



Asia-Pacific Rural and Agricultural Credit Association

APRACA CONSULTANCY SERVICES

award this

Certificate of Appreciation

to

Dr. Ahmad Subagyo, SE, MM, CRBD

for sharing his valuable knowledge as a Facilitator during
the International Training on Road to Recovery

(Handling of Non-Performing Loans)

which took place on 12 - 16 June 2017

in Bandung and Jakarta, Indonesia

*Given this 13rd day of June 2017
at Sensa Hotel Bandung, Indonesia*

AGUS GUNAWAN
Managing Director
APRACA Consultancy Services

ABDUL AZIS
Governing Board Members
APRACA Consultancy Services



Asia-Pacific Rural and Agricultural Credit Association

APRACA CONSULTANCY SERVICES
YAYASAN KONSULTASI APRACA

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SPECIAL SERVICE AGREEMENT (SSA)

No.06/01/SSA

Between the

APRACA Consultancy Services

herein referred to as ACS and represented by

Mr. Agus Gunawan, Managing Director

and

Dr. Ahmad Subagyo

herein referred to as Consultant

for Conducting the International Training Program on
Road to Recovery (Handling of Non-Performing Loans)

I. APRACA

APRACA stands for the Asia-Pacific Rural and Agricultural Credit Association. The establishment of a Regional Association that promotes cooperation and facilitates mutual exchange of information and expertise in the field of rural finance was first proposed at the Regional Seminar on Agricultural Credit for Small Farmers, sponsored by the Food and Agriculture Organization (FAO) of the Pacific in October 1974.

Subsequently under the auspices of FAO, rural finance and agricultural credit institutions in the region formally launched APRACA during its first General Assembly Meeting in New Delhi, India, on October 14, 1977, held in conjunction with the third FAO Asian Conference on Agricultural Credit and Cooperatives (October 10-14, 1977 in New Delhi). Its Constitution and By-laws were also adopted during the meeting.

The General Secretariat of APRACA was established at the FAO Regional Office for Asia and the Pacific (FAO-RAP) premises in Bangkok, Thailand.

II. APRACA Consultancy Services (ACS)

The ACS, based in Jakarta, Indonesia, is the consultancy arm of APRACA. It renders consultancy services to member institutions, international and regional agencies as well as



other institutions. It deputes experts on consultancy assignments related mainly with objectives of APRACA. ACS also undertakes studies, conducts workshop/expert consultation and study visits. Most of the activities are related with APRACA programs. It also conducts activities related with agricultural and microfinance.

III. Purpose

Non-Performing Loans (NPLs) are common in the banking business. However the bank must perform an action to prevent, minimize and recover the NPLs as it is one of key indicators to assess bank performance in managing business risk.

In general, the growth of NPLs will force the Bank to allocate the collected funds to enlarge the Reserve Asset Removal for its soundness. Thus, the Bank in this case will erode its income or decrease Net Profit Margin (NPM) thereby reducing the bank's ability to expand credit.

The diagnostic action of each NPL case requires a strategy that can provide quick and precise decisions aimed at increasing the ration of Loss Given Default. In brief, the recovery of NPL aimed at saving the assets of the banks that are embedded in the form of non-performing loans by taking into account of the debtor's business conditions that still have fairly good prospects.

Based on the aforementioned background, the APRACA Consultancy Services (ACS) intend to organize the International Training Program on Road to Recovery (Handling of Non-Performing Loans) to enhance the capacity of APRACA members.

After the training the participants are expected to:

- Have knowledge to recognize the impact of non-performing loans on bank's business;
- Become accustomed with the sound credit management;
- Have knowledge to recognize the causes and symptoms of problem loans;
- Have knowledge and ability in addressing and rescuing problem loans;
- Have the ability to identify the causes of problem loans and the selection for alternative solutions;
- Have advantage from the experience and best practices of the selected commercial banks in Indonesia on Credit Recovery.

IV. The Consultant shall

- (1) Design the training module in order to enable the participants to achieve the aforesaid purposes of the training;

- (2) Conduct the aforementioned training as a facilitator for the total of 11 (eleven) following sessions as indicated on the attached program details:
- The Impact of NPLs on Bank's Business (1 session)
 - Sound Credit Management (1 session)
 - Provision for Loan Losses (1 session)
 - Cause and Symptoms of NPLs (2 sessions)
 - Addressing NPLs (1.5 sessions)
 - Rescuing and Settlement of NPLs (1.5 sessions)
 - Identifying the Cause of NPLs and the Selection for Alternative Solutions (2 sessions)
 - Case Studies (1 session)
- (3) Guide and control the class session process to ensure that:
- There is effective class participation;
 - Participants can achieve a mutual understanding;
 - Participants can contribute considerably so as to provide ideas, solutions or decisions;
 - Participants can take joint responsibility for the training outcome.

V. ACS shall

- (1) ACS shall provide professional fee to the Consultant at the amount of IDR 13.750.000,- (*Thirteen Million Seven Hundred and Fifty Thousand Rupiah*) before withholding income tax, as the following arrangement:
- Payment of 20% professional fee upon signing the SSA;
 - Payment of 30% professional fee upon submission of the final training module;
 - Payment of 50% professional fee after the completion of the training.
- (2) ACS shall provide the following allowances to the Consultant:
- Transport Allowance at the amount of IDR 400.000,- (*four hundred thousand Rupiah*);
 - Out of Pocket Expenses at the amount of IDR 120.000,- (*one hundred and twenty thousand Rupiah*) per day;
 - Meals Allowance at the amount of of IDR 120.000,- (*one hundred and twenty thousand Rupiah*) per day;
 - Laundry Allowance at the amount of of IDR 50.000,- (*fifty thousand Rupiah*) per day.
- (3) ACS shall provide accommodation/hotel to the Consultant during stay in Bandung.



VI. Settlement of Disputes

Any dispute between ACS and the Consultant arising out of the interpretation or execution of this SSA shall be settled by mutual agreement. If both are unable to reach agreement on any question in dispute or on a mode of settlement other than arbitration, either party shall have the right to request arbitration in accordance with existing laws in Indonesia.

VII. Amendments


Any amendment to this SSA shall be effected only on the basis of written mutual consent by the parties.


VIII. Entry into Force

The present SSA will enter into force upon signature by both Parties.

Signed on behalf of ACS:

Signed by Consultant:

Signature: 
Agus Gunawan

Signature: 
Ahmad Subagyo

Date: _____

Date: _____