

**PRESS RELEASE**

**OJK ISSUES SPECIAL BANKING POLICY  
FOR PIDIE JAYA, KARO REGENCIES, AND BIMA CITY**

**To Revive Post-Disaster Local Banking and Economic Performance**

Jakarta, January 20, 2017 — In the aftermath of the earthquake that hit Pidie Jaya Regency, Aceh, and the flash floods that struck Bima City, West Nusa Tenggara, local banking industry and economy in both areas suffered significant setbacks. The Financial Services Authority (OJK) has responded to their plight by undertaking special efforts to expedite the post-disaster recovery of local banks and economies in those areas.

The OJK has issued a policy that establishes Pidie Jaya Regency, Aceh, and Bima City, West Nusa Tenggara, as areas that need special treatment in terms of bank credit. The policy, which has been promulgated by a decision of OJK's Board of Commissioners, will be valid for three years from January 20, 2017 onwards.

In addition, the OJK has granted a one-year extension from January 22, 2017 onwards for certain sub-districts of Karo Regency that require special treatment in terms of bank credit.

The special treatment extension was awarded to the following sub-districts of the Karo Regency: Payung, Nawantran, Simpang Ampat and Tiganderket sub-districts.

The special treatment in relation to bank credit refers to Bank Indonesia Regulation (PBI) No. 8/15/PBI/2006 concerning special treatment for bank credit channeled to certain areas hit by natural disasters, which cover the following matters:

a. Credit Quality Assessment

The establishment of quality of credit for the maximum ceiling of IDR 5,000,000,000 (five billion rupiahs) is only based on punctuality of principal and/or interest payment. For credit with a ceiling higher than IDR 5,000,000,000 (five billion rupiahs), the establishment of the quality of assets continues referring to Bank Indonesia Regulation No. 14/15/PBI/2012 on Asset Quality Ratings of Commercial Banks.

b. Quality of Restructured Credit

- 1) Quality of credit, which is restructured due to natural disasters, of both commercial banks and rural banks, shall be rated current for the period of time stated in the related Decision of OJK's Board of Commissioners.
- 2) The credit restructuring described above may be exercised on credit extended before or after a disaster takes place.

c. Extension of New Credit to Affected Debtors

- 1) Banks may extend new credit to debtors affected by natural disasters.

2) Rating of the new credit's quality shall be conducted separately from that of the existing credit.

d. Policy application to Sharia Banks

The special treatment for areas affected by natural disasters also applies to funds distributed under Sharia principles that cover financing (*mudharabah* and *musyarakah*), receivables (*murabahah*, *salam*, *istisnha*), rent (*ijarah*), loans (*qardh*), and other types of fund provision.

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