

BANK INDONESIA REGULATION

NUMBER 11/ 27 /PBI/2009

CONCERNING

THE AMENDMENT TO BANK INDONESIA REGULATION

NUMBER 8/10/PBI/2006 CONCERNING

SPECIAL TREATMENT FOR BANK LOAN FOLLOWING THE  
NATURAL DISASTER IN YOGYAKARTA AND NEARBY AREAS IN  
CENTRAL JAVA PROVINCE

BY THE GRACE OF ALMIGHTY GOD

THE GOVERNOR OF BANK INDONESIA,

- Considering:
- a. whereas the banking performance and economic conditions in Yogyakarta and nearby areas in Central Java Province is not yet fully recovered from the earthquake on May 27, 2006;
  - b. whereas the banking condition is currently in process of recovery from the impact of global economic crisis;
  - c. whereas one measure to support the recovery for banking performance and economic conditions in the region is the provision of special treatment for bank loan in certain amounts and for restructured debt;
  - d. whereas based on considerations as referred to in letter a, letter b and letter c, it is deemed necessary to amend Bank Indonesia Regulation Number 8/10/PBI/2006 concerning special treatment for bank loan following the natural disaster in Yogyakarta and nearby areas in Central Java Province;

- In view of:
1. Act Number 7 Year 1992 concerning Banking (State Gazette of Republic of Indonesia Year 1992 Number 31, Supplement to State Gazette of the Republic of Indonesia Number 3472) as amended by Act Number 10 Year 1998 (State Gazette of the Republic of Indonesia Year 1998 Number 182, Supplement to State Gazette of

the Republic of Indonesia Number 3790);

2. Act Number 23 Year 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Year 1999 Number 66, Supplement to State Gazette of the Republic of Indonesia Number 3843) as most recently amended by Act Number 6 Year 2009 concerning the Stipulation of Government Regulation In Lieu of Law Number 2 Year 2008 concerning the Second Amendment to Act Number 23 Year 1999 concerning Bank Indonesia into Act (State Gazette of the Republic of Indonesia Year 2009 Number 7, Supplement to State Gazette of the Republic of Indonesia Number 4962);
3. Act Number 21 Year 2008 concerning Sharia Banking (State Gazette of the Republic of Indonesia Year 2008 Number 94, Supplement to State Gazette of the Republic of Indonesia Number 4867);

#### HAS DECREED:

To stipulate: AMENDMENT TO BANK INDONESIA REGULATION NUMBER 8/12/PBI/2006 CONCERNING SPECIAL TREATMENT FOR BANK LOAN FOLLOWING THE NATURAL DISASTER IN YOGYAKARTA AND NEARBY AREAS IN CENTRAL JAVA PROVINCE.

#### Article I

The provisions in Article 3 paragraph (1) Bank Indonesia Regulation Number 8/10/PBI/2006 concerning special treatment for bank loan following the natural disaster in Yogyakarta and nearby areas in Central Java Province (State Gazette of Republic of Indonesia Year 2006 Number 51, Supplement to State Gazette of the Republic of Indonesia Number 4626), shall be amended and added 1 (one) paragraph namely paragraph (4), the provision of Article 3 shall read as follows:

#### Article 3

- (1) Quality of restructured debt in Commercial Bank and Rural Bank shall be classified

current commencing from the restructuring through the end of December 2010.

- (2) Debt Restructuring in Commercial Bank and Rural Bank shall be conducted in accordance with the applicable Bank Indonesia regulatory provisions.
- (3) Debt Restructuring in Commercial Bank and Rural Bank as referred to in paragraph (1) may be conducted both for credit extended prior to and to be extended at the time of promulgation of this regulation.
- (4) Specifically for the debt restructuring as mentioned in paragraph (1), banks are obliged to establish a provision for asset losses gradually as follows:
  - a. At least 15% (fifteen percent) of the amount of loan not yet collected, at the end of December 2009;
  - b. At least 50% (fifty percent) of the amount of loan not yet collected, at the end of June 2010; and
  - c. At least 100% (one hundred percent) of the amount of loan not yet collected, at the end of December 2010.

## Article II

This Bank Indonesia Regulation shall be effective on July 01, 2009.

For the purpose of public cognizance, it is ordered that this Bank Indonesia Regulation be promulgated in State Gazette of the Republic of Indonesia.

Enacted in Jakarta

On July 01, 2009

TEMPORARY GOVERNOR OF BANK INDONESIA

MIRANDA S. GOELTOM

Promulgated in Jakarta

On July 01, 2009

MINISTER OF LAW AND HUMAN RIGHTS OF THE  
REPUBLIC OF INDONESIA

ANDI MATTALATTA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2009 NUMBER 105  
DPNP

ELUCIDATION  
ON  
BANK INDONESIA REGULATION  
NUMBER: 11/ 27/PBI/2009  
CONCERNING  
THE AMENDMENT TO BANK INDONESIA REGULATION  
NUMBER 8/10/PBI/2006 CONCERNING  
SPECIAL TREATMENT FOR BANK LOAN FOLLOWING THE  
NATURAL DISASTER IN YOGYAKARTA AND NEARBY AREAS IN  
CENTRAL JAVA PROVINCE

I. GENERAL

As widely reported, the impact of natural disaster that struck Yogyakarta and nearby areas in Central Java Province is understood to have brought disruption to the Indonesian economy, particularly in disaster-hit areas. The banking performance and economic conditions in Yogyakarta and nearby areas in Central Java Province is not yet fully recovered from the earthquake on May 27, 2006. Moreover, the banking condition is currently in process of recovery from the impact of global economic crisis.

In this regard, Bank Indonesia deems it is necessary to extend special treatment to Bank loan in the form of leniency in credit quality classification as well as provision of funds and new loan to debtors impacted by the natural disaster.

II. ARTICLE BY ARTICLE

Article 3

Paragraph (1)

Restructured debt is defined as credit which is restructured by bank due to debtor's issues impacted by the natural disaster on May 27, 2006 which causes decrease in the credit quality of debtors.

Restructuring of Rural Bank Credit shall take place by means of debt rescue in the form of rescheduling, reconditioning, or restructuring as stipulated in the regulatory provisions concerning Earning Assets Quality and Provision for Asset Losses.

Paragraph (2)

Self-Explanatory

Paragraph (3)

Self-Explanatory

Paragraph (4)

Letter a

Provision for Asset Losses can be established gradually or simultaneously at the end of December 2009.

Letter b

Provision for Asset Losses can be established gradually or simultaneously at the end of June 2010.

Letter c

Provision for Asset Losses can be established gradually or simultaneously at the end of December 2010.

Article II

Self-Explanatory

SUPPLEMENT TO STATE GAZETTE OF REPUBLIC OF INDONESIA NUMBER 5031