



Presentation Book Republic of Indonesia

Strong and Resilient: Synergy for Higher and More Sustainable Growth”

March 2026



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Section 1

Indonesia's Story

*“Strong Resilience Amidst Global
Uncertainties”*



Solid Policy Framework to Safeguard Stability and Support Sustainable Growth

Amid global challenges, Indonesia continues to demonstrate strong and resilient economic performance, supported by solid domestic demand, low and stable inflation, and a sound external position with ample foreign exchange reserves. Fiscal discipline remains intact, with the deficit projected at 2.68% of GDP in 2026, supporting a sound debt trajectory. Policy coordination between fiscal and monetary authorities, alongside ongoing structural reforms, is expected to sustain macroeconomic stability and support medium-term growth prospects.

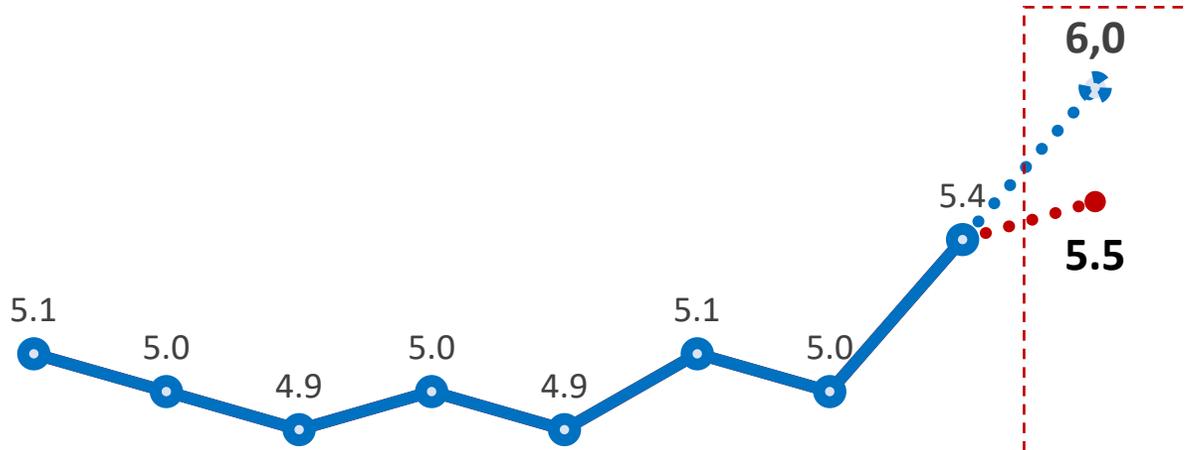
- **New Paradigm to achieve growth:** Indonesia's new economic paradigm strengthens macroeconomic stability through prudent fiscal and monetary policy and a resilient financial system, while leveraging Danantara's catalytic role to mobilize private investment and achieve high and sustainable growth target.
- **Solid growth:** Indonesia's economy continues to demonstrate resilience, sustaining growth above 5% despite global pressures from geopolitical tensions, trade fragmentation, and tighter financial conditions. Growth reached 5.39% (yoy) in Q4-2025, up from 5.04% in the previous quarter, bringing full-year growth to 5.11% (yoy), higher than 5.03% in 2024. Looking ahead, economic growth in 2026 is projected to strengthen further to a range of 4.9–5.7% year-on-year, underpinned by stronger domestic demand. To sustain this momentum, the government continues to respond proactively to near-term growth dynamics, formulating and rolling out targeted stimulus packages on a quarterly basis to support growth and job creation into 2026.
- **Under control inflation:** Inflation remains under control, with CPI inflation stood at 4.76% (yoy) in February 2026, with annual inflation in 2026 and 2027 will remain within the 2.5%±1% target range.
- **Sound external sector:** The external sector remains sound, supported by a sound Balance of Payments and a trade surplus of USD 49.82 billion in 2025, up from USD 39.84 billion in 2024. The higher surplus was driven by an increase in the non-oil and gas trade surplus. At the end of January 2026, foreign exchange reserves remain robust at USD154.6 billion, equivalent to 6.3 months of imports or 6.1 months of imports and the servicing of government external debt.
- **Fiscal Discipline:** The fiscal stance is supporting priority development goals while maintaining fiscal discipline. The 2026 fiscal deficit is projected at 2.68% of GDP, well below 3% threshold, alongside a low debt-to-GDP ratio. Policy priorities focus on improving spending quality, strengthening human capital, advancing food and energy security, and driving structural transformation through downstreaming and investment facilitation.
- **Central Bank Policy Mix:** Despite persistently high global uncertainty, Bank Indonesia has implemented accommodative monetary policy through reducing the policy rate by 150 bps to 4.75% since September 2024, its lowest level since 2022, supported by macroprudential and liquidity measures to boost credit and financing. Monetary easing, together with fiscal expansion, is expected to further stimulate the real sector and supporting economic growth, while keeping inflation stable and Rupiah exchange rate well maintained.
- **Structural Reforms:** The Government remains committed to structural reforms within the Asta Cita agenda. The key priorities focus on strengthening human capital and technology, improving governance and inclusion, and advancing industrial and sustainability transformation. Reforms in education, health, innovation, and bureaucracy aim to boost productivity and the business climate, while regional, downstreaming, and green-economy initiatives enhance value creation and resilience. Recent development shows that Downstream industries continue to attract strong investment of Rp 584.1 trillion in 2025 or 30.2% of total investment, driven primarily by Mineral and Coal.
- **Danantara:** Danantara supports Indonesia's macroeconomic management by acting as a strategic investment catalyst, with focus on generating sustainable commercial returns, strengthening the private sector's role and supporting Indonesia's priority programs.

Strong Economic Growth Momentum Continues to be Encouraged Starting Q1 2026, Government Expenditure is Ensured to be Optimal



Indonesia is set to accelerate economic momentum in Q1 2026, targeting 5.5%-6.0% GDP growth through an optimized IDR 809 trillion expenditure plan and high-impact investment drivers like the Danantara downstream project.

Indonesia's Economic Growth (% , yoy)



Year	Q1	Q2	Q3	Q4
2024	5.1	5.0	4.9	5.0
2025	4.9	5.1	5.0	5.4
2026	5.5 - 6.0			

Q1 Expenditure Projections

IDR **809** Trillion

- ❖ Acceleration of MBG Rp62 T
- ❖ THR ASN/TNI/Polri Rp55 T
- ❖ Sumatra Disaster Rehabilitation Rp6 T
- ❖ Stimulus Package IDR 15 T



Investment Driver

- ❖ Construction of KDMP of 30 th units of IDR 90 T (APBN and Danantara)
- ❖ House Construction (Commercial, Subsidized Houses & Renovation Assistance (BSPS)), 190 thousand units of Rp20 T (APBN and Danantara)
- ❖ Groundbreaking of the USD7 billion Danantara downstream project (~Rp110 T)



Consumption Driver

Momentum of Holidays & Holidays Together with Chinese New Year & Eid al-Fitr
 Work From Anywhere (WFA) Policy

GDP Growth Target
 Q1
 Full-year 2026

5,5% - 6,0%
 5,4% - 6,0%

Budget Realization as of Jan 31, 2026



Indonesia demonstrates a resilient and expansive fiscal start to 2026 with a 30.7% year-on-year surge in tax revenues, effectively supporting a 25.7% acceleration in state spending while keeping the budget deficit manageable.

- Tax revenues grew strongly (30% yoy)
- State spending accelerated further (25% yoy)

(In IDR tn)	2025				2026			
	Budget	Realization as of Jan	% Budget	Growth (%)	Budget	Realization as of Jan	% Budget	Growth (%)
A. Revenue	3,005.1	157.8	5.3	(28.1)	3,153.6	172.7	5.5	9.5
I. Taxation revenue	2,490.9	115.2	4.6	(34.5)	2,693.7	138.9	5.2	20.5
1. Taxes	301.6	26.3	8.7	41.8	336.0	116.2	4.9	30.7
2. Custom and excise	301.6	26.3	8.7	14.7	336.0	22.6	6.7	(14.0)
II. Non-tax revenue	513.6	42.5	8.3	(2.1)	459.2	33.9	7.4	(20.4)
III. Grants	0.6	0.0	2.9	(67.6)	0.7	-	-	(100.0)
B. Expenditure	3,621.3	180.8	5.0	(1.9)	3,842.7	227.3	5.9	25.7
I. Central government expenditure	2,701.4	86.0	3.2	(10.7)	3,149.7	131.9	4.2	53.3
1. Line ministries expenditure	1,160.1	24.4	2.1	(45.5)	1,510.5	55.8	3.7	128.9
2. Non-line-ministries expenditure	1,541.4	61.7	4.0	19.4	1,639.2	76.1	4.6	23.4
II. Transfer to region	919.9	94.7	10.3	7.9	693.0	95.3	13.8	0.6
C. Primary Balance	(63.3)	11.1	(17.5)	(83.0)	(89.7)	(4.2)	4.7	(138.3)
D. Surplus/(Deficit)	(616.2)	(23.0)	3.7	(165.4)	(689.1)	(54.6)	7.9	137.4
<i>% Surplus/(Deficit) to GDP</i>	<i>(2.53)</i>	<i>(0.09)</i>			<i>(2.68)</i>	<i>(0.21)</i>		
E. Financing	616.2	154.8	25.1	44.3	689.1	105.1	15.2	(32.1)

Revenue IDR 172.7tn
▲ 9.5% (yoy)

Spending IDR 227.3tn
▲ 25.7% (yoy)

Deficit IDR 54.6tn
0.21% GDP

Deficit primary balance IDR 4.2tn

Indonesia's Macroeconomic Fundamentals Remain Strong and Resilient

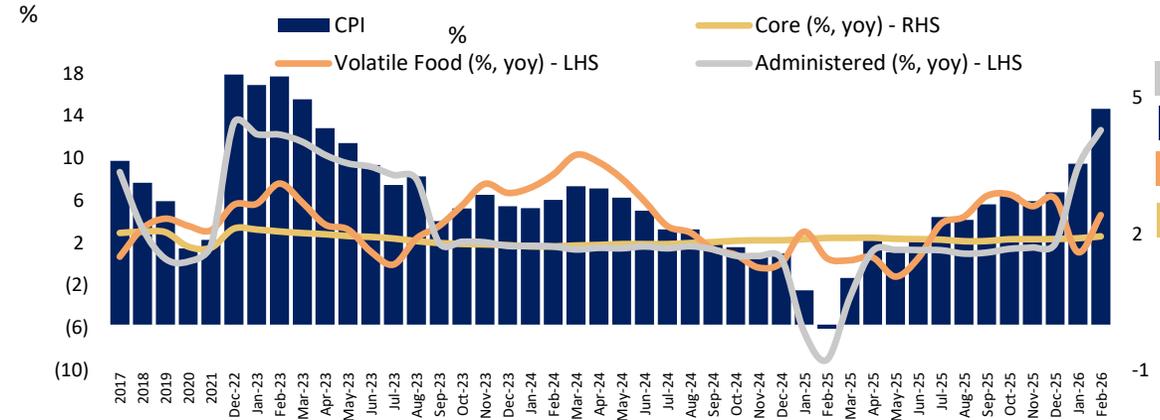


Indonesia's robust macroeconomic fundamentals are reflected in resilient growth of 5.11% in 2025, supported by stable inflation, exchange rate stability, and prudent monetary easing, reinforcing the economy's capacity for sustained long-term expansion.

Economic Growth in 2025 was solid at 5.11%, and is projected to increase in 2026



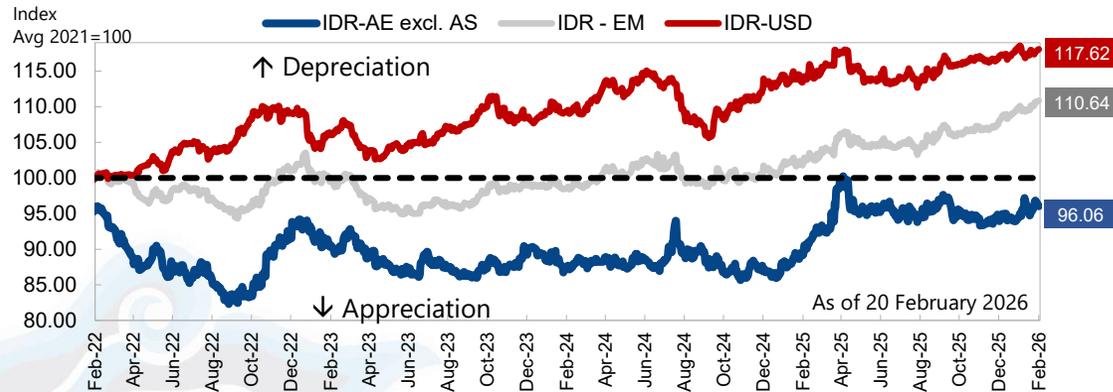
Well Maintained Inflation Ensured Price Stability



Source: BPS

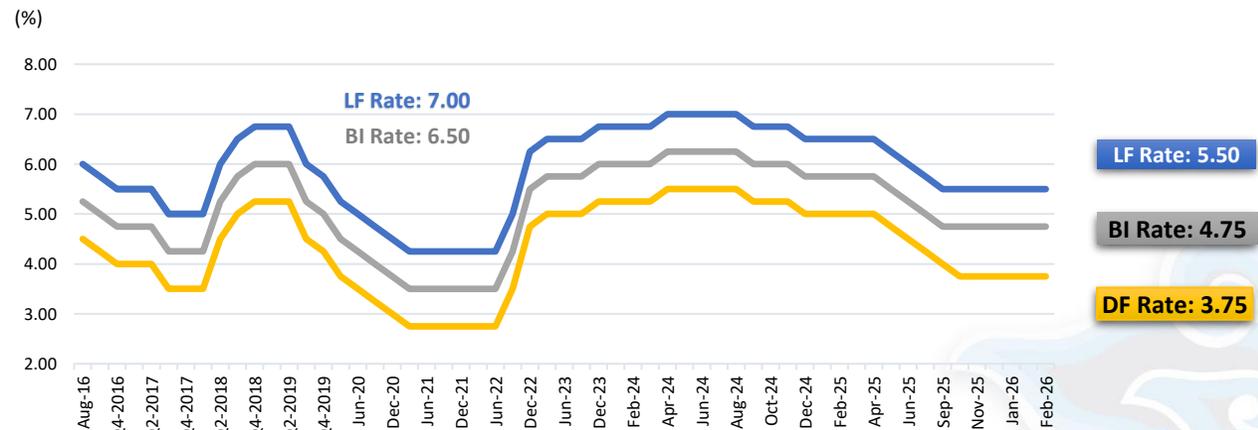
Stable Rupiah Exchange Rate

IDR Indexes Against USD, excl US, and EM



Notes
 -Based on daily data
 - Composite indexes on trade weights : SGD (13%), CNY (52%), INR (11%), KRW (9%), THB (7%), MYR (9%)

Strengthened Monetary Policy Framework

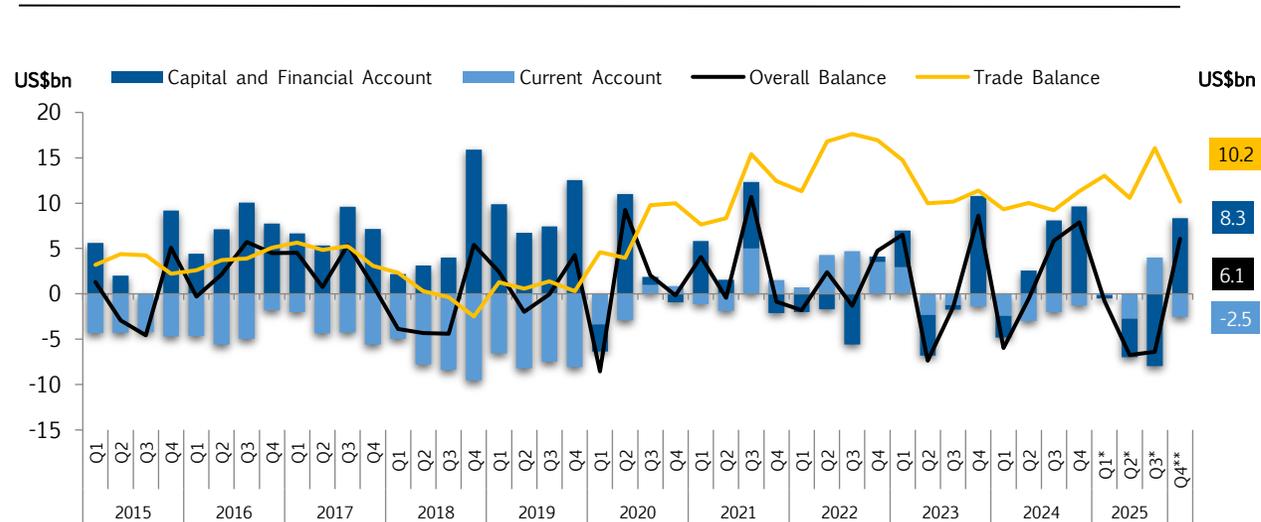




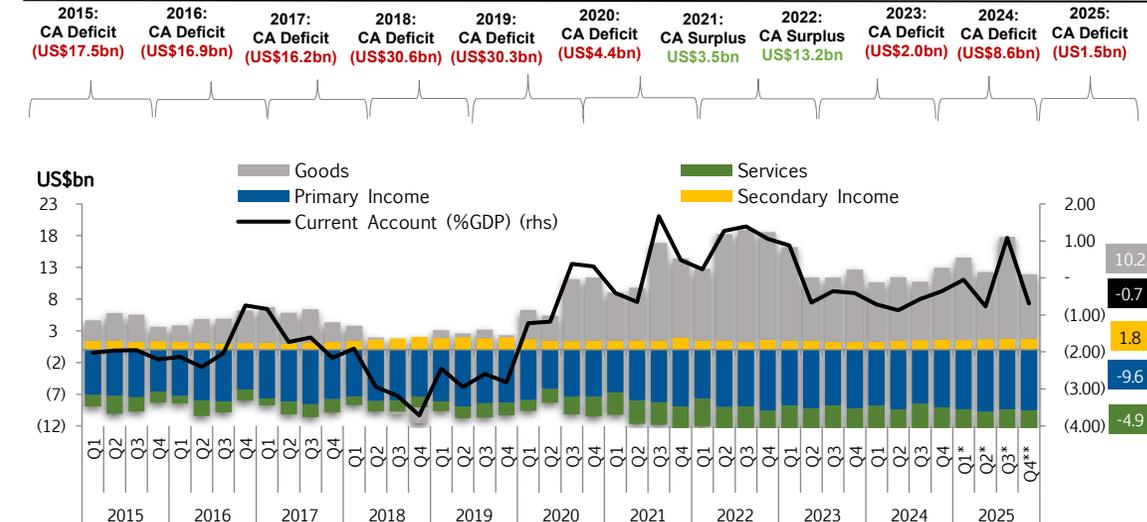
External Sector Remains Sound Amid Global Uncertainty

Indonesia's external resilience remains strong, supported by a solid balance of payments, a low current account deficit, a persistent trade surplus, and rising foreign exchange reserves that continue to bolster macroeconomic stability.

Balance Of Payment Remains Solid

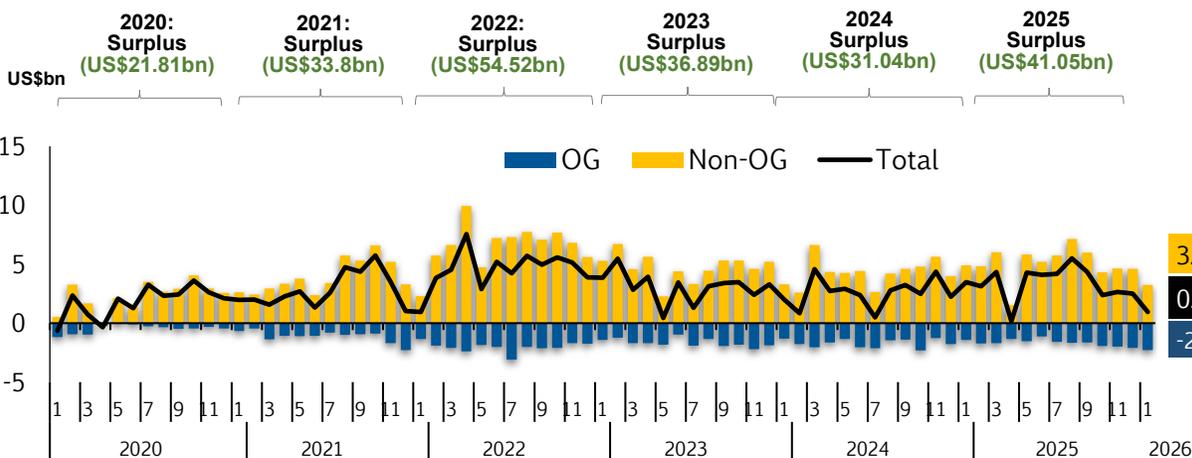


Current Account Recorded Low Deficit



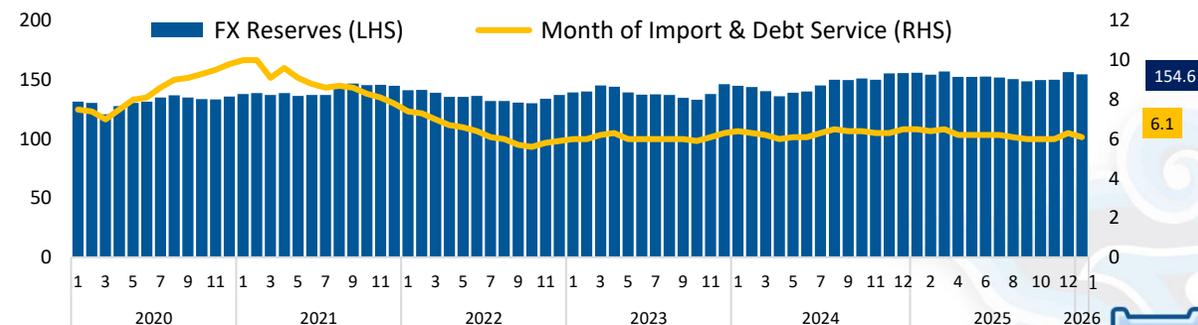
Source: Bank Indonesia

Trade Balance Surplus Continues



Official Reserve Assets Increased to Reinforce External Sector Resilience

FX Reserves as of January 2026: US\$154.6bn
(Equiv. to 6.1 months of imports financing + servicing of government debt)



Source Central Bureau of Statistics of Indonesia

* Preliminary Figure

** Very Preliminary Figure

Source: Bank Indonesia

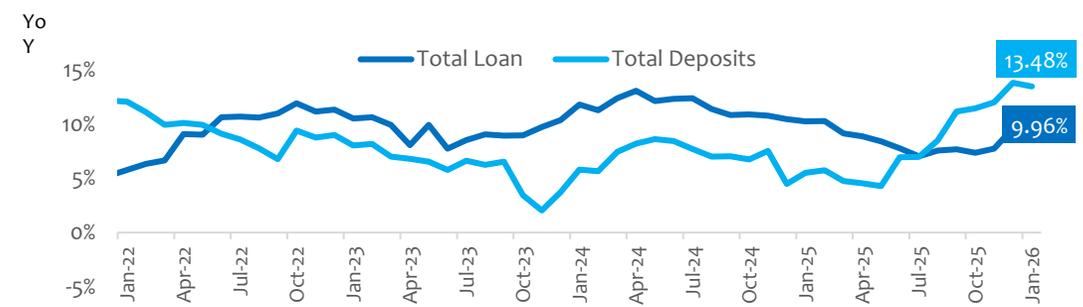


Resilient and Sound Financial System

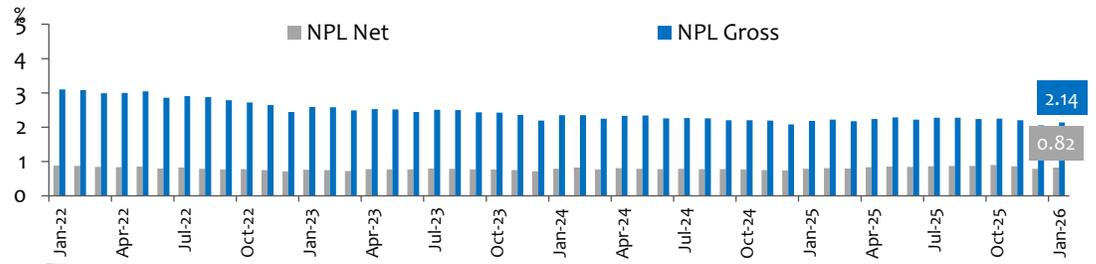
Banking sector maintains solid fundamentals, underpinned by strong capitalization, ample liquidity, and well-managed risk. Looking ahead, banks remain well-positioned to support productive and long-term investment, with financing activities kept strictly within prudential and risk-management standards.



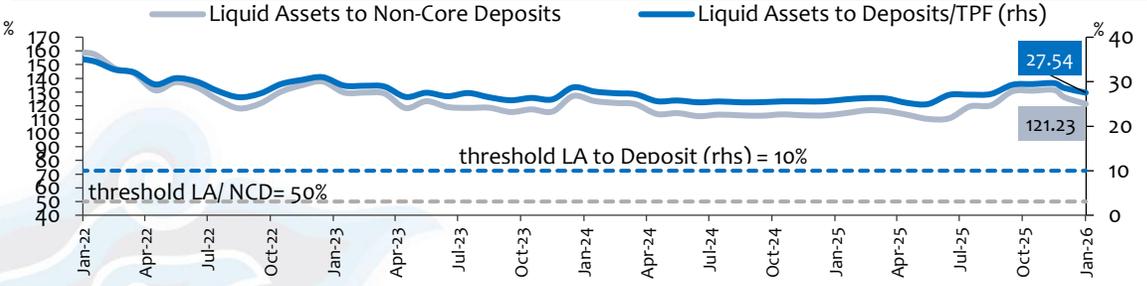
As of **January 2026**, banking intermediation remained positive, with total loan grew **9.96% (yoy)**, while total deposits growth slightly moderated to **13.48% (yoy)**.



In **January 2026**, banking asset quality remained well-maintained, with the **gross NPL ratio at 2.14%**, still within manageable level.



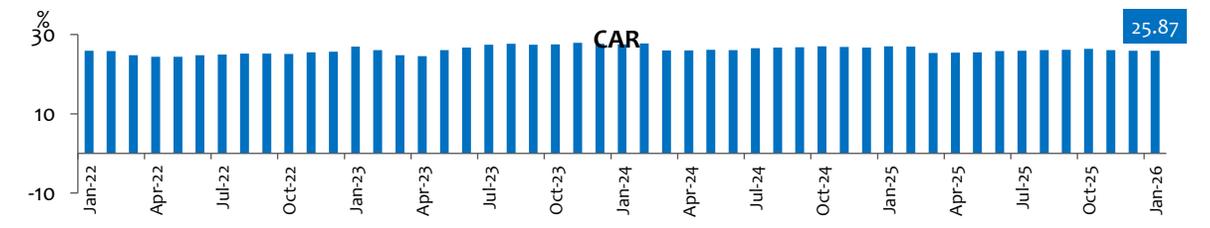
Banking system liquidity conditions are also manageable, supported by stable funding and adequate liquid assets (**LA/Deposits: 27.54%**; **LA/NCD: 121.23%**).



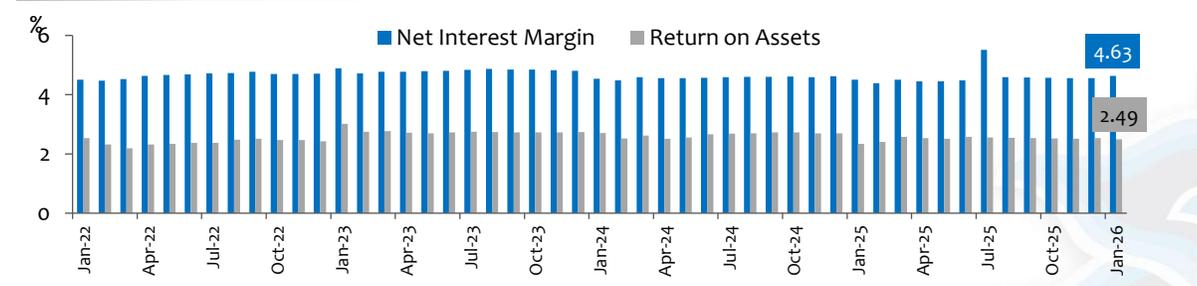
In **January 2026**, investment loans continued to record strong growth of **22.38% (yoy)**, while **consumer and working capital loans** increased by **6.58% and 4.13% (yoy)**, respectively.



The banking sector remains strongly capitalized, with **Capital Adequacy Ratio (CAR) at 25.87%** as of **January 2026**, providing a substantial buffer against potential shocks.



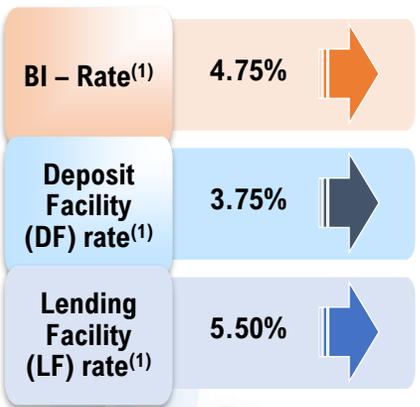
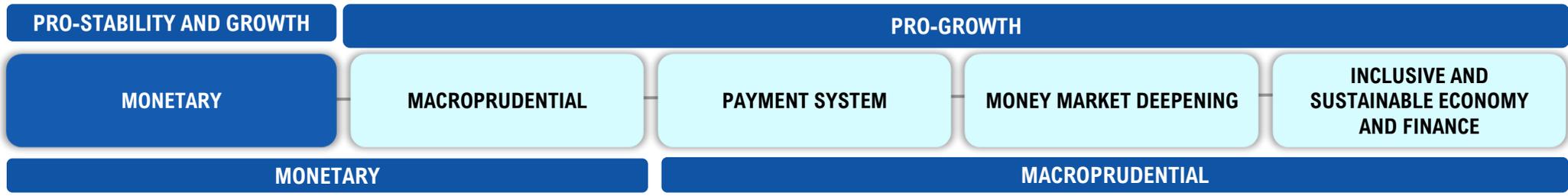
Profitability remained **relatively stable** as of **January 2026**, with the **Net Interest Margin (NIM) and Return on Assets (ROA)** recorded at **4.63%** and **2.49%**, respectively.





Bank Indonesia Policy Mix Framework for Economic Resilience

Bank Indonesia's policy mix is calibrated to reinforce economic growth while maintaining stability through a balanced combination of monetary, macroprudential, payment system, money market deepening, and inclusive green economy measures.



Bank Indonesia Board of Governors Meeting (RDG) on 18–19 February 2026 decided to **maintain the BI Rate at 4.75%, the Deposit Facility rate at 3.75%, and the Lending Facility rate at 5.50%.**

- This decision is consistent with the current policy focus on strengthening Rupiah exchange rate stabilization amid persistently high global financial market uncertainty, in order to support the achievement of the 2026–2027 inflation target and promote economic growth.
- **Strengthening the Rupiah exchange rate stabilisation strategy through intervention**, both in offshore NDF transactions and in domestic markets through spot and DNDF transactions. This strategy is complemented by the purchase of government securities (SBN) in the secondary market.
- **Strengthening the pro-market monetary operations strategy** to attract foreign portfolio inflows **while remain maintaining adequate liquidity in the money market and banking system** by managing the interest rate structure and volumes of monetary instruments, as well as measured secondary-market SBN transactions.

- **Strengthening synergy with the Government and other stakeholders to enhance the effectiveness of accommodative macroprudential policy** in order to boost lending/financing and lowering interest rates in the banking industry through Indonesian Intermediation Acceleration Program (PINISI) and publishing the assessment of prime lending rate (PLR) transparency, with a focus on interest rates based on priority sectors in accordance with the scope of KLM policy.

PAYMENT SYSTEM

- **Developing the Indonesia Digital Innovation Center (PIDI) in synergy with relevant authorities, associations, and ministries/agencies** to accelerate Digital Economy and Finance (EKD) transformation, including through the organization of Hackathons and digital talent development (Digital Talenta Berdaya dan Berkarya – Digdaya) initiated in late February 2026.
- **Strengthening the readiness of the national payment system ahead of the 2026 Eid al-Fitr (1447 H) festive period**, by ensuring the availability, reliability, and security of Bank Indonesia Payment Systems (SPBI) and industry payment systems, and by guaranteeing the availability of high-quality Rupiah currency nationwide, including through the Semarak Rupiah Ramadan dan Berkah Idulfitri (SERAMBI) 2026 program.



Strong Investment in Downstream Industries Reflects Continued Industrial Transformation

Downstream industries continue to attract strong investment of Rp 584.1 trillion in 2025, driven primarily by Mineral and Coal, underscores the continued progress of Indonesia's downstream strategy.



Mineral and Coal (Total IDR 373.1 T)

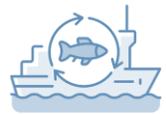
Nickel	Rp 185.2 T	Iron & Steel	Rp 39.2 T
Copper	Rp 65.8 T	Tin	Rp 11.3 T
Bauxite	Rp 53.1 T	Others	Rp 18.5 T*

*) Other : Silica Sand, Gold, Silver, Cobalt, Manganese, Coal, Buton, Asphalt



Oil & Natural Gas (Total Rp 60.0 T)

Petroleum	Rp 41.7 T
Natural Gas	Rp 18.3 T



Marine and Fisheries (Total Rp 6.4 T)

Commodities in this sector include salt, fish (tuna, skipjack, and mackerel), shrimp, seaweed, crab, and tilapia.



Plantations & Forestry (Total Rp 144.5 T)

Logs	Rp 62.2 T	Rubber	Rp 12.9 T
Palm Oil	Rp 62.8 T	Others	Rp 6.6 T*)

*) Other : Nutmeg, Pine, Coconut, Cocoa, and Biofuel

Investment Realization of Downstream Industry Sectors

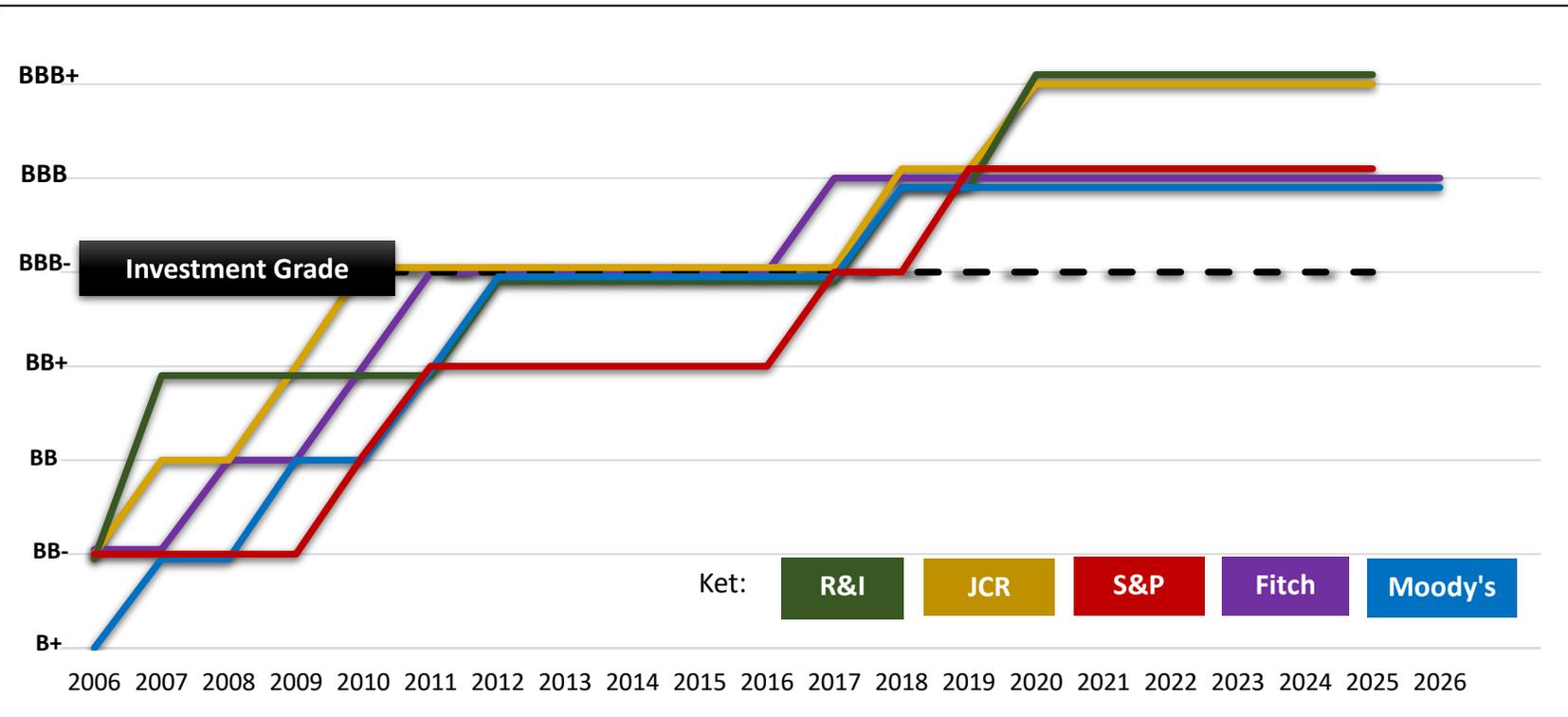
Rp 584.1 Trillion ▲ 43.3% (YoY)

30.2% of Total Realization in 2025

Note: Based on the State Budget Currency Rate of USD 1 = Rp 16,000.00; T = Trillion

Source: Ministry of Investment and Downstream Industry

Affirmation on Indonesia's Sovereign Credit Rating



Fitch Ratings

BBB / Negative

March 2026, Rating Affirmed at BBB/Negative Outlook

The rating affirmation reflects Indonesia's record in maintaining macroeconomic stability, favourable medium-term growth, a modest government debt/GDP ratio and moderate external buffers. The outlook revision reflects increasing policy uncertainty and erosion of Indonesia's policy mix consistency and credibility amid growing centralisation of policymaking authority.

S&P Global

BBB / Stable

July 2025, Rating Affirmed at BBB/Stable Outlook

Indonesia's BBB rating reflects the country's robust economic growth prospects, prudent policy settings, and relatively low net external and government debt burdens. Meanwhile, the stable outlook is supported by the government's commitment to maintaining the 3% annual fiscal deficit ceiling as a policy anchor.



BBB+ / Stable

October 2025, Rating Affirmed at BBB+/Stable Outlook

Indonesia's economic fundamentals remain resilient, supported by demographic expansion, abundant natural resources and growing manufacturing sectors. The economy has been on a relatively stable trajectory, with the inflation rate kept in check. The government debt ratio remains at a low level, reflecting the government's fiscal policy in accordance with fiscal rules. R&I has a view that prudent fiscal and monetary policies have been maintained so far under the Prabowo administration.



BBB+ / Stable

September 2025, Rating Affirmed at BBB+/Stable Outlook

The ratings mainly reflect the country's solid domestic demand-led economic growth and restrained public debt. On the other hand, they are constrained by its weak revenue base. The economy's real GDP growth in 2024 remained at around 5%, the same level as the previous year. JCR holds that the government debt-GDP ratio, which rose due to measures aimed to combat the pandemic, will be maintained at current levels amid the ongoing fiscal consolidation efforts through tax reforms and budget allocation revisions.

MOODY'S

Baa2 / Negative

February 2026, Rating Affirmed at Baa2/Negative Outlook

The rating affirmation highlights Indonesia's economic resilience, supported by solid growth, structural strengths, and a track record of credible monetary and prudent fiscal policies that underpin macroeconomic and financial stability. The outlook revision reflects the assessment of rising risks to policy predictability, which have not yet materially affected credit fundamentals but could weigh on performance if prolonged.



Section 2

Macroeconomic

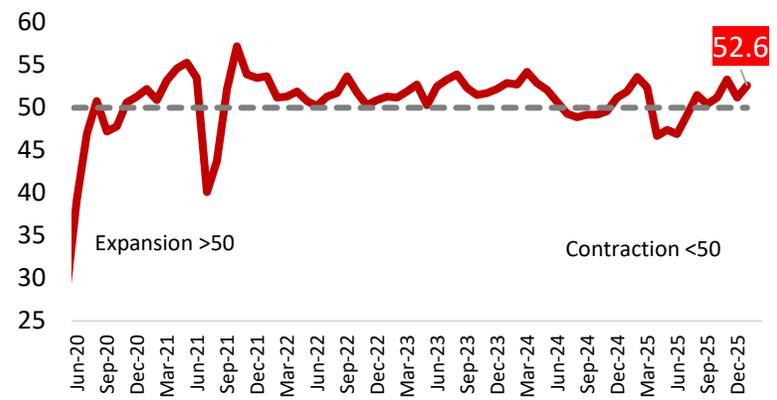
*“Promising Growth Prospects
Supported by Continued Economic
Recovery Momentum”*



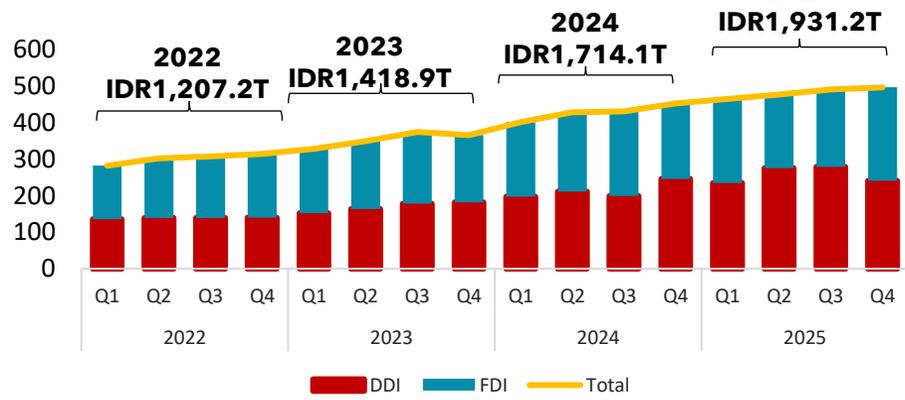
Indonesia's Leading Indicators Exhibit Favorable Outlooks

Leading indicators show improving momentum across manufacturing, investment, consumer confidence, retail sales, and trade performance, signaling a more favorable economic outlook.

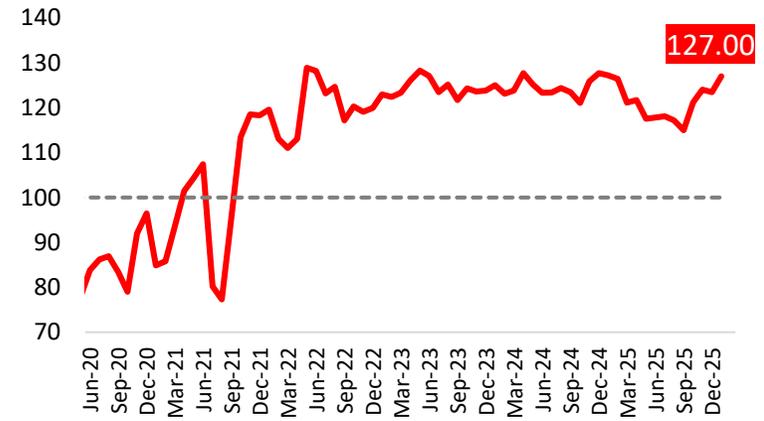
Manufacturing PMI



Total Investment (IDR Tn)



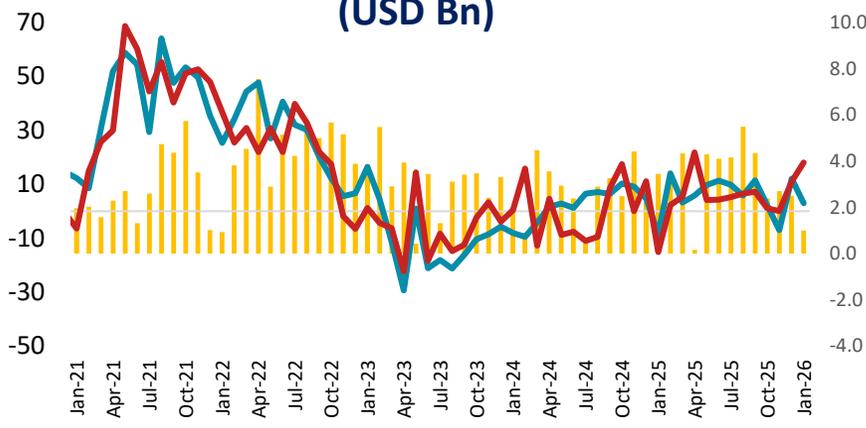
Consumer Confidence Index



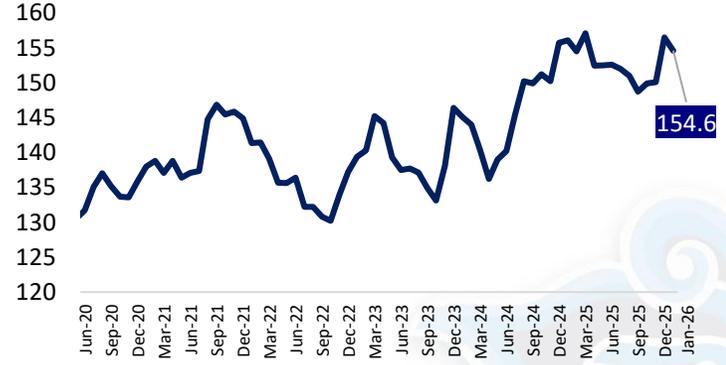
Retail Sales (% yoy)



Trade Balance (USD Bn)



Foreign Exchange Reserves (USD Bn)



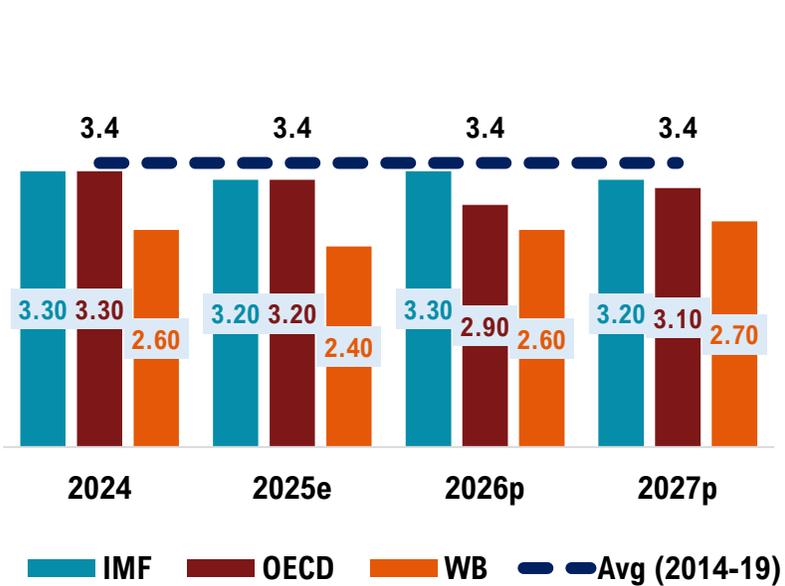
Sources: BI, BKPM, BPS, S&P

Global Tensions Are Easing, yet Future Challenges Remain



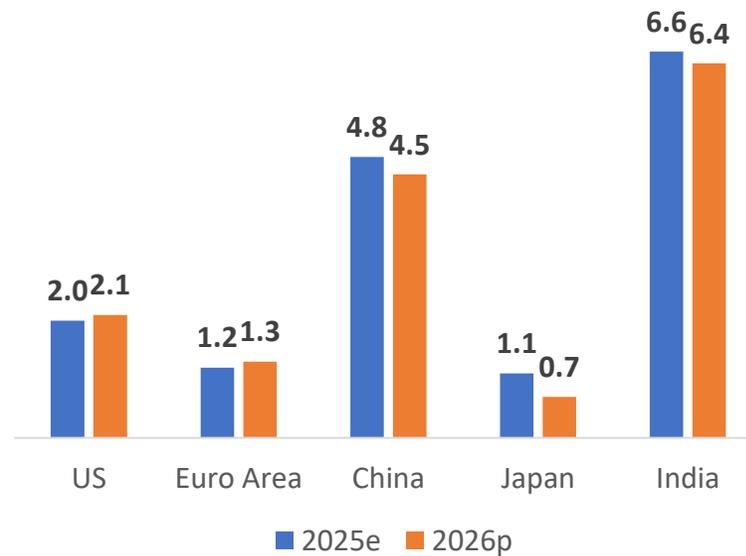
Global growth in 2026 and 2027 is projected to be stronger than earlier forecasts for 2025, supported by the easing of global tensions. However, challenges remain, particularly related to trade uncertainty, fiscal risks, weak domestic demand and geopolitical developments. Overall, Indonesia's outlook appears relatively resilient compared with its peers.

Global GDP Growth Projection (% YoY)



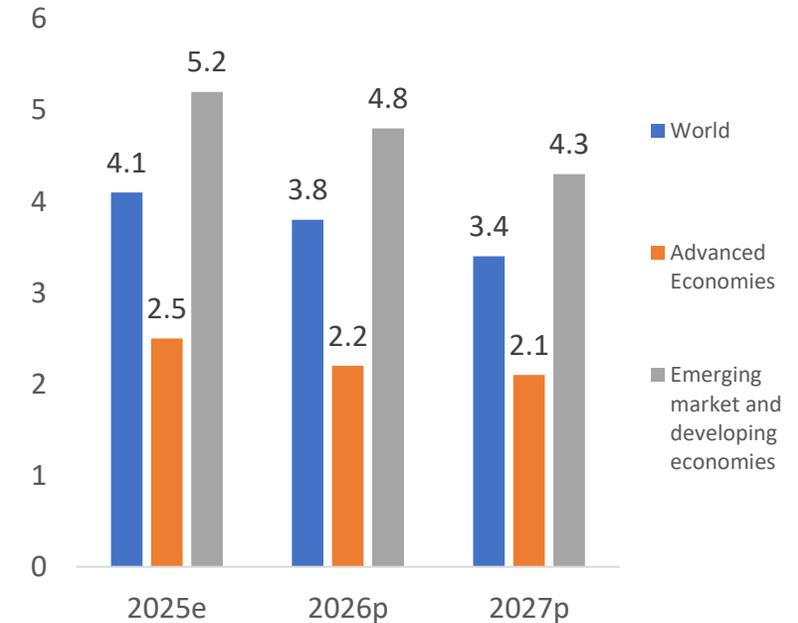
Source: EAP WB Oct'25, OECD Sept'25, WEO IMF Jan'26,

Estimated GDP Growth of Selected Country 2025-2026 (% YoY)



Source: WEO IMF Jan'26

Global Inflation Projection (Average CPI) (% YoY)



Source: WEO IMF Jan '26

DOWNSIDE RISKS

- Escalation of Geopolitical Tensions
- Reevaluation of Technology Expectations
- Escalating Trade Barriers & Policy Uncertainty
- Tighter Global Financial Conditions
- High Public & Private Debt
- Weak Domestic Demand in Key Economies

Source: WEO IMF Oct '25.



Economy Package 2025” (8+4+5 Program)

The Government has officially launched the 8+4+5 economic stimulus package to accelerate social protection, strengthen strategic sectors, and safeguard national growth amid global challenges.

8 Programs: “8 Accelerated Programs in 2025”

1. Government Assistance for College Graduates Internship Program: Ministry of Manpower data: 4,894 companies, 44 institutions, and 92,583 vacancies, for up to 100,000 1-year fresh graduates.
2. Government-borne Income Tax (PPh21) incentives for the tourism sector workers: in the Oct-Dec 2025 Period: 552,000 workers.
3. Food Assistance program:): Distribution progress: Rice: 6,776.2 tons (1.85%) of the ceiling of 365,541 tons. Cooking oil: 1,355.3 KL (1.85%) of the ceiling of 73,108 KL.
4. Discount on Work Accident Insurance (JKK) and Death Insurance (JKM) Contributions: for non-wage recipients in the transportation sector. Government Regulation (PP) draft is being prepared.
5. Additional Service Benefits – Housing Program of BPJS Ketenagakerjaan: Revision of the Minister of Manpower Regulation is under discussion; harmonisation is ongoing at the Ministry of Law and Human Rights.
6. Program Padat Karya Tunai (*Cash for Work*): Ministry of Transportation realization: 13,163 workers; and Ministry of Public Works realization: 197,972 workers.
7. Deregulation Program (PP28/2025): Acceleration of RDTR Integration into OSS Additional digital RDTR integrated into OSS: target 100 new RDTR, with 17 RDTR realized to date.
8. Urban Program (*Jakarta Pilot Project*): Program identification is underway in each ministry/agency and SOE.

4 Programs: Carried Forward to 2026

1. Adjustment of the Utilization Period and Beneficiaries of 0.5% Final Income Tax for MSME Taxpayers until 2029
2. Extension of Government-borne Income Tax (PPh 21) Incentives for Tourism Sector Workers and Labor-Intensive Industries (2026 budget)
3. Extension of the VAT DTP for the housing sector: extended until 2027
4. Extension and expansion of Discount on JKK and JKM Contributions for all Non-Wage Recipients (BPU)

5 Programs: Employment Absorption

1. Operational for KDKMP (Koperasi Desa/ Kelurahan Merah Putih): Ground-breaking has been carried out at 800 locations
2. Value Chain Strengthening for Strategic Plantation and Agricultural Commodities, and Post-Harvest Infrastructure
3. Revitalisation of Northern Coast (Pantura) Shrimp Ponds, Integrated Shrimp Area in Waingapu, and Modernisation of Fishing Vessels
4. Kampung Nelayan Merah Putih” Program Stage-2 ABT process is ongoing in 35 locations
5. Fish Cultivation Development to support MBG in 500 districts/cities



Fiscal Incentives to Boost the Economy

Fiscal incentives support investment, job creation, and industrial development, while alignment with the Global Minimum Tax ensures policy credibility and fiscal sustainability.

TAX HOLIDAY & MINI TAX HOLIDAY

- ❑ Applicable to new investments, particularly in pioneer industries and core business activities.
- ❑ 18 eligible pioneer industries covering 169 KBLI classifications, strategically selected for their strong economic linkages, high added value, advanced technology adoption, and significant national economic impact.
- ❑ Corporate income tax incentives:
 - 100% corporate income tax exemption (full tax holiday) for up to 20 years, depending on the investment value.
 - Mini tax holiday: A 50% corporate income tax reduction for two years after the initial full exemption period.
 - After the tax holiday and mini tax holiday periods expire, investors remain eligible for a 50% reduction of the standard corporate income tax rate.
- ❑ Adjustment due to Global Minimum Tax (GMT) Implementation:
 - Indonesia has aligned its tax policies with the 15% Global Minimum Tax (GMT) framework set by the OECD/G20.
 - Companies benefiting from the Tax Holiday must comply with the minimum tax requirement, ensuring both regulatory stability and competitive investment incentives.

TAX ALLOWANCE

- ❑ Aims to increase direct investment in specific business sectors or designated regions.
- ❑ Incentives include:
 - 30% net income reduction based on total investment over six years.
 - Accelerated depreciation and amortization.
 - Reduced income tax on dividends paid to foreign investors (10% or lower).
 - Compensation for losses of up to 10 years.
- ❑ Criteria include high investment value for export, significant labor absorption, or high local content.

INVESTMENT ALLOWANCE

- ❑ Encourages investment in labor-intensive industries, supporting job creation and workforce absorption.
- ❑ Net income deduction of 60% of the investment in tangible fixed assets, including land, used for the taxpayer's main business activities.
- ❑ Deduction is spread over six years (10% annually) from the fiscal year when commercial production starts.
- ❑ Covers 45 labor-intensive industrial sectors, employing an average of 300 workers per tax year.

SUPER DEDUCTION TAX

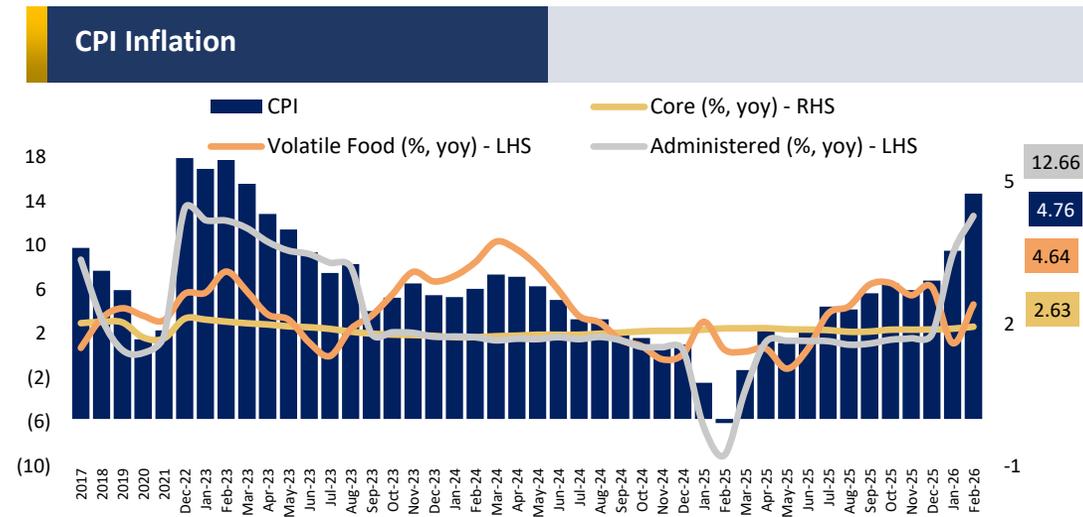
- Super Deduction for Vocational Activities
- ❑ Encourages industries to participate in vocational programs, facilitating knowledge transfer and skill development.
 - ❑ Maximum reduction of 200% in gross income for costs related to work practice, apprenticeships, and learning activities.
- R&D Super Deduction
- ❑ Supports industry-driven innovation and the adoption of the latest technology in production processes.
 - ❑ Maximum gross income deduction of 300% for eligible R&D expenditures in Indonesia.

Consumer Price Index (CPI) Inflation Remains Under Control



Inflation remains manageable, supported by stable core inflation, easing volatile food prices, and strong policy coordination across national and regional inflation control teams.

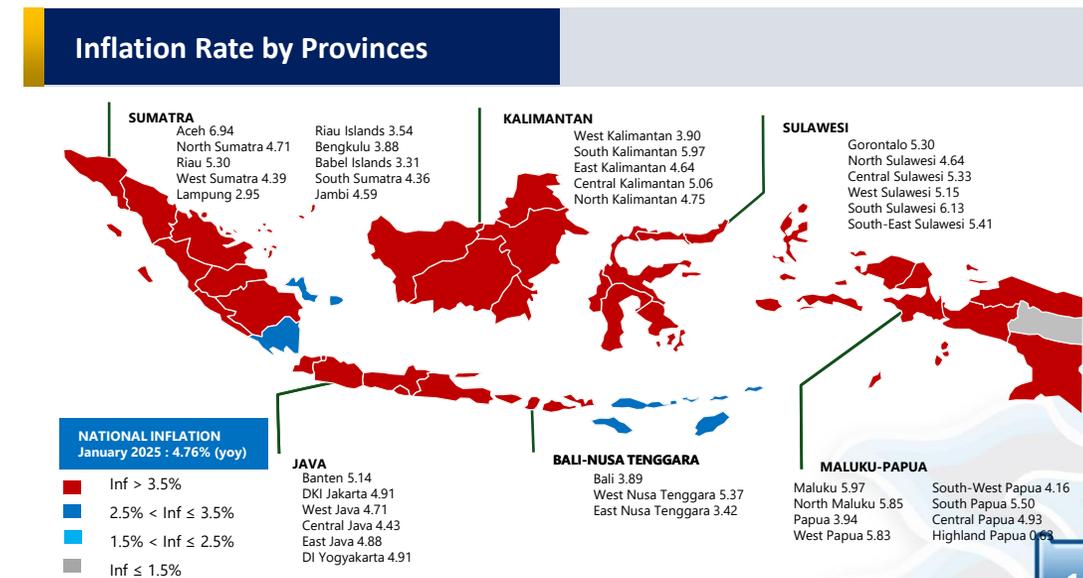
- Consumer Price Index (CPI) in February 2026 increased to 4.76% (yoy), from 3.55% (yoy) in the previous month.
 - Core inflation was recorded at 2.63% (yoy) in February 2026.
 - Volatile food (VF) inflation was recorded at 4.64% (yoy) in February 2026, up from 1.14% (yoy) in the previous month.
 - Administered prices (AP) inflation was recorded at 12.66% (yoy), higher than the 9.17% (yoy) posted in January 2026
- Bank Indonesia is confident that annual inflation in 2026 and 2027 will track a disinflationary trend and remain within the 2.5%±1% target corridor. The projection is supported by monetary policy consistency and close inflation control synergy between Bank Indonesia and the (central and regional) Government within the Central and Regional Government Inflation Control Teams (TPIP and TPID), strengthening implementation of the National Food Security Program as well as the end of the base effect of low inflation recorded in January 2025 due to the discounted electricity tariffs introduced by the Government.



Source: BPS

2026 Inflation Projection

Institutions	Inflation (% yoy)
2026 Budget	2.5
Bank Indonesia	2.5%±1%
Consensus Forecast (February 2026) – average	2.8
IMF (Oct 2025) – end of period	2.9



Source: BPS

*According to inflation data published by BPS-Statistics Indonesia based on the Cost-of-Living Survey (SBH) using 2022 as the new base year

Synchronized Policies to Strengthen Inflation Controlling Efforts



The Government is strengthening inflation control through synchronized monetary and fiscal policies, focusing on price affordability, supply availability, smooth distribution, and effective coordination to maintain 2026 inflation within the $2.5 \pm 1\%$ target range.

MONETARY POLICY

Support for pro-stability and pro-growth monetary policies

- Stabilization of the Rupiah exchange rate through intervention in the foreign exchange market on spot transactions, Domestic Non-Deliverable Forward (DNDF), and Government Securities (SBN) in the secondary market;
- Monetary operations including optimization of Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Foreign Currency Securities (SVBI), and Bank Indonesia Foreign Currency Sukuk (SUVBI)



FISCAL POLICY

Optimization of State Budget as shock absorbers

- Energy Subsidies and Compensation
- Food Security Budget including optimization of Government Rice Reserves (SPHP distribution)
- Social Assistance Program, including food assistance
- Food distribution facilitation
- Optimization of APBD

INFLATION CONTROL EFFORTS

K1

Price Affordability



- Improving the implementation of cheap market operations/easy food movements and the Food Supply and Price Stabilization (SPHP) program
- Food assistance, social protection, subsidies and energy compensation

K2

Supply Availability



- Strengthening Government Food Reserves (CPP)
- Access to KUR financing and Agricultural Machinery Credit
- Provision of subsidized fertilizers

K3

Smooth Distribution



- Facilitating the distribution of strategic food commodities
- Optimizing the sea toll program to reach 3TP areas
- Providing assistance for logistics costs

K4

Effective Communication



- Orchestration of TPID for regional inflation control efforts by the Ministry of Home Affairs through weekly coordination meetings
- Implementation of TPIP-TPID Coordination Meetings per region which are carried out back-to-back with GNPIP.



CPI INFLATION
 $2.5 \pm 1\%$

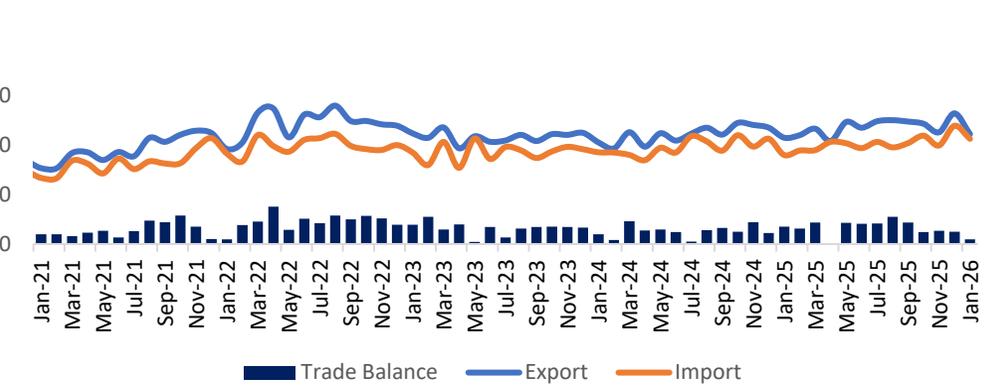
INFLATION 2026
MAINTAIN WITHIN THE TARGET



Task Force for Increasing National Exports to Strengthen Trade Balance

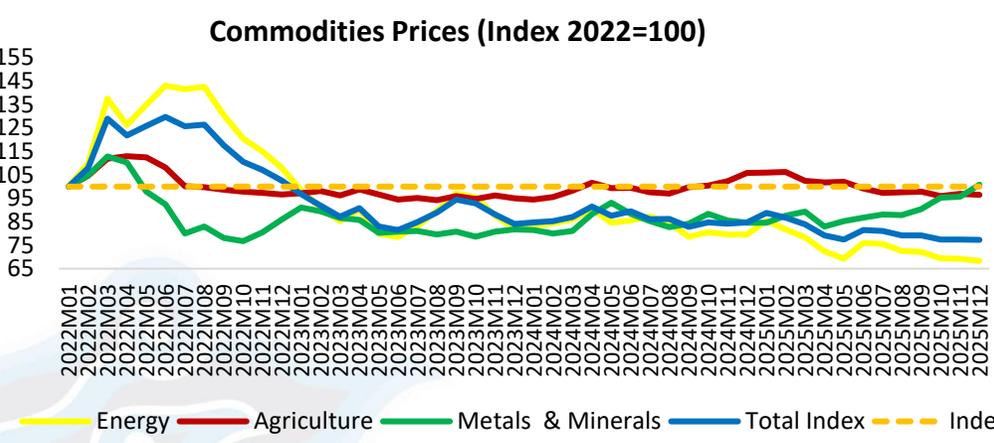
The government has established a task force to boost national exports to maintain export performance, strengthen the trade balance, and support economic growth. The initiative focuses on improving export industry productivity, expanding markets, simplifying processes, enhancing export financing, increasing MSME exports, and strengthening regulations while Indonesia continues to maintain a trade surplus for many consecutive months despite global uncertainty.

Performance of Indonesia's Export – Import (Billion USD)



Source: BPS

Commodities Prices Volatility



Source: World Bank

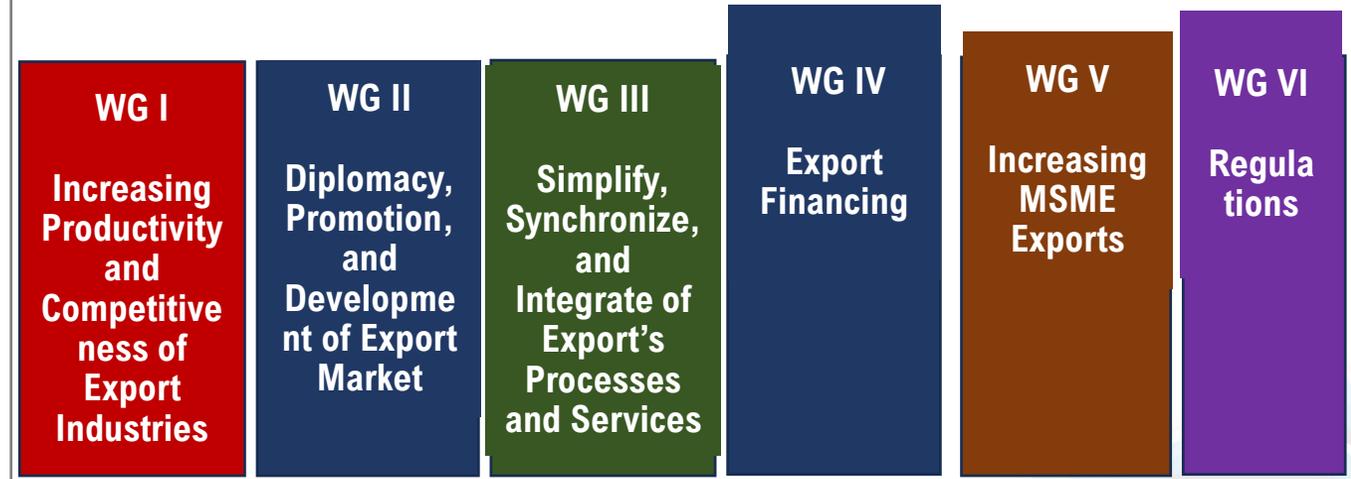
VISION



TARGET

STRENGTHENING THE TRADE BALANCE TO DRIVE NATIONAL ECONOMIC GROWTH

WORKING GROUP



DRIVERS

AMIDST GLOBAL UNCERTAINTY, INDONESIA STILL SUCCESSFULLY MAINTAIN A TRADE SURPLUS FOR 47 CONSECUTIVE MONTHS.



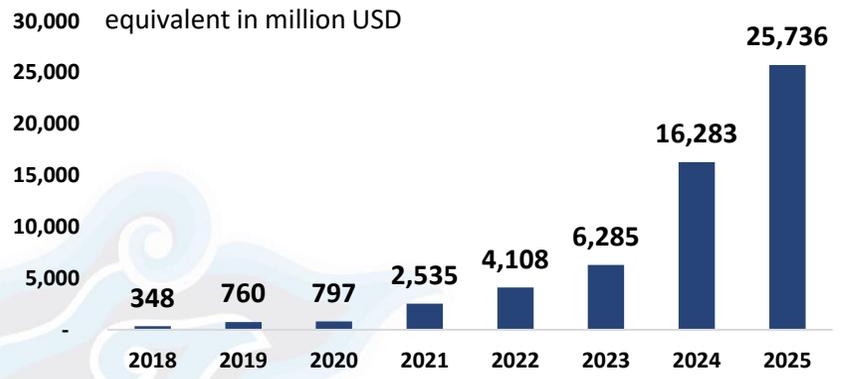
Local Currency Transaction (LCT)

BI implemented the Local Currency Transaction Framework as an effort to improve market efficiency, to accelerate financial market development, and reduce exchange rate volatility...

1 LCT transaction is growing...

- a) Currently, the implementation of Local Currency Transaction (LCT) cooperation between Indonesia has been established with Malaysia, Thailand, Japan, China, South Korea, and United Arab Emirates.
- b) LCT Indonesia with Singapore and India is currently in the finalization stage of the operational guidelines
- c) The total value of LCT transactions in 2025 reached the equivalent of USD 25.74 billion, representing a 1.58-fold increase compared with the total transactions recorded in 2024 (USD 16.28 billion)

LCT transaction value (Eq. in Million USD)



Source: ACCD Banks' Report

2 ...by expanding line of business and participants...

Line of Business	Current Account, Capital Account, and Financial Account
Area of Cooperation	FX Market, Financial Market, and Cross-Border Payment
Expansion of Participants	a. LCT customer: Wholesale & retail b. ACCD* Banks, Payment Service Providers for Cross-Border Transaction, Portfolio Investment Company

*Appointed Cross-Currency Dealer

3 ...as well as stronger strategic synergy with government agencies.

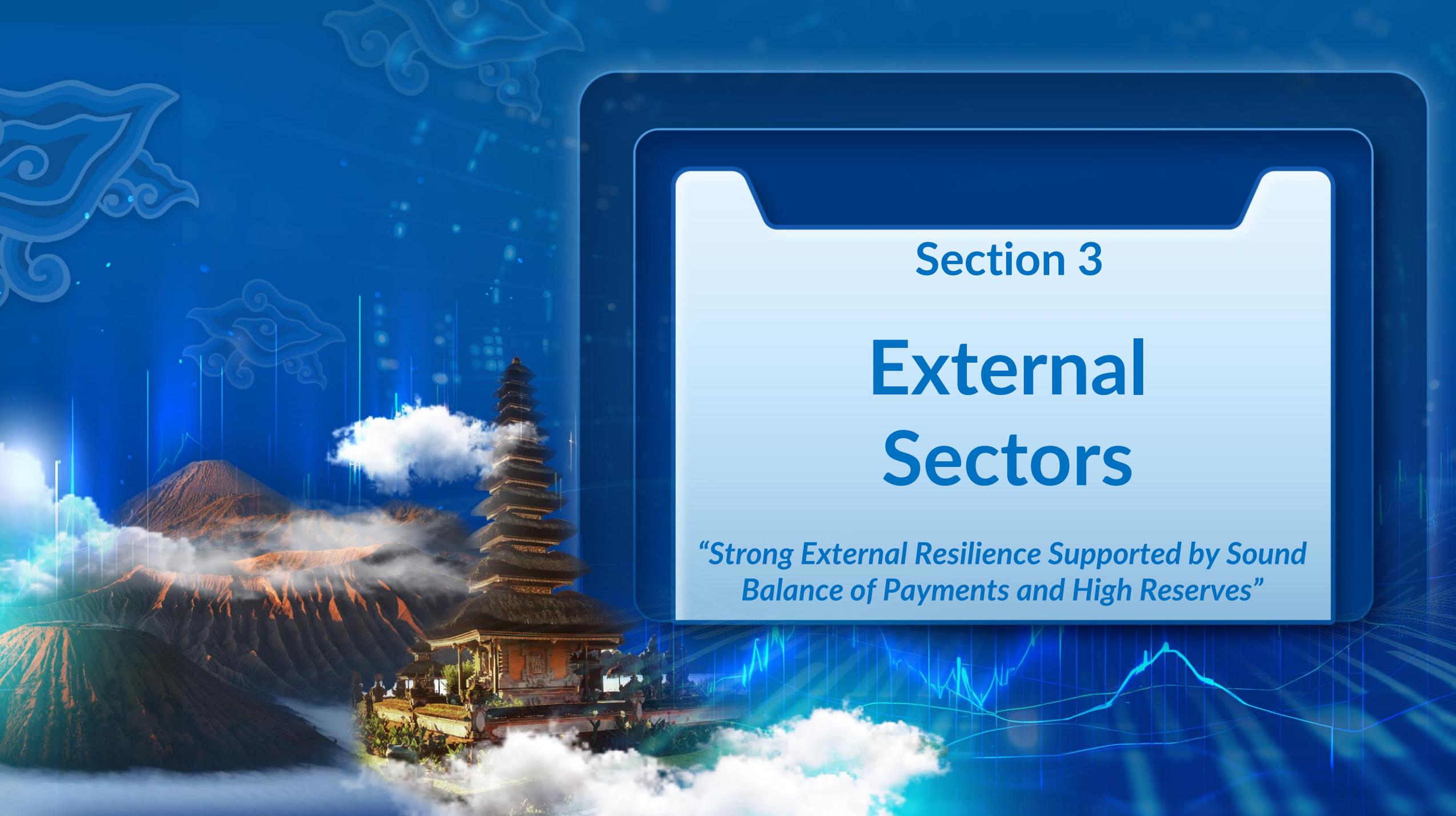


National Task Force on Local Currency Transaction



Strategic Cooperation of National Task Force on Local Currency Transaction

- a) Trade and Direct Investment
- b) Banking and Financial Market
- c) Expansion usage of LCT and Cross-Border Payment



Section 3

External Sectors

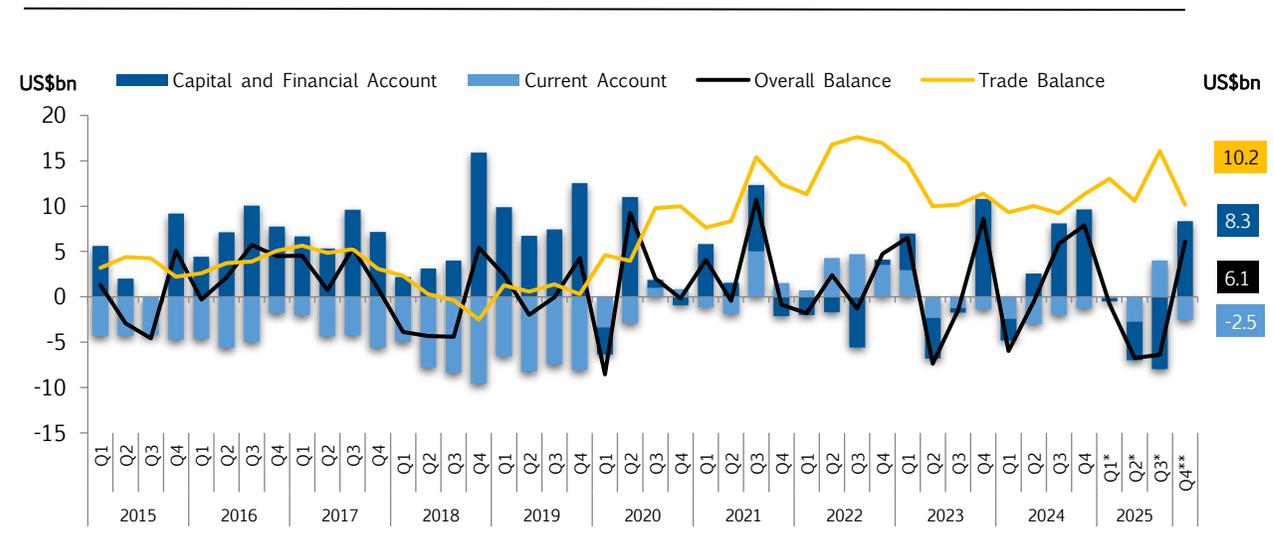
*“Strong External Resilience Supported by Sound
Balance of Payments and High Reserves”*



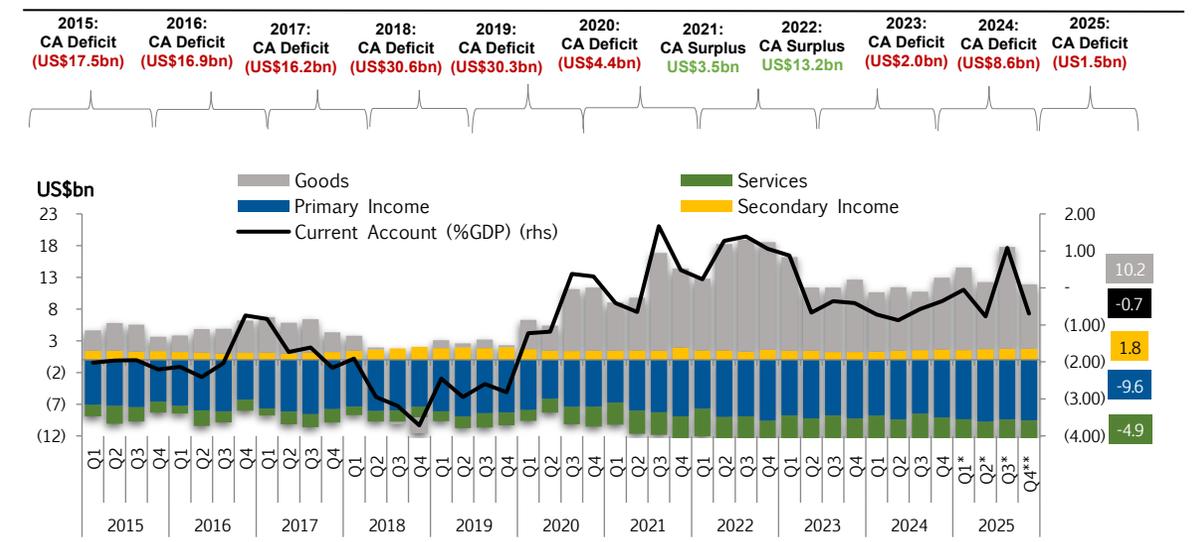
External Sector Remains Sound Amid Global Uncertainty

Indonesia's external resilience remains strong, supported by a solid balance of payments, a low current account deficit, a persistent trade surplus, and rising foreign exchange reserves that continue to bolster macroeconomic stability.

Balance Of Payment Remains Solid

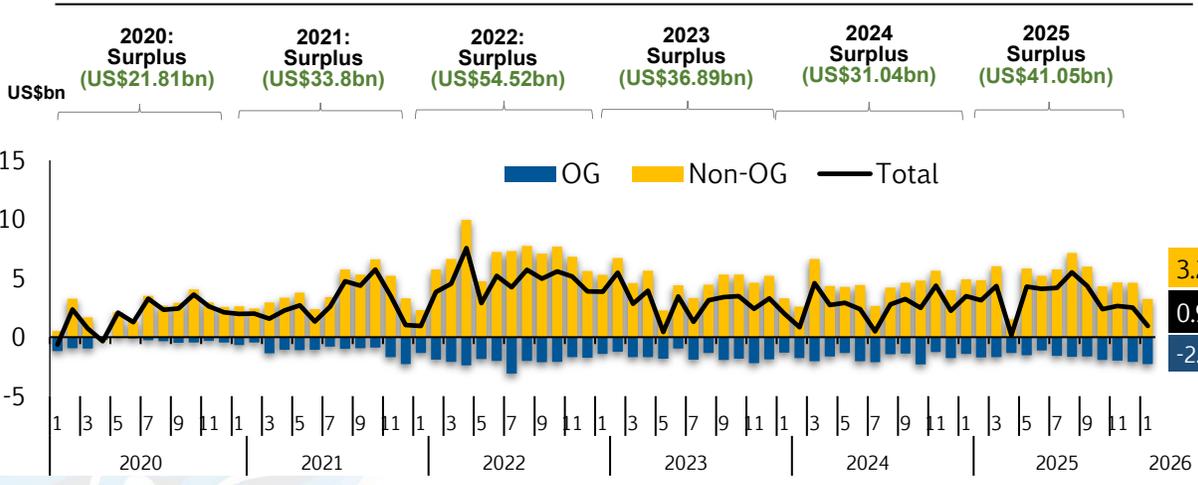


Current Account Recorded Low Deficit

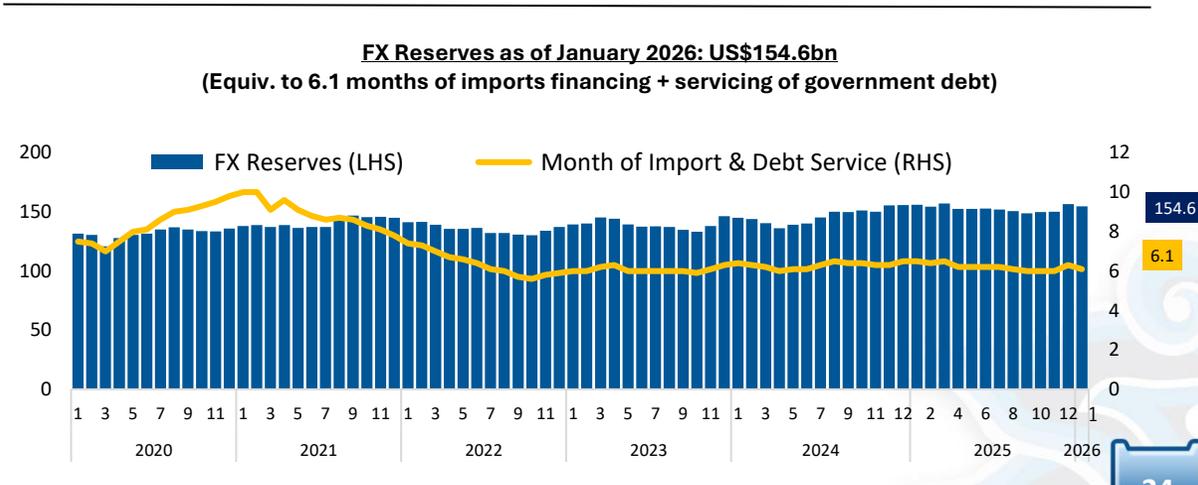


Source: Bank Indonesia

Trade Balance Surplus Continues



Official Reserve Assets Increased to Reinforce External Sector Resilience



Source Central Bureau of Statistics of Indonesia

* Preliminary Figure

** Very Preliminary Figure

Source: Bank Indonesia

Ample Lines of Defense Against External Shocks



Bilateral, multilateral and regional international financial cooperation are also resulting in more ample lines of defense against external shocks

Ample Reserves

FX Reserve

- Ample level of FX reserves to buffer against external shock
- FX Reserves as of January 2026: **US\$154.6 bn**

Swap Arrangement

Bilateral

Japan

- Renewed a 3-year USD22.76 billion swap line with Japan in October 2024 (The facility is available in USD and JPY)

Singapore

- Renewed a 3-years SGD/Rp swap arrangement with the size up to SGD 9.5 bn / Rp 100 tn (equivalent) in November 2024

China

- Renewed a 3-year swap arrangement and increased the size of swap line up to CNY 400 bn / Rp 55 tn (equivalent) in January 2025

Malaysia

- Renewed a 5-year RM/Rp swap arrangement with a size up to RM 24 billion / Rp 82 trillion (equivalent) in October 2024

Korea

- Renewed BCSA with the Republic of Korea amounting to KRW10.7 trillion or Rp115 trillion (equiv) for 5-years in March 2026

Regional

Chiang Mai Initiative Multilateralization (CMIM) Agreement

- Entitled to a maximum swap amount of US\$ 22.76 bn under the ASEAN+3 (Japan, China, and Korea) FX reserves pool created under the agreement
- Came into effect in 2010 with a pool of US\$120 bn
- Doubled to US\$240 bn effective July 2014

Global

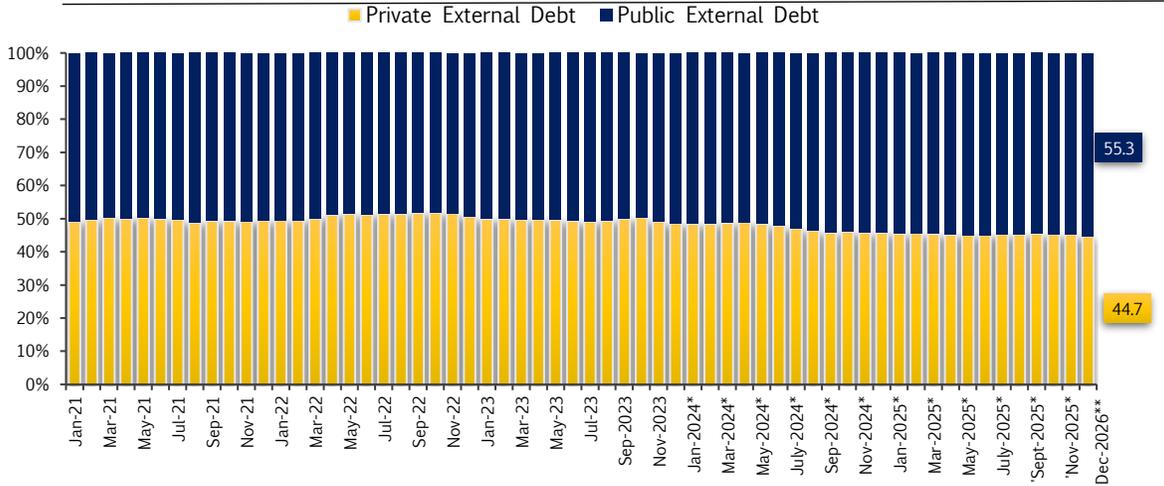
IMF Global Financial Safety Net - GSFN

- Indonesia is entitled to access IMF facilities for crisis prevention to address potential (actual) BOP problem
- Such facilities include Flexible Credit Line (FCL) and Precautionary and Liquidity Line (PLL)

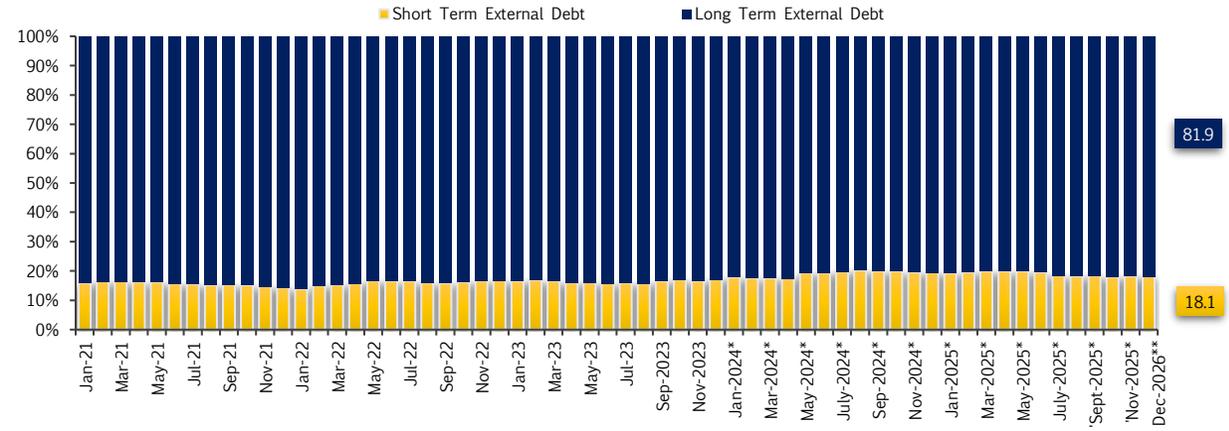


Indonesia's external debt remains manageable, supported by a sound structure dominated by long-term debt, contained debt levels, and low debt ratios relative to GDP and exports.

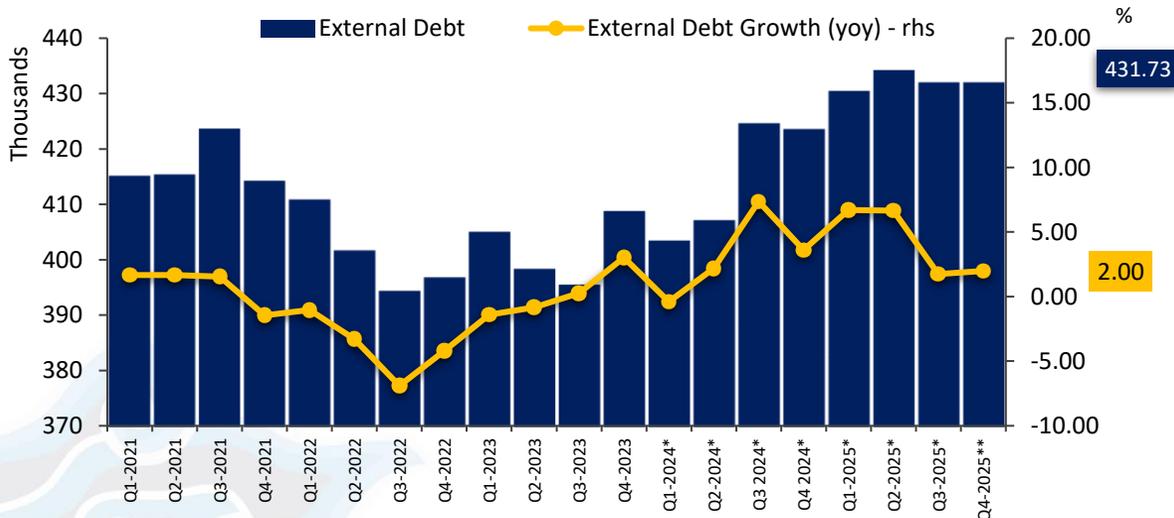
External Debt Structure



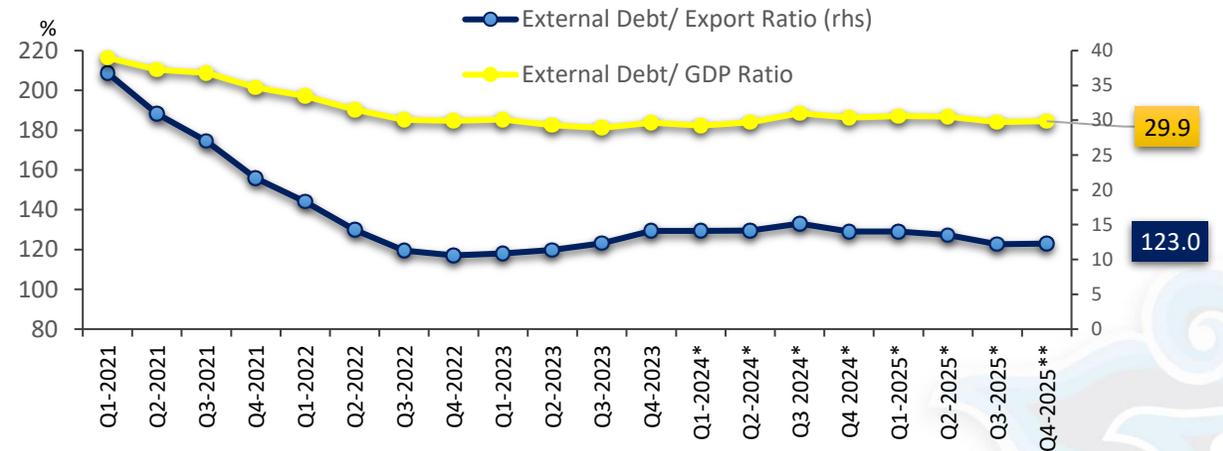
The Structure of External Debt is Dominated by Long-Term Debt



External Debt Remains Manageable



External Debt to GDP Ratio & Debt to Export Ratio



Source: Bank Indonesia, External Debt Statistics of Indonesia

*Provisional Figures

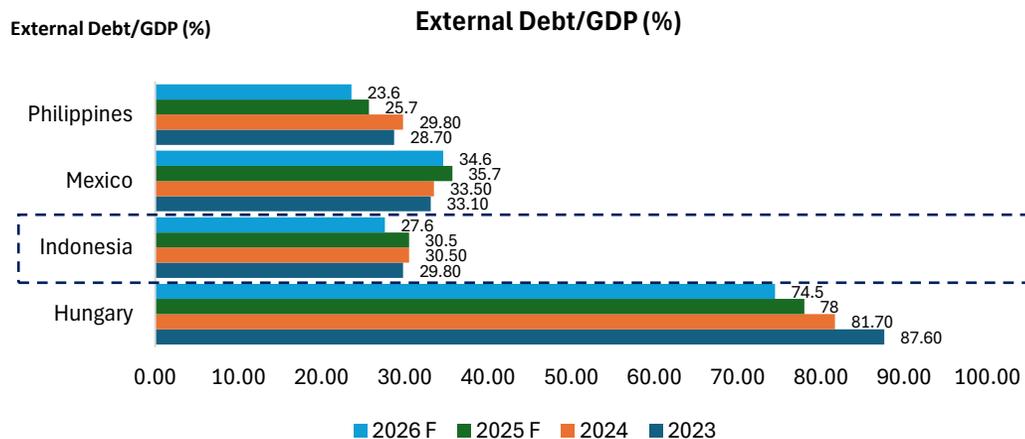
**Very Provisional Figures



Strengthened Private External Debt Risk Management

Indonesia' Indonesia strengthens external stability through lower prudent private debt regulations and strong corporate compliance in hedging and liquidity requirements..

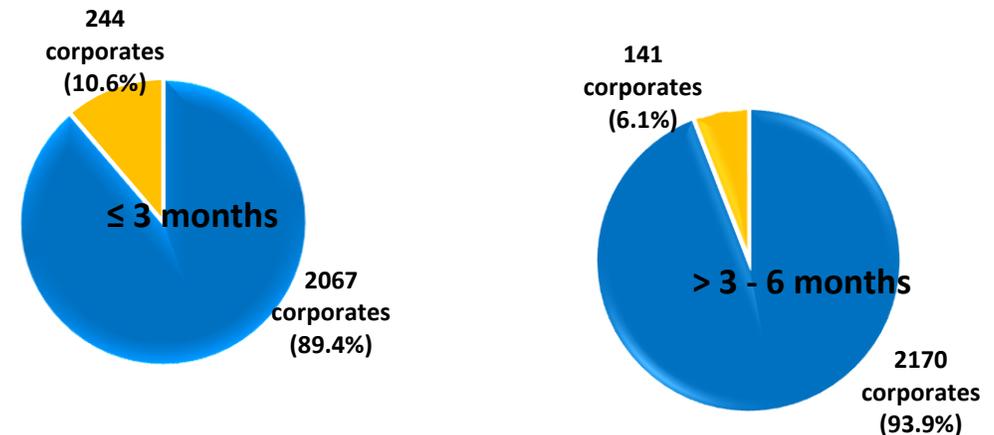
Lower Debt Burden Indicator (External Debt/GDP) Compared to Peers Rating



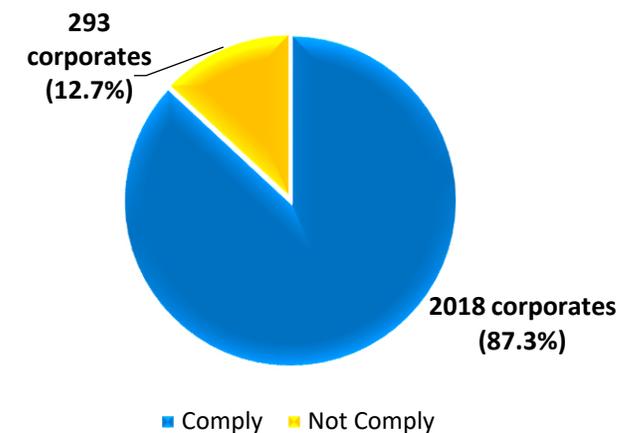
Source: Moody's Credit View Fundamental Data, Nov 2025

Encouraging Corporates Compliance on Hedging Ratio & Liquidity Ratio

Hedging Ratio*



Liquidity Ratio*



Regulation on Prudential Principle in Managing External Debt

Regulation Key Points	1 Jan 17 & beyond
Object of Regulation	Governs all foreign currency Debt
Hedging Ratio	
≤ 3 months	25%
> 3 – 6 months	25%
Liquidity Ratio (≤ 3 months)	70%
Credit Rating	Minimum rating of BB- (State-owned Enterprises)
Hedging transaction to meet hedge ratio	Must be done with a bank in Indonesia
Sanction	Applied

Source: Bank Indonesia

*Data as of Q2-2025, with total population 2,311 corporates

Source: Bank Indonesia



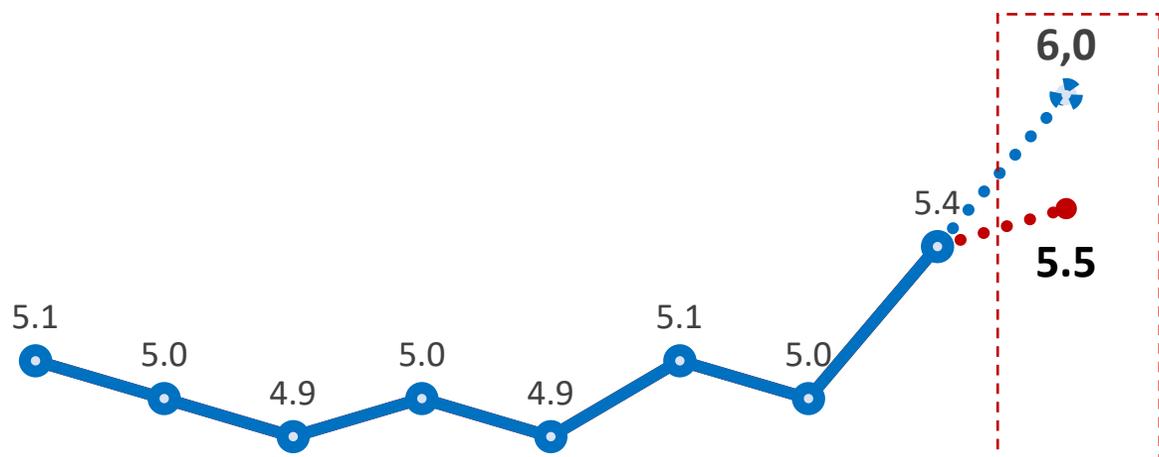
Section 4

Fiscal

*“Solid Budget Performance with
Strong Commitment to Maintain
Fiscal Discipline”*

Indonesia is set to accelerate economic momentum in Q1 2026, targeting 5.5%-6.0% GDP growth through an optimized IDR 809 trillion expenditure plan and high-impact investment drivers like the Danantara downstream project.

Indonesia's Economic Growth (% , yoy)



Year	Q1	Q2	Q3	Q4
2024	5.1	5.0	4.9	5.0
2025	4.9	5.1	5.0	5.4
2026	5.5 - 6.0			

GDP Growth Target Q1	5,5% - 6,0%
Full-year 2026	5,4% - 6,0%

Q1 Expenditure Projections

IDR 809 Trillion

- ❖ Acceleration of MBG Rp62 T
- ❖ THR ASN/TNI/Polri Rp55 T
- ❖ Sumatra Disaster Rehabilitation Rp6 T
- ❖ Stimulus Package IDR 15 T



Investment Driver

- ❖ Construction of KDMP of 30 th units of IDR 90 T (APBN and Danantara)
- ❖ House Construction (Commercial, Subsidized Houses & Renovation Assistance (BSPS)), 190 thousand units of Rp20 T (APBN and Danantara)
- ❖ Groundbreaking of the USD7 billion Danantara downstream project (~Rp110 T)



Consumption Driver

- Momentum of Holidays & Holidays Together with Chinese New Year & Eid al-Fitr
- Work From Anywhere (WFA) Policy

Budget Realization as of Jan 31, 2026



Indonesia demonstrates a resilient and expansive fiscal start to 2026 with a 30.7% year-on-year surge in tax revenues, effectively supporting a 25.7% acceleration in state spending while keeping the budget deficit manageable.

- Tax revenues grew strongly (30% yoy)
- State spending accelerated further (25% yoy)

(In IDR tn)	2025				2026			
	Budget	Realization as of Jan	% Budget	Growth (%)	Budget	Realization as of Jan	% Budget	Growth (%)
A. Revenue	3,005.1	157.8	5.3	(28.1)	3,153.6	172.7	5.5	9.5
I. Taxation revenue	2,490.9	115.2	4.6	(34.5)	2,693.7	138.9	5.2	20.5
1. Taxes	301.6	26.3	8.7	41.8	336.0	116.2	4.9	30.7
2. Custom and excise	301.6	26.3	8.7	14.7	336.0	22.6	6.7	(14.0)
II. Non-tax revenue	513.6	42.5	8.3	(2.1)	459.2	33.9	7.4	(20.4)
III. Grants	0.6	0.0	2.9	(67.6)	0.7	-	-	(100.0)
B. Expenditure	3,621.3	180.8	5.0	(1.9)	3,842.7	227.3	5.9	25.7
I. Central government expenditure	2,701.4	86.0	3.2	(10.7)	3,149.7	131.9	4.2	53.3
1. Line ministries expenditure	1,160.1	24.4	2.1	(45.5)	1,510.5	55.8	3.7	128.9
2. Non-line-ministries expenditure	1,541.4	61.7	4.0	19.4	1,639.2	76.1	4.6	23.4
II. Transfer to region	919.9	94.7	10.3	7.9	693.0	95.3	13.8	0.6
C. Primary Balance	(63.3)	11.1	(17.5)	(83.0)	(89.7)	(4.2)	4.7	(138.3)
D. Surplus/(Deficit)	(616.2)	(23.0)	3.7	(165.4)	(689.1)	(54.6)	7.9	137.4
<i>% Surplus/(Deficit) to GDP</i>	<i>(2.53)</i>	<i>(0.09)</i>			<i>(2.68)</i>	<i>(0.21)</i>		
E. Financing	616.2	154.8	25.1	44.3	689.1	105.1	15.2	(32.1)

Revenue IDR 172.7tn
▲ 9.5% (yoy)

Spending IDR 227.3tn
▲ 25.7% (yoy)

Deficit IDR 54.6tn
0.21% GDP

Deficit primary balance IDR 4.2tn



Macroeconomics Assumption and Development Indicators Target 2026

Built on resilient economic fundamentals, the 2026 Budget demonstrates Indonesia's ability to balance growth objectives with fiscal discipline, ensuring macroeconomic stability.

Macroeconomic Assumption for the Budget

Indicator	Assumptions		
	2025 Budget	2025 Realization	2026 Budget
 Economic Growth (%)	5.2	5.04	5.4
 Inflation (% yoy)	2.5	2.92	2.5
 10Y T-Bonds Rate (% average)	7.0	6.01	6.9
 Exchange rate (IDR/US\$, average)	16,000	16,782	16,500
 Oil Price/ICP (USD/barrel, average)	82	67.95	70
 Oil Lifting (tbpd)	605	577.6	610
 Lifting Gas (tboepd)	1,005	965.5	984

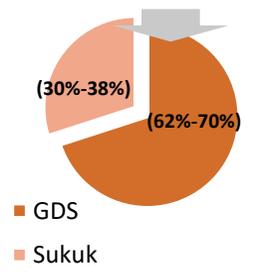
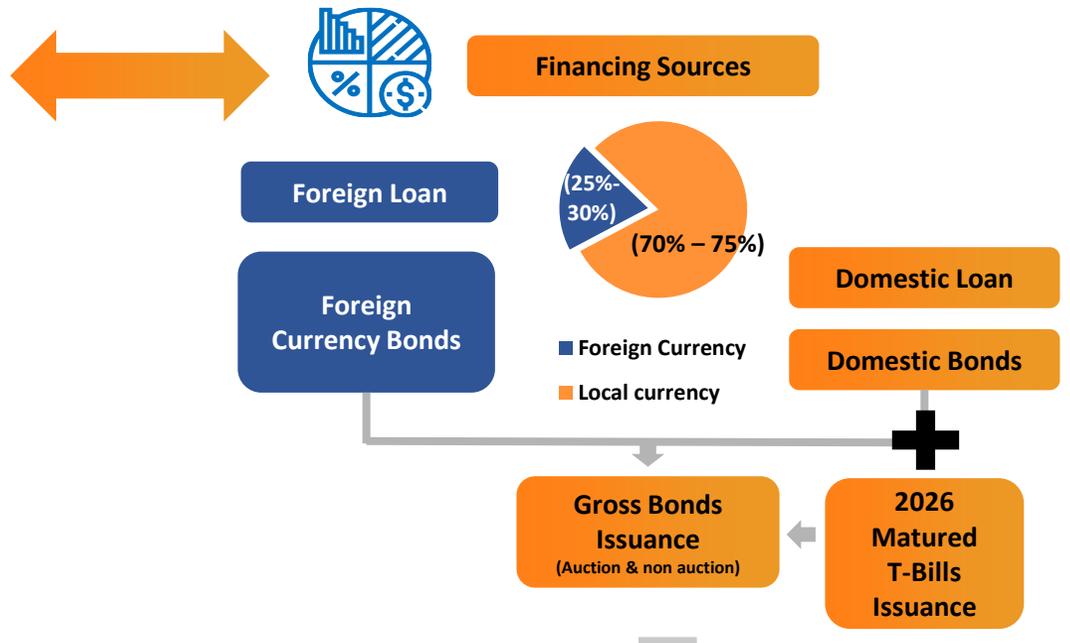
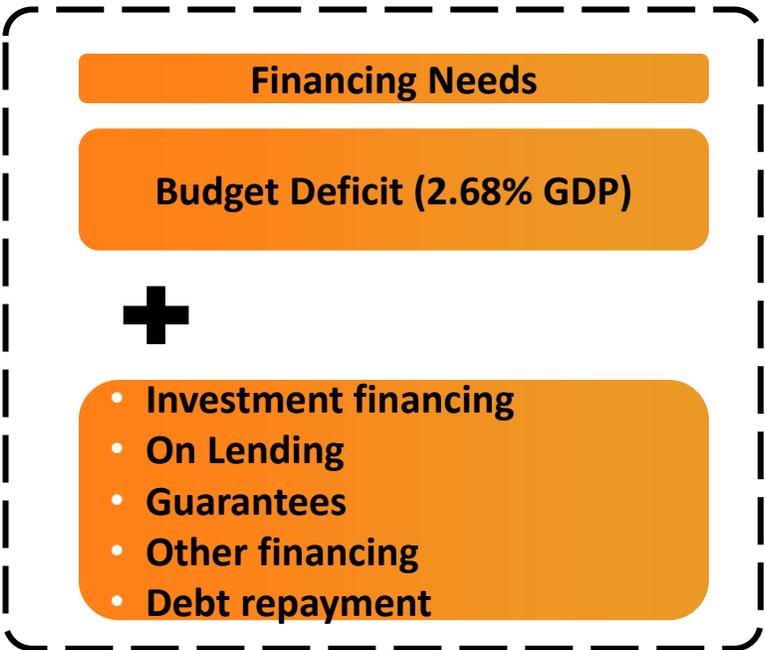
The 2026 Budget Posture

	Budget
A. Revenue	3,153.6
I. Tax Revenue	2,693.7
1. Tax	2,357.7
2. Custom and Excise	336.0
II. Non-Tax Revenue	459.2
III. Grants	0.7
B. Expenditure	3,842.7
I. Central Government Expenditure	3,149.7
1. Line Ministries Expenditure	1,510.5
2. Non-Line-Ministries Expenditure	1,639.2
II. Transfer to Region	693.0
C. Primary Balance	(89.7)
D. Surplus/(Deficit)	(689.1)
E. Financing	689.1



2026 Debt Financing Needs And Sources

The 2026 financing strategy is built on diversification, flexibility, and manageable risk, ensuring sustainable funding through a proportional mix between domestic and global sources.

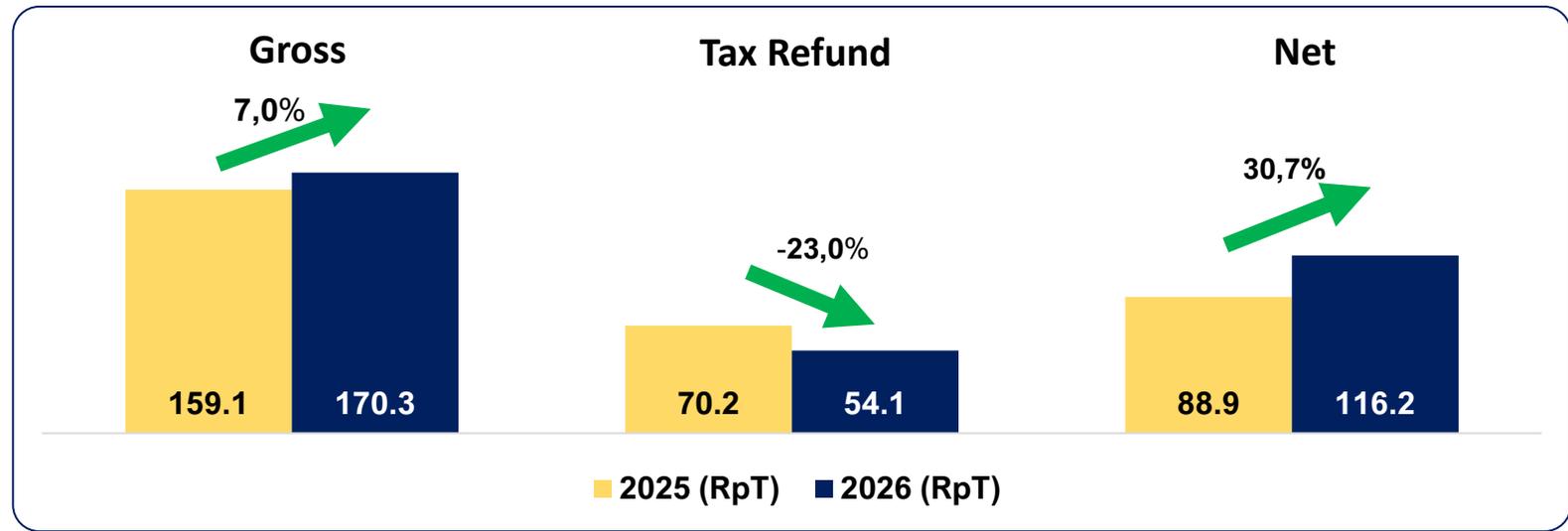


2026 GS Issuances	
Realization as of Jan 31 st (Trillion IDR)	
Government Debt Securities (SUN)	140.50
IDR Denominated	94.65
FX Denominated	45.85
Sovereign Sharia Securities (SBSN)	57.44
IDR Denominated	24.00
FX Denominated	33.44



Tax Revenues Show Solid Growth At The Start Of The Year

Strong domestic consumption and improved restitution management drove a 30.7% year-on-year surge in net tax revenues for January 2026, marking a solid start toward achieving the annual state budget targets.



January 2026 Performance: 4.9% of the State Budget

- Net tax revenues in January 2026 grew strongly by 30.7%
- Growth was primarily supported by VAT and Luxury Goods Sales Tax, reflecting resilient domestic consumption
- Improved restitution management led to a decline of 23.0% in tax refunds
- Meanwhile, Personal Income Tax (PPH OP) and Employee Income Tax (PPH 21) recorded a temporary decline due to administrative issues, as payments were still registered as deposits amounting to Rp6.1 trillion. Once these deposits are reclassified, PPh OP and PPh 21 would show a growth of 16.5%
- Additional deposits of Rp15.4 trillion remain recorded under other tax categories and have not yet been reclassified

	GROSS		NET	
Corporate Income Tax	Rp20,6 T	▼ -4,0%	Rp5,7 T	▲ 37,0%
Personal Income Tax (PPH OP) & Employee Income Tax (PPH 21)	Rp13,1 T	▼ -20,1%	Rp13,1 T	▼ -20,4%
Final Income Tax, Tax Article 22 & Tax Article 26	Rp26,7 T	▼ -10,6%	Rp26,0 T	▼ -11,0%
VAT & Luxury Goods Sales Tax	Rp82,6 T	▲ 7,7%	Rp45,3 T	▲ 83,9%
Other Taxes	Rp16,7 T	▲ 713,7%	Rp16,1 T	▲ 685,8%



Customs and Excise Revenues

January 2026 Realization: Rp22.6 trillion, contracting by 14.0% (yoy)

Despite a 14.0% year-on-year contraction driven by lower CPO prices and production shifts, Customs and Excise revenues reached IDR 22.6 trillion, contributing a steady 6.7% toward the annual state budget.

JANUARY 2026 REALIZATION

IDR 22,6 T

6,7% State Budget

▼ 14,0%



EXCISE Rp17,5 T ▼ 12,4%

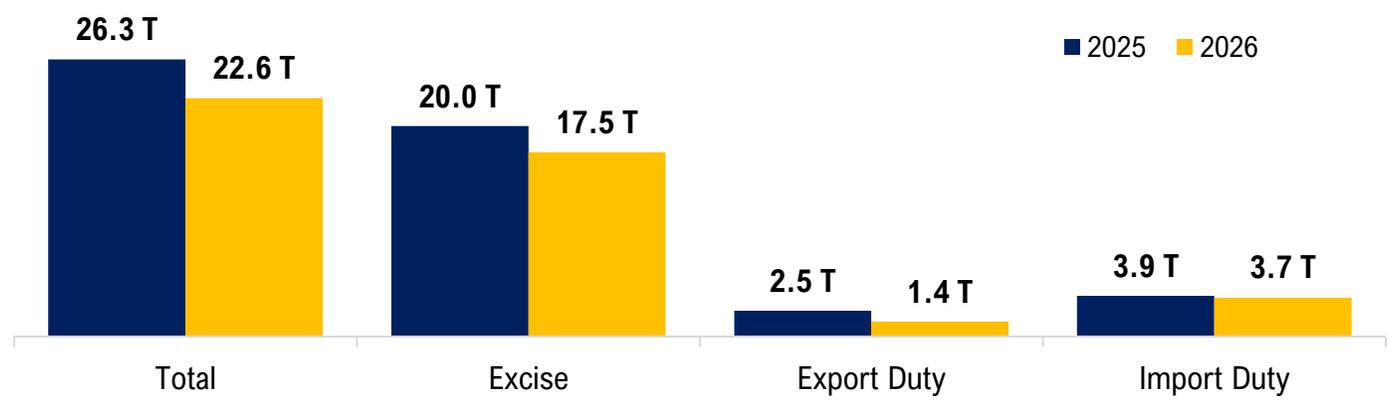


EXPORT DUTY Rp1,4 T ▼ 41,6%



IMPORT DUTY Rp3,7 T ▼ 4,4%

Customs and Excise Revenues in January 2025 & 2026



Details of customs and excise revenues:

- Excise** Rp17.5 trillion (7.2% of the State Budget target), contracting 12.4% (yoy), influenced by the **decline in production** at the end of 2025
- Export Duties** Rp1.4 trillion (3.4% of the State Budget target), contracting 41.6% (yoy), influenced by the **decline in CPO prices**
- Import Duties** Rp3.7 trillion (7.4% of the State Budget target), contracting 4.4% (yoy), influenced by the **increase in imports under MFN 0% tariffs, utilization of FTA, and restitution**



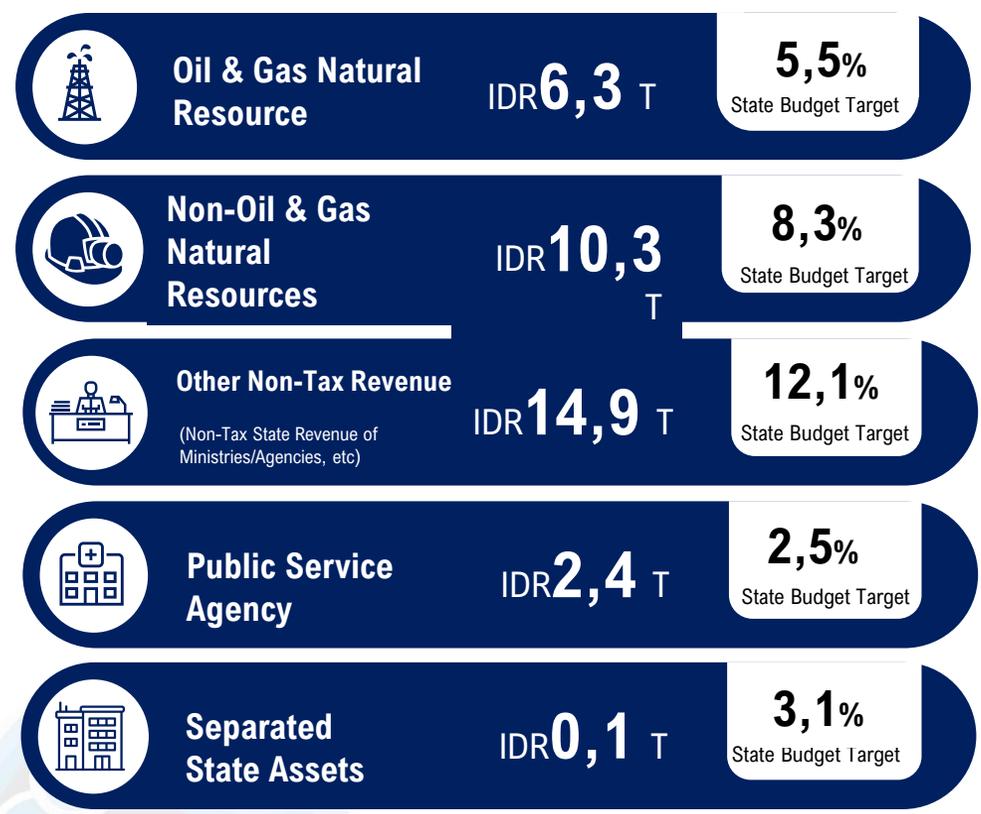
Non-Tax Revenue Realization

Realization of Non-Tax Revenue in January 2026 contracted by 20.4% (yoy). Excluding separated state assets (SOE Dividends), Non-Tax Revenue grew by 6.7% (yoy)

Excluding separated state assets, Non-Tax Revenue achieved a resilient 6.7% year-on-year growth in January 2026, demonstrating a stable underlying revenue base despite a headline 20.4% contraction driven primarily by the timing of SOE dividend realizations.

As of 31 January 2026, the realization of PNBP reached:

IDR33,9 T or 7,4% State Budget Target



Realization of Non-Tax State Revenues (PNBP) as of January 31, 2026 was influenced by:

- **Oil & Gas Natural Resources** ▼ contracted **25.2%** (yoy) due to the decline in ICP and crude oil lifting, as well as changes in profit-sharing splits for Pertamina Hulu Energi Rokan PSC
- **Mineral and Coal Natural Resources** ▲ grew **14.8%** (yoy) despite a decline in the Coal Benchmark Price (HBA), driven by higher Non-tax revenue tariffs on mineral commodities following the implementation of Government Regulation No. 19/2025, effective since April 2025
- **Non-tax revenue from Ministries/Agencies (K/L)** ▲ grew **27.8%** (yoy), mainly due to increased premium income from Government Securities and transportation service revenues.
- **Public Service Agency (BLU) Revenues** ▲ grew **96.3%** (yoy), primarily driven by higher service revenues from hospitals, education, and palm oil.
- **Separated State Assets (KND)** ▼ contracted **99.5%** (yoy) due to the absence of recurring dividend payments from SOE banks. In January 2025, there was an interim dividend payment from BRI amounting to Rp10.9 trillion.

Realization of Central Government Expenditure

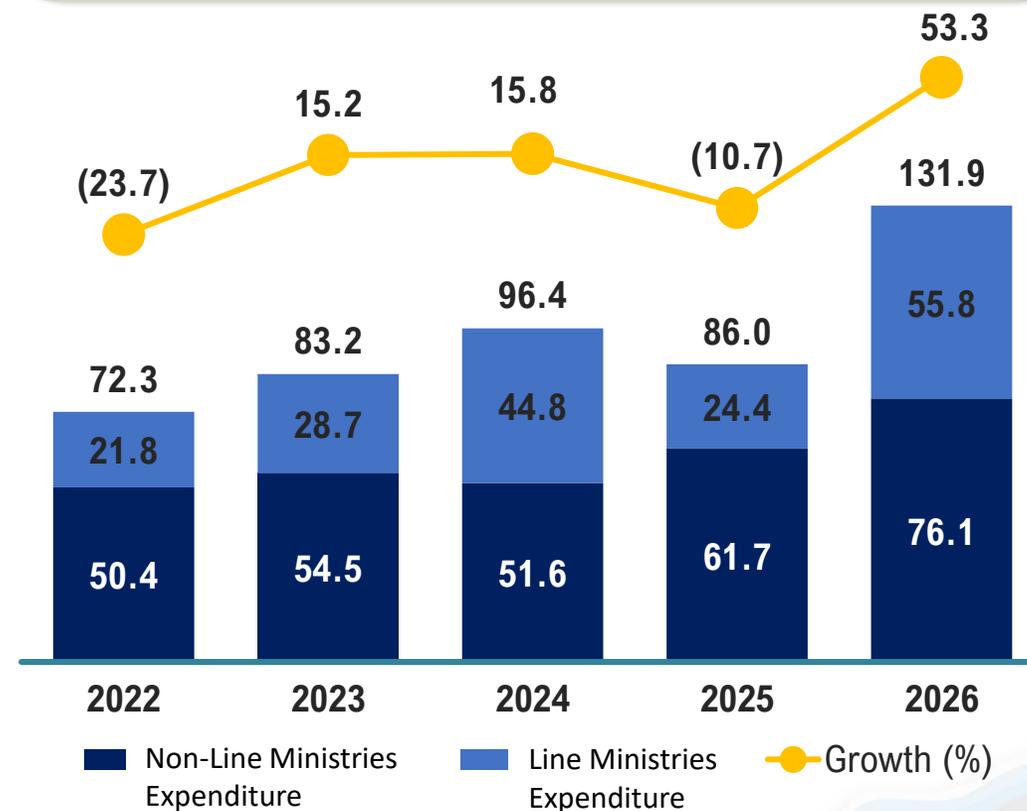


Realization as of Jan 31 2026 IDR131,9 T (4,2% of APBN), ▲ 53,3% (yoy)

Indonesia's central government expenditure has demonstrated robust momentum at the start of 2026, with total realization reaching IDR 131.9 Trillion—a significant 53.3% year-on-year growth. This surge reflects the government's commitment to strategic priorities to drive sustainable economic growth.

Central Government Expenditure	Realization as of Jan 2025	Budget 2026	Realization as of Jan 2026 (IDR Tn)
Line Ministries	24,4	1.510,5	55,8
<i>a.o Social Spending</i>	4,1	162,5	9,5
Non-Line Ministries	61,7	1.639,2	76,1
<i>a.o. Subsidy</i>	2,9	318,9	0
TOTAL	86,0	3.149,7	131,9

Realization of Central Government Exp. as of Jan 31, 2022 – 2026 (IDR Tn)



Central Government Expenditure is driven by:

- **Ministry/Agency spending** of Rp55.8 trillion (3.7% of the State Budget), reflecting MBG implementation, social assistance disbursement (PBI JKN and PKH), and accelerated capital spending.
- **Non-Ministry/Agency spending** of Rp76.1 trillion (4.6% of the State Budget), reflecting timely pension and interest payments.



As of January 31, 2026, Indonesia has successfully initiated its infrastructure agenda with IDR 3.7 Trillion in realized spending, representing the first phase of a robust IDR 434.8 Trillion annual budget. This early deployment is strategically balanced across four pillars designed to ensure national self-sufficiency and economic integration.

Main focus: Supporting food, energy, and water self-sufficiency, as well as connectivity.

As of 31 Jan 2026



Food Security

IDR0,5 T

- a.o. • Dam Construction: **IDR 354.4 Bn** (25.0% progress toward the target of 15 units)
- Irrigation Networks: **IDR 69.4 Bn** (2.2% progress toward the target of 212 thousand hectares)
- Operation and Maintenance of Water Resources Infrastructure and Facilities: **IDR 0.1 Bn** (0.3% activity progress)
- New Rice Field Development and Land Optimization: **IDR 0.1 Bn**



Housing and Public Facilities

IDR0,9 T

- a.l. • Garuda Excellent Schools: **IDR 217.9 Bn**
- SPAM **IDR 9.9 Bn** (3.0% progress toward the target of 833 liters/second)
- School Revitalization (Early Education/Elementary/Junior High/Senior High and Equivalent): **IDR 29.3 Bn** (0.1% progress toward the target of 11,733 schools)



Energy Security

IDR0,7 T

- a.o. ❖ Cirebon–Semarang Natural Gas Transmission Pipeline: **IDR 216.8 Bn**
- ❖ City Gas Network Infrastructure for Households: **IDR 441.1 Bn**



Connectivity

IDR1,5 T

- a.l. • Road Construction and Preservation: **IDR 571.8 Bn** (4.3% construction progress toward the target of 50.5 thousand km)
- Bridge Construction and Preservation: **IDR 34.4 Bn** (4.2% construction progress toward the target of 587.8 meters)
- Toll Road Construction: **IDR 784.3 Bn** (15.0% construction progress toward the target of 27 km)



Free Nutritious Meals

The Free Nutritious Meals Program has rapidly scaled to reach 60.24 million beneficiaries with a realization of IDR 36.6 trillion, simultaneously driving economic growth by creating 1 million jobs through local kitchen operations.

60,24 M beneficiaries, 23.678 SPPG

As of 21 Feb 2026

Realization

IDR36,6 T (10,9% of budget IDR335 T)

Realization until January 31, 2025 IDR 45.2 billion, 549,669 recipients through 246 SPPG

"With 22,000 (kitchens) alone, now, we have created 1 million jobs, 22,000 times 50 people, who are paid every day. We have created 1 million jobs,"

President Prabowo
Central and Regional Government
Coordination Meeting 2026



Recipient distribution:

Region	Beneficiaries (Million people)	Region	Beneficiaries (Million people)
Sumatera	12,31	Sulawesi	4,37
Jawa	34,57	Maluku-Papua	2,81
Kalimantan	2,56	Bali - Nusa Tenggara	3,43

Source : BGN Data

Government Prepares Stimulus to Encourage Consumption During The Ramadan – Eid Al-fitr 2026 Period & Accelerate Spending



The government's Rp70 trillion stimulus acts as a strategic liquidity injection to de-risk inflation and unlock massive consumer spending power, driving a high-velocity growth cycle for the 2026 Ramadan–Eid festive peak.

TRANSPORTATION DISCOUNTS

Rp0,92 T



Railways (PT KAI)

- Period: 14–29 Mar (16 days)
- Benefit: 30% x ticket price
- Beneficiaries: ±1.2 million passengers



Ferry Services (PT ASDP)

- Period: 12–31 Mar (20 days)
- Benefits: 100% port service rates (~21.9% of the integrated tariff)
- Beneficiaries:
 - ±403 thousand passengers
 - ±945 thousand units of vehicles (~2.4 million people)



Sea transport (PT PELNI)

- Period: 11 Mar–5 Apr (26 days)
- Benefits: 30% x base fare (~27.7% of total tickets)
- Beneficiaries: ±445 thousand passengers



Air Transport

- Ticket purchase period: 10 Feb–29 Mar (20 days)
- Benefits: 17%–18% decrease in ticket prices
- Beneficiaries: ±3.3 million passengers

FOOD SUPPORT



- 10 Kg Rice & 2 liters of Cooking Oil
- Recipients: 35.04 million MOE (Dec 1-4)
- Distributed 1x for 2 months at once (Feb & Mar 2026)
- Budget: **Rp14,09 T**

HOLIDAY ALLOWANCE

- For ASN/TNI/Polri, Pensions & Pension Recipients
- Recipients: 10.5 million people in total
- Distributed from the first week of Ramadan
- Budget: **Rp55 T**



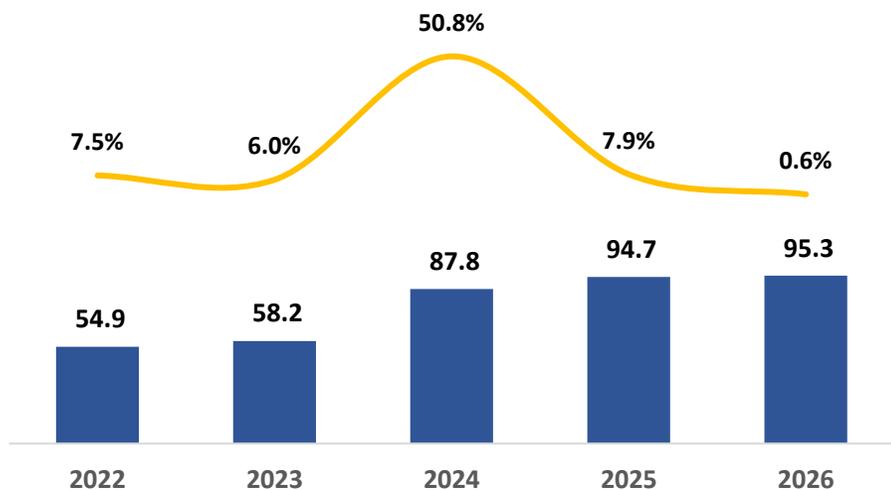
Transfer to Region Distribution IDR 95.3 T



Supporting public services and priority sectors, as well as encouraging effective and efficient regional spending

The IDR 95.3 trillion regional transfer acts as a strategic fiscal anchor, front-loading capital to stabilize priority public services and incentivize efficient local spending to drive nationwide economic resilience.

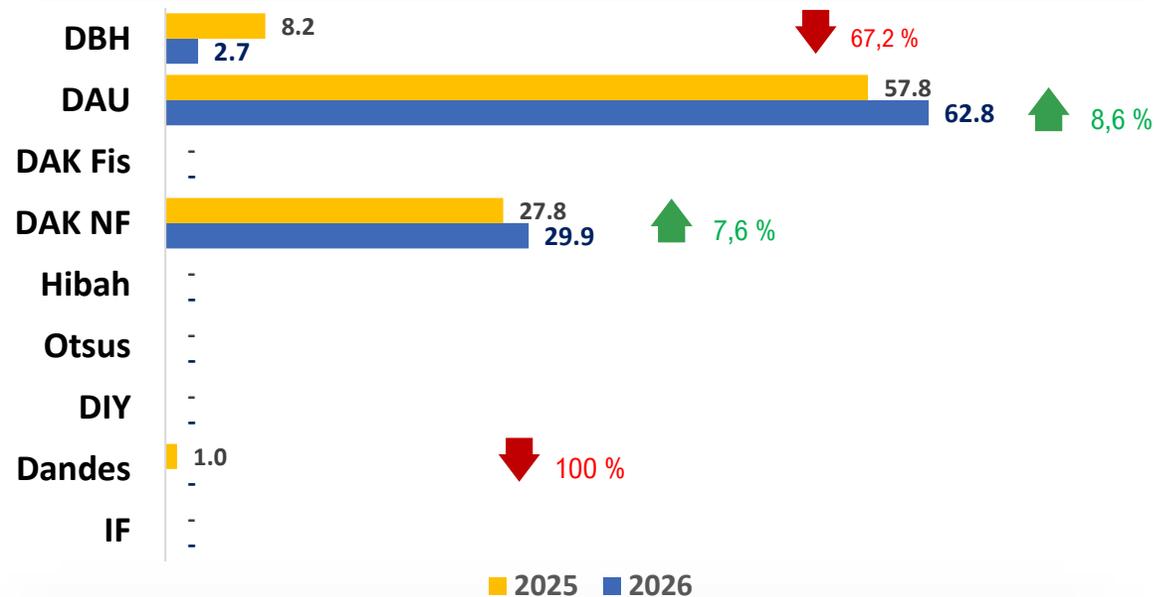
Realization of Transfer to Region (TKD) Distribution (IDR T)



Realization of TKD until January 31, 2026:

- Realization as of January 31, 2026 is higher (0.6%) than the previous year
- The distribution of TKD in January (DBH, DAU, and Non-Physical DAK) was driven by the relaxation of distribution for disaster areas in Sumatra
- Some of the TKD funds have not been distributed because the submission of channel requirements from the Regional Government has not been fulfilled and/or has not been included in the distribution schedule

TKD Realization as of January 31, 2026 (IDR 95.3 T)



Output of TKD

- Salary Support for 4.3 million ASND
- BOS for 42.3 million Students
- BOP PAUD for 5.8 million Students
- BOP Equivalency for 992 Thousand Students
- ASND teacher allowance for 616 thousand students

2026 State Budget Financing

Budget financing runs on track, keeping the state budget credible



Budget financing runs on track, keeping the state budget credible

BUDGET FINANCING (trillion rupiah)	2025			2026		
	<i>Outlook APBN</i>	Real as of 31 Jan	% budget	budget	Real as of 31 Jan	% budget
1. Debt Financing	648,09	153,33	23,7	832,2	127,3	15,3
2. Non-Debt Financing	(125,26)	1,48	(1,2)	(145,1)	(22,2)	15,6
QUANTITY	522,83	154,81	29,6	689,15	105,06	15,2

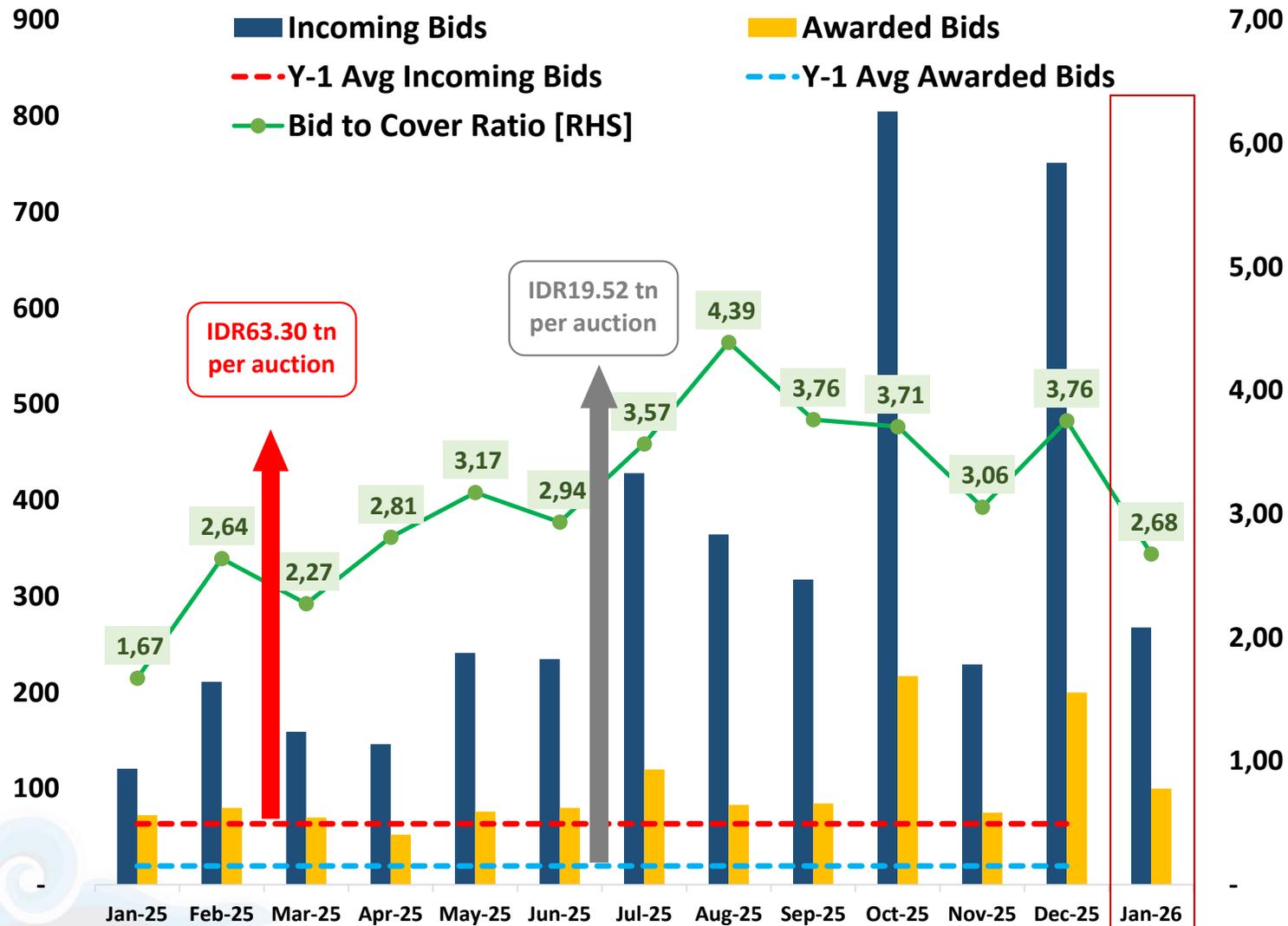
- Financing for the 2026 State Budget is managed in a prudent and measurable manner and takes into account government liquidity and financial market dynamics
- Fulfillment of controlled debt financing through anticipatory measures and active cash & debt management to maintain adequate cash availability
- Fulfillment of financing targets takes into account efficient cost of funds and well-managed risks

Primary Market Performance 2025- 2026

Government Securities (GS)



Auction demand has remained robust in 2026, evidenced by an average incoming bid of IDR 66.93 trillion in government securities and a consistent bid-to-cover ratio.



In 2026 :

- Average incoming bid is **IDR66.93 tn/auction**
- Average awarded bid is



Ownership Of Tradable Domestic GS

A strengthened domestic investor base continues to anchor Indonesia's government bond market, enhancing resilience and ensuring stability amid evolving global capital flows

Description	Dec-21		Dec-22		Dec-23		Dec-24		Dec-25		Jan-26	
Banks*	1.591,12	34,01%	1.697,43	31,97%	1.495,39	26,52%	1.051,40	17,41%	1.328,64	20,23%	1.453,83	21,78%
Govt Institutions (Bank Indonesia**)	801,46	17,13%	1.020,02	19,21%	1.095,51	19,43%	1.618,01	26,79%	1.641,66	24,99%	1.560,47	23,38%
Bank Indonesia (gross)	1.220,73	26,09%	1.453,58	27,38%	1.363,90	24,19%	1.486,85	24,62%	1.640,58	24,98%	1.649,09	24,70%
GS used for Monetary Operation	419,27	8,96%	433,57	8,17%	268,39	4,76%	(131,16)	-2,17%	(1,08)	-0,02%	88,63	1,33%
Non-Banks	2.286,40	48,87%	2.591,98	48,82%	3.048,51	54,06%	3.370,11	55,80%	3.598,51	54,78%	3.661,31	54,85%
Mutual Funds	157,93	3,38%	145,82	2,75%	177,80	3,15%	186,99	3,10%	242,96	3,70%	259,26	3,88%
Insurance Company and Pension Fund	655,24	14,00%	873,03	16,44%	1.041,40	18,47%	1.145,27	18,96%	1.290,67	19,65%	1.317,38	19,73%
Foreign Holders	891,34	19,05%	762,19	14,36%	842,05	14,93%	876,64	14,52%	878,65	13,38%	878,75	13,16%
Foreign Govt's & Central Banks	233,45	4,99%	203,11	3,83%	229,16	4,06%	257,36	4,26%	236,80	3,60%	238,53	3,57%
Individual	221,41	4,73%	344,30	6,48%	435,28	7,72%	542,50	8,98%	537,33	8,18%	534,87	8,01%
Others	360,47	7,70%	466,65	8,79%	551,98	9,79%	618,71	10,24%	648,90	9,88%	671,05	10,05%
Total	4.678,98	100%	5.309,43	100%	5.639,41	100%	6.039,52	100%	6.568,81	100%	6.675,61	100%

55.63% Portion of foreign ownership in the mid & long term sector (≥ 5 years)

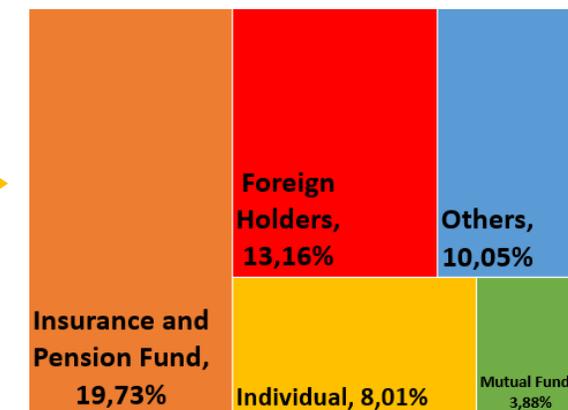
IDR1,092.02 on January 24, 2020, foreign holders reach a record high in nominal terms

1) Non Resident consists of Private Bank, Fund/Asset Manager, Securities Company, Insurance Company, and Pension Fund.

2) Others such as Securities Company, Corporation, and Foundation.

*) Including the Government Securities used in monetary operation with Bank Indonesia.

**) net, excluding Government Securities used in monetary operation with Banks.



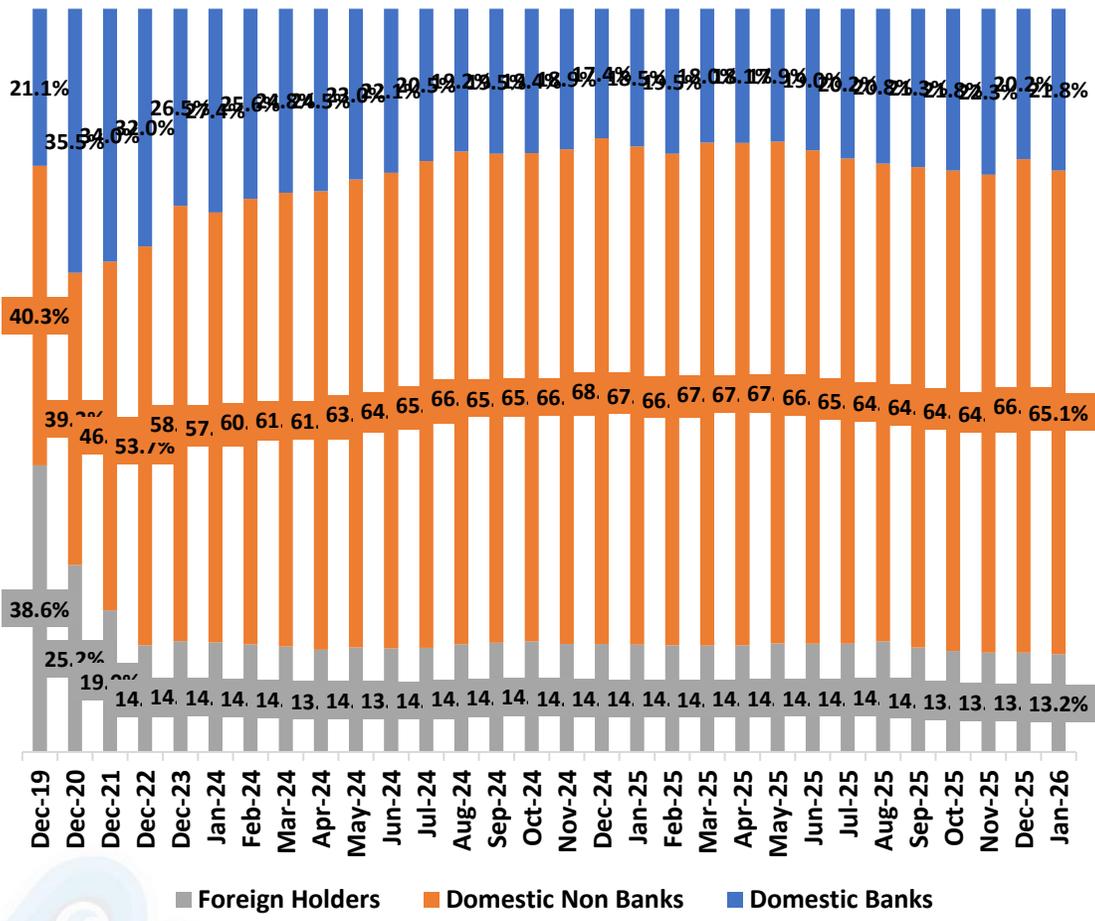
Source : SI-BISSSS



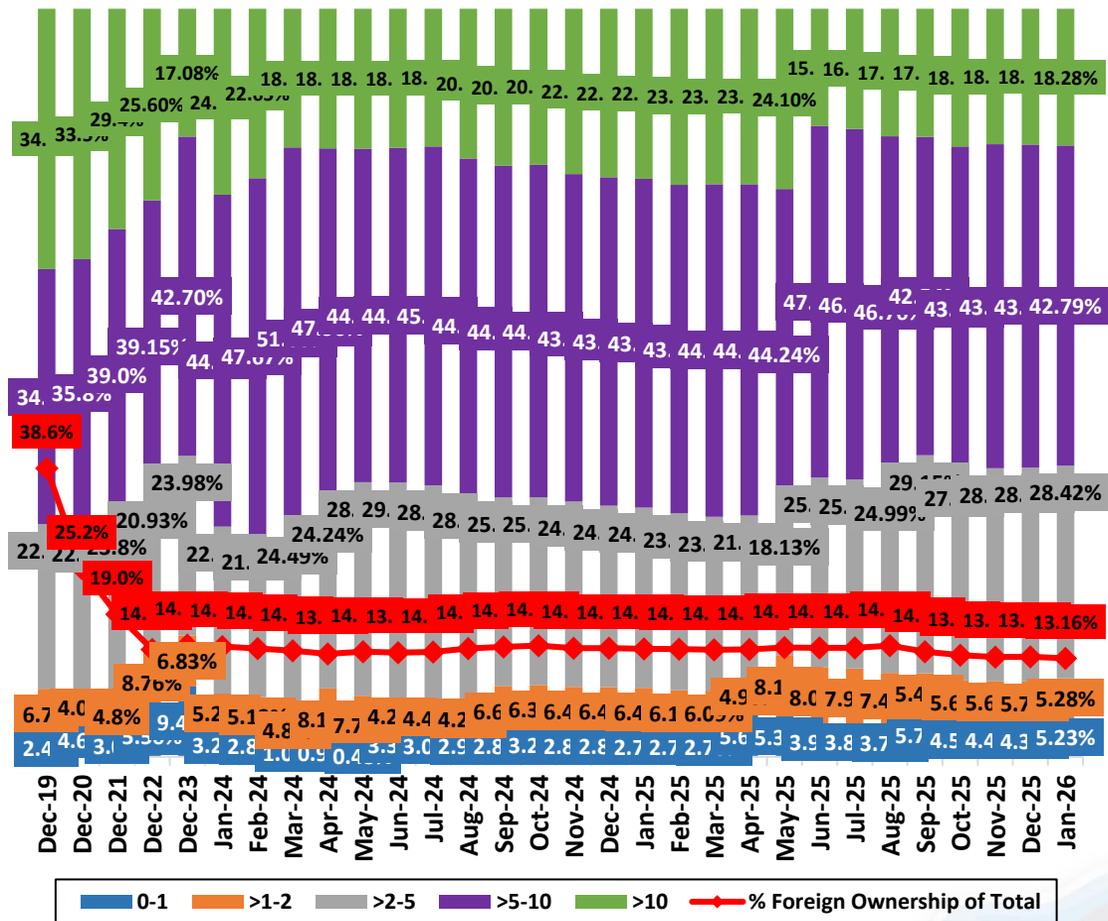
Holders Of Tradable Government Securities More Balance Ownership In Terms of Holders and Tenors

A diversified holder base and balanced tenor distribution continue to strengthen the resilience and stability of Indonesia's government bond market.

Holders of Tradable Gov't Domestic Debt Securities



Foreign Ownership of Gov't Domestic Debt Securities by Tenor



Source : SI-BISSSS

2026 Global Sukuk Transaction Summary (prefunding)



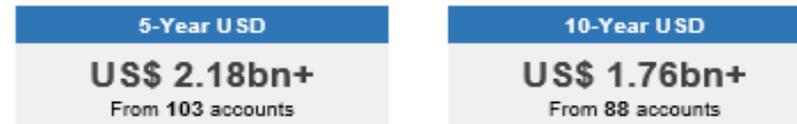
The successful USD 2.0 billion dual-tranche Sukuk issuance, underscores strong global investor confidence in Indonesia's economy and sustained access to diversified Islamic funding sources.

- The Republic of Indonesia (the "Republic") approached the markets for its second Sukuk issuance in 2025 and successfully priced a US\$ 2.00 billion Sukuk offering comprising of US\$ 1,100 million 5-year and US\$ 900 million 10-year tranche.
- The transaction was met with positive response from investors starting at point of books opening, generating a combined final order book exceeding US\$ 3.94 billion reflecting an oversubscription of 1.97x, with orderbooks peaking at USD \$5.8 billion. The transaction priced at 4.50% for 5-year and 5.00% for the 10-year tranche.

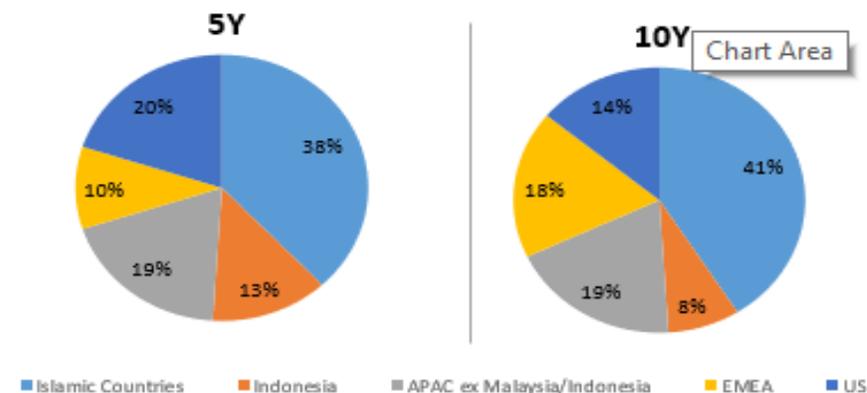
Issuer	Perusahaan Penerbit SBSN Indonesia III	
Issue Format	144A / Reg S / 3 (c) (7), Senior, Unsecured, Wakala US\$ Trust Certificate ("Sukuk") issued under a USD\$45 billion Trust Certificate Issuance Programme	
Issuer Ratings	Baa2 stable (Moody's) / BBB stable (S&P) / BBB stable (Fitch)	
Issue Ratings	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)	
Pricing Date	19 November 2024	
Issue Date	01 December 2025	
Tenor	USD 5Y Sukuk	USD 10Y Sukuk
Maturity Date	December 1, 2030	December 1, 2035
Tranche Size	USD 1.1 billion	USD 900 million
Profit Rate	4.50% Fixed, Semi-annual, 30/360	5.00% Fixed, Semi-annual,30/360
Re-Offer Price	100.00%	100.00%
Reoffer Spread	UST + 80.9 bps	UST + 88.7 bps
Reg S ISIN	US71567RBG02	US71567RBH84
144A ISIN	US71567WAD74	US71567WAE57
Use of Proceeds	The Republic intends to use the net proceeds it receives from the issue of the Certificates to meet part of its general financing requirements	
Other Details	USD200k/1k denoms., English / Indonesian Law	
Listing	Singapore Exchange Securities Trading Limited and Nasdaq Dubai	
Joint Bookrunners	Dubai Islamic Bank, Goldman Sachs, JP Morgan (B&D), KFH Capital, Standard Chartered Bank	
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk	

Source : SI-BISSSS

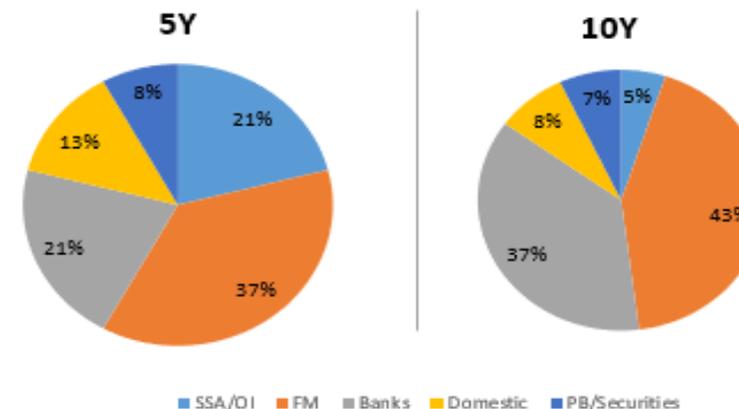
ORDERBOOK DISTRIBUTION



INVESTORS BY GEOGRAPHY (ALLOCATION)



INVESTORS BY TYPE (ALLOCATION)





The successful US\$2.7 billion SEC-Registered Senior Notes issuance reflects strong global investor confidence in the Republic of Indonesia's economic fundamentals

US\$2.7Bn SEC-Registered Senior Notes Offering



Baa2 Stable (Moody's) / BBB Stable (S&P) / BBB Stable (Fitch)

US\$1,100MM 4.350% due 2031, US\$1,100MM 4.950% due 2036, US\$500MM 5.475% due 2056

Issuer	Republic of Indonesia (Ticker: INDON)		
Issue Type	Senior Unsecured Notes		
Format	SEC-Registered		
Ratings	Moody's Baa2 (Stable) / S&P: BBB (Stable) / Fitch BBB (Stable)		
Issue Size	US\$1,100MM	US\$1,100MM	US\$500MM
Tenor	Long 5-year	Long 10-year	Long 30-year
Maturity Date	Feb 21, 2031	Feb 21, 2036	Feb 21, 2056
Coupon	4.350%	4.950%	5.475%
Initial Price Guidance	4.700%	5.300%	5.800%
Final Price Guidance	4.400% (#)	5.000% (#)	5.500% (#)
Re-offer Yield	4.400%	5.000%	5.500%
Re-offer Price	99.770	99.602	99.627
Optional Redemption	1-month par call	3-month par call	6-month par call
Use of Proceeds	The Republic intends to use the net proceeds from the sale of the Bonds for the general purposes of the Republic		
Denominations	USD 200,000 / 1,000		
Governing Law	New York Law		
Expected Listing	SGX-ST and Frankfurt Stock Exchange		

Transaction Highlights



The long 30-year marked the tightest spread ever achieved for a 30-year tranche in the history of the Republic's SEC-registered offerings



The Republic of Indonesia demonstrated decisive market leadership by being the first Asian sovereign to tap the debt markets in 2026, enabling them to capitalize on favorable investor sentiment after the first week of the year saw the largest IG supply volume kickoff to any year on record



Leveraging on the Republic's resilient credit profile, the transaction attracted robust investor demand from the outset with final orderbook reaching over US\$>4.9Bn

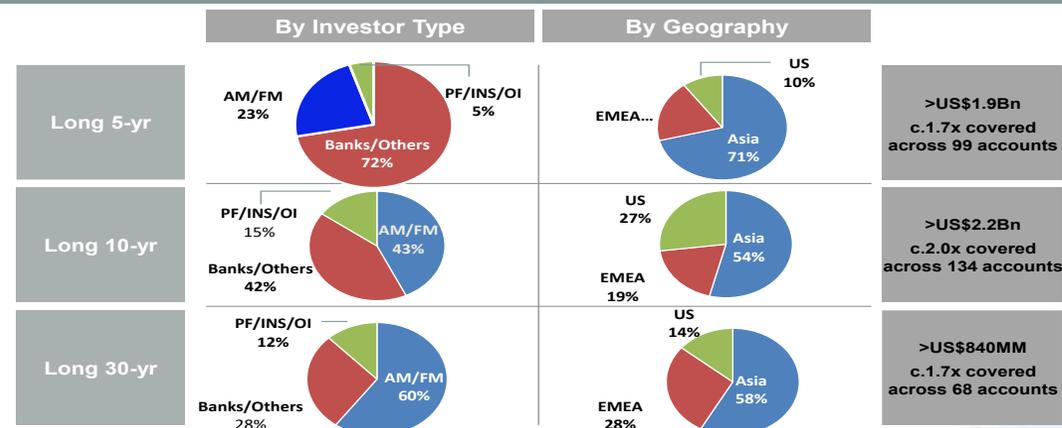


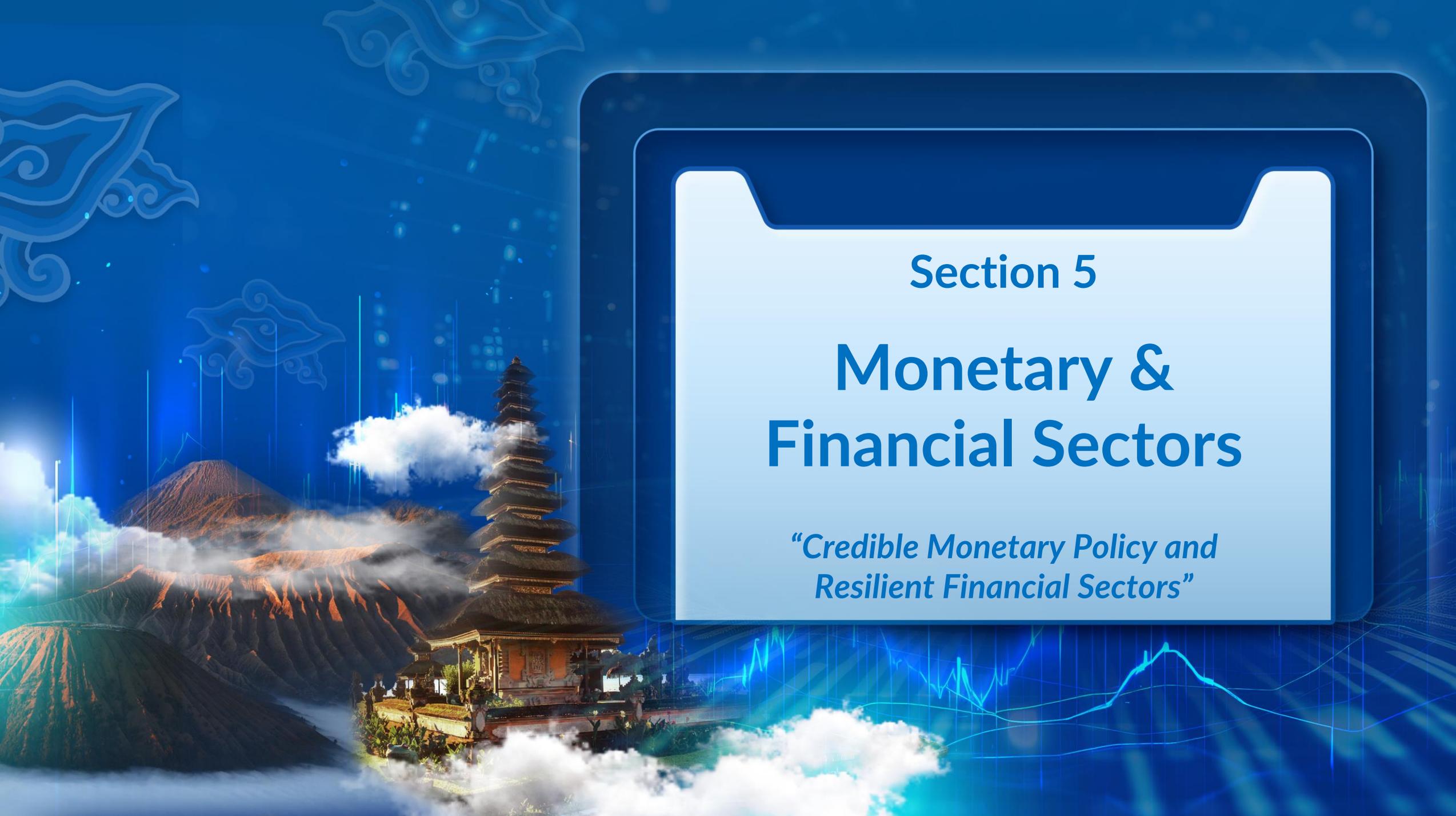
Strong and high-quality participation from real-money accounts allowed the Republic to tighten 30bps from the initial price guidance for all tranches



Despite the meaningful compression from IPG, the strength and quality of the orderbook allowed the Republic to balance competitive pricing without compromising on its size objective – underscoring investors' confidence in ROI's credit quality

Breakdown of Allocation





Section 5

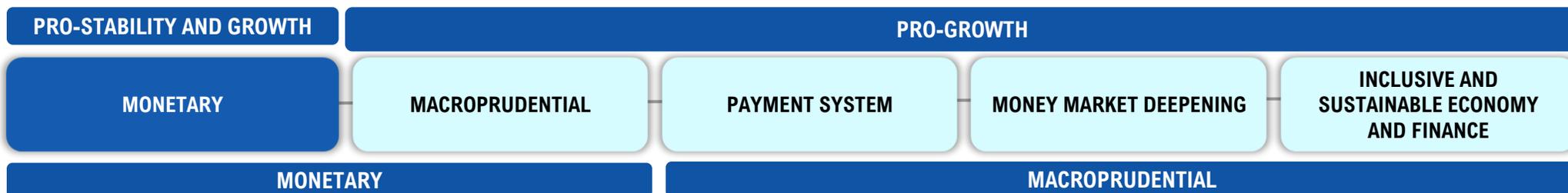
Monetary & Financial Sectors

*“Credible Monetary Policy and
Resilient Financial Sectors”*



Bank Indonesia Policy Mix Framework for Economic Resilience

Bank Indonesia's policy mix is calibrated to reinforce economic growth while maintaining stability through a balanced combination of monetary, macroprudential, payment system, money market deepening, and inclusive green economy measures.



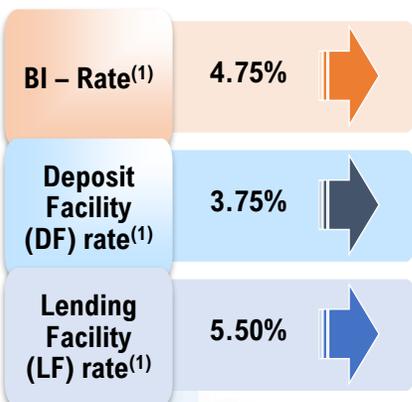
Bank Indonesia Board of Governors Meeting (RDG) on 18–19 February 2026 decided to **maintain the BI Rate at 4.75%, the Deposit Facility rate at 3.75%, and the Lending Facility rate at 5.50%.**

- This decision is consistent with the current policy focus on strengthening Rupiah exchange rate stabilization amid persistently high global financial market uncertainty, in order to support the achievement of the 2026–2027 inflation target and promote economic growth.
- Strengthening the Rupiah exchange rate stabilisation strategy through intervention**, both in offshore NDF transactions and in domestic markets through spot and DNDF transactions. This strategy is complemented by the purchase of government securities (SBN) in the secondary market.
- Strengthening the pro-market monetary operations strategy** to attract foreign portfolio inflows **while remain maintaining adequate liquidity in the money market and banking system** by managing the interest rate structure and volumes of monetary instruments, as well as measured secondary-market SBN transactions.

- Strengthening synergy with the Government and other stakeholders to enhance the effectiveness of accommodative macroprudential policy** in order to boost lending/financing and lowering interest rates in the banking industry through Indonesian Intermediation Acceleration Program (PINISI) and publishing the assessment of prime lending rate (PLR) transparency, with a focus on interest rates based on priority sectors in accordance with the scope of KLM policy.

PAYMENT SYSTEM

- Developing the Indonesia Digital Innovation Center (PIDI) in synergy with relevant authorities, associations, and ministries/agencies** to accelerate Digital Economy and Finance (EKD) transformation, including through the organization of Hackathons and digital talent development (Digital Talenta Berdaya dan Berkarya – Digdaya) initiated in late February 2026.
- Strengthening the readiness of the national payment system ahead of the 2026 Eid al-Fitr (1447 H) festive period**, by ensuring the availability, reliability, and security of Bank Indonesia Payment Systems (SPBI) and industry payment systems, and by guaranteeing the availability of high-quality Rupiah currency nationwide, including through the Semarak Rupiah Ramadan dan Berkah Idulfitri (SERAMBI) 2026 program.

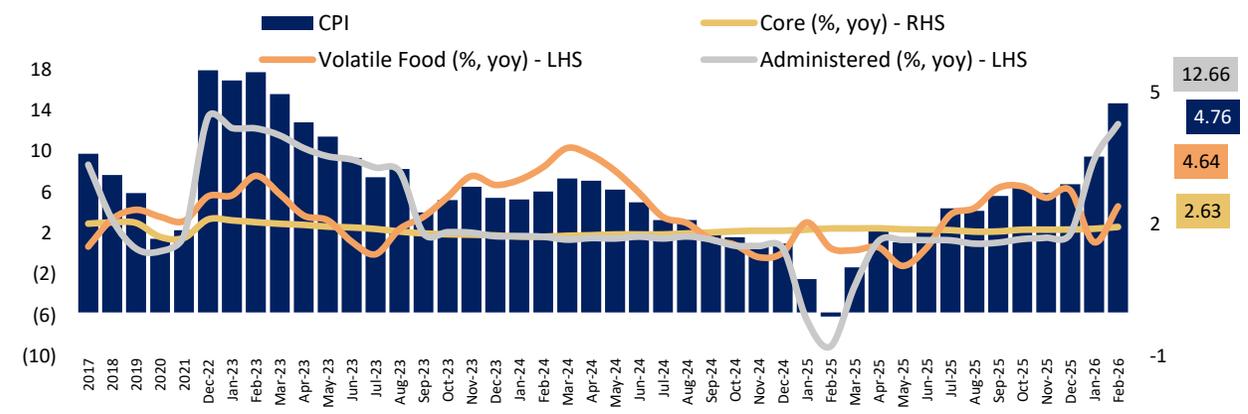




Manageable Monetary Environment Amid Persistently High Global Uncertainty

Bank Indonesia is successfully maintaining a stable monetary environment through effective inflation control and Rupiah exchange rate stabilization (maintaining the BI-Rate at 4.75%), which has supported robust credit growth—particularly in investment loans at 22.38%—despite high global financial market uncertainty.

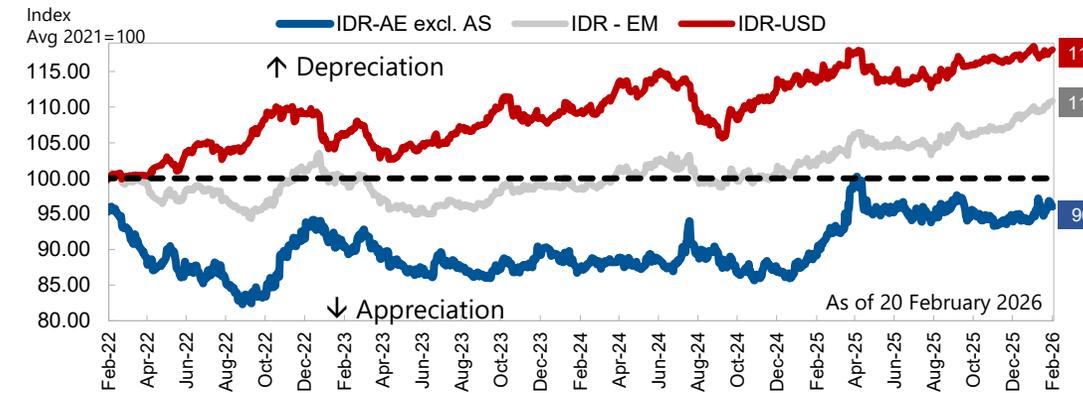
Well Maintained Inflation Ensured Price Stability



Source: BPS

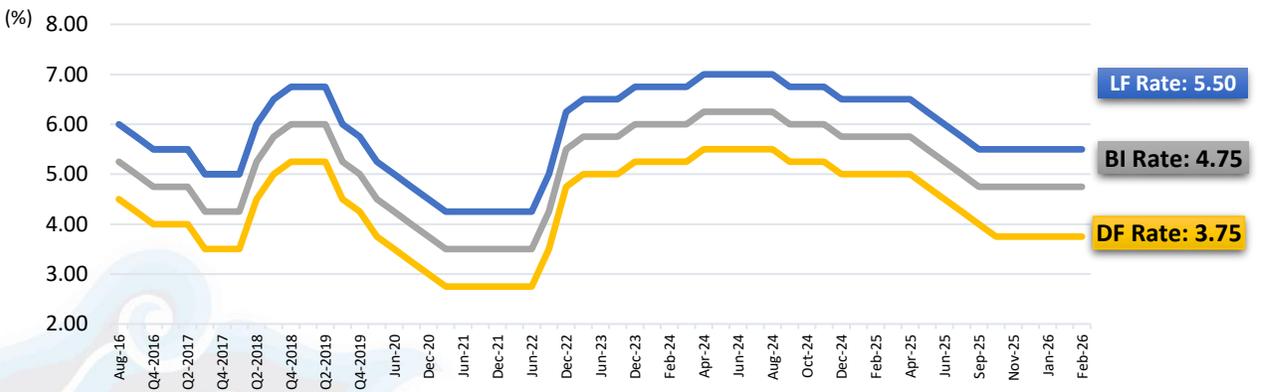
Stable Rupiah Exchange Rate

IDR Indexes Against USD, excl US, and EM



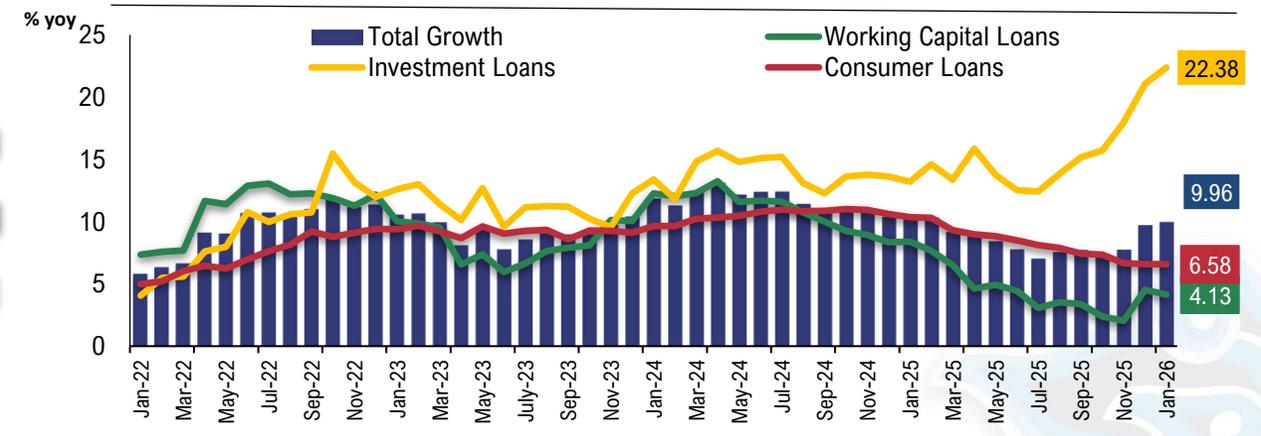
Notes
 -Based on daily data
 - Composite indexes on trade weights : SGD (13%), CNY (52%), INR (11%), KRW (9%), THB (7%), MYR (9%)

Strengthened Monetary Policy Framework



Source: Bank Indonesia

Credit Growth Profile



Source: OJK, Bank Indonesia

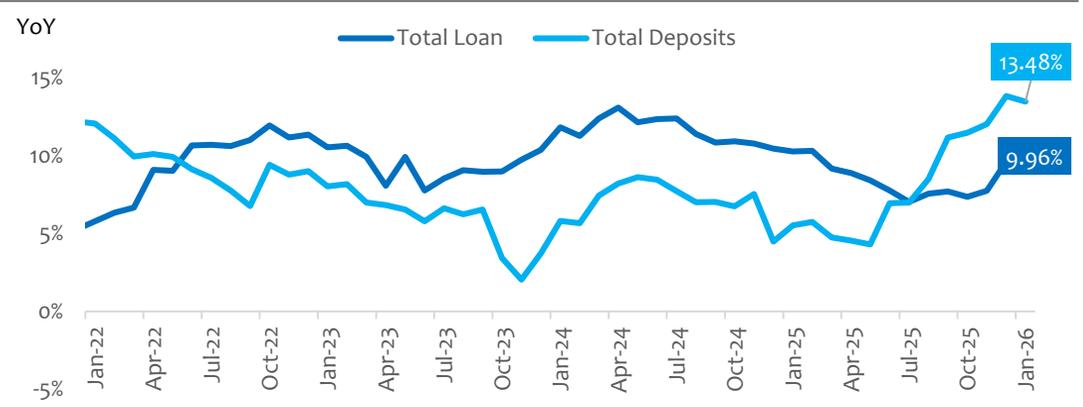


Banking Intermediation

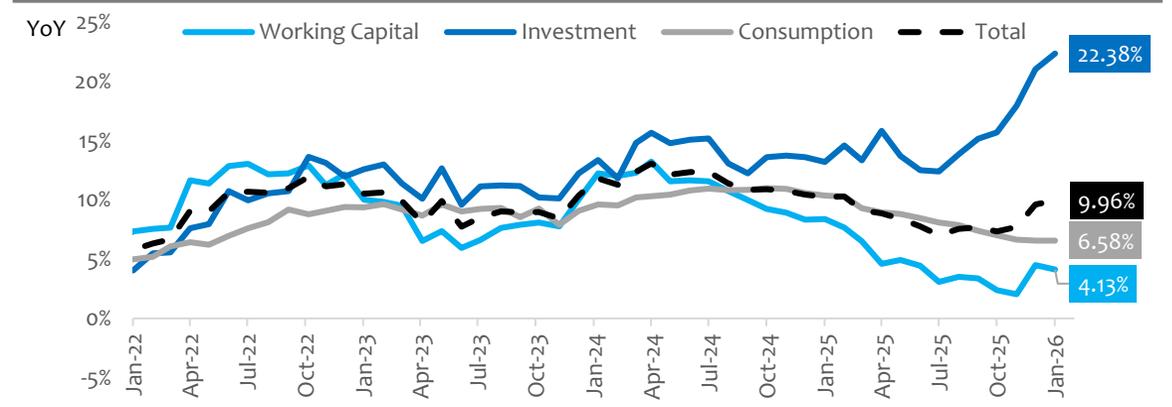
The Indonesian banking intermediation function demonstrated strong resilience, underpinned by robust credit growth of 9.96% (yoy) and healthy deposit expansion of 13.48% (yoy), resulting in a prudent loan-to-deposit ratio (LDR) in the range of 78%-92%.



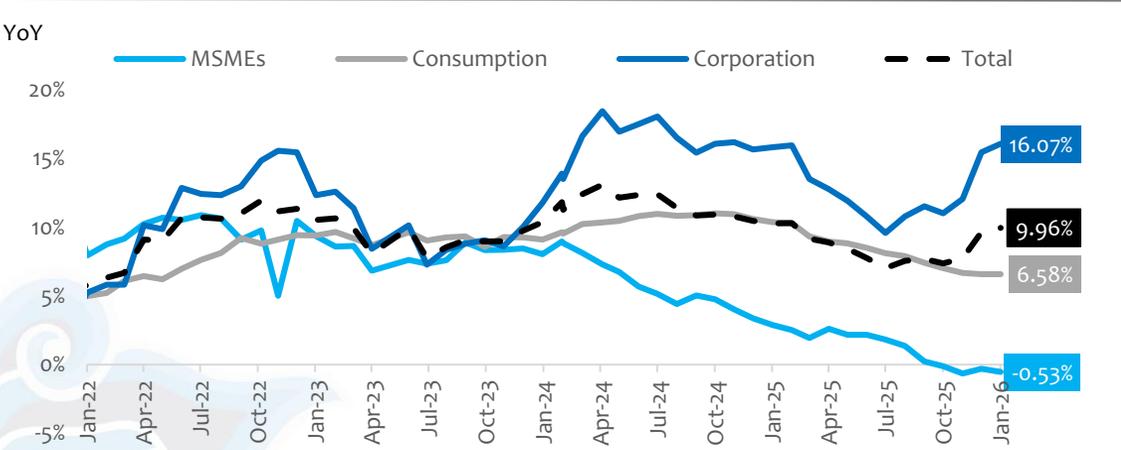
As of January 2026, banking intermediation remained positive, with total loan grew 9.96% (yoy), while total deposits growth slightly moderated to 13.48% (yoy).



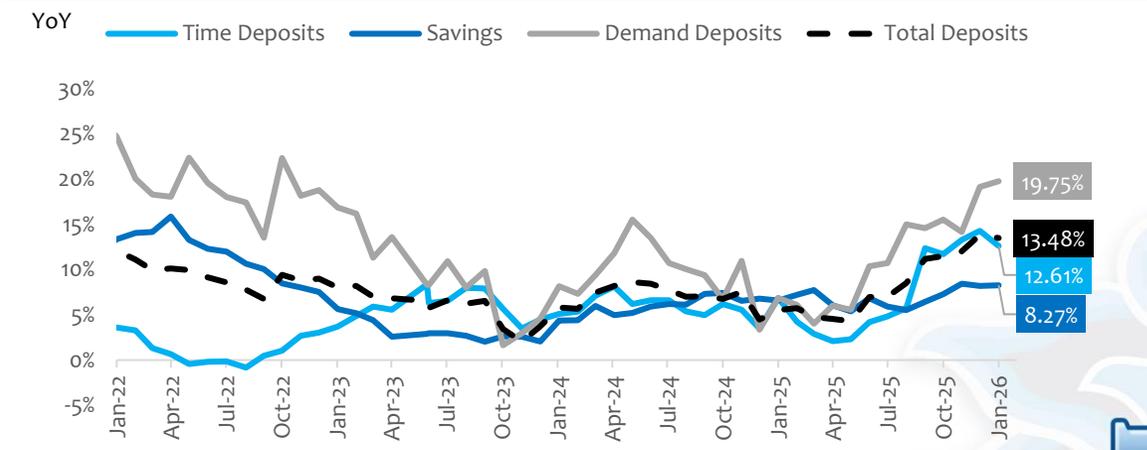
In January 2026, investment loans continued to record strong growth of 22.38% (yoy), while consumer and working capital loans increased by 6.58% and 4.13% (yoy), respectively.



Credit expansion has been driven primarily by strong corporate lending, which grew 16.07% (yoy), reflecting sustained business activity. Consumer loans expanded at a moderate pace (6.58% yoy), while MSME lending remained slightly contracted (-0.53% yoy).



Total deposits maintained a double-digit growth in January 2026, led by demand deposits, which increased by 19.75% (yoy).



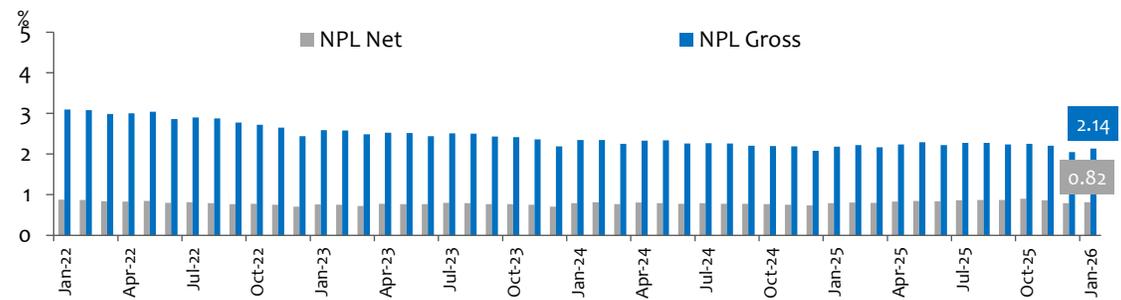


Banking Risk Profile and Profitability

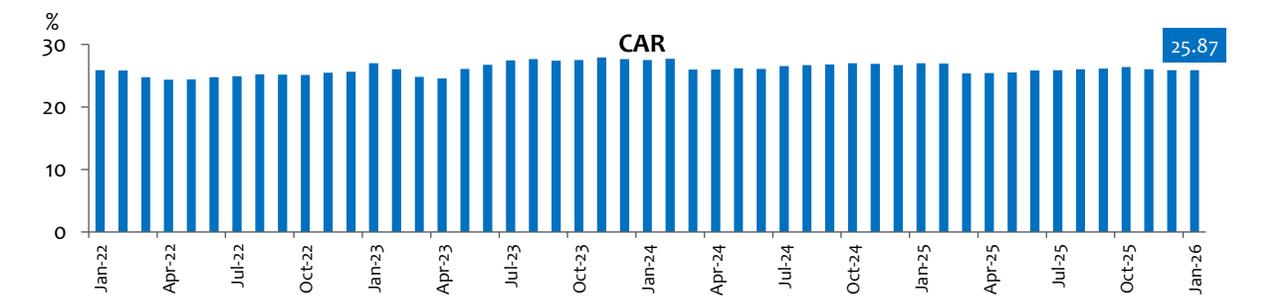
Risk profile of the banking sector remains manageable with a well-maintained credit quality, strong capital buffers, and ample liquidity that continue to drive banking's sustained resilience and profitability.



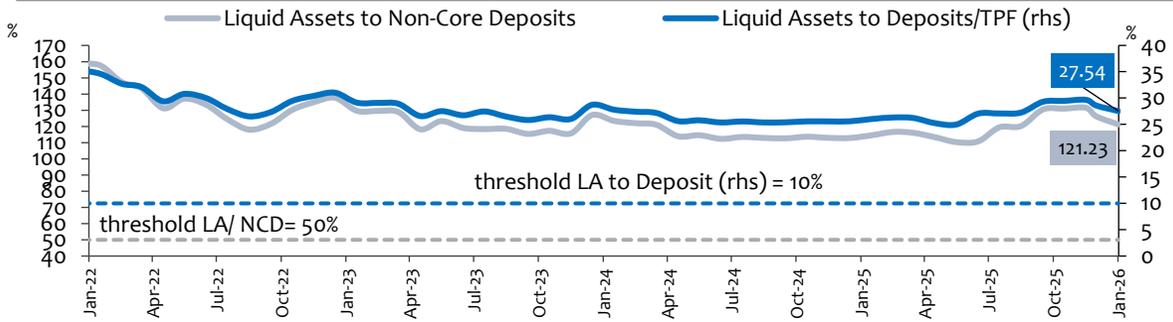
In **January 2026**, banking asset quality remained well-maintained, with the **gross NPL ratio at 2.14%**, still within manageable level.



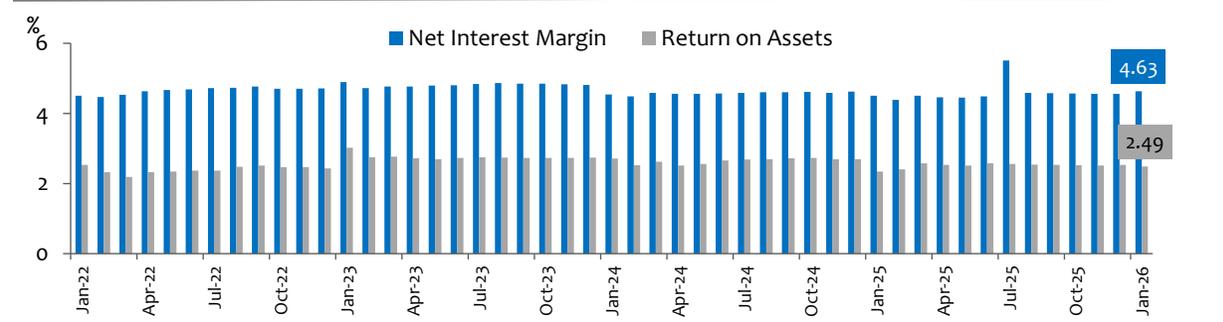
The banking sector remains strongly capitalized, with **Capital Adequacy Ratio (CAR) at 25.87%** as of **January 2026**, providing a substantial buffer against potential shocks.



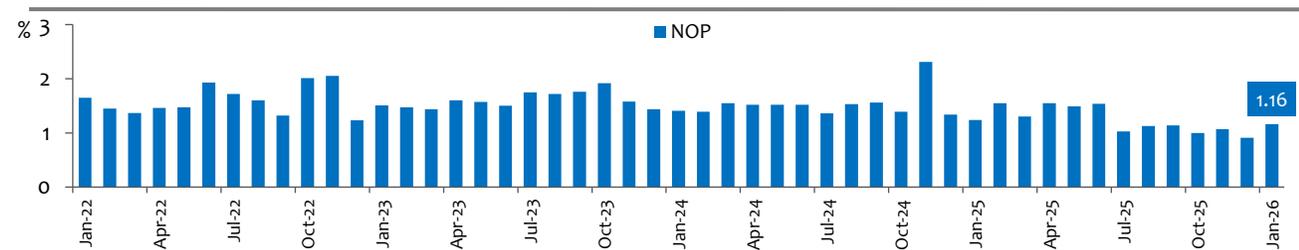
Banking system liquidity conditions are also manageable, supported by stable funding and adequate liquid assets (**LA/Deposits: 27.54%**; **LA/NCD: 121.23%**).



Profitability remained **relatively stable** as of **January 2026**, with the **Net Interest Margin (NIM)** and **Return on Assets (ROA)** recorded at **4.63%** and **2.49%**, respectively.



As of **January 2026**, **Net Open Position (NOP)** was stable at **1.16%**, well below the 20% limit.



Indonesia Capital Market Performance



Indonesia's capital market moved in a more cautious tone amid global uncertainty, while the bond market maintained an upward trajectory.

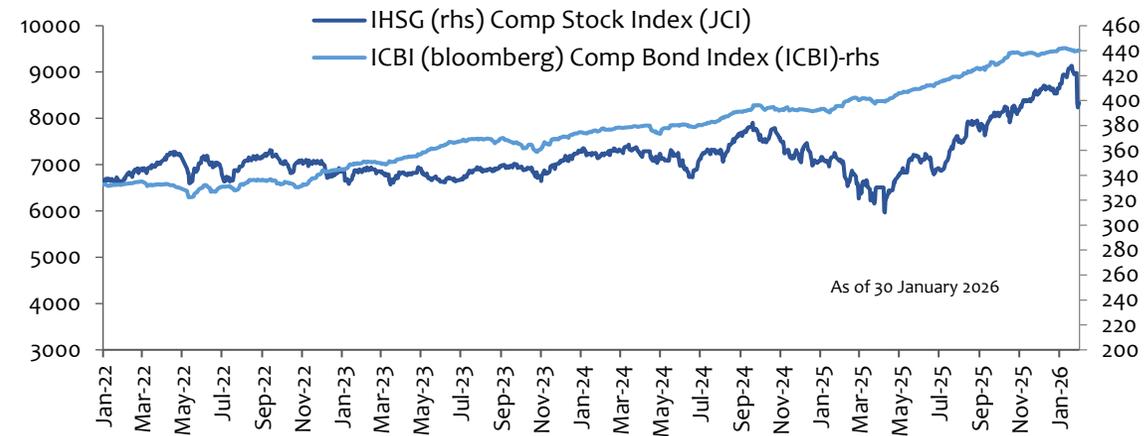
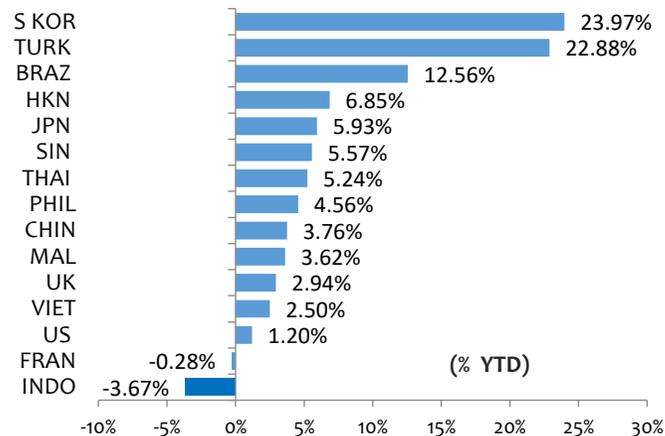


The Jakarta Composite Index (JCI) closed at 8,329.61 as of 30 January 2026 (down 3.67% mtm/ytd) while trading activity remained solid, reflected in an average daily trading value of IDR34.91 trillion in January 2026.

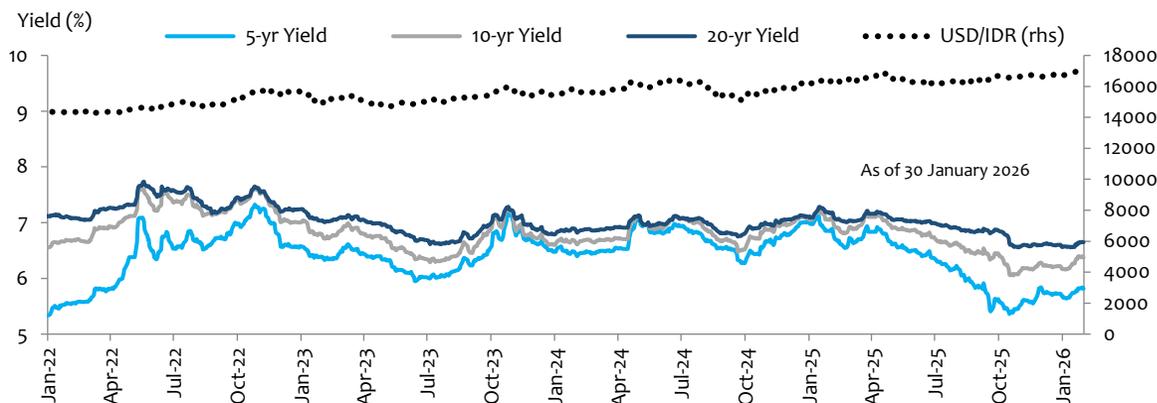


As of January 2026, the JCI remained volatile, while the Composite Bond Index (ICBI) showed a steadier upward trend.

Stock Index Performance as of 30 Jan 2026 (compared to 31 Dec'25)



As of 30 January 2026, average Indonesian government bond yields increased by 8.28 bps (mtm/ytd), reflecting a modest uptick in the domestic yield curve.



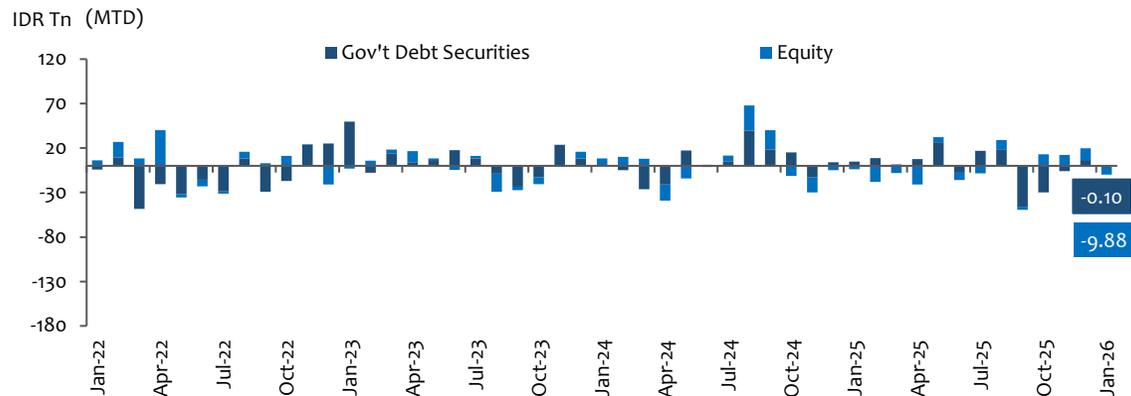
Indonesia Capital Market Performance (continued)



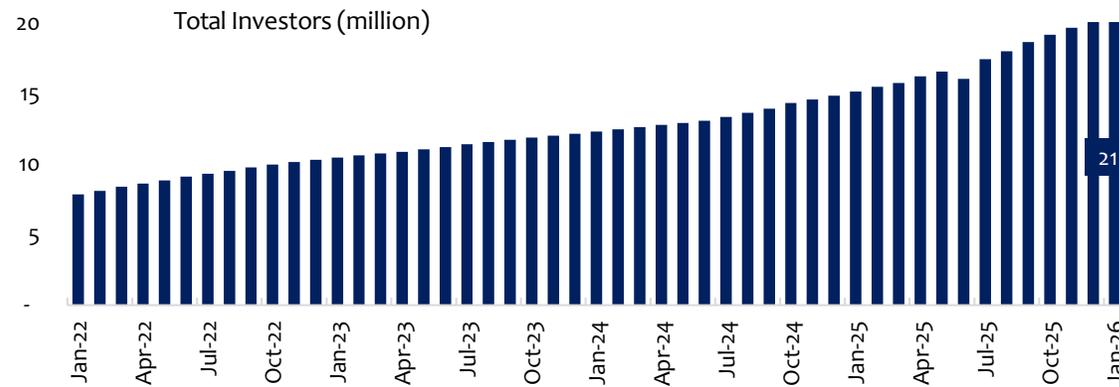
Strong domestic investor participation reflects confidence and public interest, with IDR 4 trillion raised through corporate bonds and sukuk—affirming the capital market’s role as a key alternative funding source. At the same time, investor’s interests for equity mutual funds remained strong.



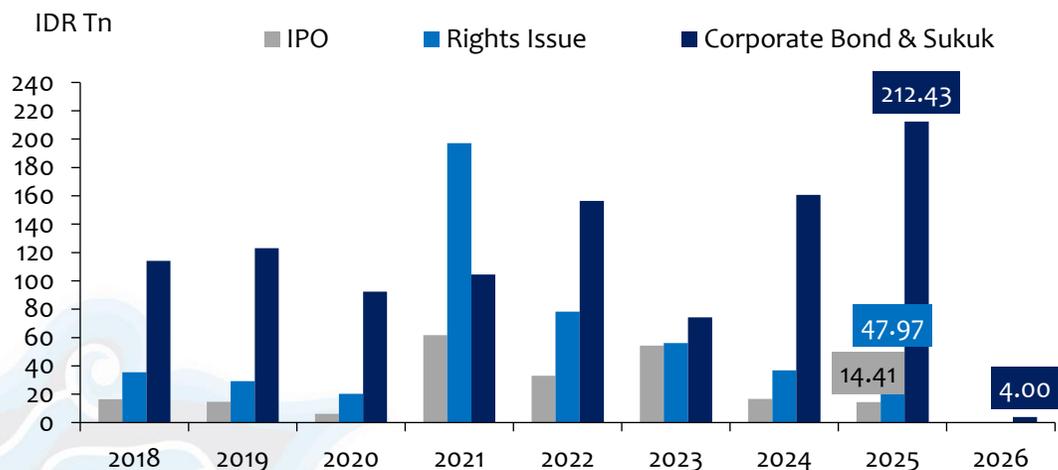
In January 2026, non-residents recorded net sells of IDR0.10 trillion (mtm/ytd) in government bonds and IDR9.88 trillion (mtd/ytd) in equities.



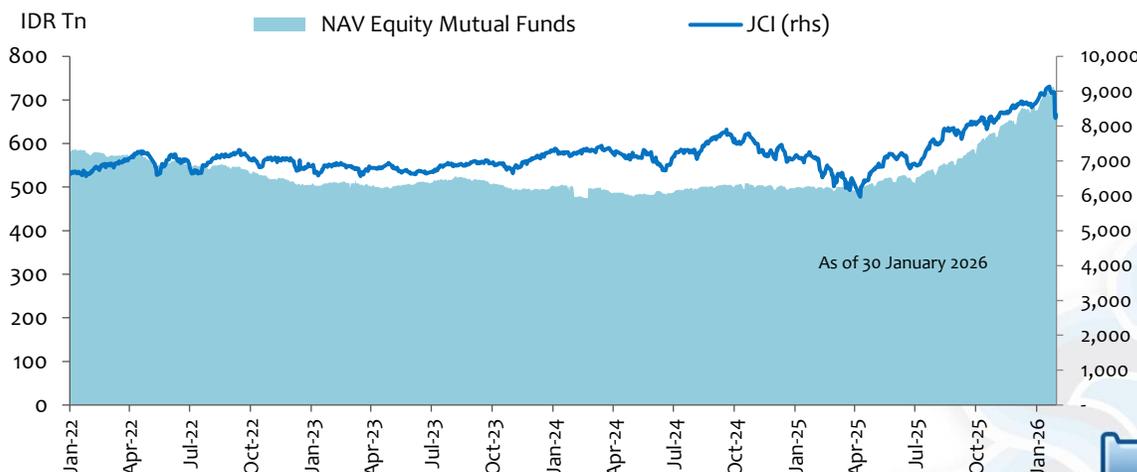
However, investor participation continued to expand, with 702,000 new investors added in January 2026, bringing the total number of capital-market investors to 21.07 million (+3.45% ytd).



Corporate bond and sukuk fundraising reached IDR4 trillion as of 30 January 2026. In the pipeline, there were 26 planned public offerings with an indicative value of IDR 19.32 trillion



The Net Asset Value (NAV) of equity mutual funds remained solid in January 2026, supported by strong net subscriptions of IDR41.18 trillion (mtm/ytd).



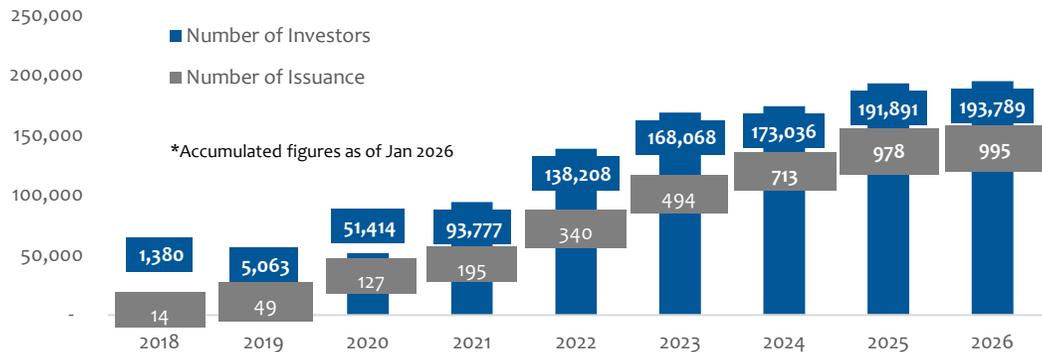


Securities Crowd Funding and Carbon Exchange

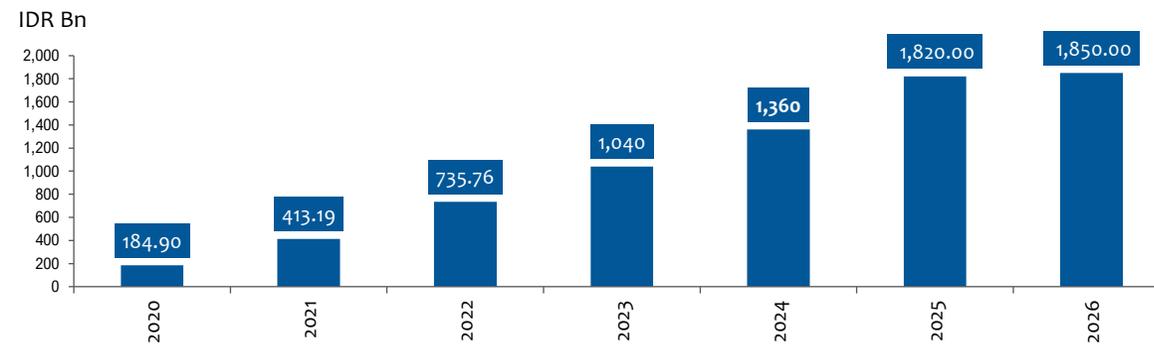
Securities Crowdfunding (SCF) and the Carbon Exchange continued to record steady growth, helping broaden the market by expanding funding channels for MSMEs and building a transparent platform for carbon credits to support sustainability-linked investment.



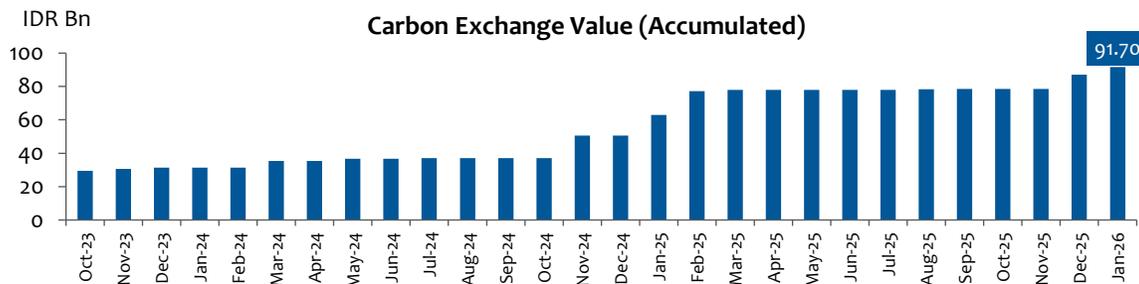
As of **January 2026**, **Securities Crowdfunding (SCF)** continued to expand. In aggregate, SCF has facilitated **995 issuances** from **592 issuers** and **193,789 investors**.



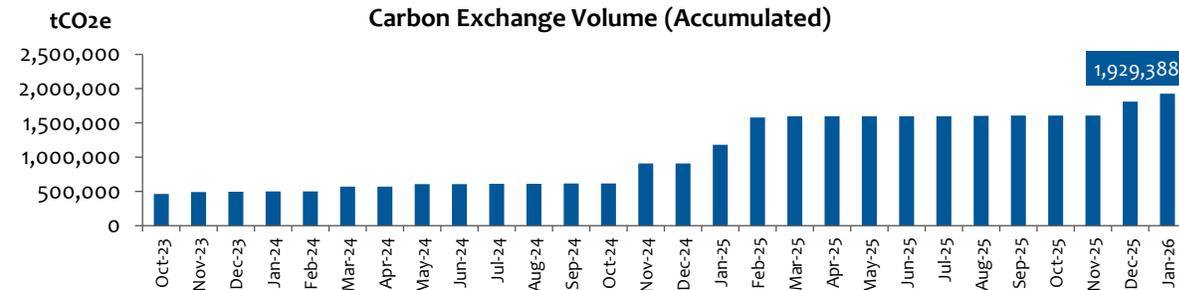
This positive trend was further reflected in **cumulative fundraising**, which reached **IDR1.85 Tn** as of **January 2026**.



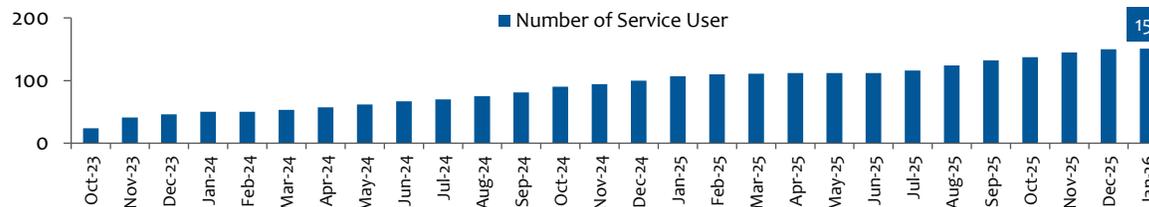
Since its launch in September 2023, the **Carbon Exchange** has reached an accumulated value of **IDR91.7 billion** by January 2026.



As of **January 2026**, total traded volume on the **Carbon Exchange** reached **1,929,388 tCO₂e**.



The number of **registered service users** in Indonesia's **Carbon Exchange** increased from 24 in **October 2023** to **151** in **January 2026**.



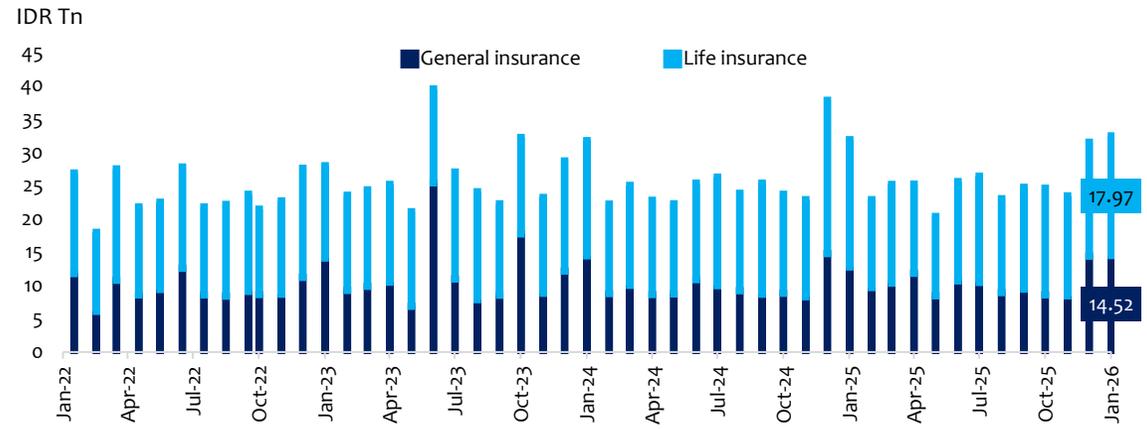


Insurance Sector

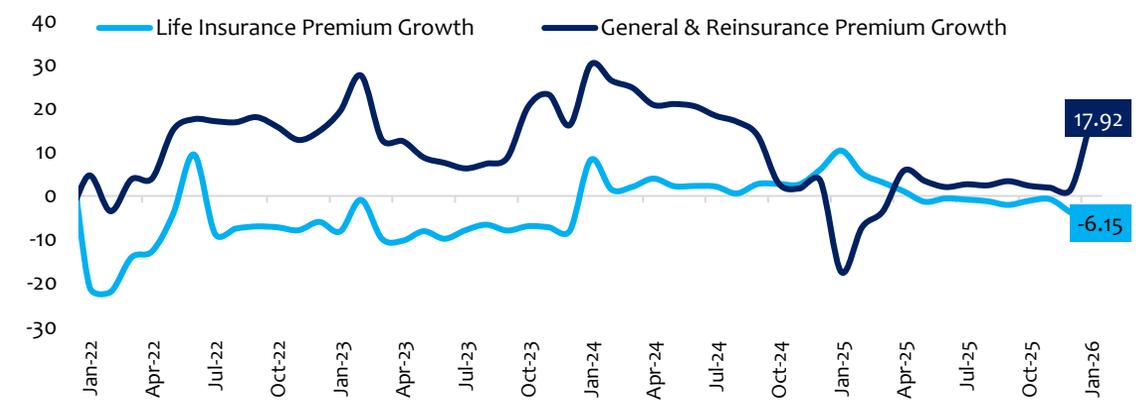
In January 2026, Indonesia's insurance sector showed an improvement in premium performance, supported mainly by stronger growth in general insurance and reinsurance, while the life insurance segment remained under pressure but started to show early signs of stabilization. Overall, this sector remains stable, with manageable risks and strong solvency.



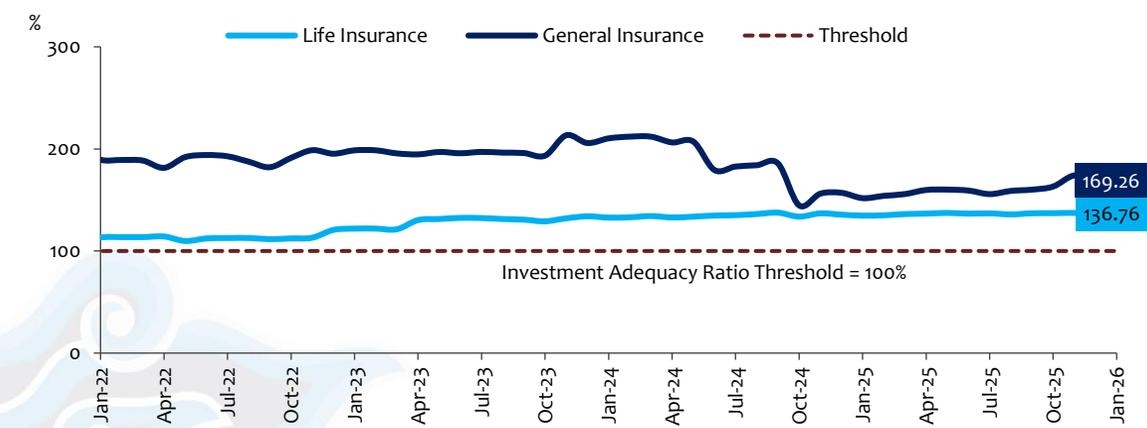
In January 2026, General and Life insurance premiums increased by IDR14.52 Tn and IDR17.97 Tn, respectively.



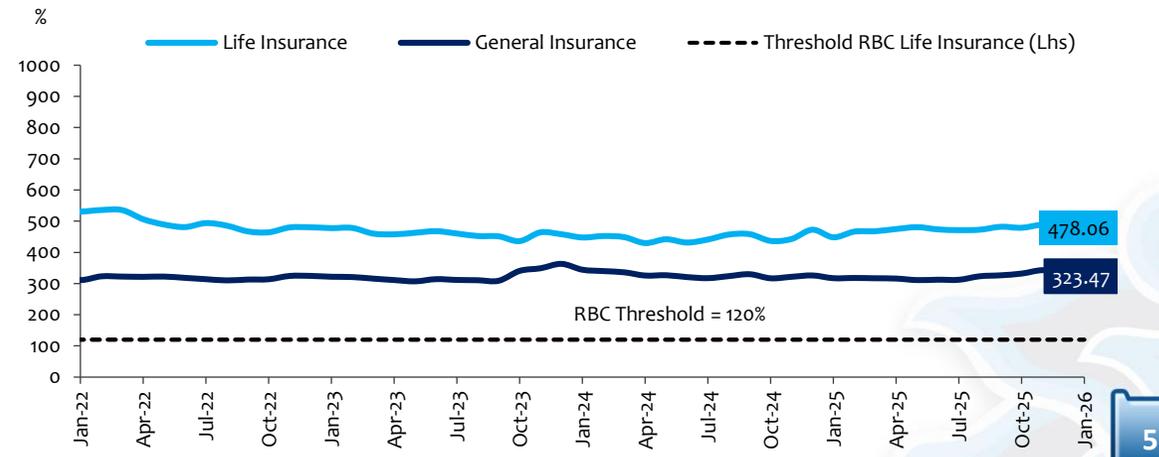
In January 2026, total insurance premiums reached IDR36.38 trillion, grew by 4.67% (yoy). Life insurance premiums were slightly contracted by -6.15% (yoy), while general insurance and reinsurance premiums grew strongly by 17.92% (yoy).



In January 2026, the Investment Adequacy Ratio remained adequate and increased across segments, rising to 169.26% for General Insurance and Reinsurance and 136.76% for Life Insurance, respectively.



Life insurance, as well as General insurance and Reinsurance, reported Risk-Based Capital (RBC) ratios of 478.06% and 323.47%, respectively, well above the regulatory threshold of 120%.



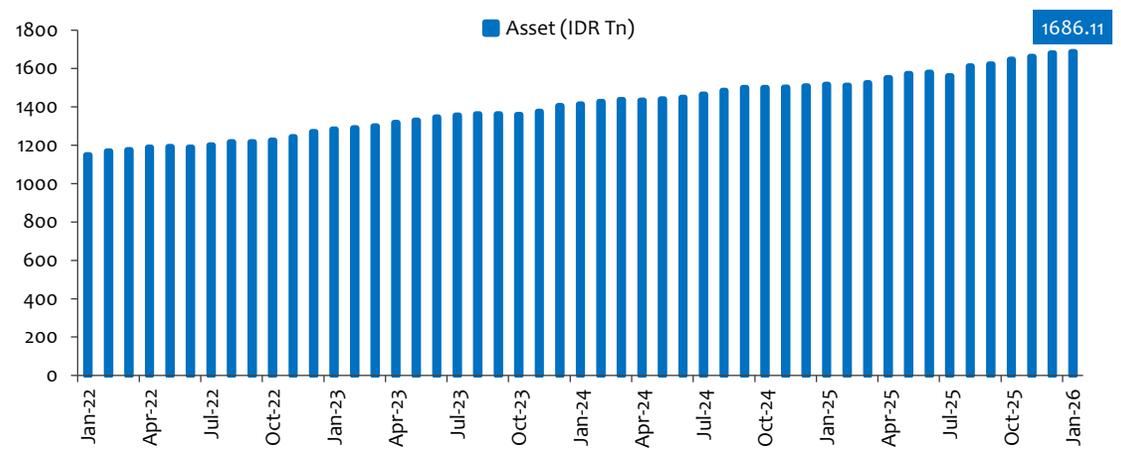


Pension Funds and Guarantee Institutions Performance

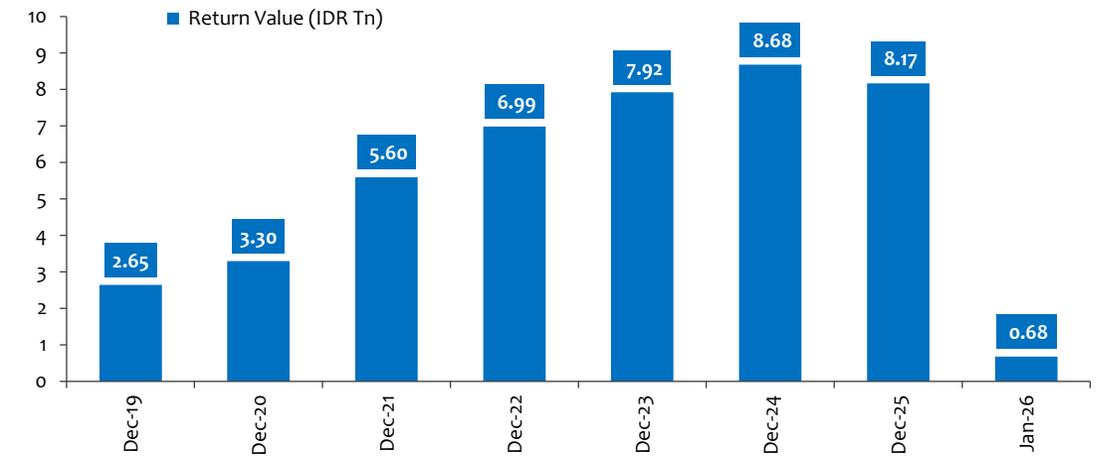
Pension funds and Guarantee Institutions demonstrate adequate performance and manageable risks.



In the Pension Fund industry, total assets as of January 2026 grew by 11.21% (yoy) to IDR1,686.11 trillion.



As of January 2026, the Accumulated Return Value of Guarantee Institutions amounted to IDR0.68 trillion.



In January 2026, Guarantee Asset Value reached IDR47.51 trillion, an increase of 1.96% (yoy).

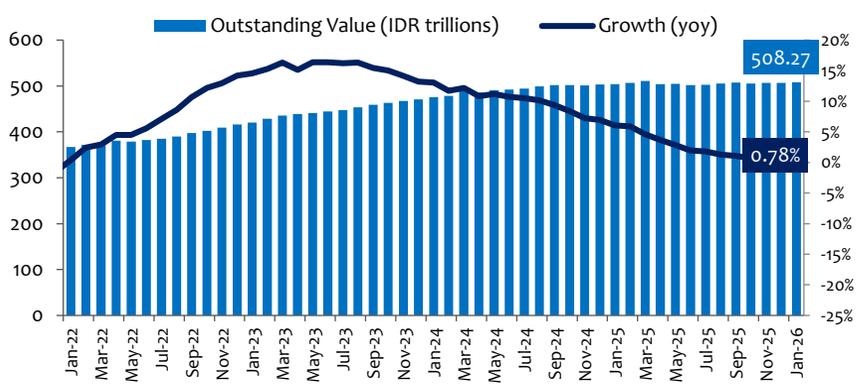
Guarantee Institutions	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Jan-26
Assets Value (IDR Tn)	36.90	39.12	46.41	46.39	47.51	47.51
Growth YoY	46.66%	6.00%	18.64%	-0.05%	2.43%	1.96%



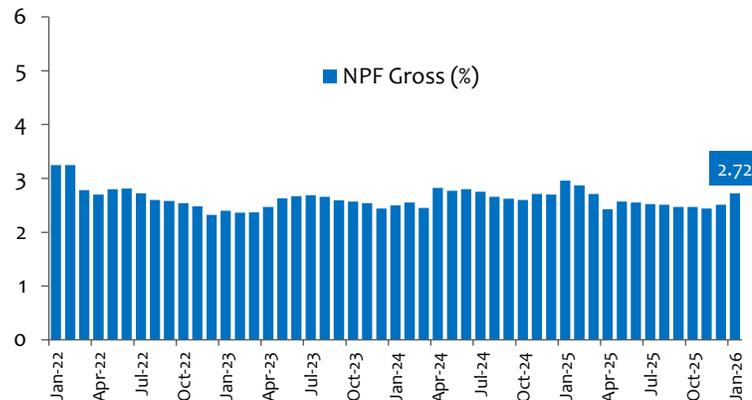
Financing, P2P Lending, and Venture Capital

Financing companies remain resilient, supported by manageable risk profile and a strong gearing position, while peer-to-peer (P2P) lending fintech continues to expand.

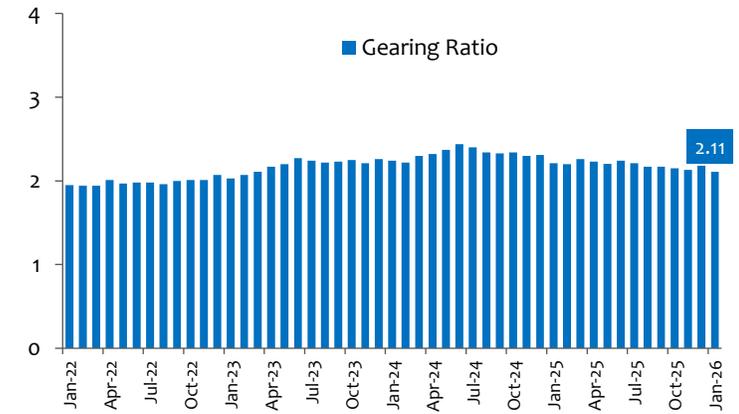
As of January 2026, outstanding value in Financing Companies grew by 0.78% (yoy), supported by stronger working-capital financing.



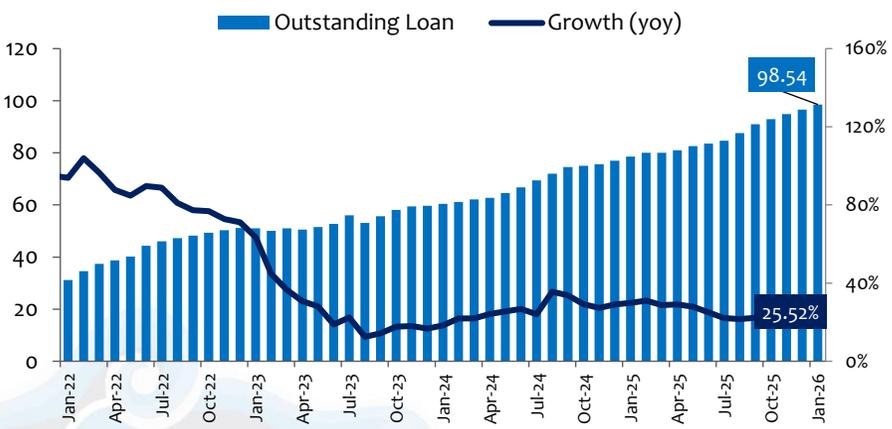
Financing Companies' risk profile remained stable, with the gross Non-Performing Financing (NPF) slightly increased to 2.72%.



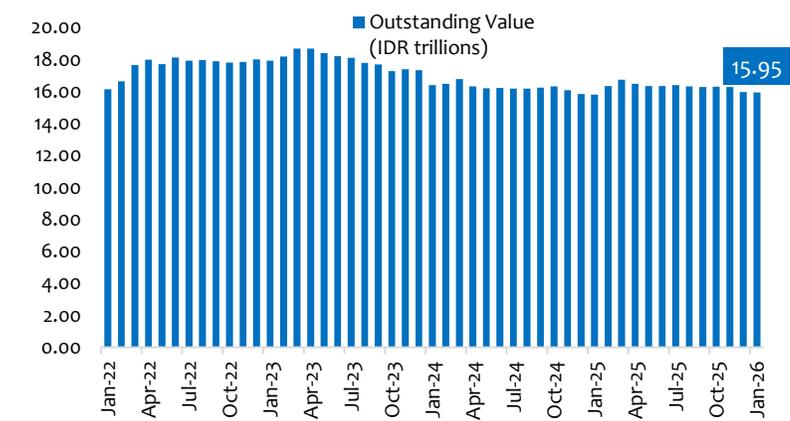
In January 2026, the gearing ratio for Financing Companies remained adequate at 2.11 times, well below the threshold (10 times).



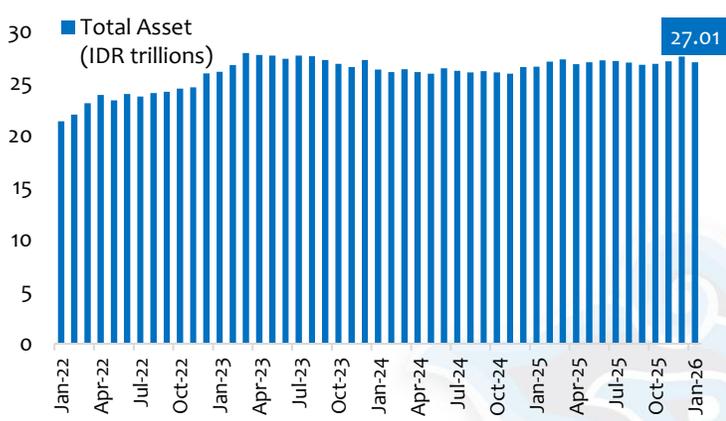
In the P2P Lending (Fintech) industry, outstanding financing in January 2026 grew by 25.52% (yoy) to IDR98.54 trillion.



The venture capital experienced stable performance, with financing reached IDR15.95 Tn as of January 2026.



Total assets in the venture capital corporation slightly moderated to IDR27.01 Tn in January 2026.





Financial services technology innovation continued to progress, while crypto-assets transaction slightly moderated in line with global market conditions.



Based on **OJK Regulation No. 3/2024**, the OJK established the Regulatory Sandbox as a structured framework to evaluate, oversee, and support innovation in the financial services sector. The number of sandbox applications reached **27**, with **four** accepted participants in **January 2026**.

Regulatory Sandbox	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Jan-26
Number of Sandbox Applications Request	114	71	87	52	14	27	27
Number of Sandbox Participants	28	14	20	18	5	4	4

Type of Registered FSTI Providers	Oct-24	Nov-24	Dec-24	Oct-25	Nov-25	Dec-25	Jan-26
Innovative Credit Scoring	2	4	5	10	10	10	10
Aggregators	4	6	9	20	20	20	20
Total	6	10	14	30	30	30	30



In **January 2026**, the crypto-assets market recorded a total transaction value of **IDR29.24 Tn**.

Crypto-assets	Dec-23	Dec-24	Dec-25	Jan-26
Transactions (IDR Tn)	27.25	94.08	32.68	29.24



OJK continued to strengthen consumer protection through stronger market-conduct supervision. In parallel, the establishment of the Indonesia Anti-Scam Centre (IASC) reinforced national anti-scam efforts.



OJK conducted **7,130** financial education activities, reaching **10,093,603** participants nationwide as of **January 2026**.

Financial Education	7,130 Activities	Team for Acceleration of Regional Financial Access (TPAKD)	552 District/Municipalities
	10,093,603 Participants		100% District/Municipalities
Sikapi Uangmu	373 Contents	National Movement of Financial Inclusion (GENCARKAN)	60,690 Programs
	3,782,998 Viewers		37,930 Financial Education Activities
Financial Education Learning Management System (LMSKU) OJK	31,004 Access		22,760 Digital Content
	18,640 Certificates		



As of January 2026, OJK as a part of The Illegal Financial Activities Eradication Task Force (Satgas Pasti), has closed down **2,617** illegal financial entities.



From **January 2025** to **January 2026**, OJK had received **573,999** service requests.

Number of Illegal Investments	354
Number of Illegal Online Lending	2,263
Total Number of Illegal Financial Entities	2,617



OJK and the members of Satgas PASTI, supported by banking and payment system industry associations, has established the Indonesia Anti-Scam Centre (IASC).

Number of Reports Submitted to the IASC	215.436
Number of Blocked Accounts	415,385
Amount of Victims' Funds Blocked (IDR Bn)	511.08

Number of Service Requests	573,999
Number of Service Requests on Consumer Protection Portal Application (APPK)	61,869
Banking	22,716
Fintech	24,125
Financing Institutions	12,392
Insurance	1,755
Capital Market and other NBFIs	881
Service Requests Completed	95.81%



In Q4 2025, sharia capital market indicators strengthened, reflected in the continued rise of the Indonesia Sharia Stock Index (ISSI) and the expansion of sharia mutual fund assets. In addition, sharia financing institutions maintained positive growth, while venture capital and microfinance segments also continued to expand at a moderate pace.

SHARIA CAPITAL MARKET

SHARIA STOCKS	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Indonesia Sharia Stock Index	215.65	201.42	226.85	264.83	308.61
Growth (YTD %)	1.41	-6.60	5.19	22.80	43.11
Market Capitalization (IDR Tn)	6,825.31	6,403.94	7,578.21	8,856.95	8,971.68
Market Share (%)	55.33	57.63	62.33	62.55	56.72
SHARIA BOND (SUKUK)	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Government Sukuk (IDR Tn)	1,627.68	1,655.59	1,695.28	1,685.69	1,649.54
Corporation Sukuk (IDR Tn)	55.27	62.53	79.38	80.08	88.21
Market Share (%)	11.63	12.65	15.60	15.30	16.44
SHARIA MUTUAL FUND	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Asset Under Management (IDR Tn)	50.55	53.26	55.83	66.53	83.44
Market Share (%)	10.12	10.78	10.94	12.09	12.36
SHARIA SCF	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fundraising (IDR Bn)	715.47	802.48	894.29	961.01	1,041.64
Market Share (%)	52.50	54.01	55.87	56.83	57.43

SHARIA FINANCING INSTITUTIONS, VENTURE CAPITAL, FINTECH P2P LENDING AND MICROFINANCE (PVML) UPDATE

SHARIA PVML	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Sharia Financing Institution Assets (IDR Tn)	33.88	36.51	36.52	36.85	36.55
Sharia Venture Capital Assets (IDR Tn)	3.74	4.16	3.83	3.76	3.98
Sharia Microfinance Assets (IDR Tn)	0.65	0.65	0.64	0.57	0.66



Sharia Financial Services Sector (cont'd)

Sharia banking intermediation remained steady, with capital buffers and liquidity positions reflecting a sound financial footing and credit-risk metrics remaining stable. This overall resilience has supported consistent growth in financing and deposits. Meanwhile, Sharia insurance, guarantee, and pension fund assets have continued to expand, demonstrating strong uptake in Sharia-based protection and retirement solutions.

SHARIA BANKING SECTOR

Intermediation	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Assets (IDR Tn)	980.30	960.82	967.33	1,006.18	1,067.73
Market Share (%)	7.72	7.42	7.41	7.49	7.69
Financing (IDR Tn)	643.55	652.36	666.04	675.86	705.22
Growth (YoY %)	9.92	9.2	8.38	7.78	9.58
Deposits (IDR Tn)	753.60	730.37	738.84	794.31	829.99
Growth (YoY %)	10.09	5.68	6.98	11.19	10.14
Capital and Liquidity	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
CAR	25.4	25.1	25	24.62	25.07
LA/Deposits	32.09	29.05	27.95	29.52	30.01
LA/NCD	154.52	138.55	133.33	143.28	142.13
Credit Risk	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Gross NPF	2.12	2.22	2.24	2.26	2.16
Net NPF	0.79	0.86	0.89	0.92	0.83

SHARIA INSURANCE, GUARANTEE, PENSION FUND (PPDP) UPDATE

SHARIA PPDP	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Sharia Life Insurance Assets (IDR Tn)	34.20	33.77	34.89	36.14	38.20
Sharia General Insurance Assets (IDR Tn)	9.46	9.55	9.73	9.99	10.41
Sharia Voluntary Pension Fund Assets (IDR Tn)	4.53	4.63	4.77	4.88	5.06
Sharia Guarantee Institution Assets (IDR Tn)	6.28	6.54	6.68	6.85	6.93



Section 6

Structural Reforms

“Structural Reforms and Infrastructure Development to Strengthen Long-Term Growth”



National Transformation Strategy: Towards A Golden Indonesia 2045

The Asta Cita Strategy outlines eight national priorities for 2025-2029, establishing a foundation for comprehensive transformation in ideology, economic self-reliance, human capital, and legal reform to achieve the Golden Indonesia 2045 vision.

1

Asta Cita: The 8 Quick Impact Programs

8 National Priorities 2025-2029

1. Strengthening the Foundation of Pancasila Ideology, Democracy, and Human Rights
2. Consolidating the National Defense and Security System and Fostering National Self-Reliance through Self-Sufficiency in Food, Energy, Water, Islamic Economy, Digital Economy, Green Economy, and Blue Economy
3. Continuing Infrastructure Development and Improving Quality Employment Opportunities Promoting Entrepreneurship, Expanding the Creative Industry, and Developing Agro-Maritime Industries in Production Centers through Active Cooperative Involvement
4. Enhancing Human Resource Development, Science, Technology, Education, Health, Sports Achievements, Gender Equality, and Empowering the Roles of Women, Youth (Millennials and Generation Z), and Persons with Disabilities
5. Continuing Downstream Processing and Developing Natural Resource-based Industries to Increase Domestic Value-added
6. Building from the Village and Grassroots for Economic Growth, Economic Equity, and Poverty Eradication
7. Intensifying Political, Legal, and Bureaucratic Reform, and Strengthening the Prevention and Eradication of Corruption, Drugs, Gambling, and Smuggling
8. Enhancing Alignment with A Harmonious Life in the Environment, Nature, and Culture, and Increase Religious Tolerance to Achieve A Just and Prosperous Society

Indonesia Gold Vision 2045 : Become a Sovereign, Advanced and Sustainable Country



Indonesia's Gold Vision 2045 outlines a long-term roadmap to become a sovereign, advanced, and sustainable country through five key targets, eight development missions, seventeen strategic directions, and forty-five main development indicators. The plan will be implemented in four phases from 2025 to 2045, supported by social, economic, and governance transformation along with strong legal foundations, equitable regional development, sustainable infrastructure, and environmental resilience.



1. Income per capita equivalents to developed countries
2. Poverty declines and inequality decreases
3. Leadership positions and international influence increase
4. HR competitiveness increases
5. GHG emission intensity towards NZE

Development Phase

First Phase (2025-2029)	Strengthening the foundation of transformation
Second Phase (2030-2034)	With the establishment of a strong foundation, Indonesia is set to accelerate its economy
Third Phase (2035-2039)	Indonesia starts steps to expand globally
Fourth Phase (2040-2045)	Indonesia succeeds in realizing Indonesia Gold 2045 vision

TRANSFORMATION

1. **Social Transformation:** Focusing on the development of outstanding Indonesian individuals;
2. **Economic Transformation:** Aiming for the nation to become high-income;
3. **Governance Transformation:** Emphasizing adaptive and principled regulations, as well as governance that is characterized by integrity, agility, and collaboration.

FOUNDATION OF TRANSFORMATION

4. Legal Supremacy, Stability, & Diplomatic Strength
5. Socio-Cultural and Ecological Resilience

TRANSFORMATION IMPLEMENTATION FRAMEWORK

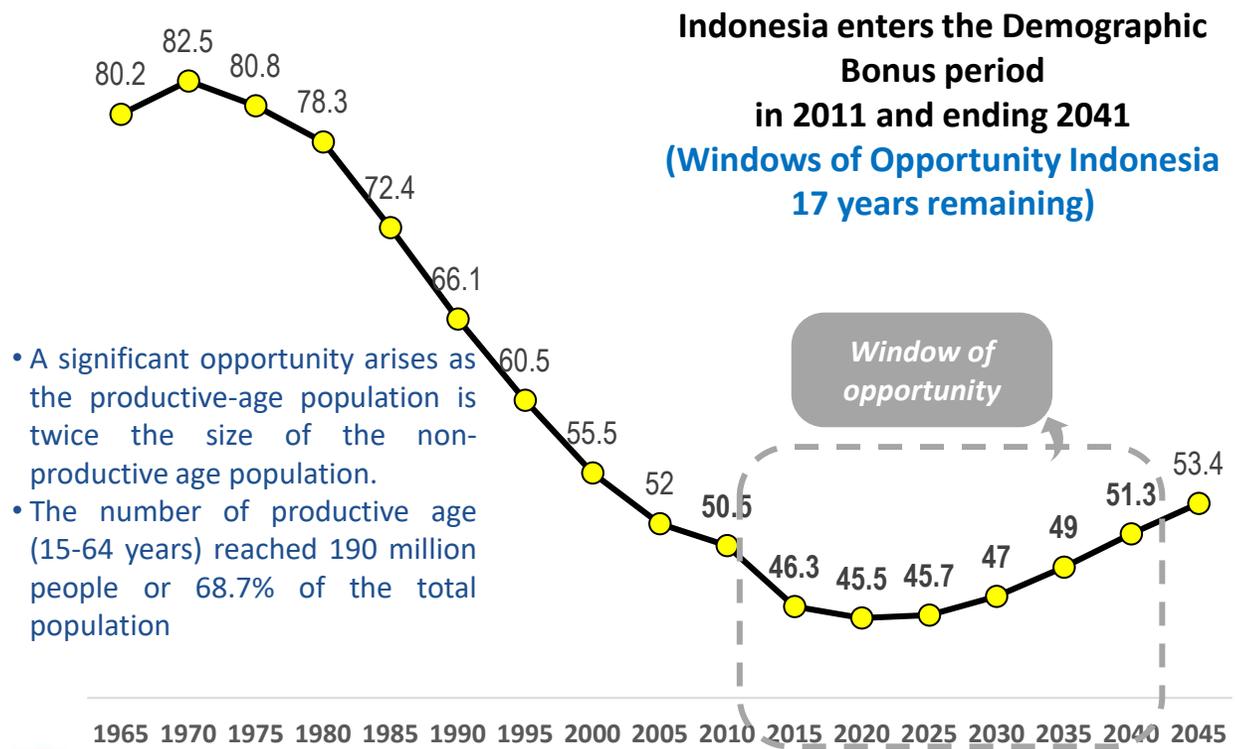
6. Equal and Quality Territorial Development
7. Quality and Environmentally Friendly Facilities and Infrastructure
8. Development Sustainability



Indonesia Has A Demographic Bonus And Abundant Natural Resources

Indonesia has a major opportunity from its demographic bonus period (2011–2041), where the productive-age population dominates, creating strong potential to drive economic growth. This advantage is further supported by rich natural resources, strong social and cultural capital, and significant maritime and environmental assets that can strengthen Indonesia's long-term development.

THE PEAK OF INDONESIA'S DEMOGRAPHIC BONUS



- A significant opportunity arises as the productive-age population is twice the size of the non-productive age population.
- The number of productive age (15-64 years) reached 190 million people or 68.7% of the total population

Dependency Ratio is a comparison between the number of people aged 0-14 years plus the number of people aged 65 years and over (non-productive age population) compared to the number of people aged 15-64 years (productive age).

Source: BPS Preparation of Indonesian Population Projections SUPAS Results 2015-2045

SOCIAL CULTURAL CAPITAL

Harmonious and tolerant – Community Collaboration (Gotong Royong) – Deliberation to reach a consensus – Family – Social solidarity – Independent spirit – Cultural diversity

MARITIME WEALTH

16% of the world's coral reefs	25,000 species of flowering plants (10% of the world)
Capture fisheries potential 12 million tons	The largest mangrove forest 3.36 million hectares

Geographical Location Advantages

NATURAL WEALTH

125.57 million hectares of forest areas	Nickel with ore reserves 5.24 billion tons
Coal reserves 36.30 billion tons	Renewable energy potential 3,716 GW

Source: Bappenas

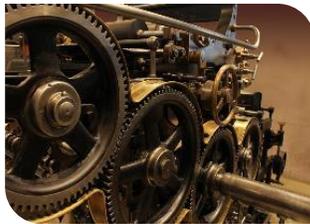
Main Government Policies to Promote Strong, Socially Inclusive, and Environmental-Friendly Economic Growth



This policy framework aims to ensure strong, inclusive, and sustainable economic growth by balancing conventional economic revitalization, fostering new economic engines, and enhancing human resource productivity.

NEW PATH OF GROWTH: HIGH GROWTH, INCLUSIVE, & SUSTAINABLE

1st ENGINE
Revitalizing the
Conventional Economic
Mechanism



2nd ENGINE
Building a New Economic Engine



**3rd ENGINE AS THE
FOUNDATION**
Enhancing Productivity &
Competitiveness of Human
Resources

ENABLER FOR ECONOMIC GROWTH



Macroeconomic
Stability



Maintaining
People's
Purchasing Power



Efficiency &
Investment Climate
Support



Strengthening &
Deepening the
Financial Sector



Enhancing Social
Security & Social Safety
Nets



Implementation of OSS with Risk-based Business Licensing

Indonesia has implemented OSS with Risk-Based Business Licensing since November 2025. The Government Regulation No. 28 of 2025 (PP 28/2025), which replaces PP No. 5 of 2021, strengthens the Risk-Based Business Licensing framework by providing businesses with clearer procedures, greater legal certainty, and a more transparent regulatory environment

3 major changes in PP No 28/2025



Implementation of service time (SLA/Service Level Agreement) in the process of issuing business permits



Implementation of Fictitious-Positive policies



The licensing process is carried out electronically through the OSS RBA system

Single Preference Principle

PP 28/2025 is a single reference; there are no additional requirements or permits issued by ministries, institutions, regional governments, or area managers that are not regulated in PP 28/2025

Regulation in PP 28/2025

Consists of 14 chapters:

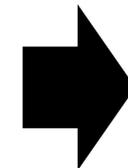
- Two new chapters added (Basic Requirements and PBUMKU)
- Basic requirement reform
- Simplification of NSPK chapters and adjustment of sector names according to UUCK (Job Creation Law)
- Improvement and completion of norms

Improvement of Annexes I – IV:

- Provide clarity
- Substantial improvements to Annexes I and II
- Details of the requirements and obligations of PB and PB UMKU

Risk-Based Business Licensing Development

June 2025
Issuance of Government Regulation No. 28 of 2025



November 2025
OSS with Risk-Based Business Licensing (PP 28/2025) has been implemented since November 2025, with minor adjustments still ongoing

Government law updates

- 17 has been enacted
- 5 finished harmonisation process
- 3 is in harmonisation process

Source: Coordinating Ministry for Economic Affairs

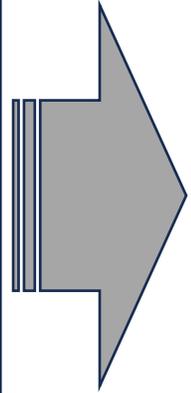


The policy direction strengthens Indonesia's investment framework by making it more open, less restrictive, and globally competitive, supported by enhanced fiscal and non-fiscal incentives, simplified business processes, and expanded opportunities in strategic sectors and Special Economic Zones.

Towards a Competitive and Global-Ready Investment Ecosystem

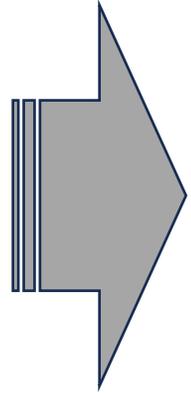
THE URGENCY OF REVISION

- To reflect current economic dynamics
- To create a more conducive investment climate
- To increase efficiency, support industrial transformation, and strengthen national competitiveness



THE OBJECTIVE OF REVISION

- MORE OPEN, LESS RESTRICTIVE**
 - Easing of restrictions
 - Strategic sectors are now more open to investment: health, trade, tourism, public works, and education.
- MORE OPEN INVESTMENT OPPORTUNITIES IN SPECIAL ECONOMIC ZONES (SEZ)**
 - No minimum investment limit
 - Simplified business processes with various convenient facilities
 - Fiscal and non-fiscal incentives to support investment
 - Various strategic SEZ zone options, including: tourism, production and processing, logistics & distribution, research & technology, and energy



THE STRATEGY

- FISCAL INCETIVE**
 - Tax Holiday, Tax Allowance, Investment Allowance
 - Super Tax Deduction
 - Customs Incentives
- NON-FISCAL INCETIVE**
 - Ease of Licensing & Infrastructure
 - Support for Energy, Raw Materials, Immigration, and Employment
- NEW PRIORITIES**
 - Green industry
 - Digital industry



Trade Policy: Deregulation On Import Policy

Following the President's instructions on deregulation policies aimed at facilitating trade for businesses, enhancing Indonesia's competitiveness, creating jobs, and accelerating investment in labor-intensive sectors to drive economic growth, new regulations on Import Policies and Regulations have been established.

Deregulated Import Commodity Groups (482 HS)

Import Deregulation Policy Output



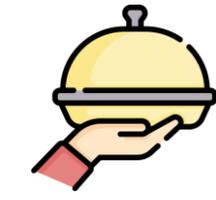
Industrial Raw Materials/Auxiliary Materials (29 HS)

- Pupuk Bersubsidi
- Bahan Bakar Lain
- Bahan Baku Plastik
- Saccharin, cyclamate, alcohol-containing fragrances
- Certain chemicals
- Pearls



Competitive Industrial Products (10 HS)

- Footwear
- Two-wheeled and Three-wheeled Bicycles



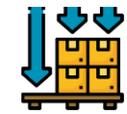
National Program Support Products (2 HS)

- Food Tray



Forestry Product (441 HS)

Ministry of Trade (MoT) Regulation No. 36 of 2023 in conjunction with Ministry of Trade Regulation No. 8 of 2024 will be revoked, and the following will be issued:



MoT Regulation No 16 of 2025 on Import Policies and Regulations for **General Import Provisions**



Commodities Clustered Based MoT, as detailed :

1. MoT Regulation No 17 of 2025 on Import Policy and Regulation for **Textile and Textile Production**;
2. MoT Regulation No 18 of 2025 on Import Policy and Regulation for **Agriculture and Farming Goods**;
3. MoT Regulation No 19 of 2025 on Import Policy and Regulation for **Salt and Fish Commodity**;
4. MoT Regulation No 20 of 2025 on Import Policy and Regulation for **Chemicals, Hazardous Materials, and Mining Materials**;
5. MoT Regulation No 21 of 2025 on Import Policy and Regulation for **Electricity Goods and Telematics**;
6. MoT Regulation No 22 of 2025 on Import Policy and Regulation for **Certain Industrial Goods**;
7. MoT Regulation No 23 of 2025 on Import Policy and Regulation for **Consumption Goods**; and
8. MoT Regulation No 24 of 2025 on Import Policy and Regulation for **Used Goods and Non-Hazardous and Non-Toxic Waste**.



OECD: Membership In The Oecd As A Catalyst For Structural Reform In Indonesia

Indonesia's accession to the OECD is a strategic measure to ESCAPE THE "MIDDLE INCOME TRAP" and ACHIEVE "GOLDEN INDONESIA 2045" VISION.

Structural Reform through OECD Membership (Domestic Reform Catalyst)

Strengthening competitiveness and economic resilience

Enhance sound and equitable **business competitiveness**, accelerate the **transformation of an inclusive digital economy**, and achieve a sustainable and equitable economy.

Improved policy quality and institutional governance

Strengthen **public policies and improve institutional governance** according to **international standards**. This is expected to improve public services and accelerate Indonesia's transition to a developed country.

Reform Credibility

Demonstrates Indonesia's **commitment to implementing best practices and following international standards**. This strengthens the reputation and credibility of Indonesia's economic reforms and ensures domestic policies remain relevant in the face of global dynamics.

Signaling Indonesia's readiness as a global player

Accession and membership of the OECD shows Indonesia's **readiness to stand alongside other global players** and commitment to the principles of democracy, rule of law, and market openness and transparency.

- Stronger **anti-corruption policy** instruments with the ratification of **OECD Anti-Bribery Convention**.
- **Transparency of the Tax Sector**. Increased funding for development. Tax optimization of multinational companies operating in Indonesia.
- **Public sector procurement becomes more transparent** so the state budget is more efficient.
- **Better corporate governance and SOEs** so that SOEs can contribute more to the national economy.



- Indonesia's **ACCESSION ROADMAPS'S** handover at the OECD MCM in **MAY 2024** made **INDONESIA AS THE FIRST OECD MEMBER CANDIDATE IN ASEAN**.
- Indonesia is optimistic about **COMPLETING ITS OECD ACCESSION** within the **NEXT 3–4 YEARS**, following the submission on **3 June 2025** of its **32-chapter INITIAL MEMORANDUM (IM)** outlining self-assessments of policies, regulations, and alignment with **240 OECD LEGAL INSTRUMENTS**.
- Based on the self-assessment, **MOST OF INDONESIA'S REGULATIONS ARE INLINE** (fully/partially aligned) with OECD legal instruments.
- **ON PROGRESS:** The OECD has initiated the **TECHNICAL REVIEW** stage of Indonesia's accession process in Q3 2025, involving information gathering through questionnaires, independent studies, and fact-finding missions, with the questionnaire distribution targeted for completion in early 2026



IEU-CEPA strengthens Indonesia's external sector by expanding export opportunities, attracting investment, and supporting long-term economic competitiveness and growth.

IEU-CEPA TIMELINE



BENEFITS OF IEU-CEPA

a. Market access:

- a. EU: Eliminates 98.61% of tariff lines, covering 100% of import value from Indonesia
- b. Indonesia: Eliminates 97.75% of tariff lines, covering 98.14% of import value from the European Union

b. The European Union will **open greater market access for Indonesia's**

key products such as palm oil, footwear, textiles, and fish. Through the Palm Oil Protocol, the EU and Indonesia will advance sustainable palm oil trade by enhancing regulatory alignment, strengthening ISPO, and supporting smallholders and MSMEs..

c. "The implementation of **IEU-CEPA is expected to generate substantial economic benefits for Indonesia**, similar to those already happened in Vietnam and Singapore."

d. The implementation of **Schengen Visa Cascade Policy** that allows Indonesian to gain multiple-entry access to EU for 5 years.





Policy Support in the Field of Manpower

Amid escalating trade tensions and weakening global demand that particularly affect labor-intensive industries, the government continues to strengthen worker protection and business resilience. Key measures include a reduction in Jaminan Kecelakaan Kerja (JKK) contributions and enhanced benefits under the Jaminan Kehilangan Pekerjaan (JKP) program to support workers impacted by layoffs

Government Policies

Enhancement Benefits of the JKP Program

- Cash benefits increased to 60% of flat wages for 6 months
- Job training benefits increased to Rp 2.4 million
- Ease of participation requirements and benefit claims
- Benefits of access to job market information and job guidance
- Protection for workers affected by layoffs due to company closure/bankruptcy
- JKP contributions are partly covered by the Central Government

Fifty Percent (50%) reduction in JKK contributions

- JKK contribution relaxation policy in the form of a 50% discount has been reinstated for period from August 2025 to January 2026
- The discount is given to certain labor-intensive industrial companies with a minimum workforce of 50 people, including:
 - food, beverage, and tobacco industry;
 - textile and apparel industry;
 - leather and leather goods industry;
 - footwear industry;
 - children's toy industry; and
 - furniture industry.
- The reduction in contributions does not reduce the JKK benefits received

This employment policy effective as of February 2025 based on: (i) Government Regulation No. 6 of 2025 on Amendments to Government Regulation No. 37 of 2021 concerning the Implementation of the Jaminan Kehilangan Pekerjaan (JKP)/Job Loss Insurance Program, and (ii) Government Regulation No.36 of 2025 on Amendments to Government Regulation No. 7 of 2025 on Adjustment of Jaminan Kecelakaan Kerja (JKK)/Work Accident Guarantee Contributions for Certain Labor-Intensive Industrial Companies.



Digital Economy's Policy

Indonesia's digital economy policy advances a comprehensive domestic strategy, anchored by its 2023 White Paper and six key pillars, while strengthening regional integration through ASEAN DEFA and IPEF to enhance digital trade, innovation, and regulatory cooperation.

DOMESTIC

White Paper On The National's Digital Economy Development Strategy

- Coordinating Ministry for Economic Affairs has launched the White Paper on the National's Digital Economy Development Strategy on December 6, 2023.
- The white paper aims to serve as guide for related stakeholders in developing the digital economy with a timeline until 2030 and is intended to be a living document.
- It outlines six main pillars for the development of the digital economy, which are: (1) Infrastructure; (2) Human Resources; (3) Business Climate and Cybersecurity; (4) Research, Innovation, and Business Development; (5) Funding and Investment; and (6) Policies and Regulations



60+ INITIATIVES WITH MILESTONES, JOINTLY LED BY GOVERNMENT AND BUSINESS

30 new gov't-led initiatives across ministries

8 new business-led initiatives

24 current gov't-led initiatives across ministries

6 current business-led initiatives

Source : White Paper on The National's Digital Economy Development Strategy

- Government recognizes emerging technologies as new engines of growth, so Indonesia is preparing regulatory frameworks (such as Roadmap For Developing Semiconductor Ecosystem and Emerging Technologies) to support their sustainable development.

REGIONAL

1. Asean Digital Economy Framework Agreement

ASEAN DEFA is one of commitment among ASEAN countries to encouraging and optimizing the potential of digital economy in the ASEAN region.

9 Core Defa Provisions

Digital Trade Paperless trade, interoperable single windows, electronic transferrable records, electronic invoice	Cooperation on emerging topics Regulating emerging technology (e.g., AI, blockchain)
Cross-border E commerce Fair treatment of digital goods and services, facilitation for cross-border small shipments	Competition policy Cooperation on competition policy to ensure fair playing field
Payments Interoperable payment systems, comparable regulatory requirements & barriers	Cross-border data flows and data protections Personal data protections, common data classifications, source code, cross-border data flows
Digital ID and authentication Technical interoperability, mutual recognition & legal standing	Online safety and cybersecurity Online consumer protection, fraud protection, online dispute resolution, alignment on cybersecurity standards and protections, cross-border cooperation
Talent mobility and cooperation Labor mobility for digital talent & entrepreneurs, accreditations, cooperation on technical skills	

2. Indo-Pacific Economic Framework (IPEF- Digital Economy Cluster)

4 Pilar IPEF



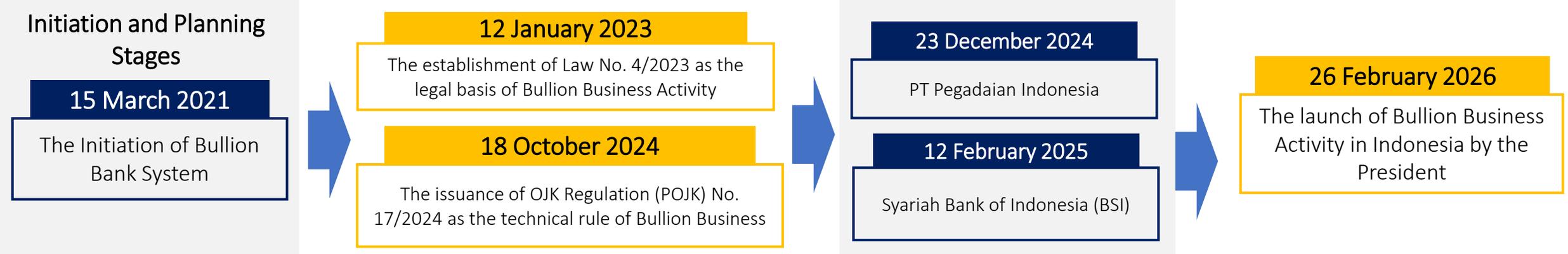
- The United States initiative launched by President Biden on May 23, 2022
- There are 14 participating countries: US Australia, Brunei Darussalam, Fiji, Philippines, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Singapore, Thailand, and Vietnam.



Bullion Bank: Synergy of Bullion Industry Ecosystem in Indonesia

The bullion bank marks a key milestone in developing Indonesia's domestic bullion ecosystem, aims to increasing the economic benefit from the downstream industry natural resources (gold), accelerating financial inclusion, and strengthening the Indonesia's position in the gold's global value chain.

Timeline



The Idea of Bullion Bank

- The Bullion system aims to increasing the economic benefit from the downstream industry natural resources (gold), accelerating financial inclusion, and strengthening the Indonesia's position in the gold's global value chain.
- Currently the Bullion Bank in Indonesia is run by PT Pegadaian and Syariah Bank of Indonesia (BSI), managing a combined total of 148.77 tons of gold assets (as of October 2025)



The Business of Bullion

- Gold Saving** (monetization of customer's gold saving)
- Gold Financing** (Financing in the form of gold)
- Gold Transaction** (Gold bar trading)
- Gold Deposit** (gold bar deposit non-monetization)



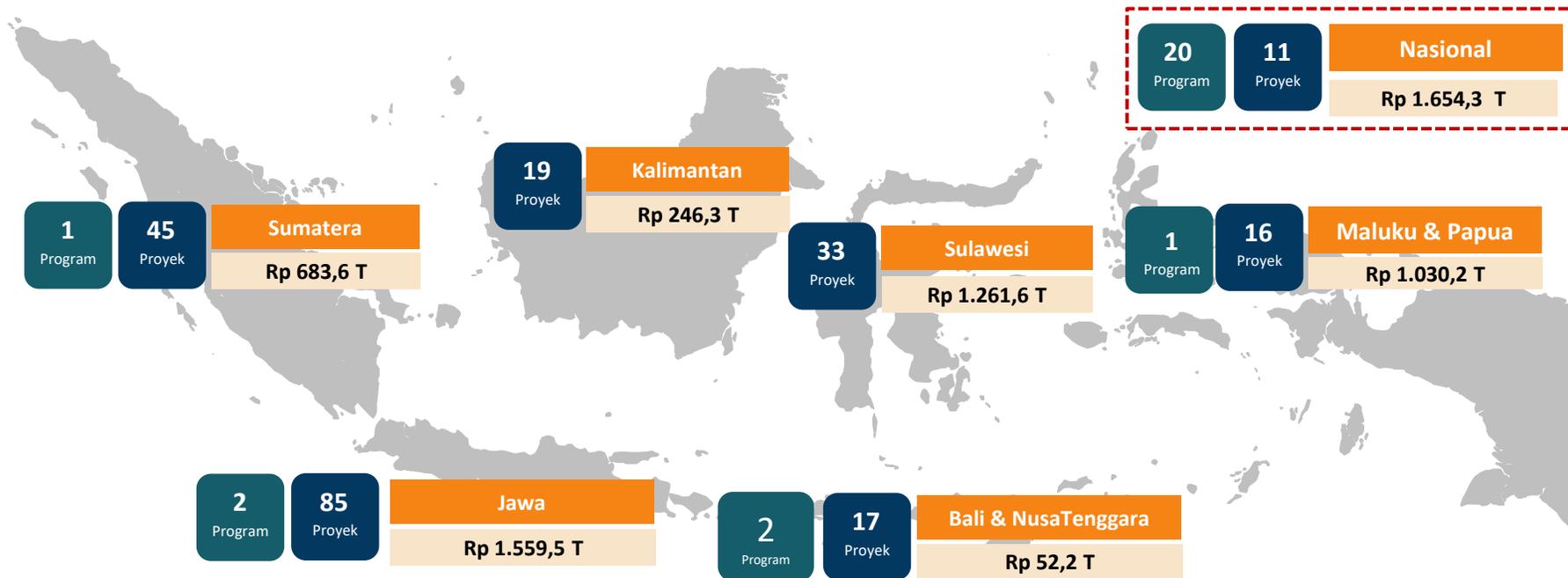
Bullion Ecosystem Development

- Intensive coordination between central government with the business sector
- Accelerating the implementation and development of bullion products referring to the Law of P2SK
- The establishment of Bullion Business Activity Roadmap 2025 – 2030 by OJK
- Increasing the market capacity and international agreement to support bullion ecosystem
- Dissemination to improve the society's literacy about the Bullion Business Activity

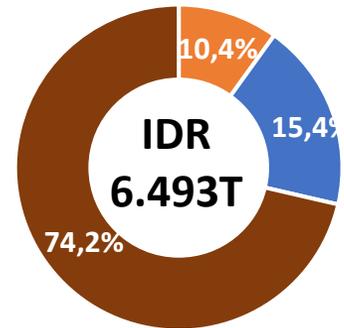


The National Strategic Project (PSN)

Based on Coordinating Minister Regulation Number 16/2025 dan Number 19/2025 , there are 226 Projects and 26 Programs as PSN with an estimated total investment value (CapEx) of IDR 6.493 trillion



Portion of the Investment Plan Scheme Funding

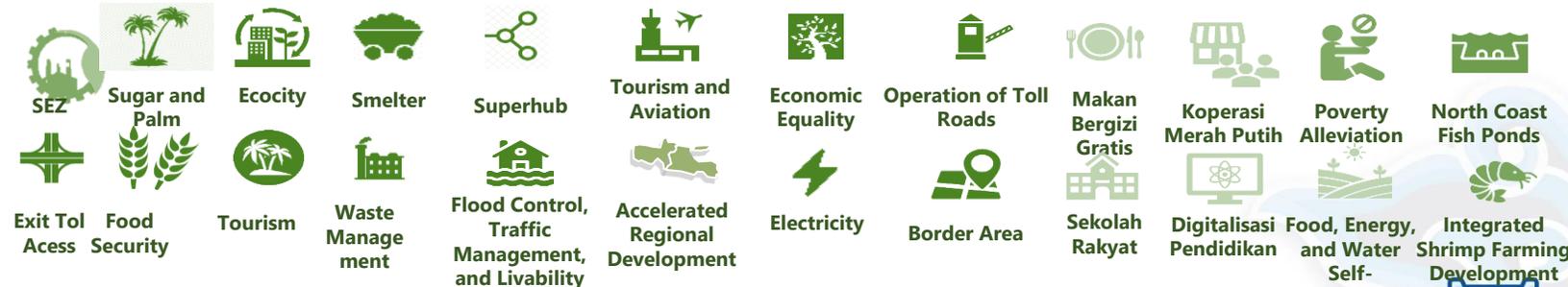


■ State Budget ■ SOE Budget ■ Private

14 Sector of PSN



26 Programs of PSN





Enacted on March 7, 2025

Enacted on September 24, 2025

Enacted on December 12, 2025

Enacted on December 12, 2025

Coordinating Minister for Economic Affairs Regulation No. 2 of 2025

Seventh Amendment to Coordinating Minister for Economic Affairs Regulation No. 7 of 2021



Addition of Article 2A, as follows:

1. PJKP (Project Owner) must complete PSN on time in accordance with the planning documents at the time of PSN proposal.
2. PJKP (Project Owner) shall report the implementation and proposed revisions to the completion plan to the Coordinating Minister for Economic Affairs in the event of a delay.

Source: KPPIP (2026)

Coordinating Minister for Economic Affairs Regulation No. 16 of 2025

Eighth Amendment to Coordinating Minister for Economic Affairs Regulation No. 7 of 2021



Changes to the National Strategic Projects (PSN) list are as follows:

The list of Projects has been changed from 228 to 226 Projects, and the list of Programs has been changed from 24 to 26 Programs.

Coordinating Minister for Economic Affairs Regulation No. 19 of 2025

Addition to the PSN List

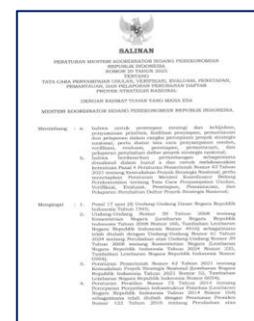


Additions to the National Strategic Projects (PSN) list include:

1. National Food, Energy, and Water Self-Sufficiency Program from Forest Area Control
2. National Salt Industry Center Area Program.

Coordinating Minister for Economic Affairs Regulation No. 20 of 2025

Procedures for Submission, Verification, Evaluation, Determination, Monitoring, and Reporting of PSN



Additions to the Provisions on the Determination of PSN Business Entities in the Food Sector are as follows:

1. The Coordinating Minister for Food may determine PSN business entities in the Food, Energy, and Water sectors in accordance with the provisions of Presidential Decree No. 19 of 2025.
2. Furthermore, the determination of these business entities shall be submitted to the Coordinating Minister for Economic Affairs.



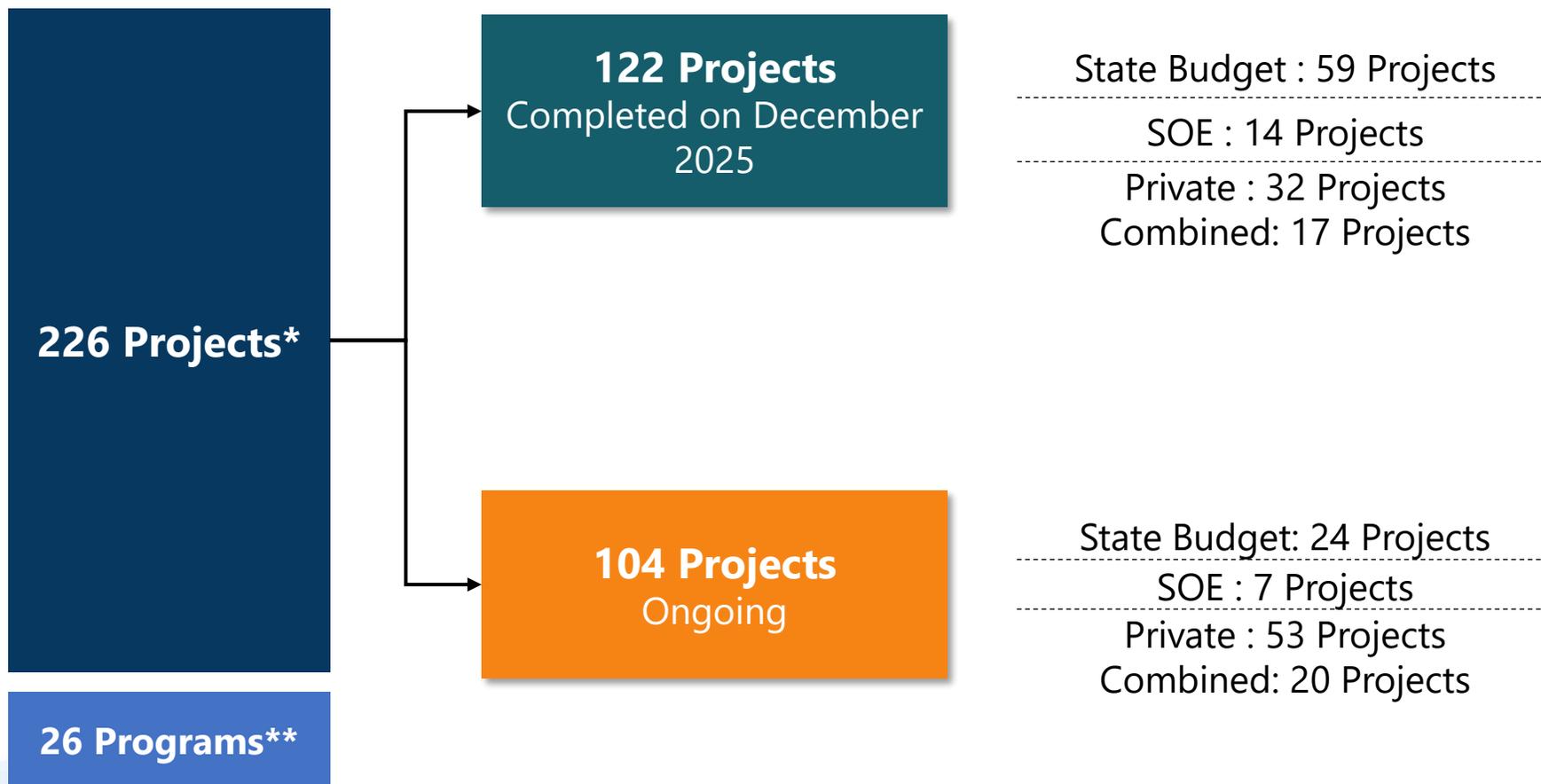
2025 PSN Completion and Investment Status

The total 226 PSNs, 122 projects have been completed with an investment of Rp1,849.6 trillion, while 104 projects are still ongoing with a value of +/- Rp3,052.4 trillion, with the private sector accounting for 91% or +/- Rp2,770.58 trillion.

Total Projects

Completion Status

Financing Scheme



226 Projects*

26 Programs**

122 Projects Completed on December 2025

104 Projects Ongoing

State Budget : 59 Projects
SOE : 14 Projects
Private : 32 Projects
Combined: 17 Projects

State Budget: 24 Projects
SOE : 7 Projects
Private : 53 Projects
Combined: 20 Projects

*Includes projects listed in the appendix to Ministerial Regulation No. 16/2025.

** In accordance with the list of programs in Ministerial Regulation No. 16/2025.



Recapitulation of PSN Targets to be Completed in 2026 - 2029

The PSN, which is targeted for completion in 2026-2029, requires a budget of +/- Rp3,105.8 trillion, with the PSN supporting downstreaming, competitiveness improvement, tourism, and technology having the largest total investment +/- Rp2,119.3 trillion

Strengthening Food Security and the Environment



Water and Sanitation

5 Projects
Investment Value: IDR88 T



Dams and Irrigation

18 Projects
Investment value: IDR39,5 T



Seawall

1 Project
Investment value : IDR30,9 T



Agriculture and Plantation

2 Projects
Investment value : IDR1,1 T

TOTAL INVESTMENT

IDR159,6 T

Connectivity and Accessibility



Roads and Bridges

35 Projects
Investment value : IDR647 T



Train

5 Projects
Investment value: IDR131,1 T



Port

3 Proyek
Investment value: IDR49,6 T

IDR827 T

Downstreaming, Competitiveness Enhancement, Tourism & Technology



Industrial Estate

24 Projects
Investment value: IDR779,8 T



Energy

15 Projects
Investment value : IDR1.329 T



Tourism

1 Project
Investment value: IDR1,9 T



Technology

1 Project
Investment value: IDR8,6 T

IDR2.119,3 T



List of PSNs with Completion Targets in 2026

In 2026, based on KPPIP curation, it is estimated that there will be 10 PSN Projects and 2 PSN Sub-Programs. The construction of the smelter “can be completed” with an estimated investment value of IDR 136.7 trillion.



List of National Strategic Programs with Target Completion Date of 2026

No	List of PSN	Sector	Location	Investment
1	Pembangunan Fasilitas Pengolahan dan Pemurnian Bauksit oleh PT Borneo Alumina Indonesia di Mempawah, Provinsi Kalimantan Barat Fase I	Energy	West Kalimantan	15.28 T
2	Pembangunan Fasilitas Pengolahan dan Pemurnian Komoditas Tembaga oleh PT Amman Mineral Industri di Sumbawa Barat, Nusa Tenggara Barat	Energy	East Nusa Tenggara	20.6T

Source: KPPIP (2026)

List of National Strategic Programs with Target Completion Date of 2026

No	List of PSN	Sector	Location	Investment
1	Jalan Tol Sigli – Banda Aceh	Road	Aceh & North Sumatera	IDR 16.5T
2	Jalan Tol Kayu Agung - Palembang - Betung	Road	South Sumatera	IDR 17.3 T
3	Jalan Tol Serang - Panimbang	Road	Banten	IDR 9.9 T
4	Konstruksi Tangki Penyimpanan LPG (lokasi di Kupang)	Energy	East Indonesia	IDR 0,32 T
5	Pembangunan Pipa Transmisi Gas Bumi Ruas Cirebon - Semarang (Tahap II Ruas Batang - Indramayu)	Energy	West & Central Java	IDR 2,79 T
6	Kawasan Industri Tanah Kuning (PT ISI)	Industrial Estate	North Kalimantan	IDR 55 T
7	Bendungan Jragung	Dam	Central Java	IDR 2,8 T
8	Sistem Penyediaan Air Minum (SPAM) Regional Benteng - Kobema (Bengkulu Tengah, Kota Bengkulu, dan Seluma)	Water & sanitation	Bengkulu	IDR 0,9 T
9	Kawasan Industri Kuala Tanjung	Industrial Estate	North Sumatera	IDR 28,8 T
10	Kawasan Industri Wiraraja Green Renewable Energy & Smart-Eco Industrial Park (GESEIP)	Industrial Estate	Riau Island	IDR 343.79 T

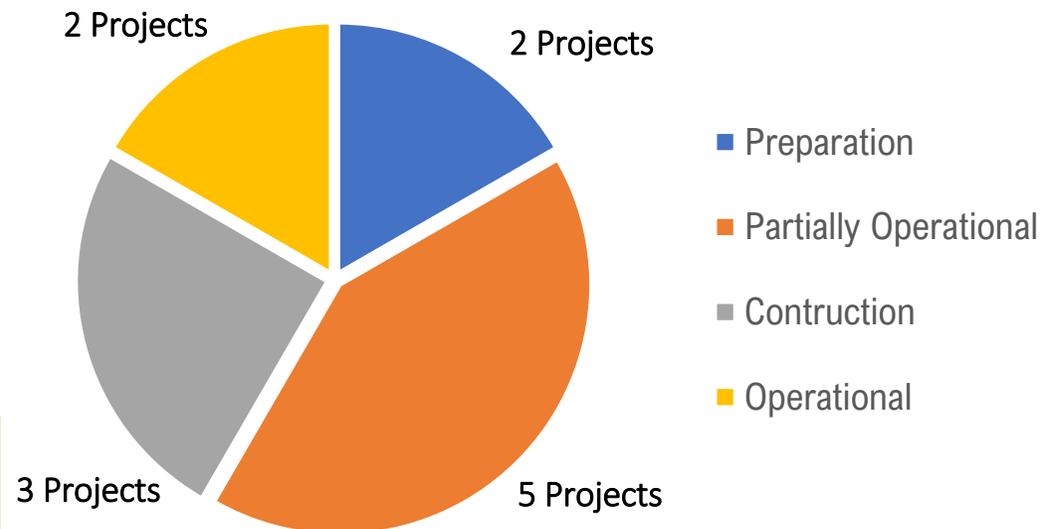


Overview of PSN with a Target Completion Date of 2026

Total of 12 PSNs are targeted for completion by 2026 with an estimated investment of Rp136.7 trillion

	Water and Sanitation 1 Project	IDR 0,9 Trillion
	Dams and Irrigation 1 Project	IDR 2.8 Trillion
	Road 3 Project	IDR 38.5 Trillion
	Energy 4 Project	IDR 39 Trillion
	Industrial Estate 3 Project	IDR 55.5 Trillion
Total Investment		IDR 136.7 Trillion

Current Project Status (As of December 2025)



Preparation 2 Industrial Estate	Finish/Operational 2 Energy
Partially Operational 2 Road 2 Energy 1 Industrial Estate	Construction 1 Road 1 Dam 1 Water and Sanitation

Source: KPPIP (2026)



Special Economic Zones Promote Inclusive and Sustainable Economic Growth

Indonesia has established 25 SEZs (7 in Java and 18 outside Java), comprising 13 industrial and 12 service SEZs, with cumulative investment realization reaching Rp 294.4 trillion and employment absorption of 187 thousand workers.

7 SEZs in Java and 18 SEZs outside Java (13 Industrial SEZs, 12 Service SEZs)

- Investment realization (cumulative) amounted to Rp.294.4 trillion
- Employment absorption of 187 thousand worker

Development of SEZs

Cumulative achievements of the SEZ until June 30, 2025
Rp294,4T

Business Operator Realization
Rp31,6T (10,8%)

Business Entity (tenant) Realization
Rp262,7T (89,2%)

- Increasing Exports and Import Substitution**
Export-competitive industries and halal industries
- Industrial Downstreaming**
To increase added value by processing raw materials into high value-added goods
- Acceleration of Industry 4.0 Implementation**
Automation-based manufacturing industry
- Accelerating the Development of the Service Sector**
Digital industry, information technology, finance, education, and health services
- Equitable Development (Inclusive)**
Development of industrial centers in the regions to spur economic growth
- Promoting Trade Surplus**
Import substitution industries, such as chemicals, machinery, and electronics, including the development of the service sector, have been causing foreign exchange outflows.
- Resilience and Sustainability**
Green Economy, Blue Economy, and Circular Economy Development

Export realization data from SEZs continues to increase, reaching Rp82.04 trillion in Q2-2025.

Largest exports: Galang Batang SEZ (alumina), Kendal SEZ (anodes), Gresik SEZ (copper)

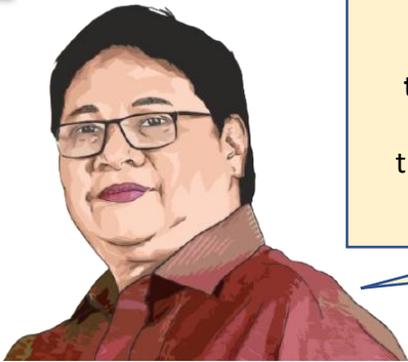
Source: Special Economic Zones



About The Energy Transition And Green Economy Task Force

The Energy Transition and Green Economy Task Force drives Indonesia's green economic transformation by coordinating policies, financing, and cross-sector implementation to accelerate decarbonization and sustainable energy development in line with national development goals.

1 Background



A National Energy Transition Task Force is needed, encompassing initiatives such as **AZEC, JETP, and other policies related to energy transition and the green economy**, to ensure stronger synergy among various financing schemes, investments, and sustainable energy transition policies. This will support Indonesia's decarbonization targets and the development of a green economy.

Airlangga Hartarto
Coordinating Minister for Economic Affairs

2 Main Objective

To support the realization of a green economic transformation, as outlined in the 2025–2029 National Medium-Term Development Plan (RPJMN)

3 Roles and Responsibilities

THE ENERGY TRANSITION AND GREEN ECONOMY TASK FORCE

- **Develop a roadmap and policies** for the energy transition and green economy, including decarbonization.
- **Harmonize, adapt, and formulate regulations** that support the energy transition and green economy.
- **Ensure the effective implementation** of policies and regulations related to the energy transition and green economy.
- **Identify and coordinate financing mechanisms** from domestic and international sources to support the energy transition and green economy.
- **Promote investment and technology transfer** in the sustainable energy sector through collaboration with national and international strategic partners.
- **Manage the social, economic, and environmental impacts** of the energy transition and green economy, including those affecting the workforce in impacted sectors.
- **Develop human resource and research capacity** to support the energy transition and green economy.





JETP Indonesia Stands as The Largest Individual Energy Transition Financing Effort

On 16 November 2022, Indonesia and the International Partners Group (IPG) – supported by 7 global financial institutions under GFANZ – launched JETP Indonesia, the world's largest individual country-level energy transition financing commitment at USD 21.8 billion



Comprehensive Investment and Policy Plan (CIPP) 2023 as a Strategic Recommendation for Indonesia's Energy Transition

Main Result

Technical

- An ambitious yet achievable on-grid power sector roadmap.
- A list of priority projects in 5 investment areas, compiled from the Government and PLN.

Financing

- Funding needs to meet the electricity sector roadmap and priority projects.
- Clarification of general terms and conditions of IPG funding provisions.

Policy

- Policy reform recommendations for 7 key topics.

Just Transition

- A just transition framework for managing social, economic and environmental impacts.
- Opportunities for government stakeholders to advance just transition principles.

Targets in JETP Scenario

Target in 2030: CO2 emissions 250 MT (on-grid) 44% share of renewable energy

USD 97.3 billion needed for just transition by 2030

400+ priority projects (USD 66.9 billion investment required) to be initiated by 2030

Positive socio-economic impacts during the energy transition process

Key assumptions for achieving JETP targets

Policies supporting the energy transition are in place and implemented (refer to policy recommendations in CIPP 2023 Chapter 8)

Accessible financing available

- Concessional financing for low return projects is easily accessible
- Commercial financing for commercially viable projects
- Grants/TA to support studies, including feasibility studies that will lead to project implementation

There are no obstacles in implementing the project such as land acquisition and licensing.

Procurement is carried out periodically for renewable energy and transmission projects by PLN with bankable PPAs & fair risk sharing between PLN and IPPs.

Source: Coordinating Ministry for Economic Affairs



Energy Transition And Green Economy Taskforce (SATGAS TEH) Plays A Key Role In Advancing Indonesia's Energy Transition And JETP Implementation

The Energy Transition and Green Economy Task Force (SATGAS TEH), established under Coordinating Minister for Economic Affairs Decree No. 141/2025, plays a key role in advancing Indonesia's energy transition and the implementation of JETP. As Indonesia continue to go deeper into implementation stage, SATGAS TEH will engage multiple programs such as JETP, AZEC, ICCSC, and others.

Based on Coordinating Minister for Economic Affairs Decree No. 141/2025

Steering Committee

Chair Coordinating Minister of Economic Affairs (CMEA)	Vice-Chairman Coordinating Minister for Infrastructure & Regional Development (CMIRD)	Secretary Secretary of CMEA	Member Minister of State Secretariat Minister of Home Affairs Minister of Foreign Affairs Minister of Finance Minister of Higher Education, Science, and Technology Minister of Manpower Minister of Industry Minister of Trade	Minister of Energy and Mineral Resources Minister of Public Works Minister of Transportation Minister of Forestry Minister of Environment / Head of the Environmental Control Agency Minister of Marine Affairs and Fisheries Minister of Agrarian Affairs and Spatial Planning / Head of the National Land Agency Minister of National Development Planning / Head of the National Development Planning Agency Minister of State-Owned Enterprises Minister of Investment and Downstream / Head of the Investment Coordinating Board
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Supervisory Team

Vice Chairman Inspector, CMEA	Vice Chairman of the Financial and Development Supervisory Agency (BPKP)
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Implementation Team

Chairman Deputy for Energy and Mineral Resources Coordination, CMEA	Vice Chairman I Deputy for Basic Infrastructure Coordination, CMIRD	Vice Chairman II Secretary General of MEMR	Secretary Asst. Deputy for the Acceleration of Energy Transition, CMEA
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Working Groups

<p>Green Energy & Upstream Decarbonization</p> <p>Chair Director General of EBTKE, MEMR</p> <p>Vice-Chairman Act. Dir. General of Electricity, MEMR</p>	<p>Green Industry and Downstream Decarbonization</p> <p>Chair Secretary General of Mol</p> <p>Vice-Chairman Director General of Oil & Gas, MEMR</p>	<p>Partnership, Finance and Green Investments</p> <p>Chair Director General of Risk Management and Financing, Ministry of Finance</p> <p>Vice-Chairman Secretary General of SOE Ministry*</p>	<p>Social, Economy, Environment, and Human Resource Capacity Development</p> <p>Chair Exec. Director for Policy Synchronization of Economic Priority Programs, National Economic Council</p> <p>Vice-Chairman Deputy for Climate Change Control & Governance of Carbon Economic Value, Min. of Environment</p>
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As we move continue to go deeper into implementation stage, SATGAS will engage multiple programs such as JETP, AZEC, ICCSC, and others.

* Ministry of SoE no longer exists, no official statement yet on the position (TBC)



JETP Indonesia Mobilized ~USD 3.4 Billion Out of USD 21.4 Pledge in Loan/Equity/Grant Funding Out Per December 2025

Loan/Equity¹



¹Programs are defined as non-project specific investment, such as Result Based Lending, Policy Based Loan, and equity investment

²Project costs estimated by FWG from published Indonesia generation cost data.

Grant/TA programs



MDB Guarantees³



³The Lol for the MDB Guarantee has been signed between the UK Government, the Government of Indonesia, and the IBRD, which means that this \$1 billion guarantee can now be accessed through the IBRD.

Implemented by



****Notes:**

1. Certain grant programs are still in the process of confirming amounts
2. **FX conversion** from respective currencies to USD (Source: WSJ) are as of **31 December 2025** and variety of FX depending on the signing or approval of the grants.
3. The nominal differences from the previous publications are mostly due to FX fluctuations
4. Nominal are rounded to the nearest one decimal

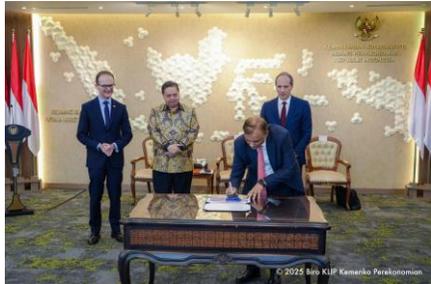
Source: JETP Secretariat

Highlights JETP Achievements to Date: Total of ~ USD 3.4 Billion Across Projects, Programs, and Grants as of December 2025



As of December 2025, JETP has mobilized approximately USD 3.4 billion across projects, programs, and grants, supporting initiatives such as the Saguling 60 MW Floating Solar, Muara Laboh 83 MW Geothermal project, and the MRT Jakarta North-South and East-West Lines through policy-based lending, results-based loans, concessional financing, grants, and technical assistance.

PROJECTS



Saguling 60 MW Floating Solar PV on existing reservoir — no additional land acquisition required : **USD 60 Million**



Muara Laboh Operational geothermal plant, Solok Selatan, West Sumatra — baseload renewable energy 83 MW : **USD 138 Million**

largest single JETP project by value



MRT Jakarta North-South and East-West Line: Modal shift from private vehicle to mass transit **USD 1,791.5 Million**

PROGRAMS

No	Funding Type	Description	Value	Status
1	PBL / Concessional loan	Policy Based Lending (PBL) Affordable & Sustainable Energy Transition (ASET):	USD 377.5 Million (EUR 350 Million)	<input checked="" type="checkbox"/> Active
2	RBL / Concessional loan	Indonesia Sustainable Least-cost Electrification -1 (ISLE-1) Program	USD 47.5 Million (CAD 64.3 Million)	<input checked="" type="checkbox"/> Active
3	Equity	Xurya Solar Rooftop	USD 30 Million	<input checked="" type="checkbox"/> Active
4	RBL / Concessional loan	Results Based Loan (RBL) Sustainable Reliable Energy Access Program (SREAP)	USD 69 Million (EUR 63.9 Million)	<input checked="" type="checkbox"/> Active
5	RBL / Concessional loan	Results-Based Loan (RBL) Accelerating Indonesia's Clean Energy Transition (AICET)	USD 327 Million (EUR 300 Million+ USD 20 Million)	<input checked="" type="checkbox"/> Active
6	Concessional loan	Green Energy Corridor Sulawesi (GECS)*	USD 353.2 Million (EUR 300 Million)	Loan disbursement process
7	Grants and Technical Assistance	45 Grants and Technical Assistance*	USD 215.7 Million	<input checked="" type="checkbox"/> Active

Note:

*JETP reach further milestone as of December 2025 which are ready for Joint Announcement:

1. **EUR 300 Million** for GECS Loan Agreement between KfW and PT PLN (Persero)
2. **EUR 7.82 Million** for GBDF Grant Agreement between KfW and PT SMI (Persero)



Strong Investment in Downstream Industries Reflects Continued Industrial Transformation

Downstream industries continue to attract strong investment of Rp 584.1 trillion in 2025, driven primarily by Mineral and Coal, underscores the continued progress of Indonesia's downstream strategy.



Mineral and Coal (Total IDR 373.1 T)

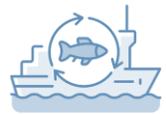
Nickel	Rp 185.2 T	Iron & Steel	Rp 39.2 T
Copper	Rp 65.8 T	Tin	Rp 11.3 T
Bauxite	Rp 53.1 T	Others	Rp 18.5 T*

*) Other : Silica Sand, Gold, Silver, Cobalt, Manganese, Coal, Buton, Asphalt



Oil & Natural Gas (Total Rp 60.0 T)

Petroleum	Rp 41.7 T
Natural Gas	Rp 18.3 T



Marine and Fisheries (Total Rp 6.4 T)

Commodities in this sector include salt, fish (tuna, skipjack, and mackerel), shrimp, seaweed, crab, and tilapia.



Plantations & Forestry (Total Rp 144.5 T)

Logs	Rp 62.2 T	Rubber	Rp 12.9 T
Palm Oil	Rp 62.8 T	Others	Rp 6.6 T*

*) Other : Nutmeg, Pine, Coconut, Cocoa, and Biofuel

Investment Realization of Downstream Industry Sectors

Rp 584.1 Trillion ▲ 43.3% (YoY)

30.2% of Total Realization in 2025

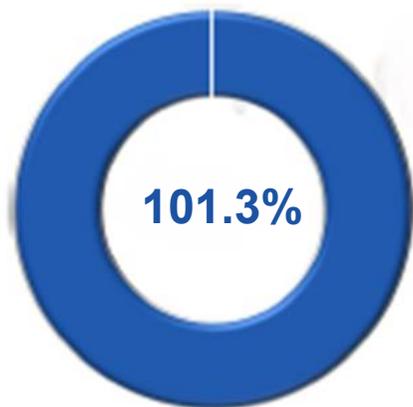
Note: Based on the State Budget Currency Rate of USD 1 = Rp 16,000.00; T = Trillion

Source: Ministry of Investment and Downstream Industry



Investment Realization in 2025

Strong investment realization of IDR 1,931.2 trillion in 2025, exceeding the target and growing 12.7% yoy, and supporting job creation, with employment absorption reached 2.7 million, up 10.4% yoy.



Investment Realization in 2025 : **IDR 1,931.2 Trillion**

12.7% (YoY)

101.3% from the target of IDR 1,905.6 Trillion

1.1% (QoQ)



Indonesian Labor Absorption:

2,710,532 People **10.4% (YoY)**

Java



Outside of Java

IDR 940.0 Trillion **14.8% (YoY)** **IDR 991.2 Trillion** **10.7% (YoY)**

FDI



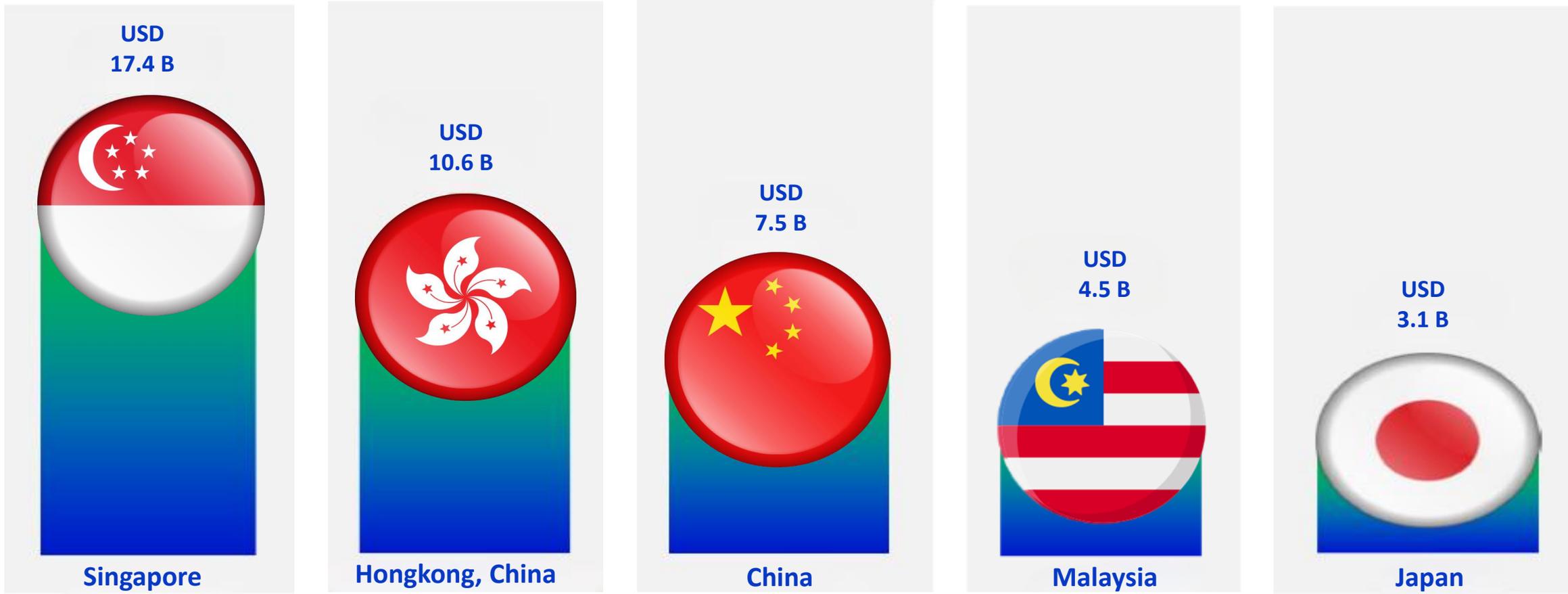
DDI

IDR 900.9 Trillion **0.1% (YoY)** **IDR 1,030.3 Trillion** **26.6% (YoY)**



Investment Realization in 2025: Top 5 FDI Countries

The countries that have the largest investment in Indonesia are Singapore (USD 17.4B), followed by Hong Kong, China (USD 10.6B), China (USD 7.5B), Malaysia (USD 4.5B), and Japan (USD 3.1B), highlighting Singapore's dominant contribution.



Notes: B = Billion; per National Budget Exchange Rate USD1 = Rp16,000

THANK YOU

