

CHAPTER II DISCUSSION

2.1 Relation and Norm of PT Bank Lampung

This part discuss all of the relationship in the institution will be describe in the following issues.

2.1.1 Relation with the staff of PT Bank Lampung

A number of staff in PT Bank Lampung is 60 people. They are divided into 1 leader of main branch office, 4 field leaders, 10 supervisors, including employees, security, lackey and drivers. During the field practice in PT Bank Lampung, I met many good employees who volunteered to teach me many things. And they did not get angry or scolded me if I made a mistake.

2.1.2 Relation with the facilities of PT Bank Lampung

To support the work at the main branch office of PT Bank Lampung providing all the facilities needed by the employee the current network of Bank Lampung office are 32 offices supported by facilities, online real time information technology, ATM spread across the provincial capitals and cities in Lampung. And can be accessed at 20,096 ATM throughout Indonesia. In daily activities employee use the facilities provided by office. There are a lot of tools, equipments, and facilities that I met during the field practice in PT Bank Lampung. The tools, equipments and facilities, such as: computers, laptops, printers, telephone, fax machine, TV, tables, sofas, chairs,

strongbox, lockers, small white board, flowers, toilets, Mosque, canteen, parking area, savings, and so on.

2.1.3 Relation with the clients of PT Bank Lampung

I was in credit marketing division when I did my field practice in PT Bank Lampung. I met many data of guarantee bank and other credit services. Everyday during the field practice I met those jobs and of course met the head of PT Bank Lampung main branch, the head of credit marketing division and some employees or staff in that division and other division, they are: A.Ben Bella, Dian Susfa, A.Karuli Syahrie, and another employee. They are often in touch with me when I did my tasks about Guarantee Bank. They are very kind and friendly. In the implementation of daily activities, the writer is collaborating with employees in credit marketing division.

2.1.4 Norms of PT Bank Lampung

Norm is very important in our life, whether at home, course, school, or in the office. There are many norms at PT Bank Lampung include the company culture. The company culture of PT Bank Lampung include in the three pillars, they are alignment direction of view of the whole range of employees to achieve the goals or objectives, achieve a healthy bank and competitive, and giving satisfaction of all parties, customers, human resources and owners. After that for detail about the work schedule of PT Bank Lampung see appendix.

Then about uniform, every company or agency must have its own habits, including the custom in uniform. As well as PT Bank Lampung has its criteria in uniform.

Everyday the employees of PT Bank Lampung should be neatly uniformed and clean, because everyday they have to serve the customers. PT Bank Lampung has criteria in uniform, every Monday and Tuesday the employees wearing light blue and black, Wednesday wearing light brown, Thursday wearing black and white, and the last Friday wearing batik but in the Friday morning wearing sports clothes for gymnastics.

2.1.5 The Skill

At the first time field practice in PT Bank Lampung, I met many difficulties to adapt with office and communicate with another employee. In The office all of employees are required to arrive on time and me too. Many of skills are provided in PT Bank Lampung and we should have them, especially computer and banking skills. I think my computer skill is poor, because at the course education about computer skill is too short. So I must have the skills that I need to develop in the future in order to function more effectively and efficiently, for example the following capabilities. The skills are having computer skill and English banking skills, doing everything more carefully, and doing smart, diligent, and more discipline.

2.1.6 Problem Encountered and Way out

Doing field practice in PT Bank Lampung, there are a lot of things that I did not know and not master them. The things that I did not know are about Guarantee Bank, the loan, and other services. But I do not want to stop in there and I do not want to give up. I asked my boss and also read many books relating about the things that I do

not know. So I will quickly understand about a lot of things. Many ways and roads if we want and we have more motivation. That's the real key to be success.

2.1.7 Course and Improvement

How the courses (syllabus or curriculum) of Diploma-3 Program in Professional English could be improved based on my experience in PT Bank Lampung. Although Diploma 3 English profession has no basic in banking science but Diploma 3 English have studying the science of office as well as leadership. In order to curriculum of Diploma 3 English Profession reliable in all fields and to create graduates who can work anywhere, including in the bank so it is necessary to add some curriculums, such as English banking or other banking knowledge, marketing knowledge and of course computer skills.

2.2 Analysis of Problem Service of Guarantee Bank in Main Branch of PT Bank Lampung

2.2.1 Background

Banking has a very important task in order to encourage the achievement of national objectives relating to the improvement and equitable standards of living. Bank is a financial institution that connects the parties that have the funds to the parties that need funding, or public funds withdrawn by the bank and then loaned back to the community.

The role of banks in supporting economic activity is quite large because the bank provides services in the traffic circulation of money.

Viewed from the standpoint of banks, credit has a strategic position in which as one of the sources of cash necessary to finance business activities that can be emphasized as the key to life for every human being.

Credit facilities were granted by banks is the biggest asset for the bank, such as credit facilities of guarantee bank. In terms of activities of the bank providing credit facilities, the risk of loss originated mainly on the activity, so that if not managed properly and with adequate oversight would threaten the viability of the bank. And Bank Guarantee is one of Credit facilities in PT Bank Lampung which have many functions to the improvement and equitable standards of living.

In extending credit, banks must have confidence in the prospective borrower that the funds provided will be used in accordance with the purpose and will eventually be returned to the bank in accordance with the agreed contract.

2.2.2 History

Basically the guarantee bank is a forbearance agreement that provided in Article 1820 Civil Code. Guarantee term itself comes from the English language which means the *Guarantee* or *guaranty* that guarantees or warranties. In the Dutch language called *borgtocht*. And this term which most often we heard in addition to guarantee bank. A treaty or agreement in terms of Civil Code, the act by which 1 (one) or more persons bind themselves to one (1) other people or more (Article 1313 Civil Code). The

relationship between the two (2) the person is a legal relationship in which the rights and obligations between the parties is guaranteed by law.

2.2.3 Function and Purpose

The function of Guarantee Bank as performance bond of tender is to facilitate the implementation of the tender relations between the two sides, either for the contractor and the owner's importance project. Importance on the part of contractor is as one of the requirements that must filled contractors in observing bids in the tender that followed. And the purpose is helping the smooth operation of contractors, developers, suppliers, consultants in the course of making or completion or procurement of goods / services of a construction of a physical building projects and or non physical.

The Legal Foundation

1. Lampung Provincial Regulation No. 2 of 1999 dated 31 March 1999 on changes in body shape of the company law area (PD) Lampung regional development banks into limited liability company (PT) Lampung Regional Development Bank.
2. Deed PT Bank Lampung number 5 on 3 May 1999 of notaries Soekarno, SH, Bandar Lampung approved by the justice minister of the republic Indonesia kep.c.8261.HT.01.01.TH.99 numbers on 6 May 1999 and the decision of the minister of law and ham Indonesia republic number: AHU-24771.AH.01.02 deed of 2008 concerning the approval of amendment of the company.
3. The decree board of commissioners of PT Bank Lampung 31/DEKOM/BL/2000 number dated 21 July 2000 on rules and procedures for running a job board PT

Bank Lampung. Addendum I decree the board no. 01.ADD/K/BL-3/VII/2001 dated 03 July 2001 concerning changes to the board's decision letter 31/DEKOM/BL/2000 number;

4. The decree of directors of PT Bank Lampung number 35 of 2000 dated 6 July 2000 on the organization and working procedures of PT Bank Lampung.

The Understanding

1. Bank is PT Bank Lampung.
2. Office of the bank's operations is the main branch office, branch offices, branch offices, cash offices and specialized banks.
3. Debtors are customers who enjoy the facility of bank guarantee.
4. Guarantees Bank are guarantees given by banks to customers as the party secured (guaranteed) to meet an obligation that is guaranteed in the future if in default (breach of contract) to the receiving party has a guarantee of an agreement.
5. Collateral is additional assurance that the debtor submitted to the bank in order to extend the bank guarantee.
6. Construction is a business activity engaged in sector job development / creation / renovation project in the physical form of the implementation is based on a labor contract between the project owner with the contractor.
7. Procurement is an activity engaged in business sector employment provision / procurement of goods and or services whose implementation is based on the contract between the project owner to the contractor.

8. Contractors are entrepreneurs conducting business activities in the field of construction of physical and non physical, such as buildings, factories, irrigation, ports, roads, bridges, installation of machinery, procurement of goods / services, and so on.
9. Developers are businessmen who do business in the areas of housing, shops, offices, and so on.
10. Supplier is a businessman who conduct business activities in the field of procurement.
11. Consultants are entrepreneurs conducting business activities in the field of provision of services in the form of consultation.

The Duty of the Bank

The duty of bank as the executor of the Guarantee Bank provider :

1. Receiving requests of Guarantee Bank.
2. Analysis / discussion of Guarantee Bank.
3. Delivering the rejection letter of Guarantee Bank (if Guarantees Bank are not worthy to be published)
4. Creating a bank letter of Guarantee issuance.
5. Delivering letters to the notaries binding collateral.
6. Administer the document of Guarantee Bank.
7. Supervise / Monitor the implementation of the work secured by Guarantee Bank.
8. To guide to debtor.

9. Evaluating the development of the Guarantee Bank.
10. Delivering “peroyaan” binding letter of collateral if the Guarantee Bank has been completed.
11. Reported the development of the Guarantee Bank.

2.2.4 Guarantee Bank

In implementing the plan of business, you probably have a lot of projects whose implementation will be submitted to other parties. You need the confidence that the other party will fulfill its commitments in according to the contract. But there remains the possibility that the project is not implemented according to plan so you lose. In this case the bank can give services of the Guarantee Bank to increase your confidence and at the same time minimizing the risk of loss.

Guarantee Bank is a guarantee of payment that given to the receiving party guarantee, if the party is guaranteed not to fulfill its obligations. Or Guarantee Bank is guarantees that given to customers by bank as the party secured (guaranteed) to fulfill an obligation that is guaranteed in the future doing *wanprestasi* (breach of contract) to the receiving party has a guarantee of an agreement.

Kinds of Guarantee Bank

There are four kind of guarantee bank. First Tender Bond (Bid Bond), it is a kind of guarantee bank that given to customers with the aim, that the customer can follow the

activities of the tender of a particular project according to the requirements specified by the author of the project. Second Advance Payment Bond, it is a type of guarantee bank that provided to customers for the benefit of the project owner (*bouwheer*), with the aim to making a deposit guarantee by the client in implementation of certain phases of a project. And then Performance Bond, it is a type of guarantee bank that provided to customers for the benefit of the project owner (*bouwheer*) within the framework of the implementation of a project or work according to contracts already signed. And the last Maintenance Bond, it is a type of guarantee bank that provided to customers for the benefit of the project owners in order to maintenance of a particular project over a certain period, according to contracts that already signed.

Now about the projects that can be given guarantee bank. The project financed by the government that its budget comes from income and expenditure budget (APBN), Revenue and Expenditure Budget (APBD), Overseas Aid, regionally owned enterprises (enterprises) or other projects along the source of payment is clear and can be monitored. And about nominal of Guarantee Bank can be issued is the appropriate analysis / discussion of Guarantees Bank by considering debtor's petition and provisions required by the recipient of a guarantee or project owners. Then Period of Guarantee Bank is a corresponding analysis / discussion of Guarantees Bank by considering debtor's petition (request), project timeframe (period of the project), and provisions required by the recipient of a Guarantee or project owners.

The Service Procedure

» Submission of Guarantee Bank

Debtor or the debtor who has become the preferred storage customers, apply for a Guarantee Bank in writing to the bank by attaching:

- Letter of invitation to tender (Guarantee Bank for bid bond)
- Photocopy of identity
- Certificate of incorporation and amendments (if any)
- Certificate authority directors (if the party concerned as the power of the director), and are entitled to apply for guarantees bank (excluding guarantees offerings) is the debtor or the debtor who signed the work order and contract.
- Copy of business license for construction services (SIUJK)
- Copy of license place of business.
- Letter of work orders (SPK) and a contract to Performance Bond, Advance Payment Bond, Trade Guarantee, and Maintenance Bond.
- Copy of taxpayer numbers (NPWP).
- Copy of proof of the company has been a member of combined national contractor Indonesia (GAPENSI)
- Copy of proof of the company has been a member of Chamber of Commerce and Industry (KADIN).
- Copy of collateral granted.
- Letter of approval for the transfer of the leader / treasurer of the project.
- Other documents deemed necessary

» **Analysis of Guarantee Bank**

Analysis of Guarantee Bank is carried out by officers of the bank's operations office, include:

1. General data of borrowers (debtors).
2. Application data of Guarantee Bank.
3. Aspects of Management.
4. Aspects of Marketing.
5. Aspects of Technical.
6. Aspects of Financial.
7. Aspects of The Legal / Juridical and so on.

2.2.5 Analysis of Problem

» **The Problem Statement**

PT Bank Lampung prepared the security in terms of providing facilities of guarantee bank to customers become better service. The problem raised in this report “is the credit quality of banks assist efforts to achieve targets of PT Bank Lampung? And what should be watch out for the recipient of bank guarantee and the parties guaranteed by bank guarantee?”

» **The discuss of Problem**

In regarding Credit provided by PT Bank Lampung, the credit channel by taking into account the liquidity factor and guided by the precautionary principle and the

application of appropriate strategies, to improve the quality of credit in the efforts to achieve targets of bank. Outstanding loans last period on 31 December 2010 amounted to Rp. 1,525.94 billion, increase Rp. 239.63 billion or 18.63% when compared to the position in 2009.

A stable economic situation during the year 2010 strongly supports the operations of the bank, so that the targets have been set can be realized as well. Lampung Bank's loan portfolio is reflected in the position of collectibility at 31 December 2010 shows a very good condition, include: Current 98.15%, in special attention to 0.65%, substandard 0.12%, doubtful 0.06% and loss 1.02%.

The development of credit conditions seen in the following table:

(in billion rupiah) audited			Δ 10-09
Loan Collectibility	2009	2010	%
Current	1,257.81	1,497.73	19.07%
In special attention	9.64	9.91	2.80%
Substandard	2.13	1.87	-12.21%
Doubtful	2.67	0.94	-64.79%
Loss	14.06	15.49	10.17%
Total	1,286.31	1,525.94	18.63%

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That should be watched out for the recipient of Guarantee Bank are ensure the authenticity and validity of Guarantee Bank by contacting the issuing bank, check the validity period of Guarantee Bank in according to the duration of the project, and check and understand the terms of the claim to help you make a claim if required.

For the parties guaranteed by Guarantee Bank are consider the costs to be paid on the issuance of Bank Guarantee, carry out duties in accordance with the agreement with the recipient guarantees so there is no claim of Bank Guarantee issued, and the issuance of Bank Guarantee as well as the provision of credit, so you need to explain your business openly to the Bank.

Within the last ten years the trend or development of PT Bank Lampung in general is developing very encouraging, this is evidenced in seven years in a row always gets awards from independent evaluators institution that is a charter and the last two years form Golden Thropy Award from InfoBank.

Financial description on the last two years (2009 - 2010). In billion rupiah:

No.	Description	2009	2010
1.	Total Assets	2,287.87	3,130.05
2.	Loans	1,286.31	1,517.52
3.	Third party funds	1,294.58	1,705.76
4.	Equity	226.05	342.22
5.	Profit before tax	78.58	147.37

Data in 2010 Unaudit. Source, www.banklampung.co.id

» The objective

The objectives of this report are:

1. To determine the development Guarantee Bank in PT Bank Lampung 2009-2010.
2. To know the financial condition of PT Bank Lampung in 2010.
3. To provide a reference and data for further researches.

» The significant

From the observation that had been done by the writer, the writer knows about Guarantee Bank in PT Bank Lampung and how PT Bank Lampung increases the profits of the company can be analyzed. The writer hopes, the writing of this report can be useful as a consideration material for the company to control the liquidity. For diploma program, the writer hopes this report can be useful for diploma III English students to add their knowledge about banking in Indonesia.

» The methods

This final report is fully based on the writer's two months field practice in the PT Bank Lampung on Jl. Wolter Monginsidi No. 182. It was on May 2 until June 31 2011. The data are gained from the following resources, they are:

1. Reference data, that is, scientific research and related books are used.
2. Field data, that is, data gained directly from PT Bank Lampung.