

PRESS RELEASE MEDIA BRIEFING**“Strengthening the Pillars of the Archipelago : East Java Synergy in Maintaining Stability, Navigating Challenges, and Encourage Sustainable Economic Growth”**

Surabaya, 14 May 2025. The Financial Services Authority (OJK) continues to increase synergy and collaboration with all stakeholders including the mass media in supporting the implementation of OJK's duties and roles in supervising the financial services industry and protecting consumers.

To support these efforts, the East Java Provincial OJK collaborated with the East Java Representative Office of Bank Indonesia, LPS II Representative Office and the East Java Representative Office of the Ministry of Finance to hold a media briefing with the theme ‘Strengthening the Pillars of the Archipelago through East Java Synergy in Maintaining Stability, Navigating Challenges, and Encouraging Sustainable Economic Growth’ which took place at the East Java Representative Office of Bank Indonesia on 14 May 2025.

Head of the East Java Provincial OJK, Yunita Linda Sari, said that the synergy between the OJK, local government, financial services industry, mass media and the community is the main key in facing global and national economic challenges.

The activity began with a presentation by Yunita Linda Sari from OJK East Java, followed by a presentation by Ibrahim as Head of Bank Indonesia East Java Representative, Bambang S. Hidayat as Head of LPS II Representative Office and Dudung Rudi Hendratna as Head of the East Java Ministry of Finance Representative (KaKanwil DJKN East Java).

East Java Financial Services Sector Performance

As of March 2025, the performance of the East Java banking sector showed solid growth with an increase in credit by 6.37 per cent year on year (yoy) to reach Rp609 trillion and Third Party Funds (DPK) grew by 2.94 per cent yoy to Rp793 trillion. Banking stability is also reflected in the mitigated Non-Performing Loan (NPL) ratio of 3.29 per cent and a strong Capital Adequacy Ratio (CAR) of 30.43 per cent. Banking liquidity ratios were also maintained with AL/DPK at 11.16 per cent (10 per cent threshold) and AL/NCD at 52.62 per cent (50 per cent threshold), indicating the banking sector's resilience to liquidity risk.

‘In general, the performance of banking intermediation continues the growth trend, both in the collection of deposits and lending. East Java banks have strong capitalisation with manageable credit risk.’

The performance of the Capital Market is growing, reflected in the growth in the number of Issuers, total funds raised through IPOs, number of SCF Issuers, and total funds raised through SCF. After the Covid-19 pandemic, the growth of Issuers from East Java is very encouraging. The number of Issuers increased from 38 companies/issuers in 2019 to 58 companies as of March 2025.

OJK in East Java continues to improve the development of the Capital Market through collaboration with the Indonesia Stock Exchange and Capital Market Financial Services Business Actors by educating the development of potential companies to conduct IPO, introducing alternative funding through SCF, as well as introducing investment and investment awareness for novice investors, thus making the province the third largest nationally for total investors with a total Single Investor Identification (SID) of 1.8 million.

Performance of Insurance, Guarantee, and Pension Funds, Public confidence to use insurance products is increasing, insurance premiums grew by 1.19 per cent yoy to 20.83 trillion in the fourth quarter of 2024 with a composition of life insurance premiums of Rp15.89 trillion (share 76.31 per cent) and general insurance premiums of Rp4.93 trillion (share 23.69 per cent).

For the Pension Fund industry, in East Java there are 10 Pension Funds with total net assets as of March 2025 of Rp4.36 trillion. As for the guarantee industry, there is 1 Head Office of a guarantee company with a total outstanding guarantee as of March 2025 of 8.13 trillion.

'The condition of Financing Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Services Institutions shows a positive trend as indicated by the growth of financing, outstanding Information Technology-Based Joint Funding Services, financing of private pawnshops and Microfinance Institutions, as well as participation/financing of venture capital companies.'

As of March 2025, total financing disbursed by Financing Companies grew by 6.11 per cent yoy to Rp47.32 trillion, while outstanding financing for Information Technology-Based Joint Funding Services amounted to Rp10.03 trillion or grew by 27.66 per cent yoy. Gross Non-Performing Financing (NPF) of financing companies and 90-day default rate for Information Technology-Based Joint Funding Services are still maintained at 2.92 per cent and 2.98 per cent.

Venture capital and pawn financing grew by 16.56 per cent and 55.03 per cent yoy respectively as of March 2025. Meanwhile, financing by microfinance institutions/sharia microfinance institutions grew by 6.42 per cent yoy as of December 2024.

Financial Literacy and Inclusion and Regional Economic Development Programme

OJK East Java is also active in improving financial literacy and inclusion through the National Financial Smart Movement programme, which has reached more than 288,000 participants. In addition, inclusion programmes such as Credit/Financing Against Loan Sharks and One Student One Account succeeded in increasing public financial access, with total deposits reaching Rp4.66 trillion in 8.77 million accounts. The Inclusive Financial Ecosystem Village Programme was also implemented in various regions to encourage community-based economic independence..

East Java Synergy in Maintaining Stability and Promoting Economic Growth

"OJK East Java is committed to continuing to strengthen synergies with all stakeholders, the focus of OJK is to ensure financial system stability, improve financial literacy and inclusion, and encourage innovation in the financial services sector to support inclusive and sustainable economic growth. Through strengthening synergies, innovation, and adaptive regulations, OJK East Java is optimistic that it can contribute significantly to achieving the target of sustainable national economic growth," said Yunita.

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