

**PRESS RELEASE**  
**PRESIDENT JOKOWI WINS**  
**GLOBAL ISLAMIC FINANCE LEADERSHIP AWARD 2016**

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**Financial Services Authority, Jakarta, September 29, 2016:** President of the Republic of Indonesia Joko Widodo received Global Islamic Finance Leadership Award 2016 at the Global Islamic Finance Award (GIFA) ceremony held by the Financial Services Authority (OJK) in collaboration with EdBiz Consulting, a UK-based Sharia financial consulting company.

President Jokowi was presented the award by Global Islamic Finance Leadership Award 2015 laureate Muhammadu Sanusi II, Emir of Kano, a former Nigeria Central Bank Governor, on Thursday, in Jakarta.

The Global Islamic Finance Award (GIFA) recognizes successful corporate and individual players of the financial services industry who have made contribution to global Sharia finance development.

EdBiz Consulting, as the founder of GIFA, is a Sharia financial consulting company that has a program that aims to raise the purity of Sharia principle and develop Sharia finance.

In his welcoming speech, Chairman of OJK's Board of Commissioners Muliaman D. Hadad said that the Government has given enormous support to development of the Sharia finance sector and this was demonstrated by the publication of Indonesia's Master Plan on Sharia Finance Architecture, which sets the strategic direction for Sharia finance development in the future, and the establishment of the National Sharia Finance Committee.

"The establishment of the National Sharia Finance Committee (KNKS) by President Joko Widodo who also serves as chairman of this Committee, has proven the Government's commitment to making Indonesia as one of the global Sharia finance centers," Muliaman said.

The Government's concrete support has developed the Sharia finance sector and led the sector to produce significant contribution to global Sharia finance development.

This can be seen from Indonesia's ranking in the Islamic Financial Country Index that keeps climbing every year until it was ranked sixth in 2016, out of 48 countries surveyed.

"Hence, no doubt Indonesia has remarkable potential to develop further the Sharia finance industry," Muliaman said.

He explained that global Sharia finance development has attracted much attention for the last several years, given the industry's significant growth both in terms of assets and types of products offered.

Based on data from Islamic Financial Services Board's Financial Stability Report 2016, assets of Sharia finance industry worldwide had grown rapidly, from around US\$150 billion in 1990's to approximately US\$ 2 trillion by the end of 2015. The figure is forecasted to reach US\$ 6.5 trillion by 2020.

Muliawan added that the OJK has also launched the Sharia Finance Roadmap that presents strategies and programs for developing Indonesia's Sharia finance industry, which consists of the Sharia banking, the Sharia capital market, and the Sharia non-bank financial sectors, for the period of 2015 to 2019.

OJK data shows that amid global economic slowdown, Indonesia's Sharia finance industry still manages to improve its performance as seen from the Sharia banking sector's condition.

Contribution of the Sharia banking industry to the national banking industry has increased from the previous year, from 4.60 percent as of July 2015 to 4.81 percent as of July 2016. Such contribution could reach around 5.13 percent if Aceh Regional Development Bank, which had converted into a Sharia conventional bank, was also taken into consideration.

In line with the rising contribution, Sharia banking (Sharia banks and Sharia business units) assets have soared by 18.49 percent year-on-year (y-o-y), from IDR 272.6 trillion (as of July 2015) to IDR 305.5 trillion (as of July 2016). The rise was mainly driven by third-party funds collection that has grown 12.54 percent y-o-y, from IDR 216 trillion (as of July 2015) to IDR 243 trillion (as of July 2016), which in turn have spurred total loans channeled to climb 7.47 percent y-o-y, from IDR 204.8 trillion (as of July 2015) to IDR 220.1 trillion.

Regarding quality of financing, year-on-year gross non-performing financing (NPF) ratio has dropped from 4.89 percent (as of July 2015) to 4.81 percent (as of July 2016). On the other hand, the Sharia banking sector has enjoyed higher profitability as reflected by its rising return-on-assets (ROA) ratio, from 0.91 percent (as of July 2015) to 1.06 percent (as of July 2016). The sector also saw its cost-to-income ratio improved, from 94.19 percent (as of July 2015) to 92.78 percent (as of July 2016).

Moreover, the Sharia banking industry has recorded higher capital adequacy as reflected by its capital adequacy ratio (CAR) that climbed from 14.47 percent (as of July 2015) to 14.86 percent (as of July 2016).

With regard to the Sharia capital market, as of September 23, 2016, based on its types, Sharia securities have had different proportions of the total securities, as follows: Sharia stocks have made up 55.97 percent of total stocks, corporate sukuk have made up 3.88 percent of total corporate bonds, Sharia mutual funds have made up 3.76 percent of total mutual funds and state sukuk have made up 15.08 percent of total state bonds.

Regarding development of the Sharia non-bank financial industry (IKNB), the industry's total assets soared by 23.18 percent to IDR 80.1 trillion. The growth mostly came from the arrival of more players and the industry's products and services expansion.

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