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Indonesian banks to drive loan growth: survey

March 04, 2017 01:00

By THE JAKARTA POST

ASIA NEWS NETWORK

JAKARTA

Indonesian banks are more optimistic with this year's industry loan growth.

State-owned lenders will remain the main drivers of the banking industry's loan growth this year, says the results of an Indonesia Banking Survey held by financial consulting firm PricewaterhouseCoopers (PwC).

The respondents, according to the survey, project between 10 and 15 per cent of loan growth this year, in which 75 per cent of surveyed state lenders expect growth at more than 15 per cent.

Meanwhile, only 32 per cent of local private lenders and 19 per cent of foreign banks expect growth higher than 15 per cent this year.

The seventh survey of its kind asked 78 respondents from 58 lenders' top management officials in the country, whose assets represent 87 per cent of Indonesia's banking assets.

“There is clearly more optimism among bankers in 2017,” PwC Indonesia Financial Services Industry leader David Wake said at the survey results presentation in Jakarta said.

“However, our survey points out that one must understand the key differences between large state-owned banks with expansive branch networks and economies of scale, private local banks and foreign-owned banks.”

The Financial Services Authority sets a more conservative target of 11 per cent of loan growth this year, Financial Services Authority (OJK) deputy commissioner for integrated supervision Agus Siregar said.