2020

Board of Directors

No	Name	Training	Time
1.	Ongki Wanadjati Dana – President Director	<ol style="list-style-type: none"> 1. Analysis of Economic Condition Impact from COVID-19 2. Impact Analysis of Economic Conditions due to COVID-19 3. Session I - Leadership Alignment Workshop 4. Session II - Leadership Alignment Workshop 5. Session III - Leadership Alignment Workshop 6. Executive Risk Management Certification Refresher 2020 7. Economic Outlook Seminar 8. Egon Zehnder Talent Development Program 9. Leadership Series Training - Opportunities for MSMEs and Digitization of Financial Services by Graham Wright (Microsave Consulting) 	<ol style="list-style-type: none"> 1. March 31, 2020 2. June 9, 2020 3. June 16, 2020 4. June 18, 2020 5. June 22, 2020 6. September 1, 2020 7. October 20, 2020 8. December 4, 2020 9. December 10, 2020
2.	Darmadi Sutanto – Vice President Director	<ol style="list-style-type: none"> 1. Analysis of Economic Condition and Impact from COVID-19 2. Impact Analysis of Economic Conditions due to COVID -19 3. Session I - Leadership Alignment Workshop 4. Session II - Leadership Alignment Workshop 5. Session III - Leadership Alignment Workshop 6. Executive Risk Management Certification Refresher 2020 7. Economic Outlook Seminar 	<ol style="list-style-type: none"> 1. March 31, 2020 2. June 9, 2020 3. June 16, 2020 4. June 18, 2020 5. June 22, 2020 6. September 1, 2020 7. October 20, 2020
3.	Dni Herdini – Director of Compliance	<ol style="list-style-type: none"> 1. Analysis of Economic Condition and Impact from COVID-19 2. Impact Analysis of Economic Conditions due to COVID -19 3. Session I - Leadership Alignment Workshop 4. Session II - Leadership Alignment Workshop 5. Session III - Leadership Alignment Workshop 6. Refreshment Training APUPPT 2020 7. Economic Outlook Seminar 8. Economic & Political Outlook 2021 9. FGD with Senior Deputy Governors of Bank Indonesia regarding the Formulation of Macroprudential Policies in Encouraging Inclusive Financing 10. Egon Zehnder: Talent Development Program 	<ol style="list-style-type: none"> 1. March 31, 2020 2. June 9, 2020 3. June 16, 2020 4. June 18, 2020 5. June 22, 2020 6. October 5, 2020 7. October 20, 2020 8. December 1, 2020 9. December 11, 2020 10. December 23, 2020
4.	Yasuhiro Daikoku – Director	<ol style="list-style-type: none"> 1. ALPS Masterclass: Leadership in a Digital Age 2. Analysis of Economic Condition Impact from COVID-19 3. Impact Analysis of Economic Conditions due to COVID-19 4. Session I - Leadership Alignment Workshop 5. Session II - Leadership Alignment Workshop 6. Session III - Leadership Alignment Workshop 7. Executive Risk Management Certification Refresher 2020 8. Economic Outlook Seminar from Creco Consultant Group 	<ol style="list-style-type: none"> 1. February 20, 2020 2. March 31, 2020 3. June 9, 2020 4. June 16, 2020 5. June 18, 2020 6. June 22, 2020 7. September 1, 2020 8. October 20, 2020
5.	Henoch Munandar – Director	<ol style="list-style-type: none"> 1. Analysis of Economic Condition Impact from COVID-19 2. Impact Analysis of Economic Conditions due to COVID-19 3. Session I - Leadership Alignment Workshop 4. Session II - Leadership Alignment Workshop 5. Session III - Leadership Alignment Workshop 6. Executive Risk Management Certification Refresher 2020 7. Economic Outlook Seminar from Creco Consultant Group 	<ol style="list-style-type: none"> 1. March 31, 2020 2. June 9, 2020 3. June 16, 2020 4. June 18, 2020 5. June 22, 2020 6. September 1, 2020 7. October 20, 2020

No	Name	Training	Time
6.	Adrianus Dani Prabawa – Director	<ol style="list-style-type: none"> 1. ALPS Masterclass: Leadership in a Digital Age 2. Analysis of Economic Condition Impact from COVID-19 3. Impact Analysis of Economic Conditions due to COVID-19 4. Session I - Leadership Alignment Workshop 5. Session II - Leadership Alignment Workshop 6. Session III - Leadership Alignment Workshop 7. Executive Risk Management Certification Refresher 8. Indonesia Supply Chain Finance by IFC 9. Economic Outlook by Creco Consulting 10. Ekonomi Nasional Outlook 2021: Year of Opportunity 11. OJK Institute Research Webinar 2020: The New Path on Digital Talent, Holistic Leadership, and Social Fintech 12. Economic & Political Outlook 2021 	<ol style="list-style-type: none"> 1. February 20, 2020 2. March 31, 2020 3. June 9, 2020 4. June 16, 2020 5. June 18, 2020 6. June 22, 2020 7. September 1, 2020 8. October 12, 2020 9. October 20, 2020 10. October 21, 2020 11. October 27, 2020 12. December 1, 2020
7.	Merisa Darwis - Director	<ol style="list-style-type: none"> 1. Analysis of Economic Condition Impact from COVID-19 2. Delivering Engaging Customer Experience 3. Accelerating Corporate Banking Banking Digitalization 4. Impact Analysis of Economic Conditions due to COVID-19 5. Session I - Leadership Alignment Workshop 6. Session II - Leadership Alignment Workshop 7. Session III - Leadership Alignment Workshop 8. Leadership Alignment Workshop 9. Executive Risk Management Certification Refresher 2020 10. Webinar Asia Banking Roundtable – Reinventing Banking Distribution 11. Webinar Reimagining the next normal for Asia and the world 12. Economic Outlook Seminar from Creco Consultant Group 13. Economic & Political Outlook 2021 	<ol style="list-style-type: none"> 1. March 31 2020 2. May 21, 2020 3. May 28, 2020 4. June 4, 2020 5. June 16, 2020 6. June 18, 2020 7. June 22, 2020 8. July 9, 2020 9. September 1, 2020 10. September 10, 2020 11. October 12, 2020 12. October 20, 2020 13. December 1, 2020
8.	Hiromichi Kubo - Director	<ol style="list-style-type: none"> 1. Analysis of Economic Condition Impact from COVID-19 2. Impact Analysis of Economic Conditions due to COVID-19 3. Session I - Leadership Alignment Workshop 4. Session II - Leadership Alignment Workshop 5. Session III - Leadership Alignment Workshop 6. Executive Risk Management Certification Refresher 7. Economic Outlook Seminar from Creco Consultant Grou 	<ol style="list-style-type: none"> 1. March 31, 2020 2. June 9, 2020 3. June 16, 2020 4. June 18, 2020 5. June 22, 2020 6. September 1, 2020 7. October 20, 2020

No	Name	Training	Time
9.	Hanna Tantani - Director	<ol style="list-style-type: none"> 1. Analysis of Economic Condition Impact from COVID-19 2. Accounting Impact of COVID-19 for Financial Services 3. Impact Analysis of Economic Conditions due to COVID-19 4. Session I - Leadership Alignment Workshop 5. Session II - Leadership Alignment Workshop 6. Session III - Leadership Alignment Workshop 7. Key Audit Matters in the Context of The New Audit Regulation 8. SMBC APD Town Hall & BOD Meeting I in July 2020 9. Leadership Alignment Workshop - Sponsor Meeting 10. PWC Webinar - robotic in finance 11. Discuss the Indonesian Institute of Commissioners and Directors (LKDI) Online 12. Townhall Meeting of Mr Oshima with BTPN's Management 13. Risk Management Certification Refresher 2020 14. Sharing Session Work Flexible Arrangement @Microsoft 15. Sharing Session of Sustainable Finance 16. Exclusive - Indonesia Supply Chain Finance Webinar 17. Economic Outlook Seminar from Creco Consultant Group 18. Invitation of CFO Forum Perbanas- Banking Update: Post Implementation of PSAK 71 and Issues of Its Application 19. IBM Confirmation - Banking Executive Symposium: Extending the Banking Ecosystem for the Platform Economy 20. KPMG Webinar Omnibus Law on Job Creation Webinar Series - Manpower 21. 2020 Annual Technical Update - Financial Services Accounting & Tax 22. Egon Zehnder Talent Development Program 23. Economic & Political Outlook 2021 24. Leadership Series: COVID-19 : Opportunities for MSMEs and Digitization of Financial Services) 25. [Webinar] ASIFMA Virtual Event - IBOR Transition Series: A Local Market Perspective - Indonesia IBOR 	<ol style="list-style-type: none"> 1. March 31, 2020 2. June 2, 2020 3. June 9, 2020 4. June 16, 2020 5. June 18, 2020 6. June 22, 2020 7. June 30, 2020 8. July 7, 2020 9. July 9, 2020 10. August 6, 2020 11. August 12, 2020 12. August 26, 2020 13. September 1, 2020 14. September 18, 2020 15. October 6, 2020 16. October 12, 2020 17. October 20, 2020 18. October 23, 2020 19. November 17, 2020 20. November 18, 2020 21. November 20, 2020 22. December 1, 2020 23. December 1, 2020 24. December 10, 2020 25. December 16, 2020

DUTIES AND RESPONSIBILITIES OF THE GOVERNANCE BODY

The imperative role of the Board of Commissioners and the Board of Directors is to determine the goals, values, and strategies of the Company, including in the economic, environmental, and social aspects. The Board of Directors is also responsible for evaluating the performance of Bank BTPN with regard to the economic, environmental, and social aspects to then be used as input for updating objectives, values, and strategies relevant to the development of the Bank and changes in internal and external circumstances [GRI 102-26]

In addition, The Board of Commissioners and the Board of Directors have a role to identify and to manage the objectives and performance of Bank BTPN's sustainability on economic, environmental, and social topics. For this purpose, the Board of Commissioners and the Board of Directors receive input from stakeholders through the GMS as well as inputs in the form of periodic reports and evaluation of company performance results in these aspects. [GRI 102-29]

The highest governance body of Bank BTPN also conducts periodic evaluations to assess the impacts, risks, and opportunities of the Bank's sustainability policies and performance. This evaluation is carried out annually through the GMS as well as by monthly reviews and evaluations through the Board of Directors' meetings and discussions of reports on economic, environmental, and social issues.

[GRI 102-30] [GRI 102-31]

In publishing a sustainability report, the Director of Compliance and Legal takes the role of the party that examines and scrutinises the preparation of Bank BTPN's sustainability report to ensure that all material topics are covered in this report. Thus, this sustainability report can provide substantial information to stakeholders.

[GRI 102-32]

PERFORMANCE EVALUATION OF THE GOVERNANCE BODY

The performance of the Board of Commissioners and the Board of Directors is measured and evaluated through KPIs that elucidate quantitative and qualitative achievements in the aspects of human resources, business development, economic, social, and environmental performance. The evaluation is carried out independently and is a self-assessment. KPI is determined, reviewed, and evaluated every year. The results of this evaluation are taken into consideration for improving the governance system and improving performance even further in the future.

[GRI 102-28]

Critical Concerns

[GRI 102-33] [GRI 102-34]

Bank BTPN acknowledges the vital importance of providing input and communicating critical matters to the Board of Commissioners and the Board of Directors directly, so that such issues can be followed up quickly using the right strategy. The process of delivering information on critical matters is carried out in the following ways/means:

1. Written reports/Memorandum;
2. Board of Directors' Meetings;
3. Board of Commissioners' Meetings;
4. Joint Meetings of the Board of Commissioners & the Board Directors.

In the reporting year, the most critical issue raised to the Board of Commissioners and the Board of Directors was the impact of the COVID-19 pandemic which pressured not only the economic side of Bank BTPN, but also affected employees and their families. These issues were immediately handled by the Board of Commissioners and the Board of Directors through the aforementioned mechanism.

REMUNERATION

Remuneration Policy [GRI 102-35]

Bank BTPN adheres to the principle of meritocracy in determining remuneration (which is fixed or variable) thereby providing remuneration to members of the Board of Directors according to their performance. This is evaluated annually and each member of the Board of Directors has individual performance targets as a basis for assessing individual performance. The target of the Board of Directors is then reduced to the target of the division which is then lowered gradually to the target of the smallest unit, and the target of individual employees at the lowest level. Thus, remuneration can be determined using a fair system according to the performance of each individual at Bank BTPN.

The Process of Determining Remuneration

[GRI 102-36]

The remuneration process begins with a remuneration survey in collaboration with an independent party to determine the amount of remuneration for members of the Board of Commissioners and the Board of Directors among several equivalent banks in Indonesia. The survey results serve as a reference for the Remuneration and Nomination Committee to propose remuneration for each member of the Board of Commissioners and the Board of Directors, in addition to the Company and individual performance data. The Board of Commissioners then makes decisions regarding remuneration that are to be submitted and approved by the GMS.

The flow of the remuneration process for members of the Board of Directors is as follows:



1. Undertaking survey in order to acquire data as a remuneration measure for the Board of Commissioners and the Board of Directors in several banks in Indonesia. The Committee can appoint/work with consultants/independent parties in order to attain more valid/valid data, if necessary.
2. The Committee may review and scrutinise the results of the survey/benchmarks from the data that has been procured.
3. The Committee examines the Company's performance which reflects the performance of the Board of Commissioners and the Board of Directors.

4. This term is on the basis of the data standard (external) and data in the form of the Company's performance (internal). The Committee can provide suggestions/recommendations for the remuneration of each of the Board of Commissioners and the Board of Directors

5. Verdicts of the Board of Commissioners are regarding remuneration for members of the Board of Commissioners and Board of Directors.
6. The approval of GMS that concerns about the total remuneration for the Board of Commissioners and the Board of Directors

The involvement of stakeholders, namely shareholders, in determining remuneration is represented by the GMS. **[GRI 102-37]**

The ratio of the highest compensation to the mean compensation of all employees outside the highest compensation recipients and the percentage increase in the ratio compared to the previous year cannot be shown due to the Company's or the Bank's need to maintain confidentiality. **[GRI 102-38] [GRI 102-39]**

POLICY HIERARCHY

One important facet of good governance is the existence of well-defined policies, complete with implementation guidelines. The policies and guidelines in Bank BTPN are structured in a neat hierarchy of policies in order to facilitate their implementation. There are three hierarchies of policies in Bank BTPN, namely Main Policies, Operational Policies, and Procedures. The Main Policies are made with reference to laws, Bank Indonesia Regulations, and Financial Services Authority Regulations. Meanwhile, the Operational Policy refers to the Company's Articles of Association, and various governance policies and charters with national and international standards, such as: **[GRI 102-12]**

1. Law No. 40 of 2007 concerning Limited Liability Companies;
2. Act No.7 of 1992 concerning Banking and Law No. 10 of 1998 concerning Amendments to Law No. 7 of 1992 concerning Banking;
3. Financial Services Authority Regulation (POJK) No.55/POJK.03/2016 and FSA's Circular No.13/SEOJK.03/2017 concerning Implementation of Governance for Commercial Banks;

4. POJK No.18/POJK.03/2016 concerning the Implementation of Risk Management for Commercial Banks;
5. BTPN's Articles of Association;
6. Corporate Governance Policy.

INTERNAL CONTROL SYSTEM

An internal control system is necessarily required to ensure the implementation of good governance as well as to encourage the achievement of the corporate goals that have been set out. Bank BTPN implements an internal control system with the "Three Lines of Defense" model in which each function carries out its duties independently.

1. The First Line of Defense consists of Business and Support Units as Risk Taking Units which are directly responsible for managing and controlling operational risks in all their work activities in a disciplined manner. At the operational level, the Bank has established a Quality Assurance (QA) function which plays a role in assisting the Risk-Taking Unit (RTU) in helping to manage day-to-day operational risks.
2. The Second Layer of Defense consists of the Risk Management Unit (RMU) together with the Compliance Unit and other related work units that have a function as a risk supervisor. These are tasked with creating frameworks, policies, procedures, methodologies, and work tools to define, refine, coordinate, and ensure the implementation of risk management as a whole and run in all work units.

3. The Third Layer of Defense is the Internal Audit which assesses and reviews independently to ensure that inherent risk has been managed and is still within the established risk tolerance and risk appetite. Internal Audit (Internal Audit Unit) functions to supervise and evaluate risk management, effectiveness of internal control and governance processes in all aspects of Bank BTPN's activities. This supervisory function is also undertaken on the first layer of defense as well as the second layer of defense.

Internal audit further conducts periodic evaluations of the organisation's operational activities, such as: human resources, customer service, Bank BTPN infrastructure, as well as the core processes that pose a risk to the bank. The results of monitoring and evaluation are reported to the President Director, the Board of Directors, and the Board of Commissioners through the Audit Committee. To ensure the reliability and quality of the supervisory function, every 3 (three) years, the Internal Audit function is examined by an independent party. This process is conducted to scrutinise the conformity of implementation with the applicable standards.

ADVANCING INTEGRITY AND CODE OF CONDUCT [GRI 102-16]

The impact of integrity in banking is very essential, for the banking business is done on the basis of trust. Without trust, the customer does not keep his money in the bank. Therefore, Bank BTPN is committed to maintaining integrity to gain customer trust by establishing the Company's Code of Conduct.

The Bank BTPN Code of Conduct forms the basis for the attitudes and behaviour of every member of the Board of Commissioners, the Board of Directors, employees, and independent parties related to Bank BTPN's business. The Bank BTPN Code of Conduct contains work ethics including the following matters:

1. Compliance and risk management;
2. Conflicts of interest;
3. Creation of a conducive work environment.
 - a. Fair treatment of all employees;
 - b. Anti-discrimination and harassment;
 - c. Safety at work;
 - d. Use of company facilities;
 - e. Activities outside the Company;
 - f. Use of social media;

4. Information management and security;
5. Ethics of relationships with customers and stakeholders.
 - a. Relationships with customers;
 - b. Anti-money laundering;
 - c. Relationships with partners;
 - d. Relations with regulators;
 - e. Bribery and corruption;
 - f. Giving and receiving gifts.

Bank BTPN has disseminated the code of conduct through an induction program for executives and employees, as well as through various media promotions, e-mail blasts, and by learning refreshment through the e-learning system.

Every employee is required to sign an Integrity Pact which states their commitment to integrity as delineated in the Bank BTPN Code of Conduct. To ensure its implementation, Bank BTPN provides a channel for reporting violations. Violation of compliance with the code of conduct can result in sanctions.

CONFLICT OF INTEREST [GRI 102-25]

Conflict of interest is a situation in which there is a potential conflict of personal interest in the use of a person's authority or position; thus, it can disturb the quality of his/her decisions and/or actions. Bank BTPN vouches that every decision made by Bank BTPN's management is based on objective, professional, independent, and integrity considerations. To that end, Bank BTPN endeavours to eschew all forms of conflict of interest through the formation of a special policy regarding this matter which is incorporated in the Bank BTPN Code of Conduct and has been disseminated to all Bank BTPN's employees. This code of conduct regarding conflicts of interest contains various aspects including:

1. Employees are not allowed to accept and/or to ask for something as a gift in any form from employees/prospective employees, customers/prospective customers, partners/prospective partners based on remuneration for an achievement that their obligation.
2. Employees are required to report to HC should there be a family relationship with other employees/prospective employees. HC is required to provide a record in the personal file of each employee as one of the considerations for the transfer and/or promotion process.

3. Employees are not allowed to be bound by work agreements with other parties during working hours and/or earn other income outside BTPN related to their job or position at Bank BTPN.
4. Employees are forbidden to have a personal business or business outside of their job as an employee of Bank BTPN which disturbs and affects the professionalism and integrity of the employee concerned.
5. Employees are not allowed to offer a product/service/ other business that lies outside the Bank's business to the Bank's customers.
6. Employees are not allowed to process loan applications or selection of partners from family members and relatives. Employees are required to notify their superiors about this; thus, the loan process or selection of partners must be transferred to other employees.

Bank BTPN adopts various principles and applies various systems to avoid conflicts of interest, such as:

1. Implementation of the "Four-Eyes Principle";
2. Separation of functions and responsibilities that may create a conflict of interest;
3. Ensuring the implementation of GCG to dodge conflicts of interest in all Bank BTPN processes, including the process of appointing vendors, procuring goods and services, and implementing banquets for third parties;
4. All aspects that have the potential to cause a conflict of interest are monitored and managed by an independent party, such as a public accountant.

PREVENTION AND ELIMINATION OF FRAUD

Fraud is defined as an act of irregularity or deliberate omission to mislead, deceive, or manipulate a bank, customer, or other parties which occur within the Bank and/or use the Bank's facilities so as to result in the Bank, customer, or other parties suffering a loss and/or resulting in the fraud committers obtaining financial benefits, either directly or indirectly. Bank BTPN applies zero tolerance for acts of fraud. On the basis of the Bank BTPN's Anti-Fraud

Strategy Policy, Bank BTPN performs fraud prevention through a structured and integrated system which is designed to reduce or eliminate the chance of fraud. This anti-fraud commitment is stipulated in obedience to the Regulation of the Indonesian Financial Services Authority NO.39/POJK.03/2019 concerning the Implementation of Anti-Fraud Strategies for Commercial Banks.

The anti-fraud system and strategy at Bank BTPN are regularly reviewed to ensure the synchronisation of implementation among various business units and work units. Bank BTPN also conducts dissemination and education related to anti-fraud awareness, including implementing a whistleblowing channel as an effort to raise awareness about fraud prevention for the employees. During the training, information is provided on the definition of fraud, anti-fraud strategies, fraud classification, the background of the occurrence of fraud, how to disprove and to prevent fraud, sanctions for fraud perpetrators, and various tools that can be exerted to report suspected fraud.

During this pandemic, trainings which are usually held in classrooms are now being carried out online. Apart from such training, anti-fraud education to all employees is also carried out through regular campaigns through various means, such as: existing internal media, including e-newsletters, B Connect, Now You Know, News Sharing via email blasts, desktop wallpapers, acrylic on the table and posters at Bank BTPN branches.

The Board of Directors, the Board of Commissioners, and all Bank employees are required to sign an Integrity Pact statement and to participate in anti-fraud e-learning periodically, both in the form of learning refreshment for old employees and induction/introductions for new employees.

The following is data on the number of employees in each Line of Business who have completed the Anti-Fraud Awareness e-learning refreshment in 2020:

LOB	Grand Total
Business Banking	751
Corporate Banking - Japanese	84
Credit Risk	48
Digital Banking	446
Human Capital	81
Internal Audit	51
Compliance & Legal	96
Finance	52
Risk Management	43
Micro Business Banking	760
Operations	2,175
Retail Banking Analytics, Business Planning & Credit Policy	22
Retail Banking Business Management	2
Retail Banking Risk	432
Retail Lending Business	845
Information Technology	364
Treasury	34
Wealth Management Business	572
Wholesale Banking	131
Grand Total	6,989

Anti-fraud strategy policies and whistleblowing procedures have been socialised through the corporate website of Bank BTPN.

Refreshment Anti Fraud Awareness Communication and Training [GRI 205-2]

Based on Region

Description	Has attended Refreshment Anti Fraud Awareness (e-learning) training	
	Total	%
Jabodetabek	2,563	36.67%
Java	2,277	32.58%
Outside Java	2,149	30.75%
TOTAL	6,989	100%

Based on Employee Category

Description	Has attended Refreshment Anti Fraud Awareness training	
	Total	%
Board of management	3	0.04%
Top management	150	2.15%
Senior management	672	9.62%
Management	2,592	37.09%
Officer/Supervisor	1,649	23.59%
Clerical	1,923	27.51%
TOTAL	6,989	100%



After a thorough evaluation, total operational losses in Bank BTPN from fraud incidents (internal and external) during year 2020 amounted to IDR 2,930,209,417 or 0.23% of the operational risk capital charges.

Some of the recurring fraud incidents were identified are:

1. Misuse of customer funds from loan disbursement;
2. Loan or installment take over;
3. Falsification of customer signatures;
4. Account ballooning. [GRI 205-1]

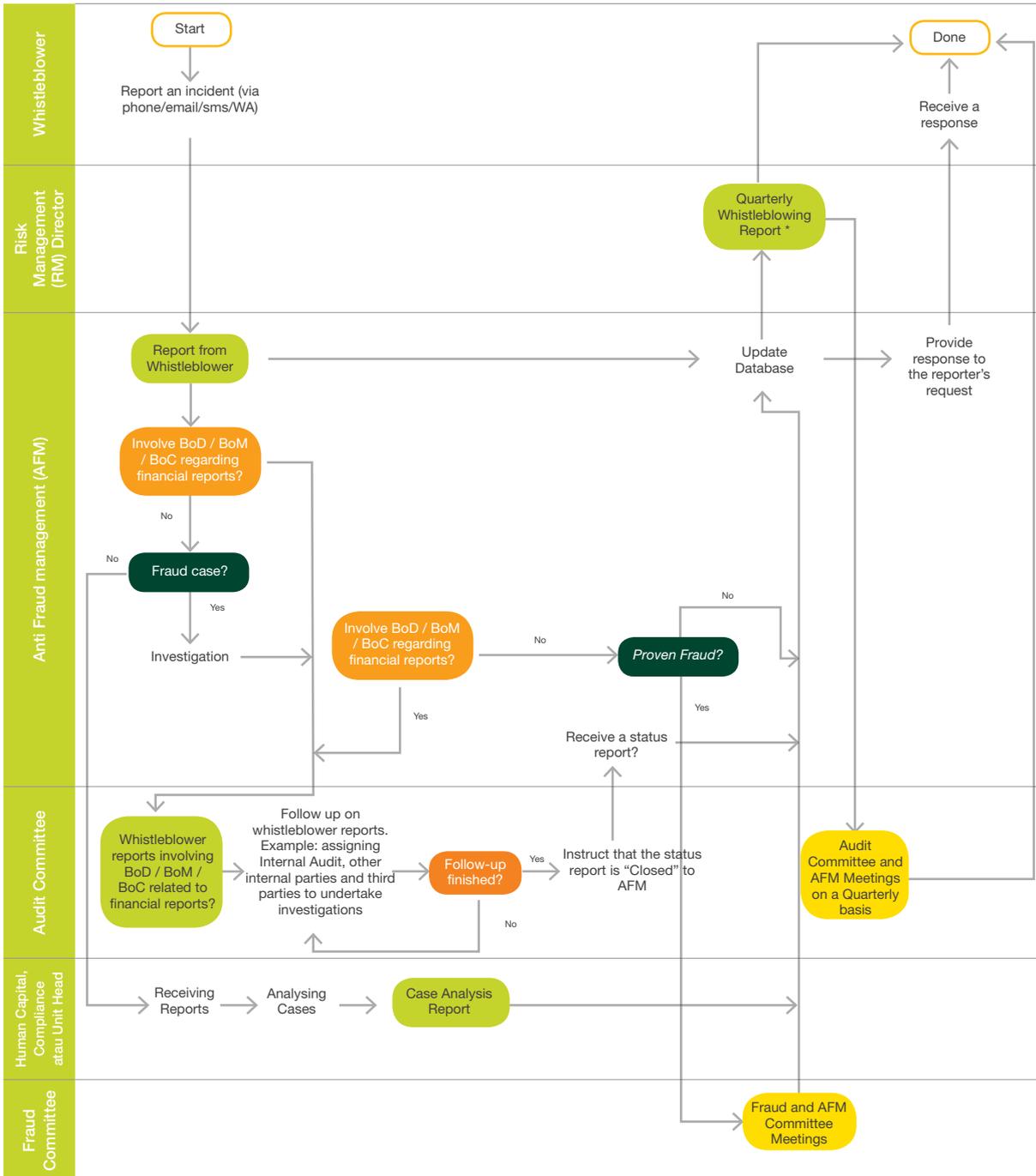
WHISTLEBLOWING SYSTEM

[GRI 102-17]

To develop a culture of integrity and transparency, Bank BTPN implements a whistleblowing system which encourages reporting of suspected fraud and ethical violations. The whistleblowing system is categorised into

2 (two) parts, viz., through non-whistleblowing reporting, namely from customer reporting, reporting from business units, Internal Audit findings and findings from the QA team, and reporting originating from whistleblowing. In reporting through whistleblowing, Bank BTPN has designed a confidential, systematic, and unpretentious reporting channel so that all levels of employees, the Board of Directors, and the Board of Commissioners can report suspected violations. This whistleblowing system is managed by the Anti-Fraud Management. Whistleblowing system through the whistleblowing channel can be executed through various channels, such as: e-mail, WhatsApp, hotline, mail, and face to face. Confidentiality of each reporter is guaranteed and reports that have valid initial evidence will be followed up with an investigation. If proven, the report will be processed to be given sanctions in accordance with applicable regulations. The following is the mechanism of the Bank BTPN violation reporting system:

Flowchart of Handling Whistleblowing



In the reporting year, there were 88 fraud complaints which were then followed up. Of these reports, there were 51 cases or 57% of the complaints proven to be fraud and this number represented 1.6% of the total employees. All perpetrators involved have been given strict sanctions by the fraud committee in accordance with applicable regulations.

RISK MANAGEMENT SYSTEM

Bank BTPN establishes an integrated and comprehensive risk management system to maintain bank business continuity and ensure good governance. This risk management system identifies, measures, monitors, and

Proven incidents of Fraud and Actions Taken [GRI 205-3] [OJK F.24]

Description	2020	2019	2018
Number of complaints about fraud incidents	88	43	50
Number of proven incidents, and related employees were dismissed or punished	26 (cases with employees being laid off/terminated during 2020)	18	6
(cases with employee layoff/termination during 2020) Number of proven incidents, which resulted in the business partner's contract being terminated or not renewed	-	-	-
(cases with employee layoff/termination during 2020) Number of proven incidents, which resulted in the business partner's contract being terminated or not renewed	-	-	-

EXTERNAL INITIATIVES [GRI 102-12]

As a bank that has merged with SMBCI (Bank Sumitomo Mitsui Indonesia), Bank BTPN has adopted the international standards applied in SMBCI, one of which is becoming a member of the Equator Principles (EP). The Equator Principles provide a risk management system framework for financial institutions to assess, manage and mitigate environmental and social risks in the provision of funds and distribution to third parties.

Other initiatives that Bank BTPN has implemented to implement good sustainability governance and risk management are:

1. Risk Management Framework based on FSA's Regulation No.18/POJK.03/2016;
2. Circular No. 34/SEOJK.03/2016 concerning Implementation of Risk Management for Commercial Banks;
3. OJK Regulation Number 4/POJK.03/2016 concerning Assessment of the Soundness of Commercial Banks;
4. SEOJK 14/SEOJK.03/2017 concerning Assessment of the Soundness of Commercial Banks.

controls risk in a transparent manner through various methods and measurements, such as:

1. Active supervision by the Board of Commissioners and the Board of Directors;
2. Adequacy of risk management policies and procedures and determination of risk limits;
3. Adequacy of the process of identification, measurement, monitoring, risk control, as well as the risk management information system;
4. Adequacy of a comprehensive internal control system.

This risk mitigation policy is outlined in the Risk Management Policy approved by the Board of Commissioners and the Board of Directors. The Board of Commissioners has a role in supervising risk management by the Board of Directors. The following are the risks identified by Bank BTPN:

1. Credit Risk;
2. Market Risk;
3. Liquidity Risk;
4. Operational Risk;
5. Legal Risk;
6. Strategic Risk;
7. Compliance Risk;
8. Reputational Risk.

All products and services, as well as Bank BTPN's activities, undergo careful risk assessment to ensure their effectiveness and to prevent disruptions to Bank BTPN's business.

Since the banking business is not directly related to the environment, we apply the precautionary principle or approach through the application of the Equator Principles, in addition to compliance with various relevant laws and regulations by the debtor. The Equator Principles forms the basis for the assessment and mitigation of environmental and social risks. [\[GRI 102-11\]](#)

Bank BTPN's concern for the environment in funding is also expressed through demands for compliance with environmental regulations in accordance with the corporate or business segment being financed, such as: [\[GRI 102-11\]](#)

1. Ownership of Environmental Impact Analysis as one of the legality aspects of the debtor's business;
2. Performance achievements in the Company Performance Rating Program in Environmental Management (PROPER) from the Ministry of Environment and Forestry (KLHK);
3. Corporations in the plantation sector are required to have a Plantation Business Permit (IUP), a Cultivation Plantation Business Permit (IUP-B), Processing Plantation (IUP-P), Plantation Business Registration Certificate (SPUP), Indonesian Sustainable Palm Oil Certificate (ISPO) and Certificate Roundtable on Sustainable Palm Oil (RSPO) for export-oriented companies;
4. Other requirements in accordance with applicable laws and regulations.

Bank BTPN has implemented various other efforts to maintain the excellent performance of Bank BTPN, especially in terms of compliance with laws and regulations and the principles of good governance, such as:

1. Preventive action;
2. Early detection;
3. Corrective action;
4. Supervision with the principle of dual control (four eye principle);

5. Segregation of duties;
6. Record of the audit trail.

In ensuring the effectiveness of the risk management process, especially for economic, environmental and social topics, the Board of Commissioners and the Board of Directors play a role in the approval process for granting credit or funding which refers to the credit policy and other applicable provisions governing industries that are prohibited or violate social and environmental values.

[\[GRI 102-30\]](#) [\[OJK E.3\]](#)

One of the important topics in the banking business is the integrity of banks in preventing money laundering and terrorism financing. In this regard, Bank BTPN's policies and strategies are as follows:

1. Proceeding to complete the plans that have been prepared in the "AML Action Plan" to follow up on any differences (gaps) found in the implementation of the AML Policy prior to the merger with the AML Policies that apply to SMBC group subsidiaries, as well as to improve the implementation of AML at the Bank;
2. Sustainable evaluation of the implementation of AML & CFT policies as well as the development of AML & CFT risks faced, through the implementation of periodic AML & CFT risk studies, as well as risk studies that are able to mitigate AML & CFT risks in products/services owned by the Bank;
3. Continuing to improve the existing AML & CFT programs; and
4. Continuing to optimise the functions of the AML & CFT support system.

STAKEHOLDER MANAGEMENT

A harmonious relationship with stakeholders is the basis for good cooperation that will bring progress for Bank BTPN in addition to bringing the greatest benefits to stakeholders. Stakeholder relationship management focuses on transparent communication and engagement of stakeholders in matters related to their relationship with Bank BTPN, as below.

Stakeholder Management's Resume [OJK E.4]

Stakeholders [GRI 102-40]	Identifying and Selecting Stakeholders [GRI 102-42]	Key Topics and Concerns Raised [GRI 102-44]	Engage Approach & Frequency [GRI 102-43]	Governance Management Function
Shareholders and Investors	<ul style="list-style-type: none"> • Dependence • Influence • Responsibility 	<ul style="list-style-type: none"> • Organizational Governance • Economic performance achievements 	<ul style="list-style-type: none"> • Bank BTPN's achievements are disclosed in the RUPS, quarterly reports, and annual reports. • Direct communications and research reports to disclose material information. • Engaged as necessary 	<ul style="list-style-type: none"> • Corporate Secretary • Investor Relation
Customers	<ul style="list-style-type: none"> • Dependence • Responsibility • Influence • Geographic Proximity 	<ul style="list-style-type: none"> • Customer protection • Sustainable relationships 	<ul style="list-style-type: none"> • Provision of products and services according to prevailing laws. • Timely, adequate, clear, and accurate information on products and services. • Provision of quality services to ensure customer satisfaction. • Implement Daya program • Advertisements and promotional media. 	<ul style="list-style-type: none"> • Line of Business • Compliance • Corporate Communication • Daya
Employees	<ul style="list-style-type: none"> • Dependence • Responsibility • Attention • Influence • Geographic Proximity 	<ul style="list-style-type: none"> • Industrial relations • Protection and working condition • Competence building • Career development and self-actualization 	<ul style="list-style-type: none"> • Objective, transparent, fair, and equal treatment of employees • Building favorable working conditions to optimize productivity. • Career development through the talent management system and assessment center. • Engaged as necessary 	Human Capital
Communities	<ul style="list-style-type: none"> • Dependence • Responsibility • Conflicting Opinion • Influence • Geographic Proximity 	<ul style="list-style-type: none"> • Education and culture • Technology and access to infrastructure • Wellbeing and income 	<ul style="list-style-type: none"> • Intensifying engagement in community activities in education, empowerment, culture and religion, humanitarian affairs, and environment. • Implement Daya program • Engaged as necessary 	<ul style="list-style-type: none"> • Human Capital • Daya
Partners/Suppliers	<ul style="list-style-type: none"> • Dependence • Responsibility • Conflicting Interests • Influence 	<ul style="list-style-type: none"> • Sustainable relationships • Economy • Fairness 	<ul style="list-style-type: none"> • Clear partnership terms • Transparent performance assessments. • Routine assessments. • Engaged as necessary 	Procurement
Government	<ul style="list-style-type: none"> • Dependence • Responsibility • Conflicting Opinion • Influence • Geographic Proximity 	<ul style="list-style-type: none"> • Compliance to laws • Commitment to banking regulations • Clear, accurate, comprehensive, and timely communications and reports 	<ul style="list-style-type: none"> • Refining the latest GCG Manual • Implementing GCG principles in all work units. • Routine engagements to discuss Bank Soundness rating. 	<ul style="list-style-type: none"> • Compliance • Corporate Secretary • Risk Management
Public Figures/Local Officials	<ul style="list-style-type: none"> • Dependence • Responsibility • Conflicting Opinion • Influence 	<ul style="list-style-type: none"> • Business development • Regional growth 	<ul style="list-style-type: none"> • Site visits. • Official meetings and Development Plan Discussions (Musrenbang) • Routine engagement as necessary • Implement Daya program 	<ul style="list-style-type: none"> • Line of Business • Customer Service • Corporate Communication

Bank BTPN provides various forms of access and ease of information so that stakeholders can get various “updates” or provide input or reporting, through various means such as the following:

1. Website: www.btpn.com (Indonesian and English);
2. Contact Centre: 1500 300 (BTPN Care), 1500 365 (Jenius Help), +62 21 2450 5500 (International Call);
3. E-mail of the Corporate Secretary:
Corporate.secretary@btpn.com;
4. Corporate Communications E-mail:
corporate.communications@btpn.com;
5. Customer Complaint E-mail:
btpncare@btpn.com, jenius-help@btpn.com;
6. Information disclosure through the Bank’s website and the Indonesia Stock Exchange;
7. Press conference;
8. Social media:
 - a. Facebook: Bank BTPN Official
 - b. Twitter: @sahabatBTPN, @JeniusHelp
 - c. Youtube: BTPN
 - d. LinkedIn: PT Bank BTPN Tbk
 - e. Instagram: @lifeatbtpn, @jeniusconnect

About THE REPORT

This sustainability report is a demonstration of our responsibility to stakeholders and is a means to circulate information regarding the Company's progress on sustainability topics.



Bank BTPN considers it imperative to convey the Company's progress in the economic, environmental, and social spheres through its annual sustainability report. This report is the second-year sustainability report from Bank BTPN, and contains information from January 1, 2020, to December 31, 2020. The preceding report was published in May 2020. [\[GRI 102-50\]](#) [\[GRI 102-51\]](#) [\[GRI 102-52\]](#)

There were no significant changes related to the material topics and boundaries, except that the number of disclosures on each material topic are reported more completely this year. There were also no significant changes in the organisation of the Company.

[\[GRI 102-10\]](#) [\[GRI 102-49\]](#) [\[OJK C.6\]](#)

However, there are restatements of information related to the 2019 Greenhouse Gas Emissions (GHG) inventory, adjusting to the conversion factors used for 2020.

[\[GRI 102-48\]](#)

The 2020 consolidated financial statements include the following Subsidiary financial statements namely PT Bank BTPN Syariah Tbk: [\[GRI 102-45\]](#)

REPORTING STANDARDS

This report has been prepared in accordance with the GRI Standards (Global Reporting Initiative): Comprehensive Option. As a public company operating in the financial services industry, this report is also prepared in accordance with Financial Services Authority Regulation No. 51/POJK.03/2017, Concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies. [\[GRI 102-54\]](#)

The GRI Standards and POJK 51/2017 applied in this report are marked with the numbering in brackets in red (for the GRI Standards) and in blue (for POJK 51/2017) on each relevant page. On the other hand, the list of the GRI Index and the List of OJK Indices are presented respectively on page 131 and page 138 [\[OJK G.5\]](#) [\[GRI 102-55\]](#)

ASSURER

For the purposes of this report, Bank BTPN uses an independent assurance service, that is PT Moores Rowland Indonesia which was selected through a tender process attended by 3 (three) assurance offices. After an assessment and considering other factors, according to the direction of the Board of Directors, Moores Rowland Indonesia was appointed as the Assurer for the Sustainability Report of PT Bank BTPN 2020. [\[GRI 102-55\]](#)

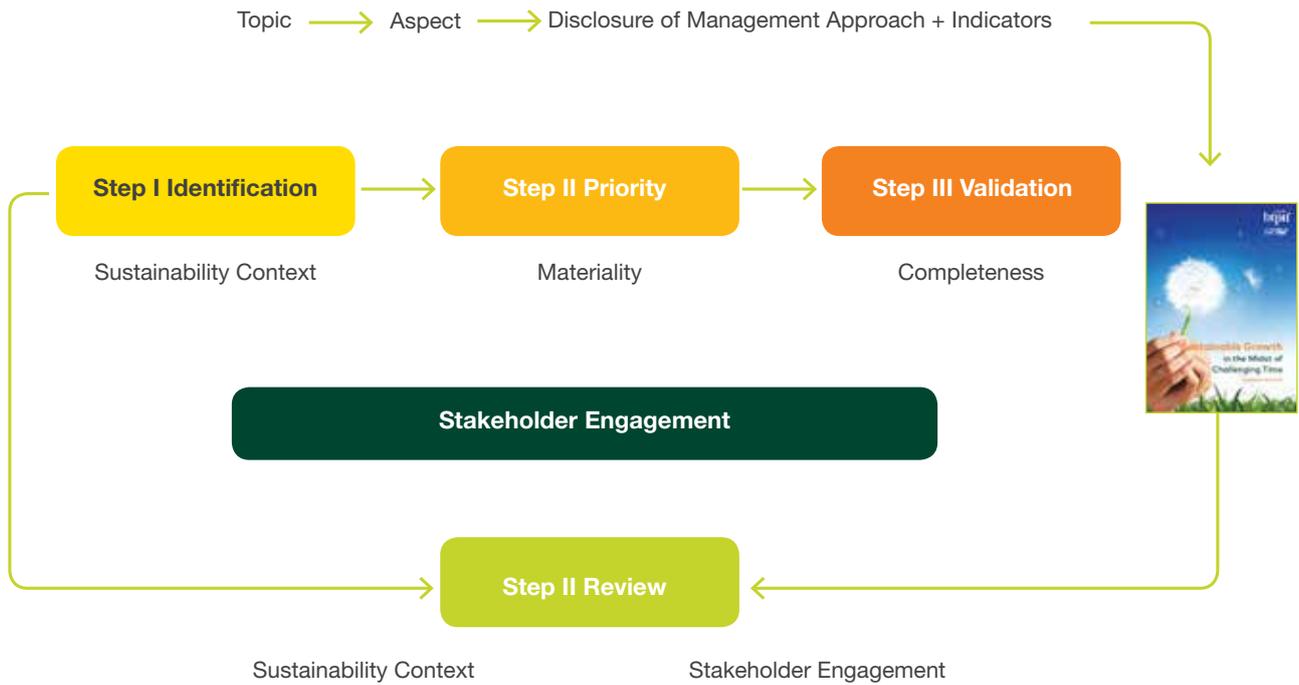
DETERMINATION OF MATERIAL TOPICS AND BOUNDARY [\[GRI 102-46\]](#)

The determination of material topics in this report is carried out in accordance with GRI standards, namely applying the following 4 (four) principles:

1. Stakeholder inclusivity: In determining the report content, Bank BTPN involves stakeholders and includes report topics required by POJK 51/2017. The application of this principle is also applied through discussions in Focus Group Discussions (FGD) with internal stakeholders and competent company employees. The last FGD was held on September 30, 2020.
2. Sustainability Context; the content or material that is reported here must be related to sustainability issues.
3. Materiality; the reported sustainability issues or topics must be material; the report imparts and reflects the economic, environmental, and social impact of the Company's operations and/or influence on stakeholder assessment and decision-making.
4. Completeness; the report must contain all material topics and their boundaries and clearly disclose the economic, environmental and social impacts so that they are useful for stakeholders in making decisions.

The following is a flow chart for determining the material boundary topic:

Flowchart of Report Content Defining Process



The material topics reported in the 2020 sustainability report were determined through an internal Focus Group Discussion (FGD) on September 30, 2020, which was attended by staff related to the sustainability report. This year's material topics are more complete, with fuller attention paid to input from stakeholders, including POJK 51/2017. The following is a list of material topics and boundaries:

No.	Material Topics [GRI 102-47]	Why the Topics are Material [GRI 103-1]	Number of Disclosure	Boundary	
				Inside the Company	Outside of the Company
1.	Economic performance and impact	Having significant impacts on shareholders and stakeholders	201-1, 201-2, 201-3, 201-4	✓	✓
2.	Market Presence	Having significant impacts on shareholders and stakeholders	202-1, 202-2	✓	✓
3.	Indirect economic impacts	Having significant impacts on shareholders and stakeholders	203-1, 203-2	✓	✓
4.	Procurement Practices	Having significant impacts on shareholders and stakeholders	204-1		✓

No.	Material Topics [GRI 102-47]	Why the Topics are Material [GRI 103-1]	Number of Disclosure	Boundary	
				Inside the Company	Outside of the Company
5.	Anti-Corruption	Having significant impacts on sustainability	205-1, 205-2, 205-3		
6.	Energy	Having significant impacts on sustainability	302-1, 302-3, 302-3, 302-4, 302-5,		
7.	Emissions	Having significant impacts on employees' convenience and performance	305-1, 305-2, 305-4 305-5, 305-6, 305-7		
8.	Employment	Having significant impacts on employees' convenience and performance	401-1, 401-2, 401-3		
9.	Training and Education	Having significant impacts on employees' convenience and performance	404-1, 404-2, 404-3		
10.	Diversity and Equal Opportunity	Having significant impacts on employees' convenience and performance	405-1, 405-2		
11.	Non-discrimination	Having significant impacts on employees' convenience and performance	406-1		
12.	Marketing and Product Labelling	Having significant impacts on customers' trust	417-1, 417-2, 417-3		
13.	Customer Privacy	Having significant impacts on customers' trust	418-1		
14.	Security Practices	Having significant impacts on customers' trust	410-1		
15.	Local Communities	Having significant impacts on community's welfare as one of the stakeholders	413-1, 413-2		
16.	Supplier social assessment	Having significant impacts on sustainability	414-1, 414-2		

To determine the quality of the material provided on these topics, a materiality level survey was undertaken which was followed by the Company's internal team and external stakeholders. The survey results are presented in the graph below.

Report Content Material Level Graph [GRI 102-47]



We invite the participation of each reader to provide their input towards the progress and improvement of the next report by filling in the following feedback sheet or contacting Bank BTPN via: [\[GRI 102-53\]](#) [\[OJK G.3\]](#)

Communications & Daya Division

PT Bank BTPN Tbk

Menara BTPN, CBD Mega Kuningan

Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5-5.6

Jakarta Selatan - 12950 - Indonesia

Tel : (62-21) 300 26 200

Fax : (62-21) 300 26 309

Website : www.btpn.com

Email : corporate.communications@btpn.com

Linked in : PT Bank BTPN Tbk

Statement of Member of the Board of Commissioners and Member of the Board of Directors on the Responsibility for the Sustainability Report 2020 PT Bank BTPN Tbk [OJK G.2]

We, the undersigned, declare that all information contained in the 2020 Sustainability Report of PT Bank BTPN Tbk has been presented in their entirety, and that we assume full responsibility for the accuracy of the contents of the Sustainability Report of PT Bank BTPN Tbk.

This statement is made truthfully.

Jakarta, April 2021

Board of Commissioners



Chow Ying Hoong
Board of Commissioners



Ninik Herlani Masli Ridhwan
Independent Commissioner



Takeshi Kimoto
Commissioners



Irwan Mahjudin Habsjah
Independent Commissioner



Edmund Tondobala
Independent Commissioner

Board of Directors



Ongki Wanadjati Dana
President Director



Kazuhisa Miyagawa *
Vice president Director



Darmadi Sutanto
Vice president Director



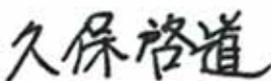
Dini Herdini
Director of Compliance



Henoeh Munandar
Director



Adrianus Dani Prabawa
Director



Hiromichi Kubo
Director



Merisa Darwis
Director



Hanna Tantani
Director

* catatan: Kazuhisa Miyagawa has resigned as a Deputy President Director effective after the closing of the Extraordinary General Meeting of Shareholders on November 18, 2020, (EGMS). The EGMS then ratified the appointment of Kaoru Furuya as a Deputy President Director who was effective on January 4, 2021, after he had obtained a complete Work Permit from the Ministry of Manpower of the Republic of Indonesia.

Independent Assurance Statement
Report No. 0421/BD/0011/JK

To the Management of PT Bank BTPN Tbk,

We were engaged by PT Bank BTPN Tbk ('BTPN') to provide assurance in respect to its Sustainability Report 2020 ('the Report'). The assurance engagement was conducted by a multidisciplinary team with relevant experience in sustainability reporting.

Independence

We carried out all assurance undertakings with independence and autonomy having not been involved in the preparation of any key part of the Report, nor did we provide any services to BTPN during 2020 that could conflict with the independence of the assurance engagement.

Assurance Standards

Our work was carried out in accordance with ISAE3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Accounting Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

Level of Assurance

By designing our evidence-gathering procedures to obtain a limited level of assurance based on ISAE3000, readers of the report can be confident that all risks or errors have been reduced to a very low level, although not necessarily to zero.

Scope of Assurance

The scope of our work is restricted to the following selected sustainability information:

- Community development program
- Human resources training and development
- Sustainable product and services

Responsibility

BTPN is responsible for the preparation of the Report and all information and claims therein, which include established sustainability management targets, performance management, data collection, etc. In performing this engagement, meanwhile, our responsibility to the management of BTPN is solely for the purpose of verifying the statements it has made in relation to its sustainability performance, specifically as described in the selected information, and expressing our opinion on the conclusions reached.

Methodology

In order to assess the veracity of certain assertions and specified data sets included within the report, as well as the systems and processes used to manage and report them, the following methods were employed during the engagement process:

- Review of report, internal policies, documentation, management and information systems

- Interview of relevant staff involved in sustainability-related management and reporting
- Following data trails to the initial aggregated source, to check samples of data to a greater depth.

Limitations

Our scope of work was limited to a review of the accuracy and reliability of selected sustainability performance-related information. It was also not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusions

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Report has not been properly prepared and presented, in all material respects.

All key assurance findings are included herein, while detailed observations and follow-up recommendations have been submitted to BTPN management in a separate report.

Jakarta, April 5, 2021



James Kallman
Chief Executive Officer

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With more than 33,400 professionals operating in 97 countries across the globe, each sharing the same values and sense of responsibility, Praxity is served by Moores Rowland in Indonesia, one of the leading sustainability assurance providers.



NATIONAL
CENTER FOR
SUSTAINABILITY
REPORTING

Statement GRI Standards in Accordance Check

The National Center for Sustainability Reporting (NCSR) has conducted a GRI Standards in Accordance Check on PT Bank BTPN Tbk Sustainability Report 2020 (“Report”). The check communicates the extent to which the GRI Standards has been applied in the Report. The check does not provide an opinion on the sustainability performance of the reporter or the quality of the information provided in the Report.

We conclude that this Report has been prepared in accordance with GRI Standards - Comprehensive option.

Jakarta, 13 April 2021

National Center for Sustainability Reporting

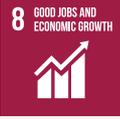
Dewi Fitriasaki, Ph.D., CSRA, CMA
Director

Linking the SDGs and GRI Standards

SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
1. NO POVERTY  End poverty anywhere and in all forms	Income, salary, and benefits	GRI 201: Economic Performance (2016)	202-1	Ratio of standard entry-level employee wages by gender to regional minimum wages	43
	Economic development in areas of highest poverty	GRI 203: Indirect Economic Impact (2016)	203-2	Significant indirect economic impacts	58
	Operational that impact the communities	GRI 413: Local Communities (2016)	413-2	Operations that actually and have the potential to have a significant negative impact on local communities	59
2. ZERO HUNGER  End hunger, achieve better food and nutrition security and support sustainable agriculture	Economic Performance	GRI 201: Economic Performance (2016)	202-1	Ratio of standard entry-level employee wages by gender to regional minimum wages	43
	Economic development in areas of highest poverty	GRI 201: Economic Performance (2016)	203-2	Significant indirect economic impacts	58
	Operational that impact the communities	GRI 413: Local Communities (2016)	413-2	Operations that actually and have the potential to have a significant negative impact on local communities	59
3. GOOD HEALTH AND WELL BEING  Ensuring healthy lives and supporting wellbeing for all for all ages	Economic development in areas of highest poverty	GRI 203: Indirect economic impacts (2016)	203-2	Significant indirect economic impacts	58
	Air quality	GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GRK emissions	87
			305-2	Indirect (Scope 2) GRK emissions	88
	Employee Health	GRI 401: Employment (2016)	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	73
4. QUALITY EDUCATION  Ensuring education is inclusive and of equal quality, while also supporting lifelong learning opportunities for everyone.	Training and Education	GRI 404: Training and Education	404-1	Average hours of training per year per employee	79, 80
			404-2	Programs for upgrading employee skills and transition assistance programs	76

SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
5 GENDER EQUALITY  Achieve gender equality and empower all women and girls.	Equal Opportunity	GRI 102: General Disclosures (2016)	102-22	Composition of the highest governance body and its committees	94
			102-24	Nominating and selecting the highest governance body	95
		GRI 405: Diversity and Equal Opportunity (2016)	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	74
		GRI 203: Indirect economic impacts	203-1	Infrastructure investments and services supported	61, 62
		GRI 401: Employment (2016)	401-1	New employee recruitment and employee turnover	71
			401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	73
			401-3	Parental leave	75
		GRI 404: Training and Education (2016)	404-3	Percentage of employees receiving regular performance and career development reviews	80
		GRI 405: Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	77
			405-2	Ratio of basic salary and remuneration of women to men	76
	Anti Discrimination	GRI 406: Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	76
	The social impact of suppliers	GRI 414: Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria	44
			414-2	Negative social impacts in the supply chain and actions taken	44

6. CLEAN WATER AND SANITATION  Ensure access to water and sanitation sustainable for everyone.					
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SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
7 AFFORDABLE AND CLEAN ENERGY  Ensure access to affordable, reliable, sustainable and modern energy for everyone.	Energy management and savings	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	86
			302-3	Energy intensity	87
			302-4	Reduction of energy consumption	86
			302-5	Reductions in energy requirements of products and services	86
8 DECENT WORK AND ECONOMIC GROWTH  Support sustainable economic development, productive employment and decent work for everyone.	Job opportunities	GRI 102: General Disclosure (2016)	102-8	Information on employees and other workers	80
	Economic Improvement	GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	43
	Income, wages and benefits	GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage.	74
			202-2	Proportion of senior management who come from local communities	74
			GRI 203: Indirect Economic Impacts (2016)	203-2	Significant indirect economic impact
	Energy management and savings	GRI 302: Energy (2016)	204-1	Proportion of spending on local suppliers	44
			302-1	Energy consumption within the organization	86
			302-3	Energy intensity	87
			302-4	Reduction of energy consumption	86
	Income, wages and benefits	GRI 401: Employment	302-5	Reductions in energy requirements of products and services	86
			401-1	New employee recruitment and employee turnover	71
			401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	73
				401-3	Parental leave

SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
	Training and Education	GRI 404: Training and Education	404-1	Average hours of training per year per employee	71
			404-2	Programs for upgrading employee skills and transition assistance programs	73
			404-3	Percentage of employees receiving regular performance and career development reviews	75
	Gender equality	GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	77
			405-2	Ratio of basic salary and remuneration of women to men	76
	Anti Discrimination	GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	76
	Application of Human Rights	GRI 408: Child labor (2016)	408-1	Operations and suppliers that are at significant risk to incidents of child labor	76
		GRI 409: Forced or Compulsory Labor (2016)	409-1	Operations and suppliers that are at significant risk of incidents of forced or compulsory labor	80
		GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	44
			414-2	Negative social impacts in the supply chain and the actions that have been taken	44

9. INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote sustainable industrialization and foster innovation.	Economic improvement	GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	43
	Economic development in areas of high poverty	GRI 203: Indirect economic impacts	203-2	Significant indirect economic impacts	58

SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
10. REDUCED INEQUALITIES  Reduce inequality within and among countries.	Employment information	GRI 102: General Disclosures (2016)	102-8	Information about employees and other workers	80
		GRI 401: Employment (2016)	401-1	New employee recruitment and employee turnover	71
	Increase employee capacity	GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	79, 80
			404-3	Percentage of employees receiving regular performance and career development reviews	80
	Gender Equality	GRI 405: Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	76
11. SUSTAINABLE CITIES AND COMMUNITIES  Make cities inclusive, safe, resilient and sustainable.	Infrastructure investments	GRI 203: Indirect economic impacts	203-1	Indirect economic impact	61, 62
12. RESPONSIBLE CONSUMPTION AND PRODUCTION  Ensure sustainable consumption and production patterns	Energy management and savings	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	86
			302-3	Energy intensity	87
			302-4	Reduction of energy consumption	86
			302-5	Reductions in energy requirements of products and services	86
	Air quality	GRI 305: emissions	305-1	Direct (Scope 1) GRK emissions	87
			305-2	Indirect (Scope 2) GRK emissions	87
			305-3	Other indirect (Scope 3) GHG emissions	87
			305-6	Ozone depleting substances (ODS) emissions	88
			305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	88
	Information and labeling of products and services	GRI 417: Marketing and Labeling (2016)	417-1	Requirements for product and service information and labeling	54

SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
13. CLIMATE ACTION  Take urgent action to combat climate change and its impacts.	Economic improvement	GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	43
	Energy consumption	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	86
			302-2	Energy consumption outside the organization	86
			302-3	Energy intensity	87
			302-4	Reduction of energy consumption	86
			302-5	Reductions in energy requirements of products and services	86
	Air Quality	GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GRK emissions	87
			305-2	Indirect (Scope 2) GRK emissions	87
			305-3	Other indirect (Scope 3) GHG emissions	87
			305-4	GRK Emissions Intensity	88
305-5			Reduction of GRK emissions	88	
14. LIVE ON WATER  Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	Air quality	GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GRK emissions	87
			305-2	Indirect (Scope 2) GRK emissions	87
			305-3	Other indirect (Scope 3) GHG emissions	87
			305-4	GRK Emissions Intensity	88
			305-5	Reduction of GRK emissions	88
			305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	88
15. LIFE ON LAND  Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Air quality	GRI 305: emissions (2016)	305-1	Direct (Scope 1) GRK emissions	87
			305-2	Indirect (Scope 2) GRK emissions	87
			305-3	Other indirect (Scope 3) GHG emissions	87
			305-4	GRK Emissions Intensity	88
			305-5	Reduction of GRK emissions	88
			305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	88

SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
16. PEACE, JUSTICE AND STRONG INSTITUTIONS  Support peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	Good Governance	GRI 102: General Disclosure (2016)	102-16	Values, principles, standards, and norms of behavior	4, 5, 103
			102-17	Mechanisms for advice and concerns about ethics	106
			102-21	Consulting stakeholders on economic, environmental, and social topics	94
			102-22	Composition of the highest governance body and its committees	94
			102-23	Chair of the highest governance body	94
			102-24	Nominating and selecting the highest governance body	95
			102-25	Conflicts of interest	103
			102-27	Collective knowledge of highest governance body	96
			102-29	Identifying and managing economic, environmental, and social impacts	100
			102-37	Stakeholders' involvement in remuneration	102
Anti Corruption	GRI 205: Anti Corruption (2016)	205-1	Operations that are considered to have risks related to corruption	106	
		205-2	Communication and training on anti-corruption policies and procedures	105, 106	
		205-3	Confirmed incidents of corruption and actions taken	106	
Application of Human Rights	GRI 408: Child Labor (2016)	408-1	Operations and suppliers at significant risk of incidents of child labor	80	
	GRI 410: Security Practices (2016)	410-1	Security personnel who are trained in human rights policies or procedures	80	
	GRI 414: Social Assessment Suppliers (2016)	414-1	Selection of new suppliers using social criteria	44	
		414-2	Negative social impacts in the supply chain and the actions taken	44	

SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
	Fairness and equality for customers	GRI 417: Marketing and Labeling (2016)	417-2	Incidents of non-compliance regarding product and service information and labeling	54
			417-3	Incidents of non-compliance related to marketing communications	55
		GRI 418: Customer Privacy (2016)	418-1	Grounded complaints regarding violations of customer privacy and loss of customer data	54
		GRI 419: Socio-Economic Compliance (2016)	419-1	Non-compliance with laws and regulations in the social and economic field	52
17. PARTNERSHIP FOR THE GOALS  Strengthen implementation measures and revitalize global partnerships for sustainable development	External Initiative	GRI 102: General Disclosure	102-12	External Initiative	102, 108

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Feedback Sheet [OJK G.3]

YOUR PROFILE (Please fill in if you wish)

Name :
 Institution/Company :
 Email :
 Phone / Mobile :

Stakeholder groups

- | | | |
|---|---|------------------------------------|
| <input type="checkbox"/> Shareholders/Investors | <input type="checkbox"/> Customers | <input type="checkbox"/> Employees |
| <input type="checkbox"/> Trade Unions | <input type="checkbox"/> Media | <input type="checkbox"/> Suppliers |
| <input type="checkbox"/> Community Organizations/Ngos | <input type="checkbox"/> Government/Ojk | <input type="checkbox"/> Business |

Others

How do you feel about the content of this report	Strongly Disagree	Do Not Agree	Neutral	Agree	Strongly Agree
This report is easy to understand					
This report is useful					
This report describes the performance of Financial Services Institutions in sustainable development					
How would you rate the material on the following topics:	Strongly Disagree	Do Not Agree	Neutral	Agree	Strongly Agree
Economic performance					
Indirect economic impact					
Sustainable financial performance					
Education and training					
Employment					
Customer privacy					
Anti-Corruption					
Environmental performance					

Please provide your suggestions, suggestions, or comments on this report:

Regarding the 2019 Sustainability Report, Bank BTPN did not get any feedback; thus, there was no response to feedback on the previous year's report. [\[OJK G.4\]](#)



A MEMBER OF
SMBC Group

Sustainability Report 2020

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