ATTACHMENT I.1.e

Matrix of Parameters/Indicators of Legal Risk Assessment

A. Inherent Risk *)			
Num-ber	**Parameter**	**Indicator**	**Explanation**
1.	Litigation Factor	a. The size of the nominal amount of the claim or lawsuit filed or estimated loss that Bank might experience due to the claim compared to Bank's capital. b. The size of loss experienced by Bank due to court decision that has final and binding decision compared to Bank's capital. c. The basis of the lawsuit that has occurred and the party that is being sued by/is suing the Bank in a filed lawsuit as well as management actions in a filed lawsuit. d. Possibility of the occurrences of similar lawsuits because of the existence of the same standard agreement and estimation of total loss that might occur	Litigations may occur due to the lawsuits filed by or claims made by third parties against Bank as well as lawsuits or claims filed against third parties through court or outside of court. Such lawsuits or claims basically create expenses that can be disadvantageous to Bank's condition.

		compared to Bank's capital.	
2.	Engagement Weakness Factor	a. Unfulfillment of the terms of the agreements, which otherwise will have made the agreements valid. b. There are weaknesses in the clauses of agreements and/or unfulfillments of agreed terms. c. Understanding of related parties in agreements, particularly concerning Risks that might exist in complex transactions that use terminologies that are difficult to be understood or are not commonly known to the general public. d. Agreements that are not executed either entirely or partly. e. Insufficiency of supporting documents related to agreements made by Bank with third parties. f. Updating and reviews on the use of standard agreements by Bank and/or independent parties.	Weaknesses in engagements undertaken by Bank are sources of problems or disputes in the future that might cause potential Legal Risks to Bank.

		g. Use of legal options on agreements made by Bank and use of dispute settlement forums.	
3.	Factor of Absence Of/Changes in Legislations	a. Number and nominal value of total products of Bank, which are not yet clearly regulated by legislations and tend to be of high complexity, compared to Bank's capital. b. The use of standard agreements that have not been updated although there are already changes in best practices or legislations.	Absence of legislations particularly concerning products owned by Bank or transactions undertaken by Bank can cause future disputes over those products that might have the potential to cause Legal Risks.
B. Risk Management quality			
1	Risk Governance covers evaluation of: (i) formulation of risk appetite and risk tolerance and (ii) adequacy of active oversight by Board of Commissioners and Board of Directors, including implementation of the authorities and responsibilities of Board of Commissioners and Board of Directors.		
2	Risk Management Framework covers evaluation of: (i) Risk Management strategy that is in line with risk appetite and risk tolerance; (ii) adequacy of organizational instruments to support effective implementation of Risk Management, including clarity in authorities and responsibilities; and (iii) adequacy of policies, procedures and limit setting.		
3	Risk Management Process, Information System, and Human Resources cover evaluation of: (i) Risk identification process, measurement, monitoring, and control; (ii) adequacy of Risk Management information system; and (iii) adequacy of human resource		

	quantity and quality to support the effectiveness of Risk management process.
4	Risk Control System covers evaluation of: (i) adequacy of Internal Control System and (ii) adequacy of independent reviews from inside the Bank, both by Risk Management Working Unit as well as Internal Audit Working Unit.

*) Constitutes minimum parameters/indicators and Bank can add other parameters/indicators in accordance with the characteristics and complexity of Bank's business. Assessment is performed per position and trend of the last 12 months for quantitative parameters/indicators.

Assessment of Bank Rating in Consolidated manner can use parameters/indicators of individual assessment of Bank Rating, which should be adjusted to the scale, characteristics and complexity of Subsidiary Company's business.

ATTACHMENT I.1.f

Matrix of Parameters/Indicators of Strategic Risk Assessment

A. Inherent Risk *)			
Num-ber	**Parameter**	**Indicator**	**Explanation**
1.	Compatibility of Strategies to Condition of Business Environment	Determination of strategic objectives takes into consideration internal and external factors of Bank’s business: a. Internal factors, among others: 1) Vision, mission, and business directions that Bank wants to achieve; 2) Organization culture, particularly when determination of strategic objectives requires a change in organization structure and adjustments to business process; 3) Organizational capacity factor, which covers among others human resources, infrastructures, and management information system; and	Assessment of parameters among others includes measuring whether strategic objectives determined by the Board of Directors are supported by the internal as well as external conditions of the environment of Bank’s business.

		4) Risk tolerance level, which is the level of Bank's financial capacity to absorb Risks. b. External factors, among others: 1) Macroeconomic condition; 2) Technology development; and 3) Level of business competition.	
2.	High Risk Strategies and Low Risk Strategies	Level of inherent Risks caused by Bank's chosen strategies. a. Low risk strategies are strategies in which Bank conducts business activities in previously known market share and customers or provides traditional products so that the level of business growth tends to be stable and predictable. b. High risk strategies are strategies in which Bank plans to enter into new business areas, in terms of new market share, products or services, or	

		customers.	
3.	Position of Bank's Business	Assessment is based among others on: a. Markets in which Bank conducts business activities; b. Competitors and competitive advantages; c. Efficiency in conducting business activities; d. Diversifications in business activities and operational area coverage; and e. Macroeconomic condition and its impact on Bank's condition.	The success level or failure level of the Bank in achieving the objectives can be assessed based on Bank's position in the markets and competitive advantages owned, both against the peer group as well as the overall banking industry.
4.	Achievement of Bank's Business Plan (BBP)	Realization of Bank's business against BBP.	The objectives of the assessment are among others to measure the extent of the deviation of BBP realization from Bank's strategic plan.
B. Risk Management quality			
1	Risk Governance covers evaluation of: (i) formulation of risk appetite and risk tolerance and (ii) adequacy of active oversight by Board of Commissioners and Board of Directors, including implementation of the authorities and responsibilities of Board of Commissioners and Board of Directors.		
2	Risk Management Framework covers evaluation of: (i) Risk Management strategy that is in line with risk appetite and risk tolerance; (ii) adequacy of organizational instruments to support effective implementation of Risk Management, including clarity in authorities		

	and responsibilities; and (iii) adequacy of policies, procedures and limit setting.
3	Risk Management Process, Information System, and Human Resources cover evaluation of: (i) Risk identification process, measurement, monitoring, and control; (ii) adequacy of Risk Management information system; and (iii) adequacy of human resource quantity and quality to support the effectiveness of Risk management process.
4	Risk Control System covers evaluation of: (i) adequacy of Internal Control System and (ii) adequacy of independent reviews from inside the Bank, both by Risk Management Working Unit as well as Internal Audit Working Unit.

*) Constitutes minimum parameters/indicators and Bank can add other parameters/indicators in accordance with the characteristics and complexity of Bank's business. Assessment is performed per position and trend of the last 12 months for quantitative parameters/indicators.

Assessment of Bank Rating in Consolidated manner can use parameters/indicators of individual assessment of Bank Rating, which should be adjusted to the scale, characteristics and complexity of Subsidiary Company's business.

ATTACHMENT I.1.g

Matrix of Parameters/Indicators of Compliance Risk Assessment

A. Inherent Risk *)			
Num-ber	**Parameter**	**Indicator**	**Explanation**
1.	Types and Significance of Violations Committed	a. Types of violations or non-compliance committed by Bank. b. Types of violations or noncompliance on the implementation of sharia principles committed by Bank based on findings by Sharia Supersory Board or the authority. c. Amount of sanctions in the form of liabilities to make payments imposed on Bank by the authority.	• Violations cover violations against prevailing regulations and commitments to the Financial Services Authority, including sanctions imposed on violations committed by the Bank. • Violations or noncompliances against the implementation of the sharia principles are among others violations against fatwa (decree) issued by the National Sharia Board (Dewan Syariah Nasional/DSN) or other standards generally applicable in the sharia financial sector.
2.	Frequency of Violations Committed or Track Record of Bank's Nonconmpliance	a. Types and frequency of the same violations that are found each year for the last 3 years. b. The significance of Bank's follow-up actions on those findings.	Frequency is viewed more historically by looking at the trend of Bank's compliance during the last 3 years to find out the types of violations that have been committed repeatedly or whether Bank has not made significant corrections to those errors.
3.	Violations Against Regulations or Business	Frequency of violations against the regulations in certain financial transactions	Examples are violations against among others UCP, ICC or other standards generally applicable in the financial

	Standards generally applicable to Certain Financial Transactions	because they are not in line with generally applicable standards.	sector.
B. Risk Management quality			
1	Risk Governance covers evaluation of: (i) formulation of risk appetite and risk tolerance and (ii) adequacy of active oversight by Board of Commissioners and Board of Directors, including implementation of the authorities and responsibilities of Board of Commissioners and Board of Directors.		
2	Risk Management Framework covers evaluation of: (i) Risk Management strategy that is in line with risk appetite and risk tolerance; (ii) adequacy of organizational instruments to support effective implementation of Risk Management, including clarity in authorities and responsibilities; and (iii) adequacy of policies, procedures and limit setting.		
3	Risk Management Process, Information System, and Human Resources cover evaluation of: (i) Risk identification process, measurement, monitoring, and control; (ii) adequacy of Risk Management information system; and (iii) adequacy of human resource quantity and quality to support the effectiveness of Risk management process.		
4	Risk Control System covers evaluation of: (i) adequacy of Internal Control System and (ii) adequacy of independent reviews from inside the Bank, both by Risk Management Working Unit as well as Internal Audit Working Unit.		

*) Constitutes minimum parameters/indicators and Bank can add other parameters/indicators in accordance with the characteristics and complexity of Bank's business. Assessment is performed per position and trend of the last 12 months for quantitative parameters/indicators.

Assessment of Bank Rating in Consolidated manner can use parameters/indicators of individual assessment of Bank Rating, which should be adjusted to the scale, characteristics and complexity of Subsidiary Company's business.

ATTACHMENT I.1.h

Matrix of Parameters/Indicators of Reputation Risk Assessment

A. Inherent Risk *)			
Num-ber	**Parameter**	**Indicator**	**Explanation**
1.	Influence of Negative Reputation of Bank's Owners and Related Companies	a. Credibility of owners and related companies. b. Reputational events that have occurred on on owners and related companies.	Influence of negative reputation of/news concerning Bank's owners and/or companies related to the Bank constitutes one of the factors that can cause the rise in Bank's Reputation Risk.
2.	Violations of Business Ethics	Violations of ethics are reflected among others through: a. transparency in financial information; and b. business cooperation with other stakeholders. c. implementation of sharia principles	In this regard, attention needs to be given whether Bank commits violations against generally applicable business ethics/norms.
3.	Complexity of Bank's Products and Business Cooperation	a. Amounts and level of customers' use of Bank's complex products b. Amounts and materiality of cooperation between Bank and business partners.	Complex products and cooperation with business partners can be exposed to Reputation Risk if there are misunderstandings in the use of products/services or negative news concerning business partners, among others in bancassurance and mutual fund products.
4.	Frequency, Materiality, and	a. Frequency and materiality of news.	Frequency, types of media, and materiality of negative

	Exposure of Negative News on Bank	b. Types of media and scope of news.	news on Bank also covers Bank management, which are measured during the assessment period.
5.	Frequency and Materiality of Customers' Complaints	a. Frequency of customers' complaints. b. Materiality of customers' complaints.	Customers' complaints measured during assessment period.
B. Risk Management quality			
1	Risk Governance covers evaluation of: (i) formulation of risk appetite and risk tolerance and (ii) adequacy of active oversight by Board of Commissioners and Board of Directors, including implementation of the authorities and responsibilities of Board of Commissioners and Board of Directors.		
2	Risk Management Framework covers evaluation of: (i) Risk Management strategy that is in line with risk appetite and risk tolerance; (ii) adequacy of organizational instruments to support effective implementation of Risk Management, including clarity in authorities and responsibilities; and (iii) adequacy of policies, procedures and limit setting.		
3	Risk Management Process, Information System, and Human Resources cover evaluation of: (i) Risk identification process, measurement, monitoring, and control; (ii) adequacy of Risk Management information system; and (iii) adequacy of human resource quantity and quality to support the effectiveness of Risk management process.		
4	Risk Control System covers evaluation of: (i) adequacy of Internal Control System and (ii) adequacy of independent reviews from inside the Bank, both by Risk Management Working Unit as well as Internal Audit Working Unit.		

*) Constitutes minimum parameters/indicators and Bank can add other parameters/indicators in accordance with the characteristics and complexity of Bank's business. Assessment is performed per position and trend of the last 12 months for quantitative parameters/indicators.

Assessment of Bank Rating in Consolidated manner can use parameters/indicators of individual assessment of Bank Rating, which should be adjusted to the scale, characteristics and complexity of Subsidiary Company's business.

ATTACHMENT I.1.i

Matrix of Parameters/Indicators of Rate of Return Risk Assessment

A. Inherent Risk *)				
Num-ber	**Parameter**	**Indicator**		**Explanation**
1.	Composition of Third-Party Funds		$\frac{\text{Non-Core Deposits}}{\text{Total Third-Party Funds}}$	1) Non-Core Deposits are demand deposits (giro), savings deposits, and term deposits that are not guaranteed by the Indonesia Deposit Insurance Corporation (respective nominal amount of more than Rp 2 billion). 2) Total Third-Party Funds covers all non-bank third-party funds in the forms of demand deposits (giro), savings deposits, and term deposits.
2	Bank's Strategies and Performance In Gaining Profits/Revenues	a.	$\frac{\text{Financing Based on Debts-Receivables}}{\text{Financing Based on Revenue Sharing}}$	1) Financing Based on Debts-Receivables is financing to Banks and non-Bank third parties with fixed rates of return, among others murabahah, istishna, and ijarah (including musyarakah mutanaqisah). 2) Financing Based on Revenue Sharing is financing to Banks and non-Bank third parties with volatile rates of return, among others mudharabah and musyarakah.
		b.	$\frac{\text{Problem Financing}}{\text{Total Financing}}$	1) Problem Financing is financing to non-Bank third parties with quality statuses of sub standard, doubtful,

				and loss. 2) Total Financing is financing to non-Bank third parties.
		c.	$\frac{\text{Pre-Tax Profit}}{\text{Average Total Assets}}$	1) Pre-Tax Profit is profit as recorded in Bank’s current year profit and loss interpolated into one year. For example: June’s position is calculated by dividing accumulated profit per June’s position with 6 and then multiplying the result with 12. 2) Average Total Assets is average total assets in the Financial Position Report as stated in the Monthly Report on Monetary Stability and Financial System of Islamic Commercial Banks and Islamic Business Units. For example: June’s position is calculated by adding total assets for January’s position up to June’s position and then dividing the result with 6.
3.	Behavior of Third-Party Fund Customers	a.	Correlation between Rate of Return of Mudharabah and Interest Rate of Term Deposits	To find out the correlation between the interest rates of Conventional Banks and the rates of return extended by Islamic Banks to customers for 1-year term deposits.
		b.	Realization of Bank’s Shared Revenue on Term Deposits acccording to the	To compare shared revenue extended by Bank on term deposits for each period against shared revenue extended

			Period against Shared Revenue on Term Deposits/Interests from Other Islamic Banks/Conventional Banks	by other Islamic Banks or Conventional Banks for the same instruments.
		c.	Realization of Bank's Shared Revenue on Term Deposits against Other Instruments	To compare shared revenue extended by Bank on terms deposits for each period against shared revenue extended on other instruments (sukuk, mutual funds, and bonds).
B. Risk Management quality				
1	Risk Governance covers evaluation of: (i) formulation of risk appetite and risk tolerance and (ii) adequacy of active oversight by Board of Commissioners and Board of Directors, including implementation of the authorities and responsibilities of Board of Commissioners and Board of Directors.			
2	Risk Management Framework covers evaluation of: (i) Risk Management strategy that is in line with risk appetite and risk tolerance; (ii) adequacy of organizational instruments to support effective implementation of Risk Management, including clarity in authorities and responsibilities; and (iii) adequacy of policies, procedures and limit setting.			
3	Risk Management Process, Information System, and Human Resources cover evaluation of: (i) Risk identification process, measurement, monitoring, and control; (ii) adequacy of Risk Management information system; and (iii) adequacy of human resource quantity and quality to support the effectiveness of Risk management process.			
4	Risk Control System covers evaluation of: (i) adequacy of Internal Control System and (ii) adequacy of independent reviews from inside the Bank, both by Risk Management Working Unit as well as Internal Audit Working Unit.			

*) Constitutes minimum parameters/indicators and Bank can add other parameters/indicators in accordance with the characteristics and complexity of Bank's business. Assessment is performed per position and trend of the last 12 months for quantitative parameters/indicators.

Assessment of Bank Rating in Consolidated manner can use parameters/indicators of individual assessment of Bank Rating, which should be adjusted to the scale, characteristics and complexity of Subsidiary Company’s business.

ATTACHMENT I.1.j

Matrix of Parameters/Indicators of Equity Invesment Risk Assessment

A. Inherent Risk *)				
Num-ber	**Parameter**	**Indicator**		**Explanation**
1.	Composition and Level of Concentration of Financing Based on Revenue Sharing	a.	$\frac{\text{Total Financing Based on Revenue Sharing}}{\text{Total Financing}}$	1) Total Financing Based on Revenue Sharing is all financing to non-Bank third parties using the revenue sharing contract (such as mudharabah and musyarakah), both those using the profit and loss sharing method as well as those using the revenue sharing method. 2) Total Financing is financing to non-Bank third parties.
		b.	$\frac{\text{Financing Based on Revenue Sharing per Economic Sector}}{\text{Total Financing}}$	1) Financing Based on Revenue Sharing per Economic Sector is all financing to Banks and non-Bank third parties using the revenue sharing contract per economic sector category as provided in prevailing regulation concerning Monthly Report on Monetary Stability and Financial System of Islamic Commercial Banks and Islamic Business Units. 2) Total Financing is financing to Banks and non-Bank third parties.

2.	Quality of Financing Based on Revenue Sharing	a.	$\frac{\text{Low Quality Financing Based on Revenue Sharing}}{\text{Total Financing}}$	1) Low Quality Financing Based on Revenue Sharing is all financing to non-Bank third parties using the revenue sharing contract that have the quality statuses of sub standard, doubtful, and non-performing in accordance with prevailing regulation concerning Asset Quality, including financing for restructuring of current financing. 2) Total Financing is financing to non-Bank third parties.
		b.	$\frac{\text{Problem Financing Based on Revenue Sharing}}{\text{Total Financing}}$	1) Problem Financing Based on Revenue Sharing is all financing to non-Bank third parties using the revenue sharing contract that have the quality statuses of sub standard, doubtful, and non-performing in accordance with prevailing regulation concerning Asset Quality. 2) Total Financing is financing to non-Bank third parties.
		c.	$\frac{\text{Problem Financing Based on Revenue Sharing per Economic Sector}}{\text{Financing Based on Revenue Sharing per Economic Sector}}$	1) Problem Financing Based on Revenue Sharing per Economic Sector is all financing to non-Bank third parties using the revenue sharing contract that have the quality statuses of sub standard, doubtful, and

				non-performing in accordance with prevailing regulation concerning Asset Quality per economic sector category. 2) Financing Based on Revenue Sharing per Economic Sector is all financing to non-Bank third parties using the revenue sharing contract per economic sector category as provided in prevailing regulation concerning Monthly Report on Monetary Stability and Financial System of Islamic Commercial Banks and Islamic Business Units.
		d.	$$\frac{\text{Unrealized Loss (Mudharabah and Musyarakah CKPN)}}{\text{Total Financing Based on Revenue Sharing}}$$	1) Unrealized Loss (Mudharabah and Musyarakah CKPN) is CKPN established on financing to non-Bank third parties using the revenue sharing contracts, such as mudharabah dan musyarakah. 2) Total Financing Based on Revenue Sharing is all financing to non-Bank third parties using the revenue sharing contract.
3.	External Factor	Changes in economic condition, technology, or regulations that influence customers' businesses and impact the customers' abilities to gain revenues.		Self-explanatory.

B. Risk Management quality	
1	Risk Governance covers evaluation of: (i) formulation of risk appetite and risk tolerance and (ii) adequacy of active oversight by Board of Commissioners and Board of Directors, including implementation of the authorities and responsibilities of Board of Commissioners and Board of Directors.
2	Risk Management Framework covers evaluation of: (i) Risk Management strategy that is in line with risk appetite and risk tolerance; (ii) adequacy of organizational instruments to support effective implementation of Risk Management, including clarity in authorities and responsibilities; and (iii) adequacy of policies, procedures and limit setting.
3	Risk Management Process, Information System, and Human Resources cover evaluation of: (i) Risk identification process, measurement, monitoring, and control; (ii) adequacy of Risk Management information system; and (iii) adequacy of human resource quantity and quality to support the effectiveness of Risk management process.
4	Risk Control System covers evaluation of: (i) adequacy of Internal Control System and (ii) adequacy of independent reviews from inside the Bank, both by Risk Management Working Unit as well as Internal Audit Working Unit.

*) Constitutes minimum parameters/indicators and Bank can add other parameters/indicators in accordance with the characteristics and complexity of Bank's business. Assessment is performed per position and trend of the last 12 months for quantitative parameters/indicators.

Assessment of Bank Rating in Consolidated manner can use parameters/indicators of individual assessment of Bank Rating, which should be adjusted to the scale, characteristics and complexity of Subsidiary Company's business.

ATTACHMENT I.2

Matrix of Parameters/Indicators of Good Corporate Governance Factor Assessment

Assessment of Good Corporate Governance Factor	Explanation
The process of Good Corporate Governance assessment shall be based on 5 (five) basic principles as provided in the prevailing regulation concerning Good Corporate Governance applicable for Islamic Commercial Banks and Islamic Business Units. Meanwhile, the assessment of Risk Based Bank Rating (RBBR) for Islamic Commercial Bank is assessed within a governance system comprising 3 (three) aspects of governance, namely governance structure, governance process, and governance outcome. Parameters/Indicators for the assessment of Good Corporate Governance factor on the implementation of Good Corporate Governance principles shall refer to the regulation concerning Good Corporate Governance applicable for Islamic Commercial Banks and Islamic Business Units by giving attention to the characteristics and complexity of Bank's business.	Result of the implementation of Good Corporate Governance implementations, as provided in the regulation concerning Good Corporate Governance applicable for Islamic Commercial Banks and Islamic Business Units, is only one of the sources for assessing the rating of Bank's Good Corporate Governance factor in the assessmentof Bank rating.

ATTACHMENT I.3

Matrix of Parameters/Indicators of Earnings Factor Assessment

Num-ber	Parameter		Indicator	Explanation
1.	Bank's Performance in Gaining Profits (Earnings)	a.	Return on Asset (ROA) $$\frac{\text{Pre-Tax Profit}}{\text{Average Total Assets}}$$	1) Pre-Tax Profit is profit as recorded in Bank's current year profit and loss interpolated into one year, as provided in the prevailing regulation concerning Monthly Report on Monetary Stability and Financial System of Islamic Commercial Banks and Islamic Business Units. For example: June's position is calculated by dividing accumulated profit per June's position with 6 and then multiplying the result with 12. 2) Average Total Assets is average total assets in the Financial Position Report as stated in the Monthly Report on Monetary Stability and Financial System of Islamic Commercial Banks and Islamic Business Units. For example: June's position is calculated by adding total assets for January's position up to June's position and then dividing the result with6.

		b.	Net Operation Margin (NOM) $$\frac{\text{Funds Channeling Revenue after Profit Distribution} - \text{Operational Expense}}{\text{Average Earning Assets}}$$	1) Funds Channeling Revenue after Profit Distribution is revenue from funds channeling deducted by profit sharing distribution and operational expense (interpolated into one year). Revenue from funds channeling covers all revenues from funds channeling, while profit sharing distribution covers all profit sharing costs from funds mobilization. 2) Operational expense is operational expense including profit sharing and bonuses distribution (interpolated into one year). 3) Earning Assets calculated is assets that earn shared revenue, returns, and bonuses in the on and off balance sheet. Average earning assets For example: June's position is calculated by adding total earning assets for January's position up to June's position and then dividing the result with6.
		c.	Net Return Funds Channeling Revenue after Profit Distribution–	1) Funds Channeling Revenue after Profit Distribution – (Yields and Bonuses) is revenue from funds channeling after deducted by the profit sharing,

			$\frac{\text{(Yields and Bonusses)}}{\text{Average Total Earning Assets}}$	yields, and bonuses distribution (interpolated into one year). Revenue from funds chanelling covers all revenues from funds channeling, while cost distribution covers all costs of profit sharing, yields, and bonuses from funds mobilization. 2) Earning Assets calculated is assets that earn shared profit sharing, yields, and bonuses in the on and off balance sheet. Average earning assets For example: June's position is calculated by adding total earning assets for January's position up to June's position and then dividing the result with six.
		d.	Actual Profit (Earnings) Component Performance against Bank's Business Plan	Performance on profit (earning) component covers among other operational income, operational expense, non-operational income, non-operational expense, and net profit compared to Bank's business plan.
		e.	Capacity of Profit (Earning) Component in raising Capital	Capacity of Profit (Earning) Component in raising Capital is Bank's capacity in raising capital both internally as well as exterrnally.

2.	Sources that Support Earnings	a.	$$\frac{\text{Funds Channeling Revenue after Profit Distribution– (Yields and Bonusses)}}{\text{Average Total Assets}}$$	1) Funds Channeling Revenue after Profit Distribution, Yields and Bonuses is revenue from funds channeling after deducted by the profit sharing, yields, and bonuses distributions (interpolated into one year). Revenue from funds chanelling covers all revenues from funds channeling, while cost of distributions covers all costs of profit sharing, yields, and bonuses from funds mobilization. 2) Average Total Assets is average total assets in the Financial Position Report as stated in the Monthly Report on Monetary Stability and Financial System of Islamic Commercial Banks and Islamic Business Units. For example: June's position is calculated by adding total assets for January's position up to June's position and then dividing the result with6.
		b.	$$\frac{\text{Other Operational Income}}{\text{Average Total Assets}}$$	1) Other Operational Income is other operational income interpolated into one year. 2) Average Total Assets is average total assets in the Financial Position Report as stated in the Monthly

		Report on Monetary Stability and Financial System of Islamic Commercial Banks and Islamic Business Units. For example: June's position is calculated by adding total assets for January's position up to June's position and then dividing the result with6.
c.	$\frac{\text{Overhead Expense}}{\text{Average Total Assets}}$	1) Overhead Expense is all operational expenses that are not cost of revenue sharing (interpolated into one year), covering costs of: a) Asset depreciation/amortization; b) Cost of labour; c) Education and training; d) Insurance premium; e) Loss from Operational Risk; f) Research and development; g) Rents; h) Promotion; i) Taxes (excluding income tax); j) Maintenance and repair; k) Goods and services; and l) Others.

		2) Average Total Assets is average total assets in the Financial Position Report as stated in the Monthly Report on Monetary Stability and Financial System of Islamic Commercial Banks and Islamic Business Units. For example: June's position is calculated by adding total assets for January's position up to June's position and then dividing the result with6.
d.	$\frac{\text{Allowance expenses}}{\text{Average Total Assets}}$	1) Allowance expenses is all expenses spent to establish reserves, namely Loss from Financial Asset Value Impairment and Provision for Non-Earning Asset write-off/PPA non productive (interpolated into one year). 2) Average Total Assets is average total assets in the Financial Position Report as stated in the Monthly Report on Monetary Stability and Financial System of Islamic Commercial Banks and Islamic Business Units. For example: June's position is calculated by adding total assets for January's position up to June's position and then dividing the result with6.

		e.	$$\frac{\text{Operational Expense}}{\text{Operational Income}}$$	1) Operational Expense is operational expense including costs of revenue sharing and bonuses (interpolated into one year). 2) Operational Income is income from funds channeling.
3.	Stability of components that support Earnings	a.	Core ROA = $$\frac{\text{Primary Core Net Income – Operating Discretionary Items}}{\text{Average Total Assets}}$$	1) Primary Core Net Income is primary core Income minus primary core expense (interpolated into one year). 2) Primary Core Income is income from funds channeling after deducted by revenue sharing, returns and bonuses and added by fee-based income (interpolated into one year). 3) Primary Core Expense is overhead expense, which are operational expenses other than costs of revenue sharing, returns and bonuses as well as losses from value impairment (interpolated into one year). 4) Operating Discretionary Items are losses from value impairment (interpolated into one year). 5) Average Total Assets is average total assets in the Financial Position Report as stated in the Monthly Report on Monetary Stability and Financial System

				of Islamic Commercial Banks and Islamic Business Units. For example: June's position is calculated by adding total assets for January's position up to June's position and then dividing the result with6.
		b.	Future earnings prospect	Self-explanatory.
4.	Earnings management		Bank's capacity in managing earnings	Self-explanatory
5.	Implementation of Bank's Social Function		Bank's role in implementing the social function	To assess Bank's role in implementing its social function through the receipt and channeling of zakat funds and receipt and channeling of charity funds.

*) Constitutes minimum parameters/indicators and Bank can add other parameters/indicators in accordance with the characteristics and complexity of Bank's business. Assessment is performed per position and trend of the last 12 months for quantitative parameters/indicators.

Assessment of Bank Rating in Consolidated manner can use parameters/indicators of individual assessment of Bank Rating, which should be adjusted to the scale, characteristics and complexity of Subsidiary Company's business.

ATTACHMENT I.4

Matrix of Parameters/Indicators of Capital Factor Assessment

Num-ber	Parameter	Indicator		Explanation
1.	Adequacy of Bank's capital	a.	Ratio of Capital Adequacy:	
		1)	$\frac{\text{Capital}}{\text{Risk-Weighted Assets}}$	a) Calculation of capital and Risk-Weighted Assets shall refer to prevailing regulation concerning Capital Adequacy Ratio (CAR) for Commercial Banks based on Sharia Principles. b) The ratio is calculated per assessment position, including by giving attention to the trend of CAR.
		2)	$\frac{\text{Core Capital (Tier 1)}}{\text{Risk-Weighted Assets}}$	Calculation of core capital shall refer to prevailing regulation concerning Capital Adequacy Ratio (CAR) for Commercial Banks based on Sharia Principles.
		3)	$\frac{\text{Core Capital}}{\text{Total Capital}}$	a) Calculation of core capital shall refer to prevailing regulation concerning Capital Adequacy Ratio (CAR) for Commercial Banks based on Sharia Principles. b) Total Capital is capital in accordance with prevailing regulation concerning Capital Adequacy Ratio (CAR) for Commercial Banks based on Sharia Principles.

4)	Critized Assets (Low Quality) - CKPN (Low Quality) ――――――――――― Core Capital + General Reserve	a) Critized Assets are on balance sheet's earning assets with low quality, which are earning assets with quality statuses of special mention, sub standard, doubtful, and loss in accordance with prevailing regulation concerning Asset Quality, including financing for restructuring of current assets, current Foreclosed collateral, current abandoned properties, and current temporary capital participation. b) Low Quality CKPN is Reserve for Loss From Value Impairment for financing that has the quality statuses of special mention, sub standard, doubtful, and non-performing, including CKPN for financing for restructuring of current assets, current Foreclosed collateral, current abandoned properties, and current temporary capital participation. c) Calculations for Core Capital and General Reserve shall refer to prevailing regulation concerning Capital Adequacy Ratio (CAR) for Commercial Banks based on Sharia Principles.
5)	Problem Earning Assets – CKPN for Problem Earning Assets ―――――――――――	a) Earning Assets are as referred to in the prevailing regulation concerning Assessment of Asset Quality

	Core Capital + General Reserve	for Islamic Commercial Banks and Islamic Business Units. b) Problem Earning Assets are earning assets that have quality statuses of sub standard, doubtful, and loss. c) Calculation of CKPN shall refer to prevailing regulations and accounting standards. d) CKPN for Problem Earning Assets is CKPN established on earning assets that have quality statuses of sub standard, doubtful, and loss. e) Calculations for Core Capital and General Reserve shall refer to prevailing regulation concerning Capital Adequacy Ratio (CAR) for Commercial Banks based on Sharia Principles.
6)	$$\frac{\text{Low Quality Assets} - \text{CKPN for Low Quality Assets}}{\text{Core Capital + General Reserve}}$$	a) Low Quality Assets are all Bank's assets, both earning and non-earning, which have quality statuses of special mention, sub standard, doubtful, and loss in accordance with prevailing regulation concerning Asset Quality, including financing for restructuring of current assets, current Foreclosed collateral, current abandoned properties, and current temporary capital participation.

				b) Calculation of CKPN shall refer to prevailing regulations and accounting standards. c) CKPN for Low Quality Assets is CKPN established on assets that have quality statuses of special mention, sub standard, doubtful, and loss, including CKPN for financing for restructuring of current assets, current Foreclosed collateral, current abandoned properties, and current temporary capital participation. d) Calculations for Core Capital and General Reserve shall refer to prevailing regulation concerning Capital Adequacy Ratio (CAR) for Commercial Banks based on Sharia Principles.
		b.	Bank's capital adequacy to anticipate potential (unrealized) loss in accordance with the Risk profile.	Assessment of Bank's capital adequacy to anticipate potential (unrealized) loss in accordance with the Risk profile is performed by giving attention to among others: (1) inherent Risks; (ii) Risk Management quality; (iii) Risk level; and (iv) rating of Bank's Risk profile, both individually as well as in consolidated manner

2.	Capital management	a.	Bank’s capital management.	This covers understanding of Board of Commissioners and Board of Directors; policies and procedures on capital management; capital planning; assessment of capital adequacy; and independent reviews.
		b.	Capacity to access capital, viewed from internal as well as external sources.	1) Access to capital from internal sources is among others from performance of earnings in supporting capital. 2) Access to capital from external sources is among others from the capital market (primary market) and parent company.

*) Constitutes minimum parameters/indicators and Bank can add other parameters/indicators in accordance with the characteristics and complexity of Bank’s business. Assessment is performed per position and trend of the last 12 months for quantitative parameters/indicators.

Assessment of Bank Rating in Consolidated manner can use parameters/indicators of individual assessment of Bank Rating, which should be adjusted to the scale, characteristics and complexity of Subsidiary Company’s business.

Enacted in Jakarta

On 11 June 2014

EXECUTIVE HEAD OF BANK SUPERVISION

NELSON TAMPUBOLON

Copy in accordance with the original

LEGAL DIRECTOR I

LEGAL DEPARTMENT,

Tini Kustini