Flashback to the Century Bank case

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Flashback to the Century Bank case

July 16, 2014

Budi Mulya was sentenced to 17 years in prison

On Tuesday (16/07), the former deputy governor of Bank Indonesia, Budi Mulya, will face a sentencing hearing regarding the bailout case for Bank Century. The following is the course of the case.

December 2012 Chairman of the Corruption Eradication Commission Abraham Samad told the Century Bank supervisory team at the DPR that Budi Mulya and former BI Deputy Governor Siti Fajriah were responsible for state losses due to Bank Century's bailout funds.

In February 2013, the Corruption Eradication Commission named Budi Mulya a suspect on suspicion of jointly committing acts against the law or abuse of authority related to the granting of
FPJP and the designation of Century as a failed bank with a systemic impact.

**November 15, 2013** KPK detained Budi Mulya after being questioned for the first time as a suspect.

**March 6, 2014** Budi Mulya undergoes first trial

**June 16, 2014** Prosecutors prosecute Budi Mulya with a prison sentence of 17 years and a fine of 800 million for abusing authority or acting against the law related to the establishment of Century Bank as a failed bank with systemic impact and the provision of short-term loan facilities causing loss to state finances of IDR 7 trillion.

**Chronology of the Bank Century bailout case**


**September 15, 2008** Bank Indonesia ordered the management of Bank Century to present Robert Tantular to Bank Indonesia (BI) to be asked for a commitment to take responsibility for the continuity of Bank Century's operations.

BI in its press release dated 21 January 2010 said that since finding indications that Robert Tantular is the controlling shareholder of PT Bank Century Tbk which together with RAR and HAW controls 70 percent of the shares, then on

**October 15, 2008** Bank Indonesia requires Robert Tantular, RAR and HAW -who own 70% of Bank Century shares - to sign a Letter of Commitment (LoC) stating that the three of them are responsible for the continuity of Bank Century's operations.

**October 31 and November 3, 2008** Bank Century was reported to be experiencing serious liquidity problems and the management of Bank Century submitted a short term loan request of Rp 1 trillion from Bank Indonesia.
Sri Mulyani was present as a witness in May 2014

5 November 2008 Governor of BI decides to place Century Bank under special supervision status.

6 November 2008 Due to the application for the Short Term Loan Facility (FJPP), Bank Indonesia began placing supervisors.

BI also issued a letter prohibiting the withdrawal of funds and savings accounts belonging to related parties, both demand deposits, savings and time deposits, which is a procedure addressed to banks with Special Supervision status.

November 13, 2008 Minister of Finance Sri Mulyani reported the Bank Century problem to President Susilo Bambang Yudhoyono who was attending the G20 meeting in Washington DC

November 16, 2008 Considering that the majority shareholder did not carry out the LoC on October 15,
2008, then on November 16, 2008 the parties were again bound in the second LoC.

**November 20, 2008** Bank Indonesia filed a ban request to all management of Bank Century and Controlling Shareholders. Bank Indonesia's application was submitted to the Minister of Finance.

Boediono in his testimony said that the FPJP was given to avoid a crisis

**21 November 2008** The Financial Sector Stabilization Committee (KSSK) chaired by the Minister of Finance Sri Mulyani Indrawati held a meeting with committee members including the Governor of Bank Indonesia, which was then held by Boediono. The Deposit Insurance Corporation, LPS, which was formed under a law, took over ownership of this bank by controlling more than 90% of Bank Century's shares.

**November 25, 2008** Bank Indonesia reports to Bareskrim Mabes Polri regarding allegations of criminal acts in the banking sector committed by Robert Tantular and two other owners. These three people control 70 percent of Bank Century Tbk shares.

In his statement before the Century Special Committee on January 19 2010, former Criminal Investigation Agency Susno Duadjie said that the police arrested Robert Tantular at his home on November 25 2008. Susno admitted that he was only able to coordinate with BI two days after the arrest.
October 21, 2009 The new owner of Bank Century Tbk, namely the Deposit Insurance Corporation -which receives funds from fees from the banks that co-founded it- decided to change its name to Bank Mutiara Tbk.

Bank Century changed its name to Bank Mutiara in October 2009

What and Who at Bank Century

Important witness

1 May 2014 Former Minister of Finance Sri Mulyani at Tipikor said that the Indonesian government's decision to disburse a bailout of Rp 6.7 trillion to save Bank Century in 2008 was the right decision.

May 9, 2014 Former Governor of Bank Indonesia Boediono stated that the provision of the FPJP Short Term Credit Facility to Bank Century in the amount of IDR 689 billion was carried out as a preventive measure so that a crisis like the 1997/1998 did not occur.

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