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# The Impact of OJK Regulation No. 48/POJK.03/2020 on the Quality of Credit and Risk Management of Banking Credit

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## Abstract

The COVID-19 pandemic, which is spreading rapidly throughout the world, has seriously harmed many countries, including Indonesia. Many things have been detrimental due to COVID-19, one of which is the economic aspect. This pandemic made it difficult for many debtors to fulfil their credit obligations that led the government to issue a countercyclical policy to provide a stimulus to the national economy. This study aims to determine the impact of OJK Regulation No.48 of 2020 on credit quality and control of banking credit risk in Indonesia. The research method used is descriptive qualitative with a literature approach using secondary data. This OJK regulation regulates economic stimulus through credit restructuring and regulates the implementation of credit risk management in banks. The existence of this regulation can maintain the stability of banking performance by keeping the Non-Performing Loan (NPL) number below 5% and providing a reference for banks in risk management with a model that is relevant to economic conditions during the COVID-19 pandemic.

**Keywords:** Financial Services Authority (OJK), Risk Management, Credit Risk, OJK Regulation, OJK48/2020, Non-Performing Loan, Banking Covid19 Stimulus, Indonesia Banking Policy in Covid 19 Era

## 1. Introduction

The coronavirus (COVID-19) outbreak began to spread in early 2020 and an official case of COVID-19 was recorded in Indonesia in March 2020. Starting from the case in Wuhan, China in December 2019, until it was announced as a pandemic outbreak by the World Health Organization (WHO) in January 2020. Until now, the official cases of COVID-19 based on data from WHO have been 100,455,529 cases worldwide. This very rapid spread has caused many countries to experience difficulties and problems in various aspects such as aspects of life, culture, politics and also the country's economy.

In order to overcome this pandemic, many countries issued regulations for lockdown and social distancing (Nicola et al, 2020). In Indonesia, this regulation is officially stated through Government Regulation Number 21 of 2020 concerning Large-Scale Social Restrictions (PSBB) in the context of the Acceleration of Corona Virus Disease 2019 (COVID-19) Control, which was issued on March 31, 2020. The existence of this regulation has

had a significant impact directly to the country's economy. The Indonesian Minister of Finance, Sri Mulyani, said that the impact of the PSBB was very enormous on the country's economy and since the implementation of the PSBB, economic growth was minus 5.32% in the second quarter. The decline in the country's economic performance was due to the fact that all economic activities were stopped during the implementation of the PSBB, and some companies even made layoff decisions (PHK). This negative growth indicates a decline in performance in various sectors, one of which is the financial services sector (CNBC Indonesia, 2020).

The decline in the economic capacity of the community will have an impact on the weakness of the community's ability to pay credit obligations to banks. To maintain the stability of banking performance in Indonesia, the Financial Services Authority (OJK) issued a Financial Services Authority Regulation (POJK) No.11 / POJK.03 / 2020 concerning National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019. This regulation was issued in March 2020 and ends in March 2021, but because the COVID-19 pandemic has not subsided up to now, changes have been made to the previous regulation, namely POJK No.48 / POJK.03 / 2020 which extends the validity period of the countercyclical policy until 31 March 2022 and also add some regulations.

POJK No.48/2020 is expected to maintain the credit quality of each bank by making a credit relaxation policy for debtors affected by COVID-19, with provisions adjusted by each bank as long as the bank continues to comply with the principle of prudence. In addition, in POJK No.48/2020 there are also additional regulations, one of which is the implementation of risk management tailored to the conditions of the COVID-19 pandemic. This pandemic condition will have an impact on credit quality and control of bank credit risk due to changes in economic movements experienced by the community. The implementation of risk management is very important for banks, especially in times of crisis such as this pandemic (Koulouridi et al, 2020).

Another thing that needs to be considered by banks and the government during this pandemic is credit risk management. According to the EY/IFF survey (2019) on global risk management, credit risk is the second most important priority to pay attention to. The crisis caused by the COVID-19 pandemic poses new challenges for risk modeling. The challenge that arises is the mismatch of the risk model that has been used so far with the economic conditions during this pandemic which has worsened the supply and demand of economic activity massively, then the lockdown and social distancing / PSBB policies have caused the unemployment rate to increase, thus affecting the financial capacity of the community. Therefore, POJK No.48 / 2020 is expected to be a direction for banks in implementing risk management during the COVID-19 pandemic.

Previous research related to this research topic is research by Disemadi & Shaleh (2020) on a legal review of credit risk management in an effort to prevent credit risk in Indonesian banks during the COVID-19 pandemic; research by Cakranegara (2020) concerning the comparison of the impact of the COVID-19 pandemic and the 1998 monetary crisis on Indonesian banking; and research by Albanjari & Kurniawan (2020) regarding the implementation of POJK policy no.11 / 2020 on Islamic Banks in Indonesia. This research is different from previous research, although it used the topic of the COVID-19 pandemic, but the discussion focused more on the influence of policies issued by the OJK in an effort to maintain the quality of Indonesian banking credit and its impact on credit risk management.

## **2. Literature Review**

### *2.1. Financial Services Authority Regulation (POJK) No.48 / POJK.03 / 2020*

POJK No.48 / 2020 is an amendment to POJK No.11 / 2020, regarding National Economic Stimulus as a Countercyclical Policy Impact of Coronavirus Disease 2019 Spread. The reason to issue this regulation is the rapid spread of COVID-19 in Indonesia which has direct and indirect impacts on the performance and capacity of debtors, so that it has a great potential to disrupt banking performance and financial stability which could negatively affect the country's economic growth. Therefore, to encourage optimization of the banking intermediation function, maintain financial system stability and support economic growth, an economic stimulus policy is needed as a countercyclical impact on the spread of COVID-19. Countercyclical policy is a government

strategy to fight the trend of economic booms or economic recessions through fiscal measures. This is done in order to keep the economy stable.

POJK No.11 / 2020 applies to Conventional Commercial Banks, Sharia Commercial Banks, Sharia Business Units, Rural Banks and Sharia Rural Banks. The main points of this POJK regulation include: banks can implement stimulus policies while still paying attention to the principle of prudence and debtors who are directly or indirectly affected by the spread of COVID-19 can accept the stimulus policies provided by each bank. The stimulus policy covers credit/financing quality assessment based solely on the accuracy of principal and/or interest payments for credit/financing up to Rp.10 billion, determination of credit/financing quality to be smooth after restructuring, and separation of quality determination for other / other financing. Credit restructuring is carried out by reducing interest rates, extending the term, reducing principal arrears, reducing interest arrears, adding facilities, and / or converting credit to Temporary Equity Participation.

POJK No.48 / 2020 is an additional regulation that extends the validity period of the stimulus policy until March 31, 2022. Additional regulations in this POJK include the implementation of risk management, credit/financing restructuring, policies for banks as a result of the spread of COVID-19 and reporting for bank. According to the POJK, banks are required to implement risk management which includes guidelines for determining debtors who are affected by COVID-19, assessing debtors who can accept restructuring, forming reserves for debtors who are deemed unable to survive, considering capital resilience by taking into account additional reserves to anticipate potential decline in credit quality, and conducting periodic resilience tests of potential deterioration in restructured credit quality and its impact on bank liquidity and capital.

## 2.2. *Coronavirus Disease (COVID-19)*

COVID-19 is a contagious disease caused by a new type of coronavirus. This is a new virus and an unknown disease prior to the outbreak in Wuhan, China, in December 2019. COVID-19 stands for Corona Virus Disease-2019. The new corona virus or novel coronavirus (nCoV) is a type of new corona virus that causes a disease called COVID-19. The new corona virus is a new virus, but it is similar to the virus family that causes SARS (Severe Acute Respiratory Syndrome) and a number of common colds (Task Force for Handling COVID-19, 2020).

The most common symptoms of COVID-19 are fever, dry cough and feeling tired. Other symptoms that some patients may experience less often include aches and pains, nasal congestion, headache, conjunctivitis, sore throat, diarrhea, loss of taste or smell, rash on the skin, or discoloration of fingers or toes. The symptoms experienced are usually mild and appear gradually. Some people become infected but have only mild symptoms. People can catch COVID-19 from other people who are infected with the virus. COVID-19 can be spread primarily from person to person through droplets from the nose or mouth that come out when an infected person coughs, sneezes or talks. These splashes are relatively heavy, they do not travel far and fall to the ground quickly. People can become infected with COVID-19 if they inhale the splashes of an infected person (WHO, 2020).

## 2.3. *Credit Quality*

Credit quality is a description of the condition of the debtor's loan principal and interest payments. Credit quality will affect bank credit risk. This is because good credit quality means that the debtor pays the principal and interest on time (current credit), while poor credit quality means that the debtor pays the principal and interest on the loan beyond the specified time limit, in other words, the credit risk increases because there is a possibility that it may not be a collectible credit. The quality of debtor credit can be influenced by internal and external factors. External factors are in the form of macroeconomic conditions and business climate, while internal factors are in the form of credit analysis process proposed by prospective debtors, this will affect credit quality when the prospective debtor gives excessive mark-up figures thus increasing the risk of the possibility of missing bank credit (Oka et al, 2015).

According to Ismail (2010) there are two categories of credit, namely performing loans and non-performing loans. Performing loans or loans that are not problematic can be further classified into two categories, namely:

- Current credit, which is credit without arrears of principal and interest.
- Loans, with special mention, are loans that were initially smooth but began to have arrears. It belongs to this category if the arrears are up to 90 days.

Non-performing loans or non-performing loans are classified into three, namely:

- Sub-current loans, are loans that are in arrears of more than 90 days to 180 days.
- Doubtful loans are loans that are in arrears of more than 180 days to 270 days.
- Bad credit, which is credit in arrears for more than 270 days.

#### *2.4. Credit Risk*

According to Bank Indonesia circular letter No.13 / 24 / DPNP / 2011 concerning the Rating of Commercial Banks, credit risk or default risk is a risk that arises because of the failure of the debtor to fulfill his credit and interest obligations to the bank. Credit risk is the most significant risk in banking. The success of the bank business depends on accurate measurement and a high level of efficiency in managing credit risk (Gieseche, 2004). Credit risk is usually measured using the ratio of non-performing loans (NPL). NPL can be measured by dividing non-performing loans by total credit (Mosey et al, 2018). When the NPL ratio is small, it means that credit collectability is getting better. Conversely, if the NPL value is large, it means that credit collectability is getting worse, which indicates that bank credit risk is getting bigger. Based on Bank Indonesia Regulation No.17/11/PBI/2015, the maximum NPL ratio is 5% of total loans. If the bank's NPL ratio is below 5%, it means that the bank is able to process credit risk well.

Bank Indonesia requires a risk management structure for each bank to cover credit risk. In general, risk management is a series of processes that begin with the process of identifying, measuring, monitoring and controlling portfolio risks (Idroes, 2011).

### **3. Research Methodology**

This study uses a qualitative descriptive method with a literature approach. Library research has the following characteristics: the researcher is dealing directly with text in the form of documents or numerical data, librarian data is "ready to use" because the sources are already available from the documents used, the data used is secondary data, and the literature is not limited by space and time (Zed, 2014).

The data used in this research is secondary data from research journals, books, documentation, articles and written archives that are relevant to the research material. The research data obtained will then be processed in steps: data reduction, data presentation and drawing conclusions (Zed, 2014).

### **4. Result and Discussion**

#### *4.1. COVID-19 in Indonesia*

Coronavirus is a group of viruses that can cause disease in animals or humans. Several types of coronavirus are known to cause respiratory tract infections in humans ranging from cold to more serious coughs such as Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS). COVID-19 is an infectious disease caused by a newly discovered type of coronavirus. This new virus and the disease it causes were first discovered during an outbreak in Wuhan, China, in December 2019. COVID-19 is now a pandemic that occurs in many countries around the world (WHO, 2020).

The latest data from the COVID-19 Handling Task Force website as of February 3, 2021 shows that there are 1,099,687 confirmed cases of COVID-19, with 896,530 cases recovered and 30,581 cases dead. The rapid spread of COVID-19 has weakened economic performance in many countries. All sectors of the economy are affected directly or indirectly. This is due to the existence of regulations and policies on large-scale social restrictions

(PSBB) or commonly known as lockdown. Even though the lockdown policy is useful for minimizing the number of spread of COVID-19, the negative impact will be experienced on the country's economy. A report from CNBC Indonesia stated that in the second quarter of 2020 the economy was contracted by minus 5.32%. According to data from the Ministry of Finance, the COVID-19 pandemic has caused an increase in the number of unemployment by 2.67 million people. So that as of November 2020, the total number of unemployment has reached 9.77 million people. This weak economic condition made public finances very sluggish. All of these things will have a direct impact on the performance of banks in Indonesia.

The COVID-19 pandemic is pressing the economy both in terms of demand and supply. The decline in demand and supply stems from problems with medical, businesses performance, and expectations. The following is data on the economic sector in Indonesia that has been affected by COVID-19:

Table 1: Economic Sector Affected by Covid-19

Impact Level	Affected Sector
High Impact (Turnover decreased > 30%)	<ul style="list-style-type: none"> <li>• Tourism</li> <li>• Manufacture</li> <li>• Building materials, heavy equipment</li> <li>• Property and construction</li> <li>• Pharmacy</li> </ul>
Medium Impact (Turnover decreased > 10-30%)	<ul style="list-style-type: none"> <li>• Multifinance</li> <li>• Automotive</li> <li>• Shopping center</li> <li>• Livestock, fishery</li> <li>• Distribution</li> <li>• Commodities (plantations, mining)</li> </ul>
Low Impact (Turnover decreased < 10%)	<ul style="list-style-type: none"> <li>• Packaging</li> <li>• E-commerce</li> <li>• Power plants</li> <li>• Medical devices</li> <li>• Staple food</li> <li>• Distribution</li> <li>• Tobacco / cigarettes</li> <li>• IT / communication</li> </ul>

Source: Economy Research, BCA, 2020

The significance of the impact of COVID-19 is generally reflected in the decline of national economic growth (in the form of pressure on the inflation rate, disruption to the supply chain due to reduced imports of raw materials from affected countries, potential balance of payments, decreased consumer confidence, increased unemployment, and low planting rates of foreign capital (OJK, 2020).

#### 4.2. Impact of Pandemic on Credit Quality and Credit Risk

During this pandemic, the performance of banks was severely affected, especially in the credit or loan sector. With the weakening of the financial capacity of debtors, it will be increasingly difficult for debtors to meet their credit obligations and loan interest. So that it will directly reduce credit quality. Bank activities, especially credit, cannot be separated from the problem of non-performing loans (NPL). NPL is a reflection of the credit risk that exists in a bank. If the NPL level is higher, the quality of credit is low and there is a large credit risk for the bank. On the other hand, if the NPL level is low, the quality of bank credit is in a safe and healthy condition, which means low credit risk.

Data from the OJK in the Indonesian Banking Statistics shows that the NPL rate has increased from before the pandemic to the beginning of the pandemic. The data used were taken from October 2019 to June 2020, here are the data:

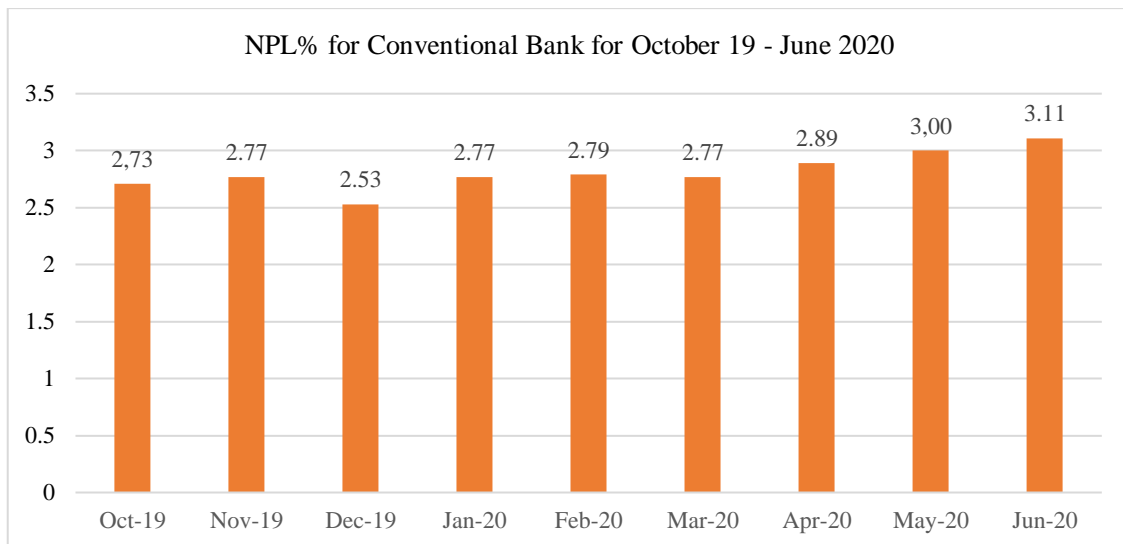


Figure 1: NPL% for Conventional Bank for October 19 - June 2020

Source: OJK Statistik Perbankan Indonesia, June 2020

Since COVID-19 entered Indonesia, the effects can be seen on the NPL of Indonesian banks. Indonesia first confirmed its COVID-19 case on March 2. It can be seen from the graph above that there is an increase in the NPL figure from March 2020 to the second quarter, June 2020. The increasing number of NPLs since the beginning of the pandemic has caused credit risk to increase.

#### 4.3. Financial Services Authority Regulation (POJK) No.11 / 2020 and No.48 / 2020

This declining economic performance needs to be addressed with relevant policies and regulations from the government to maintain economic stability. Through the OJK, a regulation was issued to provide economic stimulus and reduce the negative impact of COVID-19, namely POJK No.11 / POJK.03 / 2020 concerning National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019. This OJK Regulation was issued on March 13, 2020 and is valid until March 31, 2020. The countercyclical policy is a pro-active policy from the government to overcome extreme economic conditions with the aim of maintaining the balance of the economic cycle (Disemadi & Shaleh, 2020). The fluctuations in economic activity that occur due to the spread of COVID-19 affect the performance and capacity of debtors, either directly or indirectly. When this happens, the next impact will be on the performance of banking activities and the unstable economic stability of the country, therefore an economic stimulus policy is needed to help the people's economic capacity. The issuance of this OJK regulation aims to enable banks to actively collect data on debtors who are affected by the spread of COVID-19, then the bank will implement the regulations specified in POJK No.11 / POJK.03 / 2020 to provide an assessment to debtors for eligibility for credit relaxation by means of credit restructuring. All this needs to be done by the bank, always accompanied by risk management, especially credit risk which is getting higher due to the weak economic capacity and capacity of the debtors. For the implementation of risk management in banks, it can be seen from the existing regulations, for Conventional Commercial Banks (BUK) using POJK No.18 / POJK.03 / 2016, Sharia Commercial Banks (BUS) and Sharia Business Units (UUS) POJK No. 65 / POJK.03 / 2016, Rural Bank (BPR) POJK No.13 / POJK.03 / 2015 and Sharia Rural Bank (BPRS) POJK No. 23 / POJK.03 / 2018.

The points of regulation in POJK Stimulus COVID-19 include:

- Asset quality determination policies, and
- Credit or financing restructuring policies.

In implementing economic development stimulus policies, banks must still pay attention to the implementation of risk management and must have guidelines for determining debtors who are affected by the spread of COVID-19 including for micro, small and medium enterprises (MSMEs). Based on POJK No.11 / POJK.03 / 2020, the classification of debtors who have received a credit relaxation policy is debtors who are affected by the

spread of COVID-19, making it difficult to fulfill credit obligations. According to OJK, the forms of credit relief/relaxation that can be provided by the bank are:

- Lower interest rates
- Extension of time period
- Reduction of principal arrears
- Reduction of interest arrears
- Additional credit / financing facilities
- Credit / financing conversion to Temporary Equity Participation

POJK No.48 / POJK.03 / 2020 is the POJK for changes to the POJK for the COVID-19 stimulus which took effect from 3 December 2020 and extends the validity period of the COVID-19 stimulus policy until 31 March 2022. The points of regulation in POJK No.48 / POJK.03 / 2020 are still the same regarding the credit relaxation policy for debtors who are directly or indirectly affected by COVID-19. In POJK No.48/2020 there are additional regulations to ensure the implementation of risk management and prudential principles for banks is implemented properly, as well as policies related to bank capital and liquidity. The additional regulations in this POJK cover the implementation of risk management, credit / financing restructuring, liquidity and capital policies for banks, and reporting policies.

In implementing policies that support the stimulus of economic growth, banks need to apply risk management. According to the OJK, at least the bank has guidelines for determining debtors who are affected by the spread of COVID-19, then conducts an assessment of the debtor data that is already held to assess the debtor's ability to withstand the impact of COVID-19, then the bank needs to create reserves for debtors who after being assessed it turns out that it is no longer able to survive after credit restructuring, then considers capital resilience by taking into account additional reserves to anticipate a potential decline in the quality of restructured credit in the event that a bank will distribute dividends and the last one conducts periodic endurance tests on the potential decline in credit quality and its impact on liquidity and bank capital.

Additional policies for credit restructuring include, for example, loans restructured due to the impact of COVID-19 being exempted from the calculation of low quality assets (KKR) in the assessment of bank solvency for BUK / BUS / UUS. Then the bank has the authority to adjust the credit restructuring approval mechanism as long as it adheres to the principle of prudence. Banks need to carry out an assessment of the capacity of debtors affected by COVID-19. This was done to further assess the impact on the credit quality assessment of the restructured credit.

#### *4.4. Impact of POJK No.48 / 2020 on Credit Quality and Credit Risk*

To see the impact of this POJK on credit quality and credit risk, researchers will use NPL data from the start of the COVID-19 pandemic until the latest data that can be obtained. For NPL data from before the pandemic to the second quarter (June 2020) can be seen in Figure 1.NPL% for Conventional Bank for October 19 - June 2020 above. Based on this graph, it can be seen that before the pandemic occurred until March 2020, the average NPL or non-performing loan figure was 2.72%. This figure is lower than the average NPL from March 2020 to November 2020. The following is the NPL data from the OJK Banking Statistics Indonesia:



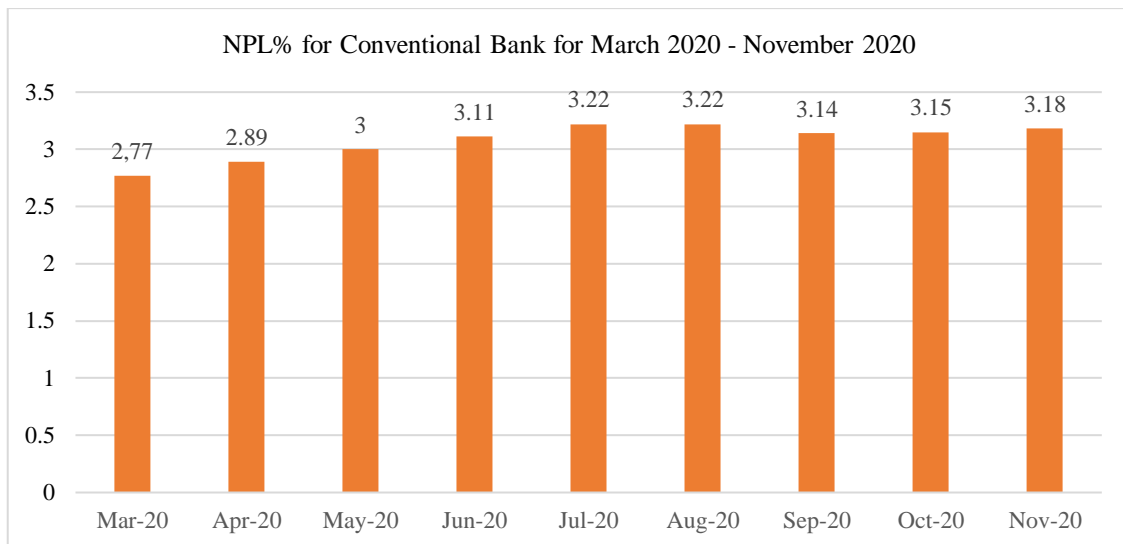


Figure 2: NPL% for Conventional Bank for March 20 - November 2020

Source: OJK Statistik Perbankan Indonesia, June 2020

Based on the data above, it can be seen that there has been an increase in the NPL figure from March 2020 (the first confirmed COVID-19 case) to November 2020. In March 2020 the NPL figure was 2.77% and continued to increase until July 2020. Furthermore, in August the NPL figure stable same as the previous month, and there was a slight decrease in September to October with NPL figures of 3.14% and 3.15%, and there was a slight increase in November 2020 reaching 3.18%. This data shows that even though COVID-19 reduces the quality of bank credit and increases credit risk, after the implementation of POJK No.11 / 2020 and No.48 / 2020 the number of non-performing loans / NPLs in banks can be kept more stable (still below 5%) with the issuance of a credit relaxation policy. The Chairman of the Board of Commissioners, Wimboh Santoso, said that this credit restructuring policy plays a very big role in reducing the NPL level of the bank because the restructured credit is directly categorized as smooth, therefore that banks do not need to make backups (Kontan.co, id, 2020). According to data from OJK, bank credit restructuring has reached Rp. 971.1 trillion on January 4, 2021. The amount of credit restructuring was received by 7.56 million debtors from 101 banks, of which the majority that received credit restructuring were Micro, Small and Medium Enterprises (MSMEs) of 5.81 million and the rest were non-MSMEs. as many as 1.76 million debtors.

#### 4.5. Challenges and Importance of Risk Management in a Pandemic Period

The COVID-19 pandemic is causing extreme changes to the economic cycle. The previous discussion has shown a negative impact that can be seen from the increase in the number of NPLs in banks in Indonesia, whose numbers are starting to become more stable due to the assistance of policies from POJK No.48/POJK.03/2020. Another issue that needs attention is the implementation of credit risk management by banks. With economic conditions that are very unpredictable due to the COVID-19 pandemic, the credit risk model that has been used is less relevant. According to Guerreri (2020), most credit risk models are made based on historical data from the last decade, which is less relevant and does not describe the economic conditions during the COVID-19 pandemic which drastically changed the economy.

Risk management becomes more important than the pre-pandemic period. Maintaining business operations in this complex and fast-changing economic environment requires companies to be proactive in analyzing the company's future risks and preparing the steps needed to predict future risks (Culp, 2020). One focus of credit risk modeling is determining the baseline for macroeconomic projections. Economic conditions in a pandemic have caused shocks to the world with the lockdown policy which has a short or long term effect. Culp advises banks to be progressive or looking to the future by leveraging big data with the use of technologies such as machine learning and artificial intelligence (AI) to assist risk management in estimating risks quickly and efficiently. Banks also need to be active in seeking data from external sources to identify early signs of potential future risks.

Regarding banking risk management during a pandemic, it is included in OJK No.48 / 2020 and needs to be applied by banks to stimulate economic growth. This POJK regulation has the same basis as the previous explanation, which is progressive oriented or looking to the future and makes banks proactive in finding the data needed for risk assessment of debtors. The POJK regulates banks to record debtors who are directly or indirectly affected by COVID-19, so that an assessment can be made of the debtor's capacity to provide restructuring policies, the debtor is assessed whether he is able to survive the impact of COVID-19 or not, to enable the bank to predict the risk and overcome the credit risk of the debtor by establishing reserves, and it is also arranged to carry out periodic endurance tests against the decline in the quality of restructured credit and its impact on bank liquidity and capital.

## 5. Conclusion

The very fast spread of COVID-19 has weakened economies around the world, including in Indonesia. A weak economy also has an impact on the financial capacity of the community. This can directly increase the credit risk of debtors affected by COVID-19. The lower credit quality indicates an increase of credit risk. Credit risk can be seen from the number of non-performing loans (NPL). The existence of this pandemic has urged the government to issue regulations in order to stimulate the economy which is expected to overcome the problem of bank credit risk. These regulations are the Financial Services Authority Regulation (POJK) No.11 / POJK.03 / 2020 and additional regulations POJK No.48 / POJK.03 / 2020. This policy is countercyclical to overcome fluctuations in the economic cycle and is expected to mitigate the impact of the pandemic so that the financial capacity of the public or debtors is maintained to alleviate potential credit risks that may worsen banking performance. The stimulus provided under this policy is credit restructuring. After this policy, the bank's NPL figure was maintained at no more than 5%, which means that banking performance is still fairly good. Apart from that, this regulation also affects the control of bank credit risk, because with fluctuating and unpredictable economic conditions, banks are required to update their risk management models. POJK 48 / POJK.03 / 2020 regulates banking minimum standards for implementing risk management, which includes making guidelines for determining debtors who are affected by the pandemic, using debtor condition data to assess credit risk that can be caused, making reserves based on potential credit risks, and conduct periodic resilience tests on deterioration of restructured credit quality and its impact on bank liquidity and capital.

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