



**REGENT SUKOHARJO  
PROVINCE OF CENTRAL JAVA  
REGIONAL REGULATIONS OF SUKOHARJO DISTRICT  
NUMBER 5 OF 2017  
ABOUT  
PEOPLE'S CREDIT BANK REGIONAL COMPANY  
SUKOHARJO BANK**

**BY THE GRACE OF GOD ALMIGHTY**

**REGENT SUKOHARJO,**

**Considering: a. that in order to encourage economic growth in the region and strengthen regional sources of income, it is necessary to form a Regional Liability Company, Bank Sukoharjo People's Credit Bank, which has a strong structure.**

**capital and competitiveness in facing business competition in the banking sector;**

**b. that with the enactment of Law Number 21 of 2011 concerning the Financial Services Authority and Law Number 23 of 2014 concerning Regional Government as amended several times, most recently by Law Number 9 of 2015 concerning the Second Amendment to Law Number 23 of 2014 regarding Regional Government, the existence of the Rural Bank Regional Company, Bank Pasar, which was formed by the Regional Regulation of Sukoharjo Regency Number 23 of 2007 concerning the Rural Bank Regional Company, Bank Pasar, needs to be adjusted to the legal form;**

**c. that based on the considerations as intended in letters a and b, it is necessary to stipulate a Regional Regulation concerning the Regional Liability Company of Rural Bank Sukoharjo Bank;**

**Remembering: 1. Article 18 paragraph (6) of the 1945 Constitution of the Unitary State of the Republic of Indonesia.**

**2. Law Number 13 of 1950 concerning the Establishment of Regency Regions within the Province of Central Java;**

**3. Law Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia of 1992 Number 31, Supplement to State Gazette of the Republic of Indonesia Number 3472), as amended by Law Number 10 of 1998 (State Gazette of the Republic of Indonesia of 1998 Number 182, Supplement to the State Gazette of the Republic of Indonesia Number 3790);**

4. Law Number 8 of 1999 concerning Consumer Protection (State Gazette of the Republic of Indonesia of 1999 Number 42, Supplement to State Gazette of the Republic of Indonesia Number 3821); 5. Law Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 Number 66, Supplement to State Gazette of the Republic of Indonesia Number 3843) as amended by Law Number 3 of 2004 (State Gazette of the Republic of Indonesia of 2004 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 4357); 6. Law Number 13 of 2003 concerning Employment (State Gazette of the Republic of Indonesia of 2003 Number 39, Supplement to State Gazette of the Republic of Indonesia Number 4279);
7. Law Number 17 of 2003 concerning State Finances (State Gazette of the Republic of Indonesia of 2003 Number 47, Supplement to Gazette of the Republic of Indonesia Number 4286); 8. Law Number 24 of 2004 concerning Deposit Insurance Corporation (State Gazette of the Republic of Indonesia of 2004 Number 24, Supplement to State Gazette of the Republic of Indonesia Number 4420);
9. Law Number 37 of 2004 concerning Bankruptcy and Postponement of Debt Payment Obligations (State Gazette of the Republic of Indonesia of 2004 Number 131, Supplement to the State Gazette of the Republic of Indonesia Number 4443);
10. Law Number 40 of 2007 concerning Limited Liability Companies (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756);
11. Law Number 12 of 2011 concerning the Formation of Legislation (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234); 12. Law Number 21 of 2011 concerning the Financial Services Authority of the State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia Number 5253);
13. Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, most recently by Law Number 9 of 2015 concerning the Second Amendment to the Law. Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to State Gazette of the Republic of Indonesia Number 5679);

14. Government Regulation Number 58 of 2005 concerning Regional Financial Management (State Gazette of the Republic of Indonesia of 2005 Number 140, Supplement to the State Gazette of the Republic of Indonesia Number 4578); 15.

Presidential Regulation Number 87 of 2014 concerning Implementing Regulations of Law Number 12 of 2011 concerning the Formation of Legislative Regulations (State Gazette of the Republic of Indonesia of 2014 Number 199);

16. Minister of Home Affairs Regulation Number 80 of 2015 concerning the Formation of Regional Legal Products (State Gazette of the Republic of Indonesia of 2015 Number 2036);

17. Financial Services Authority Regulation Number: 20/POJK.03/2014 concerning Rural Banks;

18. Financial Services Authority Regulation Number: 4/POJK.03/2015 concerning Implementation of Governance for Rural Banks;

19. Financial Services Authority Regulation Number: 5/POJK.03/2015 concerning Minimum Capital Requirements and Fulfillment of Minimum Core Capital for Rural Banks;

20. Financial Services Authority Regulation Number: 13/POJK.03/2015 concerning Implementation of Risk Management for Rural Banks;

21. Financial Services Authority Regulation Number: 12/POJK.03/2016 concerning Business Activities and Rural Bank Office Network Areas Based on Core Capital;

22. Sukoharjo Regency Regional Regulation Number 14 of 2016 concerning Regional Government Capital Inclusion in Regionally Owned Enterprises (Sukoharjo Regency Regional Gazette of 2016 Number 14, Supplement to Sukoharjo Regency Regional Gazette Number 238);

**With Mutual Consent**

**REGIONAL PEOPLE'S REPRESENTATIVE COUNCIL OF SUKOHARJO DISTRICT**

**And**

**REGENT SUKOHARJO**

**DECIDE :**

**To stipulate: REGIONAL REGULATIONS CONCERNING REGIONAL COMPANIES  
PEOPLE'S CREDIT BANK SUKOHARJO BANK.**

**PIG**  
**GENERAL REQUIREMENTS**

**article 1**

- 1. The region is Sukoharjo Regency.**
- 2. Regional Government is the regional head as the organizing element of Regional Government who leads the implementation of government affairs which fall under the authority of the autonomous region.**
- 3. The Regent is the Regent of Sukoharjo.**
- 4. The Regional People's Representative Council, hereinafter abbreviated as DPRD, is the regional people's representative institution of Sukoharjo Regency which has the position as an organizing element of the Regional Government.**
- 5. Limited Liability Company, hereinafter referred to as a Company, is a Legal Entity which is a capital partnership, established based on an agreement, carrying out business activities with authorized capital which is entirely divided into shares and meets the requirements stipulated in Law Number 40 of 2007 concerning Limited Liability Companies and Implementing Regulations.**
  
- 6. People's Credit Bank, hereinafter abbreviated as BPR, is a bank that carries out conventional business activities which in its activities does not provide services in payment traffic as intended in the law regarding banking.**
  
- 7. Rural Bank Regional Company, Bank Sukoharjo, hereinafter referred to as BPR Bank Sukoharjo (Perseroda), is a BUMD in the form of a limited liability company whose capital is divided into shares, all of which or at least 51% (fifty one percent) of the shares are owned by the Regional Government.**
  
- 8. Branch Office, namely the BPR Bank Sukoharjo (Perseroda) office which is directly responsible to the relevant BPR Bank Sukoharjo (Perseroda) head office, with a clear business address where the Branch Office conducts its business.**
  
- 9. The Board of Directors is the Organ of BPR Bank Sukoharjo (Perseroda) which is responsible for managing BUMD for the interests and objectives of BUMD, as well as representing BUMD both inside and outside the court.**
- 10. The Board of Commissioners is an organ of BPR Bank Sukoharjo (Perseroda) which is tasked with supervising and providing advice to the Board of Directors in carrying out Perseroda management activities.**
- 11. Core Capital is the core capital as intended in the Financial Services Authority Regulation regarding the obligation to provide minimum capital and fulfill the minimum core capital for BPRs.**

12. Authorized capital is the maximum share value that can be issued by BPR Bank Sukoharjo (Perseroda).
13. Paid-in capital is the capital participation obligation that has been fulfilled by shareholders.
14. Governance is the governance of BPR Bank Sukoharjo (Perseroda) which applies the principles of openness , accountability , responsibility , independence *and* fairness .
15. Executive Officers are responsible officials directly to the board of directors or have influence on the policies and operations of BPR Bank Sukoharjo (Perseroda), including branch office leaders, division heads, section heads, managers and/or other equivalent officials.
16. The Audit Committee is a committee that assists in carrying out the duties and responsibilities of the Board of Commissioners related to internal and external audits.
17. The Risk Monitoring Committee is a committee that assists the implementation of the duties and responsibilities of the Board of Commissioners related to the implementation of risk management.
18. The Remuneration and Nomination Committee is a committee that assists the implementation of the duties and responsibilities of the Board of Commissioners related to remuneration and nominations.
19. Professional Certification Institution is an institution implementing professional certification activities that obtains a license from the National Professional Certification Agency or other agency appointed based on statutory regulations.
20. The General Meeting of Shareholders, hereinafter abbreviated to GMS, is a Company Organ that has authority that is not given to the Directors or Board of Commissioners within specified limits.

## CHAPTER II

### CHANGES IN LEGAL FORM

#### Section 2

The Regent has the authority to prepare Regional Regulations in order to carry out the process of changing the legal form of the company regions in accordance with statutory regulations.

#### Article 3

- (1) Based on this Regional Regulation, PD Bank Pekreditan Rakyat Bank Pasar which was established with Sukoharjo Regency Regional Regulation Number 23 of 2007 concerning Regional Companies of Rural Banks of Bank Pasar has its legal form changed to Regional Companies of Rural Banks of Bank Sukoharjo.

- (2) With the change in legal form as intended in paragraph (1), all assets, business, rights and obligations, employees, and all agreements that have been made with all parties as well as operational permits for PD BPR Bank Pasar are transferred to BPR Bank Sukoharjo ( Perseroda).
- (3) The amount of all assets, rights and obligations as intended in paragraph (2) is audited by a public accountant.

CHAPTER III  
NAME AND DOMINANCE

Article 4

The Regional Liability Company as referred to in Article 3 paragraph (1) is named BPR Bank Sukoharjo (Perseroda).

Article 5

- (1) BPR Bank Sukoharjo (Perseroda) is domiciled in and headquartered in the Regency capital.
- (2) BPR Bank Sukoharjo (Perseroda) can develop its business and open a Branch Office, Sub-Branch Office or Cash Office, Service System (*Payment Point*) in the Central Java province.
- (3) The opening of an office as intended in paragraph (2) requires permission from the Financial Services Authority.

CHAPTER IV  
PRINCIPLES, OBJECTIVES, FUNCTIONS AND OBJECTIVES

Article

6 BPR Bank Sukoharjo (Perseroda) in conducting its business, is based on economic democracy by using the principles caution.

Article 7

The purpose of establishing BPR Bank Sukoharjo (Perseroda) is to increase its role and function as well as competitiveness in anticipating regional, national and/or international economic developments.

Article 8

BPR Bank Sukoharjo (Perseroda) functions as an intermediation institution in the financial sector by carrying out business as a people's credit bank.

### Article 9

The objectives of establishing BPR Bank Sukoharjo (Perseroda) are: a. provide benefits for regional economic development in general; b. carry out

public benefits in the form of providing quality banking services to fulfill people's livelihood according to the conditions, characteristics and potential of the area concerned based on good corporate governance;

c. obtain profits and/or benefits; And

d. become one of the sources of original regional income.

#### CHAPTER V

### BUSINESS ACTIVITIES

#### Article 10

Business Activities that can be carried out by BPR Bank Sukoharjo (Perseroda) are:

a. raising funds in the form of:

1. savings in the form of time deposits, savings, and/or other equivalent forms; And

2. loans received.

b. distribution of funds;

c. placement of funds in the form of:

1. current accounts, time deposits, certificates of deposit, and/or savings at commercial banks and sharia commercial

banks; 2. time deposits, and/or savings at other BPRs and sharia people's financing banks; And

3. Bank Indonesia Certificate.

d. foreign exchange business activities;

e. other activities to support internal business activities form:

1. activities as an organizer and agent of officeless financial services within the framework of financial inclusion (Laku Pandai);

2. provision of *Electronic Banking services*;

3. salary payment services for customers;

4. cooperation activities in the context of fund transfers which are limited to receipt of remittances from abroad;

5. activities as an ATM Card issuer;

6. activities as a Debit Card issuer;

7. activities as an Electronic Money issuer and marketing activities for Electronic Money from other issuers;
8. transfer of funds for both personal and customer interests through BPR Bank Sukoharjo (Perseroda) accounts at commercial banks;
9. Collaboration activities with insurance companies to refer insurance products to customers related to BPR Bank Sukoharjo (Perseroda) products; And
10. Receive deposits of funds for bill payment services such as payment of electricity, telephone, water and tax bills.

CHAPTER VI  
CAPITAL AND SHARES

Article 11

- (1) The authorized capital is set at IDR 50,000,000,000.00 (fifty billion rupiah) which is divided into shares.
- (2) The nominal value per share as intended in paragraph (1) can be changed according to the needs of BPR Bank Sukoharjo (Perseroda) and approved by the GMS.
- (3) From the authorized capital as intended in paragraph (1), the paid-up capital is IDR. 29,999,812,418.00 (twenty-nine billion nine hundred ninety-nine million eight hundred twelve thousand four hundred and eighteen rupiah).
- (4) The composition of the authorized capital as intended in paragraph (1) is 100% (one hundred percent) owned by the Regional Government.
- (5) The composition of authorized capital as intended in paragraph (4) can be changed in the following ratio:
  - a. Regional Government: owns at least 51% (fifty one percent) of shares as controlling shareholder.
  - b. Other parties: own a maximum of 49% (forty nine percent) of the shares.
- (6) Changes to the composition of authorized capital as referred to in paragraph (5), shall be determined at the GMS in accordance with the provisions of statutory regulations.
- (7) Changes in authorized capital and/or paid-up capital as intended in paragraph (1) and paragraph (3) are then determined at the GMS in accordance with the provisions of statutory regulations.



**Article 12**

- (1) The capital participation of the Regional Government and other parties as intended in Article 11 paragraph (5) is issued in the form of shares.**
- (2) Shares as intended in paragraph (1) issued by BPR Bank Sukoharjo (Perseroda) are shares in the name of.**
- (3) Each shareholder must comply with the decisions at the GMS.**

**CHAPTER VII  
ARTICLES OF ASSOCIATION**

**Article 13**

- (1) The articles of association contain at least: a.**
  - name and location of BPR Bank Sukoharjo (Perseroda);**
  - b. aims and objectives and business activities of BPR Bank Sukoharjo (Perseroda);**
  - c. period of establishment of BPR Bank Sukoharjo (Perseroda);**
  - d. the amount of authorized capital, issued capital and paid-up capital;**
  - e. number of shares, share classification if any, along with the number of shares for each classification, the rights attached to each share, and the nominal value of each share;**
  - f. names of positions and number of members of the Board of Directors and Board of Commissioners;**
  - g. determining the place and procedures for holding it GMS;**
  - h. procedures for appointing, replacing and dismissing members of the Board of Directors and Board of Commissioners; And**
  - i. procedures for using profits and distributing dividends.**
- (2) Apart from the provisions as intended in paragraph (1), the articles of association may also contain other provisions which do not conflict with statutory regulations.**

**Article 14**

- (1) Changes to the articles of association are determined by the GMS.**
- (2) Events regarding changes to the articles of association must be stated clearly in the summons to the GMS.**

### Article 15

- (1) Changes to certain articles of association must obtain approval from the Minister in charge of law and Human Rights.**
- (2) Changes to certain articles of association as follows referred to in paragraph (1) includes:**
  - a. name of the Company and/or place of domicile of the Company;**
  - b. aims and objectives as well as the Company's business activities;**
  - c. period of establishment of the Company;**
  - d. the amount of authorized capital;**
  - e. reduction in issued and paid-up capital; and/or**
  - f. the status of a closed company becomes a public company or vice versa.**
- (3) Changes to the articles of association other than those referred to in paragraph (2) need to be notified to the Minister.**
- (4) Amendments to the articles of association as intended in paragraph (2) and paragraph (3) are contained or stated in a notarial deed in Indonesian.**

### CHAPTER VIII

### BPR ORGAN BANK SUKOHARJO (PERSERODA)

#### Part One General

### Article 16

The BPR Bank Sukoharjo (Perseroda) organ consists of:

- a. GMS; b. Board of Commissioners; And**
- c. Directors.**

#### The second part AGM

### Article 17

- (1) The GMS holds the highest power and all authority that is not delegated to the Directors or Commissioners of BPR Bank Sukoharjo (Perseroda).**
- (2) The Regent represents the region as a shareholder of BPR Bank Sukoharjo (Perseroda) at the GMS.**
- (3) The Regent as intended in paragraph (2) can grant power of attorney with substitution rights to regional government officials who have competence in the business field or legal entities to represent them as shareholders.**

- (4) The party receiving the power of attorney as intended in paragraph (3) must first obtain the Regent's approval to make decisions regarding the following matters: a. changes to the articles of association; b. changes in the amount of capital; c. transfer of fixed assets; d. use of profits; e. long-term investment and financing; f. Perseroda cooperation; g. establishment of subsidiaries and/or investments capital; and/or h. merger, separation, consolidation, takeover and dissolution of Perseroda;
- (5) Determination of the place and procedures for holding the GMS regulated in the articles of association.

**Part Three**  
board of Commissioners

**Article 18**

- (1) There are at least 2 (two) members of the Board of Commissioners and a maximum of the same as the number of members of the Board of Directors, and one of them serves as President Commissioner.
- (2) The Board of Commissioners is appointed by the GMS from candidates proposed by shareholders for a period of 3 (three) years and can be reappointed.
- (3) Provisions regarding procedures for appointment, replacement, dismissal, term of office, composition, criteria and independence, duties, rights and responsibilities of the Board of Commissioners, and Board of Commissioners Meetings are regulated in the articles of association.

**Part Four**  
Directors

**Article 19**

- (1) There are at least 2 (two) members of the Board of Directors and one of them serves as President Director.
- (2) The Board of Directors is appointed by the GMS from candidates proposed by Shareholders for a period of 4 (four) years and can be reappointed.
- (3) Provisions regarding procedures for appointment, replacement, dismissal, term of office, independence, duties, rights and responsibilities of Directors, Directors' meetings, and Transparency Aspects of Directors are regulated in the articles of association.

CHAPTER IX  
**COMMITTEES**

**Article 20**

- (1) In order to assist the implementation of its duties and responsibilities, the Board of Commissioners at BPR Bank Sukoharjo (Perseroda), if the core capital has reached at least IDR 80,000,000,000.00 (eighty billion rupiah) is obliged to form:
- a. Audit Committee; And
  - b. Risk Monitoring Committee.
- (2) The Board of Commissioners may form a Remuneration and Nomination Committee in order to assist the implementation of its duties and responsibilities.
- (3) The appointment of Committee members as intended in paragraph (1) and paragraph (2) is carried out by the Board of Directors based on the decision of the Board of Commissioners meeting.
- (4) The Board of Commissioners is obliged to ensure that the Committees as intended in paragraph (1) and paragraph (2) which have been formed, carry out their duties effectively.
- (5) Provisions regarding committee structure and membership, concurrent positions of committee chairman, committee duties and responsibilities, and committee meetings in accordance with statutory provisions.

CHAPTER X  
**COMPLIANCE, INTERNAL AUDIT AND EXTERNAL AUDIT FUNCTIONS**

**Article 21**

- (1) BPR Bank Sukoharjo (Perseroda) is obliged to ensure compliance with Financial Services Authority regulations and other laws and regulations.
- (2) BPR Bank Sukoharjo (Perseroda) is obliged to effectively implement internal audit and external audit functions.
- (3) Provisions regarding the compliance function and assignment of members of the Board of Directors who oversee the compliance function of BPR Bank Sukoharjo (Perseroda), Internal Audit Function and External Audit Function are regulated in the articles of association.

CHAPTER XI  
**EMPLOYEE**

**Article 22**

- (1) Employees are appointed and dismissed by the Board of Directors with the approval of the Board of Commissioners in accordance with applicable laws and regulations.

- (2) Employee rights and obligations are regulated by the Board of Directors with approval from the Board of Commissioners in accordance with regulatory provisions legislation taking into account the capabilities of BPR Bank Sukoharjo (Perseroda).

CHAPTER XII  
GOVERNMENT ASSIGNMENT

Article 23

- (1) The Regional Government may give a special assignment to BPR Bank Sukoharjo (Perseroda) to carry out certain public benefit functions while still taking into account the aims and objectives of the establishment  
BPR Bank Sukoharjo (Perseroda).
- (2) Every assignment as intended in paragraph (1) must first obtain approval from the GMS.
- (3) Each assignment as intended in paragraph (1) can be supported by funding.
- (4) Funding as intended in paragraph (3) is available  
in the form of:
- a. regional capital participation; b.
  - subsidy; and/or c. granting
  - loans.

CHAPTER XIII  
EVALUATION

Article 24

- (1) Evaluation of BPR Bank Sukoharjo (Perseroda) is carried out by comparing targets with realization.
- (2) Evaluation of BPR Bank Sukoharjo (Perseroda) is carried out at least once a year.
- (3) Evaluation of BPR Bank Sukoharjo (Perseroda) is carried out by the Board of Commissioners.
- (4) Evaluation includes, among other things:
- a. performance assessment;
  - b. assessment of health level; And
  - c. service assessment; (5)

Further provisions regarding evaluation are regulated by Regent Regulations.

CHAPTER XIV  
**BUSINESS PLAN AND ANNUAL REPORT**

**Article 25**

- (1) The Board of Directors is required to prepare a business plan that includes a long-term strategic plan and an annual business plan.**
- (2) The Board of Directors submits the business plan as intended in paragraph (1) and its amendments to the Authority Financial Services guided by the provisions governing business plans.**
- (3) Further provisions regarding the preparation of business plans are regulated by Regent's Regulations.**

**Article 26**

- (1) At the end of each financial year, a financial report is prepared BPR Bank Sukoharjo (Perseroda) which consists of a financial report consisting of at least the balance sheet at the end of the previous financial year in comparison with the previous financial year, a profit and loss report from the relevant financial year, a cash flow report, and a report on changes in equity, as well as notes on financial reports which has been audited by a public accountant registered with the Financial Services Authority.**
- (2) The Board of Directors submits an annual report to the GMS after being reviewed by the Board of Commissioners no later than 6 (six) months after the Perseroda financial year ends.**

CHAPTER XV  
**LOAN**

**Article 27**

- (1) BPR Bank Sukoharjo (Perseroda) can make loans from financial institutions, the government, regional governments and other sources of funds from within the country for business development and investment.**
- (2) BPR Bank Sukoharjo (Perseroda) assets which are the business results of BPR Bank Sukoharjo (Perseroda) can be pledged as collateral to obtain loans**
- (3) In the event that the assets of BPR Bank Sukoharjo (Perseroda) which are guaranteed as collateral as intended in paragraph (2) are more than 50% (fifty percent) of the total net assets of BPR Bank Sukoharjo (Perseroda) in 1 (one) transaction or more, whether related to each other or not, must obtain GMS approval.**

CHAPTER XVI  
BANKRUPTCY

Article 28

- (1) BPR Bank Sukoharjo (Perseroda) can be declared bankrupt based on applicable laws and regulations.
- (2) BPR Bank Sukoharjo (Perseroda) can only be stated bankrupt after going through an assessment by the Financial Services Authority and upon request for a bankruptcy statement from Bank Indonesia to Commercial Court.
- (3) In the event that bankruptcy occurs due to the fault or negligence of the Board of Directors and the assets of BPR Bank Sukoharjo (Perseroda) are not sufficient to cover the losses resulting from the bankruptcy, then each member of the Board of Directors is jointly and severally responsible for the losses.
- (4) The responsibility as referred to in paragraph (3) also applies to erroneous or negligent members of the Board of Directors who have not served 5 (five) years before the bankruptcy declaration is declared.
- (5) Members of the Board of Directors who can prove that bankruptcy was not due to their fault or negligence, are not jointly and severally liable for the loss.

CHAPTER XVII  
COOPERATION

Article 29

The Board of Directors can collaborate with third parties, both individuals and other legal entities, in business development efforts with the approval of the Board of Commissioners.

CHAPTER XVIII  
ASSESSMENT OF HEALTH LEVEL, RESTRUCTURING, AND  
PRIVATIZATION

Article 30

- (1) The BPR Bank Sukoharjo (Perseroda) Health Level Assessment is carried out annually by BPR Bank Sukoharjo (Perseroda) and submitted at the GMS guided by the Financial Services Authority Regulations.
- (2) The assessment of the soundness level of BPR Bank Sukoharjo (Perseroda) is the basis for evaluating BPR Bank Sukoharjo (Perseroda).

**Article 31**

- (1) Restructuring is carried out with the aim of making BPR Bank Sukoharjo (Perseroda) healthy so that it can operate efficiently, accountably, transparently and professionally.**
- (2) The purpose of restructuring is to:**
  - a. improve company performance and value to become a healthy company;**
  - b. provide benefits in the form of dividends and taxes to countries and regions;**
  - c. produce products and services at competitive prices to consumers; and/or**
  - d. facilitate the implementation of privatization.**
- (3) Restructuring as intended in paragraph (1) is carried out by taking into account the principles of costs, benefits and risks.**
- (4) BPR Bank Sukoharjo (Perseroda), which continues to suffer losses to the point that it threatens the continuity of its business, must carry out restructuring.**

**Article 32**

- (1) Privatization is carried out with the aim of improving the company's performance and added value and increasing community participation in BPR Bank Sukoharjo (Perseroda) share ownership.**
- (2) Privatization was carried out on BPR Bank Sukoharjo (Perseroda) with the aim of:**
  - a. expanding community ownership;**
  - b. increase efficiency and productivity;**
  - c. strengthening financial structure and performance;**
  - d. creating a healthy and competitive industrial structure;**
  - e. creating competitive and globally oriented business entities; and/or**
  - f. growing the business climate, macro economy and market capacity.**
- (3) Privatization is carried out by taking into account the principles of transparency, independence, accountability, responsibility and fairness.**

**Article 33**

**Further provisions regarding health level assessment, restructuring and privatization as intended in Article 30, Article 31 and Article 32 are regulated by Regulations Regent.**



CHAPTER XIX  
USE OF PROFITS

Article 34

- (1) The net profit of BPR Bank Sukoharjo (Perseroda) which has been audited and ratified by the GMS, the distribution is determined as follows:
- a. Dividends for shareholders of 55% (fifty five percent);
  - b. General Reserves, amounting to 15% (fifteen percent);
  - c. Goal Reserve, 5% (five percent);
  - d. Welfare Fund, amounting to 10% (ten percent); e. Production Services, amounting to 12% (twelve percent);
  - And
  - f. *Corporate Social Responsibility* Fund , amounting to 3% (three percent).
- (2) Dividends that are part of the Regional Government the entire amount is deposited into the Regional Treasury.
- (3) Distribution of net profit as intended in paragraph (1) can be done if the profit balance is positive.

CHAPTER XX  
COACHING

Article 35

- (1) General guidance for BPR Bank Sukoharjo (Perseroda) at the government level is carried out by the Regent.
- (2) Implementation of general guidance as intended in paragraph (1) is carried out by Regional Apparatus in charge of BUMD.
- (3) General guidance as intended in paragraph (1) is carried out in the context of developing and improving the performance of BPR Bank Sukoharjo (Perseroda).
- (4) Funding for general development as intended in paragraph (1) comes from the APBD.

CHAPTER XXI  
MERGER, CONSOLIDATION, TAKEOVER AND  
CHANGES IN INSTITUTIONAL STATUS

Article 36

- (1) In the context of restructuring, strengthening and improving the performance of BPR Bank Sukoharjo (Perseroda), the following can be done:
- a. mergers, consolidations and takeovers;  
and/or
  - b. change in institutional status.
- (2) The implementation of mergers, consolidations and takeovers as well as changes in institutional status as referred to in paragraph (1) are carried out in accordance with statutory regulations.

CHAPTER XXII  
DISSOLUTION AND LIQUIDATION

Article 37

- (1) The dissolution and liquidation of BPR Bank Sukoharjo (Perseroda) is determined by the GMS and a court decision with prior approval from the DPRD.
- (2) Procedures for the dissolution and liquidation of BPR Bank Sukoharjo (Perseroda) as referred to in paragraph (1) are set out in the Articles of Association and refer to statutory provisions.

Article 38

- (1) Dissolution and liquidation of BPR Bank Sukoharjo (Perseroda) can occur because:
- a. GMS Decision; And
  - b. Court determination.
- (2) The dissolution and liquidation of BPR Bank Sukoharjo (Perseroda) is determined by Regional Regulation.
- (3) The dissolution and liquidation of BPR Bank Sukoharjo (Perseroda) as intended in paragraph (1) must first obtain approval from the Financial Services Authority.
- (3) The dissolution and liquidation of BPR Bank Sukoharjo (Perseroda) is carried out based on the laws and regulations governing Limited Liability Companies.

CHAPTER XXIII  
TRANSITIONAL PROVISIONS

Article 39

- When this regional regulation is promulgated then: a.  
The Regent forms a *care taker* who is tasked with preparing principle permits and business permits;
- b. In the process of changing the form of PD Law. BPR Bank Pasar became BPR Bank Sukoharjo (Perseroda), PD. BPR Bank Pasar will remain operational until the BPR Bank Sukoharjo (Perseroda) business license is issued by the authorized institution;
- c. The first filling of the board of commissioners, directors, executive officers and employees of BPR Bank Sukoharjo (Perseroda). This often comes from the supervisory board, directors, structural officials and PD employees. BPR Market Bank;
- d. The Board of Commissioners and directors appointed for the first time as referred to in letter c carry out their duties until the term of office is completed;
- e. All assets, rights and obligations related to the management of PD BPR Bank Pasar have been transferred to BPR Bank Sukoharjo (Perseroda) since the issuance of the BPR Bank Sukoharjo (Perseroda) business license.

CHAPTER XXIV  
CLOSING

Article 40

- (1) When this regional regulation comes into force, all implementing regulations from the Regency Regional Regulation Sukoharjo Number 23 of 2007 concerning Regional Companies, Rural Banks, Bank Pasar (Sukoharjo Regency Regional Gazette of 2007 Number 25, Supplement to Sukoharjo Regency Regional Gazette Number 154) is declared to still be valid as long as it does not conflict with and has not been replaced by the provisions of this Regional Regulation.
- (2) With the enactment of this regional regulation, Regional Regulation Sukoharjo Regency Number 23 of 2007 concerning Regional Rural Bank Company Market Bank (Sukoharjo Regency Regional Gazette 2007 Number 25, Supplement to Sukoharjo Regency Regional Gazette Number 154) is revoked and declared invalid.

**Article 41**

**This local regulation are applied at the date stated.**

**So that everyone is aware, this Regional Regulation is ordered to be promulgated by placing it in the Sukoharjo Regency Regional Gazette.**

**Stipulated in Sukoharjo on  
July 20 2017**

**REGENT SUKOHARJO,**

signed

**WARDOYO WIJAYA**

**Promulgated in Sukoharjo  
on July 20, 2017**

**REGIONAL SECRETARY  
SUKOHARJO DISTRICT,**

signed

**AGUS SANTOSA**

**SUKOHARJO DISTRICT REGIONAL GAZETTE  
YEAR 2017 NUMBER 5**

**The copy corresponds to the original  
HEAD OF LEGAL SECTION,**

**BUDI SUSETYO, SH, MH  
NIP**

**Trustee. 19730705 199203 1 004**

**EXPLANATION  
ON  
REGIONAL REGULATIONS OF SUKOHARJO DISTRICT  
NUMBER 5 OF 2017  
ABOUT  
PEOPLE'S CREDIT BANK REGIONAL COMPANY  
SUKOHARJO BANK**

**I. GENERAL**

In order to encourage the People's Credit Bank Bank Pasar to become one of the BUMDs of Sukoharjo Regency that is healthy, strong, productive and has competitiveness so that it is able to serve the community, especially micro and small businesses, it is necessary to change the legal form of a Regional Company to a Regional Company (Perseroda) . This is in line with the national banking vision to achieve a banking system that is healthy, strong and efficient in order to create financial system stability. Rural Bank industry institutions need to be strengthened, including in the aspects of capital, structuring the ownership structure, as well as increasing the competency and quality of members and candidates. members of the Board of Directors and Board of Commissioners.

Apart from that, it is also necessary to implement Governance, because the risks and challenges faced by BPR both internally and externally are increasingly numerous and complex. Internally, members as well as Directors and members of the Board of Commissioners are expected to be able and act as role models and drivers so that the BPR as a whole implements the principles of Governance optimally. The implementation of Governance must ultimately become a culture for all BPR employees in every operational process and be transparent to all *Stakeholders*. BPR's external challenges must be able to have a positive influence on the banking world so that public trust in banking as a financial institution becomes stronger. Good governance will increase public trust in BPR and avoid the risk of liquidity difficulties due to people withdrawing their funds on a large scale (*rush*).

**II. ARTICLE BY ARTICLE**

**article 1**

Quite clear.

**Section 2**

Quite clear.

**Article 3**

Quite clear.

**Article 4**

Quite clear.

**Article 5**

Quite clear.

**Article 6**

What is meant by "economic democracy" is economic democracy based on Pancasila and the 1945 Constitution.

**Article 7**

Quite clear.

**Article 8**

What is meant by "intermediation" is collecting funds from the community and channeling them back to the community.

**Article 9**

Quite clear.

**Article 10**

**Letter a**

Quite clear.

**Letter b**

Quite clear.

**Letter c**

Quite clear.

**Letter d**

Foreign exchange business activities are carried out by bank foreign exchange traders as intended in Bank Indonesia provisions regarding foreign exchange traders.

**Letter e**

**Number 1**

What is meant by "Laku Pandai" is the activity of providing banking services and/or other financial services which is carried out not through an office network, but through collaboration with other parties and needs to be supported by the use of information technology facilities.

**Number 2**

Included in the scope of *Electronic Banking* include:

a. *telephone banking* , namely a service for banking transactions via telephone by calling the BPR service number; c. *SMS*

*banking* is an information service or banking transaction that can be accessed directly via cell phone using *Short Message Service (SMS)* media; d. *mobile banking* , namely a service for carrying out

banking transactions via cell phone; and e. *internet banking* is a service for carrying out banking transactions via

the internet network for BPR which is the bank that organizes Laku Pandai.

**Number 3**

**Quite clear.**

**Number 4**

**Quite clear.**

**Number 5**

**Self-explanatory.**

**Number 6**

**Self-explanatory**

**Number 7**

**The administration of payment instruments in the form of Electronic Money refers to Bank Indonesia regulations regarding electronic money.**

**Number 8**

**Quite clear.**

**Number 9**

**Quite clear.**

**Number 10**

**Self-explanatory.**

**Article 11**

**Quite clear.**

**Article 12**

**Quite clear.**

**Article 13**

**Paragraph (1)**

**Letter a**

**Quite clear.**

**Letter b**

**Quite clear.**

**Letter c**

**Quite clear.**

**Letter d**

**Quite clear.**

**Letter e**

**Quite clear.**

**Letter f**

**Quite clear.**

**Letter g**

**Quite clear.**

**Letter h**

**What is meant by "appointment procedures" includes election procedures, including selection verbally or by closed letter and selection of candidates individually or in packages.**

**Letter i**

**Quite clear.**

**Paragraph (2)**

**Quite clear.**

**Article 14**

**Quite clear.**

**Article 15**

**Quite clear.**

**Article 16**

**Quite clear.**

**Article 17**

**Quite clear.**

**Article 18**

**Quite clear.**

**Article 19**

**Quite clear.**

**Article 20**

**Quite clear.**

**Article 21**

**Quite clear**

**Article 22**

**Quite clear.**

**Article 23**

**Quite clear.**

**Article 24**

**Quite clear.**

**Article 25**

**Paragraph (1)**

**What is meant by "long term strategic plan" is a business plan for a period of at least 5 years (five) years into the future.**

**Paragraph (2)**

**Quite clear.**

**Paragraph (3)**

**Quite clear.**



**Article 26**

Quite clear

**Article 27**

Quite clear

**Article 28**

Quite clear

**Article 29**

Quite clear

**Article 30**

Quite clear

**Article 31**

What is meant by "restructuring" is efforts made in the context of restructuring BUMN, which is one of them strategic steps to improve the company's internal conditions in order to improve performance and increase company value. These efforts include Merger, Consolidation, Takeover, compensation for receivables, or Separation.

**Article 32**

What is meant by "privatization" is the sale of the company's shares, either in whole or in part, to another party in order to increasing company performance and value, increasing benefits for the state and society, and expanding share ownership by the public.

**Article 33**

Quite clear

**Article 34**

Quite clear

**Article 35**

Quite clear

**Article 36**

Quite clear

**Article 37**

Quite clear

**Article 38**

Quite clear

**Article 39**

Quite clear

**Article 40**

Quite clear

**Article 41**

Quite clear