

## Provision of Fund to Related Party and Large Exposure

### Provision of Fund to the Related Party

Based on the provisions of PSAK No.7 concerning "Related Party Disclosures" and Bapepam and LK Regulations No. KEP-347 / BL / 2012 dated June 25, 2012 concerning Presentation and

Disclosure of Financial Statements of Issuers or Public Companies, related parties are defined as:

1. People who:
  - a. Has control or joint control over the reporting entity;
  - b. Has significant influence over the reporting entity; or
  - c. Is the key management personnel of the reporting entity or the parent of the reporting entity.
2. An entity is related to a reporting entity if any of the following:
  - a. Entity and the reporting entity are members of the same group
  - b. An entity is an associate or joint venture of the entity
  - c. Both entities are joint ventures of the same third party
  - d. An entity is a joint venture of a third entity and the other entity is an associate of the third entity
  - e. The entity is a post-employment benefit plan for employees of either the reporting entity or an entity related to the reporting entity.
  - f. Entity controlled or jointly controlled by a person identified as referred to in point 1); or
  - g. People who are identified as referred to in point 1) letter a) has significant influence over the entity or the entity's key management personnel.

### Mechanisms Providing funds to Related Parties

1. Provision of funds to related parties, including the material made in accordance with applicable regulations.
2. Provision of funds to related parties do review by the Risk Management Oversight Committee for further discussion at the meeting of the Board of Commissioners.
3. Provision of funds to related parties shall be approved by the Board of Commissioners.

### Provision of Funds to Related Parties

Provisions regarding the LLL limit setting are as follows:

All funds supply portfolios to parties related to the Company are set at a maximum of 10% (ten percent) of the Bank's Capital. The provisions of other parties that are regulated are:

1. Banks are prohibited from giving the provision of funds to related parties as opposed to the general procedures applicable provision of funds.
2. Banks are prohibited from giving the provision of funds to related parties without the approval of the Board of Commissioners.
3. Banks are prohibited from buying low-quality assets from related parties.
4. If the quality of the provision of funds to related parties decreased to substandard, doubtful and loss, banks are obliged to take measures completion of repair among others, by:
  - a. Loan repayment at the latest within a period of 60 (sixty) days from the decline in the quality of Provision of Funds and or
  - b. Restructured loans since the decline in the quality of provision of funds.
5. Provision of funds to the borrower who is not a related party that is distributed or used for the benefit of related parties are classified as the provision of funds to related parties.
6. Borrower who is not a related party who receives the provision of funds as intended there is item 5) is classified as a related party.
7. In the event that the bank will provide a supply of funds in the form of capital which resulted in the bank where invested capital (investee) to related parties, banks are obliged to ensure:
  - a. The provision of these funds plan does not violate the provision of funds to related parties.