

PRESS RELEASE

SHARIA BANKING POSITIVE PERFORMANCE IN 2024

Jakarta, February 21, 2025. Indonesia Financial Services Authority (OJK) continuously supports the national sharia banking industry to create resilient and strong financial sector stability for continuous national economic growth.

The national sharia banking recorded positive performance in 2024, with total assets amounting to Rp980.30 trillion or 9.88 percent yoy growth in December 2024 and 7.72 percent increase in market shares (December 2023: 7.44 percent).

In intermediaries, the total financing distribution amounted to Rp643.55 trillion or 9.92 percent yoy, aligning with the national banking industry growth. The gathered Third-Party Funds (DPK) amounted to Rp753.60 trillion or 10 percent yoy growth, far above the national banking industry growth, ranging from 4 to 5 percent.

Financing is distributed majorly to the housing sector (KPR), making up 23 percent of the total financing. Meanwhile MSME sector financing makes up 16-17 percent of the total financing.

Sharia banking capital rate remains solid with adequate liquidity. The Capital Adequacy Ratio (CAR) was at 25.4 percent, which is above the requirements. Liquid Instruments/Non-Core Deposit (AL/NCD) and Liquid Instruments/Third Party Funds (AL/DPK) ratios amounted to 154.52 percent and 32.09 percent respectively, beyond the threshold of 50 percent and 10 percent respectively.

The financing quality was maintained with 2.12 percent NPF Gross ratio and 0.79 percent NPF Nett ratio. The profitability rate continues to grow, with 2.04 percent Return-On-Asset. These number shows a strong sharia banking business acceleration amid the domestic and global economic conditions.

OJK continues to support the national sharia banking industry by implementing the Roadmap for the Development and Strengthening of Sharia Banking (RP3SI) 2023-2027. As one of the roadmap implementations, OJK held an annual sharia banking meeting in 2024, where OJK released various guides to enhance the unique characteristics of sharia products. The guidelines included the Guide to Mudharaba Financing Products, Guide to Sharia Restricted Investment Account (SRIA) with Mudharaba Muqayyadah Aqd, and Guide to Cash Waqf Linked Deposit (CWLD).

In 2025, OJK will drive five policy directions to improve economic of scale and to highlight the uniqueness of sharia banking industry business to compete nationally and globally.

First, the Consolidation of Sharia banks and SBU strengthening by supporting spin-offs through coordination with stakeholders in licensing and allowing Sharia common banks from spin-offs to easily synergize with the parent banks. OJK also encourages shareholders to support consolidation for Sharia common banks with higher capacities.

Second, the Finalization of Sharia Financial Development Committee (KPKS) as the form of OJK's commitment in strengthening sharia governance in the national sharia financial industry.

Third, resuming sharia banking product guide preparation as the guideline in product implementations, providing common grounds and perception on the implementation. Moreover, sharia-based products will continue in accordance with the sharia financial strengthening point of PTIJK Year 2025. Several guides to be released include Guide to Salam, Istishna', and Multiservices Financing.

Fourth, the Strengthening of sharia banking roles in the sharia economy ecosystem through continuous sharia banking access expansion, such as synergism with other Sharia Financial Services Institutions, the Government (Ministries/Institutions), and the halal industry.

Fifth, Enhancing sharia banking roles in the MSME sector through access expansion and sharia banking fostering for unbankable micro small enterprises using sharia social financial instruments.

The five policy directions are expected to be the gamechanger of the national sharia banking industry development and its contribution for inclusive, sustainable, quality national economic growth.

Chief Executive of Banking Supervision of OJK Dian Ediana Rae stated that amid the global and domestic economic challenges, OJK viewed that general and specific sharia banking opportunities remain high, particularly sharia finances benefitting from niche markets and promoting alternative financial products with sharia characteristics, competitively comparable to conventional bank products. Inorganic and organic coordinated and systematic measures between all stakeholders shall be improved for more significant sharia banking market share.

For more information

Acting Head of Financial Literacy, Inclusion, and Communication Dept. – M. Ismail Riyadi

Telp. 021.29600000; Email: humas@ojk.go.id