

## **Speech**

### **CHAIRMAN OF OJK BOARD OF COMMISSIONERS**

### **AT THE COMMEMORATION OF THE 69<sup>TH</sup> ANNIVERSARY OF INDONESIA'S INDEPENDENCE DAY**

**“With the Spirit of Proclamation of Independence on August 17, 1945, We Support Leadership Succession Resulted from the 2014 Election for the Sake of Development Continuance towards More Advanced and More Prosperous Indonesia”.**

**Jakarta, August 17, 2014**

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**Assalamu'alaikum Warahmatullahi Wabarakatuh**  
**Good morning and greeting of prosperity for all of us.**

Dear the respected

- **Gentlemen and ladies, members of OJK Board of Commissioners;**
- **OJK officials and employees.**

1. With full gratitude to Allah SWT, God Almighty, this morning Indonesians commemorate the 69<sup>th</sup> anniversary of Indonesia's Independence Day. On this day, we dully give our highest respect and appreciation for the merit of all heroes whose sacrifice have given liberty to all of us.
2. Today's commemoration of Independence Day is a celebration of Indonesian people's victory over other nations' colonialism during independence war for a goal to make Indonesia a sovereign country with noble aspiration of the Proclamation of Independence to become a nation that is fair and prosperous.
3. Indeed we cannot deny that the noble aspiration has not been fully actualized after 69 years of independence. This country still has a lot and a long battle to achieve all the goals.
4. Therefore, being a successor generation, I ask all of you, my fellow colleagues, to make this commemoration of Independence Day as a momentum for us to contribute all capabilities in order to actualize the noble aspiration of Proclamation of Independence.

Gentlemen, ladies and fellow colleagues,

5. The theme of this year's commemoration of independence day is: **"With the Spirit of Proclamation of Independence on August 17, 1945, We Support Leadership Succession Resulted from the 2014 Election for the Sake of Development Continuance towards More Advanced and More Prosperous Indonesia"**. In line with the theme, OJK as an institution that regulates and supervises all sectors of financial services duly participates to succeed the development towards more advanced and more prosperous society under the impending new leadership
6. In this occasion, I would like to reemphasize that OJK's role is highly strategic in achieving national development targets, since OJK has been given two important mandates by Law No. 21 of 2011 on OJK, namely to regulate and supervise in an integrated manner the whole activities in financial services sector and to provide education and consumer protection. Therefore, OJK's existence is expected to be able to actualize a financial services industry that is organized, fair, transparent and accountable, as well as to actively take role in maintaining the stability of sustainable financial system. This will in turn give added values to improvement of prosperity in the society by creating high and qualified economic growth.
7. Government's main programs such as poverty alleviation, prevalent development, and creating job opportunities, are closely associated with OJK's function and duties. Consequently, we must do our efforts well in order to produce OJK policies that are in tune with those government programs. Some of our strategic initiatives, such as creating more inclusive financial sector and actualizing deeper financial market, will be in line with the direction of government policies.

Gentlemen, ladies and fellow colleagues,

8. Generally, national financial services sector is in better condition than it was in end of 2013. Banking sector, both of conventional and Sharia, showed a positive progress during first semester of 2014. National banking assets increased by 4.35% to Rp 5,321 trillion. Similarly with credit channeling, which also increased by 5.11% to Rp 3,607 trillion. With liquidation condition, asset quality and rentability that are well maintained, as well as level of capital that is relatively high to achieve 19.45%, banking industry's tenacity is currently in strong condition.
9. Meanwhile, domestic capital market condition until August 15, 2014, showed a very good performance and included as one of stock exchanges with highest performance in the region. Indonesian Composite Index (IHSG) was recorded at 5,148.96, an increase by 20.47% compared to end of 2013 closing, with market capitalization reaching Rp 5,117 trillion. Additionally, level of government securities (SBN) yield and net asset value of mutual fund also showed a positive progress.
10. In general, performance of non-bank financial industry, which includes insurance, finance companies, other financial institutions and Sharia non-bank financial institutions, still recorded positive business growth and financial performance. Until first semester of 2014, total assets of non-bank financial industry increased by 8.5% compared to the figure in end of 2013, reaching Rp 1,417.16 trillion.

**Gentlemen, ladies and fellow colleagues,**

11. It has been almost three years that OJK worked maximally to create financial system stability and financial services industry that is strong and grows healthily. I appreciate how we could surpass the pressure of global economic waves in 2013 and even in current 2014 amidst political condition dynamics due to legislative and presidential elections, that we are capable of maintaining financial services industry well. These achievements are certainly the results of our work together, upon which we must give appreciation to.
12. However, in carrying out its function and duties, OJK will never be excluded from various external and internal challenges. Externally, the challenges may come from many sides, for instance the dynamics of domestic, regional and global financial markets that can never stop and even develop faster and more dynamically. Apart from that, challenges may also derive from demands in society in order for us to be able to give more contribution in actualizing a strong and well-functioned financial services sector to support a healthy national economic growth and improve people's prosperity.
13. Internally, the challenges we must face include how we can always put efforts to be in the lead to face various challenges, both from the sides of human resource competency and organizational infrastructures. Acceleration towards our new identity that we call 'OJK-Satu' ('United OJK') is clearly not a small challenge. And lastly, how we can consistently implement each of strategic values that we have agreed, namely: integrity, professionalism, synergy, inclusive and visionary in every work we do.
14. We have to understand that demands from stakeholders regarding achieving OJK's vision and mission are extremely huge, diverse and continually develop. We are demanded to always play our roles actively in maintaining financial system stability, creating financial services industry that is strong, develops, more inclusive and contributive to national development, and creating society that is more financial literate and whose financial rights are protected.
15. We have done many things, but let us see inside ourselves and ask whether we have met people's expectations well. I believe the answer is that we still have a lot to improve. Therefore, we must implement well the big expectations that the society have placed on our shoulders. We cannot close our eyes and we must duly meet the demands and expectations from society as well as face the challenges. I want society to experience a fundamental difference through OJK's existence.

**Gentlemen, ladies and fellow colleagues,**

16. In this occasion, I would like to ask the whole OJK work force to synchronize our steps and common commitment to face the challenges and expectations from society regarding OJK's existence in order to actualize the goal of making financial services sector as national economy pillar with global competitiveness and ability to put forward prevalent prosperity.
17. I strongly believe that we are able to face it. With "OJK yang Satu" ("United OJK") spirit, I hope we will be easier in achieving OJK's vision and mission, because if we are solid, there will be nothing too hard to achieve.

18. Lastly, let us not easily satisfied with what we have accomplished so far. We must improve our achievements. May God Almighty always bestow us with His blessing and guidance in our efforts to actualize the noble aspiration of Indonesian people.
19. Long live Indonesia. Merdeka, Merdeka, Merdeka.

**Wassalamu`alaikum Warahmatullahi Wabarakatuh**

Jakarta, August 17, 2014

Dr. Muliaman D. Hadad  
Chairman of OJK Board of Commissioners