

PRESS RELEASE

OJK ESTABLISHES THE MSME AND SHARIA FINANCIAL DEVELOPMENT DEPARTMENT AND THE DIRECTORATE OF DIGITAL BANKING SUPERVISION

Jakarta, 19 December 2025. Indonesia Financial Services Authority (OJK) has officially established the MSME and Sharia Financial Development Department and transferred the Digital Banking Supervisory duties to the Directorate of Digital Banking Supervision effective as of 2026.

This strategic measure responds to the economic transformation challenges and solidifies further the national financial system stability through more adaptive and integrated supervision.

Chief Executive of Banking Supervision of OJK Dian Ediana Rae stated that the new department was formed as OJK's commitment to supporting the government through promoting MSME as OJK's flagship stakeholder.

“By optimizing an inclusive MSME financing access, integrated sharia financial ecosystem development, including the banking sector, non-bank financial industry sector, capital market sector, as well as the digital defense-based digital banking supervision, OJK is committed to maintain the balance between innovation, stability, and consumer protection,” Dian stated in his remarks during the inauguration in Jakarta, Friday.

MSME and Sharia Ecosystem Strengthening

Dian explained that MSME is one of the essential economic pillars in Indonesia, contributing 99 percent of the total business units and absorbing 97 percent of the workforce. However, as of October 2025, the MSME credit distribution contracted by 0.11 percent.

To overcome this matter, OJK has issued OJK Regulation (POJK) Number 19 of 2025 on Easy Financing Access for MSME, which requires banks and Non-Bank Financial Institutions (NBFI) to provide affordable and inclusive financing schemes.

Moreover, OJK formed Sharia Financial Development Committee KPKS to accelerate sharia industry growth as the catalyst to halal ecosystem and social finances. One of the Regulation and Development of Micro, Small, and Medium Enterprises (MSME) and Sharia Finances Department's duties is to synergize the national and international sharia programs to promote competitive product innovations in accordance with the sharia principles.

Digital Bank Transformation and Supervision

OJK had a prompt response on the quick transformation of digital banking transformation, with digital economic value projection reaching USD 360 billion by 2030 in Indonesia, which requires a more specific monitoring focus on the Digital Bank supervisory duties transference to a separate directorate structure.

Dian conveyed that the Digital Banks are performing solidly, with capital rate (KPMM) beyond 30 percent and profitability ratio (NIM) of 2.5 times of the average conventional banking industry. However, the business model poses unique risk characteristics.

“Digital Banks focus on two main business models: First, the Stand-Alone Business Model Digital Bank with limited ecosystem or no ecosystem as a distribution channel. Second, Digital Banks that synergizes with financial services institutions or BigTech within the Ecosystem, which utilizes partnership business model to expand customer reach, with independent intermediary functions through business internalization as its long-term target to avoid dependency to its partner(s),” Dian said.

Furthermore, to preserve banking system stability, individual bank supervision including digital banks will be continuously improved much beyond financial ratios, thereby comprehensively conducted for seamless banking operation in accordance with the business model, bank officials’ independence and professionalism, mass media and social media utilization optimization for banking on media framework, as well as digital resilience and security. These include:

1. **Cybersecurity:** Ensuring the banking system is protected from growingly complex cyberattacks.
2. **Third-Party Risk Management:** As digital banks are rather dependent on tech services provider (cloud, payment gateway, etc), OJK conducts strict supervision on these ecosystem integration risks.
3. **Customer Data Protection:** Ensuring personal data confidentiality amidst the high digital transaction frequency.

The supervisory duty transference is expected to create a playing field standard that still provides room for banking innovations that fully transform the banks to full digital banks or newly transitioning digital banks.

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