



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 Credit Quality Management
which took place on 28 - 31 August 2017
in Bandung and Jakarta, Indonesia

*Given this 29th day of August 2017
at Sensa Hotel Bandung, Indonesia*

A handwritten signature in black ink, appearing to read 'AGUS GUNAWAN'.

AGUS GUNAWAN
Managing Director
APRACA Consultancy Services

A handwritten signature in black ink, appearing to read 'ABDUL AZIS'.

ABDUL AZIS
Governing Board Members
APRACA Consultancy Services



Asia-Pacific Rural and Agricultural Credit Association

APRACA CONSULTANCY SERVICES

YAYASAN KONSULTASI APRACA

Gedung Yayasan Pengembangan Perbankan Indonesia (YPPi)

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SPECIAL SERVICE AGREEMENT (SSA)

No.06/02/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 Trainer

for Conducting the International Training Program on

Credit Quality Management

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 microfinance and Agri/rural finance.

III. Purpose

Credit Quality Management is core process for commercial banks. Therefore, the ability to manage its process is essential for the success of bank's businesses. Credit Quality Management goes beyond the ordinary dimension of loan administration. It involves the anticipation of problem loans. This demand an ability to perceive the early warning signals, which necessitates a control of both the quantitative and qualitative aspects of credit evaluation. Effective credit management separates loan review from credit analysis. The review process can be divided into two functions- monitoring the performance of existing loan and handling problem loans. The obvious and more serious banking problems arises due poor portfolio risk management, or a lack of attention to change in economic or circumstance. Therefore, the banking industry has been focusing more attention than ever on credit quality management.

Based on the aforementioned background, the APRACA Consultancy Services (ACS) intend to organize the International Training Program on Credit Quality management to enhance the capacity of APRACA members.

After the training the participants are expected to:

- Understand on the fundamental of credit risk management;
- Understand on business risk;
- Gain practical experiences of micro, small and medium loan evaluation effectively;
- Excellent opportunity to conduct loan discipline effectively;
- Know how to monitor and manage loan portfolio effectively;
- Identify and solve loan problem on time;

IV. The Trainer shall

- (1) *Design the training module for in-class session in order to enable the participants to achieve the aforesaid purposes of the training;*
- (2) *Conduct the aforementioned in-class training session as a facilitator for the total of 10 (ten) following training moduls as indicated on the attached program details:*
 - *The Fundamental of Credit Risk Management (1.5 sessions)*
 - *Credit Analysis (3 sessions)*
 - *Credit Monitoring (2.5 sessions)*

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- Handling of Non-Performing Loans (1 session)
 - Case Studies (2 sessions)
- (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 12.500.000,- (*Twelve Million and Five Hundred Thousand Rupiah*) before withholding income tax, as the following arrangement:
- Payment of 50% professional fee upon signing the SSA;
 - Payment of 50% professional fee after the completion of the training.
- (2) ACS shall provide the following allowances to the Trainer:
- 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 Trainer during his 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 the Trainer:

Signature: _____

Agus Gunawan



Signature: _____

Ahmad Subagyo

Date: _____

Date: _____