

## Leading the Momentum, Citi Indonesia is Optimistic Global Sharia Mutual Funds will Continue to Develop in Indonesia

- *As a country with the largest Muslim population in the world, Indonesia has the potential to become a trading hub for sharia financial products including global sharia mutual funds.*
- *Citi Indonesia is playing an active role in supporting the development of capital markets by becoming a local administrator and global custodian bank for three pioneering sharia-based mutual fund products.*

**Jakarta, 14 June 2016** – As a country with the largest Muslim population in the world, Indonesia is in a strong position to become a trading hub for sharia financial products, including global sharia mutual funds. Sharia mutual fund products have been available in the country since 1997 but Net Asset Value (NAV) of sharia mutual funds in Indonesia is only 7% of Malaysia. Indonesia is a frequent issuer of sovereign bonds; nevertheless corporate sales also have been relatively low. Islamic Banking in the country is also experiencing moderate growth at only around 5%, in comparison to Malaysia which is at 20%.

In view of the above mentioned potentials and in order to appeal to the investment market in Indonesia, particularly for sharia-based products, the Financial Services Authority (FSA/OJK) has recently issued a regulation on the Issuance and Requirements of Sharia-Based Products. This regulation has opened the door for global sharia mutual funds to invest at a minimum 51% and maximum 100% on overseas portfolios. The initiative received positive reception from the capital market. In February alone, 3 global sharia mutual fund products were launched, namely *BNP Paribas Cakra Syariah USD*, *Manulife Saham Syariah Asia Pacific Dolar (MANSYAF)* and *Schroder Global Sharia Equity Fund USD*.

On the sidelines of a fast breaking event held by Citi Indonesia entitled ‘Indonesian Global Sharia Funds: Leading the Momentum’, **Member of the Board of Commissioners as Executive Head of Capital Market Supervision at the Financial Services Authority, Ir.Nurhaida, MBA** said, “We view the introduction of sharia-based global mutual funds in Indonesia as a positive breakthrough that will enrich the options of sharia-compliant investment products for investors. In addition, support from investment managers, custodian banks and sales agents during the launch of these mutual funds demonstrates the positive synergy that we have in supporting the development of capital markets in Indonesia. We see these as key drivers in the era of globalization which demands for the country to continue innovate in order to remain competitive with other international capital markets.”

Based on the Financial Services Authority (FSA/OJK) data, as per April of this year, there are 101 types of sharia mutual funds available in the market with total net asset value (NAV) of Rp. 9.3 trillion, whereas in 2011 there were only 50 with NAV of Rp. 5.5 trillion. This data demonstrates the rise of mutual funds in the country, driven by an increasing demand of sharia investment products, particularly mutual funds.

Through a network in more than 100 countries and strong presence in Indonesia, Citi was entrusted to become local administrator and global custodian for these three pioneering sharia-based mutual fund products. **Chief Executive Officer of Citi Indonesia, Batara Sianturi**, said, "We are very proud to be a part of breakthrough that offers new opportunities for local investors to access capital markets across the globe. In accordance with Citi's principle of enabling growth and progress, we fully support the development of capital markets in Indonesia through innovations and integrated services, backed of course by our extensive global networks."

As one of the major players in the financial industry, Citi provides excellent service to investment managers including in Foreign Currency Services, Direct Custodial Services and Clearing Services. With Assets Under Management (AUM) for its Indonesian Market & Securities Services reaching USD 40 billion, supported by innovations and integrated services and widespread global network, Citi has the capability to become strategic partner in the provision of sales agent services, custodian bank services, and treasury services which are consistent with the development of local and international capital market.

**Country Head of Market and Securities Services Citi Indonesia, Imelda Sebayang**, stated, "We are confident that these products will become lucrative investment alternative. With our strengths in providing integrated solutions at a global scale with access to international capital markets, Citi will remain committed in becoming a strategic partner for OJK/FSA, business communities and other stakeholders in advancing the Indonesian capital markets so that we can be leading on this globally."

Citi's capabilities and track records in the field of custodian bank services were recently recognized through the Marquee Awards which were given by 'The Asset' magazine. Citi won in two categories, namely Best Global Custodian Bank and Best Asset Servicing Bank. These accolades were provided for Citi's commitment in becoming an institution which consistently offers high quality services to its customers while remaining at the forefront of product innovation, acquisitions, and leading-edge technology.

The 'Indonesian Global Sharia Funds: Leading the Momentum' event was organized by Citi Indonesia for relevant stakeholders and featured renowned keynote speakers including regulators and economic experts from Citi.

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#### **Overview of Citi Indonesia**

Citi Indonesia is a fully-owned subsidiary of Citigroup, Inc – New York, USA. Citi has been in Indonesia since 1968 and is one of the country's largest foreign banks. Citi operates 11 branches in six major cities in Indonesia - Jakarta, Bandung, Surabaya, Semarang, Medan and Denpasar. In Indonesia, Citi also boasts one of the largest consumer transaction networks with 33,000 payment points and one of the largest corporate distribution networks with 4,800 locations in 34 provinces.

Established in 1998, *Citi Peka* (Citi Cares and Creates) acts as an umbrella for all Citi Indonesia community social activities funded by the Citi Foundation. *Citi Peka* focuses on empowerment programs and the presentation of awards to entrepreneurs and microfinance institutions. It also seeks to enhance the abilities of young entrepreneurs, as well as to develop the financial capacities of school-age children, farmers and mature aged women in the operational areas of Citi Indonesia. For more than 17 years, *Citi Peka* has partnered with over 31 organizations to implement 23 programs with funding of more than US\$ 8 million which has reached more than 800,000 individuals. Guided by the principle of "More than Philanthropy", *Citi Peka* involves around 90% of Citi employees as volunteers in various community social activities.

In 2016, Citi Indonesia received the Triple-A Asset Award as Best Digital Bank and Best Foreign Bank from Finance Asia. Throughout 2015, Citi received various awards including Best Foreign Bank in the Triple-A Asset Awards, Best Bank by Finance Asia, Best Tax Payment Bank in Indonesia from Treasury Office VII of the Indonesian Tax Office, Best Service Provider - Transaction Bank from The Asset Magazine, 2015 Service Quality Award from Service Excellence Magazine in collaboration with Carre – the Centre for Customer Satisfaction & Loyalty (Carre CCSL), Best Foreign Bank in Indonesia from Global Banking & Finance Review, Best Consumer Digital Bank in 2015 (Indonesia) from Global Finance Magazine. Further information can be obtained at: Website: [www.citigroup.com](http://www.citigroup.com) | Twitter: [youtubeciti](https://twitter.com/youtubeciti): [www.youtube.com/citi](https://www.youtube.com/citi) | Blog: <http://new.citi.com> | Facebook: [www.facebook.com/citi](https://www.facebook.com/citi) | LinkedIn: [www.linkedin.com/company/citi](https://www.linkedin.com/company/citi)

To enjoy a digital banking experience, please visit [www.citibank.co.id](http://www.citibank.co.id).

## PHOTO GALLERY

Photo 1



Citi Indonesia is playing an active role in supporting the development of capital markets by becoming a local administrator and global custodian bank for three pioneering sharia-based mutual fund products. As a custodian bank, Citi is committed to held socialization on the sharia-based mutual fund products with theme “**Indonesia Global Sharia Fund: Leading the Momentum**”. On the picture, **CEO Citi Indonesia Batara Sianturi**, opening the event held on Tue (14/6) at The Residence OnFive, Grand Hyatt Hotel Jakarta. Citi is fully support on the development of capital markets in Indonesia through innovations and integrated services, backed of course by our extensive global networks. As aligned with with Citi's principle of enabling growth and progress.

Photo 2



As a country with the largest Muslim population in the world, Indonesia has the potential to become a trading hub for sharia financial products including global sharia mutual funds. Financial Services Authority (FSA) mentioned that the introduction of sharia-based global mutual funds in Indonesia as a positive breakthrough that will enrich the options of sharia-compliant investment products for investors. As expressed by **Member of the Board of Commissioners as Executive Head of Capital Market Supervision at the Financial Services Authority, Ir.Nurhaida, MBA** during the **Indonesia Global Sharia Fund: Leading the Momentum** event held by Citi Indonesia on Tue (14/6). With its strengths in providing integrated solutions at a global scale with access to international capital markets, Citi will remain committed in becoming a strategic partner for OJK/FSA, business communities and other stakeholders in advancing the Indonesian capital markets to be the leader on this globally.

Photo 3



Today (14/6), Citi Indonesia held **Indonesia Global Sharia Fund: Leading the Momentum** specially designated for its stakeholders and featured renowned keynote speakers from regulator and economic expert from Citi. On the picture, **CEO Citi Indonesia Batara Sianturi** handover token of appreciation to **Member of the Board of Commissioners as Executive Head of Capital Market Supervision at the Financial Services Authority, Ir.Nurhaida, MBA** and witnessed by **Country Head Securities Services Citi Indonesia Imelda Sebayang** during the event on The Residence OnFive, Grand Hyatt Hotel Jakarta. With its strengths in providing integrated solutions at a global scale with access to international capital markets, Citi will remain committed in becoming a strategic partner for OJK/FSA, business communities and other stakeholders in advancing the Indonesian capital markets to be the leader on this globally.

Photo 4



As one of the major players in the financial industry, Citi provides excellent service to investment managers including in Foreign Currency Services, Direct Custodial Services and Clearing Services. Citi has the capability to become strategic partner in the provision of sales agent services, custodian bank services, and treasury services which are consistent with the development of local and international capital market. On the picture (left to right) **Retail Bank Head Citi Indonesia Harsya Prasetyo**, **Country Head Securities Services Citi Indonesia Imelda Sebayang**, **Anggota Dewan Komisioner selaku Kepala Eksekutif Pengawas Pasar Modal Otoritas Jasa Keuangan Ir. Nurhaida, MBA** and **CEO Citi Indonesia Batara Sianturi** in the middle of **Indonesia Global Sharia Fund: Leading the Momentum** event discussed on the growth of sharia-based mutual funds in Indonesia held today, Tue (14/6). The 'Indonesian Global Sharia Funds: Leading the Momentum' event was organized by Citi Indonesia for relevant stakeholders and featured renowned keynote speakers including regulators and economic experts from Citi