

REGIONAL

INFRASTRUCTURE

BANK

***Indonesia Convention
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Background

- Banking Internal and external factors improved progressively recently led to high risk of banking business For 2012, at least IDR598 trillion credit should be disbursed to support the economic growth at 6.3%-6.7%. The expansion is equal with a 26.9% credit growth Hence, It needs to be followed by:
 - *good corporate governance* in banking
 - *risk management implementation*

Indonesian Economic Condition

the budget deficit for next year is targeted at 1.7 percent of the GDP, inflation at between 4.9 to 5.3 percent.

The rupiah exchange rate against the U.S. dollar is at between 9,100 to 9,400, and the central bank interest rate at the range of 6.3 to 6.7 percent, oil price at 80 to 85 U.S. dollars a barrel in 2011. Indonesia's GDP in 2011 reached Rp 7,427.1 trillion.

Oil production (lifting) is seen at 960,000 to 980,000 barrel a day and unemployment at 7 percent next year,

8 banking risks

- a. Credit risk
- b. Market risk
- c. Liquidity risk
- d. Operational risk
- e. Law Risk
- f. Reputation risk
- g. Strategic risk
- h. Loyalty risk

6 Requirements of bank condition in Indonesia

- Bank capital structure
- Regulation system
- Supervision system
- Strong banking industries
- Supporting infrastructures
- Consumer protection

Indonesia Infrastructure Banks:

