

PRESS RELEASE

OJK CREATES CONTRIBUTORY, INTEGROUS, AND RESPONSIBLE BPR/BPRS INDUSTRY

Jakarta, 2 June 2026. Indonesia Financial Services Authority (OJK) continues to encourage integrous and solid Conventional Rural Banks (BPR) and Sharia Rural Banks (BPRS) that are contributing to financial access provision to local MSME and the communities.

Chief Executive of Banking Supervision of OJK Dian Ediana Rae named the economy dynamic in both global and regional scopes as a challenge for the banking industry, BPR and BPRS included. Rapid advancements in financial technology have significantly influenced public behavior, expectations, and demand for banking services.

BPR and BPRS are currently facing a tighter competition, such as in credit or financing distribution to the micro and small segments, with increasing credit or financing risk potentials.

To respond these challenges and implement the mandate of Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector (P2SK Law), OJK launched a Roadmap for the Development and Strengthening of BPR and BPRS 2024-2027 to create integrous and solid BPR and BPRS banks that contributes to providing financial access for local MSME and communities.

The roadmap is a guideline to formulate resilient business strategies to maintain BPR and BPRS' presence and performance. It centers on four pillars: Structure and Competitiveness Enhancement, BPR and BPRS Digitization Acceleration, BPR and BPRS Roles Optimization in the Regions, and Regulation, Licensing, and Supervision Strengthening.

“Through structure and competitiveness enhancement, BPR and BPRS are expected to increase and expand their business activities in the future, anticipate economic turbulences, and increasing industry competitiveness in its intermediary functions for the communities and MSME,” Dian stated.

BPR and BPRS Industry Achievement and Performance

The BPR and BPRS industry continues to grow with decent and maintained finances. As of March 2026, the total BPR and BPRS asset grew by 3.70 percent year-on-year (yoy) to Rp236.69 trillion. Credit/financing distribution in the BPR and BPRS industry grew by 2.83 percent yoy to Rp176.96 trillion, supported by Third-Party Funds' 3.16 percent yoy growth to Rp165.49 trillion.

The numbers are also supported by relatively solid capital resilience against risk, with 27.20 percent aggregate CAR of the BPR and BPRS industry, far beyond the regulators' minimum threshold requirement. BPR and BPRS industry continues to enhance risk mitigation measures through good management and governance practices in credit distribution, intensive post-disbursement monitoring, and loss reserves in accordance with the prevailing regulations.

BPR and BPRS Industry's Roles in the MSME Sector

Due to their proximity to local communities and businesses, BPRs and BPRSs play a strategic role in expanding financial access for MSMEs. This role is in line with the P2SK Law, which emphasizes the focus of BPRs and BPRSs on serving local micro and small enterprises and communities.

BPR and BPRS' MSME credit/financing distribution and quality continues to grow and maintained, making up 50.07 percent of the total credit/financing distribution in March 2026.

Despite the high composition, credit/financing distribution can be improved through cooperations with other financial services institutions, actively participating in financing related to OJK and Regional Financial Access Acceleration Team (TPAKD)'s programs, namely credit/financing against loan sharks (K/PMR) and agriculture sector credit/financing (K/PSP).

BPRS and BPRS Consolidation

OJK consistently promotes BPR and BPRS industry's resilience and contribution to their respective regions by stipulating minimum core capital and consolidation fulfilments, expecting BPR and BPRS to be able to face the current challenges and demands from the economy dynamic and the banking industry competition.

As of the end of April 2026, OJK had approved the consolidation of 57 BPRs and BPRSs into 18 institutions, while another 200 BPRs and BPRSs were still undergoing merger and acquisition approval processes

Additionally, majority of BPR and BPRS has fulfilled the minimum core capital of Rp6 billion. BPR and BPRS that have not fulfilled this requirement will be directed to corporate actions such as paid-up capital addition and/or consolidation. These measures are expected to provide leverage for BPR and BPRS in achieving their targets.

OJK continues to promote synergism between BPR & BPRS and Regional Development Bank (BPD) for optimized regional banking roles, consolidating the existing BPR and BPRS into BPD.

The cooperation is expected to increase banks' contribution to the credit distribution on the micro level and the governance quality in BPR and BPRS, thereby fortifying the regional economic structure and boosting national competitiveness.

OJK and all affiliated stakeholders will continue to implement the roadmap through various strategic means for better and optimum BPR and BPRS growth in driving the regional economic growth.

For more information
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