

**Press Release of the May 2025
Monthly Board of Commissioners Meeting**

**THE FINANCIAL SERVICES SECTOR REMAINS STABLE AND RESILIENT,
SUPPORTING THE ACCELERATION OF NATIONAL ECONOMIC GROWTH**

Jakarta, 2 June 2025 — The Indonesia Financial Services Authority (OJK) held its Monthly Board of Commissioners Meeting on 28 May 2025, and assessed that the stability of the Financial Services Sector (SJK) remains well-maintained, amid ongoing global trade and geopolitical tensions.

International trade dynamics have recently improved following the permanent trade agreement between the US and the UK on 8 May 2025, the first permanent trade deal by the US after postponing reciprocal tariffs. Furthermore, the temporary US–China trade agreement on 12 May 2025, which will last for 90 days, has also helped ease global trade tensions. These developments were well-received by market participants, contributing to a strengthening of global financial markets, reduced market volatility, and increased capital inflows into emerging markets.

Although geopolitical tensions have risen in certain regions, their impact has remained relatively localized, limiting the effects on global financial markets.

Global economic growth data for Q1 2025 showed signs of weakening, accompanied by a continued decline in inflation, indicating a drop in global demand. In response, global monetary policies have become increasingly accommodative, with several central banks cutting interest rates, injecting liquidity into markets, or lowering reserve requirements. Fiscal policies globally have also leaned toward expansion, although fiscal space remains constrained.

In this context, the US Federal Reserve has indicated a “high for longer” stance on the Federal Funds Rate (FFR), awaiting clarity on tariff policies and their effects on various economic indicators. As a result, markets have revised their expectations for FFR cuts in 2025 from three–four times down to two times, with the first cut now expected in September. Markets are also closely watching the proposed "One Big Beautiful Bill" legislation, which is projected to increase the US fiscal deficit, prompting Moody's to downgrade the US credit rating. These factors have led to a weakening of the US bond market and the US dollar.

Domestically, Indonesia's economy continues to demonstrate resilience amid heightened global dynamics. Economic growth remained positive in Q1 2025, albeit with a slight slowdown to 4.87 percent. Domestic demand, especially household consumption, remained the primary driver, growing by 4.89 percent year-on-year. Domestic inflation remained under control at 1.95 percent (Mar 2025: 1.03 percent), staying within the central bank's target corridor. Several recent economic indicators also reflect ongoing resilience, including a continued trade surplus, a narrowing current account deficit to 0.05 percent of GDP (previously 0.87 percent), and stable foreign exchange reserves maintained at a high level.

In line with the Government's initiative to boost national economic growth through an economic incentive package in June 2025, OJK supports these efforts, which aim to strengthen purchasing power and ultimately drive economic growth. OJK continues to collaborate with relevant ministries, agencies, and the financial services industry to promote optimal financial intermediation, deepen financial markets, and develop promising industry sectors, which includes supporting the Micro, Small, and Medium Enterprises (MSME) segment. These initiatives are aimed at fostering more inclusive financing, thus enabling Indonesia's economic potential to be more fully realized in support of national economic growth.

Developments in Capital Markets, Financial Derivatives, and Carbon Exchange (PMDK)

Amid the evolving trade dynamics and geopolitical tensions, the domestic stock market indicated mtd (month-to-date) strengthening and became one of the strongest bourses in the region, rising 6.04 percent to a level of 7,175.82, while on a ytd (year-to-date) basis it rose 1.35 percent. Market capitalization was recorded at IDR12,420 trillion, up 6.11 percent mtd (up 0.69 percent ytd). Meanwhile, non-residents booked a net buy mtd after previously recording a net sell since December 2024. The net buy value in May 2025 was recorded at IDR5.53 trillion mtd (ytd: net sell of IDR45.19 trillion).

On an mtd basis, sectoral index performance generally strengthened, with the highest gains observed in the basic materials and energy sectors, while only the technology sector showed a decline. In terms of transaction liquidity, the average daily trading value of the stock market ytd was recorded at IDR12.90 trillion, an increase compared to the average daily trading value in April 2025 of IDR12.47 trillion.

In the bond market, the ICBI bond market index strengthened by 0.78 percent mtd to 409.16, with the average SBN (government bond) yield falling by 4.76 bps mtd (down 22.02 bps ytd). As of 28 May 2025, non-resident investors recorded a net buy of IDR24.09 trillion mtd (ytd: net buy of IDR47.11 trillion). In the corporate bond market, non-resident investors recorded a net buy of IDR0.21 trillion mtd (net sell of IDR1.21 trillion ytd).

In the investment management industry, as of 27 May 2025, the Assets Under Management (AUM) value was recorded at IDR848.88 trillion (up 1.91 percent mtd or up 1.37 percent ytd), with the Net Asset Value (NAV) of mutual funds recorded at IDR517.99 trillion, up 3.16 percent mtd (ytd: up 3.75 percent), and recorded a net subscription of IDR8.26 trillion mtd (ytd: net subscription of IDR3.38 trillion).

Fundraising in the capital market maintained a positive trend, with total Public Offering value reaching IDR65.56 trillion, of which IDR3.31 trillion originated from six new issuers. Meanwhile, there are still 85 Public Offering pipelines with an indicative estimated value of IDR74.94 trillion.

In terms of fundraising through Securities Crowdfunding (SCF), since the SCF regulation was enacted until 27 May 2025, 18 providers have been licensed by OJK, with 825 securities issuances from 594 issuers, 180,862 investors, and total SCF funds collected and administered in KSEI amounting to IDR1.57 trillion.

In the financial derivatives market, from 10 January to 28 May 2025, there were 89 participants and 15 providers that had obtained OJK principal licenses. Meanwhile, the value of financial derivatives transactions with underlying assets in the form of securities in May 2025 was recorded at IDR160.39 trillion and a transaction volume of 52,605.07 lots, with an average daily transaction value of IDR9.43 trillion (ytd: IDR12.90 trillion per day).

As for the Carbon Exchange, from its launch on 26 September 2023 until 28 May 2025, there were 112 licensed service users with a total volume of 1,599,314 tCO₂e and an accumulated value of IDR77.95 billion.

During the period from 20 March to 28 May 2025, 40 issuers planned to conduct buybacks without a GMS (General Meeting of Shareholders), with an estimated buyback fund allocation of IDR21.49 trillion. Of the 40 issuers, 31 issuers have executed buybacks with a realized value of IDR2.16 trillion or 10.05 percent.

Regulatory enforcement in the Capital Market, Financial Derivatives, and Carbon Exchange:

1. In May 2025, OJK imposed Administrative Sanctions in the form of a Fine totaling IDR50,000,000.00 on one Public Accountant and an Administrative Sanction in the form of a Written Warning on one Investment Manager for violations in the Capital Market, Financial Derivatives, and Carbon Exchange sectors.
2. In 2025, OJK has imposed Administrative Sanctions from case investigations in the Capital Market on 13 parties, consisting of Administrative Sanctions in the form of Fines totaling IDR6,850,000,000.00 on six parties, Revocation of Individual Licenses on one party, Revocation of Business Licenses of Securities Companies on two companies, and Written Warnings on eight parties. In addition, OJK imposed Administrative Sanctions in the form of Fines for late submissions amounting to IDR15,866,010,000.00 on 218 Capital Market Financial Service Providers and 62 Written Warnings for delayed report submissions, as well as Administrative Sanctions in the form of Fines of IDR100,000,000.00 and 25 Administrative Sanctions in the form of Written Warnings for non-late non-case violations.

Developments in the Banking Sector (PBKN)

Banking intermediation remained stable with a well-maintained risk profile as credit grew by 8.88 percent year-on-year (yoy) in April 2025 (March 2025: 9.16 percent) to IDR7,960.94 trillion.

By loan type, Investment Loans recorded the highest growth at 15.86 percent, followed by Consumer Loans at 8.97 percent, while Working Capital Loans grew by

4.62 percent yoy. Based on ownership, state-owned banks were the main driver of credit growth at 8.82 percent yoy. By debtor category, corporate loans grew by 12.77 percent, while MSME loans grew by 2.60 percent, with small business loans recording the highest growth at 9.48 percent, amid banks' efforts focused on improving the quality of MSME loans.

Third-Party Funds (DPK) grew by 4.55 percent yoy (March 2025: 4.75 percent yoy) to IDR9,047 trillion, with demand deposits, savings, and time deposits growing by 6.02 percent, 6.05 percent, and 2.07 percent yoy, respectively.

Banking industry liquidity in April 2025 remained adequate, with the Liquid Assets/Non-Core Deposit (LA/NCD) and Liquid Assets/Third-Party Funds (LA/DPK) ratios recorded at 111.32 percent (March 2025: 116.05 percent) and 25.23 percent (March 2025: 26.22 percent), respectively — still above the thresholds of 50 percent and 10 percent. The Liquidity Coverage Ratio (LCR) stood at 200.35 percent.

Meanwhile, credit quality was still well-maintained, with the gross Non-Performing Loan (NPL) ratio at 2.24 percent (March 2025: 2.17 percent) and net NPL at 0.83 percent (March 2025: 0.80 percent). Loans at Risk (LaR) was also relatively stable, recorded at 9.92 percent (March 2025: 9.86 percent).

Despite increasing compared to the previous month, the LaR ratio declined from April 2024 and remained below pre-pandemic levels, which stood at 9.93 percent in December 2019.

Banking resilience also remained solid, as reflected in the high capital adequacy ratio (CAR) of 25.43 percent (March 2025: 25.38 percent), providing a solid buffer against risks amid global uncertainty.

The share of Buy Now Pay Later (BNPL) credit in banking was recorded at 0.27 percent of total banking credit, though it continued to post high annual growth. As of April 2025, the outstanding BNPL credit balance reported in SLIK grew 26.59 percent yoy (March 2025: 32.18 percent yoy) to IDR21.35 trillion, with the number of accounts reaching 24.36 million (March 2025: 24.59 million).

In relation to the crackdown on online gambling, which has had widespread impacts on the economy and financial sector, OJK has instructed banks to block approximately 17,026 accounts (previously: ±14,117 accounts) based on data submitted by the Ministry of Communication and Digital Affairs. Additionally, OJK has asked banks to develop follow-up reports by closing accounts matching National Identity Numbers and conducting Enhanced Due Diligence (EDD).

Developments in the Insurance, Guarantee, and Pension Fund Sector (PPDP)

In the NBFIs (Non-Bank Financial Industry) sector, insurance industry assets as of April 2025 reached IDR1,162.78 trillion, an increase of 3.66 percent yoy from the same position in the previous year at IDR1,121.69 trillion. From the commercial insurance side, total assets reached IDR940.48 trillion or increased by 4.13 percent yoy.

Meanwhile, the performance of commercial insurance in terms of premium income during the January–April 2025 period reached IDR116.44 trillion, growing by 3.27 percent yoy, consisting of life insurance premiums which grew by 1.05 percent yoy to IDR60.6 trillion, and general insurance and reinsurance premiums which grew by 5.79 percent yoy to IDR55.84 trillion.

In general, the capitalization of the commercial insurance industry remains solid, with the life insurance industry and general and reinsurance industry reporting Risk Based Capital (RBC) ratios of 474.77 percent and 315.98 percent, respectively (well above the 120 percent threshold).

For non-commercial insurance, which consists of Social Security Agency for Employment (BPJS Ketenagakerjaan) and Social Security Agency for Health (BPJS Kesehatan), as well as insurance programs for civil servants (ASN), the military (TNI), and the police (POLRI) related to work accident and accidental death insurance, total assets were recorded at IDR222.3 trillion, growing by 1.73 percent yoy.

In the pension fund industry, total assets as of April 2025 grew by 8.26 percent yoy to IDR1,551.03 trillion. For voluntary pension programs, total assets recorded growth of 4.45 percent yoy to IDR388.28 trillion.

For mandatory pension programs, which consist of old-age benefits and pension benefits under BPJS Ketenagakerjaan, as well as old-age savings and pension contribution accumulation programs for Indonesia Civil Servants (ASN), Indonesia National Armed Forces (TNI), and Indonesia National Police Forces (POLRI), total assets reached IDR1,162.75 trillion, growing by 9.59 percent yoy.

In terms of guarantee companies, as of April 2025, asset value continued to contract by 0.58 percent yoy to reach IDR47.34 trillion.

To enforce regulation and consumer protection in the PPDP sector, OJK has taken the following steps:

1. In order to meet the phase-1 equity increase obligation in 2026 in accordance with POJK 23 of 2023, based on the monthly report as of April 2025, 110 out of 144 insurance and reinsurance companies have met the minimum equity requirement for 2026.
2. OJK continues to make various efforts to resolve issues in financial service institutions (LJK) through special surveillance, which as of 26 May 2025, has been applied to 6 insurance and reinsurance companies with the hope that these companies can improve their financial condition in the interest of the policyholders. In addition, nine pension funds are also under special surveillance.

Developments in the Financing Institutions, Venture Capital, Microfinance, and Other Financial Institutions Sector (PVML)

In the PVML sector, the financing receivables of finance companies (PP) grew by 3.67 percent yoy in April 2025 (March 2025: 4.60 percent yoy) to IDR504.18 trillion, supported by working capital financing which grew by 8.74 percent yoy.

The risk profile of finance companies (PP) remains manageable, with the gross Non-Performing Financing (NPF) ratio decreasing to 2.43 percent (March 2025: 2.71 percent) and net NPF at 0.82 percent (March 2025: 0.80 percent). The gearing ratio of PP stood at 2.23 times (March 2025: 2.26 times), still well below the maximum limit of 10 times.

Venture capital financing in April 2025 grew by 1.04 percent yoy (March 2025: -0.34 percent yoy), with the financing value recorded at IDR16.49 trillion (March 2025: IDR16.73 trillion).

In the peer-to-peer (P2P) lending fintech industry, outstanding financing in April 2025 grew by 29.01 percent yoy (March 2025: 28.72 percent yoy), amounting to IDR80.94 trillion. The aggregate non-performing loan ratio (TWP90) stood at 2.93 percent (March 2025: 2.77 percent).

Based on SLIK, Buy Now Pay Later (BNPL) financing disbursed by finance companies in April 2025 increased by 47.11 percent yoy (March 2025: 39.28 percent yoy), reaching IDR8.24 trillion with a gross NPF ratio of 3.78 percent (March 2025: 3.48 percent).

Additionally, in the context of enforcing regulations and consumer protection in the PVML sector, OJK has taken the following steps:

1. Currently, four out of 145 finance companies have not met the minimum equity requirement of IDR100 billion and 15 out of 96 P2P lending operators have not met the minimum equity requirement of IDR7.5 billion. Of those 15 P2P lending operators, four are in the process of having their applications to increase paid-up capital reviewed. OJK continues to take all necessary actions based on the progress of their action plans to fulfil the equity requirement, including capital injections from shareholders or credible local/foreign strategic investors, and license revocation if necessary.
2. Enforcing compliance and integrity in the PVML sector, during May 2025, OJK imposed administrative sanctions on eight finance companies, three venture capital firms, five P2P lending operators, 11 private pawnshop companies, four microfinance institutions, and two special financial institutions for violations of applicable POJK regulations, as well as based on supervisory findings and/or follow-up inspections. The sanctions included 10 fines and 29 written warnings. OJK expects these enforcement efforts to encourage industry players in the PVML sector to improve governance, prudence, and compliance, ultimately leading to better performance and optimal contributions.

Developments in Financial Sector Technology Innovation (ITSK), Digital Financial Assets, and Crypto Assets (IAKD)

1. Regulatory sandbox implementation:

- a. Since the issuance of POJK Number 3 of 2024 concerning the Implementation of Digital Financial Innovation (ITSK), interest from ITSK providers to become participants in the OJK sandbox has been very high. As

of May 2025, OJK has received 191 consultation requests from prospective sandbox participants. Of that total, 119 parties have submitted consultation forms, and 111 have conducted consultations.

- b. OJK has received 16 applications to become sandbox participants, six of which have been approved as sandbox participants, consisting of five ITSK providers with Digital Financial Asset and Crypto Asset (AKD-AK) business models and one ITSK provider from the Market Support category. Currently, four applications are under review to become sandbox participants, consisting of three providers with the AKD-AK business model and one provider with an open finance business model.

2. **ITSK operator registration:**

- a. Since the issuance of POJK Number 3 of 2024 until May 2025, 47 ITSK providers have submitted registration applications to OJK, 29 of which have been designated as registered ITSK providers, consisting of ten Alternative Credit Scoring (PKA) providers and 19 Financial Service Aggregator (PAJK) providers.
 - b. In addition, OJK is currently processing two registration applications from prospective ITSK providers of the PAJK type.
3. Based on reports as of April 2025, ITSK providers registered with OJK have successfully established 960 partnerships with Financial Service Institutions (LJK) across various sectors, such as banking, financing companies, insurance, securities companies, P2P lending, microfinance institutions, and pawnshops, as well as with information technology service providers and data source providers.
 4. As of April 2025, ITSK providers of the PAJK type successfully facilitated partner-approved transactions worth IDR1.98 trillion, with a total of 796,605 PAJK users spanning Indonesia. Additionally, the number of credit score data requests (total hits) received by ITSK providers of the PKA type reached 19.86 million. This indicates that the services provided by ITSK providers have contributed to boost activity and accelerate market deepening in the financial services sector, while improving inclusion in the use of financial products and services.
 5. As of May 2025, there were 1,444 tradable crypto assets. OJK has approved licenses for 23 entities within the crypto asset trading ecosystem, consisting of one crypto exchange, one clearing and settlement institution, one custodian, and 20 traders. Additionally, OJK is currently processing the licensing of 10 prospective crypto asset traders.
 6. In line with the development of crypto asset activities in Indonesia, as of April 2025, the number of consumers has shown an upward trend, reaching 14.16 million consumers (March 2025: 13.71 million consumers). The value of crypto asset transactions in April 2025 was recorded at IDR35.61 trillion (March 2025: IDR32.45 trillion). This reflects continued consumer confidence and a well-maintained market condition.

Developments in Supervision of Market Conduct, Education, and Consumer Protection (PEPK)

In synergy with BPS-Statistics Indonesia (BPS), OJK has conducted the 2025 National Survey on Financial Literacy and Inclusion (SNLIK), the results of which indicate an increase in the Financial Literacy Index to 66.46 percent and the Financial Inclusion Index to 80.51 percent, up from the previous SNLIK where the financial literacy and inclusion indices were 65.43 percent and 75.02 percent, respectively. The results of the 2025 SNLIK are used by OJK and other stakeholders as one of the bases for evaluating program implementation and drafting future policies.

From 1 January 2025 to 23 May 2025, OJK arranged more than 2,366 financial education activities reaching over 5,667,974 participants across Indonesia. The Sikapi Uangmu digital platform, which serves as a dedicated communication channel for financial education content to the public through its minisite and application, published 130 pieces of educational content, attracting a total of 727,702 viewers. In addition, there were 10,900 users of the Financial Education Learning Management System (LMSKU), with a total of 3,997 module accesses and 1,464 module completion certificates issued.

Efforts to improve financial literacy are supported by strengthening financial inclusion programs through collaboration within the Regional Financial Access Acceleration Teams (TPAKD) in all 38 provinces and 514 regencies/cities in Indonesia.

Furthermore, OJK implemented the following financial literacy and inclusion activities in May 2025:

1. As part of the Kick-Off of Financial Literacy Month (BLK), OJK conducted the following financial education activities:
 - a. Financial education in celebration of National Education Day for university students from several higher education institutions in Malang with the theme of "Financially Smart Young Generation: Building Resilience in the Digital Finance Era."
 - b. GENCARKAN for students of Universitas Muhadi Setiabudi (UMUS) Brebes and Universitas Pancasakti (UPS) Tegal with the theme of "Financially Literate Young Generation, Realizing a Prosperous Future in the Digital Era" on 22 May 2025. This event also included the inauguration of financial literacy ambassadors from the UMUS and UPS student segments.
 - c. Financial Education for youth in the Solo Raya area in collaboration with PUJK and the Regional Government of Karanganyar Regency with the theme of "A Prosperous Future Through Financial Planning" on 23 May 2025. The event also included the inauguration of financial literacy ambassadors from the Bank Jateng branch office employees, serving as OJK's outreach arm for financial education.
2. South Sumatra Gencarkan & Youngpreneur Summit 2025 on 16 May 2025, involving local youth ('ayu and kakak') in South Sumatra to become Young

Sultans by understanding financial management and encouraging young entrepreneurship to support regional economic growth. Also present was the Financial Literacy and Inclusion Generation (GEN LIMAS), a Gen-Z community committed to enhancing financial literacy and inclusion in South Sumatra.

3. Women's Financial Education Event in collaboration with the Association of Wives of the Indonesian Economics Graduates Association (PIISEI) as a full support initiative to increase financial literacy among women. This effort is expected to strengthen women's financial resilience in the digital era.
4. Implementation of GENCARKAN from January to May 2025 through 17,622 programs that reached 81.3 million participants. These included 8,526 direct Financial Education events reaching 4.2 million participants and 9,096 Digital Financial Education contents reaching 77.1 million viewers.

To increase financial inclusion, OJK carried out the following:

- a) To ensure the sustainability of TPAKD, guidelines are being provided for stakeholders to determine the strategy and policy direction of TPAKD from 2026–2030, and to support the implementation of financial inclusion targets based on the 2025–2045 National Long-Term Development Plan (IDRJPN), the 2025–2029 National Medium-Term Development Plan (IDRJMN), and the Regional Long-Term Development Plan (IDRJPD). Periodic discussions are currently underway for the preparation of the TPAKD 2026–2030 Roadmap document.
- b) Assistance and mentoring regarding the draft work programs for financial access through TPAKD during the TPAKD Papua Province Plenary Meeting in preparation for the 2025 TPAKD work plan on 22 May 2025. The importance of TPAKD's role in achieving financial inclusion targets and financial sector deepening as stated in the IDRJPN, the IDRJPD for each province and the IDRJMN were also conveyed.
- c) As support for TPAKD deepening, the evaluation of the 2025 Plan, and the filling of Q1 2025 realization data in SiTPAKD, East Kalimantan (Kaltim) and North Kalimantan (Kalut) Provinces held Regional Coordination Meetings (Rakorda) on 20 May 2025 (Kaltim) and 22 May 2025 (Kalut). On this occasion, OJK provided strategic direction for the 2025 TPAKD and the implementation of the 2025 TPAKD Award.
- d) Preparation of the initial draft of the Government Regulation on the National Committee for Financial Literacy and Inclusion (IDRP Komnas LIK) with related stakeholders coordinated by the Coordinating Ministry for Economic Affairs.
- e) Expansion of the One Student One Account Program (KEJAR) on a larger and more equitable scale. In 2025, a Pilot Project for Student Account Opening was conducted in the DKI Jakarta Province, West Kalimantan Province, Bandung City, and Denpasar City. Currently, 2,130 schools and 538,110 students have been targeted for the Pilot Project across various regions.

In addition, OJK continues strengthening collaboration and strategic alliances for the development of Islamic finance, which includes increasing sharia financial literacy and inclusion.

From a consumer services perspective, from 1 January to 23 May 2025, there were 170,768 service requests submitted through the Consumer Protection Portal Application (APPK), including 15,278 complaints. Of the total complaints, 5,639 were from the banking sector, 5,795 from the financial technology industry, 3,152 from financing companies, 504 from insurance companies, with the remainder related to the capital market sector and other non-bank financial industries.

Seeking to eradicate illegal financial activities, from 1 January to 23 May 2025, OJK received 5,287 complaints relating to illegal entities. Of those, 4,344 concerned illegal online loans and 943 were related to illegal investments.

The number of illegal entities that have been terminated/blocked is as follows:

Entity	Year								
	2017-2018	2019	2020	2021	2022	2023	2024	1 Jan – 23 May-25	Total
Illegal Investments	185	442	347	98	106	40	310	209	1.737
Illegal Online Lending	404	1.493	1.026	811	698	2.248	2.930	1.123	10.733
Illegal Pawnshops	0	68	75	17	91	0	0	0	251
Total	589	2.003	1.448	926	895	2.288	3.240	1.332	12.721

Strengthening consumer and public protection, through the Illegal Financial Activity Eradication Task Force (*Satuan Tugas Pemberantasan Aktivitas Keuangan Ilegal/Satgas PASTI*) during the period from 1 January to 23 May 2025, OJK:

- Identified and shut down 1,123 illegal online lending entities and 209 illegal investment offers on various websites and applications that have the potential to harm the public.
- Satgas PASTI acquired the contact numbers of debt collectors from illegal online lending entities and has submitted a request to the Ministry of Communication and Digital Affairs of the Republic of Indonesia to block 2,422 contact numbers.

OJK, together with members of the Task Force for the Eradication of Illegal Financial Activities (Satgas PASTI), supported by banking and payment system industry associations, has established the Indonesia Anti-Scam Centre (IASC) or the Financial Transaction Fraud Handling Center. From its launch in November 2024 to 23 May 2025, the IASC received 128,281 reports, consisting of 85,120 reports submitted by victims through Financial Services Sector Institutions (banks and payment system providers), which were subsequently entered into the IASC system, and 43,161 reports submitted by victims directly into the IASC system. A total of 208,333 accounts were reported, and 47,891 accounts have been blocked. To date, total reported financial losses amount to IDR2.6 trillion, with IDR163 billion in victim funds successfully blocked. The IASC will continue to enhance its capacity to expedite fraud case handling in the financial sector.

As part of consumer protection regulation enforcement, OJK has issued orders and/or administrative sanctions during the period from 1 January to 23 May 2025, including 63 Written Warnings to 56 Financial Service Providers (PUJK) and 23 Fines

to 22 PUJK. Additionally, during the period from 1 January to 18 May 2025, a total of 102 PUJK compensated consumer losses amounting to IDR19.7 billion and USD 3,281.

In overseeing the conduct of PUJK (market conduct), OJK has enforced regulations through the imposition of Administrative Sanctions based on the results of Direct/Indirect Supervision. From 1 January to 23 May 2025, OJK issued two Administrative Sanctions in the form of Written Warnings and two Administrative Sanctions in the form of Fines in the banking sector for violations of consumer protection regulations related to the information provided in advertisements. To prevent a recurrence of similar violations, OJK has also issued orders for specific corrective actions, including the removal of advertisements that do not comply with regulations, as a result of direct/indirect supervision in order to foster compliance among PUJK with consumer and public protection regulations.

OJK Policy Direction

In order to maintain the stability of the financial services sector (SJK) and enhance the role of SJK in supporting national economic growth, OJK has undertaken the following policy measures:

A. Policies to Maintain Financial System Stability

Amid the slowdown in global economic growth and ongoing trade negotiations between the US and several countries, the impact of these developments on debtor performance and the Indonesian financial services sector must continue to be monitored closely. Financial services institutions are expected to continue conducting comprehensive assessments to enable timely and appropriate mitigation actions. On the other hand, OJK continues to refine policies to deepen the financial markets in synergy with ministries/agencies and relevant stakeholders to enhance competitiveness and ensure the sustainable growth of the financial services sector.

B. Policies for Financial Services Sector (FSS) Development, Strengthening, and Market Infrastructure

1. OJK has established/issued:

- a. POJK Number 9 of 2025 on the Dematerialization of Equity Securities and Management of Unclaimed Assets in the Capital Market**, providing the legal foundation for converting equity securities from scrip to scripless format so that administration is centralized at the Central Securities Depository (LPP). Additionally, this regulation establishes legal procedures and timeframes for managing unclaimed assets in the capital market.
- b. SEOJK Number 5/SEOJK.04/2025 on Reporting Guidelines for Mutual Fund Selling Agents (APERD) and Commercial Banks as Custodians**, following the issuance of POJK Number 6 of 2025 on APERD Reports and POJK Number 7 of 2025 on Commercial Bank Custodian

Reports. This SEOJK provides technical guidance for the preparation of periodic and incidental reports by APERD and Custodian Banks.

- c. **SEOJK Number 5/SEOJK.04/2025 on Reporting Guidelines and Contracts for Mutual Fund Lending and Borrowing**, following POJK Number 33 of 2024 on the Development and Strengthening of Investment Management in the Capital Market. This SEOJK regulates guidelines for reporting mutual fund lending and borrowing activities.
- d. **SEOJK Number 7/SEOJK.05/2025 on the Implementation of Health Insurance Products, mandated by Article 3B of POJK 36 of 2024**, further regulates the criteria for insurance and sharia insurance companies eligible to conduct health insurance business, including proper prudential principles and risk management. This SEOJK aims to reform the health insurance ecosystem by promoting better risk management practices and cost efficiency, including regulations on eligible insurers, medical advisory boards, product design, co-payment policies, risk management, coordination with health insurance providers, and collaboration with other parties.
- e. **SEOJK Number 8 of 2025 on the Implementation of the Compliance Function for Rural Banks and Sharia Rural Banks as further guidance under POJK Number 9 of 2024 on Governance Implementation for Rural Banks and Sharia Rural Banks**. This SEOJK includes provisions on compliance culture, the compliance function, independence requirements and responsibilities of directors overseeing compliance, compliance unit heads or executives, and compliance function reporting formats.
- f. **SEOJK Number 9 of 2025 on the Implementation of the Internal Audit Function for Rural Banks and Sharia Rural Banks as further guidance under POJK Number 9 of 2024**. It covers general internal audit policies, internal audit organizational structure, audit implementation, and internal audit reporting. This SEOJK provides a minimum standard guideline for internal audit implementation, which is expected to improve effectiveness and efficiency.

2. OJK is drafting:

- a. **Draft POJK on Governance and Risk Management in the Financial Sector Technology Innovation (ITSK)**, regulating governance and adequate, effective, and measurable risk management in the ITSK sector.
- b. **Draft POJK on Fit and Proper Tests of Key Parties and Reassessment** in the ITSK Sector, regulating assessment factors, procedures, and determination of fit and proper test results, reassessment procedures, final outcomes, and consequences.
- c. As a guideline for implementing PSAK 117 in the insurance industry since 1 January 2025, OJK has issued:

1. POJK Number 22 of 2024 on Periodic Reports of Insurance Companies; and
2. SEOJK Number 23/SEOJK.05/2024 on the Format and Structure of Periodic Reports of Insurance and Reinsurance Companies.

whereby PSAK 117 financial reports must be submitted quarterly. In Q1 2025, several insurance companies still presented non-compliant records under PSAK 117. OJK will conduct a pilot project concerning onsite supervision to assist supervisors in building a monitoring framework for PSAK 117 financial reporting processes.

- d. **Draft POJK on Risk Management Implementation for Guarantee Institutions** as a technical regulation under IDROJK on Risk Management for Insurance Companies, Guarantee Institutions, and Pension Funds.
 - e. **Draft POJK on Monthly Reports of Financial Service Institutions Conducting Bullion Business Activities**, regulating report format, structure, submission period, and procedure.
 - f. **Draft POJK on the Implementation of Anti-Money Laundering, Terrorism Financing, and Proliferation Financing of Weapons of Mass Destruction (APU, PPT, and PPSPM) Programs in the ITSK sector**, as an implementation regulation for POJK Number 8 of 2023. It will cover risk-based APU/PPT/PPSPM programs, board oversight, policies and procedures, internal controls, IT systems, human resources, and reporting
3. OJK has met with directors of several banks to obtain updates on banking sector perception of global and domestic economic conditions as a reference for the 2025–2027 Bank Business Plan (RBB) revision submission at the end of June 2025, and also regarding MSME development. The goal was to gather input and analyze potential banking sector support for MSMEs and non-MSMEs to boost national economic activity. In line with this, the draft IDROJK on MSME Access to Finance, which has been consulted with Parliament, is expected to strengthen the direction of MSME development policy both in quantity and quality. Furthermore, following the expiration of Government Regulation Number 47 of 2024 on the Write-Off of Non-Performing Loans to MSMEs (PP HBHT), OJK supports the continuation of this policy in line with Act Number 1 of 2025 on State-Owned Enterprises, which mandates further regulation via a Ministerial Regulation. Meanwhile, OJK will not issue specific provisions on this matter, as loan write-offs constitute a business decision made by individual banks.
 4. Regarding the handling of online gambling and other financial crimes, OJK has held meetings with bank compliance directors to get updates on the latest efforts taken by banks in tackling online gambling and other crimes, including the challenges faced, handling of dormant accounts to prevent misuse, and

effectiveness in addressing account trading. Going forward, OJK will strengthen oversight and regulation of dormant account use and establish policies/guidelines for handling fraud/scam cases, while also enhancing customer awareness and education to prevent financial crimes. Additionally, with the rising risk of cyber incidents in the financial sector, OJK will strengthen regulations on banking IT and continue improving supervision quality to respond swiftly and prevent greater risks.

5. As a follow-up to the President of Indonesia's directives during the national economic symposium regarding priority sectors in the national economic transformation, OJK has conducted meetings with relevant ministries/agencies, banking industry stakeholders, and textile (TPT) industry players to discuss TPT prospects and strengthening measures as a strategic national sector, considering national economic conditions and global dynamics. Discussions emphasized the importance of cross-sector collaboration to build a resilient and competitive TPT industry ecosystem through the "Indonesia Incorporated" approach, supported by the banking sector's crucial role in financing and business structure, various government incentives, and integrated policy expectations for the TPT industry's revival. OJK will use the meeting's outcomes to formulate concrete policy recommendations to enhance the competitiveness and sustainability of TPT as a key labor-intensive and export-oriented industry. Furthermore, OJK will coordinate with related ministries/agencies to conduct in-depth analyses of other sectors' prospects to evaluate banking sector support potential in driving economic growth.

C. Development and Strengthening of Sharia Financial Services Sector (SJK Syariah)

In the Islamic financial industry, the Islamic Stock Index (ISSI) strengthened by 4.81 percent YTD, and the Assets Under Management (AUM) of Sharia Mutual Funds grew by 16.74 percent to IDR59.01 trillion. Meanwhile, the performance of Islamic financial services institutions (SJK Syariah) continues to grow positively year-on-year, with Islamic banking financing growing by 8.87 percent, Islamic insurance contributions growing by 8.04 percent, and Islamic financing receivables growing by 8.03 percent.

As a follow-up to Article 9 of POJK Number 11 of 2023, 41 companies have submitted changes to their Sharia Business Unit Separation Work Plans (RKPUS), of which 29 companies stated they will spin off their sharia units by establishing new companies, and 12 companies will transfer their portfolios to other companies. In 2025, 18 companies are planning to spin off their Islamic windows by establishing new companies, and eight companies will transfer their portfolios to other companies. In May 2025, one sharia business unit started the spin-off process by establishing a new company.

OJK also continues to strengthen collaboration and strategic alliances for the development of Islamic finance, which includes increasing Islamic financial literacy and inclusion, among others:

1. In order to develop and strengthen Islamic finance and in line with the mandate of the P2SK Act, OJK has established the Sharia Financial Development Committee (KPKS), consisting of representatives from OJK and external members, including representatives from the DSN-MUI as well as professionals and academics who are experts in Islamic finance. The formation of the KPKS aims to increase accountability and transparency in the decision-making process for the development and strengthening of Islamic finance, accelerate the formulation of regulations governing sharia business activities or products and services, and support the integration of OJK's policies in the development and strengthening of Islamic finance. The duties of the KPKS include providing recommendations for the formulation of Islamic finance policies at OJK, giving recommendations on activities based on sharia principles, and strengthening coordination between OJK and the DSN-MUI regarding the development and strengthening of Islamic finance.
2. Finalizing the drafting process for Sharia Banking product guidelines, including:
 - a) Istishna' Financing Product Guidelines to encourage financing in the housing, property, and construction sectors,
 - b) Salam Product Guidelines to promote Supply Chain Financing for MSMEs, which offers faster cash conversion for suppliers compared to the invoice financing scheme, and
 - c) Multi-service Financing Product Guidelines to encourage financing for service needs, including education, umrah pilgrimage, weddings, tourism, and healthcare.
3. Supporting the implementation of unique sharia products as part of the effort to deepen the Islamic banking market, including through the Cash Waqf Linked Deposit (CWLD) product, which synergizes the social and commercial functions of Islamic banks (CWLD), the Salam product, and the Shariah Restricted Investment Account (SRIA) product.
4. To increase Islamic financial literacy and inclusion, OJK also conducted:
 - a) The flagship program SYAFIF Goes to Palembang in collaboration with Islamic Financial Service Providers on 16-18 May 2025, in Palembang, aimed at promoting sharia financial products and services. The SYAFIF event in Palembang is the second of six SYAFIF events planned in 2025, with participation from 19 Islamic FSPs, successfully expanding sharia financial access through fundraising and fund distribution, totaling 360 new accounts worth IDR6.9 billion.
 - b) The Sahabat Ibu Cakap Literasi Keuangan Syariah (SICANTIKS) event for groups of female MSME mentors and Family Welfare Empowerment (PKK) movers in Palembang on 17 May 2025. This event initiated collaboration between OJK and PT Permodalan Nasional Madani (PNM) to implement SICANTIKS for MSME mentors, who will educate female MSME entrepreneurs as PT PNM clients. During the event, Islamic Financial Literacy Ambassadors were also inaugurated.

- c) Strengthening the Village Community Islamic Financial Ecosystem in collaboration with the National Islamic Economy and Finance Committee (KNEKS), the Ministry of Villages, Development of Disadvantaged Regions and Transmigration, and the Ministry of Religious Affairs of the Republic of Indonesia, through the organization of School of Syariah and Pre-Ecosystem for Islamic Financial Inclusion Center (EPIKS) activities in North Sumatra and West Nusa Tenggara. These activities included Training of Trainers (ToT) for 238 religious instructors on 21 May 2025, which provided Islamic financial education and sermon materials that could be used for community training, as well as socialization for 113 Village-Owned Enterprises (BUMDes)/business units on 22 May 2025, to optimize the role of BUMDes as Sharia Smart Agents and Zakat Collection Units

D. Strengthening OJK Governance

1. In order to strengthen integrity and good governance in the financial services sector, OJK supports governance enhancement in market deepening through consultancy activities in the form of facilitating strategic dialogue with global technology business actors to gain a more comprehensive understanding of technology and digital financing governance.
2. In strengthening the financial reporting governance ecosystem, OJK continues to reinforce cooperation with the Indonesian Institute of Accountants (IAI) and the International Federation of Accountants (IFAC). This collaboration is realized through discussions on enhancing the regulatory framework of the financial services sector's financial reporting governance ecosystem, prioritizing public trust and confidence, and supported by accountants with integrity.
3. OJK also encourages the strengthening of the accounting profession, among others, through mandatory certification in accordance with applicable regulations. Moving forward, collaboration between OJK and professional associations will be reinforced through the support of IFAC as a speaker at the Risk and Governance Summit 2025, which will be held in August. OJK also appreciates the Indonesian Institute of Accountants (IAI) and the International Federation of Accountants (IFAC) for organizing the seminar entitled "Future-Ready Accountants: Navigating Global Challenges" on 24 May 2025, in Yogyakarta.
4. OJK continues to strengthen synergy with the Corruption Eradication Commission (KPK) as an effort to uphold governance with integrity through various joint initiatives, one of which is synergy in discussing improvement steps to increase the score of the Integrity Assessment Survey (SPI). Additionally, collaboration between OJK and KPK also focuses on enhancing employee capacity through the Integrity Builder Expert (API) and Anti-Corruption Counselor (PAKSI) certification programs, with certification targets of 50 and 110 OJK employees, respectively, in 2025.

5. OJK is committed to consistently applying best practices to implement the highest standards in strengthening the Governance, Risk, and Compliance (GRC) function as a role model for the financial services sector. In this regard, OJK continues to synergize with financial services regulators from other countries, including the Australian Prudential Regulation Authority (APRA), to share experiences in implementing best practices related to the development and strengthening of internal audit and risk management frameworks.
6. OJK also continues to innovate and undertake various sustainable efforts in strengthening organizational integrity and the financial services sector, including the implementation of a series of governance activities. From January to May 2025, governance activities reached 12,494 participants. These governance activities are expected to enhance corruption prevention efforts and strengthen governance within OJK and the financial services sector.

E. Regulation Enforcement in SJK and Investigation Progress

In carrying out its investigative function, as of 31 May 2025, OJK Investigators have completed a total of 144 cases, consisting of 118 PBKN cases, five PMDK cases, 20 PPDP cases, and one PVML case. Furthermore, the number of cases that have been decided in court amounts to 127 cases, including 115 cases that have obtained permanent legal force (*in kracht*), one case currently at the appeal stage, and 11 cases still in the cassation process. The details of case handling are as follows.

No.	Stage	Total Cases				
		PBKN	PMDK	PPDP	PVML	Total
1	Review Process	10	6	0	3	19
2	Preliminary Investigation	2	2	2	3	9
3	Formal Investigation	18	2	4	0	24
4	File Preparation	1	0	0	1	2
5	P-21	118	5	20	1	144

Court Process

1	<i>In Kracht</i>	92	5	17	1	115
2	Appeal	0	0	1	0	1
3	Cassation	9	0	2	0	11
Total						127
