

## PRESS RELEASE

### **SHARIA FINANCIAL ASSETS HIT IDR 3,952 TRILLION OJK Holds Sharia Fair at Summarecon Mall, Serpong, South Tangerang**

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**Financial Services Authority, Serpong, August 4, 2016:** The Financial Services Authority (OJK) has been promoting Sharia Finance, which has grown rapidly within the last five years both in terms of the number of companies and sharia financial assets in banking, non-bank financial institutions, and capital market sectors.

As of May 2016, total assets of sharia banks, the sharia capital market and sharia non-bank financial institutions have reached IDR 3,952.1 trillion, with the sharia banking sector contributed IDR 297.9 trillion to the figure, and sharia non-bank financial institutions and the sharia capital market supplied the remaining IDR 74.8 trillion and IDR 3,579.4 trillion respectively to the total amount (as per July 30, 2016).

In addition, the role of sharia finance in various economic sectors has been growing, for example, in the financing of the state budget, private-enterprise projects, and MSMEs. Also, sharia finance has served as financial planning and investment tools, and protection from financial risks for the national population.

Today's greater role of sharia finance is also evident from the higher ratio of sharia financial assets to national GDP. Total sharia financial assets compared to Indonesia's GDP have risen from year to year. In 2011, the total assets only accounted for 30.4 percent of the GDP. In 2015, the figure climbed to 40.3 percent.

As a follow-up to the effort of developing sharia finance, the OJK and the sharia financial industry has implemented one of its priority programs by holding an event called "Sharia Finance Fair (KSF)."

The KSF's goal is to raise public awareness, understanding and utilization of sharia financial products and it aims to raise both the number of customers/investors of sharia financial products and public understanding about them.

This year, the OJK plans to hold 6 KSF events in various cities across Indonesia. The one held at Summarecon Mall Serpong, South Tangerang, from August 4 2016 to August 7, 2016, was the third KSF event in tahun 2016. The event in South Tangerang was officially opened by Edy Setiadi, First Deputy Commissioner for Non-Bank Financial Institutions Supervision.

Participants of the Third KSF event at Summarecon Mall Serpong, South Tangerang, included 36 companies from the sharia financial industry, which consisted of 14 sharia banks, 11 sharia non-bank financial institutions, and 11

companies from the sharia capital market industry.

Sharia non-bank financial institutions assets' as of May 2016 have contributed 4.66 percent to the total sharia financial assets. The contribution encompassed sharia insurance assets' of IDR 29.83 trillion, sharia financing assets' of IDR 27.51 trillion, sharia venture capital assets' of IDR 469 billion, sharia underwriting assets' of IDR 673 billion, assets of PT Pegadaian (state-owned pawn shop) of IDR 4.10 trillion and the Indonesian Export Financing Agency (LPEI) assets' of IDR 12.21 trillion.

Total sharia banks' assets as of May 2016 have reached IDR 297.9 trillion, growing 9.38 percent, year on year. A total of 2,191 offices have been set up as sharia bank offices and sharia units. For the same period, total third-party funds stood at IDR 238.37 trillion and total financing have amounted to IDR 217.86 trillion.

Total assets of the sharia capital market as of July 2016 encompassed IDR 3,172 trillion in sharia equities, IDR 11.11 trillion in Islamic corporate debt papers, IDR 386.17 trillion in sovereign Islamic debt papers and IDR 9.92 trillion in sharia mutual funds.

The sharia capital market itself, following the launch of a policy package on sharia capital market at the end of 2015, has witnessed a series of product developments, especially in relation to mutual funds that invest in offshore sharia securities. For the year of 2016, nine (9) offshore-based sharia mutual funds were launched within six months. It is one of the products that investment managers can choose when they wish to make considerable investments—at least 51 percent of a mutual fund's total net asset value (NAB)—in offshore securities.

Today, 12 securities companies already have online sharia trading systems, making it even easier for the public to invest in sharia-compliant securities.

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