

BANK INDONESIA REGULATION

NUMBER: 12/21/PBI/2010

CONCERNING

BANK BUSINESS PLAN

WITH THE BLESSINGS OF GOD ALMIGHTY

GOVERNOR OF BANK INDONESIA

- Considering:
- a. whereas in order to direct bank operational activity according to its vision and mission, bank needs to implement a strategic target and a set of corporate values which described in the business plan;
 - b. whereas a business plan needs to be well arranged and realistic based on the prudential principles and the application of risk management, along with a comprehensive coverage;
 - c. whereas arranging a business plan as Bank's facility in controlling strategic risk has to pay attention to the external and internal factors;
 - d. whereas a realistic bank business plan is needed for the monetary authority as a consideration in establishing policies and executing macro prudential surveillance;
 - e. whereas a business plan is one of the guidelines for bank's supervisors to arrange a supervisory plan based on the optimal and efective risk;
 - f. whereas based on considerations as referred to in letter a, letter b letter c, letter d, and letter e, it is deemed necessary to re-arrange a bank business plan in the Bank Indonesia Regulation Number 11;
- In view of:
1. Act Number 7 of 1992 concerning Banking (State Gazette Number 31 of 1992, Supplement to the State Gazette Number 3472) as amended by Act Number 10 of 1998 (State Gazette Number 182 of 1998, Supplement to the State Gazette Number 3790);
 2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette

of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as latest amended by Act Number 6 of 2009 concerning Stipulation of Government Regulation In Lieu of Law Number 2 of 2008 concerning Second Amendment of Act Number 23 of 1999 concerning Bank Indonesia to become Law (State Gazette of the Republic of Indonesia Number 7 of 2009, Supplement to the State Gazette of the Republic of Indonesia Number 4962);

3. Act Number 21 of 1998 concerning Sharia Banking (State Gazette of the Republic of Indonesia Number 94 of 2008, Supplement to the State Gazette of the Republic of Indonesia Number 4867);

HAS DECREED:

To enact: BANK INDONESIA REGULATION CONCERNING BANK
BUSINESS PLAN

CHAPTER I GENERAL PROVISIONS

Article I

The terminology used in this Bank Indonesia Regulation has the following meanings::

1. Bank is a Commercial Bank as defined in Act Number 7 of 1992 concerning Banking, as amended by Act Number 10 of 1998, including foreign bank branch office, and Islamic Commercial Bank as referred to in Act Number 21 of 1998 concerning Islamic Banking.
2. Islamic Business Unit (*Unit Usaha Syariah*) which later on shall be referred as UUS is a Islamic Business Unit as referred to in Act Number 21 of 1998 concerning Islamic Banking.
3. Bank Business Plan is a written document which describes Bank business activity plan in short term (one year) and middle term (three years), including the plan to improve business activity, as well as the strategy to bring about that plan mentioned according to the target and the period settled, with still paying attention to the fulfillment of the prudential stipulation and the risk management implementation.

4. Bank Business Plan Progress Report is the report from Bank's Directions concerning the realization of the Business plan up to certain period.
5. Report of Supervision to Bank Business Plan is the report from the Bank's Board of Commissioners concerning the supervising result of the execution of the Business Plan up to certain period.
6. Board of Directors:
 - a. in the case of a Bank legally incorporated as a Limited Liability Company, is the board of directors as referred to in Article 1 number 5 Act Number 40 of 2007 concerning Limited Liability Companies;
 - b. in the case of a Bank legally incorporated as a Regional Government Enterprise, is the board of directors as referred to in Article 11 Act Number 5 of 1962 concerning Regional Government Enterprises,
 - c. in the case of a Bank legally incorporated as a Cooperative, is the management as referred to in Article 29 Act Number 25 of 1992 concerning Cooperatives, including foreign bank branch leader.
7. Board of Commissioners:
 - a. in the case of a Bank legally incorporated as a Limited Liability Company, is the board of commissioners as referred to in Article 1 point number 6 Act Number 40 of 2007 concerning Limited Liability Companies;
 - b. in the case of a Bank legally incorporated as a Regional Government Enterprise, is the supervisory board as referred to in the Article 19 Act Number 5 of 1962 concerning Regional Government Enterprises;
 - c. in the case of a Bank legally incorporated as a Cooperative, is the supervisory board as referred to in Article 38 Act Number 25 of 1992 concerning Cooperatives, including the officer appointed by foreign bank's head office to execute the supervising function of the Business Plan execution.

Article 2

- (1) Bank is obliged to arrange Business Plan realistically every year.
- (2) In arranging a Business Plan as referred to in paragraph (1), Bank has to pay attention to the following:
 - a. external and internal factors which may influence Bank business performance;
 - b. prudential principles;

- c. application of risk management;
 - d. soundness banking principle.
- (3) For Commercial Bank which owns UUS, Business Plan as referred to in paragraph (1), shall include a special Business Plan for UUS which is a unity with the General Bank Business Plan.
- (4) Business Plan shall be arranged by the Board of Directors and approved by the Board of Commisioners.

Article 3

- (1) Board of Directors shall implement Business Plan effectively.
- (2) Board of Directors shall communicate the Business Plan to:
- a. Bank shareholders;
 - b. all off the organization structures in the Bank.

Article 4

The Board of Commisioners shall conduct supervision on the implementation of Business Plan.

CHAPTER II

BUSINESS PLAN COVERAGE

Article 5

Business Plan as referred to in article 2 shall at least include the followings:

- a. executive summary;
- b. management strategy policy;
- c. the application of risk management and recent Bank's performance;
- d. financial statement forecast and the assumption used;
- e. ratios forecast and other certain posts;
- f. funding plan;
- g. fund investment plan;
- h. capitalization plan;
- i. organization improvement and human resources;
- j. product issuance plan and/or office network changes;
- k. other information.

Article 6

The executive summary as referred to in Article 5 letter a shall at least include the followings:

- a. Bank's vision and mission;
- b. Bank's policy direction;
- c. strategic steps that shall be taken by the Bank;
- d. main financial indicator;
- e. short term and middle term target.

Article 7

Management policy and strategy as referred to in Article 5 letter b shall at least include the followings:

- a. Bank position analysis in facing business competitions;
- b. management policies (policy statements);
- c. risk management and compliance policies;
- d. business development strategy;
- e. human resources development strategy and remuneration policies.

Article 8

The application of risk management and recent Bank performance as referred to in Article 5 letter c shall at least include the followings:

- a. the application of risk management, including risk profile assessment for all risks;
- b. the application of good corporate governance;
- c. financial performance, especially from capital and earning aspect;
- d. credit realization to micro, small, and medium business;
- e. the compliance to sharia principles, especially to Islamic Commercial Banks and UUS.

Article 9

Financial statement forecast and the assumption used as referred to in Article 5 letter d shall at least include the followings:

- a. balance sheet;
- b. Commitment and Contingency;
- c. Income statement;
- d. macro and micro assumption used.

Article 10

Ratios forecast and other certain posts as referred to in Article 5 letter e shall at least include the followings:

- a. main financial ratio forecast;
- b. other certain posts forecast;

Article 11

Funding plan as referred to in Article 5 letter f shall at least include the followings:

- a. third party fund raising plan;
- b. securities issuance plan;
- c. other funding plan.

Article 12

Fund investment plan as referred to in Article 5 letter g shall at least include the followings:

- a. the provision of fund plan to the related party;
- b. lending /funding plan to the main debtor;
- c. lending /funding based on the certain business activity;
- d. lending /funding based on:
 - 1) business field;
 - 2) type of usage;
 - 3) province;
 - 4) type of contract, for Islamic Commercial Bank and UUS only.
- e. the extension of credit /funding based on micro, small, and medium enterprise (UMKM) based on:
 - 1) business field;
 - 2) type of usage; and
 - 3) province.
- f. fund investment plan in the form of securities;
- g. fund investment plan in the form of equity participation, including the UUS spin off plan implementation from Conventional Banks which have UUS;
- h. other fund investment plans.

Article 13

Capitalization plan as referred to in Article 5 letter h shall at least include the followings:

- a. forecast of fulfillment of the minimum capital adequacy requirement (KPMM)
- b. capital change plan.

Article 14

Organization and human resources development plan as referred to in Article 5 letter I shall at least include the followings:

- a. organization development plan;
- b. management information system development plan;
- c. human resources development plan;
- d. foreign workers utilization and outsourcing plan.

Article 15

Product issuance and/or new activity implementation as referred to in Article 5 letter j shall at least include the followings:

- a. new product issuance plan;
- b. new activity implementation plan.

Article 16

Office networking development and/or changes as referred to in Article 5 letter h shall at least include the followings:

- a. for Commercial Banks, the plan of opening regional offices, branch offices, functional offices, sub-branches, cash offices, cash service activities, and overseas offices, including development and network change plan for UUS.
- b. for Islamic Commercial Banks, the plan of opening branches, sub-branches, cash offices, cash service activities, and overseas offices.

Article 17

Other information as referred to in Article 5 letter I shall at least include information which needs to be delivered due to the influence of Bank's business activity, which is not mentioned in the Business Plan coverage as referred to in Article 5 letter a to letter k above.

CHAPTER III
SUBMISSION, CHANGES, AND BUSINESS PLAN REPORT

Article 18

- (1) Bank is obliged to submit Business Plan as referred to in Article 2 to Bank Indonesia in November at the latest before the Business Plan year is begun.
- (2) Especially for Business Plan of 2011, Bank is obliged to submit Business Plan to Bank Indonesia in the end of December 2010 at the latest.
- (3) Bank Indonesia may ask Bank to do some adjustments if the Business Plan submitted has not yet fulfilled the provision as ruled in this Bank Indonesia Regulation.
- (4) Bank is obliged to submit adjustments to Business Plan as referred to in paragraph (3) to Bank Indonesia no later than 15 (fifteen) working days after the date in the letter sent by Bank Indonesia.

Article 19

- (1) Bank can only make changes to Business Plan as referred to in Article 2, if:
 - a. there are some external and internal factors which influence Bank's operational significantly; and/or
 - b. there are factors which significantly influence Bank's activities, based on Bank Indonesia's considerations.
- (2) Business Plan changes as referred to in paragraph (1) letter a can only be done 1 (one) time, no later than the end of July in the ongoing year.
- (3) Business Plan changes as referred to in paragraph (1) letter a shall be submitted no later than 30 (thirty) working days before the Business Plan changes take place.
- (4) Bank Indonesia has the authority to ask Bank to do some adjustments to the Business Plan changes as referred to in paragraph (1).

Article 20

- (1) Bank is obliged to submit Business Plan Progress Report quarterly.
- (2) The report as referred to in paragraph (1) must be delivered to Bank Indonesia with the following time limit:
 - a. 1 (one) month at the latest after the relevant quarterly ends; or
 - b. 45 (fourty-five) calendar days at the latest after the relevant quarterly ends, for Bank which office delivery system is not on line and has more than 100 (one hundred) branches.

- (3) The report as referred to in paragraph (1) covers:
 - a. explanations regarding to the Business Plan achievements;
 - b. explanations regarding to deviation on Business Plan realizations;
 - c. follow ups on Business Plan achievements;
 - d. financial ratios and certain posts;
 - e. other information.

Article 21

- (1) Bank is obliged to submit Report of Supervision to Bank Business Plan per semester.
- (2) The report as referred to in paragraph (1) must be submitted to Bank Indonesia 2 (two) months at the latest after the referred semester ends.
- (3) The report as referred in paragraph (1) shall at least include Board of Commisioners evaluation concerning:
 - a. Business Plan implementation whether quantitative or qualitative;
 - b. factors which influence Bank's activities;
 - c. efforts to improve Bank's activities.

Article 22

- (1) Bank is declared to be late in submitting Business Plan as referred to in Article 18 paragraph (1) if the Bank submits the Business Plan after the end of submission time limit to 30 (thirty) days at the latest.
- (2) Bank is declared to be late in submitting the adjustments to Business Plan as referred to in Article 18 paragraph (4) if Bank submits the adjustment to Business Plan after the end of submission time to 15 (fifteen) working days at the latest.
- (3) Bank is declared to be late in submitting Business Plan as referred to in Article 18 paragraph (1) or the adjustments to Business Plan as referred to in Article 18 paragraph (4) if until the end of the lateness time limit as referred to in paragraph (1) and paragraph (2), Bank has not yet submitted the Business Plan or the adjustments.
- (4) Bank which is declared not submitting Business Plan or the adjustments as referred to in paragraph (3) still has the obligation to submit the Business Plan or the adjustments to Bank Indonesia.

Article 23

- (1) Bank is declared to be late in submitting Business Plan Progress Report as referred to in Article 20 paragraph (1) if Bank submit the Business Plan Progress Report after the end of submission time limit until 30 (thirty) working days at the latest.
- (2) Bank is declared to be late in submitting the Report of Supervision to Bank Business Plan as referred to in Article 21 paragraph (1) if Bank submits the Report of Supervision to Bank Business Plan after the end of the submission time limit to 30 (thirty) working days at the latest.
- (3) Bank is declared to not submitting Business Plan Progress Report as referred to in Article 20 paragraph (1) or the Report of Supervision to Bank Business Plan as referred to in Article 21 paragraph (1), if until the end of the time limit Bank is declared to be late as referred to in paragraph (1) or paragraph (2), Bank has not yet submitted the report.
- (4) Bank which is declared not submitting Business Plan Progress Report or the Report of Supervision to Bank Business Plan as referred to in paragraph (3) still has the obligation to submit the reports to Bank Indonesia.

Article 24

In the case of the time limit of submitting the Business Plan as referred to in Article 18 paragraph (1), the submission of the Business Plan Progress Report as referred to in Article 20 paragraph (2), and the submission of the Report of Supervision to Bank Business Plan as referred to in Article 21 paragraph (2) falls on Saturday, or Sunday, or any other holidays, then the Business Plan, Business Plan Progress Report, and Report of Supervision to Bank Business Plan may be submitted on the following working day.

Article 25

The Business Plan and its adjustments as referred to in Article 18 paragraph (1) and paragraph (4), the Business Plan Progress Report as referred to in Article 20 paragraph (1), and the Report of Supervision to Bank Business Plan as referred to in Article 21 paragraph (1) are submitted to Bank Indonesia in the following address:

- a. related Directorate of Bank Supervision (Direktorat Pengawasan Bank), Jl. MH. Thamrin No.2, Jakarta 10350, for the Bank which head office is in Bank Indonesia's head office working area;
- b. local Bank Indonesia office, for the Bank which head office is outside Bank Indonesia's head office working area.

CHAPTER IV

OTHERS

Article 26

Bank which does its business activity based on the sharia principles shall implement the provision as regulated in this Bank Indonesia regulation according to the Bank's business characteristics as referred to in sharia principles.

CHAPTER V

SANCTIONS

Article 27

(1) Bank which is late in submitting:

- a. Business Plan or its adjustments as referred to in Article 22 paragraph (1) or paragraph (2);
- b. Business Plan Progress Report as referred to in Article 23 paragraph (1); or
- c. Report of Supervision to Bank Business Plan as referred to in Article 23 paragraph (2),

shall be subject to sanction of paying in the amount of Rp.1.000.000,00 (one million rupiahs) per late working days.

(2) Bank which does not submit Business Plan as referred in Article 22 paragraph (3) or the report as referred to in Article 23 paragraph (3) shall be subject to sanction in the amount of Rp.50.000.000,00 (fifty million rupiahs).

(3) Especially for the Bank which submits the Business Plan of 2011 after the deadline as referred to in Article 18 paragraph (2):

- a. shall not be subject to sanction of paying as referred to in paragraph (1) if submitted until the end of January 2011; or
- b. shall be subject to sanction of paying the amount of Rp.50.000.000,00 (fifty million rupiahs) if submitted after the end of January 2011.

(4) Bank which submits the adjustments to the Business Plan as referred to in Article 18 paragraph (4), but:

- a. considered significantly incomplete; and/or
- b. not enclosed with the material documents and information,

according to the established coverage in Bank Indonesia Regulation and/or other related execution regulations shall be subject to sanction of paying the obligation in the amount of Rp.50.000.000,00 (fifty million rupiahs).

- (5) Bank shall be subject to sanctions as referred to in paragraph (4) after:
- a. Bank is given 2 (two) times of written warning from Bank Indonesia with a 7 (seven) working days grace period for each written warning; and
 - b. Bank is not revising the Business plan adjustments in 7 (seven) working days after the last written warning.

Article 28

Bank which does not obey regulations as stipulated in Article 2, Article 3, Article 4, Article 18, Article 19, Article 20, Article 21, Article 22 paragraph (4), and/or Article 23 paragraph (4) shall be subject to administrative sanctions in the form of:

- a. written warning;
- b. freezing certain business activity;
- c. downgrading of Bank's soundness rating; and/or
- d. the inclusion of Bank's management and or Bank's shareholder in the list of parties which earn the predicate of disqualified in the fit and proper test.

CHAPTER VI

CLOSING PROVISIONS

Article 29

Further stipulations of this Bank Indonesia Regulation shall be enacted in the Gazette of Bank Indonesia.

Article 30

By the enactment of this Bank Indonesia Regulation therefore:

- a. Bank Indonesia Regulation No.6/25/PBI/2004 on October 22, 2004 concerning Commercial Banks Business Plan is revoked and declared not applicable, accept for the stipulation:
 - (1) Article 21, Article 22, Article 24, Article 25, and Article 26 which are related to the obligation to submit the Business Plan ProgressReport and the Report of Supervision to Bank Business Plan;

(2) Article 28 paragraph (1) and paragraph (2) and Article 29 paragraph (1) which are related to the sanctions of the Business Plan Progress Report and the Report of Supervision to Bank Business Plan.

is declared to still be applicable until the end of the conveying period of the Business Plan Progress Report and the Report of Supervision to Bank Business Plan of 2010.

- b. The implementation regulation of Bank Indonesia Regulation No.6/25/PBI/2004 concerning Commercial Banks Business Plan is declared to be applicable as long as it is not in contrast with this Bank Indonesia Regulation concerning Commercial Banks Business Plan.

Article 31

This Bank Indonesia Regulation shall come into effect as of the date of enactment.

For public information, orders this Bank Indonesia Regulation be published in the State Gazette of the Republic of Indonesia.

Ratified in Jakarta

On 19 October 2010

Governor of Bank Indonesia

DARMIN NASUTION

Enacted in: Jakarta

On 19 October 2010

MINISTER OF LAW AND HUMAN RIGHT
REPUBLIC OF INDONESIA

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 120 OF 2010

DPNP/DPbS

ELUCIDATION
TO
BANK INDONESIA REGULATION
NUMBER: 12/21/PBI/2010
CONCERNING
BANK BUSINESS PLAN

I. GENERAL REVIEW

Whereas in the efforts of maintaining the resistance of the soundness banking system, Bank needs to take steps in improving good corporate governance. As one of the steps in implementing the good governance principles, it is deemed necessary for bank to arrange and establish a strategic target and a set of corporate values. In after, the strategic target and the corporate values referred described further in the business plan, as a foundation and guideline to implement the operational activity according to bank's vision and mission.

In order to achieve the goal according to the vision and mission, the arrangements of bank's business plan needs to be well done and realistic by still paying attention to the prudential principles and the application of the risk management. In addition, the planning must be done by bank comprehensively so that it reflects complexities of the business as well as able to accommodate the direction of bank's business development. A comprehensive business plan also may increase the flexibility of bank's operation in facing a rising business competition.

In arranging a business plan, bank should also consider the external and internal factors which either directly or indirectly may influence bank's business activity in order to be able to produce a realistic plan. A realistic business plan is one of the efforts in implementing risk management effectively, a strategic risk in especially.

The direction of bank's business development which is stated in the bank's business plan is one of the factors which become the consideration for the financial authorities in establishing the macro prudential policy to maintain financial system stability. Therefore, a realistic business plan arrangement needs to be directed and monitored in order to support the macro policy implementation correctly.

On one side, business plan is an important reference for bank's supervisors in conducting the arrangement of Individual Supervisory Plan, as a part of the bank's risk based supervision. On the other side, an early business plan arrangement will also assist the fluency of bank operational implementation since the beginning of the year.

In relation to the above, in order to make use of the business plan as one of the facilities to achieve bank's vision and mission, to support the macro prudential policy, and the bank supervision strategy, it is deemed necessary to re-arrange the stipulations concerning bank's business plan.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Paragraph (1)

Self-explanatory.

Paragraph (2)

What refers as the external factors among others are the economy conditions, social and politic development, and technology.

What refers as the internal factors among others are the financial conditions, management, and other infrastructure abilities.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 3

Paragraph (1)

Business Plan is executed effectively if between the realization and the business lies:

- a. non material deviation; or
- b. material deviation, but the Bank has done a maximum effort in order to fulfill it enclosed with the sufficient and reasonable explanation

Paragraph (2)

Letter a

The communication with the shareholders may be done through the General Shareholder's Meeting.

Letter b

The communication of the Business Plan to all of the organization structures in the Bank is done with the purpose so that the policies and their implementations by every involved parties in the Business Plan operationalization is in accordance to the Bank's vision and mission.

Article 4

Self-explanatory

Article 5

Self-explanatory

Article 6

Letter a

Self-explanatory

Letter b

The direction of Bank's policy contains the information about the direction and business development policies which shall be executed by the Bank in short term in 1 (one) year to come or the middle term for 3 (three) years to come.

Letter c

Self-explanatory

Letter d

The main financial indicator includes Bank activity at the end of September position in the year where the Business Plan and the capital forecast, earnings, risk evaluation, in especially credit risk, market risk, and liquidity risk, also the third party fund and other financial ratios.

Letter e

What refers to as the short term target is the bank's business activity target for 1(one) year to come.

What refers to as the middle term target is the Bank's business activity target for 3 (three) years to come.

Article 7

Letter a

The analysis is done both to the industry and to the business group. In this case it is deemed necessary to explain the problem and the obstacle faced by the bank.

Letter b

The description on management policy covers the general information of Bank's policy which is stipulated by the management in Bank's business development in the future.

Letter c

The description on the risk management policy and the compliance covers the information concerning the steps taken in implementing the risk management which is arranged based on the Bank's risk profile evaluation and the corrective efforts which shall be taken along with the explanations on the policy in implementing compliance function.

Letter d

The description on the business development strategy among others covers the strategic steps information to achieve the goal of Bank's business activity settled, including an explanation regarding to the organization development strategy and the information technology system, as well as the the strategy in anticipating external condition changes.

Letter e

The description on the remuneration policy at the least includes the information concerning general policy which rules about wage payment, benefits, and other financial kinds of facilities to the Board of Commisioners and Board of Directors, including to the employees and the Boards of Sharia Supervisors (Dewan Pengawas Syariah (DPS)) for Islamic Commercial Banks and UUS.

What refers to as the Boards of Sharia Supervisors is the Boards of Sharia Supervisor as referred to in the relevant Bank Indonesia Regulation concerning Islamic Commercial Banks and UUS.

Article 8

Letter a

The explanation concerning risk management implementation covers the evaluation and the risk management implementation result from the beginning of year period to the last position when arranging Bank Business Plan.

The explanation concerning the risk profile evaluation covers the Banks's evaluation information on the level and trend in all of the risk exposure.

The risk profile arrangement manners shall be in accordance to the Bank Indonesia Regulation which governed the application of risk management for commercial Banks.

Letter b

The evaluation on the implementation of good governance is guided by Bank Indonesia regulation concerning the implementation of good corporate governance for Commercial Banks.

Letter c

The explanation on Bank's business activity including the action plan result (if available) in order to improve Bank's performance as governed in Bank Indonesia regulation concerning Bank's soundness level evaluation system.

The explanation on financial activity and the capitalization aspects and earnings aspect covers the information concerning capital conditions and earnings quantitatively or qualitatively.

Letter d

The explanation on the extension of credit realization reflects Bank's role in supporting the micro, small, and medium enterprise development.

Grouping the micro, small, and medium enterprise refers to the business criteria based on the relevant Regulation concerning the Micro, Small, and Medium Enterprise.

Letter e

Self-explanatory.

Article 9

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

The assumption enclosed is the assumption used by Bank to arrange Business Plan.

What referred as the macro assumption among others are the economy growth, exchange rates and inflation level. On the other hand, what referred as the micro assumption among others are the competition level between Banks and the growth of banking industry credit.

As one of the references in arranging Business Plan, Bank is able to see the macro indicators available in Bank Indonesia publication.

Article 10

Letter a

The main financial ratio forecast at the least is able to give informations for capital condition evaluation, earnings, credit risk, market risk, and liquidity risk.

Letter b

This forecast includes some ratio forecasts related to credit to UMKM debtors, education fund ratio, and fixed assets ratio which is no longer used in Bank's operational to the capital.

Article 11

Letter a

The third party fund raising plan covers the plan to raise demand deposits, savings accounts, time deposits, and other form which is considered the same as those and the information regarding to the main deposit and/or core deposit.

Letter b

Securities issuance plan covers the plan for issuing securites such as convertible bonds, medium term notes, obligations, and sukuk.

Letter c

Self-explanatory.

Article 12

Letter a

The related parties are the related parties as referred to in Bank Indonesia regulation concerning the legal lending limit.

Letter b

The main debtor is an individual debtor or group debtor (one obligor concept) which is the main debtor outside the related parties.

Letter c

Certain business activity is the business activity which becomes the biggest focus of the lending/ Bank funding.

Letter d

Lending based on the business field, the type of usage, province, and the type of contract refer to the provisions of Bank Indonesia which rule the guidelines of Bank monthly report arrangements.

Letter e

Lending based on the business field, the type of usage, and the province refer to the provisions of Bank Indonesia which rule the guidelines of Bank monthly report arrangements.

Letter f

The disbursement of fund in the form of securities is classified according to the purposes:

- measured at the fair value through profit/loss;
- available for sale;
- hold to maturity; or
- loans and receivables.

Letter g

In arranging this plan, Bank must pay attention to the conditions and the procedurs of equity participation as ruled in Bank Indonesia regulation.

What refers to as the spin off is the spin off as regulated in Bank Indonesia regulation concerning UUS.

Letter h

Covers Bank fund investment plan in the form of productive assets which are not included in the coverage in letter a to letter g.

Letter a

KPMM fulfillment forecast covers the obligation to provide the minimum capital adequacy ratio calculation by referring to the Bank Indonesia regulation concerning Bank obligation in providing the minimum capital adequacy requirement.

Letter b

Included in the capital change plan are the capital increase plan from the existing shareholders, initial public offering (IPO) plan, right issue, the issuance of equity securities and other capital increase plan, including changes in net funds for the UUS.

Article 14

Letter a

Included in the organizational development plan is the plan of the establishment / change in work units and / or committees, that are tailored to the size and complexity of the Bank

Letter b

Included in the development of the information system management plan is a plan that supports the development of the information technology which supports the information systems for management.

Letter c

Included in the human resources plan is the education necessity plan and human resources training, including education and training fund/budget plan as ruled in the prevailing provisions of Bank Indonesia

Letter d

Included in the utilization of foreign labor plan is the utilization of foreign labor plan as stipulated in Bank Indonesia regulation.

The outsourcing usage plan is the plan of using labors outside the permanent workforce, which includes the number and the area of work assignment.

Article 15

Letter a

The new product issuance plan that needs to be contained in the Bank Business Plan refers to Bank Indonesia provisions regulating the application of

risk management for Banks and their implementation terms or conditions which govern the new products and activities for Islamic Commercial Banks and UUS.

Letter b

The implementation of new activities plan that needs to be contained in Bank Business Plan refers to Bank Indonesia provisions regulating the application of risk management for Banks and their implementation of terms or conditions which govern new products and activities for Islamic Commercial Banks and UUS.

Article 16

The definition of regional offices, branch offices, functional offices, sub-branch offices, cash offices, cash service activities, and overseas offices refer to Bank Indonesia provisions regulating Commercial Banks, Islamic Commercial Banks, or UUS.

Article 17

Other information includes the things which need to be known or be monitored by Bank Indonesia, among others is the completion steps of the troubled loans, including foreclosed collateral (AYDA), fixed assets which are not used in the operations of the Bank, the service development of the Bank and / or linkage programs.

Development of Bank services include among others the information on the development of the facilities plan or media information to the customer, by electronic means the development plan for the needs of customers, and customer protection efforts plan.

Article 18

Paragraph (1)

Bank Business plan is submitted in the form of hard copy and soft copy.

Paragraph (2)

Bank Business Plan of 2011 is the first Bank Business Plan arranged and submitted by Bank according to this Bank Indonesia provision.

Paragraph (3)

If necessary, Bank Indonesia is able to ask Bank to conduct a presentation or a full explanation regarding to the Business Plan submitted.

Paragraph (4)

Self-explanatory.

Article 19

Paragraph (1)

If necessary Bank Indonesia is able to ask Bank to conduct a presentation or a full explanation regarding to the changes of Business Plan .

For Commercial Bank which owns UUS Business Plan change is done either for Bank's benefits as a whole or for UUS benefits.

Business Plan change delivered by the Bank is accompanied by the reason of the changes in writing.

Letter a

Self-explanatory.

Letter b

The factors which significantly influence the performance of the Bank are problems of solvency, liquidity, and / or external macroeconomic issues that significantly impact the performance of the Bank.

Paragraph (2)

Restrictions on the frequency of changes and deadlines in this paragraph is intended so that the Bank is able to create a more realistic plan in arranging the Business Plan.

For Banks, which have UUS, restriction on the frequency of changes in the Business Plan and deadlines of the implementation of changes are applicable to the Bank on a consolidated basis, including the UUS.

Paragraph (3)

Self-explanatory.

Paragraph (4)

If necessary Bank Indonesia is able to ask the Bank to conduct a presentation or a full explanation regarding to the adjusted Business Plan.

Article 20

Paragraph (1)

What referred to as quarterly is the end of March, June, September, and December final position.

The report submitted in the form of comparison between the Business Plan and the Business Plan Progress.

For Commercial Banks which own UUS, the Business Plan Realization Report also includes the realization report for UUS which is an integral part of the Business Plan Progress Report of the Commercial Bank.

Paragraph (2)

Self-explanatory

Paragraph (3)

Letter a

The explanation in this letter includes the focus, and priorities for the achievement of the Business Plan.

Letter b

The explanation in this letter includes the magnitude of the deviation and the obstacles encountered.

Letter c

The follow up explanation in this letter covers the effort to revise the Business Plan realization achievements.

Letter d

Self-explanatory.

Letter e

Other information contains the explanation on the realization of other things which elaborated in letter a, letter b, letter c, and letter d, among others covers the realization report of the office networking change and the linkage program realization report.

Article 21

Paragraph (1)

What is meant by the semester is the final position in June and December. For Banks, which have UUS, Report of Supervision to Bank Business Plan also contains a special supervision report for UUS which is an integral part of the Report of Supervision to Bank Business Plan of the Commercial Banks.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Letter a

Self-explanatory.

Letter b

The factors which influence the performance of the Bank among others cover the factors influencing risk profile, capitalization, earnings, and good governance.

Letter c

The efforts in repairing the performance of the Bank is the repairment to the factors as referred to in letter b.

Article 22

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Bank is obliged to still submit Business Plan, considering to the Bank, Business Plan is used as a foundation in giving the direction to the policies to do business activity in order to achieve the vision and mission. Meanwhile, for Bank Indonesia, Bank's Business Plan is used as a reference in arranging and the implementation of Bank supervision strategy.

Article 23

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Bank is obliged to still submit the report, considering to Bank Indonesia that report is one of the facilities in monitoring Banks, especially to supervise the effectivity and the consistency of Bank's Business Plan implementation.

Article 24

What referred to as holidays are the national holidays and or local holidays which stipulated by the local government.

Article 25

Self-explanatory.

Article 26

Self-explanatory.

Article 27

Paragraph (1)

Self-explanatory.

Paragraph (2)

Bank which has been a subject to sanction of the obligation to pay in this paragraph is not fined for the lateness sanction as referred to in paragraph (1)

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 28

Self-explanatory.

Article 39

Self-explanatory.

Article 30

Self-explanatory.

Article 31

Self-explanatory.

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