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PRESS RELEASE

For immediate release

Eight National Banks and WWF-Indonesia Launch the ‘Indonesia Sustainable Finance Initiative’ (ISFI)

Jakarta, 31 May 2018 — Eight national banks in Indonesia with accumulative assets reaching up to 46 per cent of the country’s total banking assets, together with WWF-Indonesia, launched the ‘Indonesia Sustainable Finance Initiative’ (ISFI) in Jakarta today. The launch was marked with a collective signing of the Memorandum of Understanding (MoU) by the eight banks and WWF-Indonesia and witnessed by the Executive Head of Banking Supervision of Commissioner Board of Financial Service Authority (OJK), Heru Kristiyana and Director General of Climate Change Control of the Ministry of Environment and Forestry, Dr. Ida Bagus Putera Prathama.

The initiative which brings together Bank Artha Graha Indonesia, BRI Syariah, Bank Central Asia, Bank Mandiri, Bank Muamalat, Bank Negara Indonesia, Bank Pembangunan Daerah Jawa Barat dan Banten, and Bank Rakyat Indonesia as the ‘First Movers on Sustainable Banking’ aims to promote and implement inclusive sustainable finance practices. The initiative serves as an open platform for banking and non-banking financial industry, corporate issuers and other relevant industry sectors.

The emergence of ISFI began with the success of ‘the First Steps to become Sustainable Bank’ pilot project initiated by Indonesia’s Financial Services Authority (OJK) in 2015 with technical assistances from WWF-Indonesia. From the project the eight ‘First Movers’ banks acquire assistances related to implementation of environmental and governance risk management. Several concrete outcomes from this pilot project includes policy and Standard Operating Procedure (SOP) improvement in each bank as well as financing quality improvement particularly on business sector with high environmental and social risks.

ISFI is a genuine market-led initiative by the financial services industry that aspires to support the implementation of Sustainable Financial Roadmap and OJK’s Regulation (POJK) Number 51 and Number 60 Year 2017 on Sustainable Finance Principles Implementation and Green Bond as the underlying regulation. ISFI is envisaged to function as a mean of experience exchange, learnings among actors of financial services industry and expanding knowledge of sustainable finance principles to financial services industry.

Following the First Movers steps, ISFI aims to strengthen organizational capacity, particularly environmental, social and governance risk management. The initiative is also founded to seize business opportunities within Indonesia’s climate resilient economy and contribute directly to the achievement of Sustainable Development Goals (SDGs).

“ISFI is aimed at seizing new business opportunities and driving the implementation of an inclusive sustainable finance aligned with government targets on sustainable development and the Paris Climate Agreement”, said **Mohammad Irfan, Director Risk Management PT BRI Tbk** who is currently serving as Chairman of ISFI. “On top of sharing information about ISFI and strengthening ISFI’s organization, ISFI’s first year program will focus on increasing high quality

green portfolio by developing joint pilot projects with members, other strategic partners and regulators”, Suprajarto continues.

In a study released by UN Environment and Development Bank Singapore (DBS) on November 2017, green investment opportunities in ASEAN from 2016 to 2030 reach around US\$2.3 to 3 trillion with Indonesia as a country with the highest potential to benefit from this green investment. It is identified that Indonesia is likely able to absorb at least 36 percent of total investment potential in infrastructure and renewable energy sectors or around US\$8 trillion. Significant factors influencing the increase of green investment opportunities includes incentive-based policies toward private sector to fund SDGs or climate change related projects, technological advancement, and aligning financial product or service development and innovations.

At present, ISFI has already developed a short-term roadmap and in the first year of its establishment, will work toward developing a longer-term roadmap to prioritize strategic programs, expand the initiative, building partnerships and initiate pilot projects on applicable green business model development.

Chairman of WWF-Indonesia Board of Trustee, Kemal Stamboel explains, “Financial service sector holds a key role in enabling its customers to transform toward more sustainable business practices as well as the ability to revive impacted communities welfare through a financial scheme.” He further emphasizes that, “The financial service industry needs to set priorities in sectoral policies development to create a significant influence and effectively help achieve the national targets. Aside from that, the development of an innovative new business model needs to be initiated urgently.”

Dr. Ida Bagus Putera Prathama, Director General of Climate Change Control of the Ministry of Environment and Forestry commented, “Currently the government is devising a climate change funding instrument that will increase commercial value of sustainable investment. We sincerely hope that commitments of the finance industry through the Indonesia Sustainable Finance Initiative will serve as a strategic hub to access funding and other incentives scheme.”

Establishment of ISFI was made possible with funding support from GIZ and EMSD. The official launch today is followed with a ‘CEO Dialogue’ session and seminar on sustainable finance to inform leaders and senior staffs of financial service industry about the progress and framework of sustainable finance policy at the global and national level. The sessions will involve strategic personnel and experts on sustainable finance including the Mongolian Sustainable Finance Initiative, the Investment Coordinating Board of Republic of Indonesia, Ministry of Finance, International Finance Corporation (IFC), PT Royal Lestari Utama, PT Sarana Multi Infrastruktur (SMI) and HSBC Indonesia.

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About PT Bank Artha Graha Internasional, Tbk

PT Bank Artha Graha Internasional, Tbk (BAGI) centered in South Jakarta, was officially founded in December 19th, 2006. With a vision to be the best bank and the people's choice that inspires awe in stakeholders, concepts integrating environmental, social, and governance (GSE) aspects has been employed by Artha Graha, through the programs Artha Graha Peduli, Artha Graha Grup, and Artha Graha Network. In making this a reality, BAGI will put into place and actively participate in implementation of social responsibilities related to environmental concerns. www.arthagraha.com/

About PT Bank BRI Syariah, Tbk

Started from the acquisitions of PT Bank Rakyat Indonesia (Persero), Tbk, toward Bank Jasa Arta on December 19th, 2007, and after the issuance of permit from Indonesia Central Bank on October 16th, 2008, through letter No.10/67/KEP.GBI/DpG/2008, therefore on November 17th, 2008, BRI Syariah operating officially. BRI Syariah formally changed its former conventional business into Islamic sharia principle-based banking. In its 10 years, BRI Syariah continues to show great performance achievement. The societies trust keeps growing. This can be shown on the growing number of BRISyariah customers annually. www.brisyariah.co.id/

About PT Bank Central Asia, Tbk

PT Bank Central Asia, Tbk, is one of the prominent banks in Indonesia to focus in banking and transaction business as well as provide credit facilities for corporate, commercial and SME, and consumer segments. At the end of March 2018, BCA facilitates transaction to 17.5 million customer accounts through 1,236 branches, 17,624 ATM and more than 490,000 EDC machine with 24 hours internet banking and mobile banking services. <https://www.bca.co.id/en>

About PT Bank Mandiri, Tbk

Founded on October 2nd, 1998, Bank Mandiri is one of the most prominent banks in Indonesia. Bank Mandiri has financial services including Corporate, Commercial, SME, Micro, Consumer Banking segments as well as Treasury. Bank Mandiri currently synergizing several subsidiaries to provide thorough financial service to support its main business, including insurance service, sharia banking, financing and securities. For further information on Bank Mandiri, please visit www.bankmandiri.co.id

About PT Bank Muamalat, Tbk

Bank Muamalat began operating on the 1st of May 1992 and attained the trust of Indonesia Central Bank to act as Foreign Exchange Bank on October 27, 1994. As of now, Bank Muamalat has been providing service to more than 4 cutomers in 33 provinces in Indonesia. To achieve the vision of becoming "The Best Islamic Bank and Top 10 Bank in Indonesia with Strong Regional Presence," Bank Muamalat is not merely profit-oriented, but always put concerns on environmental issue as consistent with principles of Sharia, as the system that provides foundation to business and operational activities of this pioneer in Sharia banking. www.bankmuamalat.co.id/

About PT Bank Negara Indonesia, Tbk

PT Bank Negara Indonesia (Persero), Tbk or BNI founded on July 5th, 1946 and became the first state-owned bank after the independence of Indonesia. BNI formerly hold role as central bank and general bank as stipulated on Government Regulation in lieu of Law No.2/1946, before finally operating as commercial bank since 1955. As of end of Quarter 1 – 2018, BNI owns 2,153 outlets distributed in 34 provinces and 420 districts/ cities. BNI owns 33 Medium Credit Centre, 24 Small Credit Centre, and 12 Consumer & Retail Loan Center. BNI currently has 18,010 ATM distributed in 34 provinces and 521 districts/ cities including 6 ATM abroad: 4 ATM in Hong Kong and 2 ATM in Singapore. Those ATM network also serve debit card transaction under Link, ATM *Bersama* and Prima. BNI as holding company

own 4 subsidiaries: BNI Syariah, BNI Life (insurance), BNI Securities (capital market), and BNI Multifinance (financing). BNI Asset Management is the subsidiary of BNI Securities. www.bni.co.id

About PT Bank Pembangunan Daerah Jawa Barat dan Banten, Tbk

West Java and Banten Development Bank, Tbk that also known as bank bjb starting their service since 1961. Bank bjb has the vision to be the mover and shaker of the flow of regional economy. In attempt to support this vision, bank bjb has planned milestone in one roadmap frame in order to achieve specified vision. Bank bjb still consistent and committed to build qualified business by doing growth acceleration. The roadmap was set down on the strategic policy to increase qualified credit distribution as well as pressing down problematic loan. www.bankbjb.co.id/

About PT Bank Rakyat Indonesia, Tbk

Bank Rakyat Indonesia (BRI) founded on 1895 and consistently focusing on micro, small and medium enterprises, and became micro financing pioneer in Indonesia. BRI has a vision to become prominent commercial bank that put customer satisfaction and supporting sustainable finance program as the commitment to support SDGs (Sustainable Development Goals). As the oldest commercial bank, the sustainable finance implementation is reflected on the BRI policy that gradually integrating ESG aspects on its business and operational business. BRI as one of the biggest state-owned banks provides banking solution through integrated product and services using technology for its customers. Supported by more than 50 million customers base, BRI network is accessible to all areas, from village to cities, from shore to mountain. BRI provides services to individual and institutions, both in country and international in accordance to government's program to increase financial literacy and development's equalization. BRI is also continuously developing its services based on the society's needs and put concern on ESG integration. This is in line with BRI vision to become "The Most Valuable Bank in Southeast Asia" in 2020. <http://www.bri.co.id/>

About WWF-Indonesia

WWF-Indonesia is an independent national conservation organization and part of WWF global network. Started on 1962 with Javan Rhino research in Ujung Kulon, WWF-Indonesia currently working on 28 field offices in 17 provinces from Aceh to Papua. Supported by around 500 staff, WWF-Indonesia is working together with government, local community, NGO, indigenous people, and general public. In the period of 2006 to 2013, WWF-Indonesia has around 64,000 supporters. Visit www.wwf.or.id.

About IKBI

IKBI aims to support Financial Services Institutions in implementing and developing sustainable finance as an active contribution in achieving Sustainable Development and Climate Change Goals through:

- Experience sharing among Financial Services Institutions in implementing Sustainable Finance.
- Human resources capacity building program development on sustainable finance including ESG risks management.
- Development/ innovation of financial product and services that implement 3P based on Financial Services Institutions' customer needs.
- To create healthy competition through equality and inclusivity on sustainable financing implementation.
- To become dialogue partner for government, financial services surveillance authority, international institutions, similar initiative on international level and related stakeholders regarding the sustainable finance development
- To support Financial Services Institutions in doing sustainable finance business partnership and education program to general public.
- To endorse progress of construction refinement of financing sustainable infrastructure general policy and sustainable financing policy for high risk ESG sector to effectively contribute to government's target for climate change and Sustainable Development Goals (SDGs).

IKBI organizational structure:

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|---|------------------------------|
| Lead | : BRI |
| Secretary | : BRI Syariah |
| Treasury | : BCA |
| Head of Department I Membership | : BNI |
| Head of Department II Partnership | : Bank Arta Graha |
| Head of Department III Education | : Bank Mandiri |
| Head of Department IV Business Development | : Bank Muamalat |
| Head of Department V Research & Development | : Bank Jawa Barat and Banten |
| Secretariat | : WWF-Indonesia |

IKBI is an open forum for membership outside initiators/ founder. Other financial services institutions, both bank and non-bank, issuer, and public company as well as other agencies/ institutions can support sustainable finance in Indonesia by register as member in accordance to certain requirements and rules. In the future, IKBI is expected to hold function as transformation/ change catalyst in implementing effective and inclusive sustainable finance norm, create business opportunity and synergy among members to support government target to tackle climate change and SDGs.