

PRESS RELEASE

OJK REVOKES PERMIT OF PADANG PANJANG'S BPR LPN KAMPUNG MANGGIS

Padang, November 29, 2017. The Financial Services Authority (OJK), by virtue of the Copy of OJK's Board of Commissioners Decree No. KEP-213/D.03/2017 dated November 29, 2017, concerning Revocation of Business License of Bank Perkreditan Rakyat (BPR) Lumbung Pitih Nagari Kampung Manggis, has revoked the business license of BPR Lumbung Pitih Nagari Kampung Manggis (a rural bank), which is located at Pusat Pertokoan Inpres, 2nd Floor, Blok C No 33, Pasar Padang Panjang Kota, Padang Panjang, effective November 29, 2017.

Before its business license was revoked, the rural bank had been assigned a status of bank under special surveillance (DPK) since May 8, 2017, and in accordance with the prevailing regulation, it was given a grace period of 180 days until November 3, 2017, to make restructuring efforts.

The BPR was put under special surveillance because its management had failed to improve the bank's financial performance and made the bank unable to meet the standards set in line with the applicable regulations.

Unfortunately, until the end of the specified deadline the BPR's restructuring efforts did nothing to improve the bank's condition in order to lift itself out of the special surveillance status—a bank needs to have a minimum capital adequacy ratio (CAR) of 4 percent to do so.

Following the revocation of Bank Perkreditan Rakyat (BPR) Lumbung Pitih Nagari Kampung Manggis' business license, the Indonesia Deposit Insurance Corporation (LPS) will run its insurance function and carry out liquidation process in compliance with Law No. 24 of 2004 concerning Deposit Insurance Corporation as amended by Law No. 7 of 2009.

The OJK urges customers of BPR Lumbung Pitih Nagari Kampung Manggis to remain calm as public funds in banks, including those in rural banks, are guaranteed by the LPS as long as their funds satisfy the applicable requirements.

Any concerned party may contact Financial Services Authority (OJK) Office of West Sumatra Province at Bank Indonesia Padang Building, 2nd Floor, Jalan Jenderal Sudirman No. 22, Padang 25128, phone: +62 751 890033 /890089.

For more information:

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