

REGENT OF SUKOHARJO

REGIONAL REGULATION OF SUKOHARJO REGENCY

NUMBER 6 OF 2012

ESTABLISHMENT OF THE SHARIA PEOPLE'S CREDIT BANK LIMITED LIABILITY  
COMPANY OF SUKOHARJO REGENCY

FLATS

BY THE GRACE OF GOD ALMIGHTY

REGENT OF SUKOHARJO,

Considering :

- a. that in order to enhance regional economic growth and investment development to improve the community's economy and Regional Revenue (PAD), it is necessary to establish a Sharia People's Credit Bank Limited Liability Company;
- b. that the demand for Sharia banking services is increasingly rising;
- c. that Sharia banking has specific characteristics compared to conventional banking;
- d. that according to Article 9 of Law No. 21 of 2008 on Sharia Banking, the Regional Government is allowed to establish a Sharia bank;
- e. that based on the considerations as mentioned in points a, b, c, and d, it is necessary to create a Regional Regulation on the establishment of the Sharia People's Credit Bank Limited Liability Company in Sukoharjo Regency;

Rememberin:

1. Article 18, paragraph (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law No. 13 of 1950 on the Formation of Districts in the Province of Central Java;
3. Law No. 5 of 1962 on Regional Companies (State Gazette of the Republic of Indonesia of 1962 No. 10, Supplement to State Gazette No. 2387) in conjunction with Law No. 6 of 1969 on the Declaration of Invalidity of Various Laws and Government Regulations in Lieu of Laws (State Gazette of the Republic of Indonesia of 1969 No. 37, Supplement to State Gazette No. 2901);

4. Law No. 7 of 1992 on Banking (State Gazette of the Republic of Indonesia of 1992 No. 31, Supplement to State Gazette No. 3472), as amended by Law No. 10 of 1998 on Amendments to Law No. 7 of 1992 on Banking (State Gazette of the Republic of Indonesia of 1998 No. 182, Supplement to State Gazette No. 3790);
5. Law No. 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 No. 66, Supplement to State Gazette No. 3843), as amended several times, most recently by Law No. 6 of 2009 on the Enactment of Government Regulation in Lieu of Law No. 2 of 2008 on the Second Amendment of Law No. 23 of 1999 on Bank Indonesia into Law (State Gazette of the Republic of Indonesia of 2009 No. 7, Supplement to State Gazette No. 4962);
6. Law No. 17 of 2003 on State Finance (State Gazette of the Republic of Indonesia of 2003 No. 47, Supplement to State Gazette No. 4286);
7. Law No. 1 of 2004 on State Treasury (State Gazette of the Republic of Indonesia of 2004 No. 5, Supplement to State Gazette No. 4355);
8. Law No. 15 of 2004 on the Audit of State Finance Management and Responsibility (State Gazette of the Republic of Indonesia of 2004 No. 66, Supplement to State Gazette No. 4400);
9. Law No. 24 of 2004 on the Deposit Insurance Corporation (State Gazette of the Republic of Indonesia of 2004 No. 96, Supplement to State Gazette No. 4420), as amended by Government Regulation in Lieu of Law No. 3 of 2008 on Amendments to Law No. 24 of 2004 on the Deposit Insurance Corporation (State Gazette of the Republic of Indonesia of 2008 No. 143, Supplement to State Gazette No. 4902);
10. Law No. 32 of 2004 on Regional Government (State Gazette of the Republic of Indonesia of 2004 No. 125, Supplement to State Gazette No. 4437), as amended several times, most recently by Law No. 12 of 2008 on the Second Amendment to Law No. 32 of 2004 on Regional Government (State Gazette of the Republic of Indonesia of 2008 No. 59, Supplement to State Gazette No. 4844);
11. Law No. 33 of 2004 on Financial Equalization between the Central Government and Regional Governments (State Gazette of the Republic of Indonesia of 2004 No. 126, Supplement to State Gazette No. 4438);
12. Law No. 40 of 2007 on Limited Liability Companies (State Gazette of the Republic of Indonesia of 2007 No. 106, Supplement to State Gazette No. 4756);
13. Law No. 21 of 2008 on Sharia Banking (State Gazette of the Republic of Indonesia of 2008 No. 94, Supplement to State Gazette No. 4867);
14. Law No. 12 of 2011 on the Formation of Legislative Regulations (State Gazette of the Republic of Indonesia of 2011 No. 82, Supplement to State Gazette No. 5234);
15. Government Regulation No. 58 of 2005 on Regional Financial Management (State Gazette of the Republic of Indonesia of 2005 No. 140, Supplement to State Gazette No. 4578);
16. Government Regulation No. 79 of 2005 on Guidelines for the Development and Supervision of Regional Government Administration (State Gazette of the Republic of

Indonesia of 2005 No. 165, Supplement to State Gazette No. 4593);

17. Government Regulation No. 1 of 2008 on Government Investment (State Gazette of the Republic of Indonesia of 2008 No. 14, Supplement to State Gazette No. 4812);
18. Presidential Regulation No. 1 of 2007 on the Ratification, Promulgation, and Dissemination of Legislation;

With Mutual Agreement  
THE REGIONAL PEOPLE'S REPRESENTATIVE COUNCIL OF SUKOHARJO  
REGENCY

and

THE REGENT OF SUKOHARJO

DECIDES:

To Establish :

THE REGIONAL REGULATION ON THE  
ESTABLISHMENT OF THE SHARIA PEOPLE'S  
CREDIT BANK LIMITED LIABILITY COMPANY OF  
SUKOHARJO REGENCY.

## CHAPTER I

### GENERAL PROVISIONS

#### Article 1

Here's a breakdown of the key definitions:

1. Daerah (Region): Refers to the Sukoharjo District.
2. Bupati (District Head): Refers to the Bupati of Sukoharjo.
3. Pemerintah Daerah (Local Government):  
Comprises the Bupati and the district government apparatus as the administrative organs.
4. Dewan Perwakilan Rakyat Daerah (DPRD): The Sukoharjo District People's Representative Council, the legislative body for the region.
5. Perseroan Terbatas (PT): Refers to a Limited Liability Company (LLC), a legal entity formed by an agreement that conducts business with capital divided into shares and in compliance with relevant laws.

6. Perbankan Syariah (Islamic Banking): Covers all aspects of Islamic banks and Islamic business units, including their organization, activities, and methods in business operations.

7. Bank: A business entity that collects funds from the public in the form of deposits and distributes them to the public in the form of credit or other forms, aimed at improving public welfare.

8. Bank Pembiayaan Rakyat Syariah (BPR Syariah): An Islamic bank that operates according to Islamic principles but does not provide payment transaction services.

9. Prinsip Syariah (Sharia Principles): Refers to Islamic legal principles in banking, based on fatwas (Islamic legal opinions) issued by an authorized body in the field of Sharia law.

10. Perseroan Terbatas Bank Pembiayaan Rakyat Syariah (PT. BPR Syariah): A limited liability company operating in the banking sector based on Islamic principles, with some of its capital owned by the regional government, which is considered part of the separated local government assets.

11. Modal Dasar (Authorized Capital): Refers to the total capital stated in the Articles of Association of PT. BPR Syariah.

12. Modal Disetor (Paid-up Capital): Refers to the amount of capital that has been paid up to PT. BPR Syariah.

13. Rapat Umum Pemegang Saham (RUPS): The General Meeting of Shareholders (RUPS) is an organ of the company with powers not granted to the Board of Directors or the Board of Commissioners, as outlined in this Regulation or the Articles of Association. RUPS holds decision-making power in certain matters.

14. Dewan Komisaris (Board of Commissioners): This is the supervisory body within the company. Their role is to oversee the company's activities, both general and specific, in accordance with the Articles of Association, and to provide advice to the Board of Directors.

15. Direksi (Board of Directors): The Board of Directors is the executive organ of the company responsible for managing the company for its benefit, in line with its goals, and representing the company in and out of court, in accordance with the **\*\*Articles of Association\*\***.

16. Dewan Pengawas Syariah (DPS): The Sharia Supervisory Board (DPS) is responsible for providing advice and recommendations to the Board of Directors and ensuring that the activities of BPR Syariah align with Sharia principles.

17. Pegawai (Employee): An employee of PT. BPR Syariah.

18. Rencana Kerja dan Anggaran Perusahaan (RKAP) : The Work Plan and Budget (RKAP) is the annual business plan of PT. BPR Syariah, detailing its projected activities and budget.

## CHAPTER II

### ESTABLISHMENT, NAME, AND DOMICILE

#### Article 2

With this Regional Regulation, PT. BPR Syariah Baitul Hikmah Sukoharjo is established.

#### Article 3

PT. BPR Syariah, as referred to in Article 2, is domiciled and has its head office in Sukoharjo Regency and may expand its business by establishing Branch Offices, Sub-Branch Offices, or Cash Offices in accordance with the provisions of laws and regulations.

#### Article 4

In the context of establishing PT. BPR Syariah as referred to in Article 2, the Regent is authorized to process the establishment in accordance with the provisions of laws and regulations.

## CHAPTER III

### PRINCIPLES AND OBJECTIVES

#### Article 5

PT. BPR Syariah, in carrying out its business, is based on the principles of Sharia, economic democracy, and prudence.

#### Article 6

PT. BPR Syariah is established with the objective of supporting the implementation of development to increase justice, togetherness, and the equitable distribution of public welfare.

## CHAPTER IV

### BUSINESS ACTIVITIES

#### Article 7

To achieve the objectives referred to in Article 6, PT. BPR Syariah conducts the following business activities:

- a. Collecting funds from the community in the form of:
  1. Savings in the form of deposits or similar products based on a Wadiah contract or other contracts that do not conflict with Sharia principles; and
  2. Investments in the form of deposits, savings, or other similar products based on a Mudharabah contract or other contracts that do not conflict with Sharia principles.
- b. Disbursing funds to the community in the form of:
  1. Profit-sharing financing based on a Mudharabah or Musharakah contract;
  2. Financing based on a Murabahah, Salam, or Istisna' contract;
  3. Financing based on a Qardh contract;
  4. Leasing movable or immovable assets to customers based on an Ijarah contract or a hire-purchase contract in the form of Ijarah Muntahiya Bittamlik; and
  5. Debt transfer based on a Hawalah contract.
- c. Placing funds in other Sharia banks in the form of deposits based on a Wadiah contract or investments based on a Mudharabah contract and/or other contracts that do not conflict with Sharia principles.
- d. Transfer funds, both for its own interest and for the interest of customers through the Sharia Rural Bank accounts in Islamic Commercial Banks, Conventional Commercial Banks, and Sharia Business Units; and

e. Provide products or engage in other Sharia bank business activities that comply with Sharia principles, based on the approval of Bank Indonesia.

#### Article 8

PT. BPR Syariah is prohibited from:

- a. Engaging in business activities that conflict with Sharia principles;
- b. Accepting deposits in the form of demand deposits and participating in payment traffic;
- c. Engaging in foreign currency business, except for foreign exchange transactions with Bank Indonesia's approval;
- d. Engaging in insurance business, except as a marketing agent for Sharia insurance products;
- e. Engaging in equity participation, except in institutions established to address Sharia BPR liquidity difficulties; and
- f. Engaging in any other business outside the activities referred to in Article 7.

### CHAPTER V

#### CAPITAL AND SHARES

#### Article 9

- (1) The Authorized Capital of PT. BPR Syariah consists of the total Nominal Value of Shares.
- (2) Capital contributions are made by the Regional Government and Third Parties, with the provision that the majority of the contributed capital is owned by the Regency Government.

#### Article 10

- (1) The Authorized Capital of PT. BPR Syariah is set at Rp 15,000,000,000.00 (fifteen billion rupiahs).
- (2) The ownership of the authorized capital referred to in paragraph (1) consists of 60% (sixty percent)

held by the regional government and 40% (forty percent) held by third parties.

#### Article 11

(1) The initial paid-up capital of PT. BPR Syariah from the Regional Government is set at Rp 3,500,000,000.00 (three billion five hundred million rupiahs).

(2) The paid-up capital referred to in paragraph (1) is the wealth of the Regional Government that is separated and can be increased.

(3) The increase in the paid-up capital can be modified upon the proposal of the General Meeting of Shareholders (GMS) and further stipulated in a Regional Regulation.

(4) The proposal for the increase in paid-up capital by PT. BPR Syariah must be accompanied by a corporate plan.

#### Article 12

(1) The shares issued by PT. BPR Syariah are registered shares.

(2) The nominal value of the shares is set out in the Articles of Association.

(3) Each shareholder, in accordance with applicable laws and regulations, must comply with all decisions taken legally by the General Meeting of Shareholders (GMS).

#### Article 13

Provisions and regulations concerning the Shareholder Register, Transfer of Shares, and Share Duplicates are governed by separate regulations issued by the General Meeting of Shareholders (GMS) in accordance with applicable laws and regulations.

## CHAPTER VI

### GENERAL MEETING OF SHAREHOLDERS (GMS)

#### Article 14

- (1) The GMS consists of the Annual GMS and the Extraordinary GMS.
- (2) The Board of Directors organizes the Annual GMS and the Extraordinary GMS.
- (3) The GMS is held at least once a year.
- (4) The Annual GMS is held no later than 4 (four) months after the end of PT. BPR Syariah's fiscal year.
- (5) The Extraordinary GMS may be held at any time based on necessity.
- (6) The GMS is chaired by the President Commissioner.
- (7) If the President Commissioner referred to in paragraph (6) is unavailable, the GMS may be chaired by one of the members of the Board of Commissioners.
- (8) Decisions of the GMS are made based on consensus in accordance with the provisions of laws and regulations.
- (9) The rules for organizing the GMS are set by the GMS in accordance with the Articles of Association.

## CHAPTER VII

### BOARD OF COMMISSIONERS, SHARIA SUPERVISORY BOARD (DPS), AND BOARD OF DIRECTORS

#### Part One

#### Board of Commissioners

#### Article 15

- (1) The Board of Commissioners consists of at least 2 (two) members and at most 3 (three) members.
- (2) The Board of Commissioners is led by the President Commissioner.

(3) The term of office of the Board of Commissioners is 3 (three) years and can be reappointed by the GMS.

(4) The Board of Commissioners is appointed and dismissed by the GMS from candidates proposed by the shareholders.

(5) Provisions regarding the qualifications, number, duties, authority, responsibilities, and other matters related to the Board of Commissioners are regulated in the Articles of Association in accordance with the provisions of laws and regulations.

## Part Two

### Sharia Supervisory Board (DPS)

#### Article 16

(1) A DPS must be established in PT. BPR Syariah.

(2) The number of members of the DPS referred to in paragraph (1) is at least 2 (two) members and at most 3 (three) members.

(3) The DPS is chaired by a chairman selected from among the DPS members.

(4) The term of office of the DPS is 3 (three) years and can be reappointed by the GMS.

(5) The DPS referred to in paragraph (1) is appointed and dismissed by the GMS based on the recommendation of the Indonesian Ulema Council.

(6) The DPS referred to in paragraph (1) is responsible for providing advice and recommendations to the board of directors and supervising the activities of the bank to ensure they comply with Sharia principles.

Berikut adalah terjemahan teks yang Anda berikan ke dalam bahasa Inggris:

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**\*\* (7) \*\*** Provisions regarding the requirements, number, duties, authority, responsibilities, and other matters related to the Sharia Supervisory Board

(DPS) are regulated in the Articles of Association in accordance with applicable laws and regulations.

**\*\*Part Three\*\***

**\*\*Board of Directors\*\***

**\*\*Article 17\*\***

(1) The number of members of the Board of Directors is at least 2 (two) members and at most 3 (three) members.

(2) The Board of Directors consists of the President Director and Directors.

(3) The Board of Directors is led by the President Director.

(4) The term of office of the Board of Directors is 4 (four) years and may be reappointed for a maximum of 2 (two) terms.

(5) The Board of Directors is appointed and dismissed by the GMS.

(6) Provisions regarding the qualifications, number, duties, authority, responsibilities, and other matters related to the Board of Directors are regulated in the Articles of Association in accordance with applicable laws and regulations.

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**\*\*CHAPTER VIII\*\***

**\*\*EMPLOYMENT\*\***

**\*\*Article 18\*\***

(1) Employment is regulated based on the basic employment provisions of PT. BPR Syariah in accordance with applicable laws and regulations.

(2) The basic employment provisions referred to in paragraph (1) are determined by the Board of Directors with the approval of the Board of Commissioners.

(3) Employees are appointed and dismissed by the Board of Directors with the approval of the Board of

CHAPTER IX

FISCAL YEAR AND BUDGET PLAN

Article 19

- (1) The fiscal year of PT. BPR Syariah is the Takwin Year.
- (2) The RKAP (Corporate Work and Budget Plan) of PT. BPR Syariah is submitted by the Board of Directors for approval by the Board of Commissioners and ratified by the GMS.
- (3) The submission of the RKAP as referred to in paragraph (2) must be completed no later than 1 (one) month before the current fiscal year starts.
- (4) If, by 1 (one) month into the fiscal year, the RKAP has not been ratified by the GMS, the Corporate Work and Budget Plan will automatically apply.
- (5) Any amendments to the RKAP during the ongoing fiscal year must be ratified by the GMS.

Article 20

At the end of each fiscal year, no later than 3 (three) months after the year-end, the Board of Directors must submit the Annual Financial Report in accordance with the applicable laws and regulations, which has been reviewed/audited by the authorized party or a Public Accounting Firm and approved by the Board of Commissioners for ratification by the GMS.

CHAPTER X

PROFIT DISTRIBUTION

Article 21

The profit of PT. BPR Syariah, once ratified by the GMS, will be entirely distributed as follows:

- a. Dividends for Shareholders amounting to 55% (fifty-five percent);
- b. Reserve funds amounting to 25% (twenty-five percent);
- c. Production services amounting to 10% (ten percent);

- d. Purpose reserve funds amounting to 5% (five percent); and
- e. Social funds amounting to 5% (five percent).

#### Article 22

The dividends that belong to the Regional Government will be entirely paid into the Regional Treasury.

### CHAPTER XI

#### COOPERATION

#### Article 23

- (1) In efforts to enhance management, banking professionalism, and other matters, PT. BPR Syariah may enter into cooperation with Third Parties.
- (2) The form of cooperation referred to in paragraph (1) is determined by the GMS.

### CHAPTER XII

#### MERGER, LIQUIDATION, AND ACQUISITION

#### Article 24

- (1) In order to improve and/or develop PT. BPR Syariah, a merger, liquidation, or acquisition may be carried out.
- (2) The implementation of the merger, liquidation, and acquisition referred to in paragraph (1) will be carried out in accordance with applicable laws and regulations.

CHAPTER XIII

DISSOLUTION

Article 25

(1) The dissolution of PT. BPR Syariah will be carried out in accordance with applicable laws and regulations.

(2) The dissolution of PT. BPR Syariah as referred to in paragraph (1) is stipulated by a Regional Regulation.

CHAPTER XIV

FINAL PROVISIONS

Article 26

This Regional Regulation shall come into effect on the date it is promulgated.

For public knowledge, the promulgation of this Regional Regulation is ordered by placing it in the Official Gazette of Sukoharjo Regency.

Enacted in Sukoharjo

on September 15, 2012

The Regent of Sukoharjo,

[signed]

WARDOYO WIJAYA

Promulgated in Sukoharjo

on November 1, 2012

The Regional Secretary of Sukoharjo Regency,

[signed]

AGUS SANTOSA

OFFICIAL GAZETTE OF SUKOHARJO REGENCY

2012 YEAR NUMBER 11

A copy in accordance with the original

HEAD OF THE LEGAL AFFAIRS DIVISION,

[signed]

TEGUH PRAMONO, SH, MH

Civil Servant (Pembina)

NIP. 19710429 199803 1 003

EXPLANATION  
OF  
REGIONAL REGULATION OF SUKOHARJO  
REGENCY  
NUMBER 6 OF 2012  
ON  
THE ESTABLISHMENT OF A LIMITED  
LIABILITY COMPANY (PT) ISLAMIC RURAL  
BANKING COMPANY (BPR) OF SUKOHARJO  
REGENCY

I. GENERAL

In order to support development to improve justice, togetherness, equitable welfare for the people, and to increase Local Revenue (PAD), the participation and contribution of all elements of society are required. To explore various existing potentials to support the process of accelerating achievement, one of the forms is the development of the banking system based on Islamic (Sharia) principles. The development of Islamic banking is very appropriate to meet the high needs of the community. To meet this, the national banking system permits the establishment of a PT BPR Syariah by the Local Government. Therefore, based on this background, the Sukoharjo Regency Government deems it necessary to establish PT BPR Syariah. PT BPR Syariah, as a trusted public institution whose activities are based on Sharia principles, is required to always uphold the trust from fund owners by channeling the funds for productive enterprises to improve the community's standard of living. In carrying out its business, PT BPR Syariah must always adhere to the principle of prudence and consistently apply Sharia principles, thus creating a healthy PT BPR Syariah that is capable of providing the best services to the community. To create a healthy PT BPR Syariah, comprehensive, transparent, and legally certain provisions are required, including those related to ownership and capital regulations, management, network expansion, and business activities of PT BPR Syariah, which must be established in the Regional Regulation in accordance with the laws and regulations.

II. ARTICLE-BY-ARTICLE EXPLANATION

Article 1

Number 1

Clear enough.

Number 2

Clear enough.

Number 3

Clear enough.

Number 4

Clear enough.

Number 5

Clear enough.

Number 6

Clear enough.

Number 7

Clear enough.

Number 8

What is meant by “Not Providing Services” is services in the form of bank interest as is customary. However, the services in BPR Syariah are adjusted to Sharia provisions.

Number 9

Clear enough.

Number 10

Clear enough.

Number 11

Clear enough.

Number 12

Clear enough.

Number 13

Clear enough.

Number 14

Clear enough.

Number 15

Clear enough.

Number 16

Clear enough.

Number 17

Clear enough.

Number 18

Clear enough.

Article 2

Clear enough.

Article 3

Clear enough.

Article 4

Clear enough.

Article 5

Business activities based on Sharia Principles, among others, are activities that do not contain the following elements:

- a. Riba, which is the unlawful increase in income (invalid), including in transactions of exchanging goods of the same type but with different quality, quantity, and time of delivery (fadhl), or in loan transactions requiring the borrower to return the funds received with interest over time (nasi'ah);
- b. Maisir, which is a transaction based on an uncertain outcome and a game of chance;
- c. Gharar, which is a transaction where the object is unclear, not owned, its existence is unknown, or cannot be delivered at the time of the transaction unless specified otherwise in Sharia;
- d. Haram, which is a transaction involving objects prohibited by Sharia; or
- e. Zalim, which is a transaction that results in unfairness to the other party.

What is meant by "economic democracy" is Sharia economic activities that include values of fairness, togetherness, equity, and usefulness.

What is meant by the "principle of prudence" is the management guideline that must be followed to realize a healthy, strong, and efficient banking system, in accordance with the prevailing laws and regulations.

Article 6

What is meant by "supporting the implementation of development" is, among other things, increasing PAD (Local Revenue).

Article 7

Letter a

Number 1

What is meant by "Akad Wadi'ah" is a deposit agreement between the party owning goods or money and the party entrusted with safeguarding the goods or money, with the purpose of ensuring their safety, security, and integrity.

Number 2

What is meant by "Akad Mudharabah" in collecting funds is a cooperation agreement between the first party (malik, shahibul mal, or the Customer) as the owner of the funds and the second party ('amil, mudharib, or Islamic Bank) as the manager of the funds, with profits from the business being shared according to the agreement outlined in the contract.

Letter b

Number 1

What is meant by "Akad Mudharabah" in financing is a cooperation agreement between the first party (malik, shahibul mal, or Islamic Bank), which provides all the capital, and the second party ('amil, mudharib, or the Customer) who acts as the fund manager, with profits being shared according to the agreement outlined in the contract. The losses are borne entirely by the Islamic Bank unless the second party commits an intentional error, negligence, or violation of the agreement.

What is meant by "Akad Musyarakah" is a cooperation agreement between two or more parties for a specific business, where each party provides a portion of the capital, and the profits are shared according to the agreement, while the losses are borne in proportion to each party's capital contribution.

#### Number 2

What is meant by "Akad Murabahah" is a financing contract for a good, where the purchase price is clearly stated to the buyer, and the buyer pays a higher price as an agreed profit.

What is meant by "Akad Salam" is a contract for the financing of a good through an order, where payment for the good is made in advance under specific terms agreed upon.

What is meant by "Akad Istishna" is a contract for financing a good, where the order is made for the manufacture of a specific item with agreed-upon criteria and conditions between the buyer (mustashni) and the seller or manufacturer (shani).

#### Number 3

What is meant by "Akad Qardh" is a loan agreement where the customer is required to repay the funds received at an agreed time.

#### Number 4

What is meant by "Akad Ijarah" is an agreement to provide funds for the transfer of the right to use or benefit from a good or service through a lease transaction, without transferring the ownership of the good itself.

What is meant by "Akad Ijarah Muntahiya Bittamlik" is an agreement to provide funds for the transfer of the right to use or benefit from a good or service based on a lease transaction, with the option of transferring ownership of the good at the end of the lease.

#### Number 5

What is meant by "Akad Hawalah" is an agreement for the transfer of debt from the original debtor to another party who is then responsible for settling or paying the debt.

Letter c

Clear enough.

Letter d

Clear enough.

Letter e

Clear enough.

Article 8

Clear enough.

Article 9

Clear enough.

Article 10

Clear enough.

Article 11

Paragraph (1)

Clear enough.

Paragraph (2)

Clear enough.

Paragraph (3)

Clear enough.

Paragraph (4)

What is meant by "corporate plan" is a strategy for the company's future development, created fundamentally, comprehensively, and continuously to achieve the company's vision and mission, taking into account the surrounding environment and the company's competencies.

Article 12

Clear enough.

Article 13

Clear enough.

Article 14

Paragraph (1)

Clear enough.

Paragraph (2)

What is meant by "Extraordinary General Meeting of Shareholders (RUPS Luar Biasa)" is a meeting held outside the annual general meeting.

Paragraph (3)

Clear enough.

Paragraph (4)

Clear enough.

Paragraph (5)

Clear enough.

Paragraph (6)

Clear enough.

Paragraph (7)

What is meant by "one of the members of the Board of Commissioners" is the member of the Board of Commissioners who holds the largest share.

Paragraph (8)

Clear enough.

Paragraph (9)

Clear enough.

Article 15

Paragraph (1)

Clear enough.

Paragraph (2)

Clear enough.

Paragraph (3)

Clear enough.

Paragraph (4)

Clear enough.

## Paragraph (5)

The requirements to become a Board of Commissioners member must:

a. Pass the fit and proper test conducted by Bank Indonesia, which meets the following criteria:

1. Integrity, including:

- a) Having good morals and ethics,
- b) Committing to comply with applicable laws and regulations,
- c) Committing to developing a healthy banking operation,
- d) Not being listed in the Non-Compliant List (DTL), and
- e) Committing to avoid and not repeat actions prohibited in the fit and proper test according to Bank Indonesia's regulations.

2. Competence, including:

- a) Adequate knowledge in banking that is relevant to the position; and/or
- b) Experience in banking and/or financial fields.

3. Financial reputation, including:

- a) Not having non-performing loans, and
- b) Not having been declared bankrupt or having been a director or commissioner found guilty of causing a company to go bankrupt within the last five years before nomination.

b. Obtain approval from Bank Indonesia.

## Article 16

## Paragraph (1)

Clear enough.

## Paragraph (2)

Clear enough.

Paragraph (3)

Clear enough.

Paragraph (4)

Clear enough.

Paragraph (5)

Clear enough.

Paragraph (6)

Clear enough.

Paragraph (7)

The requirements to become a Sharia Supervisory Board (DPS) member are to obtain recommendations from the Indonesian Ulema Council (MUI) and approval from Bank Indonesia.

Article 17

Paragraph (1)

Clear enough.

Paragraph (2)

Clear enough.

Paragraph (3)

Clear enough.

Paragraph (4)

What is meant by "2 (two) terms" is holding the same position for two consecutive terms.

Paragraph (5)

Clear enough.

Paragraph (6)

The requirements to become a Director must:

a. Pass the fit and proper test conducted by Bank Indonesia, which meets the following criteria:

1. Integrity, including:

- a) Having good morals and ethics,
- b) Committing to comply with applicable laws and regulations,
- c) Committing to developing a healthy banking operation,
- d) Not being listed in the Non-Compliant List (DTL), and
- e) Committing to avoid and not repeat actions prohibited in the fit and proper test according to Bank Indonesia's regulations.

2. Competence, including:

- a) Adequate knowledge in banking that is relevant to the position;
- b) Experience and expertise in banking and/or financial fields; and
- c) The ability to manage strategically for the development of a healthy bank.

3. Financial reputation, including:

- a) Not having non-performing loans, and
- b) Not having been declared bankrupt or having been a director or commissioner found guilty of causing a company to go bankrupt within the last five years before nomination.

b. Obtain approval from Bank Indonesia.

Article 18

Clear enough.

Article 19

Clear enough.

Article 20

Clear enough.

## Article 21

What is meant by "profit" is the profit of the current year after deducting Zakat and Tax, while considering accumulated losses.

Letter a

What is meant by "dividend" is a portion of the profit allocated for shareholders, with the distribution based on the percentage of the paid-up capital.

Letter b

What is meant by "reserve fund" is a portion of the profit allocated to:

1. Strengthen the capital;
2. Provision for the write-off of productive assets; and
3. Cover the bank's losses.

Letter c

What is meant by "production services" is a portion of the profit allocated for the management and employees of the bank as a productivity incentive.

Letter d

What is meant by "special reserve fund" is a portion of the profit allocated for assistance to employees affected by disasters and awards for employees.

Letter e

What is meant by **\*\*"social fund"** is a portion of the profit allocated for social purposes.

## Article 22

Clear enough.

## Article 23

Clear enough.

## Article 24

What is meant by "merger" is a legal act carried out by one or more banks to merge with another existing bank, resulting in the assets and liabilities of the merging bank being transferred by law to the receiving bank, and the legal status of the merging bank ceases by law.

What is meant by "consolidation" is a legal act carried out by two or more banks to consolidate by establishing a new bank, which by law acquires the assets and liabilities of the banks that have consolidated, and the legal status of the merging banks ceases by law.

What is meant by "acquisition" is a legal act carried out by a legal entity or individual to take over the shares of a bank, resulting in the transfer of control over that bank.

Article 25

Clear enough.

Article 26

Clear enough.