BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

MONETARY POLICY REVIEW

FEBRUARY 2026

FOREWORD

Bank Indonesia has a mandate, namely to achieve Rupiah stability, maintain payment system stability, and to include maintaining financial system stability in order to support sustainable economic growth. Nevertheless, rupiah stability encompasses two aspects, namely price stability of goods and services, as reflected in stable inflation, as well as Rupiah exchange rate stability against other currencies. The inflation target was set by the Government, in coordination with Bank Indonesia, at 2.5±1% in 2026. To that end, Bank Indonesia implements sustainable, consistent, and transparent monetary policy through efforts to achieve low and stable inflation, a stable exchange rate, and an adequate level of foreign exchange reserves. In pursuance of its mandate, Bank Indonesia institutes an optimal mix of monetary, macroprudential, and payment system policies.

Bank Indonesia regularly publishes the Monetary Policy Report after the Board of Governors Meeting has been convened in January, April, July, and October. The Review has two primary functions, namely: (i) to provide economic data, analysis and projections to help form and anchor rational expectations as part of the anticipative monetary policymaking framework; and (ii) as a medium for the Board of Governors to publicly explain and clarify the various considerations underlying monetary policy decision-making at Bank Indonesia.

The Board of Governors

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Senior Deputy Governor

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Deputy Governor

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Deputy Governor

THOMAS A.M. DJIWANDONO
Deputy Governor

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Executive Summary

The global economy in 2026 is on a slowing trend, accompanied by persistently high financial market uncertainty. The slowing trend of global economic growth is accompanied by divergent growth across countries. The global economic slowdown is primarily driven by the impact of the United States (US) reciprocal tariffs and ongoing geopolitical tensions, except for the US, whose growth is projected to strengthen on the back of substantial fiscal stimulus and strong investment, including investment related to artificial intelligence (AI). The economies of Europe and Japan are also predicted to slow due to weaker export performance in line with global economic moderation and soft domestic demand despite the growing influence of investment in AI. China's economy remains on a slower trend due to sluggish household consumption, while India's economy also remains weak due to declining domestic demand and external sector performance. In global financial markets, room for Fed Funds Rate (FFR) cuts remains open due to a weak labor market. UST yields, particularly long-term tenors, remain high in line with rising U.S. fiscal risks. These developments are prompting selective capital flows to emerging markets, primarily into equities and short-term bonds. The U.S. dollar index against advanced economy currencies (DXY) weakened amid higher demand for safe-haven assets, which has pushed gold prices higher.

At home, Indonesia's economy is growing at a higher rate, supported by various policies implemented by the Government and Bank Indonesia. Economic growth in the fourth quarter of 2025 was recorded at 5.39% (yoy), higher than 5.04% (yoy) in the previous quarter. This improvement was driven mainly by domestic demand from household consumption and investment, in line with the positive impact of various Government stimulus measures and Bank Indonesia's policy mix. With these developments, full-year 2025 growth reached 5.11% (yoy), higher than 5.03% (yoy) in 2024, and was accompanied by improvements in labor market quality. Indonesia's Balance of Payments (BOP) remains sound amid global uncertainty. Bank Indonesia continues strengthening its policy to stabilize the Rupiah exchange rate against the adverse impact of global financial market uncertainty. Consumer Price Index (CPI) inflation remains under control. Bank Indonesia's monetary policy continues to be strengthened to foster higher economic growth while maintaining macroeconomic stability. Bank Indonesia continuously strengthens macroprudential liquidity incentive policies (KLM) to support higher economic growth. The transmission of monetary policy easing to lower interest rates in the banking industry needs to be continuously strengthened to further support economic growth.

The money supply continues to grow at a high pace in line with Bank Indonesia's policy to enhance the effectiveness of monetary liquidity expansion in support of economic growth. Banking credit growth needs to be further strengthened to support economic growth. Banking system resilience remains strong, supported by ample bank liquidity, strong capital adequacy and low credit risk. The growth of digital economic and financial transactions in January 2026 remained high, supported by secure, seamless, and reliable payment systems. Payment system stability remains preserved, supported by stable infrastructure and a sound industry structure.

The global economy is on a slowing trend, accompanied by persistently high financial market uncertainty. Global economic growth in 2026 is projected to slow from 3.3% in 2025 to 3.2%, accompanied by divergent growth across countries.

From domestic side, Bank Indonesia continues to strengthen the policy mix—monetary, macroprudential, and payment system—in close synergy with Government fiscal and real sector stimulus to support higher and more resilient growth. Taking into account recent developments, Bank Indonesia projects 2026 economic growth to increase within the 4.9–5.7% (yoy) range, in line with policies by the Government and Bank Indonesia to foster growth. BOP performance in 2026 is forecast to remain solid, supported by a healthy current account deficit of 0.9-0.1% of GDP. Bank Indonesia expects the Rupiah to remain stable and tend to appreciate, supported by ongoing stabilization measures and Indonesia's solid economic fundamentals, as reflected by attractive yields, low inflation, and strengthening economic growth prospects. Annual inflation in 2026 and 2027 will remain within the 2.5±1% target range. With the development of credit until January 2026, Bank Indonesia projects 2026 credit growth in a range of 8–12%.

The 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. Going forward, Bank Indonesia will continue to strengthen the effectiveness of monetary policy easing transmission and macroprudential policies implemented to date, while monitoring room for further BI Rate reductions in line with the 2026–2027 inflation outlook that remains within the 2.5±1% target range and efforts to foster higher economic growth. Bank Indonesia's macroprudential policy remains directed at promoting growth (pro-growth) by increasing bank credit/financing to the real sector, particularly to Government priority sectors, and accelerating reductions in bank lending rates through the implementation of the Macroprudential Liquidity Incentive (KLM), while maintaining prudential principles. Payment system policy remains directed at supporting economic growth through strengthened synergy to expand digital payment acceptance, reinforce the payment system industry structure, and enhance the reliability and resilience of payment system infrastructure.

CHAPTER 1

Global and Domestic Economic Developments

The global economy is on a slowing trend, accompanied by persistently high financial market uncertainty. Global economic growth in 2026 is projected to slow, accompanied by divergent growth across countries. The global economic moderation primarily stems from the United States (US) reciprocal tariffs and ongoing geopolitical tensions, while US growth is expected to increase on the back of massive fiscal stimuli and high investment, including investment related to artificial intelligence (AI). The economies of Europe and Japan are also predicted to slow due to weaker export performance in line with global economic moderation and soft domestic demand despite the growing influence of investment in AI. China's economy remains on a slower trend due to sluggish household consumption, while India's economy also remains weak due to declining domestic demand and external sector performance. In global financial markets, room for Fed Funds Rate (FFR) cuts remains open due with a weak labor market. UST yields, particularly long-term tenors, remain high in line with rising U.S. fiscal risks. These developments are prompting selective capital flows to emerging markets, primarily into equities and short-term bonds. The U.S. dollar index against advanced economy currencies (DXY) weakened amid higher demand for safe-haven assets, which has pushed gold prices higher.

Indonesia’s economy is growing at a higher rate, supported by various policies implemented by the Government and Bank Indonesia. Economic growth in the fourth quarter of 2025 was recorded at 5.39% (yoy), higher than 5.04% (yoy) in the previous quarter. This improvement was driven mainly by domestic demand from household consumption and investment, in line with the positive impact of various Government stimulus measures and Bank Indonesia’s policy mix. With these developments, full-year 2025 growth reached 5.11% (yoy), higher than 5.03% (yoy) in 2024, and was accompanied by improvements in labor market quality. Higher growth is projected to continue in the first quarter of 2026. Household consumption is increasing, supported by various Government stimulus programs, monetary policy easing, improving consumer expectations, and stronger economic activity around national religious holidays (HBKN) in the first quarter of 2026, such as Chinese New Year, Nyepi, and Eid al-Fitr 1447 H. Investment is also projected to grow faster, driven by Government investment, including natural resource downstreaming, as well as continued improvements in business confidence.

Indonesia's Balance of Payments (BOP) remains sound amid global uncertainty. In the fourth quarter of 2025, the BOP is projected to remain solid, supported by a trade balance surplus, which in December 2025 recorded a USD2.5 billion surplus, primarily underpinned by exports of natural resources. This development supported a low current account deficit in 2025, ranging from a 0.5% deficit to a 0.3% surplus of GDP. In the first quarter of 2026, the trade balance is projected to record another surplus, supported by stronger non-oil and gas exports. Meanwhile, portfolio investment in the first quarter of 2026 (as of 13th February 2026) recorded net inflows of USD1.6 billion, mainly supported by large foreign capital inflows to Bank Indonesia Rupiah Securities (SRBI) and government securities (SBN), while equity instruments recorded net outflows. Indonesia's reserve assets at end January 2026 remained high at USD154.6 billion, equivalent to 6.3 months of imports or 6.1 months of imports and the servicing of government external debt, which is well above the international adequacy standard of around 3 months of imports.

Bank Indonesia continues strengthening its policy to stabilize the Rupiah exchange rate against the adverse impact of global financial market uncertainty. As of 18 February 2026, the Rupiah exchange rate stood at Rp16,880 per U.S. dollar, depreciating by 0.56% (ptp) compared with the level at end-January 2026. Rupiah depreciation was primarily influenced by heightened global financial market uncertainty amid increasing domestic corporate demand for foreign exchange in line with increasing economic activity. Bank Indonesia considers the Rupiah undervalued relative to Indonesia's economic fundamentals, including the consistency in maintaining inflation within the 2.5±1% target corridor in 2026 and 2027. Accordingly, Bank Indonesia continues to intensify Rupiah stabilization measures, through offshore NDF market interventions as well as spot and DNDF transactions in the onshore market.

Consumer Price Index (CPI) inflation remains under control. CPI inflation in January 2026 was recorded at 3.55% (yoy), higher than 2.92% (yoy) in the previous month. The increase was mainly influenced by the base effect of government policy of a 50% household electricity tariff discount in January and February 2025. Meanwhile, core inflation remained low at 2.45% (yoy) in line with adequate economic capacity to meet increasing economic activity. Volatile food (VF) inflation was also contained at 1.14% (yoy) in line with increased supplies of red chili, bird's-eye chili, and shallots during the harvest period.

Bank Indonesia's monetary policy continues to be strengthened to foster higher economic growth while maintaining macroeconomic stability. The BI-Rate in January 2026 was held at 4.75%, the lowest level since 2022, after being lowered by a cumulative 150 bps since September 2024—25 bps in September 2024 and 125 bps during 2025. Rupiah exchange rate stabilization policy has also been reinforced through offshore market interventions via NDF and onshore interventions through the spot market, DNDF, as well as secondary-market purchases of SBN. Rupiah liquidity expansion has also been pursued by Bank Indonesia by reducing the outstanding position of the SRBI monetary instrument from Rp916.97 trillion at the beginning of 2025 to Rp819.50 trillion as of 18 February 2026. Bank Indonesia has also purchased SBN as part of close synergy between monetary and fiscal policies, amounting to Rp39.92 trillion in 2026 (up to 18 February 2026), including Rp20.23 trillion in secondary-market purchases. Secondary-market SBN purchases are conducted in accordance with market mechanisms, in a measured and transparent manner, and consistent with the monetary program to maintain macroeconomic stability, thereby preserving the credibility of monetary policy.

Bank Indonesia continuously strengthens macroprudential liquidity incentive policies (KLM) to support higher economic growth. The implementation of the enhanced KLM, effective since 16 December 2025, is directed at encouraging bank lending/financing disbursement to specific sectors designated by Bank Indonesia (lending channel) as well as ensuring that bank lending rates/financing returns move in line with the direction of Bank Indonesia's policy rate (interest rate channel). By strengthening KLM, larger incentives are available to banks that are more responsive in reducing interest rates on new loans in line with the direction of BI-Rate. As of the first week of February 2026, Bank Indonesia disbursed KLM incentives totalling Rp427.5 trillion, with Rp357.9 trillion allocated via the lending channel and Rp69.6 trillion via the interest rate channel. By bank group, KLM incentives received by banks totalling Rp207.1 trillion to state-owned banks, Rp184.8 trillion to national private commercial banks, Rp28.5 trillion to regional government banks and Rp7.1 trillion to foreign bank branches. By sector, the incentives were primarily disbursed to priority sectors, namely agriculture, manufacturing, and downstream sectors; services, including the creative economy, construction, real estate and housing, as well as the MSME, cooperatives, inclusive, and green sectors.

The transmission of monetary policy easing to lower interest rates in the banking industry needs to be continuously strengthened to further support economic growth. To date, the 125 bps reduction in the BI-Rate during 2025 and Bank Indonesia's monetary liquidity expansion have contributed to declines in various interest rates. In the money market, INDONIA declined by 211 bps from the beginning of 2025 to 3.92% as of 18 February 2026. SRBI interest rates for the 6, 9, and 12 month tenors decreased by 225 bps, 227 bps, and 223 bps, respectively, from the beginning of 2025 to 4.91%, 4.93%, and 5.04% as of 13 February 2026. Meanwhile, yields on 2 year and 10 year SBN were recorded at 5.06% and 6.38%, respectively, as of 18 February 2026. Transmission of policy rate reductions to bank interest rates continues, although at a more limited pace. The 1-month deposit rate has only declined by 68 bps, from 4.81% in January 2025 to 4.13% in January 2026; therefore, efforts to reduce the application of special rates to large depositors—currently still reaching 26.42% of total third party funds—need to be further strengthened. The decline in deposit rates also needs to be more fully transmitted to bank lending rates, which have only decreased by 40 bps, from 9.20% at the beginning of 2025 to 8.80% in January 2026.

The money supply continues to grow at a high pace in line with Bank Indonesia's policy to enhance the effectiveness of monetary liquidity expansion in support of economic growth. Base money (M0) growth in January 2026 remained high at 11.0% (yoy), relatively stable compared with 11.4% (yoy) in December 2025. By component, M0 growth in January 2026 was influenced by persistently strong growth in currency in circulation in line with increasing economic activity and by higher bank demand deposits at Bank Indonesia. In terms of the affecting factors, persistently high M0 growth in January 2026 was supported by increased Government financial operations in line with fiscal stimulus as well as monetary expansion. Meanwhile, broad money (M2) grew by 9.6% (yoy) in December 2025, up from 8.3% (yoy) in November 2025. In terms of contributing factors, higher M2 growth was driven by fiscal expansion and increased disbursed loans.

Banking credit growth needs to be further strengthened to support economic growth. Loans disbursed in January 2026 grew by 9.96% (yoy), slightly higher than 9.69% (yoy) in December 2025. By loan type, investment loans, working capital loans, and consumer loans grew by 22.38% (yoy), 4.13% (yoy), and 6.58% (yoy), respectively, in January 2026. This positive credit performance was supported by increased economic activity, Bank Indonesia's monetary and macroprudential easing, as well as the realisation of government priority programs. The outlook for stronger credit growth remains solid, driven by both demand and supply factors. On the demand side, the utilization of bank financing can continue to be increased, particularly by optimizing still sizeable undisbursed loan facilities, which amounted to Rp2,506.47 trillion, or 22.65% of available credit lines. On the supply side, banks' financing capacity remains adequate, supported by a Liquid Assets to Third Party Funds (LA/DPK) ratio of 27.54% and robust DPK growth of 13.48% (yoy) in January 2026. In addition, banks' lending appetite continues to improve, as reflected in increasingly accommodative lending requirements, except in consumer and MSME segments due to still elevated credit risk in those segments.

Banking system resilience remains strong, supported by ample bank liquidity, strong capital adequacy and low credit risk. The Capital Adequacy Ratio (CAR) of the banking industry stood at a high level of 25.89% in December 2025, indicating strong capacity to absorb risks and support credit growth. On an aggregate basis, non-performing loans (NPL) remained low in the banking industry at 2.05% (gross) and 0.79% (net) in December 2025. Bank Indonesia's stress test results indicate that banking resilience remains strong in facing various risks, supported by stable corporate repayment capacity and profitability.

The growth of digital economic and financial transactions in January 2026 remained high, supported by secure, seamless, and reliable payment systems. Digital payment transaction[1] volume reached 4.79 billion transactions, or grew 39.65% (yoy) in January 2026, supported by broader digital payment acceptance. Transaction volumes through mobile and internet applications grew by 10.00% (yoy) and 23.25% (yoy), respectively, including QRIS transactions, which continued to expand strongly by 131.47% (yoy). This positive performance was supported by an increase in the number of users and merchants. On the infrastructure side, retail transaction volumes processed through BI-FAST reached 455 million transactions, growing 34.41% (yoy), with transaction value amounting to Rp1,176 trillion in January 2026. Meanwhile, large-value transaction volumes processed through BI-RTGS totaled 0.86 million transactions, growing 7.60% (yoy), with a value of Rp19,555 trillion in January 2026. In terms of Rupiah currency management, Currency in Circulation (UYD) grew 12.41% (yoy) to Rp1,267 trillion in January 2026.

[1] Digital payments include transactions through mobile applications and the internet.

Payment system stability remains preserved, supported by stable infrastructure and a sound industry structure. Stable infrastructure is reflected in the smooth and reliable operation of the Bank Indonesia Payment Systems (SPBI) and industry payment systems, as well as adequate supply of currency in sufficient quantity and quality in January 2026. A sound industry structure is reflected in the strengthening interconnections among participants in the payment system, accompanied by an expanding Digital Economy and Finance (Ekonomi Keuangan Digital/EKD) ecosystem. Going forward, Bank Indonesia will continue to strengthen the payment system industry structure, particularly in risk management and the reliability of industry participants' technology infrastructure, in line with the implementation of Bank Indonesia Regulation No. 10 of 2025 on Payment System Industry Regulation (PBI PISP). Bank Indonesia will also ensure the smooth operation of the national payment system, including during the Ramadan and Eid al-Fitr 1447 H holiday period. On the noncash side, Bank Indonesia will safeguard the availability, reliability, and security of SPBI infrastructure—both retail and wholesale—as well as industry payment system infrastructure. On the cash side, Bank Indonesia will ensure the availability of high-quality Rupiah currency in sufficient quantity across all regions of the Republic of Indonesia through the Semarak Rupiah Ramadan dan Berkah Idulfitri (SERAMBI) 2026 program. Currency exchange services at strategic locations will be strengthened through the Penukaran dan Tarik Uang Rupiah (PINTAR) application. Bank Indonesia will consistently ensure the availability of Rupiah currency in sufficient quantity and fit-for-circulation quality throughout the territory of the Republic of Indonesia, including in Frontier, Outermost, and Remote (3T) areas.

CHAPTER 2

Economic Prospects

The prospect of global economy is on a slowing trend, accompanied by persistently high financial market uncertainty. Global economic growth in 2026 is projected to slow from 3.3% in 2025 to 3.2%, accompanied by divergent growth across countries. The global economic moderation primarily stems from the United States (US) reciprocal tariffs and ongoing geopolitical tensions, while US growth is expected to increase on the back of massive fiscal stimuli and high investment, including investment related to artificial intelligence (AI). The economies of Europe and Japan are also predicted to slow due to weaker export performance in line with global economic moderation and soft domestic demand despite the growing influence of investment in AI. China's economy remains on a slower trend due to sluggish household consumption, while India's economy also remains weak due to declining domestic demand and external sector performance. Going forward, global economic uncertainty is projected to remain high, necessitating vigilance and stronger policy responses to safeguard domestic resilience against global spillovers and to promote higher growth.

Bank Indonesia projects Indonesia economic growth in 2026 to increase within the 4.9–5.7% (yoy) range, in line with policies by the Government and Bank Indonesia to foster growth. Bank Indonesia continues to strengthen the policy mix—monetary, macroprudential, and payment system—in close synergy with Government fiscal and real sector stimulus to support higher and more resilient growth.

Indonesia's external economic resilience remains sound amid global uncertainty. BOP performance in 2026 is forecast to remain solid, supported by a healthy current account deficit of 0.9-0.1% of GDP.

Bank Indonesia expects the Rupiah to remain stable and tend to appreciate. The prospect is supported by ongoing stabilization measures and Indonesia's solid economic fundamentals, as reflected by attractive yields, low inflation, and strengthening economic growth prospects.

Bank Indonesia is confident that annual inflation in 2026 and 2027 will remain within the 2.5±1% target range. Core inflation is projected to remain low in line with growth that remains below capacity, supported by the consistency of Bank Indonesia's monetary policy rate in anchoring inflation expectations to the target corridor and contained imported inflation. Meanwhile, Bank Indonesia also expects VF inflation to remain controlled, supported by inflation control synergy between Bank Indonesia and the Central and Regional Government Inflation Control Teams (TPIP/TPID), while strengthening implementation of the Inflation Control and Food Prosperity Movement (GPIPS).

Efforts to reduce deposit and lending rates must continue to be enhanced. The strengthening of monetary transmission is intended to promote higher credit growth and support sustainable economic growth. Money supply growth will continue to be managed through policy synergy between Bank Indonesia and the Government to support economic growth.

Bank Indonesia projects 2026 credit growth in a range of 8–12%. Bank Indonesia will continue to strengthen coordination with the Government and the KSSK to keep improving the interest rate structure and to promote bank lending/financing growth. Furthermore, Bank Indonesia will also continue to strengthen policy synergy with the KSSK to mitigate risks that could potentially disrupt financial system stability.

CHAPTER 3

Bank Indonesia Policy Response

The 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. Going forward, Bank Indonesia will continue to strengthen the effectiveness of monetary policy easing transmission and macroprudential policies implemented to date, while monitoring room for further BI Rate reductions in line with the 2026–2027 inflation outlook that remains within the 2.5±1% target range and efforts to foster higher economic growth.

Bank Indonesia’s macroprudential policy remains directed at promoting growth (pro-growth) by increasing bank credit/financing to the real sector, particularly to Government priority sectors, and accelerating reductions in bank lending rates through the implementation of the Macroprudential Liquidity Incentive (KLM), while maintaining prudential principles. Payment system policy remains directed at supporting economic growth through strengthened synergy to expand digital payment acceptance, reinforce the payment system industry structure, and enhance the reliability and resilience of payment system infrastructure.

The direction of the monetary, macroprudential, and payment system policy mix to maintain stability while supporting sustainable economic growth is supported by the following policy measures:

1. Strengthening the Rupiah exchange rate stabilisation strategy through intervention, both in offshore non-deliverable forward (NDF) transactions and in domestic markets through spot and domestic non-deliverable forward (DNDF) transactions. This strategy is complemented by the purchase of government securities (SBN) in the secondary market;

2. 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;

3. 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;

4. 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;

5. 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.

Bank Indonesia continues to strengthen policy coordination with the Government, including close synergy between monetary and fiscal policies to jointly maintain stability and support economic growth. Policy synergy with the Financial System Stability Committee (KSSK) is also strengthened, particularly to promote financing for the Government's Asta Cita programs. In addition, Bank Indonesia continues to expand international cooperation in central banking areas, including payment system connectivity and local currency transactions, as well as facilitating investment and trade promotion in priority sectors in collaboration with relevant institutions.

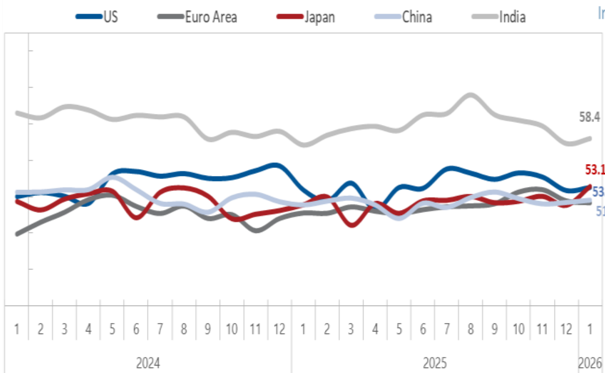
The global economy is on a slowing trend, accompanied by persistently high financial market uncertainty.

Global GDP Growth

Country	2022	2023	2024	2025*	2026*
World	**3.5**	**3.3**	**3.3**	**3.3**	**3.2**
Advanced economies	**2.6**	**1.7**	**1.8**	**1.8**	**1.8**
United States	1.9	2.9	2.8	2.2	2.3
Euro Area	3.4	0.4	0.9	1.5	1.3
Japan	1.0	1.5	0.1	1.1	0.8
Emerging economies	**4.1**	**4.4**	**4.3**	**4.3**	**4.1**
China	3.0	5.2	5.0	5.0	4.4
India	6.8	7.7	6.5	7.4	6.8
ASEAN-5	5.5	4.0	4.6	4.4	4.3
Latin America	4.2	2.4	2.4	2.2	2.2
Emerging Euro	1.2	3.3	3.4	2.2	2.4
Middle East & Central Asia	5.4	2.0	2.4	3.5	3.8

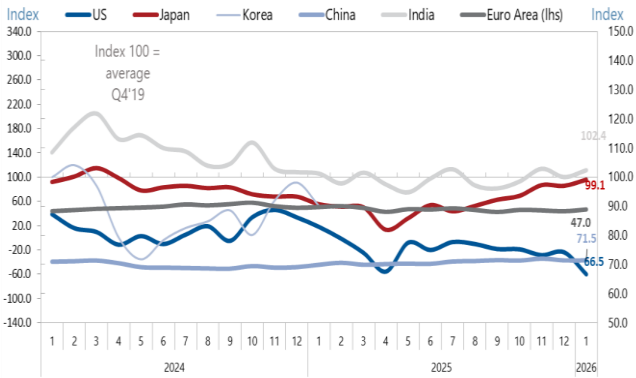
Source: IMF WEO. *Bank Indonesia Projection

Global PMI



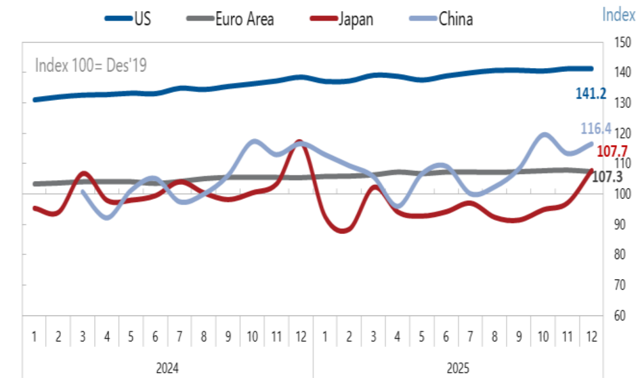
Source: IHS Markit, Bloomberg (China)

Consumer Confidence Index



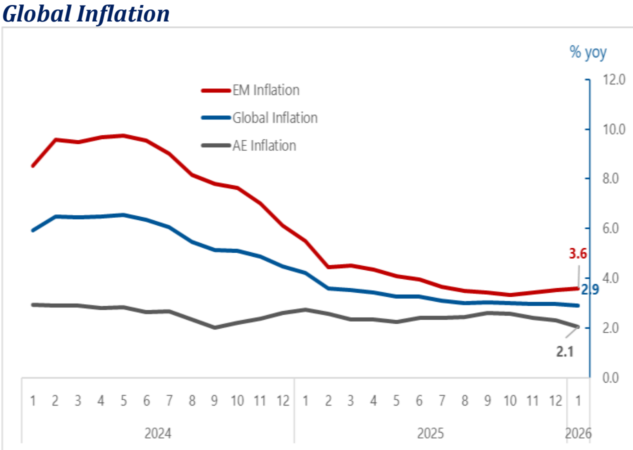
Source: Bloomberg, calculated

Retail Sales



Source: CEIC, calculated

Global Inflation



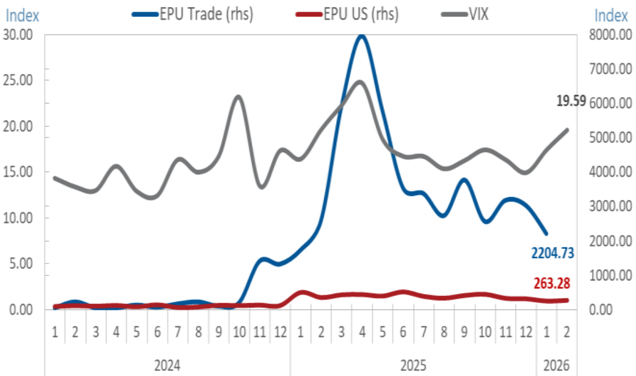
Source: Bloomberg and IMF, calculated

Indonesia's Export Commodity Prices

Commodity	2022					2023					2024					2025					2026	
	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024	Q1	Q2	Q3	Q4	2025	Q1	YTD*
Copper	17.4	-1.8	-17.7	-16.4	-5.2	-10.2	-11.0	8.6	3.1	-3.3	-4.7	16.8	11.2	12.8	8.8	10.3	-4.3	5.6	19.2	7.5	37.8	30.2
Coal	94.1	73.2	11.1	-1.6	32.3	-2.9	-27.7	-35.7	-35.8	-25.9	-27.7	-16.3	0.2	-11.3	-15.3	-14.4	-16.8	-20.2	-11.5	-15.7	-5.8	0.3
CPO	56.7	55.5	-12.2	-24.9	15.3	-35.6	-42.0	-3.2	-5.9	-25.9	0.5	6.2	5.2	31.3	10.5	17.1	0.3	6.9	-14.0	1.7	-14.9	-7.2
Rubber	1.7	2.2	-6.0	-19.8	-4.9	-21.1	-27.3	-8.0	11.5	-13.5	17.9	44.3	40.6	40.0	35.3	9.3	-9.2	-7.6	-14.6	-6.0	-8.1	-0.6
Nickel	59.4	66.7	16.0	30.3	42.1	-6.7	-22.6	-7.0	-31.8	-17.3	-35.7	-16.9	-19.9	-7.2	-21.3	-6.2	-17.7	-7.8	-7.1	-10.0	12.7	15.9
Tin	80.6	25.3	-30.3	-43.1	0.0	-38.6	-29.4	13.8	14.6	-16.8	0.2	25.3	18.5	23.4	16.7	21.0	0.5	7.0	24.8	12.8	46.4	37.2
Aluminium	54.3	20.2	-11.0	-14.7	9.4	-24.9	-21.3	-6.6	-5.5	-15.7	-8.2	12.3	10.0	16.9	7.4	17.1	-3.9	8.1	9.3	7.4	19.3	18.7
Coffee	82.5	50.8	18.3	-21.2	24.6	-26.4	-19.3	-28.6	-2.1	-20.1	7.1	19.9	55.9	65.7	36.4	100.7	63.9	36.9	31.0	54.1	-2.7	0.9
Others	5.2	6.4	7.3	6.3	6.3	-1.5	-1.7	-2.2	-3.1	-2.1	-1.0	-0.2	0.3	0.1	-0.2	-0.2	1.1	1.7	0.4	0.7	0.3	0.5
Indonesian Export Commodity Prices	**47.0**	**37.7**	**1.3**	**-6.8**	**15.3**	**-12.7**	**-21.7**	**-12.2**	**-12.0**	**-16.0**	**-8.2**	**1.7**	**6.1**	**8.7**	**1.5**	**2.9**	**-5.0**	**-3.5**	**-4.9**	**-2.9**	**-1.0**	**2.4**
Oil (Brent)**	101	113	101	88	101	81	78	87	84	83	83	85	80	75	81	76	68	69	64	69	65	65

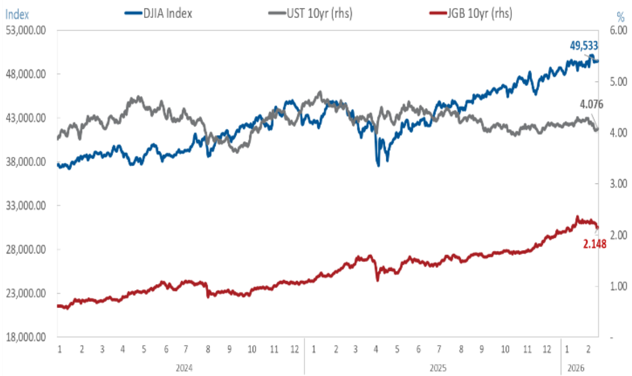
Source: Bloomberg. *Data as of 18 February, 2026
**Oil in USD/ Barrel, other commodities (%, yoy)

Global Uncertainty Index



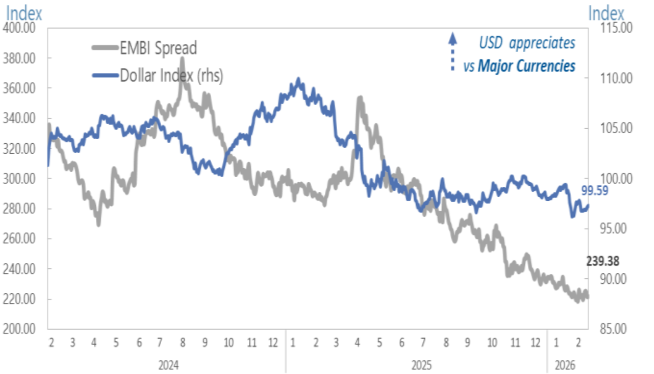
Source: Bloomberg. Data as of 18 February, 2026

10 Yr UST & JGB Yield and DJIA Index



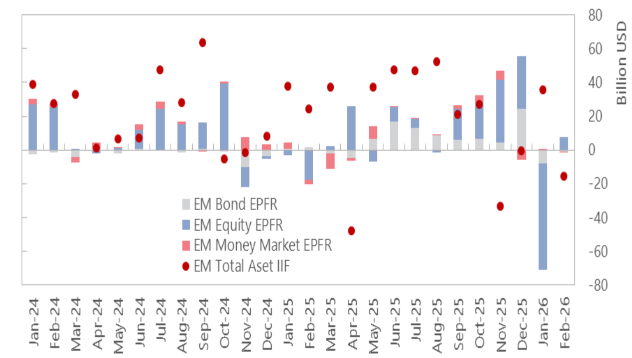
Source: Bloomberg. Data as of 18 February, 2026

US Dollar Performance and Risk Perception Indicators on EM



Source: Bloomberg. Data as of 18 February, 2026

Capital Flow to Emerging Market



Source: IIF

The Indonesian economy is growing at a higher rate, supported by various policies implemented by the Government and Bank Indonesia.

Economic Growth – Expenditure Side

Components	2022	2023				2023	2024				2024	2025				2025
		I	II	III	IV		I	II	III	IV		I	II	III	IV	
Household Consumption	4.94	4.53	5.22	5.05	4.47	4.82	4.92	4.94	4.92	4.99	4.94	4.95	4.97	4.89	5.11	4.98
Non-Profit Institution Serving Household (NPISH) Consumption	5.66	6.29	8.78	6.40	18.37	10.03	24.13	9.79	11.46	6.06	12.48	3.07	7.82	3.76	5.90	5.13
Government Consumption	-4.42	3.33	10.52	-3.86	2.94	3.02	20.45	2.04	4.63	4.61	6.76	-1.22	-0.32	5.66	4.55	2.50
Investment (GFCF)	3.87	1.53	4.05	5.08	4.32	3.76	3.78	4.42	5.16	5.03	4.61	2.12	6.99	5.04	6.12	5.09
Building Investment	0.91	0.08	3.32	6.31	6.42	4.04	5.46	5.31	6.02	5.26	5.51	1.35	4.89	3.02	3.74	3.25
NonBuilding Investment	12.53	5.70	6.10	2.05	-0.78	3.03	-0.78	1.97	2.96	4.40	2.23	4.32	12.93	10.34	12.39	10.12
Exports	16.23	11.72	-2.84	-3.91	1.66	1.34	2.01	8.89	9.73	8.36	7.25	5.91	10.14	9.14	3.25	7.03
Imports	15.00	4.12	-3.25	-6.82	0.14	-1.60	1.92	8.12	12.60	11.26	8.54	3.57	11.15	0.86	3.96	4.77
GDP	**5.31**	**5.04**	**5.17**	**4.94**	**5.04**	**5.05**	**5.11**	**5.05**	**4.95**	**5.02**	**5.03**	**4.87**	**5.12**	**5.04**	**5.39**	**5.11**

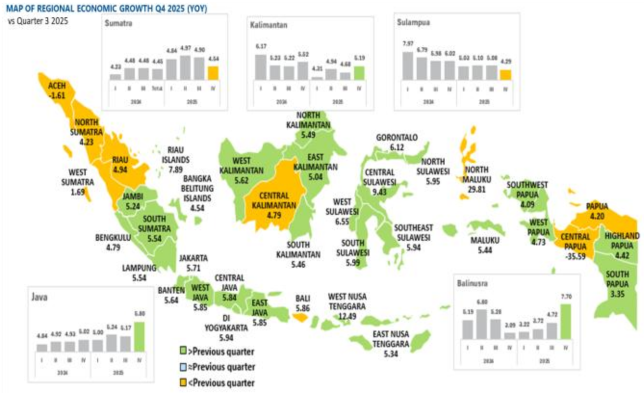
Source: BPS

Economic Growth – Economic Sectors Side

Components	2022	2023				2023	2024				2024	2025				2025
		I	II	III	IV		I	II	III	IV		I	II	III	IV	
Agriculture, Forestry, and Fisheries	2.25	0.44	2.03	1.49	1.13	1.31	-3.54	3.25	1.70	0.72	0.68	10.53	1.66	4.93	5.14	5.33
Mining and excavation	4.38	4.92	5.01	6.95	7.46	6.12	9.31	3.17	3.46	3.95	4.90	-1.23	2.03	-1.98	-1.31	-0.66
Manufacture	4.89	4.43	4.88	5.19	4.07	4.64	4.13	3.95	4.72	4.89	4.43	4.55	5.68	5.54	5.40	5.30
Electricity and Gas Procurement	6.61	2.67	3.15	5.06	8.68	4.91	5.35	5.39	5.02	3.42	4.77	5.11	0.90	2.86	3.55	3.10
Water Supply	3.23	5.70	4.78	4.49	4.66	4.90	4.44	0.85	0.04	1.06	1.57	0.18	0.82	3.32	-0.51	0.94
Construction	2.01	0.32	5.23	6.39	7.68	4.91	7.59	7.29	7.48	5.81	7.02	2.18	4.98	4.21	3.89	3.81
Wholesale Retail, Car and Motorcycle Repairs	5.53	4.94	5.30	5.10	4.09	4.85	4.58	4.87	4.84	5.23	4.89	5.04	5.38	5.46	6.07	5.49
Transportation and Warehousing	19.87	15.93	15.28	14.74	10.33	13.96	8.66	9.56	8.64	7.92	8.69	9.01	8.52	8.62	8.98	8.78
Provision of Accomodation, Food and Beverages	11.94	11.54	9.91	10.93	7.88	10.00	9.34	10.00	8.21	6.47	8.46	5.75	8.18	8.50	7.15	7.41
Information and Communication	7.73	7.11	8.03	8.51	6.74	7.59	8.41	7.66	6.82	7.45	7.57	7.72	7.92	9.65	8.09	8.35
Financial Services and Insurance	1.93	4.45	2.86	5.24	6.56	4.77	3.93	7.90	5.49	1.74	4.74	3.98	3.20	0.77	7.92	3.96
Real Estate	1.72	0.37	0.96	2.21	2.18	1.43	2.54	2.16	2.32	2.97	2.50	2.94	3.71	3.95	3.71	3.58
Corporate Services	8.77	6.37	9.59	9.37	7.62	8.24	9.63	7.96	7.93	8.08	8.38	9.27	9.31	9.94	7.90	9.10
Government Administration, Defence and Compulsory Social Security	2.52	2.13	8.18	-6.24	1.63	1.51	18.89	2.90	3.96	1.16	6.43	4.79	4.70	4.33	1.63	3.86
Education Services	0.55	1.02	5.42	-2.09	2.63	1.77	7.43	2.46	2.58	2.95	3.76	5.04	1.40	10.59	3.43	4.99
Health Services and Other Social Activities	2.75	4.77	8.27	2.92	3.09	4.67	11.65	8.59	7.67	5.20	8.13	5.78	3.80	6.83	5.95	5.59
Other Services	9.47	8.90	11.89	11.14	10.15	10.52	8.92	8.85	9.95	11.36	9.80	9.84	11.31	9.92	8.71	9.93
GDP	**5.31**	**5.04**	**5.17**	**4.94**	**5.04**	**5.05**	**5.11**	**5.05**	**4.95**	**5.02**	**5.03**	**4.87**	**5.12**	**5.04**	**5.39**	**5.11**

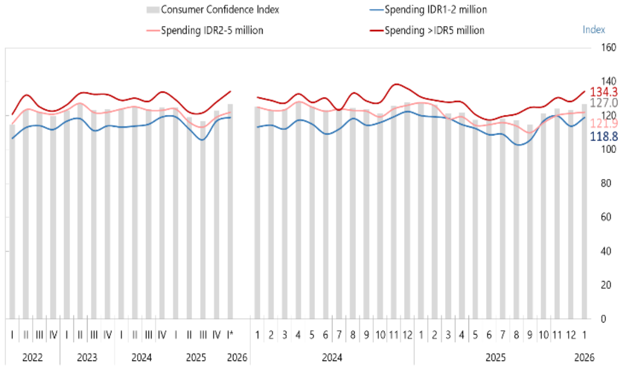
Source: BPS

Growth of Regional Economic (GRDP) of the Fourth Quarter of 2025



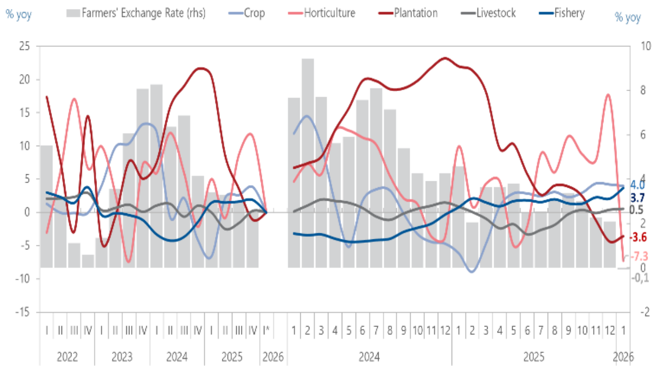
Source: BPS, calculated

Consumer Confidence Index



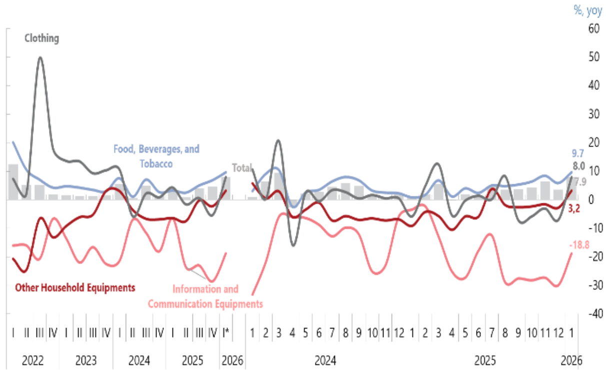
Source: Bank Indonesia. *Data as of January 2026

Farmers' Exchange Rate



Source: BPS, calculated. *Data as of January 2026

Retail Sales



Source: Bank Indonesia. *Data as of January 2026

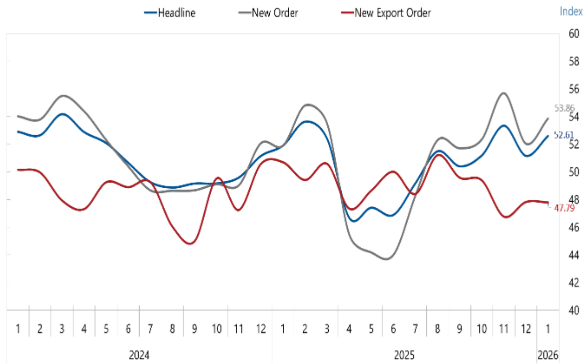
Realization of State Budget (APBN)

ITEMS	2022 Budget (IDR Trillion)	2022 PERPRES 98/2022 (IDR Trillion)	2022 Realization as of December 2022 (IDR Trillion)	2023 Budget (IDR Trillion)	2023 Realization as of Desember 2023 (IDR Trillion)	2024 Budget (IDR Trillion)	2024 Realization as of Desember 2024 (IDR Trillion)	2025 Budget (IDR Trillion)	2025 Realization as of Desember 2025 (IDR Trillion)
A. State Income and Grants	**1,846.1**	**2,266.2**	**2,635.4**	**2,463.0**	**2,774.3**	**2,463.0**	**2,842.5**	**3,005.1**	**2,756.3**
I. Domestic Income	**1,845.6**	**2,265.6**	**2,629.7**	**2,462.6**	**2,761.3**	**2,462.6**	**2,812.2**	**3,004.5**	**2,752.0**
1. Tax Income	**1,510.0**	**1,784.0**	**2,034.6**	**2,021.2**	**2,155.4**	**2,021.2**	**2,232.6**	**2,490.9**	**2,217.9**
2. NonTax Income	**335.6**	**481.6**	**595.2**	**441.4**	**605.9**	**441.4**	**579.5**	**513.6**	**534.1**
II. Grant	**0.6**	**0.6**	**5.6**	**0.4**	**13.0**	**0.4**	**30.3**	**0.6**	**4.3**
B. State Expenditures	**2,714.2**	**3,106.4**	**3,095.5**	**3,061.2**	**3,121.9**	**3,061.2**	**3,350.3**	**3,621.3**	**3,451.4**
I. Central Government Expenditures	**1,944.5**	**2,301.6**	**2,279.2**	**2,246.5**	**2,240.6**	**2,246.5**	**2,486.8**	**2,701.4**	**2,602.3**
1. Employee Spending	426.5	426.5	402.4	442.6	412.3	442.6	464.5	521.5	501.1
2. Spending for Goods	339.7	339.7	426.0	387.0	429.8	387.0	493.3	486.9	546.9
3. Capital Expenditures	199.2	199.2	240.4	199.1	307.3	199.1	328.1	234.1	427.5
4. Payment of Debt Obligations	405.9	405.9	386.3	441.4	439.9	441.4	488.4	552.9	514.4
5. Subsidies	207.0	283.7	252.8	298.5	269.6	298.5	291.9	307.9	281.6
6. Grant Expenditure	4.8	4.8	5.8	0.0	0.2	0.0	0.1	0.2	0.31
7. Social Assistance	147.4	147.4	161.5	148.6	157.6	148.6	153.1	140.1	186.6
8. Other Expenditures	214.0	494.4	403.9	329.3	224.6	329.3	267.3	458.0	143.9
II. Transfer to Regions and Village Funds	**769.6**	**804.8**	**816.2**	**814.7**	**881.3**	**814.7**	**863.5**	**919.9**	**849.0**
1. Transfer to Regions	701.6	736.8	748.3	744.7	811.4	744.7	792.6	848.9	589.9
2. Village Funds	68.0	68.0	67.9	70.0	69.9	70.0	70.9	71.0	55.0
C. Primary Balance	**(462.2)**	**(434.4)**	**(46.4)**	**(156.8)**	**92.2**	**(156.8)**	**(19.4)**	**(63.3)**	**(180.7)**
D. Budget Surplus/Deficit	**(868.0)**	**(840.2)**	**(460.1)**	**(598.2)**	**(347.6)**	**(598.2)**	**(507.8)**	**(616.2)**	**(695.1)**
Surplus/Deficit (%GDP)	**(4.9)**	**(4.5)**	**(2.3)**	**(2.8)**	**(1.65)**	**(2.8)**	**(2.29)**	**(2.5)**	**(2.92)**

Source: Ministry of Finance

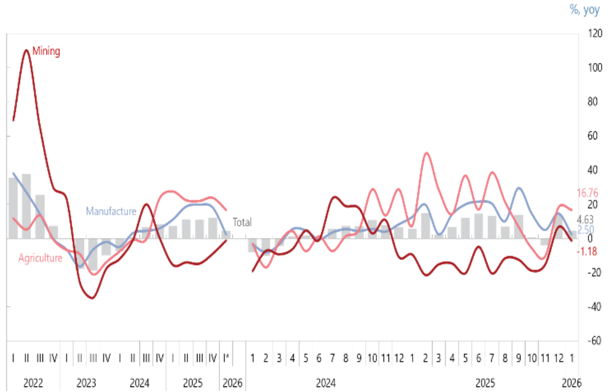
Source: Ministry of Finance

Manufacturing PMI



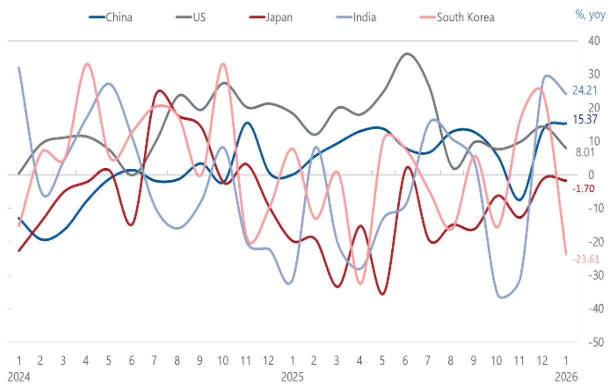
Source: Markit Economics

Non-oil and Gas Exports



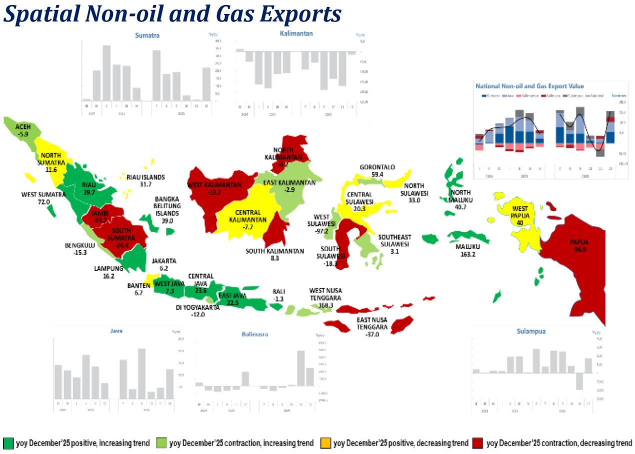
Source: Ministry of Finance, calculated by Bank Indonesia.
*Data as of January 2026

Non-Oil and Gas Exports to Main Destination Countries



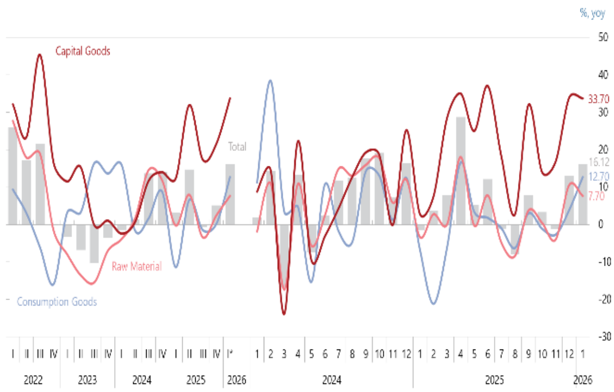
Source: Ministry of Finance, calculated by Bank Indonesia

Spatial Non-oil and Gas Exports



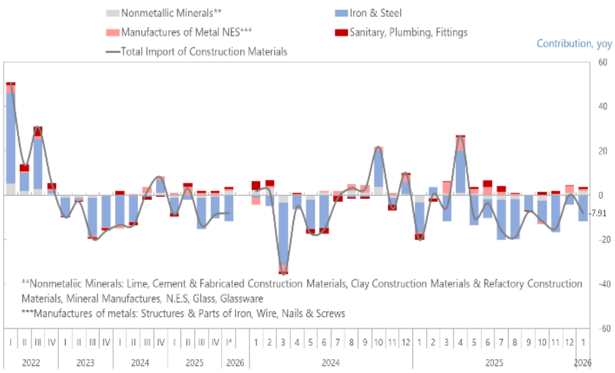
Source: Ministry of Finance, calculated by Bank Indonesia.
*Data as of December 2025

Non-oil and Gas Imports



Source: Ministry of Finance, calculated by Bank Indonesia.
*Data as of January 2026

Import of Construction Goods



Source: Ministry of Finance, calculated by Bank Indonesia.
*Data as of January 2026

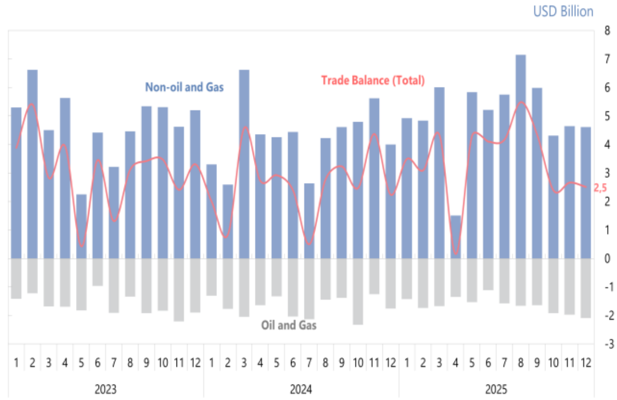
Indonesia's Balance of Payments (BOP) remains sound amid global uncertainty. Bank Indonesia continues strengthening its policy to stabilize the Rupiah exchange rate policy against the adverse impact of global financial market uncertainty.

Indonesia's Balance of Payments

Items (Billion USD)	2022					2023					2024*					2025		
	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I*	II*	III**
Current Account	**0,7**	**4,3**	**4,7**	**3,5**	**13,2**	**2,9**	**-2,3**	**-1,3**	**-1,4**	**-2,0**	**-2,4**	**-3,0**	**-2,0**	**-1,3**	**-8,7**	**-0,2**	**-2,7**	**4,0**
A. Goods	11,3	16,8	17,6	17,0	62,7	14,8	10,0	10,2	11,4	46,3	9,3	10,0	9,2	11,3	39,8	13,0	10,6	16,1
- Exports, fob	66,8	75,2	77,8	72,8	292,5	66,8	61,6	63,5	65,9	257,7	61,9	62,3	67,5	71,3	263,1	65,9	68,0	73,9
- Imports, fob	-55,5	-58,4	-60,2	-55,8	-229,9	-52,1	-51,6	-53,3	-54,5	-211,4	-52,6	-52,3	-58,3	-60,0	-223,3	-52,9	-57,4	-57,8
a. Non-Oil and Gas	17,2	24,4	25,2	23,0	89,8	19,0	15,2	16,0	17,7	67,8	15,1	15,2	14,7	17,8	62,8	18,8	15,7	20,9
b. Oil and Gas	-5,7	-7,2	-6,5	-5,4	-24,8	-3,9	-4,7	-5,4	-5,9	-19,9	-5,5	-4,6	-4,4	-5,1	-19,6	-4,7	-4,2	-4,8
B. Services	-4,3	-5,0	-5,3	-5,4	-20,0	-4,5	-4,5	-3,9	-4,8	-17,7	-4,2	-5,0	-4,2	-5,2	-18,6	-5,4	-5,2	-4,3
C. Primary Income	-7,7	-9,0	-8,9	-9,6	-35,3	-8,8	-9,2	-8,8	-9,3	-36,0	-8,8	-9,4	-8,5	-9,0	-35,9	-9,4	-9,8	-9,4
D. Secondary Income	1,5	1,5	1,3	1,6	5,8	1,4	1,4	1,3	1,3	5,4	1,3	1,4	1,5	1,6	5,9	1,6	1,7	1,7
Capital and Financial Account	**-2,0**	**-1,7**	**-5,6**	**0,6**	**-8,7**	**4,0**	**-4,4**	**-0,5**	**10,8**	**9,9**	**-2,4**	**2,6**	**8,1**	**9,7**	**17,9**	**-0,4**	**-3,5**	**-8,1**
1. Direct Investment	4,6	6,6	3,4	3,4	18,1	4,4	3,9	2,7	3,4	14,4	4,8	2,3	5,1	3,6	15,9	2,6	3,5	2,5
2. Portfolio Investment	-3,2	-3,6	-3,1	-1,7	-11,6	3,0	-2,6	-3,0	4,9	2,2	-2,1	3,2	9,8	-2,5	8,3	1,0	-8,1	-7,1
3. Other Investment	-3,6	-4,6	-5,9	-1,5	-15,6	-3,6	-5,6	-0,1	2,4	-6,9	-4,7	-3,4	-7,2	8,4	-6,9	-4,2	1,0	-3,4
Overall Balance	**-1,8**	**2,4**	**-1,3**	**4,7**	**4,0**	**6,5**	**-7,4**	**-1,5**	**8,6**	**6,3**	**-6,0**	**-0,6**	**5,9**	**7,9**	**7,2**	**-0,8**	**-6,7**	**-6,4**
- Reserve Assets Position	**139,1**	**136,4**	**130,8**	**137,2**	**137,2**	**145,2**	**137,5**	**134,9**	**146,4**	**146,4**	**140,4**	**140,2**	**149,9**	**155,7**	**155,7**	**157,1**	**152,6**	**148,7**
In Months of Imports & Official Debt Repayment	7,0	6,4	5,7	5,9	5,9	6,2	6,0	6,0	6,5	6,5	6,2	6,1	6,4	6,5	6,5	6,5	6,2	6,0
- Current Account (% GDP)	**0,2**	**1,3**	**1,4**	**1,1**	**1,0**	**0,9**	**-0,7**	**-0,4**	**-0,4**	**-0,2**	**-0,7**	**-0,9**	**-0,6**	**-0,4**	**-0,6**	**-0,1**	**-0,8**	**1,1**

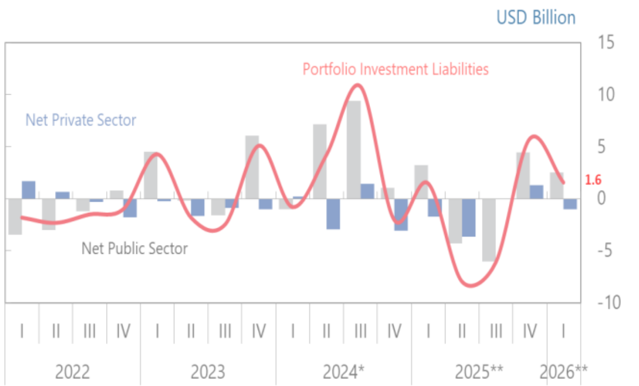
Source: Bank Indonesia. *Provisional Figures; ** Very Provisional Figures

Trade Balance



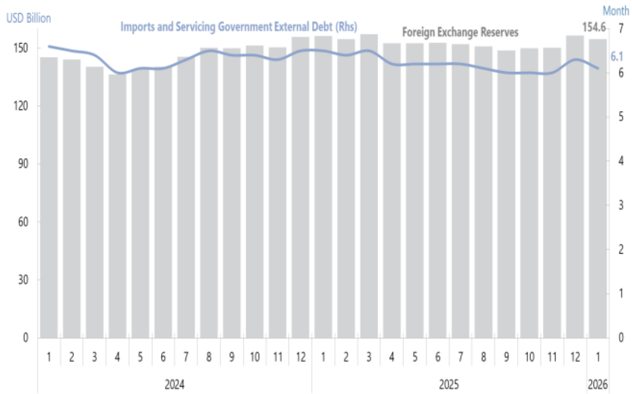
Source: BPS

Foreign Capital Flows



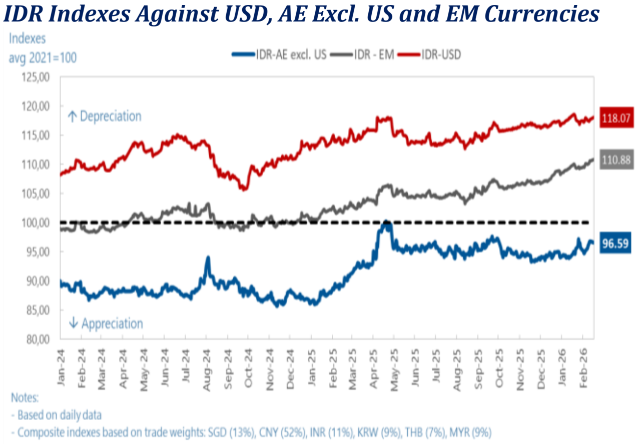
Source: Bank Indonesia. Data as of 13 February 2026 *Provisional Figures; ** Very Provisional Figures *** Very very Provisional Figures.

Official Reserve Asset



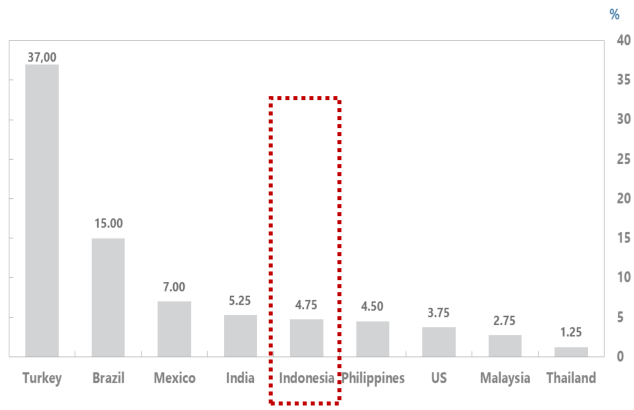
Source: Bank Indonesia

IDR Indexes Against USD, AE Excl. US and EM Currencies



Source: Bloomberg. Data as of 18 February 2026

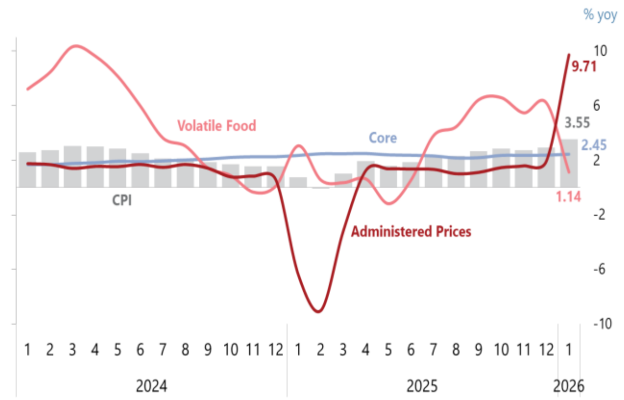
Peer Countries' Interest Rate Policies



Source: Bloomberg. Data as of 19 February 2026

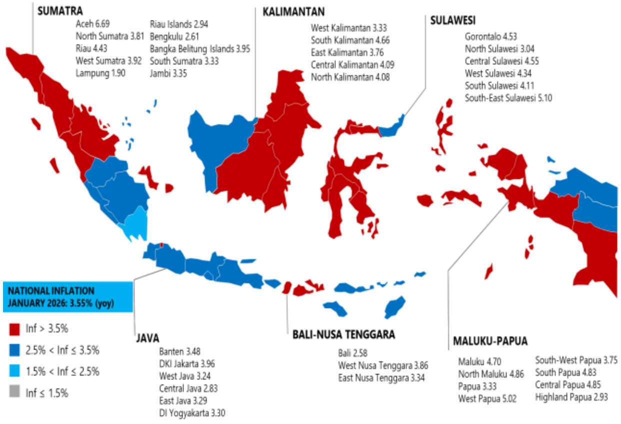
Consumer Price Index (CPI) inflation remains under control.

CPI Inflation and Component



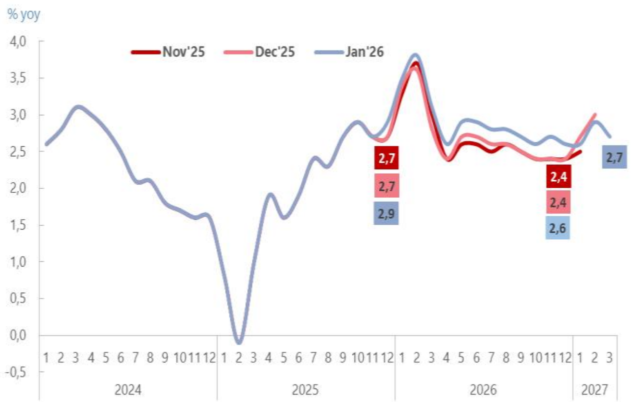
Source: BPS

Inflation Rate across Provinces



Source: BPS

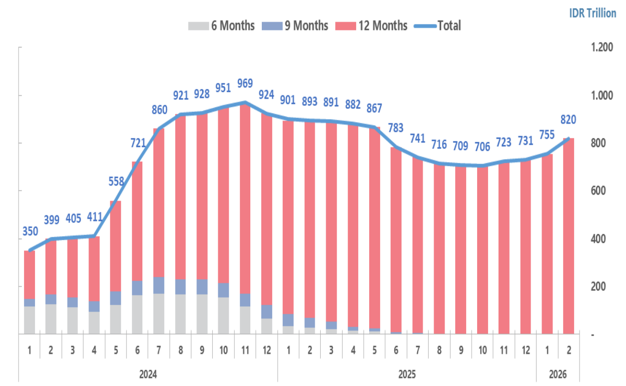
Inflation Expectation



Source: Consensus Economics

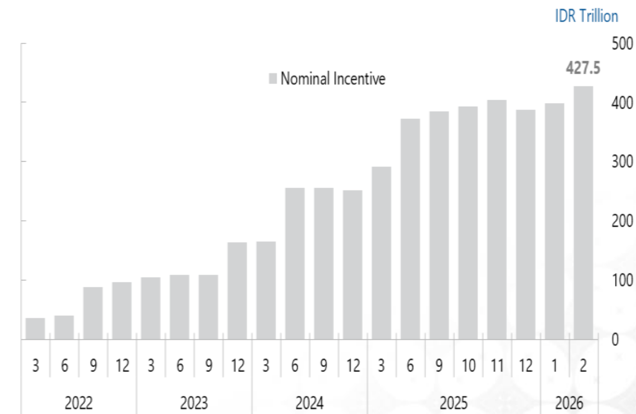
Bank Indonesia's monetary policy continues to be strengthened to foster higher economic growth while maintaining macroeconomic stability. Bank Indonesia continuously strengthens macroprudential liquidity incentive policies (KLM) to support higher economic growth.

SRBI Outstanding Position



Source: Bank Indonesia. Data as of 13 February 2026

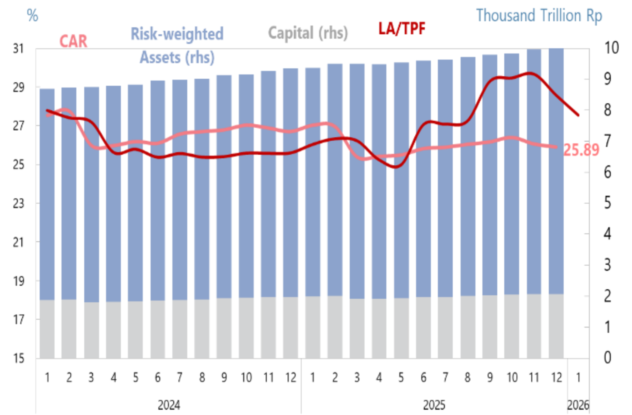
KLM Incentives Disbursement



Source: Bank Indonesia

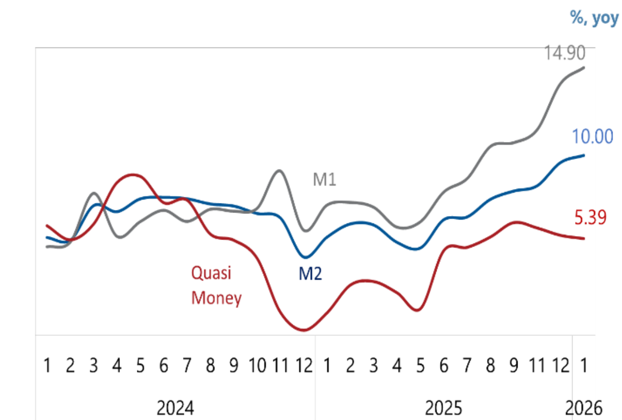
The transmission of monetary policy easing to lower interest rates in the banking industry needs to be continuously strengthened to further support economic growth. The money supply continues to grow at a high pace in line with Bank Indonesia's policy to enhance the effectiveness of monetary liquidity expansion in support of economic growth. Banking credit growth needs to be further strengthened to support economic growth. Banking system resilience remains strong, supported by ample bank liquidity, strong capital adequacy and low credit risk.

The Ratio of Liquid Assets to Deposits and Capital Banking



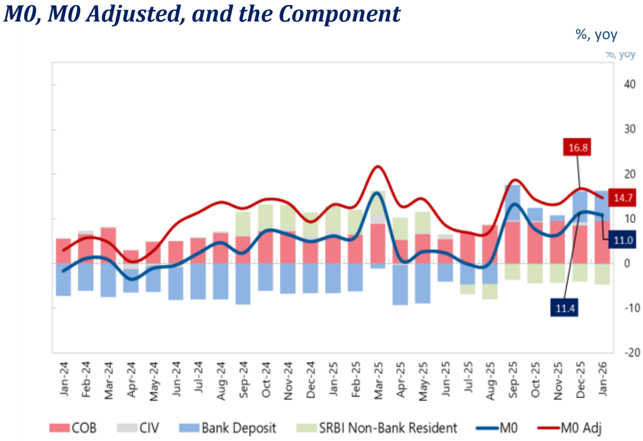
Source: Bank Indonesia

Money Supply



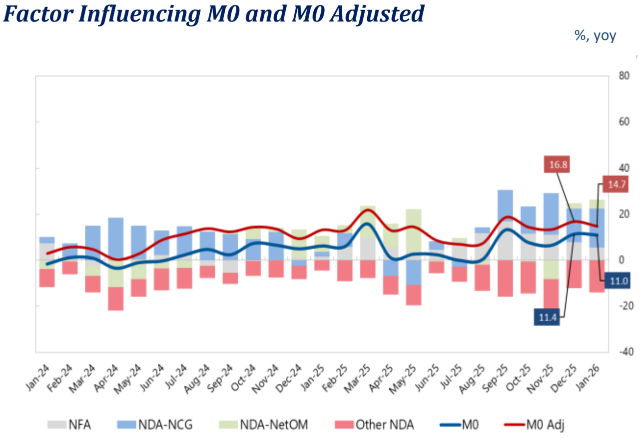
Source: Bank Indonesia

M0, M0 Adjusted, and the Component



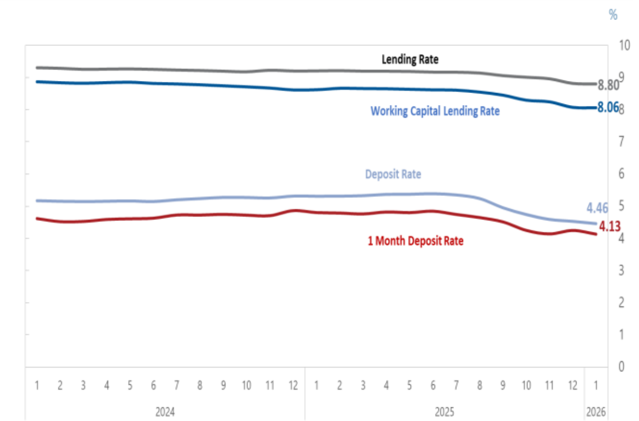
Source: Bank Indonesia

Factor Influencing M0 and M0 Adjusted



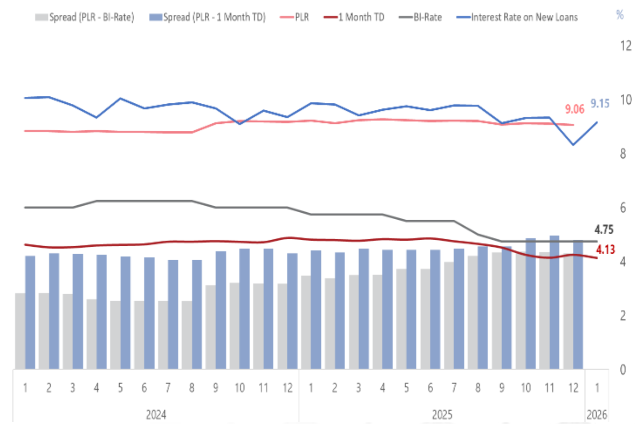
Source: Bank Indonesia

Policy Rate (BI-Rate) and Overnight Interbank Rate



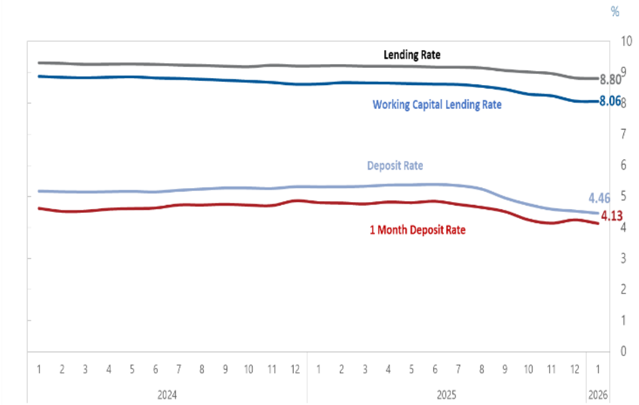
Source: Bank Indonesia

BI-Rate Transmission to PLR



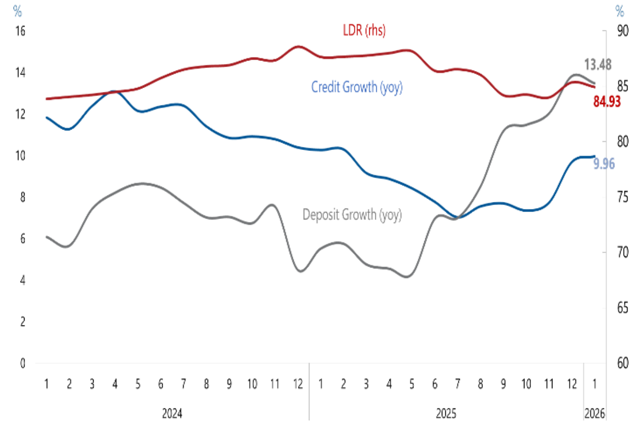
Source: OJK, Bank Indonesia, calculated

Banking Interest Rates



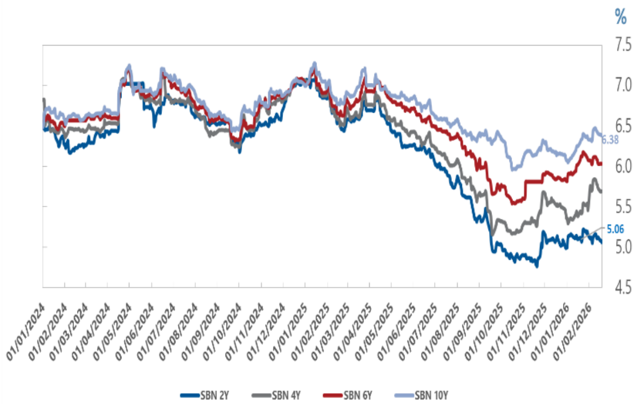
Source: Bank Indonesia

Credit and Deposit Developments



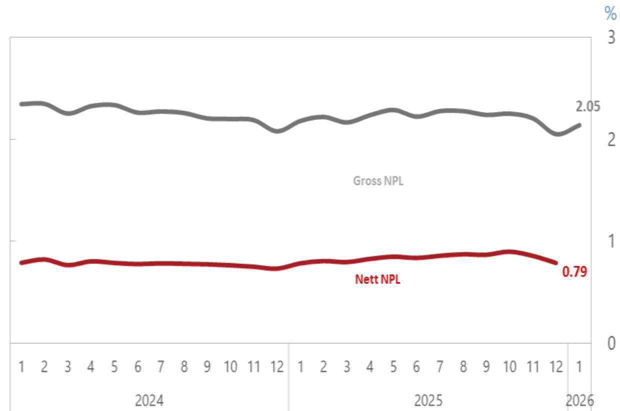
Source: Bank Indonesia

Yield SBN



Source: Bank Indonesia

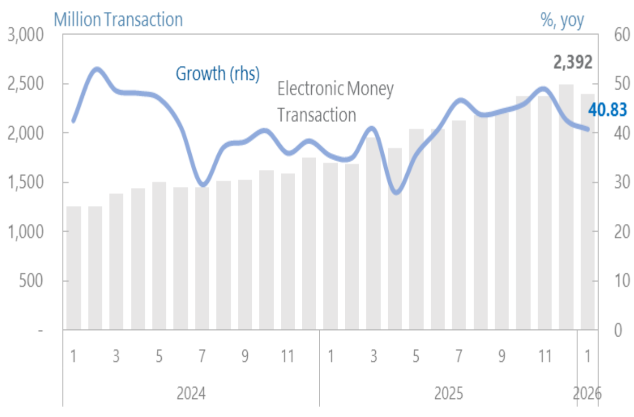
Credit Risk (NPL)



Source: Bank Indonesia, OJK

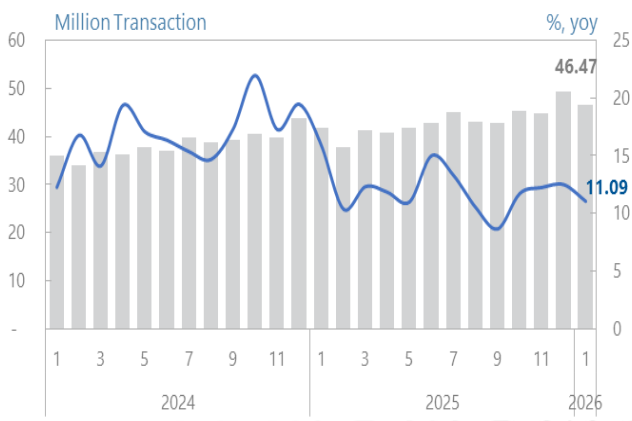
The growth of digital economic and financial transactions in January 2026 remained high, supported by secure, seamless, and reliable payment systems. Payment system stability remains preserved, supported by stable infrastructure and a sound industry structure.

Electronic Money Transactions Volume



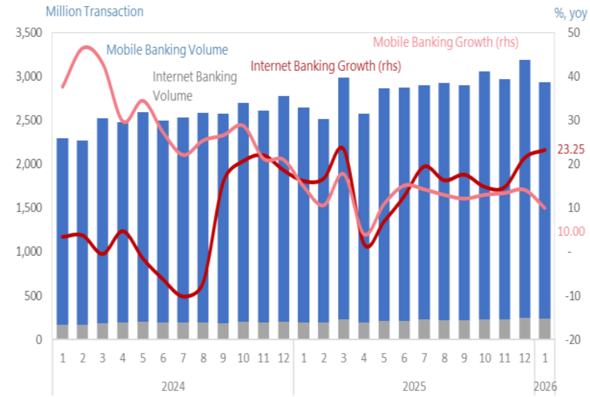
Source: Bank Indonesia

Credit Card Transactions Volume



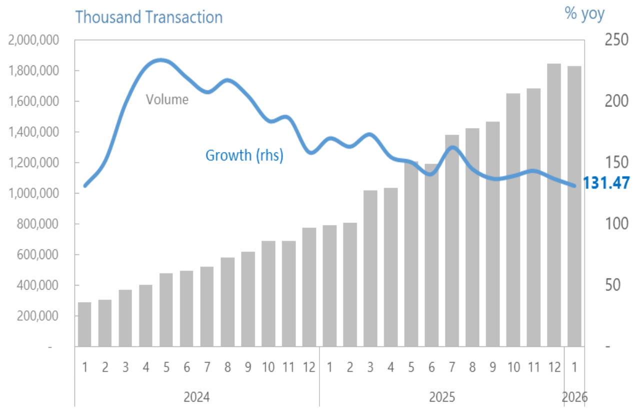
Source: Bank Indonesia

Digital Banking Transactions Volume



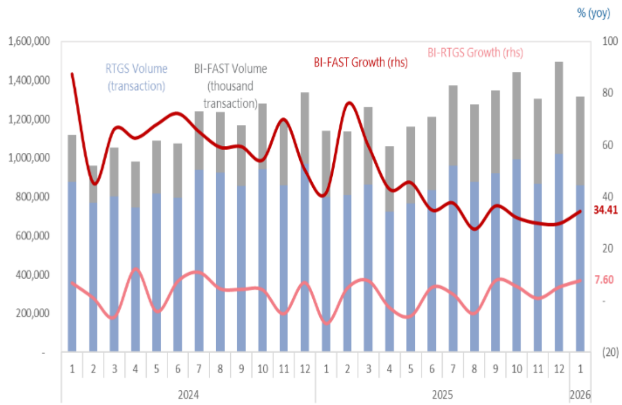
Source: Bank Indonesia

QRIS Transactions Volume



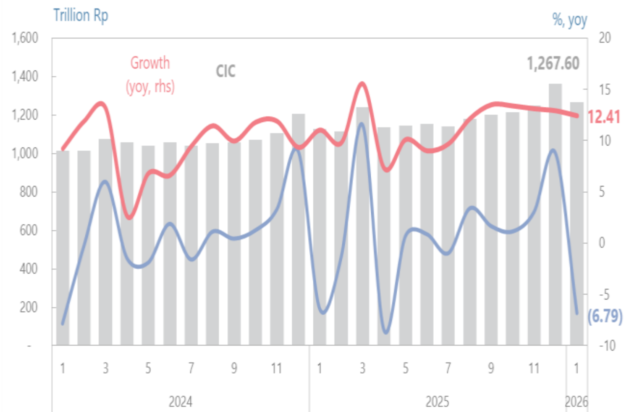
Source: Bank Indonesia

BI-FAST and BI-RTGS Transactions Volume



Source: Bank Indonesia

Currency in Circulation



Source: Bank Indonesia

BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

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