

## PRESS RELEASE

### Strengthening a Stable and Inclusive Financial Services Sector to Support National Priority Programs

#### Annual Meeting of the Financial Services Industry 2025

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Jakarta, 11 February 2025 – Indonesia Financial Services Authority (OJK) continues to strengthen the stability of an inclusive financial services sector to support the government's priority programs in driving national economic growth.

OJK is optimistic that the performance of the financial services sector in 2025 will remain positive, in line with the challenges and opportunities ahead, as well as the policies that will be implemented.

"We are optimistic that the performance of the financial services sector in 2025 will continue to grow," said OJK Chairman Mahendra Siregar at the 2025 Annual Financial Services Industry Meeting (Pertemuan Tahunan Industri Jasa Keuangan/PTIJK), held in Jakarta and attended by hundreds of financial services industry institutions and several government ministry and agency leaders.

At PTIJK event, in addition to presenting a report on the implementation of regulatory and supervisory duties in the financial services sector, OJK also launched the Indonesia Anti-Scam Center (Financial Transaction Fraud Handling Center) and the Information System of Fraudsters in the Financial Service Sector (Sistem Informasi Pelaku di Sektor Keuangan/SIPELAKU) as part of its efforts to protect the public and strengthen the integrity of the financial services sector.

Mahendra outlined four key OJK policies for 2025 to maintain a resilient Financial Services Sector (FSS) that can serve as a strong lever for economic growth:

1. Optimizing Financial Services Sector's Contribution to Government Priority Programs. OJK encourages the financial services industry (IJK) to play a role in driving growth by expanding financing for national priority programs, which are also part of IJK's business strategy:
  - a. Support for the Free Nutritious Food (*Makan Bergizi Gratis*/MBG) Program and Food Security:
    - 1) Facilitating access to financing through special credit and guarantee schemes for farmers and MSMEs, as well as developing parametric insurance products such as "pay at harvest" (yarnen), supply chain financing, project financing, and agricultural insurance (e.g., Rice Farming Insurance (*Asuransi Usaha Tani Padi*/AUTP) and Cattle Farming Insurance (*Asuransi Usaha Ternak Sapi/Kerbau*/AUTS)).
    - 2) Strengthening collaboration between OJK regional offices and local governments to develop a financing ecosystem for regional commodities, supporting food security and supply chains for the MBG program.
  - b. Support for Health and Education:
    - 1) Partnering with Ministry of Health to improve the health insurance ecosystem.

- 2) Enhancing public financial literacy by integrating financial education into school curricula and requiring IJK institutions to actively educate the public, including students.
- c. Support for the Construction of 3 Million Affordable Housing Units for Low-Income Communities (*Masyarakat Berpenghasilan Rendah/MBR*)
  - 1) Simplifying and expanding access to housing loan (KPR) for low-income households by assessing asset quality based on a single criterion and applying lower and more granular risk weights. OJK also confirmed that there are no restrictions on providing credit to non-performing borrowers.
  - 2) Collaborating with the Ministry of Housing and Urban Development to establish a dedicated complaint channel and task force to expedite mortgage-related issue resolutions linked to the Financial Information Service System (SLIK).
  - 3) Providing greater flexibility for housing developers to obtain financing for land acquisition and development.
  - 4) Strengthening housing finance liquidity through the refinement of structured investment products, particularly Asset-Backed Securities - Participation Certificates (EBA-SP).
  - 5) Strengthening the insurance and guarantee industry to support MSME developers in mitigating construction risks, including working capital loan guarantees, surety bonds, property insurance, and mortgage life insurance.
- d. Strengthening National Economic Liquidity through Export Proceeds (DHE SDA) Placement Mechanisms
  - 1) Providing greater flexibility for export financing by exempting Maximum Lending Limits (*Batas Maksimum Pemberian Kredit/BMPK*) for export proceeds deposited as collateral for back-to-back loans.
  - 2) Ensuring that the placement of exporter funds in Bank Indonesia's Open Market Operation (OPT) foreign currency deposits does not affect prudential regulations such as LCR, NSFR, Capital Adequacy Ratio (*Kewajiban Penyediaan Modal Minimum/KPMM*)/CEMA, Maximum Limit for Credit Provision (*Batas Maksimum Pemberian Kredit/BMPK*), or asset quality assessments.
  - 3) Simplifying back-to-back credit analysis processes.
  - 4) Encouraging financial institutions to expand financing opportunities for priority programs, including downstream industries.
2. Developing an Inclusive and Sustainable Financial Services Sector
  - a. Implementation of Financial Sector Development and Strengthening Law (UU P2SK)

As of early 2025, OJK has assumed broader regulatory and supervisory authority over digital financial assets, crypto assets, derivative instruments, bullion trading, cooperative financial services, and financial conglomerate holding companies (PIKK). This expansion supports financial sector growth and higher economic contributions by:

- 1) Developing more diverse financial instruments to deepen capital markets.
- 2) Enhancing licensing and supervision infrastructure for financial conglomerates to align with international financial regulatory standards.
- b. Strengthening Financial Market Development
  - 1) Expanding the Credit Reporting System (CRS) ecosystem using SLIK, Private Credit Bureau (*Lembaga Pengelola Informasi Perkreditan/LPIP*), and Alternative Credit Rating (PKA) to simplify credit assessments.
  - 2) Diversifying capital market instruments, such as gold-backed ETFs, mutual fund products, offshore product trading regulations, and digital securities.
  - 3) Promoting Islamic finance industry growth through integration with the halal industry and development of Sharia-compliant financial products.
  - 4) Expanding financial literacy and inclusion programs, including National Movement of Financial Literacy (GENCARKAN), Regional Financial Access Acceleration Team (TPAKD), SETARA, GERAK Syariah, and Digination.
- c. Strengthening Sustainable Finance Initiatives
  - 1) Launching Indonesia's Sustainable Finance Taxonomy (*Taksonomi untuk Keuangan Berlanjutan Indonesia/TKBI*) Version Two, aligning sector classifications with Nationally Determined Contributions (NDCs) and green economy initiatives.
  - 2) Issuing the Sustainable Capital Market Roadmap and enhancing cooperation with ministries and agencies to develop the carbon exchange ecosystem.
3. Strengthening the Capacity and Supervision of Financial Services Sector
  - a. Industry consolidation through capital strengthening and business stratification for investment managers and securities companies.
  - b. Enhancing corporate governance, risk management, and transparency.
  - c. Enforcing compliance with minimum capital requirements for financial institutions.
  - d. Improving regulations for peer-to-peer (P2P) lending and Buy Now Pay Later (BNPL) to ensure a healthy and trustworthy industry.
  - e. Standardizing and certifying financial services professions.
4. Enhancing Integrity Enforcement and Consumer Protection
  - a. Strengthening Financial Services Integrity
    - 1) Collaborating with law enforcement agencies to prevent financial institutions from being used for criminal activities, such as online gambling.
    - 2) Enhancing the role of the Illegal Financial Activity Eradication Task Force (Satgas PASTI).
    - 3) Establishing the Indonesia Anti-Scam Center (IASC) to improve fraud response and facilitate faster recovery of scam victims' funds. Future

efforts include forming the Global Anti-Scam Alliance (GASA) Indonesia Chapter.

- 4) Launching SIPELAKU, an integrated database of financial fraudsters, helping financial institutions manage risk.
  - 5) Encouraging financial institutions to adopt Anti-Fraud Strategies and Anti-Bribery Management System (SMAP) Certifications.
- b. Strengthening Consumer and Investor Protection

OJK will regulate more transparent financial product marketing practices, ensuring clear advertising, product descriptions, and service summaries to minimize consumer losses.

With these policies, OJK aims to maintain financial sector stability, drive economic growth, and protect consumers and investors in 2025.

### **Outlook for the Financial Services Sector (SJK)**

Considering the various challenges and opportunities ahead, as well as the policies to be implemented, OJK remains optimistic that the positive trend in the financial sector's performance will continue in 2025.

Bank lending is projected to grow by 9-11%, supported by Third-Party Funds growth of 6-8%. In the capital market, fundraising is targeted at IDR220 Trillion.

Financing receivables from Financing Companies are projected to grow by 8-10%, taking into account the decline in motor vehicle sales. Insurance assets are expected to grow by 6-8%, Pension Fund assets by 9-11%, and Guarantee assets by 6-8%.

Policy synergy with various stakeholders—including the government, monetary authorities, financial service industries, business players, the public, and other stakeholders—is essential not only for achieving the financial sector's performance outlook but also for maximizing its benefits to the national economy.

### **SIPELAKU and IASC**

In this Financial Services Sector Policy Direction (PTIJK), OJK has launched the Information System of Fraud database in the Financial Service Sector (*Sistem Informasi Pelaku di Sektor Keuangan*/SIPELAKU) or Financial Sector Player Information System, and the Indonesia Anti-Scam Center (IASC).

SIPELAKU is an application managed by OJK that records the track records of individuals in the financial services sector to enhance integrity. The system contains information such as individual profiles, address history, work history, and fraud records. The data in SIPELAKU comes from the Fraud Strategy Implementation Reports (SAF) submitted by Financial Services Institutions (LJK) to OJK, as stipulated in OJK Regulation No. 12 of 2024 on Fraud Strategy Implementation for Financial Services Institutions, as well as other data and information determined by OJK.

Meanwhile, IASC was established by OJK in collaboration with members of the Task Force for Eradicating Illegal Financial Activities (Satgas PASTI) and supported by financial industry associations to address scams in the financial sector swiftly and effectively.

The formation of IASC aims to enhance coordination among financial service providers in handling fraud reports. This includes delaying transactions and blocking accounts linked to scams, identifying parties involved, attempting to recover victims' remaining funds, and pursuing legal action.

This coordination forum was established in response to the increasing frequency of financial sector fraud and the growing amount of lost victim funds. IASC is currently supported by associations from the banking industry, payment system providers, and e-commerce platforms.

### **Financial Services Sector Stability**

OJK Board of Commissioners' Monthly Meeting on 30 January 2025, assessed that the stability of the Financial Services Sector (SJK) remains well-maintained despite global and domestic economic dynamics.

Global economic growth in 2025 is expected to remain at a limited level. Recent global economic developments show a sideways trend, with weakening manufacturing activity and global trade. This has led to a slightly dovish stance from global central banks, with most cutting policy interest rates over the past three months.

In the United States, the economy and labor market have shown solid growth, while inflationary pressures have eased. This has increased market expectations of a faster cut to the Federal Funds Rate (FFR). Although the probability of the first rate cut occurring in May 2025 has risen, markets are closely watching President Trump's policy direction, which could influence financial market volatility and inflation expectations.

In China, economic growth reached 5.4% year-on-year, exceeding market expectations due to improvements in the real estate and financial services sectors. However, domestic demand remains weak, as reflected in a Consumer Price Index (CPI) of 0.2% and a Producer Price Index (PPI) that continues to contract. On the other hand, export growth has contributed to a high trade surplus, which reached USD992.16 Billion throughout 2024.

Domestically, economic performance remains stable, with GDP growth recorded at 5.03% in 2024. Headline inflation (CPI) remained steady at 1.57% year-on-year, with core inflation at 2.26% year-on-year. The trade balance surplus continues, and foreign exchange reserves have increased. Meanwhile, the Manufacturing PMI remains stable in the expansion zone.

Transaction volume distribution:

- 12.22% in the Regular Market
- 62.14% in the Negotiated Market
- 25.40% in the Auction Market
- 0.24% in the Marketplace

Looking ahead, the Carbon Exchange holds significant potential, considering 4,154 registered participants in the National Registry System for Climate Change Control (SRN PPI) and the high potential of carbon units available for trading.

To further contribute to global climate change mitigation, the Carbon Exchange opened international trading on 20 January 2025. By 31 January 2025, the transaction volume reached 49,815 tCO<sub>2</sub>e, with a transaction value of IDR4.02 Billion.

## **Developments in Capital Market, Financial Derivative and Carbon Exchange (PMDK)**

Amid concerns over global economic conditions, the domestic stock market closed higher at the beginning of 2025, rising by 0.41 percent month-to-date (mtd) or year-to-date (ytd) as of 31 January 2025, reaching 7,109.20. The market capitalization was recorded at IDR12,319 Trillion, down 0.14 percent mtd or ytd. Meanwhile, non-resident investors recorded a net sell of IDR3.71 Trillion mtd or ytd.

On an mtd or ytd basis, sectoral index performance saw gains in several sectors, with the most significant increases in the consumer cyclicals and financials sectors. In terms of transaction liquidity, the average daily stock market transaction value was recorded at IDR10.71 Trillion mtd or ytd, lower than the 2024 average of IDR12.85 Trillion.

In the bond market, the ICBI bond market index increased by 0.77 percent mtd or ytd to 395.70, with the average SBN yield falling by 1.31 bps mtd or ytd as of the end of January 2025. Non-resident investors recorded a net buy of IDR4.65 Trillion mtd or ytd in the government bond market, while in the corporate bond market, they registered a net sell of IDR0.78 Trillion mtd or ytd.

In the investment management industry, Assets Under Management (AUM) were recorded at IDR834.87 Trillion (down 0.30 percent mtd or ytd) as of 31 January 2025. The Net Asset Value (NAV) of mutual funds stood at IDR496.75 Trillion, down 0.50 percent ytd, with a net redemption of IDR2.59 Trillion mtd or ytd.

Capital raising in the capital market in 2024 exceeded the target of over IDR200 Trillion, reaching IDR259.24 Trillion from 199 public offerings, with 36 percent dominated by the financial sector. As of 31 January 2025, the value of public offerings was recorded at IDR1.10 Trillion through two continuous public offerings. Additionally, 116 public offering pipelines are still in process, with an indicative estimated value of IDR40.84 Trillion. On the demand side, the number of capital market investors has grown sixfold in the last five years, reaching 14.87 Million investors in 2024 (December 2019: 2.48 Million; December 2024: 22.22 percent ytd growth). As of 31 January 2025, the number of investors reached 15.16 Million, an increase of 1.95 percent mtd or ytd. OJK continues to monitor market volatility in line with the release of issuer performance reports.

For Securities Crowdfunding (SCF), since the implementation of SCF regulations until 16 January 2025, 18 SCF operators have been licensed by OJK, with 727 securities issuances from 478 issuers, 173,686 investors, and a total SCF fund of IDR1.38 Trillion recorded at KSEI.

Meanwhile, for Sharia SCF, six operators have issued 376 securities from 180 issuers, with 56,340 investors and a total Sharia SCF fund of IDR725.26 Billion recorded at KSEI.

On the Carbon Exchange, since its launch on 26 September 2023, up to 31 January 2025, 107 service users have been licensed, with a total volume of 1,181,255 tCO<sub>2</sub>e and a cumulative transaction value of IDR62.93 Billion.

Capital Market Regulatory Enforcement:

1. In January 2025, OJK imposed administrative sanctions as follows: A fine of IDR4.3 Billion on one party for violating Articles 91 and 92 of the Capital Market Law in a stock trading case.
2. During 2024, OJK has imposed Administrative Sanctions for examining cases in the Capital Market on 1 Party consisting of Administrative Sanctions in the form of a Fine of IDR4.3 Billion and imposed Administrative Sanctions in the form of Fines for delays with a value of IDR2.243 Billion on 30 financial service actors in the Capital Market and 18 Written Warnings for late submission of reports..

### **Developments in Banking Sector (PBKN)**

The banking intermediation performance showed positive growth with a well-maintained risk profile. As of December 2024, credit growth continued its double-digit growth at 10.39 percent year-on-year (YoY) (November 2024: 10.79 percent), reaching IDR7,827 Trillion.

Based on usage type, Investment Loans recorded the highest growth at 13.62 percent, followed by Consumer Loans at 10.61 percent, while Working Capital Loans grew by 8.35 percent. In terms of bank ownership, state-owned banks were the main driver of credit growth, growing by 12.10 percent YoY. By debtor category, corporate loans grew by 15.67 percent, while MSME loans grew by 3.37 percent.

On the other hand, banking Third-Party Funds (DPK) recorded a growth of 4.48 percent YoY (November 2024: 7.54 percent YoY), reaching IDR8,837.2 Trillion, with demand deposits, savings, and time deposits growing by 3.34 percent, 6.78 percent, and 3.50 percent YoY, respectively. The DPK growth in 2024 was higher than in 2023, which recorded a growth of 3.73 percent YoY.

Banking industry liquidity remained adequate in December 2024, with the Liquidity Asset to Non-Core Deposit (AL/NCD) ratio and Liquidity Asset to Third-Party Funds (AL/DPK) ratio standing at 112.87 percent (November 2024: 112.94 percent) and 25.59 percent (November 2024: 25.57 percent), respectively, both above their respective thresholds of 50 percent and 10 percent. Meanwhile, the Liquidity Coverage Ratio (LCR) stood at 213.23 percent.

Meanwhile, credit quality remained well-maintained, with the gross NPL ratio at 2.08 percent (November 2024: 2.19 percent) and the net NPL ratio at 0.74 percent (November 2024: 0.75 percent). The Loan at Risk (LaR) ratio also showed a declining trend, reaching 9.28 percent (November 2024: 9.82 percent). This LaR ratio was below the pre-pandemic level of 9.93 percent in December 2019.

Overall, the banking industry's profitability level (ROA) stood at 2.69 percent (November 2024: 2.69 percent), indicating that the banking industry remained resilient and stable.

The banking sector's resilience remained strong, as reflected in the high Capital Adequacy Ratio (CAR) of 26.69 percent (November 2024: 26.87 percent), serving as a strong risk mitigation buffer amid global uncertainties.

Meanwhile, the proportion of Buy Now, Pay Later (BNPL) banking credit stood at 0.28 percent but continued to experience high annual growth. As of December 2024, the outstanding BNPL credit balance reported in SLIK grew by 43.76 percent YoY

(November 2024: 42.68 percent YoY) to IDR22.12 Trillion, with the number of accounts reaching 23.99 Million (November 2024: 24.51 Million).

In efforts to combat online gambling, which has widespread economic and financial sector impacts, OJK has requested banks to block approximately 8,618 accounts (previously ± 8,500 accounts) based on data provided by the Ministry of Communication and Digital Affairs. Additionally, OJK has asked banks to close accounts that match the National Identification Number and conduct Enhanced Due Diligence (EDD).

OJK has also discussed and shared information with the banking industry regarding efforts to strengthen parameters that can be used for early detection of accounts suspected of online gambling. At the same time, it continues to enhance oversight of dormant account usage, as has been done so far.

In terms of regulatory enforcement, throughout 2024, OJK revoked 17 Rural Bank (BPR) business licenses and three Islamic Rural Bank (BPRS) business licenses. Additionally, two BPRs had their business licenses revoked at the request of shareholders (self-liquidation).

### **Developments in Insurance, Surety, and Pension Fund (PPDP)**

In the PPDP sector, the total assets of the insurance industry reached IDR1,133.87 Trillion in December 2024, an increase of 2.03 percent YoY from IDR1,111.30 Trillion in the same period of the previous year.

In the commercial insurance segment, total assets reached IDR913.32 Trillion, growing 2.40 percent YoY. The performance of commercial insurance, reflected in the accumulated premium revenue for December 2024, amounted to IDR336.65 Trillion, an increase of 4.91 percent YoY, consisting of life insurance premiums, which grew 6.06 percent YoY to IDR188.15 Trillion, and general and reinsurance premiums, which increased 3.50 percent YoY to IDR148.5 Trillion.

Overall, the capital position of the commercial insurance industry remains solid, with the aggregate Risk-Based Capital (RBC) ratio for life insurance and general/reinsurance insurance standing at 420.67 percent and 325.93 percent, respectively—well above the 120 percent threshold.

For non-commercial insurance, which includes Social Security Agency for Healthy (BPJS Kesehatan), Social Security Agency for Employment (BPJS Ketenagakerjaan), and insurance programs for Indonesia Civil Servants (ASN), Indonesia National Armed Forces (TNI), and Indonesia National Police Forces (POLRI) related to work accident and death benefits, total assets were recorded at IDR220.55 Trillion, reflecting 0.54 percent YoY growth.

In the pension fund industry, total pension fund assets grew 7.31 percent YoY as of December 2024, reaching IDR1,508.21 Trillion.

For voluntary pension programs, total assets recorded a 3.75 percent YoY increase, reaching IDR382.54 Trillion. For mandatory pension programs, which include the Old-Age Security (JHT) and Pension Security (JP) programs of BPJS Ketenagakerjaan, as well as the Old-Age Savings and Pension Contribution programs for ASN, TNI, and POLRI, total assets reached IDR1,125.67 Trillion, growing 8.58 percent YoY



As of December 2024, the total assets of guarantee companies contracted slightly by 0.05 percent YoY, reaching IDR46.39 Trillion.

To strengthen the PPDP sector, OJK has completed all regulatory mandates under the Financial Sector Development and Strengthening Law (UU P2SK) for 2023-2024, issuing 16 OJK Regulations.

On 3 February 2025, OJK disseminated the regulations issued at the end of 2024. For 2025, OJK plans to issue seven OJK Regulations and nine OJK Circular Letters related to the PPDP sector, including regulations on insurance financial health and health insurance, targeted for release in Q1 2025.

- 1) In January 2025, OJK suspended the registration of Public Accountant Yansyafrin for one year, effective 9 January 2025, due to non-compliance with Public Accountant Professional Standards in conducting audit services for financial services institutions (SJK) as required under OJK Regulation (POJK) 9/2023 on the Use of Public Accountants and Public Accounting Firms in Financial Services Activities.
- 2) In line with the equity increase requirements for 2026 under POJK 23/2023, monthly reports as of December 2024 indicate that 107 out of 146 insurance and reinsurance companies have already met the minimum required equity level for 2026.
- 3) As of 24 January 2025, six insurance companies have yet to appoint a qualified actuary or submit a candidate for the fit and proper assessment. OJK continues to monitor compliance, issuing escalating warnings to companies that fail to meet this requirement and requesting action plans for the recruitment of in-house actuaries. Additionally, OJK is actively coordinating with the Society of Actuaries of Indonesia to ensure an adequate supply of certified actuaries in the industry.
- 4) Between 1-24 January 2025, OJK imposed 83 administrative sanctions on financial service institutions (LJK) in the PPDP sector, including 61 warnings/notices, one registration suspension, one business license revocation, and 20 fines, some accompanied by warnings/notices.
- 5) OJK continues to monitor and support financial institutions facing difficulties. As of 24 January 2025, OJK has placed eight insurance and reinsurance companies under special supervision, with the aim of helping them improve their financial condition for the benefit of policyholders. Additionally, 12 pension funds are under special supervision due to financial concerns.

### **Developments in Financing, Venture Capital, Microfinance, and Other Financial Institution (PVML)**

In the PVML sector, the financing receivables of Financing Companies (PP) grew by 6.92% year-on-year (yoy) in December 2024 (November 2024: 7.27% yoy) to IDR503.43 Trillion, supported by a 10.47% yoy increase in investment financing.

The risk profile of Financing Companies (PP) remained stable, with a gross Non-Performing Financing (NPF) ratio recorded at 2.70% (November 2024: 2.71%) and a net NPF ratio at 0.75% (November 2024: 0.81%). The gearing ratio of PP rose to 2.31

times (November 2024: 2.30 times), which is still well below the maximum limit of 10 times.

Venture capital financing in December 2024 contracted by 8.65% yoy (November 2024: -7.46% yoy), with total financing recorded at IDR15.84 Trillion (November 2024: IDR16.09 Trillion).

In the fintech peer-to-peer (P2P) lending industry, outstanding financing in December 2024 grew by 29.14% yoy (November 2024: 27.32% yoy) to IDR77.02 Trillion. The aggregate credit risk level (TWP90) remained stable at 2.60% (November 2024: 2.52%).

According to SLIK data, Buy Now Pay Later (BNPL) financing recorded a 37.6% yoy growth (November 2024: 35.3% yoy), reaching IDR6.82 Trillion, with a gross NPF ratio of 2.99% (November 2024: 2.70%).

#### Enforcement of Regulations in the PVML Sector

1. OJK revoked the business licenses of the following companies:
  - a. PT Sarana Riau Ventura, located in Pekanbaru City, Riau Province, on 16 January 2025; and
  - b. PT Sarana Sulut Ventura, located in Manado City, North Sulawesi Province, on 5 February 2025 due to their failure to meet the minimum equity requirement by the deadline set under the Business Activity Suspension Sanction.
2. As of now:
  - a. four out of 146 Financing Companies have not yet met the minimum equity requirement of IDR100 Billion; and
  - b. 10 out of 97 P2P Lending Operators have not yet met the minimum equity requirement of IDR7.5 Billion. Among these, four P2P Lending Operators are currently undergoing analysis for additional paid-in capital applications.

OJK continues to take necessary actions based on the progress of action plans to fulfill the minimum equity requirement, whether through capital injection from shareholders or from credible local/foreign strategic investors, including the potential return of business licenses.

5. To enforce compliance and integrity in the PVML sector, throughout January 2025, OJK imposed administrative sanctions on:
  - a. 27 Financing Companies
  - b. Six Venture Capital Companies
  - c. 62 P2P Lending Operators
  - d. Seven Microfinance Institutions
  - e. Six Pawnshop Companies

These sanctions were issued for violations of applicable OJK regulations, findings from supervision results, and/or follow-up inspections. The administrative sanctions included 104 fines and 42 written warnings.

OJK hopes that these enforcement efforts and sanctions will encourage industry players in the PVML sector to enhance good governance, prudence, and compliance

with regulations, ultimately leading to better performance and optimal contributions to the financial industry.

### **Developments in Financial Sector Technological Innovation (ITSK), Digital Financial Asset and Crypto Asset (IAKD)**

#### 1. Implementation of the Regulatory Sandbox:

- a. Since the issuance of OJK Regulation (POJK) No. 3 of 2024 in February 2024, until January 2025, OJK has received 132 consultation requests from prospective Sandbox participants. Of these, 70 entities have submitted consultation request forms, and 65 have undergone consultations.
- b. During the same period, OJK received 13 applications from ITSK operators to participate in OJK's Sandbox program. Out of these, five ITSK operators were designated as Sandbox participants, consisting of four operators in the Digital Financial Assets – Crypto Assets (AKD-AK) business model and three Market Support operators. Additionally, three more applications are currently under review, including two operators with an AKD business model and one operator with an open banking business model.

#### 2. Registration of ITSK Operators:

- a. Since the issuance of POJK No. 3 of 2024 until January 2025, 47 ITSK operators have applied for registration with OJK, of which 17 have been officially registered. These include seven Alternative Credit Scoring (*Perusahaan Kredit Alternatif/PKA*) operators and 10 Financial Services Aggregator (*Penyelenggara Agregasi Jasa Keuangan/PAJK*) operators.
- b. Additionally, 23 registration applications are currently being processed, consisting of:
  - four prospective ITSK operators classified as PKA; and
  - 19 prospective ITSK operators classified as PAJK.

3. As of December 2024, registered ITSK operators have successfully established 762 partnerships with Financial Services Institutions (LJK), including banks, financing companies, insurance firms, securities companies, P2P lending platforms, microfinance institutions, pawnshops, IT service providers, and data providers.

4. During the same period, these ITSK operators facilitated approved transactions amounting to IDR1,654.35 Billion and acquired 502,901 users, covering almost all regions in Indonesia.

5. The Ministry of Trade, through Bappebti, has officially transferred the regulatory and supervisory authority over crypto assets to OJK, in accordance with the

Financial Sector Development and Strengthening Law (UU P2SK) and Government Regulation No. 49 of 2024. This transfer was formalized through the signing of the Handover Report (BAST) and Memorandum of Understanding (MoU) on 10 January 2025. The transition includes oversight of one Exchange, 1 Clearing House, one Custodian, and 16 Crypto Asset Traders.

6. To ensure a smooth transition, OJK has adopted a three-phase transition strategy:
  - Phase One: Transition (Ecosystem Stabilization)
  - Phase Two: Development (Regulatory Refinement)
  - Phase Three: Strengthening (Enhancing Industry Competitiveness)As part of this process, OJK issued POJK No. 27 of 2024 and SEOJK No. 20 of 2024, which incorporate regulations from Bappebti with enhancements aligned with best practices in the financial services sector.
7. To date, OJK has approved licenses for 19 entities, including exchanges, clearing houses, custodians, and crypto asset traders, while 14 additional trader license applications are under review. Furthermore, OJK has conducted awareness programs and technical guidance sessions for crypto asset operators to ensure compliance with the new regulatory framework. To facilitate coordination and post-transition documentation, OJK and Bappebti have established a working group that will remain active until January 2026.
8. Regarding the development of crypto asset activities in Indonesia, as of December 2024, the number of crypto customers continued to increase, reaching 22.91 Million customers (November 2024: 22.11 Million). During the same period, crypto asset transactions throughout 2024 amounted to IDR650.61 Trillion, marking a 335.91% annual increase compared to IDR149.25 Trillion in 2023.
9. In January 2025, OJK launched several initiatives to enhance financial literacy, inclusion, and digital financial innovation development, including:
  - a. Crypto Literacy Month (BLK) 2025:
    - OJK, in collaboration with the Indonesian Crypto Asset Trading Association (Aspakrindo), will host BLK 2025 in early February 2025. This initiative aims to increase public awareness of crypto assets, including their potential, benefits, risks, and relevant regulations in the financial sector.
    - BLK 2025 will serve as a strategic moment for public education on crypto asset management and supervision, especially following the official transition of crypto asset regulation and oversight to OJK on 10 January 2025.
    - The event will bring together various stakeholders, including industry players, academics, and user communities, to foster a constructive dialogue that

supports the development of a healthy and sustainable digital financial ecosystem.

b. Strategic Initiatives for IAKD Sector Strengthening in 2025:

- OJK plans to collaborate with international institutions to strengthen the IAKD sector by developing capacity-building programs and regulations through a collaborative approach.
- These initiatives will include policy studies, regulatory guidance, training sessions, workshops, seminars, and Focus Group Discussions.
- OJK will work with organizations such as the OECD, World Bank, CCAF, FINMA, ADB, UNODC, and other global financial authorities to ensure policy alignment with international standards and enhance technical expertise in ITSK and Digital Financial Assets, including Crypto Assets.
- This initiative is expected to support the development of an effective framework for managing risks and opportunities associated with digital assets, ensuring a more inclusive and sustainable financial ecosystem.

**Developments in Market Conduct Supervision, Consumer Education and Protection (PEPK) Developmen**

From 1 January 2024 to 31 January 2025, Indonesia Financial Services Authority (OJK) conducted 5,487 financial education activities, reaching 7,319,671 participants across Indonesia. The digital platform Sikapi Uangmu, which serves as a dedicated communication channel for financial education content through a minisite and mobile application, has published 458 educational contents, garnering a total of 1,874,645 views. Additionally, there are 80,963 users of the Financial Education Learning Management System (LMSKU), with a total of 104,250 module accesses and 82,744 graduation certificates issued.

Efforts to improve financial literacy are supported by strengthening financial inclusion programs through collaboration within the Regional Financial Access Acceleration Teams (TPAKD). OJK, together with the Ministry of Home Affairs and relevant stakeholders, has successfully established TPAKD in all 38 provinces and 514 districts/cities in Indonesia.

OJK has also conducted extensive financial literacy and education initiatives, including::

1. The launch of the Smart Women Finance Pocket Book, aimed at increasing financial literacy and inclusion, particularly for women, as part of the National Movement of Financial Literacy (GENCARKAN).
2. Hosting a Training of Trainers (ToT) for the Chief Financial Officer (CFO) Club Indonesia to enhance financial literacy and inclusion and appoint Financial Literacy Ambassadors from the CFO Club Indonesia to expand GENCARKAN's reach.
3. Following the launch of the Guidelines for Financial Service Accessibility for Empowered Persons with Disabilities (SETARA), OJK conducted socialization

on self-assessment trial implementation related to financial services for persons with disabilities. Ten Financial Sector Business Actors (PUSK) from all financial sectors participated. This market trial ensures the smooth completion of self-assessments before the first submission by all PUSKs in February 2025. The implementation of the SETARA Guidelines is expected to improve equal access to financial services for persons with disabilities, expand financial inclusion, and uphold the principle of "No One Left Behind" in enhancing financial inclusion in Indonesia.

4. OJK, in collaboration with RISE Indonesia, will conduct Market Research on Financial Inclusion to map financial access conditions at the district/city level, starting with a pilot project in Bogor City, covering six selected villages with 384 respondents. The project aims to serve as a role model for other TPAKDs in refining their financial inclusion strategies.

As part of efforts to protect consumers and the public within the Financial Services Sector (SJK), throughout 2024, OJK has issued external regulations included in its 2024 Legislative Program (Proleg OJK):

1. OJK Regulation No. 14 of 2024 concerning the Task Force for Handling Unauthorized Financial Business Activities, issued on 26 August 2024.
2. OJK Circular Letter No. 13/SEOJK.08/2024 regarding the Preparation and Submission of Financial Literacy and Inclusion Plans and Reports, issued on 24 October 2024.
3. OJK Circular Letter No. 18/SEOJK.08/2024 on Self-Assessment for Compliance with Consumer Protection Regulations, issued on 10 December 2024.

OJK has also implemented internal regulations regarding public communication activities, supervision of market conduct within the SJK, and coordination mechanisms for consumer and public protection in the financial services sector.

To ensure compliance by Financial Service Business Actors (PUJK) with applicable regulations and to enhance consumer protection, OJK has actively enforced market conduct supervision and consumer protection provisions, including:

1. In relation to the obligation to submit a self-assessment report as part of consumer protection, as regulated in OJK Regulation Number 22 of 2023 on Consumer and Public Protection in the Financial Services Sector (FSS), from 1 January 2024, to 31 January 2025:
  - a. For the 2024 self-assessment report, out of a total of 2,719 Financial Services Business Actors (*Pelaku Usaha Jasa Keuangan*/PUJK) required to report, 2,619 PUJKs (96.32%) submitted their reports on time, 65 PUJKs (2.39%) submitted their reports late, and 35 PUJKs (1.29%) failed to submit their reports.
  - b. To enforce compliance with the 2024 self-assessment report submission requirement, OJK has imposed administrative sanctions for late reporting on 100 PUJKs, as follows: 65 PUJKs received administrative sanctions for late reporting, while 35 PUJKs faced sanctions for failing to submit reports, with details as follows—15 PUJKs received a Written Warning, and 85 PUJKs were fined. PUJKs that failed to submit their reports for the 2024 period are still required to do so..

2. In relation to the obligation to submit reports on financial literacy and inclusion activities, which were initially regulated under OJK Regulation 3/POJK.07/2023 and later partially revoked and redefined in OJK Regulation 22 of 2023 on Consumer and Public Protection in SJK, OJK has enforced compliance by imposing administrative sanctions for late reporting. As of December 2024, OJK has issued 271 administrative sanctions for late reporting, consisting of 241 fines and 30 Written Warnings.
3. Based on market conduct supervision, both direct and indirect, from 1 January 2024, to 31 January 2025, OJK has issued eight administrative sanctions in the form of fines and 27 administrative sanctions in the form of Written Warnings for violations of consumer protection regulations related to the provision of advertising information, marketing methods for products/services, and debt collection practices.
4. To enforce consumer protection regulations, from 1 January 2024, to 31 January 2025, OJK has issued the following orders and/or administrative sanctions:
  - a. 20 orders to 18 Financial Service Providers (PUJK); 315 written warnings to 201 PUJK; and 87 fines imposed on 81 PUJK.
  - b. In addition, 221 PUJK have compensated consumers for losses related to 1,662 complaints, with a total loss amount of IDR214.5 Billion.

From a consumer service perspective, between 1 January 2024, and 15 January 2025, a total of 449,163 service requests have been received through the Consumer Protection Portal Application (APPK), including 35,939 complaints. Of these complaints, 13,644 came from the banking sector, 12,763 from the financial technology industry, 7,595 from financing companies, 1,456 from insurance companies, and the remaining complaints were related to the capital market and other non-bank financial industries.

In efforts to eradicate illegal financial activities, from 1 January 2024, to 31 January 2025, OJK has received 16,610 complaints regarding illegal entities. Of this total, 15,477 complaints were related to illegal online lending, and 1,133 complaints were related to illegal investments.

The number of illegal entities that have been terminated/blocked is as follows:

Entity	Year								Total
	2017 - 2018	2019	2020	2021	2022	2023	2024	1 - 24 Jan-25	
Illegal Investment	185	442	347	98	106	40	310	209	1,737
Illegal Online Lending	404	1,493	1,026	811	698	2,248	2,930	587	10,197
Illegal Pawnshop	0	68	75	17	91	0	0	0	251

<b>Total</b>	<b>589</b>	<b>2,003</b>	<b>1,448</b>	<b>926</b>	<b>895</b>	<b>2,288</b>	<b>3,240</b>	<b>796</b>	<b>12,185</b>
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As part of enforcing consumer protection regulations, through the Task Force for the Eradication of Illegal Financial Activities (Satgas PASTI), from 1 January 2024, to 24 January 2025, OJK has:

- a. Identified and shut down 3,517 illegal online lending entities and 519 illegal investment offers across various websites and applications that could potentially harm the public.
- b. Received information on 117 bank accounts or virtual accounts reported to be linked to illegal financial activities, which have been requested for blocking through the banking supervisory unit to instruct the respective banks to carry out the block. Satgas PASTI has also identified debt collectors' contact numbers associated with illegal online lending and has submitted a request to block 1,330 contact numbers to the Ministry of Communication and Digital Affairs of Indonesia.

OJK, together with members of the Satgas PASTI, supported by banking and payment system industry associations, has established the Indonesia Anti-Scam Centre (IASC) to handle financial transaction fraud.

Since its launch on 22 November 2024, until 9 February 2025, IASC has received 42,257 reports. The number of fraud-related bank accounts reported is 70,390, and of these, 19,980 accounts (28 percent) have been blocked.

The total financial losses reported by victims amount to IDR700.2 Billion, while the funds successfully blocked amount to IDR106.8 Billion. IASC will continue to enhance its capacity to accelerate fraud case handling in the financial sector.

### C. Development and Strengthening of the Sharia Financial Services Sector

In the Islamic financial industry, the Islamic Stock Index (ISSI) continued to decline by 1.78 percent year-to-date (ytd). Meanwhile, the intermediation performance of the Sharia Financial Services Sector (SJK Syariah) continued to grow positively year-on-year (yoy), with Islamic banking financing increasing by 12.33 percent, Islamic insurance contributions growing by 21.07 percent, and Islamic financing receivables rising by 10.12 percent.

In the area of Separation of Sharia Business Units (PPDP), in accordance with Article 9 of OJK Regulation No. 11 of 2023, 41 insurance/reinsurance companies submitted their Sharia Business Unit Separation Work Plans (RKPUS) in December 2023. From 1 January to 31 December 2024, the progress of the RKPUS implementation is as follows:

- a. One life insurance company's Sharia Business Unit (UUS) has obtained a business license for an independent Islamic life insurance company and is currently in the process of transferring its portfolio from the UUS to the newly established Islamic life insurance company.
- b. One general insurance company's UUS has completed the transfer of its portfolio to an existing Islamic insurance company.



Based on the submitted RKPUS, in 2025, 17 UUS are planned to undergo a spin-off, while five UUS will transfer their portfolios to existing Islamic insurance companies.

In the area of Sharia Financial Literacy and Inclusion (PEPK), OJK held meetings with industry associations and Sharia Financial Service Providers (PUJK Syariah) to establish the Organizing Committee for the Orchestration of Sharia Financial Literacy and Inclusion Programs (OC LIKS). This initiative aims to enhance coordination and the effectiveness of financial literacy and inclusion programs. OC LIKS consists of representatives from industry associations and PUJK Syariah, ensuring that literacy and inclusion programs are structured and well-directed. OC LIKS is expected to serve as a liaison between OJK and PUJK Syariah while also fostering collaboration among stakeholders to improve Sharia financial literacy and inclusion in Indonesia.

#### D. Strengthening Governance

1. The Corruption Eradication Commission (KPK) has commended OJK for its various innovations and efforts in enhancing organizational integrity and preventing corruption, which not only improve internal governance but also benefit the financial services industry (IJK) under OJK's supervision. This includes integrating the Integrity Assessment Survey (SPI) score as part of OJK-wide performance indicators and implementing the OJK Anti-Fraud Strategy Regulation for the financial services sector.

These innovations are reflected in OJK's 2024 SPI score, which reached 84.87, an increase from 83.26 in the previous year. This result confirms OJK's consistent position in the low corruption risk category and demonstrates the effectiveness of its integrity enhancement programs. This achievement placed OJK in the second position among large-type government agencies and ninth overall among all SPI participants in 2024. OJK's 2024 SPI score also exceeds the average score of all Ministries/Agencies/Local Governments (K/L/PD), which is 71.53. OJK continues to strengthen collaboration with all stakeholders to enhance governance and integrity within the financial services sector sustainably.

2. To ensure that all OJK business processes, including supervision and regulation of the financial services sector as well as consumer and public protection, run optimally, OJK regularly develops and evaluates its business continuity management. This is part of an ongoing process to provide early warnings, respond to, anticipate, and quickly and accurately handle conditions that could disrupt OJK's business processes.

#### E. Enforcement of Regulations in the Financial Services Sector and Investigation Developments

In carrying out its investigative function, as of 31 January 2025, OJK investigators have completed a total of 141 cases, consisting of 115 Banking Violation cases (PBKN), five Capital Market Violation cases (PMDK), 20 Insurance and Pension Fund Violation cases (PPDP), and one Venture Capital and Microfinance Violation case (PVML).

Furthermore, 121 cases have been adjudicated, with 110 cases having reached a final and binding legal decision (in kracht), two cases currently in the appeal stage, and nine cases still under cassation review.

No	Stage	PBKN	PMDK	PPDP	PVML	Total
<b>Case</b>						
1	Review Process	9	10	1	4	24
2	Pre-Investigation	5	2	2	2	11
3	Investigation	7	0	1	1	9
4	Casefile Preparation	3	0	0	0	3
5	P-21 (Casefile Completed)	<b>115</b>	<b>5</b>	<b>20</b>	<b>1</b>	<b>141</b>
<b>Court Process</b>						
1	Final and Binding Decision (In Kracht)	87	5	17	1	110
2	Appel with the appellate court	2	0	0	0	2
3	Cassation with the Supreme Court	7	0	2	0	9