BI-Rate Held at 4.75%

Strengthening Economic Growth, Maintaining Stability

Deposit Facility 3.75% | **Lending Facility 5.50%**

The decision is consistent with low inflation, projected in 2025 and 2026 within the 2.5±1% target corridor, ongoing efforts to maintain Rupiah exchange rate stability in line with economic fundamentals as well as synergy to strengthen economic growth. Moving forward, Bank Indonesia will continue monitoring the transmission effectiveness of accommodative monetary policy, economic growth and inflation as well as Rupiah exchange rate stability to consider further room for BI-Rate reductions.

Bank Indonesia will also strengthen macroprudential policy to further lower interest rates, increase liquidity and drive credit/financing growth in pursuit of higher economic growth.

Payment system policy remains oriented towards supporting economic growth by expanding the acceptance of digital payments, while strengthening the structure of the payment system industry and strengthening the resilience of payment system infrastructure.

Policy Mix

- Strengthening the pro-market monetary operations strategy to enhance the effective transmission of lower interest rates, increase liquidity, accelerate money market and foreign exchange market deepening.
- Strengthening the Rupiah stabilisation strategy in line with economic fundamentals, primarily through domestic foreign exchange market intervention with a focus on spot and Domestic Non-Deliverable Forward (DNDF) transactions as well as intervention in offshore Non-Deliverable Forward (NDF) transactions, while also purchasing government securities (SBN) in the secondary market to increase liquidity and maintain financial market stability.
- Strengthening forward-looking and performance-based Macroprudential Liquidity Incentive (KLM) Policy, effective from 1st December 2025.
- Strengthening accommodative macroprudential policy by maintaining *Countercyclical Capital Buffer* (CCyB), Macroprudential Intermediation Ratio (MIR), Loan/Financing-to-Value (LTV/FTV) ratio for property loans/financing and downpayment requirements on automotive loans/financing, Bank Foreign Funding Ratio (RPLN) and Macroprudential Liquidity Buffer (MPLB) and the Sharia Macroprudential Liquidity Buffer.
- Strengthening the assessment of prime lending rate (PLR) transparency with a focus on interest rates based on priority sectors in accordance with the scope of Macroprudential Liquidity Incentive Policy (KLM) policy.
- Fostering innovation and expanding digital acceptance through the Indonesia Digital Economy and Finance Festival in synergy with the Indonesia Fintech Summit and Expo 2025 (FEKDI x IFSE 2025).
- Strengthening and expanding international cooperation among central banks, including payment system connectivity and Local Currency Transactions (LCT), while promoting trade and investment in priority sectors in synergy with relevant institutions.

Bank Indonesia is also strengthening policy synergy with the Government to maintain stability and support economic growth in line with the Government's Asta Cita program.

2025 Outlook

Economic Growth	Current Account	Inflation	Credit Growth
In the 4.6% - 5.4% range	Deficit in the range 0.5% - 1.3% of GDP	In the 2.5 ± 1% range	In the 8% - 11% range

Assessment

1. **The global economy continues tracking a moderating trend due to US reciprocal tariffs and persistently high uncertainty.**

2. **At home, economic growth in Indonesia remains solid and must be increased in line with economic capacity.**

3. **Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience.**

Current Account	Capital and Financial Account
Projected to record a surplus, supported by a maintained trade surplus.	Expected to run a deficit in response to net outflows of portfolio investment.

4. **Rupiah exchange rates remain stable, supported by Bank Indonesia's stabilisation policy against a backdrop of high global uncertainty.**

Rupiah strengthened on 21st October 2025:

Rp 0.45% (ptp) compared with the level recorded at the end of September 2025

Moving forward, Bank Indonesia expects the Rupiah to remain stable, underpinned by Bank Indonesia's commitment to maintain Rupiah stability, alongside attractive yields, low inflation and the positive economic growth outlook for Indonesia.

5. **In general, mild inflationary pressures have been maintained within the target corridor.**

Consumer Price Index Inflation (yoy)

August 2025	September 2025
2.31%	2.65%

Core Inflation	Volatile Food Inflation	Administered Prices Inflation
2.19% (yoy)	6.44% (yoy)	1.10% (yoy)

September 2025

Bank Indonesia is confident that headline inflation will remain under control and within the target corridor in 2025 and 2026.

6. **Bank Indonesia continues strengthening its policy mix to boost economic growth, while maintaining economic stability.**

Bank Indonesia is expanding liquidity by reducing the position of SRBI:

At the beginning of 2025	21st October 2025
Rp916.97 Trillion	Rp707.05 Trillion

7. **Bank Indonesia is of the view that interest rates in the banking industry must be lowered further in line with the accommodative monetary policy stance and accumulated budget surplus placed by the Government in the banking industry.**

Banking Interest Rate

The 1-month term deposit rate lowered by 29 bps	Lending rate lowered by 15 bps
4.52%	9.05%

September 2025

8. **Accommodative monetary policy and accumulated budget surplus placements by the Government in the banking industry have increased money supply.**

M0 Adjusted	M1	M2
18.58% (Sept 2025, yoy)	7.25% (Jan 2025) → 10.51% (Aug 2025) (yoy)	5.46% (Jan 2025) → 7.59% (Aug 2025) (yoy)

Moving forward, money supply is expected to accelerate in line with fiscal expansion.

9. **Loans disbursed by the banking industry must be increased to support economic growth.**

Credit	Third-Party Funds	Sharia Financing	MSMEs Credit
7.70% (yoy)	11.18% (yoy)	7.55% (yoy)	0.23% (yoy)

September 2025

Bank Indonesia has disbursed KLM incentives totalling **Rp393 Trillion.**

State-Owned Banks	National Private Commercial Banks	Regional Government Banks	Foreign Bank Branches
Rp173.6 Trillion	Rp174.4 Trillion	Rp39.1 Trillion	Rp5.7 Trillion

As of the first week of October 2025

Banking industry resilience remains solid.

Liquidity remains adequate	Bank capital remains high	Credit risk remained low
29.29% Liquid Assets to Third-party Funds (LA/TPF)	26.03% Capital Adequacy Ratio (CAR)	2.28% (gross) 0.87% (nett) Non-performing Loan (NPL)
September 2025	August 2025	August 2025

10. **Digital economic and financial transactions remained solid in the third quarter of 2025, supported by secure, seamless and reliable payment systems.**

Digital Transaction

38.08% (yoy) | 12.99 Billion Transaction

Transaction Volume

Mobile	Internet	QRIS
13.11% (yoy)	17.80% (yoy)	147.65% (yoy)

	Transaction Volume Growth	Transaction Volume	Transaction Value
BI Fast	32.34% (yoy)	1,223.82 Million Transaction	Rp3,024.08 Trillion
BI-RTGS	1.47% (yoy)	2.76 Million Transaction	Rp56,422.87 Trillion

Q-III 2025

Payment system stability has been maintained, supported by stable infrastructure and a sound industry structure.

Cash Transaction

Currency in Circulation

13.49% (yoy) | Rp1,200.05 Trillion

Q-III 2025

Bank Indonesia will safeguard the adequate availability of Rupiah currency fit for circulation in suitable amounts throughout all regions of the Republic of Indonesia, particularly in frontier, outermost and remote regions.

Scan for further information