

THE DEVELOPMENT OF NETWORKS OF SHARIA BANKING OFFICE IN THE FRAMEWORK OF NATIONAL ECONOMIC STIMULUS FOR BANK (Regulation of the Financial Service Authorities Number 2/POJK.03/2016, dated January 21, 2016)

BY GRACE OF GOD THE ALMIGHTY

THE BOARD OF COMMISSIONERS OF
THE FINANCIAL SERVICE AUTHORITIES,

Considering:

- a. that the ongoing Indonesian economic downturns are potential to influence performance and condition of sharia banking industry thus being potential to affect the growth of sharia banking;
- b. that in response to the economic downturns, tentative policy is needed to boost the growth of sharia banking by observing the principles of prudence and sharia;
- c. that having regards to letters a and b, it is necessary to stipulate a regulation of the Financial Service Authorities on the Development of Networks of Sharia Banking Office in the framework of national economic stimulus for bank;

In view of :

- a. Law Number 7 Year 1992 on Banking System (Statute Book of the Republic of Indonesia Year 1992 Number 31, Supplement to Statute Book

of the Republic of Indonesia Number 3472) sebagaimana telah diubah dengan Law Number 10 Year 1998 (Statute Book of the Republic of Indonesia Year 1998 Number 182, Supplement to Statute Book of the Republic of Indonesia Number 3790);

- b. Law Number 21 Year 2008 on Sharia Banking (Statute Book of the Republic of Indonesia Year 2008 Number 94, Supplement to Statute Book of the Republic of Indonesia Number 4867);
- c. Law Number 21 Year 2011 on the Financial Service Authorities (Statute Book of the Republic of Indonesia Year 2011 Number 111, Supplement to Statute Book of the Republic of Indonesia Number 5253);

DECIDES :

To stipulate:

REGULATION OF THE FINANCIAL SERVICE AUTHORITIES ON THE DEVELOPMENT OF NETWORKS OF SHARIA BANKING OFFICE IN THE FRAMEWORK OF NATIONAL ECONOMIC STIMULAR FOR BANKING

CHAPTER I

GENERAL

Article 1

1. Bank shall be the commercial bank as meant in Law Number 7 Year 1992 on Banking System as already amended by Law Number 10 Year 1998, including branch office of bank domiciled abroad, and sharia commercial bank as well as sharia business unit as meant in Law Number 21 Year 2008 on Sharia Banking.
2. Conventional Commercial Bank shall be the commercial bank as meant in Law Number 7 Year 1992 on Banking System as already amended by Law Number 10 Year 1998 that undertakes business activity conventionally.
3. Sharia Commercial Bank shall be the sharia commercial bank as meant in Law Number 21 Year 2008 on Sharia Banking.
4. Sharia Business Unit shall be the sharia business unit as meant in Law Number 21 Year 2008 on sharia banking.
5. Branch Office hereinafter abbreviated to KC shall be branch office as meant in the provision regulating commercial bank or provision ruling sharia commercial bank or sharia branch office as meant in the provision ruling sharia business unit.
6. Auxiliary Branch Office hereinafter abbreviated to KCP shall be the auxiliary branch office as meant in the provision ruling commercial bank or the provision ruling sharia commercial bank or sharia auxiliary branch office as meant in the provision ruling sharia business unit.
7. Functional Office hereinafter abbreviated to KF shall be the functional office as meant in the provision ruling commercial bank or the provision ruling sharia commercial bank or sharia functional office as meant in the provision ruling sharia business unit.
8. Cash Office hereinafter called KK shall be the cash office as meant in the provision ruling commercial bank or the provision ruling sharia commercial bank or sharia cash office as meant in the provision ruling sharia business unit.
9. Cash Service Activity hereinafter abbreviated to KPK shall the cash service activity as meant in the provision ruling commercial bank or the provision ruling sharia commercial bank or sharia cash service activity as meant in the provision ruling sharia business unit.
10. Sharia Bank Service hereinafter abbreviated to LSB shall be an activity collecting funds and/or providing other banking service on the basis of sharia principles, excluding the distribution of funds, which is executed in office network of conventional commercial bank for and on behalf of sharia commercial bank.

11. Sharia Service hereinafter abbreviated to LS shall be an activity collecting funds, financing and/or providing other banking service on the basis of sharia principles, which is executed in office network of conventional commercial bank for and on behalf of KC of Sharia Business Unit at the same bank.
12. Core Capital shall be the core capital as meant in the provision ruling the obligation of commercial bank or sharia commercial bank to provide minimum capital.
13. Commercial Bank on the basis of business activity hereinafter called BUKU shall be commercial bank on the basis of the business activity as meant in the provision ruling business activity and office network on the basis of core capital of bank.
14. Opening of Office Network shall be the opening of bank office, including the opening of office resulting from the change in address or status of bank office.
15. Business Plan of Bank hereinafter abbreviated to RBB shall be the business plan of bank as meant in the provision ruling business plan of bank.

Article 2

Policies on the development of office network of sharia banking in the framework of national economic stimulus for:

- a. Conventional commercial bank supporting the development of sharia banking network shall be in the form of:
 1. reduction of allocation of core capital in the calculation of the opening of office network; and/or
 2. relaxation of equilibrium of the distribution of office network.
- b. sharia commercial bank shall be in the form of:
 1. the simplification of requirements for the opening of LSB in relations to working area of the principal KC of LSB;
 2. the expansion of coverage of service of mobile cash activity; and/or
 3. the lowering of investment cost in the calculation of allocation of core capital for the opening of office network.
- c. sharia business unit shall be in the form of:
 1. the expansion of kind of office of conventional commercial bank permitted to undertake LS activity;
 2. the simplification of requirements for the opening of LS in relations to working area of the principal KC of LS;
 3. the expansion of coverage of service of mobile cash activity; and/or

4. the lowering of investment cost in the calculation of allocation of core capital for the opening of office network.

CHAPTER II

THE OPENING OF SHARIA BANKING ACTIVITY SERVICE

Part One

Bank Sharia Service for Sharia Commercial Bank

Article 3

- (1) Sharia commercial bank may cooperate with conventional commercial bank having ownership relations with sharia commercial bank in the form of LSB activity.
- (2) LSB may only be executed in the case of the following requirements being fulfilled:
 - a. conventional commercial bank has no sharia business unit;
 - b. LSB activity is located in the same coordination area of regional office of the financial service authorities as KC of sharia commercial bank becoming the principal of LSB;
 - c. using human resources of conventional commercial bank already having adequate knowledge of product and activity of sharia banking;
 - d. supported by adequate information system technology by using network of conventional commercial bank and/or network of sharia commercial bank; and
 - e. having joint cooperation agreement between sharia commercial bank and conventional commercial bank.
- (3) The coordination area of regional office of the financial service authorities as meant in paragraph (2) letter b shall be provided through a separate letter.

Part Two

Sharia Service for Sharia Business Unit

Article 4

- (1) Activity of LS may be executed in office network of conventional commercial bank having sharia business unit with the requirement as follows:
 - a. activity of LS is located in the same location of coordination area of regional office of the Financial Service Authorities as KC of sharia business unit becoming the principal of LS;

- b. using human resources already having adequate knowledge of product and activity of sharia banking; and
- c. supported by adequate information system technology.

(2) The activity of LS in office network of conventional commercial bank having sharia business unit as meant in paragraph (1) shall be executed as follows:

- a. KC and/or KCP may undertake the activity of the collection of funds, distribution of funds and other banking service on the basis of the sharia principles;
- b. KF operational and/or KK may undertake activity in accordance with the function and activity which may be executed by the said KF and/or KK.

(3) The coordination area of regional office of the financial service authorities as meant in paragraph (1) letter a shall be provided through a separate letter.

CHAPTER III

CASH SERVICE ACTIVITY

Article 5

Sharia commercial bank and sharia business unit may open mobile cash in the form of mobile cash in order to serve new customers for the opening of haj pilgrimage saving account and/or pilgrimage saving account as long as the following requirements are fulfilled:

- a. the area around mobile cash has no sharia office or office providing sharia service;
- b. placing adequate personnel capable of supporting the opening of haj pilgrimage saving account and/or pilgrimage saving account;
- c. providing the supporting system needed for the opening of haj pilgrimage saving account and/or pilgrimage saving account; and
- d. having the same standard operating procedures as the opening of haj pilgrimage saving account and/or pilgrimage saving account in cash mobile and the opening of haj pilgrimage saving account and/or pilgrimage saving account in other office.

Article 6

Requirement for the availability of allocation of core capital shall not apply to mobile cash executing the operational activity as meant in Article 5.

CHAPTER IV

OFFICE NETWORK ON THE BASIS OF CORE CAPITAL OF BANK

Part One

Reduction of Allocation of Core Capital for Conventional Commercial Bank Supporting the Development of
Sharia Banking Network

Article 7

- (1) Conventional commercial banks supporting the development of sharia banking network shall be granted incentive in the form of the reduction of allocation of core capital in the calculation of the opening of office network already existing or to be opened.
- (2) The development of sharia banking network as meant in paragraph (1) shall be done by conventional commercial bank in the form of the provision of sharia service through activity of LSB or LS in office network of the conventional commercial banks.
- (3) The reduction of allocation of core capital in the calculation of the opening of office network as meant in paragraph (1) shall be based on the greater amount of incentive between:
 - a. the accomplished specified ratio between asset of sharia commercial bank or sharia business unit to asset of conventional commercial bank; and
 - b. classification of BUKU of the conventional commercial bank.
- (4) The financial service authorities shall stipulate the amount of incentive in the form of a specified percentage for the calculation of the reduction of allocation of core capital as meant in paragraph (3) by referring to Attachment I, which constitutes an integral part of this regulation.
- (5) The reduction of allocation of core capital as meant in paragraph (3) shall also include the ratio of LSB or LS to office network of conventional commercial bank with the specimen of calculation as meant in in Attachment II, which constitutes an integral part of this regulation.
- (6) Conventional commercial bank shall include the calculation of the reduction of allocation of core capital into RBB by using ratio of asset and ratio of LSB or LS as of September.

Part Two

Equilibrium of Distribution of Office Network for Conventional Commercial Bank Supporting the Development
of Sharia Banking Network

Article 8

- (1) In the framework of balancing the distribution of office network, sharia commercial banks and conventional

commercial banks opening office network in zone 1 or zone 2 in a specified quantity shall be obliged to open office network in zone 5 or zone 6.

- (2) The obligation as meant in paragraph (1) shall apply to BUKU 3 and BUKU 4 and in the implementation, shall meet the availability of allocation of core capital for the opening of office network.
- (3) The obligation to open office network as meant in paragraph (2) shall not apply to sharia commercial banks or conventional commercial banks owned by regional government and opening office network in zone 1 or zone 2 that constitutes territory of the province where the head office thereof is domiciled.
- (4) The equilibrium of the distribution of office network for sharia commercial bank and conventional commercial banks as meant in paragraph (1) shall be regulated as follows:
 - a. the opening of 3 (three) KC in zone 1 or zone 2 is followed by the opening of one KC in zone 5 or zone 6;
 - b. the opening of 3 (three) KCP in zone 1 or zone 2 is followed by the opening of one KC in zone 5 or zone 6.

Article 9

The equilibrium of the distribution of office network as meant in Article 8 paragraph (4), in the case of conventional commercial banks supporting the development of sharia banking shall be given facility as follows:

- a. In the case of conventional commercial bank having ratio of LSB or LS to the total office network of conventional commercial bank exceeding 25% (twenty percent) up to 50% (fifty percent), the opening of 4 (four) KC or KCP in zone 1 or zone 2 is followed by the opening of one KC or KCP in zone 5 or zone 6;
- b. In the case of conventional commercial bank having ratio of LSB or LS to the total office network of conventional commercial bank exceeding 50% (fifty percent) up to 75% (seventy five percent), the opening of 5 (five) KC or KCP in zone 1 or zone 2 is followed by the opening of one KC or KCP in zone 5 or zone 6;
- c. In the case of conventional commercial bank having ratio of LSB or LS to the total office network of conventional commercial bank exceeding 75% (seventy five percent), the opening of 6 (six) KC or KCP in zone 1 or zone 2 is followed by the opening of one KC or KCP in zone 5 or zone 6.

Article 10

The obligation to open KC or KCP in zone 5 or zone 6 as meant in Article 8 paragraph (4) and Article 9 by conventional commercial bank having UUS shall abide by the following provision:

- a. In the case of KC or KCP opened in zone 1 or zone 2 constituting conventional office, the obligation to open KC atau KCP in zone 5 or zone 6 is in the form of conventional or sharia KC or KCP;
- b. In the case of KC or KCP opened in zone 1 or zone 2 constituting sharia office, the obligation to open KC atau KCP in zone 5 or zone 6 is in the form of sharia KC or KCP.

Part Three

Investment Cost of the Opening of Office Network for Sharia Commercial Bank and Sharia Business Unit

Article 11

- (1) The financial service authorities shall stipulate the investment cost of the opening of office network on the basis of BUKU.
- (2) Detail of the investment cost of the opening of office network for sharia commercial bank and sharia business unit BUKU 3 and BUKU 4 shall be adjusted by referring to Attachment II, which constitutes an integral part of this regulation.

CHAPTER V

CONCLUSION

Article 12

With the enforcement of this regulation:

- a. Regulation of Bank Indonesia Number 15/13/PBI/2013 on the Amendment to Regulation of Bank Indonesia Number 11/3/PBI/2009 concerning Commercial Sharia Bank (Statute Book of the Republic of Indonesia Year 2013 Number 233, Supplement to Statute Book of the Republic of Indonesia Number 5476);
- b. Regulation of Bank Indonesia Number 15/14/PBI/2013 on the Amendment to Regulation of Bank Indonesia Number 11/10/PBI/2009 On Sharia Business Unit (Statute Book of the Republic of Indonesia Year 2013 Number 234, Supplement to Statute Book of the Republic of Indonesia Number 5477);
- c. Regulation of Bank Indonesia Number 14/26/PBI/2012 On Business Activity and Office Network on the Basis of Core Capital of Bank (Statute Book of the Republic of Indonesia Year 2012 Number 286, Supplement to Statute Book of the Republic of Indonesia Number 5384);
- d. Circular of Bank Indonesia Number 15/7/DPNP dated March 8, 2013 on the Opening of Office Network of Commercial Bank on the Basis of Core Capital; and

- e. Circular of Bank Indonesia Number 15/8/DPbS dated March 27, 2013 on the Opening of Office Network of Sharia Commercial Bank and Sharia Business Unit on the Basis of Core Capital, shall be declared to remain effective as long as they do not contravene the provision in this regulation.

Article 13

The regulation shall apply up to January 21, 2019.

Article 14

The regulation shall come into force as from the date of promulgation.

For public cognizance, the regulation shall be promulgated by placing it in Statute Book of the Republic of Indonesia.

Stipulated in Jakarta

On January 21, 2016

THE CHAIRMAN OF THE BOARD OF COMMISSIONERS OF THE FINANCIAL SERVICE AUTHORITIES

sgd.

MULIAMAN D HADAD

Promulgated in Jakarta

On January 27, 2016

THE MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA

sgd.

YASONNA H. LAOLY

STATUTE BOOK OF THE REPUBLIC OF INDONESIA

YEAR 2016 NUMBER 14

ELUCIDATION
ON
REGULATION OF THE FINANCIAL SERVICE AUTHORITIES NUMBER 2 /POJK.03/2016
ON THE DEVELOPMENT OF OFFICE NETWORK OF SHARIA BANKING IN THE FRAMEWORK OF
NATIONAL ECONOMIC STIMULUS FOR BANK

I. GENERAL

In the framework of driving up the growth of sharia banking amid the national economic downturns that slows down the growth of sharia banking, efforts are needed to enhance the intermediary function of sharia banking through countercyclical policies, such as provision related to office network and allocation of core capital.

The countercyclical policies are intended to boost the intermediary function in the framework of driving up the growth and potential of the expansion of financing of sharia banking as well as preserving the sustainability of sharia banking industry potential to affect stability of banking system.

The counter cyclical policies are temporary so that in line with the improving performance and financial condition of sharia banking industry as well as economic growth, the policies may be adjusted again.

In connection with the above mentioned considerations, it is necessary to regulate the development office network of sharia banking in the framework of national economic stimulus for banks in a regulation of the Financial Service Authorities.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear

Article 2

Letter a

Conventional commercial bank supporting the development of sharia banking network is:

1. conventional commercial bank having sharia commercial bank;
2. conventional commercial bank having sharia business unit; or

3. conventional commercial bank having ownership relations with sharia commercial bank.

Conventional commercial bank has ownership relations with sharia commercial bank if:

1. the conventional commercial constitutes controlling shareholder of sharia commercial bank; or
2. the controlling shareholder of conventional commercial bank also constitutes controlling shareholder of sharia commercial bank.

Letter b dan Letter c

Sufficiently clear

Article 3

Paragraph (1)

Conventional commercial bank has ownership relations with sharia commercial bank if:

1. the conventional commercial constitutes controlling shareholder of sharia commercial bank; or
2. the controlling shareholder of conventional commercial bank also constitutes controlling shareholder of sharia commercial bank.

Paragraph (2)

Letter a and Letter b

Sufficiently clear

Letter c

Sharia commercial bank may place human resources from sharia commercial bank in limited LSB activity in the marketing activity.

Letter d

Sufficiently clear

Letter e

The joint cooperation agreement covers objective and scope of cooperation, cooperation mechanism, right and obligation of parties, secrecy, charging, reporting, responsibility for loss, evaluation, cooperation

period, settlement of dispute, as well as risk analysis and mitigation.

Paragraph (3)

Sufficiently clear

Article 4

Paragraph (1)

Letter a and Letter b

Sufficiently clear

Letter c

The adequate information system technology is information system technology enabling the recording of transaction of sharia customers automatically and on line as well as separately from the recording of conventional banking transaction.

Paragraph (2)

Letter a

Sufficiently clear

Letter b

Definition of KF Operational of conventional commercial bank refers to the provision ruling commercial bank.

Example 1:

KF undertakes activity of the distribution of micro and small-scale business (UMK) credit so that LS in KF may only undertake activity in accordance the business activity of the distribution of sharia micro and small-scale business (UMK) financing.

Example 2:

KK only undertakes business activity outside the distribution of funds so that LS in KK may only conduct activity in accordance with business activity of KK.

Paragraph (3)

Sufficiently clear

Article 5

Letter a

Surrounding area means location where mobile cash is domiciled in a radius of 5 (five) kilometer.

Letter b

Adequate means the sufficiency of personnel and capability of personnel in supporting the opening of haj pilgrimage saving account and/or pilgrimage saving account.

Letter c

Supporting system means the sufficiency of information technology needed for the opening of haj pilgrimage saving account and/or pilgrimage saving account.

Letter d

Sufficiently clear

Article 6

Sufficiently clear

Article 7

Paragraph (1) and Paragraph (2)

Sufficiently clear

Paragraph (3)

Letter a

Ratio of asset of sharia commercial bank uses formula as follows:

Total asset of sharia commercial bank x 100%

Total asset of conventional commercial bank

Ratio of asset of sharia business unit uses formula as follows:

Total asset of sharia business unit

Total asset of conventional commercial bank x 100%

- Total asset of sharia business unit

Letter b

Conventional commercial bank supporting the development of sharia banking network is:

1. conventional commercial bank having sharia commercial bank;
2. conventional commercial bank having sharia business unit; or
3. conventional commercial bank having ownership relations with sharia commercial bank.

Paragraph (4) up to Paragraph (6)

Sufficiently clear

Article 8

Paragraph (1) and Paragraph (2)

Sufficiently clear

Paragraph (3)

Sharia commercial bank or conventional commercial bank owned by regional government is sharia commercial bank or conventional commercial bank having share mostly owned by provincial government, regency government and/or municipal government.

The regulation is intended to support the role of sharia commercial bank and conventional commercial bank owned by regional government in the execution of regional development.

Paragraph (4)

Sufficiently clear

Article 9

Example:

Conventional commercial bank has ratio of LSB or LS to the total office network of conventional

commercial bank 45% (fourty five percent):

1. the opening of 4 (four) KC in zone 1 or zone 2 is followed by the opening of one KC in zone 5 or zone 6.
2. the opening of 4 (four) KCP in zone 1 or zone 2 is followed by the opening of one KCP or KC in zone 5 or zone 6.

Article 10 up to Article 14

Sufficiently clear

SUPPLEMENT TO STATUTE BOOK OF THE REPUBLIC OF INDONESIA NUMBER 5838

ATTACHMENT I

PERCENTAGE OF INCENTIVE IN THE FRAMEWORK OF THE REDUCTION OF ALLOCATION OF CORE CAPITAL FOR THE CALCULATION OF THE OPENING OF OFFICE NETWORK

Incentive from asset ratio	
Asset ratio	Incentive
> 0.5% up to 2.5%	10%
> 2.5% up to 5%	15%
> 5% up to 10%	20%
> 10%	25%

Incentive from BUKU BUK			
BUKU 1	BUKU 2	BUKU 3	BUKU 4
10%	15%	20%	25%

THE CHAIRMAN OF THE BOARD OF COMMISSIONERS OF THE FINANCIAL SERVICE AUTHORITIES

Sgd

MULIAMAN D. HADAD

Business News 8854/5-27-2016

ATTACHMENT II

EXAMPLE OF INCENTIVE OF THE REDUCTION OF ALLOCATION OF ALLOCATION OF CORE CAPITAL FOR THE CALCULATION OF THE OPENING OF OFFICE NETWORK

Example 1

Conventional Commercial Bank A has Sharia Commercial Bank B with information as follows:

- already opening LSB as many as 1440 and having office network of conventional commercial bank as many as 1800;
- having core capital Rp 50,000,000,000,000 (five trillion rupiah) (BUKU 4) with the Solvency Composite Rate 2 in the last one year;
- having asset ratio (asset of sharia commercial bank to asset of conventional commercial bank) in September 6% (six percent);
- the need of allocation of core capital for the existing offices is Rp24,000,000,000,000 (twenty four trillion rupiah);
- in RBB, submitting plan for the opening of 50 offices of conventional commercial bank with the need for allocation of core capital amounting to Rp2,000,000,000,000 (two trillion rupiah).

Based on the above mentioned information:

- ratio of LSB to the office network of conventional commercial bank is 80% (eighty percent);
- incentive obtained from the asset ratio is 20% (twenty percent), while the incentive obtained from classification of BUKU is 25% (twenty five percent).

In relations thereto, the reduction of allocation of core capital obtained by Conventional Commercial Bank A is as follows:

- Reduction of allocation of core capital for the existing office

= Incentive x LSB ratio x the total need of allocation of core capital for the existing office

= 25% x 80% x Rp24,000,000,000,000

= Rp4,800,000,000,000

Therefore, the rest of core capital following the calculation of allocation of core capital for the existing office originally amounting to Rp26,000,000,000,000 (twenty six trillion rupiah) supplements to become Rp30,800,000,000,000 (thirty trillion and eight hundred billion rupiah).

b. Reduction of allocation of core capital for the would-be opened office

= Incentive x LSB ratio x the total need of allocation of core capital for the would-be opened office

= 25% x 80% x Rp2,000,000,000,000

= Rp400,000,000,000

Therefore, the rest of core capital following the calculation of allocation of core capital for the existing office and the would-be opened office originally amounting to Rp26,000,000,000,000 (twenty six trillion rupiah) supplements to become Rp29,800,000,000,000 (twenty nine trillion and eight hundred billion rupiah).

Example 2

Conventional Commercial Bank X has Sharia Business Unit Y with information as follows:

- already opening 70 LS and having 100 conventional office networks;
- having core capital Rp 900,000,000,000 (nine hundred billion) (BUKU 1) with the Solvency Composite Rate 3 in the last one year;
- having asset ratio (asset of sharia business unit to asset of the conventional commercial bank) in September 4% (four percent);
- the need of allocation of core capital for the existing office Rp700,000,000,000 (seven hundred billion rupiah);
- in RBB, submitting plan for the opening five conventional and sharia offices with the need of allocation of core capital Rp 80,000,000,000 (eighty billion rupiah).

Based on the above mentioned information:

- ratio of LS to conventional office network 70% (seventy percent);
- incentive obtained from asset ratio is 15% (fifteen percent), while incentive obtained from the classification of BUKU is 10% (ten percent).

In relations thereto, the reduction of allocation of core capital obtained by Conventional Commercial Bank X is as follows:

a. Reduction of allocation of core capital for the existing offices

= Incentive x LS ratio x the total need for allocation of core capital for the existing offices

= 15% x 70% x Rp700,000,000,000

= Rp73,500,000,000

Therefore the rest of core capital following the calculation of allocation of core capital for the existing office originally amounting to only Rp200,000,000,000 (two hundred billion rupiah) supplements to become Rp273,500,000,000 (two hundred seventy three billion and five hundred million rupiah).

b. Reduction of allocation of core capital for the would-be opened office

= Incentive x LS ratio x the total need for allocation of core capital for the would-be opened office

= 15% x 70% x Rp80,000,000,000

= Rp8,400,000,000

Therefore, the rest of core capital following the calculation of allocation of core capital for the existing office and the would-be opened office originally amounting to Rp200,000,000,000 (two hundred billion rupiah) supplements to become Rp201,900,000,000 (two hundred one billion and nine hundred million rupiah).

THE CHAIRMAN OF THE BOARD OF COMMISSIONERS OF

THE FINANCIAL SERVICE AUTHORITIES

sgd

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ATTACHMENT III

**INVESTMENT COST OF THE OPENING OF OFFICE NETWORK OF
SHARIA COMMERCIAL BANK AND SHARIA BUSINESS UNIT**

Kind of Office	Investment Cost of The Opening of Office Network in BUKU 1 and BUKU 2	Investment Cost of the Opening of Office Network in BUKU 3 and BUKU 4
Branch Office	Rp 3,000,000,000	Rp 5,000,000,000
Operational Regional Office	Rp 3,000,000,000	Rp5,000,000,000
Auxiliary Branch Office	Rp 1,500,000,000	Rp 2,000,000,000
Functional Office Undertaking Operational Activity	Rp 1,500,000,000	Rp 2,000,000,000
Cash Office	Rp 500,000,000	Rp 1,000,000,000
Other Operational Office Abroad or representative office In the case of the office undertaking operational office	Rp 500,000,000	Rp 1,000,000,000

THE CHAIRMAN OF THE BOARD OF COMMISSIONERS OF THE FINANCIAL SERVICE AUTHORITIES

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