

PRESS RELEASE

OJK AND THE BANKING INDUSTRY LAUNCH INDONESIA-UK WORKING GROUP ON CLIMATE FINANCING, ENHANCING RESILIENCE AGAINST CLIMATE RISK

Jakarta, 26 February 2026. Indonesia Financial Services Authority (OJK) and the national banking industry affirmed commitment to supporting low-carbon economy through climate risk management optimization, banking sector resilience enhancement, and international cooperation expansion in sustainable finances at the 2nd Indonesia Climate Banking Forum (ICBF): Climate Risk Management and Banking Resilience to Support Climate Finance Investment in Jakarta, Thursday.

The 2nd ICBF follows up its premier event in 2024, which was signified by the launching of Climate Risk Management & Scenario Analysis (CRMS) as the first stepping stone of comprehensive and structured climate change risk management in the banking sector.

Interim Chairperson of the Board of Commissioner of OJK Friderica Widyasari Dewi stated that Indonesia's financial system transformation toward harmony with climate is an integrated commitment from OJK and the financial services sector in supporting the national development strategies and policies.

“We truly appreciate the United Kingdom Government and Embassy’s solid support in campaigning the Climate Financing Work Group formation with OJK. This collaboration is expected to accelerate transition financing innovations as well as to nurture the strategic relations between Indonesia and the UK, as mandated by the President of the Republic of Indonesia Prabowo Subianto,” Friderica said.

OJK views climate risk management as a future-oriented strategic component that bridges and translates the national transitional policies and global signals into the financial sector governance, risk management, and financing allocations within the supervisory scope, Friderica explained.

OJK and the Government of United Kingdom launched the Indonesia-UK Strategic Partnership Working Group on Climate Financing to nurture the strategic partnership between Indonesia and the UK in mobilizing funds for sustainable finances agenda.

The working group also follows up the strategic partnership of Indonesia-UK, in accordance with the President of the Republic of Indonesia Prabowo Subianto and the Prime Minister of UK Keir Stamer’s agreement last January.

The Working Group was inaugurated by UK Minister for the Indo-Pacific Seema Malhotra, Great Ambassador of the UK to Indonesia Dominic Jermey, Interim Chairperson of the Board of Commissioner of OJK Friderica Widyasari Dewi and Chief Executive of Banking Supervision of OJK Dian Ediana Rae.

Solid Capital

Dian Ediana Rae also presented the banking sector capital resilience, which remains adequate in absorbing climate-related turmoil in well-managed transition as demonstrated by the CAR ratio above the regulations.

This condition showed Indonesia banking sector's resilience against climate-related risks, as well as its good state to support Indonesia's transition towards low-carbon economy.

"Strong financial system is a foundation to ensure long-term stability, sustainable growth, and common welfare," Dian stated.

UK Minister for the Indo-Pacific Seema Malhotra highlighted collective response between authorities and industry players to face climate risk challenges.

"Banks, regulators, investors are all exposed to climate-related upheavals. Therefore, financial regulators and the banking sector shall move into the same direction, with the same speed and understanding of the future risks," Seema Malhotra explained.

Furthermore, Seema emphasized on financial system resilience beyond risk mitigation, but also the ability to seize green economy opportunities.

"Together, we believe the climate risk can be overturned into opportunities through close collaborations and through opening fundings for stronger and greener future," she conveyed.

Additionally, OJK also released two publications simultaneously with the launching of the Working Group:

1. Climate Risk and Banking Resilience Assessment (CBRA); and
2. Indonesia Banking Sustainability Maturity Report 2025 (SMART).

CBRA is an assessment framework, developed by OJK in cooperation with the Government of Australia and Prospera to measure climate risk forward-looking impacts to the banking sector resilience, as well as to provide science-based reference in designing transitional strategies and in strengthening endurance against medium and long-term climate risks.

Meanwhile, SMART is a sustainable finance implementation maturity assessment in the national banking sector. The report is expected to serve as a reference in formulating supervisory policy directions for structured and measured sustainable finances implementation in accordance with the national transition agenda.

In the future, ICBF will serve as a periodic forum for coordination and collaboration among authorities, ministries, government institutions, and the financial services industry to formulate measured sustainable finance policy directions and strengthen market credibility in advancing climate and sustainable financing initiatives.

For more information

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