

BANK INDONESIA REGULATION

NUMBER: 15/7/PBI/2013

ON

THE SECOND AMENDMENT TO BANK INDONESIA REGULATION NUMBER
12/19/PBI/2010 ON RESERVE REQUIREMENTS OF COMMERCIAL BANKS WITH
BANK INDONESIA IN RUPIAH AND FOREIGN CURRENCIES

BY THE BLESSINGS OF GOD THE ALMIGHTY

BANK INDONESIA GOVERNOR,

Upon

Considering : a. that liquidity adequacy of banks must be maintained to support monetary stability achievement;

b. that to support financial sector stability and anticipate potential risks arising from economic dynamics, it is necessary to reinforce liquidity of banks by considering their roles in performing intermediary functions;

c. that to achieve liquidity adequacy and performing intermediary functions optimally, it is necessary to regulate liquidity of banks through reserve requirement policy;

d. that based on the foregoing, it is necessary to make the second amendment to Bank Indonesia Regulation Number 12/19/PBI/2010 on Reserve Requirements of Commercial Banks with Bank Indonesia in Rupiah and Foreign Currencies in a Bank Indonesia Regulation;

Observing : 1. Law Number 7 of 1992 on Banking (State Gazette of the Republic of Indonesia Number 31 of 1992, 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 Number 182 of 1998, Supplement to State Gazette of the Republic of Indonesia Number 3790);

2. Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to State Gazette of the Republic of Indonesia Number 3843) as last amended by Law Number 6 of 2009 on Establishment of Government Regulation in Lieu of Law Number 2 of 2008 on the Second Amendment to Law Number 23 of 1999 on Bank Indonesia as a Law (State Gazette of the Republic of Indonesia Number 7 of 2009, Supplement to State Gazette of the Republic of Indonesia Number 4962);

HAS DECIDED:

To establish : BANK INDONESIA REGULATION ON THE SECOND AMENDMENT TO BANK INDONESIA REGULATION NUMBER 12/19/PBI/2010 ON RESERVE REQUIREMENTS OF COMMERCIAL BANKS AT BANK INDONESIA IN RUPIAH AND FOREIGN CURRENCIES

Article I

Several provisions in Bank Indonesia Regulation Number 12/19/PBI/2010 on Reserve Requirements of Commercial Banks with Bank Indonesia in Rupiah and Foreign Currencies (State Gazette of the Republic of Indonesia Number 115 of 2010, Supplement to State Gazette of the Republic of Indonesia Number 5158) as last amended by Bank Indonesia Regulation Number 13/10/PBI/2011 (State Gazette of the Republic of Indonesia Number 21

of 2011, Supplement to State Gazette of the Republic of Indonesia Number 5200) are amended as follows:

1. The provisions of Article 1 are amended, and therefore, they read as follows:

Article 1

In this Bank Indonesia Regulation:

1. Bank means Commercial Banks as set forth in Law Number 7 of 1992 on Banking as amended by Law Number 10 of 1998, including their branch offices domiciled abroad, which carry on business activities in a conventional manner.
2. Foreign Exchange Bank means Banks which obtain approval of Bank Indonesia or OJK to carry on business activities in foreign exchange.
3. Third Party Funds, hereinafter referred to as TPF, mean the obligation of Banks to residents and non-residents in Rupiah and foreign currencies.
4. Demand Deposit Account means an account of a particular external party with Bank Indonesia as a means of administering transactions of savings, which may be withdrawn at any time.
5. Demand Deposit Account in Rupiah means a Demand Deposit Account in Rupiah, which may be withdrawn by using Bank Indonesia cheques, giro biljet, or any other means set forth in Bank Indonesia regulations on Demand Deposit Account relation between Bank Indonesia and external parties.
6. Demand Deposit Account in Foreign Currency means a Demand Deposit Account in a foreign currency, which may be withdrawn by bank transfer or any other means set forth in Bank Indonesia provisions for Demand Deposit Account relation between Bank Indonesia and external parties.
7. Loan to Deposit Ratio, hereinafter referred to as LDR, means the ratio of loan extended to third parties in Rupiah and foreign currencies, excluding loan to other

banks, to third party funds covering demand deposits, savings, and time deposits in Rupiah and foreign currencies, excluding interbank funds.

8. Target LDR means the range of LDR with lower and upper limits determined by Bank Indonesia in calculation of RR by LDR.
9. Reserve Requirements, hereinafter referred to RR, means minimum funds, which must be maintained by Banks, whose amount is determined by Bank Indonesia in a certain percentage of TPF.
10. Primary RR means minimum savings, which must be maintained by Banks, in the balance of Demand Deposit Accounts with Bank Indonesia whose amount is determined by Bank Indonesia in a certain percentage of TPF.
11. Secondary RR means minimum savings, which must be maintained by Banks, in the form of Bank Indonesia Certificate, Bank Indonesia Deposit Certificate, Government Securities, and/or Excess Reserve, whose amount is determined by Bank Indonesia in a certain percentage of TPF.
12. RR by LDR means minimum savings, which must be maintained by Banks, in the form of balance of Demand Deposit Accounts at Bank Indonesia in a certain percentage of TPF, which is calculated based on the difference of LDR owned by Banks and the Target LDR.
13. Jakarta Interbank Offered Rate, hereinafter referred to as JIBOR, means interbank interest rates in various periods offered by certain banks in Jakarta.
14. Bank Indonesia Certificate, hereinafter referred to as SBI, means securities in Rupiah issued by Bank Indonesia as acknowledgement of short-term debts.
15. Bank Indonesia Deposit Certificate, hereinafter referred to as SDBI, means securities in Rupiah issued by Bank Indonesia as acknowledgement of short-term debts and tradable between Banks only.

16. Government Securities, hereinafter referred to as SBN, means securities consisting of Government Debenture in Rupiah and Government Sharia Securities in Rupiah issued by the Government of the Republic of Indonesia.
 17. Excess Reserve means excess of Demand Deposit Account in Rupiah balance out of Primary RR and RR by LDR mandatorily maintained with Bank Indonesia.
 18. Capital Adequacy Ratio, hereinafter referred to as CAR, means the ratio of capital to risk weighted assets as set forth in the regulation on capital adequacy ratio for commercial banks.
 19. Incentive CAR means CAR established by Bank Indonesia for calculation of RR by LDR.
 20. Lower Disincentive Parameter means multiplying parameters applied in calculation of RR by LDR for Banks with LDR less than the lower limit of the Target LDR.
 21. Upper Disincentive Parameter means multiplying parameters applied in calculation of RR by LDR for Banks with LDR more than the upper limit of the Target LDR.
2. The provisions of Article 3 are amended, and therefore, they read as follows:

Article 3

Fulfillment of RR in Rupiah set forth in Article 2 paragraph (2) is specified as follows:

- a. Primary RR in Rupiah is 8% (eight percent) of TPF in Rupiah.
- b. Secondary RR in Rupiah is determined as follows:
 1. 2.5% (two point five percent) of TPF in Rupiah until 30 September 2013;
 2. 3% (three percent) of TPF in Rupiah from 1 October 2013 to 31 October 2013;

3. 3.5% (three point five percent) of TPF in Rupiah from 1 November 2013 to 1 December 2013; and
 4. 4% (four percent) of TPF in Rupiah from 2 December 2013.
- c. RR by LDR in Rupiah is the calculation result of Lower Disincentive Parameter or Upper Disincentive Parameter with the difference between Bank's LDR and Target LDR by observing the difference of Bank CAR and Incentive CAR.

3. The provisions of Article 9 are amended, and therefore, they read as follows:

Article 9

- (1) Fulfillment of Secondary RR in Rupiah set forth in Article 3 letter b is calculated by comparing the amount of SBI, SDBI, SBN, and/or Excess Reserve at the end of day in 1 (one) reporting period to the daily amount of TPF in 1 (one) reporting period within the previous 2 (two) reporting periods.
- (2) Calculation of SDBI as a component of Secondary RR in Rupiah as set forth in paragraph (1) starts to apply as from 1 October 2013.
- (3) Procedure for fulfillment of Secondary RR in Rupiah is further specified in a Bank Indonesia Circular.

4. The provisions of Article 10 are amended, and therefore, they read as follows:

Article 10

- (1) The amount and parameter used in calculation of RR by LDR in Rupiah are specified as follows:
 - a. The lower limit of Target LDR is 78% (seventy-eight percent)
 - b. The upper limit of Target LDR is:
 - 1) 100% (one hundred percent) until 1 December 2013; and

- 2) 92% (ninety-two percent) from 2 December 2013.
 - c. Incentive CAR is 14% (fourteen percent).
 - d. Lower Disincentive Parameter is 0.1 (zero point one).
 - e. Upper Disincentive Parameter is 0.2 (zero point two).
- (2) Bank Indonesia may at any time change the amount and parameter set forth in paragraph (1) if necessary.
- (3) Procedure for fulfillment of RR by LDR in Rupiah is further specified in Bank Indonesia Circular.
5. Explanation on Article 18 is amended as set forth in the Explanation

Article II

This Bank Indonesia Regulation starts to take effect as from its establishment date.

In order for this Regulation to become publicly known, it is hereby ordered that this Regulation be promulgated in the State Gazette of the Republic of Indonesia.

Established in Jakarta

on 26 September 2013

BANK INDONESIA GOVERNOR,

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta

on 26 September 2013

MINISTER OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA,

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 153 OF 2013

DKMP

ELUCIDATION
ON
BANK INDONESIA REGULATION
NUMBER: 15/7/PBI/2013
ON THE SECOND AMENDMENT TO BANK INDONESIA REGULATION NUMBER
12/19/PBI/2010 ON RESERVE REQUIREMENTS OF COMMERCIAL BANKS WITH
BANK INDONESIA IN RUPIAH AND FOREIGN CURRENCIES

I. GENERAL

Liquidity management of banks is required for optimum monetary policy transmission by banking system through the role of Banks in payment system, money market, and intermediary function in credit extension.

Liquidity condition of banks as one of the key actors in financial system significantly affects financial sector stability, and therefore, efforts to maintain liquidity adequacy of Banks must be made in a measured manner to ensure such liquidity adequacy is in line with their asset growth.

Liquidity reinforcement policy is performed through adjustment to the provisions of Secondary RR and RR by LDR. Such adjustment is made by considering its impacts on macroeconomic condition, overall banking system, and the conditions of individual Banks.

II. ARTICLE BY ARTICLE

Article I

Number 1

Article 1

Self-explanatory

Number 2

Article 3

Letter a

Example of calculation of Primary RR in Rupiah:

Within a reporting period from 8 to 15 November, Bank A has daily average of total TPF in Rupiah of Rp55,000,000,000,000.00 (fifty five trillion rupiah).

Daily Primary RR in Rupiah for a reporting period from 24 November to the last day of November to be fulfilled by a bank is 8% (eight percent) of TPF in Rupiah amounting to Rp4,400,000,000,000.00 (four trillion four hundred billion rupiah).

Letter b

Number 1

Example of calculation:

Within a reporting period from 8 to 15 September 2013, Bank A has daily average of total TPF in Rupiah of Rp50,000,000,000,000.00 (fifty trillion rupiah).

Daily Secondary RR in Rupiah for a reporting period from 24 to 30 September 2013 to be fulfilled by a bank is 2.5% (two point five percent) of TPF in Rupiah amounting to Rp1,250,000,000,000.00 (one trillion two hundred fifty billion rupiah).

Number 2

Example of calculation:

Within a reporting period from 24 September to the last day of September 2013, Bank A has daily average of total TPF in Rupiah of Rp50,000,000,000,000.00 (fifty trillion rupiah).

Daily Secondary RR in Rupiah for a reporting period from 8 to 15 October 2013 to be fulfilled by a bank is 3% (three percent) of TPF in Rupiah amounting to Rp1,500,000,000,000.00 (one trillion five hundred billion rupiah).

Number 3

Example of calculation:

Within a reporting period from 24 September to the last day of October 2013, Bank A has daily average of total TPF in Rupiah of Rp50,000,000,000,000.00 (fifty trillion rupiah).

Daily Secondary RR in Rupiah for a reporting period from 8 to 15 November 2013 to be fulfilled by a bank is 3.5% (three point five percent) of TPF in Rupiah amounting to Rp1,750,000,000,000.00 (one trillion seven hundred fifty billion rupiah).

Number 4:

Example of calculation:

Within a reporting period from 24 November to the last day of November 2013, Bank A has daily average of total TPF in Rupiah of Rp50,000,000,000,000.00 (fifty trillion rupiah).

Daily Secondary RR in Rupiah for a reporting period from 8 to 15 December 2013 to be fulfilled by a bank is 4% (four percent)

of TPF in Rupiah amounting to Rp2,000,000,000,000.00 (two trillion rupiah).

Letter c

Self-explanatory

Number 3

Article 9

Paragraph (1)

SBN consists of Government of Indonesia Securities and Government of Indonesia Sharia Securities.

“Government of Indonesia Securities”, hereinafter referred to as SUN, has a meaning as set forth in Law Number 24 of 2002 on Government of Indonesia Securities consisting of Government Bonds and Government Treasury Bill, but limited to Rupiah currency only.

“Government of Indonesia Sharia Securities” or “Sukuk”, hereinafter referred to as SBSN, has a meaning as set forth in the rules and regulations on Government of Indonesia Sharia Securities consisting of Long-Term SBSN and Short-Term SBSN, but limited to Rupiah currency only.

“Government Bond” means SUN with a period of more than 12 (twelve) months with coupon and/or discounted interest payment.

“Government Treasury Bill” means SUN with a period until 12 (twelve) months with discounted interest payment.

“Long-Term SBSN” means SBSN with a period of more than 12 (twelve) months with payment of yields in the form of coupon and/or discount.

“Short-Term SBSN”, or referred to as Sharia Government Treasury Bill, means SBSN with a period until 12 (twelve) months with payment of yields in the form of coupon and/or discount.

Calculation of percentage of Secondary RR in Rupiah is as follows:

$$\frac{\text{SBI} + \text{SDBI} + \text{SBN} + \text{Excess Reserve}}{\text{Daily average of TPF amount in 1 (one) reporting period within the previous 2 (two) reporting periods}} \times 100\%$$

Calculation of Secondary RR in Rupiah is based on Bank’s TPF as follows:

- a. Daily RR for a reporting period from the first day to the seventh day is the RR percentage determined from the daily average of TPF amount within a reporting period from the sixteenth to the twenty-third day of the previous month;
- b. Daily RR for a reporting period from the eighth day to the fifteenth day is equal to the RR percentage determined from the daily average of TPF amount within a reporting period from the twenty-fourth day to the last day of the previous month;
- c. Daily RR for a reporting period from the sixteenth to the twenty-third day is equal to the RR percentage determined from the daily average of TPF amount within a reporting period from the first day to the seventh day of the same month;
- d. Daily RR for a reporting period from the twenty-fourth to the last day is equal to the RR percentage determined from the daily

average of TPF amount within a reporting period from the eighth day to the fifteenth day of the same month.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Number 4

Article 10

Paragraph (1)

Self-explanatory

Paragraph (2)

Target LDR percentage, Incentive CAR, Lower Disincentive Parameter, and Upper Disincentive Parameter are determined according to the direction of Bank Indonesia's policy by considering, among others, macroeconomic, macro-prudential, and micro-prudential conditions.

Paragraph (3)

Self-explanatory

Number 5

Article 18

Paragraph (1)

Example of penalty calculation:

1. Within a reporting period from 1 to 31 October 2013

A Bank has a daily average of total TPF in Rupiah of Rp50,000,000,000,000.00 (fifty trillion rupiah) for a reporting period from 1 to 7 October 2013, LDR of 105% (one hundred five percent) for the same period, and CAR of 12% (twelve percent) at the end of June 2013.

Daily RR in Rupiah for a reporting period from 16 to 23 October 2013 to be fulfilled by the Bank is as follows:

- a. Primary RR in Rupiah of 8% (eight percent) of TPF in Rupiah amounting to Rp4,000,000,000,000.00 (four trillion rupiah);
- b. Secondary RR in Rupiah of 3% (three percent) of TPF in Rupiah amounting to Rp1,500,000,000,000.00 (one trillion five hundred billion rupiah); and
- c. RR by LDR in Rupiah of 1% (one percent) of TPF in Rupiah amounting to Rp500,000,000,000.00 (five hundred billion rupiah).

Primary RR in Rupiah and RR by LDR in Rupiah of 9% (nine percent) of TPF in Rupiah amounting to Rp4,500,000,000,000.00 (four trillion five hundred billion rupiah) must be fulfilled in the form of balance of Rupiah Demand Deposit Account with Bank Indonesia.

Secondary RR in Rupiah and RR by LDR in Rupiah of 3% (three percent) of TPF in Rupiah amounting to Rp1,500,000,000,000.00

(one trillion five hundred billion rupiah) must be fulfilled in the form of SBI, SDBI, SBN, and/or Excess Reserve.

Example 1:

On 16 October 2013, the balance of Bank's Rupiah Demand Deposit Account with Bank Indonesia is Rp4,200,000,000,000.00

(four trillion two hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp2,000,000,000,000.00 (two trillion rupiah).

There is a shortfall in Primary RR and RR by LDR amounting to Rp300,000,000,000.00 (three hundred billion rupiah). Such shortfall may not be covered from the excess of Secondary RR.

Rupiah JIBOR interest rate on 16 October 2013 is 6% (six percent).

The calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$\frac{\text{Shortfall in RR in Rupiah} \times 125\% \times \text{Rupiah JIBOR interest rate} \times \text{number of business day(s)}}{360}$$

$$\frac{\text{Rp}300,000,000,000.00 \times 125\% \times 6\% \times 1}{360}$$

In addition, on 16 October 2013, the Bank is not entitled to receive demand deposit interest because it fails to fulfill the overall RR in Rupiah (shortfall in Rupiah Demand Deposit Account balance for fulfillment of Primary RR and RR by LDR).

Example 2:

On 16 October 2013, Rupiah Demand Deposit Account balance is Rp4,600,000,000,000.00 (four trillion six hundred billion

rupiah) and the amount of SBI, SDBI, and SBN is Rp1,200,000,000,000.00 (one trillion two hundred billion rupiah) resulting in a shortfall in Secondary RR in Rupiah amounting to Rp200,000,000,000.00 (two hundred billion rupiah). The Bank has Excess Reserve of Rp100,000,000,000.00 (one hundred billion rupiah), which may be used to cover the shortfall. Therefore, there is still a shortfall in Secondary RR amounting to Rp200,000,000,000.00 (two hundred billion rupiah).

Rupiah JIBOR interest rate on 16 October 2013 is 6% (six percent).

The calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$\frac{\text{Shortfall in RR in Rupiah} \times 125\% \times \text{Rupiah JIBOR interest rate} \times \text{number of business day(s)}}{360}$$

$$\frac{\text{Rp}300,000,000,000.00 \times 125\% \times 6\% \times 1}{360}$$

In addition, on 16 October 2013, the Bank is not entitled to receive demand deposit interest because it fails to fulfill the overall RR in Rupiah (shortfall in SBI, SDBI, SBN, and/or Excess Reserve for fulfillment of Secondary RR).

Example 3:

On 16 October 2013, Rupiah Demand Deposit Account balance is Rp4,400,000,000,000.00 (four trillion four hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp1,200,000,000,000.00 (one trillion two hundred billion

rupiah). There is a shortfall in Secondary RR in Rupiah amounting to Rp400,000,000,000.00 (four hundred billion rupiah) consisting of a shortfall in Primary RR in Rupiah and RR by LDR in Rupiah of Rp100,000,000,000.00 (one hundred billion rupiah) and that in Secondary RR of Rp300,000,000,000.00 (three hundred billion rupiah).

Rupiah JIBOR interest rate on 16 October 2013 is 6% (six percent).

The calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$\frac{\text{Shortfall in RR in Rupiah} \times 125\% \times \text{Rupiah JIBOR interest rate} \times \text{number of business day(s)}}{360}$$

$$\frac{\text{Rp}300,000,000,000.00 \times 125\% \times 6\% \times 1}{360}$$

In addition, on 16 October 2013, the Bank is not entitled to receive demand deposit interest because it fails to fulfill the overall RR in Rupiah (shortfall in Rupiah Demand Deposit Account balance for fulfillment of Primary RR and RR by LDR and also that in SBI, SDBI, SBN, and/or Excess Reserve for fulfillment of Secondary RR).

2. Within a reporting period from 1 November to 1 December 2013
A Bank has a daily average of total TPF in Rupiah of Rp50,000,000,000,000.00 (fifty trillion rupiah) for a reporting period from 1 to 7 November 2013, LDR of 105% (one hundred

five percent) for the same period, and CAR of 12% (twelve percent) at the end of June 2013.

Daily RR in Rupiah for a reporting period from 16 to 23 November 2013 to be fulfilled by the Bank is as follows:

- a. Primary RR in Rupiah of 8% (eight percent) of TPF in Rupiah amounting to Rp4,000,000,000,000.00 (four trillion rupiah);
- b. Secondary RR in Rupiah of 3.5% (three point five percent) of TPF in Rupiah amounting to Rp1,750,000,000,000.00 (one trillion seven hundred fifty billion rupiah); and
- c. RR by LDR in Rupiah of 1% (one percent) of TPF in Rupiah amounting to Rp500,000,000,000.00 (five hundred billion rupiah).

Primary RR in Rupiah and RR by LDR in Rupiah of 9% (nine percent) of TPF in Rupiah amounting to Rp4,500,000,000,000.00 (four trillion five hundred billion rupiah) must be fulfilled in the form of balance of Rupiah Demand Deposit Account with Bank Indonesia.

Secondary RR in Rupiah and RR by LDR in Rupiah of 3.5% (three point five percent) of TPF in Rupiah amounting to Rp1,750,000,000,000.00 (one trillion seven hundred fifty billion rupiah) must be fulfilled in the form of SBI, SDBI, SBN, and/or Excess Reserve.

Example 1:

On 16 November 2013, the balance of Bank's Rupiah Demand Deposit Account with Bank Indonesia is Rp4,200,000,000,000.00 (four trillion two hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp2,000,000,000,000.00 (two trillion rupiah). There is a shortfall in Primary RR and RR by LDR amounting to Rp300,000,000,000.00 (three hundred billion rupiah). Such shortfall may not be covered from the excess of Secondary RR. Rupiah JIBOR interest rate on 16 November 2013 is 6% (six percent).

The calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$\frac{\text{Shortfall in RR in Rupiah} \times 125\% \times \text{Rupiah JIBOR interest rate} \times \text{number of business day(s)}}{360}$$

$$\frac{\text{Rp}300,000,000,000.00 \times 125\% \times 6\% \times 1}{360}$$

In addition, on 16 November 2013, the Bank is not entitled to receive demand deposit interest because it fails to fulfill the overall RR in Rupiah (shortfall in Rupiah Demand Deposit Account balance for fulfillment of Primary RR and RR by LDR).

Example 2:

On 16 November 2013, Rupiah Demand Deposit Account balance is Rp4,600,000,000,000.00 (four trillion six hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp1,500,000,000,000.00 (one trillion five hundred billion rupiah) resulting in a shortfall in Secondary RR in Rupiah amounting to

Rp250,000,000,000.00 (two hundred fifty billion rupiah). The Bank has Excess Reserve of Rp100,000,000,000.00 (one hundred billion rupiah), which may be used to cover the shortfall. Therefore, there is still a shortfall in Secondary RR amounting to Rp150,000,000,000.00 (one hundred fifty billion rupiah).

Rupiah JIBOR interest rate on 16 November 2013 is 6% (six percent).

The calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$\frac{\text{Shortfall in RR in Rupiah} \times 125\% \times \text{Rupiah JIBOR interest rate} \times \text{number of business day(s)}}{360}$$

$$\frac{\text{Rp300,000,000,000.00} \times 125\% \times 6\% \times 1}{360}$$

In addition, on 16 November 2013, the Bank is not entitled to receive demand deposit interest because it fails to fulfill the overall RR in Rupiah (shortfall in SBI, SDBI, SBN, and/or Excess Reserve for fulfillment of Secondary RR).

Example 3:

On 16 November 2013, Rupiah Demand Deposit Account balance is Rp4,400,000,000,000.00 (four trillion four hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp1,500,000,000,000.00 (one trillion five hundred billion rupiah) resulting in a shortfall in Secondary RR in Rupiah amounting to Rp350,000,000,000.00 (three hundred fifty billion rupiah) consisting of a shortfall in Primary RR in Rupiah and RR by

LDR in Rupiah of Rp100,000,000,000.00 (one hundred billion rupiah) and that in Secondary RR of Rp250,000,000,000.00 (two hundred fifty billion rupiah).

Rupiah JIBOR interest rate on 16 November 2013 is 6% (six percent).

The calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$\frac{\text{Shortfall in RR in Rupiah} \times 125\% \times \text{Rupiah JIBOR interest rate} \times \text{number of business day(s)}}{360}$$

$$\frac{\text{Rp300,000,000,000.00} \times 125\% \times 6\% \times 1}{360}$$

In addition, on 16 November 2013, the Bank is not entitled to receive demand deposit interest because it fails to fulfill the overall RR in Rupiah (shortfall in Rupiah Demand Deposit Account balance for fulfillment of Primary RR and RR by LDR and also that in SBI, SDBI, SBN, and/or Excess Reserve for fulfillment of Secondary RR).

3. From 2 December 2013

A Bank has a daily average of total TPF in Rupiah of Rp50,000,000,000,000.00 (fifty trillion rupiah) for a reporting period from 1 to 7 December 2013, LDR of 97% (ninety-seven percent) for the same period, and CAR of 12% (twelve percent) at the end of June 2013.

Daily RR in Rupiah for a reporting period from 16 to 23 December 2013 to be fulfilled by the Bank is as follows:

- a. Primary RR in Rupiah of 8% (eight percent) of TPF in Rupiah amounting to Rp4,000,000,000,000.00 (four trillion rupiah);
- b. Secondary RR in Rupiah of 4% (four percent) of TPF in Rupiah amounting to Rp2,000,000,000,000.00 (two trillion rupiah); and
- c. RR by LDR in Rupiah of 1% (one percent) of TPF in Rupiah amounting to Rp500,000,000,000.00 (five hundred billion rupiah).

Primary RR in Rupiah and RR by LDR in Rupiah of 9% (nine percent) of TPF in Rupiah amounting to Rp4,500,000,000,000.00 (four trillion five hundred billion rupiah) must be fulfilled in the form of balance of Rupiah Demand Deposit Account with Bank Indonesia.

Meanwhile, secondary RR in Rupiah and RR by LDR in Rupiah of 4% (four percent) of TPF in Rupiah amounting to Rp2,000,000,000,000.00 (two trillion rupiah) must be fulfilled in the form of SBI, SDBI, SBN, and/or Excess Reserve.

Example 1:

On 16 December 2013, the balance of Bank's Rupiah Demand Deposit Account with Bank Indonesia is Rp4,200,000,000,000.00 (four trillion two hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp2,100,000,000,000.00 (two trillion one

hundred billion rupiah) resulting in a shortfall in Primary RR and RR by LDR amounting to Rp300,000,000,000.00 (three hundred billion rupiah). Such shortfall may not be covered from the excess of Secondary RR.

Rupiah JIBOR interest rate on 16 December 2013 is 6% (six percent).

The calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$\frac{\text{Shortfall in RR in Rupiah} \times 125\% \times \text{Rupiah JIBOR interest rate} \times \text{number of business day(s)}}{360}$$
$$\frac{\text{Rp300,000,000,000.00} \times 125\% \times 6\% \times 1}{360}$$

In addition, on 16 December 2013, the Bank is not entitled to receive demand deposit interest because it fails to fulfill the overall RR in Rupiah (shortfall in Rupiah Demand Deposit Account balance for fulfillment of Primary RR and RR by LDR).

Example 2:

On 16 December 2013, Rupiah Demand Deposit Account balance is Rp4,600,000,000,000.00 (four trillion six hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp1,700,000,000,000.00 (one trillion seven hundred billion rupiah) resulting in a shortfall in Secondary RR in Rupiah amounting to Rp200,000,000,000.00 (two hundred billion rupiah).

The Bank has Excess Reserve of Rp100,000,000,000.00 (one hundred billion rupiah), which may be used to cover the shortfall.

Therefore, there is still a shortfall in Secondary RR amounting to Rp200,000,000,000.00 (two hundred billion rupiah).

Rupiah JIBOR interest rate on 16 December 2013 is 6% (six percent).

The calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$\frac{\text{Shortfall in RR in Rupiah} \times 125\% \times \text{Rupiah JIBOR interest rate} \times \text{number of business day(s)}}{360}$$

$$\frac{\text{Rp}200,000,000,000.00 \times 125\% \times 6\% \times 1}{360}$$

In addition, on 16 December 2013, the Bank is not entitled to receive demand deposit interest because it fails to fulfill the overall RR in Rupiah (shortfall in SBI, SDBI, SBN, and/or Excess Reserve for fulfillment of Secondary RR).

Example 3:

On 16 December 2013, Rupiah Demand Deposit Account balance is Rp4,400,000,000,000.00 (four trillion four hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp1,700,000,000,000.00 (one trillion seven hundred billion rupiah) resulting in a shortfall in Secondary RR in Rupiah amounting to Rp400,000,000,000.00 (four hundred billion rupiah) consisting of a shortfall in Primary RR in Rupiah and RR by LDR in Rupiah of Rp100,000,000,000.00 (one hundred billion

rupiah) and that in Secondary RR of Rp300,000,000,000.00 (three hundred billion rupiah).

Rupiah JIBOR interest rate on 16 December 2013 is 6% (six percent).

The calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$\frac{\text{Shortfall in RR in Rupiah} \times 125\% \times \text{Rupiah JIBOR interest rate} \times \text{number of business day(s)}}{360}$$
$$\frac{\text{Rp}400,000,000,000.00 \times 125\% \times 6\% \times 1}{360}$$

In addition, on 16 December 2013, the Bank is not entitled to receive demand deposit interest because it fails to fulfill the overall RR in Rupiah (shortfall in Rupiah Demand Deposit Account balance for fulfillment of Primary RR and RR by LDR and also that in SBI, SDBI, SBN, and/or Excess Reserve for fulfillment of Secondary RR).

Paragraph (2)

Example of calculation:

Bank A has a daily average of total TPF in foreign currency within the reporting period from 8 to 15 June amounting to USD100,000,000.00 (one hundred million US Dollar).

Daily RR in foreign currencies for a reporting period from 24 June to the last day of June amounts to:

8% x USD100,000,000.00 = USD8,000,000.00 (eight million US Dollar).

The balance of Foreign Currency Demand Deposit Account of Bank A with Bank Indonesia on 24 June is USD7,900,000.00 (seven million nine hundred thousand US Dollar) resulting in a shortfall in RR fulfillment of USD100,000.00 (one hundred thousand US Dollar). The calculation of penalty for breach of RR in foreign currencies by the Bank on such date is as follows:

$0.04\% \times (\text{USD}8,000,000.00 - \text{USD}7,900,000.00) = \text{USD}40.00$ (forty US Dollar).

Paragraph 3

“Bank Indonesia middle rate” is the selling rate plus buying rate divided by two.

With the penalty of USD40.00 (forty US Dollar) as given in the example above and assumed BI middle rate on the breach day of Rp9,000.00/USD (nine thousand rupiah per US Dollar), the penalty payable by the Bank amounts to:

$40 \times \text{Rp}9,000.00 = \text{Rp}360,000.00$ (three hundred sixty thousand rupiah).

Paragraph (4)

Dispensation for fulfillment of RR in Rupiah for Banks receiving an incentive for bank consolidation aiming to fulfill Primary RR in Rupiah under the current provision becomes at least 7% (seven percent) of TPF in Rupiah.

Article II

Self-explanatory

SUPPLEMENT TO STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER

5446