

PRESS RELEASE

OJK INAUGURATES LAKU PANDAI PROGRAM

Laku Pandai Program will Cover 75 Percent of Indonesia's Regions

Jakarta, March 26, 2015. Financial Services Authority (OJK) on Thursday (March 26, 2015) held a press conference on the commencement of Laku Pandai program (Smart Act branchless banking service for financial inclusion). Seventeen banks have proposed their management plan to run the program this year. In preliminary phase, four banks have already obtained permits from OJK and will run the program within the near future, namely BRI, Bank Mandiri, BTPN and BCA.

The four banks will recruit around 128,039 agents this year. If 13 other banks start to run the program this year as well, it is estimated that the number of Laku Pandai agents will soar to 350,000, covering 75 percent of Indonesia's regions.

"Within the next three years, I estimate that all regions in Indonesia will be covered by Laku Pandai banking agents," Chairman of OJK Board of Commissioners Muliaman D. Hadad said.

Besides Muliaman, the press conference was also attended by Deputy Commissioner for Banking Supervision Mulya Siregar and directors of Bank Rakyat Indonesia (BRI), Bank Mandiri, Bank Tabungan Pensiunan Nasional (BTPN) and Bank Central Asia (BCA).

Muliaman explained the Laku Pandai program was expected to support financial inclusion program, in accordance with the government's goal in National Strategy of Financial Inclusion (SNKI) launched in June 2012.

Financial inclusion program is created considering that so many Indonesians don't know, don't use or don't have access to banks or other financial services, because their residences are located far from bank offices, or because of burdening costs and requirements.

"The Laku Pandai program will provide simple and easy-to-understand financial products, and relevant with society's needs that have not been covered with financial services so far," Muliaman said.

Laku Pandai program is expected to be able to fulfill the needs in society to save and use money using affordable, safe and fast services. Customers, after saving their money periodically and are considered well by the banks, can propose for loans or micro financing for productive purposes that support financial inclusion.

Hopefully members of society can be free from loan sharks that have been troubling their lives due to extremely high interest rates. Moreover, they can also purchase micro insurance policy from agents who cooperate with insurance companies.

In line with expansion of financial access for society, OJK with financial services industry will continuously intensify giving education to society about benefits of products and services in financial

sector and good financial planning; thereby financial sector services will actually contribute to the effort of improving prosperity in society.

With the fact that more individuals from various levels of society in many regions in Indonesia now use financial or banking services, it is expected that economic activities in society can run smoother in order to drive economic growth and development equality in Indonesia's regions, especially in villages.

Products provided by Laku Pandai programs are:

1. Savings that have the characteristics of Basic Saving Account (BSA).
2. Loans/financing for micro business customers.
3. Other financial products such as micro insurance.

Descriptions of savings with BSA characteristics are, among others:

1. Without minimum limit for balance and cash deposits.
2. Maximum limits for balance and withdrawal transactions (i.e. cash withdrawals) stipulated by the bank must not exceed the limits stipulated in OJK Regulation (maximum balance is Rp 20 million and maximum amount of cumulative withdrawal transactions in a month is Rp 5 million).
3. Without monthly administration fees, and no charges for opening and closing saving accounts and withdrawal transactions (i.e. cash withdrawals).

By using savings with BSA characteristics, then:

1. Members of society can save their money in banks without worrying that the balance will be deducted for administration fees. In fact, they will still receive saving interest and be guaranteed by Deposit Insurance Corporation (LPS).
2. Members of society can conduct transactions without coming to bank offices. They can visit Laku Pandai agents located nearer to their residences.

Laku Pandai program will be run by four banks, namely BRI in Jayapura, starting on March 27, 2015; Bank Mandiri in Gowa, South Sulawesi, on March 28, 2015; BTPN on March 30, 2015; and BCA in Grobogan, Central Java, on April 6, 2015.

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