

PROCEDURES FOR THE REVERSE REPURCHASE AGREEMENT TRANSACTION OF STATE SHARIA SECURITIES WITH BANK INDONESIA IN THE FRAMEWORK OF SHARIA OPEN MARKET OPERATION (Circular of the Head of the Monetary Management Department of Bank Indonesia Number 17/40/DPM, dated November 16, 2015)

To

ALL SHARIA COMMERCIAL BANKS, SHARIA BUSINESS UNITS AND BROKERAGE INSTITUTIONS IN INDONESIA

Following the issuance of Regulation of Bank Indonesia Number 16/12/PBI/2014 on Sharia Open Market Operation (Statute Book of the Republic of Indonesia Year 2014 Number 178, Supplement Statute Book of the Republic of Indonesia Number 5567) and in the framework of fortifying the transaction infrastructure of Sharia Open Market Operation, it is necessary to re-regulate technical provisions on procedures for the reverse repurchase agreement (reverse repo) transaction of SBSN with Bank Indonesia in the framework of sharia open market operation in a circular of Bank Indonesia as follows :

I. GENERAL PROVISION

Referred to in this circular as:

1. Bank is Sharia Commercial Bank and Sharia Business Unit.
2. Sharia Commercial Bank hereinafter abbreviated to BUS is the sharia commercial bank as meant in the sharia banking law.
3. Sharia Business Unit hereinafter abbreviated to UUS is the sharia business unit as meant in the sharia banking law.
4. Brokerage Institution is rupiah and foreign currency market broker and/or securities companies stipulated by Bank Indonesia.
5. State Sharia Securities hereinafter abbreviated to SBSN on may be called Sukuk Negara are securities issued on the basis of sharia principle as evidence of participation in assets of SBSN in the rupiah.
6. Long-term SBSN is SBSN maturing over 12 (twelve) months with the interest payment in the form of

coupon and/or discount.

7. Short-term SBSN or Sharia State Treasury Notes are SBSN maturing up to 12 (twelve) months with the interest payment in the form of coupon and/or discount.

8. Sharia Monetary Operation hereinafter abbreviated to OMS is the implementation of monetary policy by Indonesia in the framework of monetary control through open market operation and provision of standing facilities on the basis of sharia principle.

9. Sharia Open Market Operation hereinafter called Sharia OPT is call money transaction on the basis of sharia principle, which is executed by Bank Indonesia and other bank and party in the framework of OMS.

10. Bank Indonesia-Real Time Gross Settlement System hereinafter called BI-RTGS System is infrastructure used as an electronic funds transfer instrument having settled in real time per traction individually as meant in the provision of Bank Indonesia ruling the execution of transaction, administration of securities and real-time settlement of funds.

11. Bank Indonesia-Scripless Securities Settlement System hereinafter abbreviated to BI-SSSS is infrastructure used as instrument administering transaction with Bank Indonesia and financial market transaction as well as administering securities electronically as meant in the provision of Bank Indonesia ruling the execution of transaction, administration of securities and real-time settlement of funds.

12. Bank Indonesia-Electronic Trading Platform System hereinafter called BI-ETP System is infrastructure used an instrument of transaction with Bank Indonesia and financial market transaction electronically as meant in the provision of Bank Indonesia ruling the implementation of transaction, administration of securities and real-time settlement of funds.

13. Reverse Repurchase Agreement Transaction of SBSN in the framework of Sharia OPT hereinafter called Reverse Repo Transaction of SBSN is a transaction purchasing SBSN by bank from Bank Indonesia with the promise of resales by bank in accordance with the agreed price and period.

14. Giro Account is giro account belonging to bank at Bank Indonesia.

15. Securities Account is account of bank at BI-SSSS in the rupiah and/or foreign currency, which is administered at Bank Indonesia in the framework of recording the ownership and settlement of securities transaction, transaction with Bank Indonesia and/or financial market transaction.

16. Securities Settlement is an activity debiting and crediting securities account in the framework of administration.

17. Settlement of Funds is an activity debiting and crediting giro account at Bank Indonesia through BI-RTGS

system in the framework of administration.

18. Delivery Versus Payment hereinafter abbreviated to DVP is a mechanism of transaction settlement wherein the settlement of securities and funds is executed simultaneously.

19. Commercial Bank Daily Report System hereinafter called LHBUS System is a reporting instrument of bank to Bank Indonesia on a daily basis, including the provision of financial market information and announcement from Bank Indonesia.

20. Financing to Deposit Ratio hereinafter abbreviated to FDR is a ratio of financing provided for the third party in the rupiah and foreign currency, including the financing provided for other bank, to deposit liabilities covering giro, savings, deposits in the rupiah and foreign currency, excluding inter-bank.

21. Margin of Reverse Repo Transaction of SBSN is a profit rate in one year (per annum), which is agreed by parties executing Reverse Repo SBSN transaction.

II. CHARACTERISTIC OF REVERSE REPO SBSN

1. Reverse Repo Transaction of SBSN constitutes an instrument used by Bank Indonesia in the framework of absorbing liquidity of sharia banking in the framework of OMS.

2. Reverse Repo Transaction of SBSN is executed by deed al bai' (transaction) accompanied by promise (al wa'd) by bank to Bank Indonesia in a separate document, to resell SBSN in an agreed period and price.

3. Reverse Repo Transaction of SBSN may be executed on every day stipulated by Bank Indonesia.

4. The period of Reverse Repo Transaction of SBSN is minimally one day and maximally 12 (twelve) months, stated in day, which is counted as from one day after the settlement date up to maturity date.

5. Reverse Repo Transaction of SBSN is executed by auction mechanism through BI-ETP system.

6. The auction of Reverse Repo Transaction of SBSN is executed by the following method:

- a. Fixed Rate Tender with the margin of Reverse Repo Transaction of SBSN stipulated by Bank Indonesia.
- b. Variable rate tender with the margin of Reverse Repo Transaction of SBSN submitted by bank and brokerage institution.

7. Margin of Reverse Repo Transaction of SBSN is counted upon the second leg settlement of Reverse Repo transaction of SBSN.

8. Requirements for banks permitted to participate in the Reverse Repo Transaction of SBSN are as follows:

- a. FDR minimally 80% (eighty percent) on the basis of the calculation of Financial Service Authorities

received by Bank Indonesia;

- b. having active status as participant of BI-ETP System, BI-SSSS, and BI-RTGS system;
 - c. not being subject to sanction of suspension of participation in OMS;
 - d. having giro account at Bank Indonesia; and
 - e. having securities account at BI-SSSS.
9. If bank participating in Reverse Repo transaction of SBSN results from the change in business activity of conventional bank and data about FDR of the said bank have not been available, the calculation of FDR as meant in point 8.a uses data about Loan to Deposit (LDR) of the conventional commercial bank before changing its business activity into bank.
10. Bank submits application for Reverse Repo transaction of SBSN to Bank Indonesia per personal interest.
11. Bank may submit bid for Reverse Repo transaction of SBSN directly and/or through brokerage institution to Bank Indonesia through BI-ETP System in the stipulated window time.
12. Brokerage Institution submits bid for Reverse Repo transaction of SBSN in the interest of bank.
13. Requirements for brokerage institution are as follows:
- a. having active status as participant of BI-ETP system; and
 - b. not being subject to sanction related to business license by the authorized supervisory authorities.

III. GENERAL REQUIREMENTS

1. Bank submits application for Reverse Repo Transaction of SBSN after signing deed (Wa'd) to resell SBSN in the framework of Reverse Repo Transaction of SBSN, hereinafter called promise document, already put by sufficient duty stamp and submits the required supporting documents to Bank Indonesia. Specimen of the promise document is as contained in Attachment I, which constitutes a part inseparable from this circular.
2. The supporting documents as meant in point 1 cover:
 - a. In the case of bank having head office in Indonesia:
 - 1) copy of memorandum of association of Bank and the latest amendment legalized by bank, which contains authority to represent the bank if the signing of promise document is executed by board of director;
 - 2) copy of the memorandum of association as meant in point 1) and power attorney from the board of directors to official signing the promise document unless the signing of promise document is executed by board of directors; or

- 3) copy of regional regulation in the case of bank being in the form of legal entity of regional company, which contains authority of board of directors to represent bank if the signing of promise document is executed by board of directors;
 - 4) copy of the regional regulation as meant in point 3) and power of attorney from board of directors to official signing the promise document unless the promise document is signed by board of directors; and
 - 5) copy of valid personal identity, in the form of resident identity card (KTP) or passport of the official authorized to sign promise document.
- b. Bank having head office abroad:
- 1) copy of power of attorney from the head office, which contains the authority of official to represent bank if the promise document is signed by Chief Executive Officer (CEO);
 - 2) copy of the power of attorney as meant in point 1) and power of attorney from CEO to official authorized to sign promise document if the promise document is not executed by CEO;
 - 3) Unless the promise document is signed by CEO, the power of attorney from the head office as meant in point 1) must contain right of CEO to transfer authority (substitution right); and
 - 4) copy of valid personal identity in the form of resident identity card (KTP) or passport of bank official authorized to sign promise document.
3. The signing of the promise document as meant in point 1 is done when bank submits for the first time application for Reverse Repo Transaction of SBSN with Bank Indonesia.
 4. The promise document already signed is valid so long as there is no change in content of the promise change and/or memorandum of association of bank or regional regulation regarding authority of board of directors of bank to represent bank or internal provision of bank ruling the delegation of authority.
 5. The documents as meant in point 1 and 2 are submitted by introductory letter to:

Executive Director of
 Monetary Management Department
 Bank Indonesia
 Menara Sjafruddin Prawiranegara
 Jl M.H Thamrin No.2
 Jakarta 10350

IV. REQUIREMENT AND VALUE OF SBSN

1. SBSN which may be included into the reverse repo transaction consists of Long-term SBSN and/or Short-term SBSN.
2. The price of SBSN is stipulated and announced by Bank Indonesia in BI-ETP System, BI-SSSS and/or other instruments by taking into account among other the market price of each kind and series of SBSN.
3. Bank Indonesia stipulates the amount of haircut for SBSN in the framework of determining the settlement value of Reverse Repo Transaction of SBSN (first leg).
4. Haircut constitutes offset account of the price of SBSN, which is stipulated by Bank Indonesia.
5. Bank Indonesia may revise haircut and announce the revision through BI-ETP System, BISSSS, HBU system, and/or other instruments.
6. Right to receive compensation for SBSN involved in the reverse repo transaction during the reverse repo transaction period of SBSN still belongs to Bank Indonesia.

V. ANNOUNCEMENT AND APPLICATION FOR REVERSE REPO TRANSACTION OF SBSN

1. Bank Indonesia announces a tender plan for Reverse Repo Transaction of SBSN in not later than before the window time through BI-ETP System, LHBUS system, and/or other instruments stipulated by Bank Indonesia.
2. The announcement of the tender plan for Reverse Repo Transaction of SBSN contains among others:
 - a. transaction instrument;
 - b. tender date;
 - c. period and maturity date;
 - d. tender method;
 - e. indicative target, if the tender is executed by variable rate tender method;
 - f. margin of Reverse Repo Transaction of SBSN, if the tender is executed by fixed rate tender;
 - g. kind and series of SBSN which may be involved in reverse repo;
 - h. haircut;
 - i. window time; and/or
 - j. settlement date and period.
3. Window time of Reverse Repo Transaction of SBSN starts from 08.00 WIB to 16.00 WIB or other time stipulated by Bank Indonesia.

4. Submission of Bid for Reverse Repo Transaction of SBSN

- a. Bank directly and/or through brokerage institution submits bid for Reverse Repo transaction of SBSN to Bank Indonesia through BI-ETP System in the stipulated window time.
- b. The submitted bid for Reverse Repo Transaction of SBSN contains among others:
 - 1) nominal value of transaction, in the case of tender using fixed rate tender method; or
 - 2) nominal value of transaction and margin of Reverse Repo transaction of SBSN, in the case of tender using variable rate tender,

For each period of Reverse Repo transaction SBSN, which is to be executed.
- c. The bid for nominal value submitted by Bank and brokerage institution is minimally Rp1,000,000,000 (one billion rupiah) and the rest with fraction Rp100,000,000 (one hundred million rupiah).
- d. In the case of tender being executed by method variable rate tender, bid for margin of Reverse Repo transaction of SBSN is submitted with a fraction of 0.01% (one per mile).
- e. Bank and Brokerage Institution are responsible for the truth of data about bid for Reverse Repo transaction of SBSN submitted to Bank Indonesia.
- f. Bank and brokerage institution are prohibited from aborting bid already submitted to Bank Indonesia.

VI. STIPULATION OF WINNER OF TENDER FOR REVERSE REPO TRANSACTION OF SBSN

1. In the case of the tender for Reverse Repo transaction of SBSN being executed by fixed rate tender method, the stipulation of the won nominal value of Reverse Repo transaction of SBSN is counted by the following method:
 - a. the bid for nominal value submitted by bank is won wholly; or
 - b. If necessary, the bid for nominal value submitted by bank may be won partly by proportional calculation in accordance with the calculation of Bank Indonesia, with the smallest nominal rounding Rp 1,000,000 (one million).
2. In the case of the tender for Reverse Repo Transaction of SBSN being executed by variable rate tender method, the stipulation of the won nominal value of Reverse Repo Transaction of SBSN is counted by methods:
 - a. Bank Indonesia stipulates the acceptable highest margin of Reverse Repo transaction of SBSN (Stop Out Rate/SOR); and
 - b. Bank Indonesia stipulates the won nominal value by methods:

- 1) in the case of the margin of Reverse Repo Transaction of SBSN submitted by bank being lower than the stipulated SOR, the said bank wins the whole submitted bids for Reverse Repo Transaction of SBSN; and
- 2) in the case of the margin of Reverse Repo Transaction of SBSN submitted by bank being the same as the stipulated SOR, the said bank wins the submitted bid for Reverse Repo transaction of SBSN wholly or partly by proportional calculation in accordance with the calculation of Bank Indonesia, with the smallest nominal rounding Rp 1,000,000 (one billion rupiah).
3. In the case of Bank Indonesia offering more than one series of SBSN in the tender for Reverse Repo Transaction of SBSN, Bank Indonesia determines the allocation of series and nominal value of SBSN won by bank.
4. Bank Indonesia may stipulate that none wins tender for Reverse Repo Transaction of SBSN.

VII. ANNOUNCEMENT OF TENDER PROCEEDS OF REVERSE REPO TRANSACTION OF SBSN

Bank Indonesia announces tender proceeds of Reverse Repo Transaction of SBSN after the window time is closed by the following methods:

1. individually to winner of tender through BIETP System, among others the won nominal value, margin of Reverse Repo transaction of SBSN, kind and series of SBSN which are won and transaction value; and
2. totally through BI-ETP System, LHBU System and/or other instruments, among others the total won nominal bid, range of bid for margin of Reverse Repo transaction of SBSN (bid rate), SOR, and/or weighted average margin of Reverse Repo Transaction of SBSN.

VIII. SETTLEMENT OF REVERSE REPO TRANSACTION OF SBSN

1. The settlement of Reverse Repo Transaction of SBSN through BI-SSSS is done by gross to gross settlement mechanism and DVP.
2. First leg settlement
 - a. Bank Indonesia executes the first leg settlement in no later than one working day following the announcement of tender proceeds of Reverse Repo Transaction of SBSN.
 - b. Bank is obliged to have funds at Rupiah Giro Account, which are sufficient for the first leg settlement.
 - c. The first leg settlement is done through BI-RTGS System and BI-SSSS as follows:
 - 1) Settlement of Funds, by debiting Rupiah Giro Account of Bank as much as the value of the first

leg settlement; and

2) Settlement of securities by crediting securities account as much as the won nominal value of SBSN.

d. The value of first leg settlement is counted as follows:

1) In the case of long-term SBSN

Nominal value of

$$\text{First leg settlement} = [\text{SBSN} \times (\text{Price} - \text{Haircut})] + \text{Accrued} \\ \text{Reverse repo} \quad \text{Involved in} \quad \text{SBSN} \quad \text{compensation}$$

2) In the case of short-term SBSN

Nominal value of

$$\text{First leg settlement} = [\text{SBSN} \times (\text{Price} - \text{Haircut})] \\ \text{Reverse repo} \quad \text{Involved in} \quad \text{SBSN}$$

Remarks:

Price of SBSN : The price of SBSN as announced in BIETP System and BI-SSSS on the transaction date.

Haircut : haircut as announced in BI-ETP System and BI-SSSS.

Accrued compensation : - Right to compensation of SBSN counted as from one calendar day following the compensation payment date up to the date of the first leg settlement.

- The calculation of right to compensation of SBSN is based on the number of actual day (actual per actual).

e. In the case of funds at Rupiah Giro Account of Bank being not sufficient to fulfill the settlement liabilities up to early of cut off warning period of BI-RTGS system thus causing the first leg settlement to fail, BISSSS automatically abort the Reverse Repo Transaction of SBSN.

f. As a consequence of the failure of the Reverse Repo transaction of SBSN as meant in letter a, the

said bank is subject to sanction as governed in Regulation of Bank Indonesia on Sharia Monetary Operation.

- g. In the case of the cancellation of reverse repo transaction of SBSN (first leg) being more than once in the same tender, the cancellation of transaction is counted once in the framework of the imposition of sanction in the form of suspension of participation in OMS.

3. Second Leg Settlement

- a. On the maturity date of Reverse Repo transaction of SBSN (second leg), BI-SSSS automatically executes the second leg settlement as from the opening of BI-RTGS System up to the time before the cut-off warning period of BI-RTGS system.
- b. Bank is obliged to have kind and series of SBSM which is sufficient at securities account for the second leg settlement.
- c. The second leg settlement is executed through BI-RTGS system and BI-SSSS as follows:
 - 1) The settlement of securities, by debiting securities account as much as the nominal value of SBSN involved in the reverse repo.
 - 2) the settlement of funds, by crediting rupiah giro account of the bank as much as the value of the second leg settlement.
- d. The value of second leg settlement is counted as follows:

$$\text{Value of Second leg Settlement} = \text{Value of first leg settlement} + \text{Value of margin of reverse repo transaction of SBSN}$$

Remarks:

The value of margin of reverse repo transaction of SBSN is the total revenue of Bank in accordance with the period of Reverse Repo Transaction of SBSN.

$$\text{Value of Margin of Reverse Repo Transaction} = \text{Value of First leg settlement} \times \text{Margin Reverse Repo} \times \text{Period}$$

360

e. In the case of following the Reverse Repo transaction of SBSN, the maturity date of the Reverse Repo transaction of SBSN (second leg) being stipulated as holiday by the government, the settlement is executed in the ensuing working day without calculating the additional value of margin of Reverse Repo transaction of SBSN for the holiday.

f. In the case of kind and series of securities in securities account being not sufficient to fulfill the second-leg settlement liabilities up to the moment before the cut off warning period of BI-RTGS thus causing the second leg settlement to fail, BI-SSSS automatically aborts the maturing Reverse Repo transaction of SBSN (second leg).

4. Failure of Second Leg Settlement

a. In the case of bank failing to execute the second leg settlement, the Reverse Repo Transaction of SBSN is treated as the outright purchasing transaction by Bank.

b. The settlement value of the outright purchase of SBSN by bank is calculated as follows:

1) In the case of short-term SBSN

Settlement Value of

The outright purchase of SBSN = [Nominal x Price of]

SBSN SBSN

2) In the case of long-term SBSN

The settlement value of

The outright purchase of = [Nominal x Price of] + Accrued

SBSN

SBSN

SBSN

compensation

Remarks:

Price of SBSN : The price of SBSN in the first leg transaction.

Accrued Compensation : Right to compensation of SBSN, counted as from one calendar day

after the last compensation payment date up to the outright

settlement date (date of first leg settlement of Reverse Repo

Transaction of SBSN).

- c. Rupiah giro account of bank is to be debited as much as the value of haircut as set forth in the first leg transaction.
- d. Rupiah giro account of bank is to be debited as much as the value of accrued compensation as from the date of the first leg transaction up to the date of the second leg transaction.
- e. As a consequence of the failure of the second leg settlement, Bank Indonesia does not pay margin of Reverse Repo Transaction of SBSN to Bank.
- f. As a consequence of the failure of the Reverse Repo transaction of maturing SBSN (second leg) as meant in point 3.f, bank is subject to the sanction as governed in Regulation of Bank Indonesia regarding Sharia Monetary Operation.
- g. In the case of the cancellation of Reverse Repo transaction of maturing SBSN (second leg) being more than once in the same day, in the framework of the imposition of sanction of suspension of participation in OMS, the cancellation of transaction is only counted once.

5. Compensation for SBSN

Treatment of compensation in the case of the failure of second-leg settlement is regulated as follows:

- a. In the case of bank receiving the payment of compensation for SBN repurchased reversely by Bank Indonesia after the date of the outright transaction, the received compensation belongs to Bank.
- b. In the case of Bank Indonesia receiving the payment of compensation for SBN repurchased reversely by Bank Indonesia on the date of the outright transaction, Bank Indonesia is to credit rupiah giro account of bank as much as the compensation received by Bank Indonesia.
- c. In the case of Bank Indonesia receiving the payment of compensation for SB repurchased reversely by Bank Indonesia after the date of outright transaction, Bank Indonesia credits giro rupiah account of bank as much as the amount of compensation received by Bank Indonesia after the date of outright transaction.

IX. PROCEDURES FOR IMPOSING SANCTION

- 1. In the case of the cancellation of the settlement of Reverse Repo transaction of SBSN as meant in point VIII.2.e and point VIII.3.f, bank is subject to sanction in the form of:
 - a. written warning, with a copy made available to Financial Service Authorities;
 - b. fine as much as 0.01% (one per mille) of the value of the Reverse Repo transaction of SBSN declared null, minimally Rp 10,000,000 (ten million rupiah) and maximally Rp100,000,000 (one hundred million rupiah); and

- c. without reducing the sanction as meant in letter b, in the case of bank executing the transaction of OMS declared null 3 (three) times in a period of 6 (six) months, bank is subject to sanction in the form of the suspension of participation in OMS for 5 (five) working days consecutively.
2. In the case of the cancellation of transaction as meant in point VIII.3.f and the market price of SBSN in the second leg being higher than the price in the first leg transaction, besides the sanction as meant in point 1, Bank is also subject to additional sanction in the form of fine as much as the difference between the price in the second leg transaction and the price in the first leg transaction after being multiplied by the nominal value of the reversely repurchased SBSN.
3. The submission of warning as meant in point 1.a and notification about the sanction in the form of the suspension of participation in OMS as meant in point 1.c is done one working day following the cancellation of transaction.
4. The fine as meant in point 1.b and additional sanction as meant in point 2 are imposed by debiting Rupiah giro account of bank in one working day following the cancellation of transaction i.

X. TRANSITIONAL PROVISION

The reverse repo transactions of SBSN executed following the enforcement of this circular, which constitute a part of transactions already executed before the enforcement of this circular still abide by the provision as meant in Circular of Bank Indonesia Number 13/27/DPM dated December 1, 2011 on Procedures for Reverse Repo Transaction of State Sharia Securities with Bank Indonesia in the framework of Sharia Open Market Operation until the transaction matures.

XI. CONCLUSION

With the enforcement of this circular, Circular of Bank Indonesia Number 13/27/DPM dated December 1, 2011 on Procedures for Reverse Repo Transaction of State Sharia Securities with Bank Indonesia in the framework of Sharia Open Market Operation is revoked and declared null and void.

The circular of Bank Indonesia starts to apply on November 16, 2015.

For public cognizance, it shall be published by placing it in State Gazette of the Republic of Indonesia.

This is for your attention.

BANK INDONESIA,

sgd.

DODDY ZULVERDI

HEAD OF MONETARY MANAGEMENT DEPARTMENT

ATTACHMENT

PROMISE (WA'D) TO RESELL SBSN

IN THE FRAMEWORK OF REVERSE REPO TRANSACTION OF SBSN

NO.

(Name) : (Position), domiciled in, in this case acts in the position, so as to represent board of directors and in relation thereto, for and on behalf of as well as legitimate to represent Limited Liability Company PT Bank, on the basis of Article ... of the Memorandum of Association contained in State Gazette of the Republic of Indonesia dated (date in figure), Number, Supplement Number, along with the last amendments by Notary Deed, Number, date (date in figure), which is contained in State Gazette of the Republic of Indonesia date (date in figure) Number, Supplement Number, (in the case of any amendment to memorandum of association).

Or in the case of on the basis of Memorandum of Association, board of director being obliged to secure approval from commissioner :

(Name) : (Position), domiciled in, in this case acts in the position, so as to represent board of directors and in relation thereto, for and on behalf of as well as legitimate to represent Limited Liability Company PT Bank, on the basis of Article ... of the Memorandum of Association contained in State Gazette of the Republic of Indonesia dated (date in figure), Number, Supplement Number, along with the last amendments by Notary Deed, Number, date (date in figure), which is contained in State Gazette of the Republic of Indonesia date (date in figure) Number, Supplement Number, (in the case of any amendment to memorandum of

association) and to take legal action in this promise document has secured written approval from the commissioner of the company as contained in Witten Approval dated (date in figure), having sufficient duty stamp affixed to this promise document.

The word of approval may be substituted by power of attorney, dependent on memorandum of association of each company, whether the appointment of corporate representative is sufficient by using letter of approval from commissioner/executive or has to use power of attorney.

Or if the board of directors of bank must secure approval from RUPS in the case of the securities being used to become guarantee for the loan guarantee of corporate assets wholly or mostly (vide Article 102 of Law Number 40 Year 2007 on Limited Liability Company):

(Name) : (Position), domiciled in, in this case acts in the position, so as to represent board of directors and in relation thereto, for and on behalf of as well as legitimate to represent Limited Liability Company PT Bank, on the basis of Article ... of the Memorandum of Association contained in State Gazette of the Republic of Indonesia dated (date in figure), Number, Supplement Number, along with the last amendments by Notary Deed, Number, date (date in figure), which is contained in State Gazette of the Republic of Indonesia date (date in figure) Number, Supplement Number (in the case of any amendment to memorandum of association) and to take legal action in this promise document has secured approval from the shareholder general on (date in figure), as contained in, enclosed to this promise document

Or in the case of the representation by official of sharia commercial bank or sharia business unit with power of attorney from board of directors:

(Name) : (Position), domicile din, in this case acts in the position, to represent the Board of Directors on the basis of Power of Attorney Number, date(date in figure) from and in relation thereto, for and on behalf of as well as legitimate to represent Limited Liability Company PT Bank domiciled and head quartered in namely a limited liability company established on the basis of legislation of the Republic of Indonesia that has memorandum of association contained in Notary Deed, Number(B), date(date in figure), which is contained in State

Gazette of the Republic of Indonesia date (date in figure), Number, Supplement Number, along with the last amendments by Notary Deed, Number, date (date in figure), contained in State Gazette of the Republic of Indonesia date (date in figure), Number, Supplement Number, (in the case of any revision in memorandum of association).

In the case of sharia business unit being foreign legal entity:

(Name) : (Position), domiciled in, in this case acting on the basis of Power of Attorney dated (date in figure) Number, which is made before, Notary, in Jakarta , therefore acting for and on behalf of name, branch of Indonesia, as bank established on the basis of law (country where the head office of the foreign bank is domiciled), and in this case acting through branch office in Indonesia, domiciled in Jakarta, address

Hereby promise to resell to Bank Indonesia SBSN purchased from Bank Indonesia upon executing Reverse Repo Transaction of SBSN with Bank Indonesia. The resales period of SBSN and the purchasing price are in accordance with the provision of Bank Indonesia ruling procedures for reverse repo transaction of SBSN with Bank Indonesia.

DIRECTOR OF BANK /CEO/AUTHORIZED BANK OFFICIAL

1

Duty stamp

(Full Name)

HEAD OF MONETARY MANAGEMENT DEPARTMENT

DODDY ZULVERDI

1 to be completed by position of the person signing wa'd in accordance with the provision of III.2 SE External

(R)