

PRESS RELEASE
OJK CONSIDERS BANKING INDUSTRY PERFORMANCE
IN ADEQUATE CONDITION

(Jakarta, May 21st, 2014). Financial Services Authority (OJK) informed that in third week of May 2014 the condition of banking industry liquidity and each bank is normal, and that each bank is capable of fulfilling all immediate and short terms obligations within a few next months.

OJK continually supervises through sustainable monitoring over the quality of bank liquidity condition in order to make sure that banks and banking industry are in adequate condition and operate healthily, efficiently, and have competitiveness.

OJK's evaluation on the quality of banking industry capital at the end of first quarter of 2014 shows a capital adequacy ratio (CAR) of 19.77%, which is far above regulatory threshold at 8% and level of risk profile of each bank. Evaluation on core capital is divided into four groups, namely business activities of commercial banks 1 (BUKU 1) at 19.65%, BUKU 2 at 28.44%, BUKU 3 at 17.57%, and BUKU 4 at 17.96%.

Adequate bank capital is indicated with, among others, a quite low credit ratio, or non-performing loan (NPL) ratio, which is at 1.01%.

Meanwhile, OJK has monitored the realization of 2014 Bank Business Plan (RBB) until end of first quarter of 2014, which shows a growth of credit of 0.37% and growth of third-party funds (DPK) of 1.25% (year to date). Banking intermediary activities is measured by loan to deposit ratio (LDR), which shows at 91.17%. Both growth of credit and growth of third-party funds during the first quarter of 2014 are considered still on-track or in line with the whole RBB. OJK will sustainably monitor the realization in each bank, considering that 2014 is the year of general election, and also the year for preparation to embrace ASEAN Economic Community, which will start in 2015.

OJK asked all bank managements to keep improving their quality of risk management and good corporate governance (GCG), to always heed the prudential principles, and to prioritize the interest of customers.

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