

APPENDIX III  
CIRCULAR LETTER OF BANK INDONESIA  
NUMBER 14 / 37 /DPNP DATED JANUARY 27, 2012  
REGARDING  
MINIMUM CAPITAL REQUIREMENT BASED ON  
RISK PROFILE AND FULFILLMENT OF *CAPITAL  
EQUIVALENCY MAINTAINED ASSETS* (CEMA)

FILLING INSTRUCTION OF MINIMUM  
CAPITAL EQUIVALENCY MAINTAINED ASSETS (CEMA) FULFILLMENT REPORT

GENERAL

The report of minimum CEMA fulfillment contains information on average total liabilities, average inter-office total liabilities, average total liabilities as a basis in calculating minimum CEMA, detailed list of CEMA financial assets (Type of Asset, Name of Asset, Issuer of Asset, Rating of Asset, Acquisition Date, Measurement Category, Maturity Date, and Value of Asset), as well as weekly details of bank liabilities. The report is prepared monthly.

Explanation on Details of Report

I. Calculation of Minimum CEMA

It is a section which provides information regarding minimum CEMA required to be fulfilled by branch office of foreign bank after accounting for the average total bank liabilities for one reporting period.

1. Average Total Liabilities

Average total liabilities are the average of weekly bank liabilities during reporting period.

2. Average Inter-office Total Liabilities

Average inter-office total liabilities are the average of weekly inter-office total liabilities during reporting period.

3. Average Total Liabilities as a basis in calculating minimum CEMA

Average of total liabilities as a basis in calculating minimum CEMA is the calculation resulted from average total liabilities deducted by average inter-office total liabilities. The result of this calculation is used as one of the factors in determining limits of minimum CEMA required to be maintained by the bank.

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4. Percentage of Total Liabilities

Percentage of total liabilities resulted from the calculation of 8% (eight percent) from average of total liabilities.

5. Nominal Amount of 1 Trillion rupiah

Nominal amount of 1 trillion rupiah is the nominal value of 1 trillion rupiah

6. Minimum CEMA

Minimum CEMA is the CEMA required to be fulfilled by the banks which is 8% (eight percent) from average of total liabilities and of at least 1 trillion rupiah

Particularly since the position in June 2013 until the position in November 2017, in the case of minimum CEMA of 8% of the average total liabilities is less than one trillion rupiah, accordingly the column of minimum CEMA is filled with 8% of average total liabilities.

Example:

1. Total weekly liabilities of Bank Y for June 20XX is Rp 10 trillion (Week I), Rp 15 trillion (Week II), Rp 10 trillion (Week III), and Rp 20 trillion (Week IV). The average total liabilities on June 20XX is  $(Rp\ 10\ trillion + Rp\ 15\ trillion + Rp\ 10\ trillion + Rp\ 20\ trillion) : 4$  which is Rp 13,75 trillion. Meanwhile, the average inter-office total liabilities on June 20XX is Rp 100 billion. Thus, the average total liabilities as a basis in calculating minimum CEMA is Rp 13,75 trillion – Rp 0,1 trillion which is Rp 13,65 trillion.

The calculation of minimum CEMA is determined based on 8% (eight percent) of the total bank liabilities and not less than Rp 1 trillion rupiah. Considering that 8% X Rp 13,65 trillion is Rp 1,092 trillion and the amount has exceeds Rp 1 trillion, thus the minimum CEMA required is Rp 1,092 trillion.

2. Total weekly liabilities of Bank Y for June 2013 is Rp 10 trillion (Week I), Rp 10 trillion (Week II), Rp 10 trillion (Week III), and Rp 10 trillion (Week IV). The

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average total liabilities on June 2013 is (Rp 10 trillion + Rp 10 trillion + Rp 10 trillion + Rp 10 trillion) : 4 which is Rp 10 trillion. Meanwhile, the average inter-office total liabilities on June 2013 is Rp 1 trillion. Thus, the average total liabilities as a basis in calculating minimum CEMA is Rp 10 trillion – Rp 1 trillion which is Rp 9 trillion.

The calculation of minimum CEMA is determined based on 8% (eight percent) of the total bank liabilities and not less than Rp 1 trillion rupiah. Considering that 8% X Rp 9 trillion is Rp 0,72 trillion and the amount is less than than Rp 1 trillion, thus the minimum CEMA required is Rp 1 trillion with stages of implementation as follows:

- a. For the position in June 2013 until the position in November 2017, in the case of minimum CEMA of 8% of the average total liabilities is less than Rp 1 trillion, minimum CEMA that must be fulfilled by branch office of foreign bank is 8% of the average total liabilities which is  $8\% \times \text{Rp } 9 \text{ trillion} = \text{Rp } 0,72 \text{ trillion}$ .
- b. The requirement for minimum CEMA of at least one trillion rupiah for branch office of foreign bank as referred to in letter b is effective since the position in December 2017.

## II. Details of CEMA Financial Assets

It contains information regarding all financial assets owned by branch office of foreign banks which qualified as CEMA during reporting period.

### 1. Type of Assets

Type of Assets is the type of financial assets used to fulfill CEMA which is in the form of:

- a. Indonesian Government securities
- b. Bank securities
- c. Corporate securities

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2. Name of Asset

Name of Asset is the specific name of financial assets used to fulfill CEMA

Example:

- SPN03130107
- FR0063
- Obligation 1
- Obligation 2

3. Issuer

Issuer is the name of issuer of financial assets used as CEMA.

Example:

- Indonesian Government
- PT. Bank Z, Tbk
- PT. XYZ, Tbk

4. Rating of Asset

Rating of Asset is the rank of asset issued by rating agencies in accordance with provision of Bank Indonesia concerning rating agencies and rating recognized by Bank Indonesia. Rating assets is only to be filled for the type of CEMA assets other than Indonesian Government securities.

5. Acquisition Date

Acquisition Date is the acquisition date of financial asset by bank

6. Measurement Category

Measurement Category is the category of measurement used for the defined financial assets, which is Available for Sale (AFS) or Hold to Maturity (HTM).

7. Maturity Date

Maturity Date is the maturity date of financial assets.

8. Value of Asset

Value of Asset is the carrying value of financial assets.

9. TOTAL

TOTAL is the amount of all financial assets used to fulfill CEMA requirement.

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III. Details of Weekly Bank Liabilities

It informs about the nominal amount of liabilities for branch office of foreign bank at the end of each week based on weekly bank balance sheet as set out and delivered in Commercial Bank Periodic Reports (LBBU) during reporting period.

1. Total Liabilities

Total Liabilities is the position of total liabilities at the end of each week in reporting period.

2. Inter-office Total Liabilities

Inter-office Total Liabilities is the position of inter-office total liabilities at the end of each week in reporting period.

3. Total Liabilities as a basis in calculating minimum CEMA

Total Liabilities as a basis in calculating minimum CEMA is amount of total liabilities deducted by inter-office total liabilities.

4. Total

Total is the sum of all lines in each column of total liabilities, inter-office total liabilities, and total liabilities as a basis in calculating minimum CEMA.

5. Average

Average is the average amount of each column of total liabilities, inter-office total liabilities, and total liabilities as a basis in calculating minimum CEMA during reporting period.

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The Report of Capital Equivalency Maintained Assets (CEMA) Fulfillment

Name of Bank : .....

Password of Bank : .....

Reporting Period : Month .....

I. Calculation of Minimum CEMA

Liabilities		
1.	Average total liabilities	= Rp
2.	Average inter-office liabilities	= Rp
3.	Average total liabilities as a basis in calculating minimum CEMA ((1) - (2))	= Rp
Determination of Minimum CEMA		
4.	Percentage of total liabilities (8% x (3))	= Rp
5	Nominal Amount of Rp 1 Trillion	= Rp 1.000.000.000.000,00
6	Minimum CEMA {maximum {4,5}}	= Rp

II. Details of CEMA Financial Assets

No.	Type of Asset	Name of Asset	Issuer	Rating of Asset	Acquisition Date	Measurement Category	Maturity Date	Value of Asset
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
TOTAL (9)								

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III. Details of Weekly Bank Liabilities

	Total Liabilities (a)	Inter-office Total Liabilities (b)	Total liabilities as a Basis in Calculating Minimum CEMA (a - b)
	(1)	(2)	(3)
Week I			
Week II			
Week III			
Week IV			
<b>TOTAL (4)</b>			
<b>AVERAGE (5)</b>			

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