

Press Release

Client's Fund Account Separation Improves Indonesia Capital Market Investor Trust

Jakarta, 3 March 2011 – PT Kustodian Sentral Efek Indonesia (KSEI), one of the *Self Regulatory Organizations* (SROs) in Indonesia capital market, today (3/3) entered into mutual agreement with 4 (four) Payment Banks to realize the implementation of fund account separation of Indonesia capital market investor. The event, which was held at Hotel Ritz Carlton - Pacific Place Jakarta, was attended by Nurhaida (Chairman of Bapepam-LK), Board of Directors of PT Bursa Efek Indonesia, Board of Directors of PT Kliring Penjaminan Efek Indonesia, Managing Directors of Payment Banks: PT Bank Central Asia Tbk, PT Bank CIMB Niaga Tbk, PT Bank Mandiri (Persero) Tbk, and PT Bank Permata Tbk.

Bapepam-LK, on last December 28, 2010, released Bapepam-LK Regulation Number V.D.3 related to separation obligation of respective client's fund account from the one owned by Securities Company. With such obligation, Securities Company is obligated not only to open Sub Securities Account to keep Securities in name of its client in KSEI, but also to open fund account in name of its client in Bank. The Bank providing fund account opening services for client is the one that has cooperated with KSEI in connection with the provisions of client's fund account reporting obligation to Depository and Settlement Institution, or KSEI.

Client's fund account separation is a part of *Single Investor ID* development that is in line with Infrastructure Development program of Indonesia capital market set up by Bapepam-LK jointly with the SROs (BEI, KPEI and KSEI). The implementation of client's fund account separation is a significant step taken to improve transparency and trust of investment in Indonesia capital market.

The implementation of the provisions concerning client's fund account will provide bigger monitoring control toward Indonesia capital market investor. The administration of fund account opening in name of investor separate from Securities Company's fund account can give assurance to investor that the fund owned will not be mixed up with other client's or Securities Company's fund accounts. With the signing of Cooperation Agreement between KSEI and the Payment Banks as well as availability of supporting infrastructure, Securities Company is expected to follow it up immediately with the bank under its appointment to conduct fund account opening for respective client.

Ananta Wiyogo gladly received the signing of the Administration Agreement of Client's Fund Account Separation between KSEI and the Payment Banks. "KSEI, jointly with PT Bursa Efek Indonesia and PT Kliring Penjaminan Efek Indonesia, and supported by Bapepam-LK, are committed to develop capital market infrastructure. One of the main projects served as the main agenda is *Single Investor ID* and information disclosure improvement. We have launched AKSes Card. And investor's fund account separation will complete the agenda," explained Ananta Wiyogo.

"If previously investor can conduct checking upon Securities portfolio owned through AKSes Card website, now investor can also conduct checking upon its cash fund online and real-time," added Ananta while explaining the benefits the capital market investors can get with the signing.

Director of BCA, Suwignyo Budiman, said, "BCA has been ready with the system, infrastructure, and supporting administration tools to implement the client's fund account separation. BCA is further committed to provide the best services and build the investor trust to invest in Indonesia capital market."

Related to participation of Bank CIMB Niaga, Vice President Director of Bank CIMB Niaga, Catherine Hadiman, said, "CIMB Niaga is committed to develop Indonesia capital market, among others by implementing *Single Investor Identity (SID)* & investor account. All this time, Bank CIMB Niaga enthusiasm can be seen from its active participation as the first issuer in banking industry; the first Custodian Bank in Indonesia, and the first bank that provides investment fund transaction through ATM. Bank CIMB Niaga is also recorded as the pioneer of *payment bank* infrastructure in the transformation of script to scripless trading in Indonesia in 2000. In 2010, CIMB Niaga *Payment Bank* gave significant contribution to national capital market development. Transaction value conducted Bank CIMB Niaga through C-BEST was the highest by Rp 1,900,893 billion with total transaction more than 116 thousand."

Director of *Treasury, Financial Institutions & Special Asset Management* Bank Mandiri, Thomas Arifin, uttered, "Bank Mandiri is ready to support the implementation of client's fund account separation by providing a product called Mandiri Tabungan Bisnis Investor. With this saving product, investor can perform fund deposit/transfer through 1,296 branches, 5,511 ATMs, and 14,822 ATM Link Network as well as monitor the mutation of its fund real-time through all branches and Bank Mandiri *e-channel* or AKSes facility provided by KSEI. Bank Mandiri is ready to give the service of investor account opening in 11 big cities where majority of securities company have branches, and to provide *host to host* cooperation to securities company that intends to link its system to Bank Mandiri system online."

On separate occasion, Roy Arfandy, Director of *Wholesale Banking* PermataBank, showed his support toward the agreement signing. "We are very happy this cooperation can be carried out. It is our commitment to keep supporting the policy from the regulator that improves the existing regulation. We are sure that the management and administration policies of client's fund separate from securities company's have positive impact, so we are committed to immediately implement it," explained Roy.

By the signing of the agreement, securities company is expected to immediately open fund account for its clients. Certain requirements for fund account opening, such as: the ownership obligation of Sub Securities Account recorded in KSEI system and *Single Investor ID* number, must be declared in the account opening document together with other applicable terms in bank. The opening of client's and securities company's fund accounts is required to be conducted by no later than January 31, 2012, and performance report must be delivered every 6 (six) months as from the application of Bapepam-LK Regulation Number V.D.3 on December 28, 2010.

The implementation of fund account separation, which complements the separation of Securities recording in Sub Securities Account, not only provides assurance to investor upon separation of its investment portfolio, but also improves investment comfort in capital market by conducting Securities portfolio and fund monitoring online and real-time through AKSes Card website (<http://akses.ksei.co.id>) provided by KSEI. Also, it can support and strengthen the monitoring function and mechanism of capital market authority toward market players to improve transparency in Indonesia capital market industry.

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