

ANNUAL REPORT  
CREDIT GUARANTEE CORPORATION OF INDONESIA  
2010



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KEY FOR MISMEsCo TO SUCCESS



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Credit Guarantee Corporation of Indonesia or known as Perum Jamkrindo always makes effort to achieve its vision, famous and trusted Credit Guarantee Corporation that capable to supporting the development of Micro, Small, Medium Enterprises and Cooperative (MiSMEsCo) in national economy.



Dear Sir,

Credit Guarantee Corporation of Indonesia or known as Perum Jamkrindo always makes effort to achieve its vision to be sound, famous and trusted Credit Guarantee Corporation that capable to supporting the development of Micro, Small, Medium Enterprises and Cooperative (MiSMEsCo) in national economy.

To Achieve these efforts, Perum Jamkrindo in addition to assignment for provide the provision of Credit Guarantee Service for MiSMEsCo, always keep the Corporate sustainability on the principles of Good Corporate Governance/GCG. The Credit Guarantee Loan for the Public Business (known as "KUR", which is a Government Program), is the one of the tasks of Public Service Provision for the benefit of MiSMEsCo, other than existing credit guarantee as well.

From year to year, the performance of Perum Jamkrindo has shown good enough movement. Total assets of Perum Jamkrindo in the end of 2010 has reached IDR 2.99 trillion. Therefore, the entire rows of the Board of Commissioner of Perum Jamkrindo congratulate for the hard work to achieved the performance. Hope for the following years, can be continuously improved to be even better.

From a combination of Human Resource with a reliable capacity, clear and unequivocal of authority and division of tasks, and reliable information system and risk-based decision making process, authority are the key to success in performance improvement Corporation from time to time.

We hope, management continues to improve its performance in the future by applying continuously and responsible for the principles of Good Corporate Governance (GCG) and obedient to the rules and legislation that applicable. Moreover, as industry that moves in financial service sector, human resource capability improvement becomes significant matter to be performed continuously, both through education or informal training (in-house) and by delivering to education institution outside Corporation.

We, as The Board of Commissioner and assisted by Audit Committee shall always assist and monitors Perum Jamkrindo in order to keep moving forward and developed. As The Board of Commissioner of Perum Jamkrindo, we are grateful for all achievements that have been reached. Hope in the future, Perum Jamkrindo will keep maintaining its good performance, so it can add value and give real contribution to the growth of national economy.

Sincerely Yours,  
Jakarta, April 4<sup>th</sup> 2011

Board of Commissioner



**Choirul Djahhari**  
Chairman



*from left to right:*  
Bandung Pardede (Member)  
Mahmud Husein (Member)  
Choirul Djahhari (Chairman)  
Anis Baridwan (Member)

The Perum Jamkrindo business developments during the year of 2010 has showed an exhilarate performance. This was shown with profit an IBT (Income Before Tax) that reached IDR 178.86 billion or increase amounting to IDR 42.44 billion (31.11%) from the previous year amounting to IDR 136.42 billion.



Dear Sir,

Alhamdulillah, thanks to gift and bless from Allah SWT, Perum Jamkrindo can through this year 2010 with a satisfying result. We, on behalf of entire rows of Directors would like to express our sincere gratitude to the entire stakeholders for all cooperation, prays and trust that had given to Perum Jamkrindo. In this opportunity, we intend to report the operational and financial performance of Perum Jamkrindo for the year 2010.

#### **Performance of Perum Jamkrindo**

The Perum Jamkrindo business developments during the year of 2010 has showed an exhilarate performance. This was shown with profit an IBT (Income Before Tax) that reached IDR 178.86 billion or increase amounting to IDR 42.44 billion (31.11%) from the previous year amounting to IDR 136.42 billion.

Whereas growth of total asset suffered significant increase amounting to 80.14% where in 2009 total asset amounting to IDR 1.66 trillion to be IDR 2.99 trillion in 2010. The increased of asset, were originated from addition of Government's Share Placement (as known "PMN") amounting to IDR 900 billion which has been stipulated by Government Regulation Number 82 of 2010 on 20 December 2010. Such PMN was given to The KUR Program for Micro and Small Business.

In the year 2010, the total guaranteed credit volume was amounting to IDR 34.12 trillion. That value increase amounting to IDR 8.77 trillion (34.47%) from 2009 amounting to IDR 25.44 trillion. Meanwhile, outstanding position credit guarantee by December 31st 2010 was amounting to 33.75% compared to 2009 that reached IDR 49.72 trillion. The Guarantee Fee received by Jamkrindo in 2010 was amounting to IDR 509.87 billion, increase amounting to IDR 69.6 billion (15.81%) from 2009 IDR 440.27 billion. Total claim paid by Perum Jamkrindo to Guarantee Receiver (creditor) in 2010 was amounting to IDR 178 billion, ascended amounting to IDR 30.09 billion (20.34%) from 2009 amounting to IDR 147.91 billion.

#### **Corporate Governance and Risk Management**

Perum Jamkrindo as State-Owned Company (BUMN) must perform Good Corporate Governance (GCG). Its stipulated in Joint Decree of Directors and The Board of Commissioner of Perum SPU Number: 62/DIR/XII/2005 and S-13/DP/XII/2005 concerning Implementation Manual of Good Corporate Governance (GCG) for Perum SPU. In performing GCG, management and The Board of Commissioner implement the corporation management based on principles of transparency, accountability, responsibility, autonomy, and properness.

The efforts that are performed by Perum Jamkrindo in improving corporate performance is supported by the availability of sufficient Human Resource (HR), the reliable of information technology system and Management commitment to empower and manage the entire components of the corporate to reach its vision and mission based on good corporate governance.

To support the achievement of Corporate objective, other than implementing principles of GCG, as a financial institution with primary business of credit guarantee, risk Management of the Corporate becomes an important matter to be performed. To implement the Risk Management, the Corporation has developed an integrated Risk Management System (Enterprise Risk Management, ERM). In the first stage of Risk Management implementation, Perum Jamkrindo has prepared Blueprint and Roadmap of Risk Management for Perum Jamkrindo.



Then, to support that implementation of Risk Management concept mentioned, in the end of 2010, all Directors has stipulated several regulations, those are, the regulation of Risk Management Implementation, the regulation of Risk Management Committee, the regulation of Risk Management Manual and SOP of Risk Management. Moreover, as a management commitment related to that implementation of Risk Management, the Directors and all entire officials of Perum Jamkrindo have to executed Statement on Risk Management Policy of Perum Jamkrindo.

From the organization view, in 2010 Directors have to performed adjustment of the organization structure. In the new organization structure mentioned, there was one of division that has tasks to coordinate the process implementation of Risk Management.

For the fluency of the process implementation for Risk Management throughout the line of the Corporate, Directors have to assigned a Person in Charge (PIC) to coordinate the implementation of Risk Management in each work unit.

For the follow-up of stipulation that regulation, in the year 2011 must perform the socialization of Risk Management for the entire rows in order that implementation will run well.

### Future Business Prospect


The Credit guarantee business in Indonesia are still widely opened, at present, Perum Jamkrindo is a constitutes that the only one of the Credit Guarantee Corporation with a national scale that acquires business license from Bappepamcq. The Bureau P2, and has been present in 17 cities that serve all Indonesia. The primary business of Perum Jamkrindo is to assure a proper business for MiSMEsCo credit. Other than performing commercial credit guarantee, Perum Jamkrindo also gives guarantee on KUR Program that is addressed to proper Micro and Small Business but not bankable, which has been started in the year 2007 until now. For the future years, Perum Jamkrindo shall always perform development of guarantee product, both guarantee on cash credit and non-cash credit, which are distributed by banking and non bank agency. That development is performed by Perum Jamkrindo to fulfil the requirement of MiSMEsCo in order to increase its business activity.

### Closing

In this great opportunity, we, on behalf of Directors, are grateful for the work of all partners that have given trust to Perum Jamkrindo. We are also grateful for the support from The Board of Commissioner and the entire stakeholders, until the business activity in the year 2010 can work well. We specially convey our thanks to the entire employees of Perum Jmakrindo that have commitment to work well to achieve the objective of the Corporate, so that business of the Corporate will continue to be developed and the performance of Corporate will be improved.

We shall always make the performance improvement as a motivator for the entire rows of managements and all employees at Perum Jamkrindo to always make the innovation for the improvement of satisfaction and trust of all partners to make a better service.

Sincerely Yours  
Jakarta, April 4<sup>th</sup> 2011



**Nahid Hudaya**  
President Director



*from left to right:*  
Bakti Prasetyo (Director of Business Development)  
Nahid Hudaya (President Director)  
Victor Hutapea (Director of Finance)  
Nanang Waskito (Director of Guarantee)



Per 30 March 2011,  
structure of Directors Perum Jamkrindo change to be:

*from left to right:*  
Herry Sidharta (Director of Finance)  
Nahid Hudaya (President Director)  
Bakti Prasetyo (Director of Business Development)  
Nanang Waskito (Director of Guarantee)

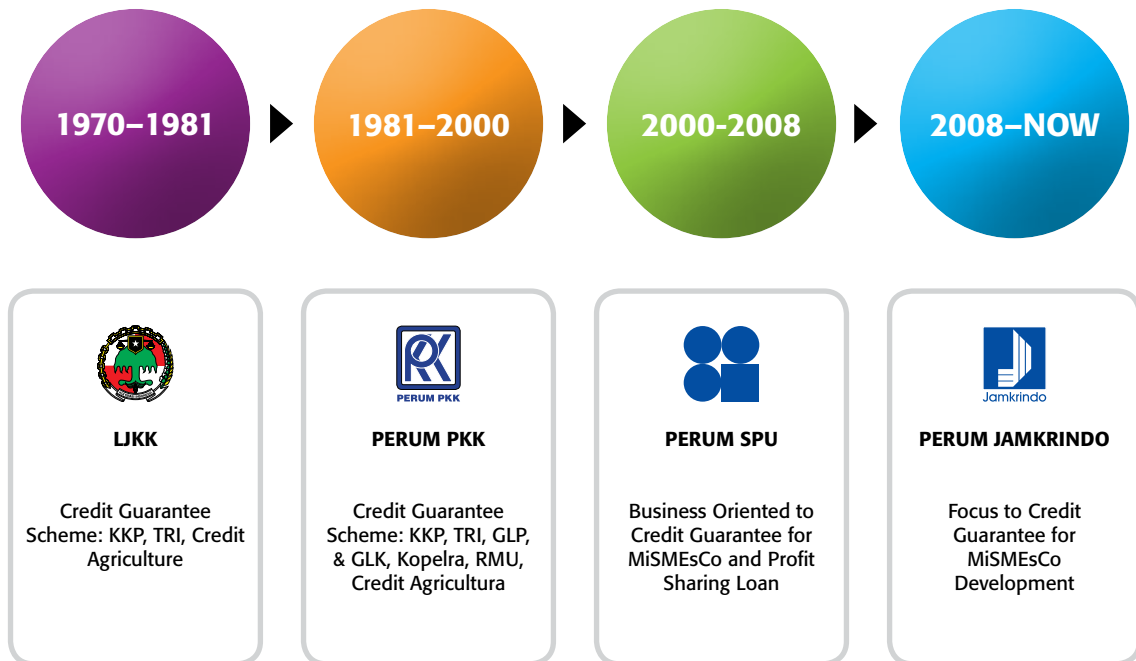
The cooperative progress was still left behind compared to the two other economic actors (state owned and Private), the Government established Credit Guarantee Agency of Cooperative (known as “LJKK”) in 1970 which in Finance of Cooperative (Perum PKK) through Government Regulation Number 51 on 23 December 1981, which was then completed by Government Regulation No. 27 on 31 May 1985.



Along with elapsed time and related to success of function and task performance of Perum PKK in developing cooperative through Credit Guarantee activity, the Government expands scope of service of Perum PKK and became not only limited to cooperative, but also including Micro, Small and Medium Business through Government Regulation No. 95 on 7 November 2000 and also changed name of Perum PKK into Perum SPU.

Then in May 2008, through Government Regulation No. 41 on 19 May 2008, Perum SPU was changed again into Perum Jamkrindo (Credit Guarantee Corporation of Indonesia). The name alteration of Corporation mentioned related to the business change of the Corporate which has not given loan directly to MiSMESCO through profit sharing pattern, but only focused on credit guarantee for MiSMESCO.

In the year 2008 as well, the Government issued a Presidential Decree No. 2 on 26 January 2008 concerning Guarantee Institutions. To implement the President Decree mentioned, the Government in this case, Ministry of Finance, issued Regulation of Minister of Finance (PMK) No. 222/PMK.010/2008 on 16 December 2008 concerning Credit Guarantee Corporation and Credit Re-guarantee Corporation. With this regulation, Perum Jamkrindo must possess business license as Credit Guarantee Corporation. To follow-up PMK mentioned, Minister of Finance issued Decree of Minister Number: KEP-77/KM.10/2009 on 22 April 2009 which stipulated business license of Perum Jamkrindo as Credit Guarantee Corporation.



In order to enforcement the role and function of Perum Jamkrindo, improving role of MiSMEsCo in national economic, then Perum Jamkrindo stipulates Vision and Mission of the Corporate as follows:

### **Vision**

To becomes a famous and trusted Credit Guarantee Corporation that able to support development of Micro, Small, Medium Enterprises and Cooperative MiSMEsCo in national economic.

### **Mission**

To reach an ideal goals of Corporate as above mentioned, then the missions of Perum Jamkrindo as follows:

1. To perform business activity of credit guarantee and management assistance consulting for development of Micro, Small, Medium enterprises and Cooperative MiSMEsCo.
2. To improve the professionalism in managing Corporation so as able to develop and produce profit in order to provide a wider excellent service to MiSMEsCO, business partners and beneficial for the Corporate.
3. Be Proactive against any form of changes and still considering the interest of related parties (stakeholder) pursuant to a healthy business principles.



### **Purpose And Objective**

Through the Government Regulation Number 41/2008 on 19 May 2008, the Government stipulates purpose and objective of Perum Jamkrindo is to participate in performing and supporting policy and programs of the government in economic sector and national development, by implementing the credit guarantee activity for Micro, Small, Medium Enterprises and Cooperative MiSMEsCO.

### **Corporate Culture**

Corporate develops a work culture to be comprehended by the entire rows of Corporate in every business process, those are:

1. Orientation to the consumer satisfaction.
2. Proactive against the change of business environment.
3. Be honest, positive thinking and high dedication.
4. Work diligently, discipline by prioritizing interest of the Corporation.
5. Always improve the professionalism in order to additional value achievement of Corporate.



The Main Business activities of Perum Jamkrindo is to performs credit guarantee, both cash and non cash given by bank or corporate to Micro, Small and Medium Enterprises and Cooperative MiSMEsCo; (pursuant to Government Regulation Number 41 of 2008, Third Chapter concerning “Business Activity and Development” Article 8 paragraph a).

#### **A. GUARANTEE BUSINESS PRODUCT**

The Credit Guarantee is a function of providing guarantee for financial obligation fulfillment (Guaranteed) to the creditor (Guarantee Receiver).

The Credit Guarantee Process involves at least three parties, those are, creditor company/financing company which in this case called as Guarantee Receiver, the debtor which in this case called as the Guaranteed, and Credit Guarantee Corporation which in this case called the Guarantor. The Characteristic of Credit Guarantee is an expropriation risk on failure to support the Guaranteed in fulfilling its financial obligation to the Guarantee Receiver, but does not release the financial obligation of the Guaranteed to the Guarantee Receiver until the Guarantee Receiver states Credit/Financing of the Guaranteed has been paid in fully.

The Credit Guarantee is required by the Guarantee Receiver at the time of credit application/financing from Guaranteed is stated as proper by Guarantee Receiver notwithstanding has not fulfilled administrative requirements of banking credit, particularly in respect of collateral sufficiency fulfillment.

The types of Guarantee Business Product:

##### **1) KUR**

KUR is a Working Capital Credit and/or investment to MiSMEsCo in productive and proper business sector, but not bankable with ceiling of credit up to IDR 500,000,000 (five hundred million rupiahs) which is guaranteed by the Guarantee Corporation. The expected of KUR distribution is to assist productive business development.

Since its founding, Perum Jamkrindo has commitment to participate and support policy of government program in economics and national development by performing credit guarantee activity for Micro, Small, Medium enterprises and Cooperative MiSMEsCo. One of them, that is, by optimizing guarantee program of KUR.

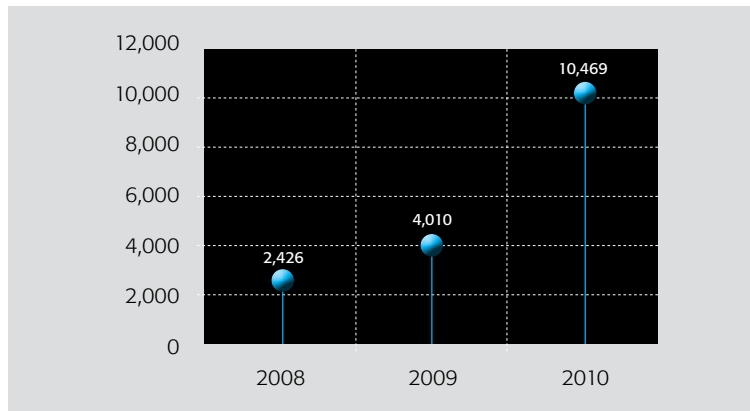
The KUR Guarantee program constitutes one of the government programs in effort to realize acceleration of real sector development and empowerment of Micro, Small, Medium Enterprises and Cooperative MiSMEsCo by giving and improving credit access for MiSMEsCo which has the potential business (feasible) but not fulfill the criteria of financing through banking (bankable).

Since the assignment by the Government as one of the Guarantee Corporation of KUR in 2007 until 2010, Perum Jamkrindo has made cooperation with 19 Supplying Bank for KUR program that consist of 6 Public Bank and 13 Regional Development Bank.

The Realization of KUR guarantee program until the end of 2010 Perum Jamkrindo had guaranteed for amounting IDR 10.47 trillion, with in the year 2008 IDR 2,426 billion, in the year 2009 amounting to IDR 1,584 billion and in the year 2010 amounting to IDR 6,459 billion.

(IDR Billion)

Credit Volume	<b>up to 2008</b>	<b>up to 2009</b>	<b>up to 2010</b>
<b>KUR</b>	2,426	4,010	10,469

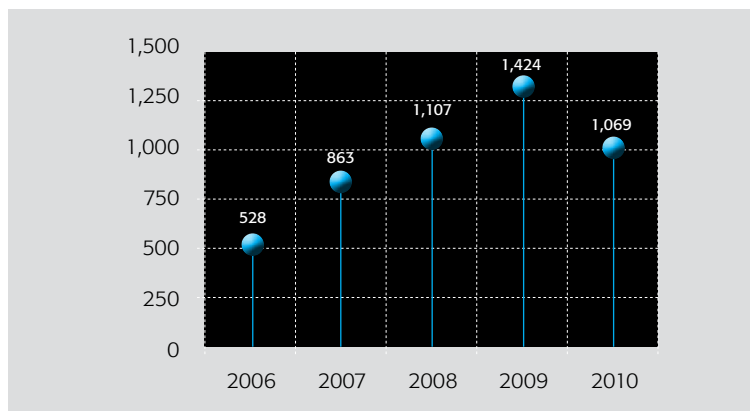


### 2) Credit Guarantee for Commercial Loan

Is to guarantee the loan that given by the Guarantee Receiver to the Guaranteed for the additional requirement of Working Capital and/or investment in order for business improvement and development of Guaranteed, which its guarantee process is performed in case by case.

(IDR Billion)

Credit Volume	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Commercial Loan</b>	528	863	1,107	1,424	1,069



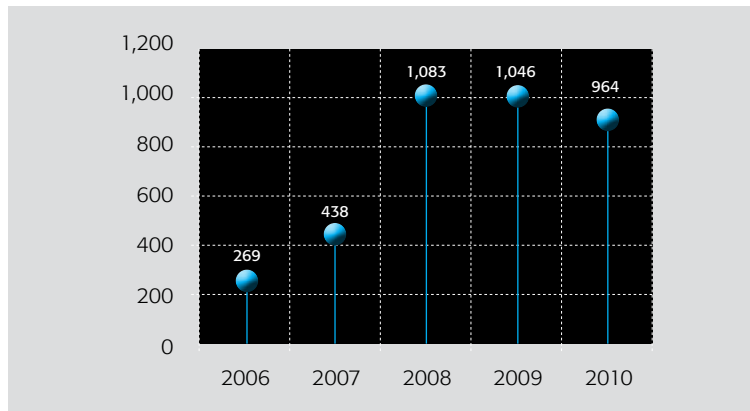
### 3) Credit Guarantee for Micro Financing

Is to guarantee the loan that given by the Guarantee Receiver to the Guaranteed, Micro and Small Businessman, for the requirement of Working Capital and/or investment in order for business improvement and development of the Guaranteed, with its amount of credit ceiling/financing pursuant to provision of micro credit at the Guarantee Receiver, and its guarantee submission process is performed in collectively or individually.



(IDR Billion)

Credit Volume	2006	2007	2008	2009	2010
<b>Micro Financing</b>	269	438	1,083	1,046	964



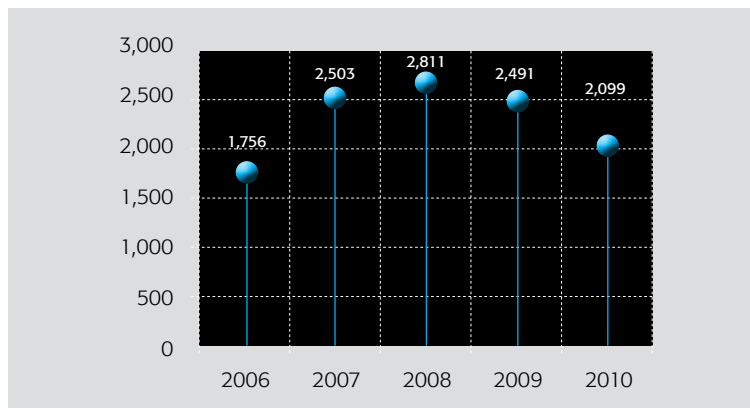
In the year 2008 there was an increased of micro credit guarantee volume amounting to 147,22% or from IDR 438 billion in the year 2007 to IDR 1.083 billion. While in 2010, the volume realization of Micro Credit Guarantee decreased by amounting to 8.48% from IDR 1.046 billion in 2009 to IDR 964 billion in 2010. The decrease resulted from the existence of change in micro customer into micro customer of KUR because they have met criteria as KUR debtor.

#### 4) Credit Guarantee for Goods/Service Construction and Procurement

Is to guarantee the loan that given by the Guarantee Receiver to the Guaranteed for the requirement of Working Capital additional for goods/service construction and procurement service business pursuant to its work contract, with its retrieval process is originated from National Budget/Regional Budget fund or national private, which its guarantee submission process is performed in collectively.

(IDR Billion)

Credit Volume	2006	2007	2008	2009	2010
<b>Goods/Service Construction &amp; Procurement</b>	1,756	2,503	2,811	2,491	2,099



Since the year 2008 until 2010, the Credit Guarantee volume of Goods/Service Construction and Procurement is suffered decline. In 2009 the suffered decline amounting to IDR 12.85% (IDR 319 billion) or from IDR 2,811 billion to IDR 2,491 billion. And in 2010, also suffered decline amounting to 18.64% from IDR 2,491 billion in 2009 to IDR 2,099 billion in 2010. That decline was resulted because the corporation is still focused on the construction service that given by the BPD (Regional Development Bank) which its repayment source are from the Regional Budget fund.

##### 5) Credit for Multi-purpose

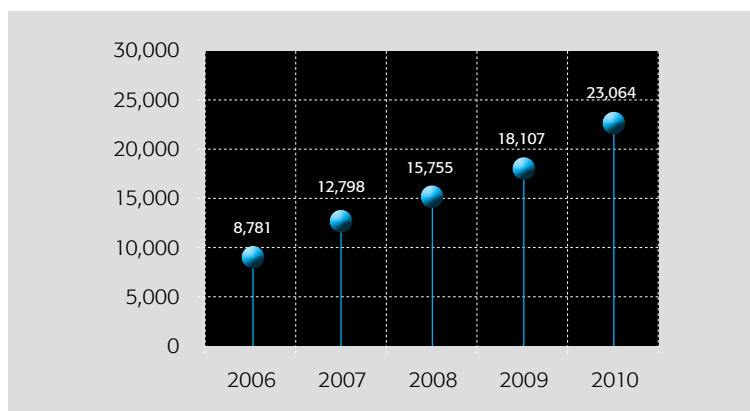
Is to guarantee the loan that given by the Guarantee Receiver to the Guaranteed, individual (permanent employee of a Company/government instance) which its distribution performed directly or through the other agency, with its repayments source are by deducting the wage of the Guaranteed from its guarantee submission process performed in collectively.

Perum Jamkrindo will always develops and performs innovation continuously against Multi-purpose Credit guarantee.

During the last 5 (five) years, Multi purpose Credit Guarantee has shown an increasing growth. It was shown from the year 2006, Multi purpose Credit Guarantee has showed a figure amounting to IDR 8,781.4 billion, in the year 2007 ascended to IDR 12,798.9 billion, in the year 2008 ascend to IDR 15,755.7 billion, then in the year 2009 ascended to IDR 18,107.5 billion and in the year 2010 ascended to IDR 23,064.2 billion.

(IDR Billion)

Credit Volume	2006	2007	2008	2009	2010
<b>Multi-purpose</b>	8,781	12,798	15,755	18,107	23,064



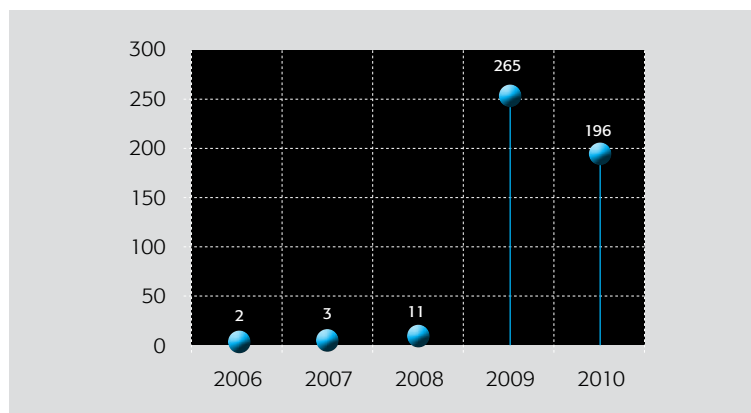
## 6) Credit for Distribution

Is to guarantee the loan that given by the Guarantee Receiver (goods producer) to the Guaranteed which its obligates the Guaranteed to make payment whitin a certain term.

It is for Micro, Small, Medium Enterprises and Cooperative MiSMESCo. Perum Jamkrindo will always develops and makes an innovation continuously against Goods Distribution Underwriting.

(IDR Billion)

Credit Volume	2006	2007	2008	2009	2010
<b>Distribution</b>	2	3	11	265	196



During the last 5 (five) years, the guarantee for Goods Distribution has shown a good enough progress. This was shown in the year 2006, the Goods Distribution guarantee has showed figure amounting to IDR 2 billion then in the year 2007 its ascended to IDR 3 billion, then in the year 2008 has showed an increase amounting to IDR 11 billion then in the year 2009 has showed an increase amounting to IDR 265 billion and in the year 2010 has decreased amounting to IDR 196 billion.

## 7) Counters for Bank Guarantee

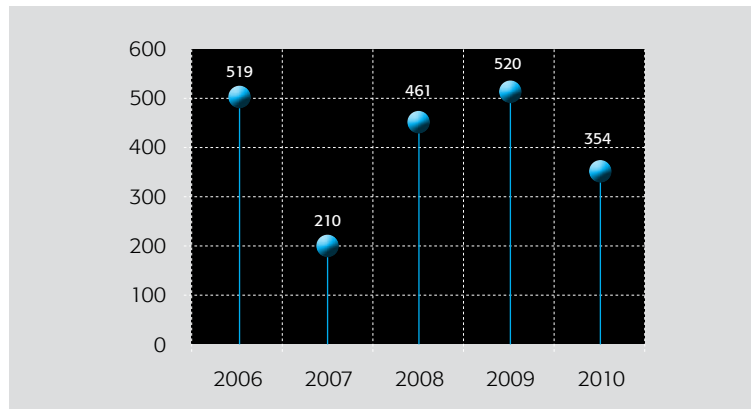
Is to guarantee conferral in the form of contra-guarantee on Bank Guarantee facility issued by the Guarantee Receiver to the Guaranteed.

The product of Contra-Bank Guarantee is for Micro, Small, Medium enterprises and Cooperative MiSMESCo. Perum Jamkrindo develops and makes innovation continuously against counters for Bank Guarantee.

During the last 5 (five) years, counters for Bank Guarantee has showed fluctuation progress. This has been shown from the year 2006, counters for Bank Guarantee showed figure amounting to IDR 519 billion, then in 2007 decline to IDR 210 billion, then in 2008 showed increase amounting to IDR 461 billion, then in 2009 showed increase amounting to IDR 520 billion and in 2010 suffered decrease amounting to IDR 354 billion.

(IDR Billion)

Credit Volume Counters for Bank Guarantee	2006	2007	2008	2009	2010
	519	210	461	520	354



## B. PATTERN OF CREDIT GUARANTEE

### 1. Sharia and Conventional

#### 1.a. Sharia Guarantee Pattern

The Sharia Guarantee was established in 1997, that was the cooperation between guarantee and sharia banking, namely PT. Bank Muamalat Indonesia and then came afterward with PT. Bank Syariah Mandiri in the year 2003.

The Established of the Sharia Guarantee Division, it has been recommended by the National Sharia Council of Majelis Ulama Indonesia/Clergy Assembly of Indonesia (DSN-MUI) through decree of DSN-MUI Number: U- 217/DSN-MUI/IX/2006 on 15 September 2006, it was announced officially on February 13th 2007.

Recently, along with rapid growth of banking/financial agency of sharia, the potential business of sharia guarantee also increased. Similar to what has been regulated in conventional guarantee pattern performed in public banking and conventional financial agency, then basically financing guarantee which is based on sharia principle is identical to fulfillment the provision of sharia banking and sharia financial agency in an effort to mitigate the risk of financing which has been distributed.

The sharia economy has regulated guarantee in economic activity (muamalah) by using Akad Kafalah.

Principally, the loan is given to MiSMEsCo which has the potential business (feasible), but not fulfill the criteria of financing through sharia banking (non bankable).

#### 1.b. Conventional Guarantee Pattern

Conventional Credit Guarantee is an activity of guaranteeing on fulfillment of financial obligation for the credit receiver (Guaranteed) to the Guarantee Receiver.

The conventional credit guarantee process involves at least 3 (three) parties, those are, the creditor company which in this case called the Guarantee Receiver, debtor of credit which in this case called the Guaranteed, and Conventional credit guarantee corporate which in this case called the Guarantor.

The Characteristic of conventional credit guarantee is an expropriation risk on failure to support the Guaranteed in fulfilling its financial obligation to the Guarantee Receiver, but does not release the financial obligation of the Guaranteed to the Guarantee Receiver until the Guarantee Receiver states that credit of the Guaranteed has been paid fully.

The Conventional credit guarantee is required by the Guarantee Receiver at the time of the credit application from the Guaranteed is stated as a proper by the Guarantee Receiver, but not yet fulfilling the administrative requirements of the bank creditor, particularly in terms of adequacy of collateral fulfillment.

## 2. KUR and Existing

### 2.a. KUR Guarantee Pattern

Perum Jamkrindo performs guarantee to the KUR distribution both performed by directly and indirectly. The direct KUR Distribution is performed by participating Banks to MiSMEsCo, while for the indirect distribution of KUR, the participating Bank makes cooperation with the linkage agency to the KUR distribution to MiSMEsCo by Executing patterns and Channelling pattern.

### 2.b. Existing Guarantee Pattern

Perum Jamkrindo performs existing guarantee both performed by directly and indirectly. The Direct loans are given by the Guarantee Receiver to MiSMEsCo, while for the indirect loans distribution, the Guarantee Receiver makes cooperation with the Linkage Agency by Executing Pattern and Channelling pattern as stated in table below.

Credit Guarantee Products	Distribution	
	Direct	Indirect
Credit Guarantee for Micro Financing	•	•
Credit Guarantee for Commercial Loan	•	•
Credit Guarantee for Construction	•	
Credit Guarantee for Counters Bank Guarantee	•	
Credit Guarantee for Distribution	•	
Credit Guarantee for Multi-purpose	•	•

## 3. Mechanism of the Credit Guarantee

The Mechanism of the Credit Guarantee which is performed constitutes is one of the services (Service Level) to the partner of the Guarantee Receiver (Financial Agency of Bank/Non-Bank) pursuant to the agreement between Perum Jamkrindo (the Guarantor) and the Guarantee Receiver as in the Cooperation Agreement or Agreement Letter of Guarantee Principle (SP3). As for guarantee mechanism which is prevails at Perum Jamkrindo recently, are differentiated into 2 (two), those are:

#### a. Guarantee Mechanism Case by Case

##### Definition

Is a guarantee mechanism that given by Guarantor, where Guarantor performs business feasibility in advance against Prospect Guaranteed MiSMEsCo.

Steps for credit guarantee case by case are:

- 1) The Guaranteed and the Guarantee Receiver or work partner of bank/non-bank submits credit guarantee application to guarantee by attaching several documents among other things, business proposal, identity and legality of applicant business as credit application from the Guaranteed of MiSMEsCo to the Guarantee Receiver.
- 2) After performed the feasibility analysis of guarantee, then the Guarantor issues Offering Letter (SP3) to the Guarantee Receiver which contains provision and requirements of guarantee, and submits rejection letter when the Guarantor disagree on guarantee application mentioned.
- 3) The Guarantee Receiver submits offering letter and SP3 of the Guarantor, if its approves provision in SP3.
- 4) The Guarantee Receiver submits issuance application of the Certificate of Guarantee (SP) by attaching several documents, among other things, copy of Credit Agreement and its Addendum and payment receipt of Guarantee Service Fee (IJP).
- 5) The Guarantor issues the Certificate of Guarantee (SP) to the Guarantee Receiver.

#### b. Conditional Automatic Cover/CAC Guarantee Mechanism

##### Definition

Is a guarantee mechanism that given by the Guarantor through terms and conditions of credit guarantee which since the beginning has been approved between the Guarantor and the Guarantee Receiver and poured in Credit Guarantee Agreement or Approval Letter of Master Guarantee Principle (Master SP3). The submission of a credit Guarantee is performed after the guarantee receiver realized its credit and can be performed collectively.

Steps for conditional automatic cover credit guarantee, are:

- 1) The Guarantor studies terms and conditions of the loan and credit mechanism prevailing in the Guarantee Receiver.
- 2) The Guarantee Receiver and the Guarantor makes agreement on guarantee criteria including terms and conditions of conditional automatic guarantee in a Credit Underwriting Agreement or Approval Letter of Master Guarantee Principle (Master SP3).
- 3) The Guarantee Receiver submits directly, application letter of the Certificate Guarantee issuance periodically, to the Guarantor by attaching nomination list of prospect Guarantee and payment receipt IJP.
- 4) The Guarantee Receiver keeps several documents that shall be submitted to the Guarantor at the time of claim.

#### 4. Co-Guarantee

The Government has targeted of KUR distribution in each year amounting to IDR 20 trillion. To support that, the Government determines PMN Budget (National Budget) amounting to IDR 2 trillion to assure the KUR allocated at Perum Jamkrindo and PT. Askrindo, and in guaranteeing KUR, the banks is freed to pledge its credits to Perum Jamkrindo or PT. Askrindo.

The basis of cooperation based on:

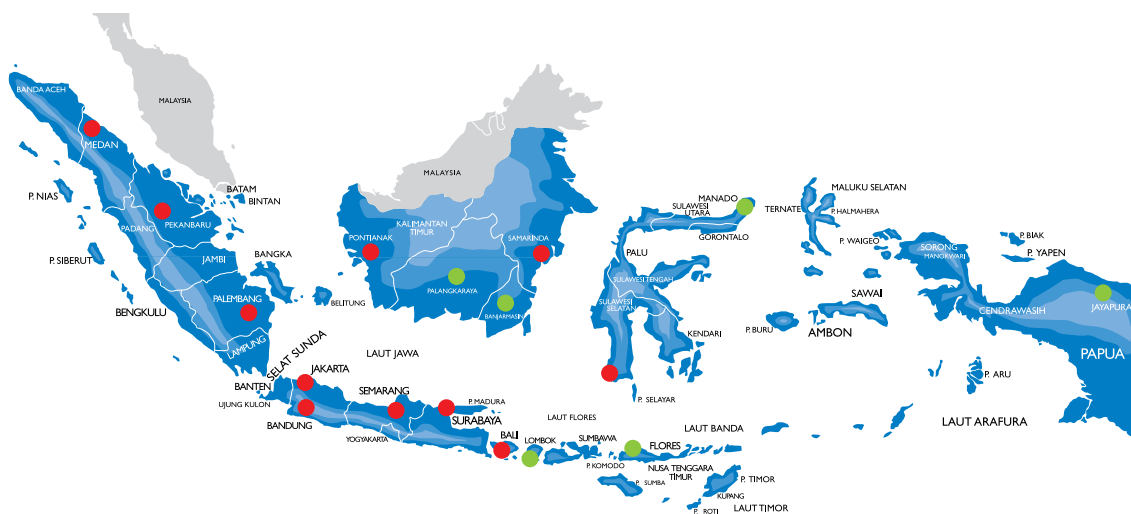
- a. Perum Jamkrindo and PT. Askrindo are the same State-Owned Company.
- b. Perum Jamkrindo and PT. Askrindo are the same obtaining an extra fund of PMN.
- c. Perum Jamkrindo and PT. Askrindo are the same acquiring task to guarantee KUR.
- d. The same Guaranteeing the Banks that has task to provide KUR to the MiSMESCo.
- e. The same in KUR risk of profile and guarantee in Conditional Automatic Cover/CAC.

Then, since 2010, Perum Jamkrindo and PT. Askrindo have made cooperation of Co-Guarantee, in order that implementation of government program mentioned can be performed all the best.

Meanwhile, in order to fulfill requirement of guarantee partner to guarantee Productive Micro and Small and Non KUR credit conferral and Multi purpose loan, member of National Police of Indonesia/Indonesian National Armed Force, Employee of State-Owned Company/Regional-Owned Company and Employee of famous Private company, then one of risk mitigation in 2010, Perum Jamkrindo has executed cooperation of Co-Guarantee with several insurance companies as work partner of Co-Guarantee, inter-alia: PT. Asuransi Jiwasraya (Persero), PT. Asuransi Jiwa Syariah Al Amin, PT. Heksa Eka Life Insurance and PT. Asuransi Syariah Mubarakah.



## 5. Working Unit



Working Unit	Location
Branch Office	Jakarta, Bandung, Semarang, Surabaya, Makassar, Pekanbaru, Denpasar, Pontianak, Palembang, Samarinda, and Medan
Sub-Branch Office	Palangkaraya, Mataram, Kupang, Banjarmasin, Manado, and Jayapura

The service area of Perum Jamkrindo covers the entire territory of Indonesia with Working Unit and Service Area as follows:

No	Working Unit	Service Area
1	Surabaya	East Java and Sub Branch Office of Jayapura
2	Semarang	Central Java and DI Yogyakarta
3	Bandung	West Java and outside the Branch Office of Jakarta
4	Pekanbaru	West Sumatera, Riau, The Islands of Riau and Jambi
5	Makassar	South Sulawesi, West Sulawesi, Central Sulawesi, Southeast Sulawesi, Maluku, North Maluku and Sub Branch Office of Manado
6	Palembang	South Sumatera, Bengkulu and Bangka Belitung
7	Denpasar	Bali, Sub Branch Office of Kupang and Sub Branch Office of Mataram
8	Samarinda	East Kalimantan and Sub Branch Office of Banjarmasin
9	Pontianak	West Kalimantan and Sub Branch Office of Palangkaraya
10	Jakarta	DKI Jakarta, Bogor, Depok, Bekasi, Banten and Lampung
11	Medan	North Sumatera and DI Aceh
12	Palangkaraya	Central Borneo
13	Banjarmasin	South Borneo
14	Mataram	West Nusa Tenggara
15	Kupang	East Nusa Tenggara
16	Manado	North Sulawesi and Gorontalo
17	Jayapura	Papua and West Papua





Bandung Branch Office



Makassar Branch Office



Semarang Branch Office



Denpasar Branch Office



Surabaya Branch Office



Medan Branch Office

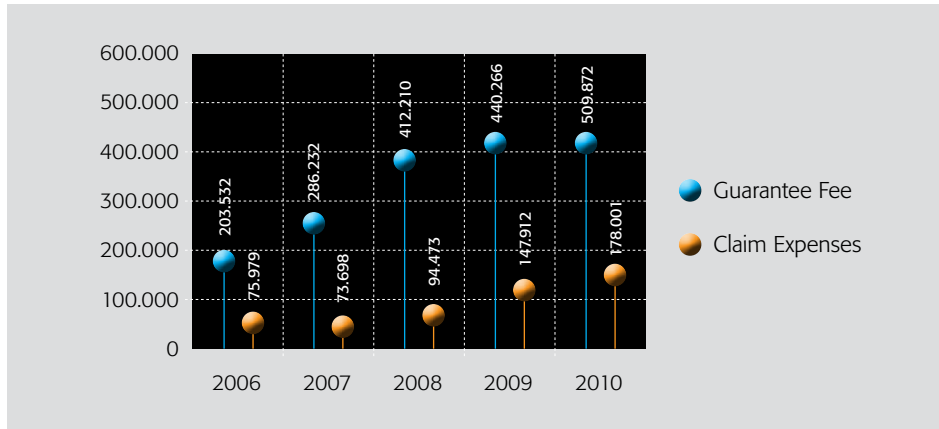
## FINANCIAL STATEMENTS

(IDR Million)

	2010	2009	2008	2007	2006
<b>Balance Sheet</b>					
Total Assets	2,993,023	1,661,517	1,267,182	1,125,982	442,086
Total Current Assets	2,880,123	1,387,310	1,022,497	935,497	172,007
Total Non Current Assets	112,900	274,207	244,685	190,486	270,079
Current Liabilities	929,336	87,121	79,069	59,093	33,165
Long-Term Liabilities	167,618	1,384	1,313	1,139	1,073
Other Liabilities	23	139,000	128,592	120,126	112,784
Equities	1,896,047	1,434,013	1,058,208	945,624	295,064
<b>Statement of Income</b>					
Income from Operations	595,091	506,453	466,031	301,616	222,703
Guarantee Fee	509,872	440,266	412,210	286,232	203,532
Interest Income	85,218	66,187	53,821	15,383	19,170
Operating Expenses	452,139	402,657	323,172	238,939	196,226
Claim Expenses	178,001	147,912	94,473	73,698	75,979
Non Claim Expenses	274,138	254,745	228,699	165,240	120,247
Non Operating Income (Expenses)	35,910	32,622	30,270	16,793	15,408
Income Before Tax	178,862	136,418	172,188	79,471	41,885
Net Income	148,389	113,193	133,821	58,600	33,580
<b>Financing Ratio</b>					
Current Ratio	309.91%	1592.40%	1293.17%	1583.09%	518.64%
Operating Ratio	75.98%	79.51%	69.49%	79.22%	88.11%
Debt Ratio	36.65%	13.69%	16.49%	16.02%	33.26%
Claim Ratio	34.91%	33.60%	22.92%	25.75%	37.33%
<b>Profitabilities</b>					
R O A	6.38%	7.73%	11.18%	7.47%	7.96%
R O E	7.83%	7.89%	12.65%	6.21%	11.38%
<b>Solvabilities</b>					
	57.86%	15.86%	19.75%	19.07%	49.83%

The graph comparison graphic between Guarantee Service Fee and Claim Expenses during the last 5 (five) years.

(IDR Billion)



**Outstanding Guarantee:** Outstanding credit guarantee until 31 December 2010 amounting to IDR 66.14 trillion that consisted of productive credit amounting to IDR 15.73 trillion and non-productive credit or multi purpose amounting to IDR 50.69 trillion.

#### GEARING RATIO

Gearing Ratio is the ratio between the outstanding credit which is guaranteed to the total equity of the Corporation. In 2010, Gearing Ratio for productive business was 8.29 times and Gearing Ratio for Non-Productive credit was 26.73 times. Pursuant to applicable provision, the Maximum of Gearing Ratio for productive business was maximum 10 times, and for the non-productive business was 50 times. Therefore, Perum Jamkrindo still fulfilled the applicable provisions. That value was also showed that Perum Jamkrindo is still had freedom to perform the guaranteeing activity. In other side, such value was also showed that Perum Jamkrindo has been sufficiently effective in performing its role as credit guarantor related to its capital.

**PERUM JAMINAN KREDIT INDONESIA  
(CREDIT GUARANTEE CORPORATION OF INDONESIA)  
BALANCE SHEET (Audited)**

For the years that end 31 December 2006 to 2010  
(in million rupiah)

DESCRIPTION	2010	2009	2008	2007	2006
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalent	2,441,212	1,324,286	986,509	907,930	149,114
Short-Term Investment					
Net of Allowance for Impairment Losses	452	4,174	6,049	11,472	14,600
Co-Guarantee Receivable	66,571	47,375	21,577	10,919	1,982
Other Investment	-	-	-	2,684	2,430
Other Receivable	570	566	855	703	625
Accrued Revenue	61,416	8,347	4,388	466	1,251
Advance	3,078	756	-	-	-
Prepaid Expenses	306,824	1,806	3,119	1,321	2,004
Total Current Assets	2,880,123	1,387,310	1,022,497	935,497	172,007
<b>NON CURRENT ASSETS</b>					
Long-Term Investment					
Net of Allowance for Impairment Losses	10,606	66,355	55,177	11,184	4,483
Fixed Assets					
Net of Accumulated Depreciation	53,783	47,870	43,555	42,619	40,925
Deferred Expenses	-	-	-	391	328
Deferred Tax Assets	47,369	5,767	3,027	2,738	2,532
Other Assets	1,142	154,215	142,926	133,554	221,810
Total Non Current Assets	112,900	274,207	244,685	190,486	270,079
<b>TOTAL ASSETS</b>	<b>2,993,023</b>	<b>1,661,517</b>	<b>1,267,182</b>	<b>1,125,982</b>	<b>442,086</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Claim Payable	13,670	7,024	1,813	2,410	1,043
Tax Payable	25,023	10,407	25,812	15,398	2,219
Premium Payable	12	251	200	174	109
Accrued Expenses	14,415	10,282	12,896	11,770	10,040
Unearned Revenue	776,940	1,412	1,425	1,710	1,576
Co-Guarantee Payable	27,214	5,004	-	-	-
Other Liabilities in Progress	71,029	51,721	35,870	26,654	17,247
Other Payable	1,033	1,020	1,052	977	930
Total Current Liabilities	929,336	87,121	79,069	59,093	33,165
<b>LONG-TERM LIABILITIES</b>					
Payable to Third Parties	1,588	1,384	1,123	981	948
Liabilities Fee	-	-	190	159	126
Claim Reserve	166,029	-	-	-	-
Total Long-Term Liabilities	167,618	1,384	1,313	1,139	1,073
<b>OTHER LIABILITIES</b>	23	139,000	128,592	120,126	112,784
<b>TOTAL LIABILITIES</b>	<b>1,096,976</b>	<b>227,504</b>	<b>208,974</b>	<b>180,358</b>	<b>147,022</b>
<b>EQUITIES</b>					
Government's Share Placement	1,849,733	949,733	699,733	699,733	99,733
Appropriate Retained Earnings	458,906	360,132	237,750	187,291	161,750
Unrealized Gain (Loss) on Securities Available for Sale	-	10,954	(13,097)	-	-
Retained Earnings Effects SFAS 50-55 and Changes of Accounting Policy	(560,981)	-	-	-	-
Retained Earnings	148,389	113,193	133,821	58,600	33,580
Total Equities	1,896,047	1,434,013	1,058,208	945,624	295,064
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,993,023</b>	<b>1,661,517</b>	<b>1,267,182</b>	<b>1,125,982</b>	<b>442,086</b>

# ORGANIZATION CHART

Every organization always faces dynamics of environment change, both internally and externally. To face dynamics of environment change mentioned requires effective organization management. Management Effectiveness of an organization is so required by organization structure and its organization management.

In order to respond environment change of Company and achievement of long term business direction, then in 2010, Perum Jamkrindo has performed adjustment against Organization Structure of Company. The following is Organization Structure of Perum Jamkrindo as already stipulated in Decree of Directors Number 33/Kep-Dir/VII/2010 on 1 July 2010, that consists of:

1. Organization Structure of Head Office.
2. Organization Structure of Branch Office Class A.
3. Organization Structure of Branch Office Class B.
4. Organization Structure of Sub Branch Office.

## ORGANIZATION STRUCTURE

