KSSK KOMITE STABILITAS SISTEM KEUANGAN

PRESS RELEASE
Financial System Stability Remains Resilient
Amid Global Economic Growth Divergence and Global Financial Market Uncertainty

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1. **Financial System Stability (Stabilitas Sistem Keuangan/SSK)** in Q4 2024 remained resilient amid diverging global economic growth and heightened uncertainty in global financial markets. Entering early Q1 2025, developments in the economy and financial markets continue to be monitored and anticipated, given persistent downside risks and external dynamics. The Minister of Finance, Governor of Bank Indonesia (BI), Chairman of Board of Commissioners of Indonesia Financial Services Authority (OJK), and Chairman of Indonesia Deposit Insurance Corporation (LPS), as agreed during the **2025 First KSSK Periodic Meeting** on Tuesday (21 January 2025), will strengthen vigilance and enhance inter-agency coordination and synergy to mitigate potential spillover effects of global risk factors on the domestic economy and financial sector.
2. **Global economic growth divergence widened**, accompanied by increased financial market uncertainty. In Q4 2024, the U.S. economy was projected to grow stronger, while Europe and Japan remained sluggish. Meanwhile, based on the latest January 2025 release, China's economic growth accelerated to **5.4%** year-on-year **in Q4 2024**, driven by economic stimulus. U.S. government and central bank policies influenced global financial market uncertainty. The robust U.S. economy, supported by improving labor markets and tariff policies slowing disinflation, increased uncertainty over expectations for a Federal Funds Rate (FFR) cut. Expansive U.S. fiscal policy has kept short- and long-term U.S. Treasury yields elevated. Amid rising global political tensions, investor preference for U.S. financial assets strengthened. The U.S. Dollar Index (DXY) continued its upward trend, intensifying depreciation pressures on global currencies. For 2025, the IMF projects **global economic growth to stagnate at 3.3%** year-on-year. Conversely, post-inauguration policies announced by President Trump were viewed as more moderate than previously anticipated by markets. These developments will continue to be closely monitored.
3. **Indonesia's economy demonstrated strong resilience amid global uncertainty**. Q4 2024 economic growth is estimated to remain robust, supported by rising investment, stable household consumption, and increased government spending. The **national simultaneous regional elections (Pilkada)** in November 2024 and year-end holidays, including Christmas and New Year, positively influenced Indonesia's

economic outlook in Q4 2024. Externally, Indonesia recorded a **trade surplus for the fifth consecutive year in 2024**, while the Manufacturing Purchasing Managers' Index (PMI) returned to expansionary territory in December 2024. Indonesia's economy is projected to grow **5.0%** year-on-year **in 2024 and 5.2%** year-on-year **in 2025**.

4. **The exchange rate of the Rupiah remains controlled amid high global uncertainty, supported by Bank Indonesia's stabilization policies.** As of 31 December 2024, Indonesian rupiah was recorded at IDR16,095, depreciating by 4.34% year-on-year on a point-to-point (ptp) basis. This performance of Indonesian rupiah is better compared to several other currencies, such as the Korean won, Mexican peso, Brazilian real, Japanese yen, and Turkish lira. As we enter the beginning of 2025, pressure from the US dollar remains strong. As of 23 January 2025, Indonesian rupiah has depreciated by 1.14% year-to-date on a ptp basis, relatively in line with the depreciation of other regional currencies. Conversely, Indonesian rupiah has strengthened against currencies of advanced countries outside the US dollar and remained stable against currencies of developing countries. This development aligns with Bank Indonesia's stabilization policies and is supported by continued foreign capital inflows, attractive yields on domestic financial instruments, and the positive economic outlook for Indonesia. The foreign exchange reserves at the end of December 2024 were recorded at a high level of USD155.7 billion, equivalent to financing 6.7 months of imports or 6.5 months of imports and government foreign debt payments, and above the international adequacy standard of around 3 months of imports. The Indonesian government is currently preparing a revision of Government Regulation No. 36 of 2023, which regulates policies on export proceeds from natural resources with mechanisms that still consider the financial conditions of exporters. This policy is expected to strengthen foreign exchange reserves and support the stability of Indonesian rupiah.
5. **The Consumer Price Index (CPI) inflation for 2024 remains within the target range of 2.5±1%, in line with the CPI inflation recorded at 1.57% year-on-year in December 2024.** Core inflation is controlled at 2.26% year-on-year, consistent with the stability of Bank Indonesia's policy interest rate (BI Rate) to guide inflation expectations in line with its targets. Meanwhile, volatile food (VF) inflation continues to decline, supported by increased food supply as the harvest season continues, and strong synergy in inflation control by the Central/Regional Inflation Control Team (TPIP/TPID) through National Food Inflation Control Movement (GNPIP). Moving forward, the government and Bank Indonesia are confident that inflation will remain controlled within the target of 2.5±1% in 2025 and 2026. Core inflation is also expected to remain controlled due to maintained inflation expectations, adequate economic capacity, controlled imported inflation, and positive impacts from digitalization.

Meanwhile, VF inflation is expected to remain controlled, supported by the synergy of inflation control by the government and Bank Indonesia.

6. **Indonesia State Budget (APBN) until the end of 2024 has worked hard to dampen shocks to protect the public and maintain economic stability.** State revenue grew positively by 2.1% year-on-year, while state spending grew strongly by 7.3% year-on-year. The primary balance was negative at IDR19.4 trillion but moving towards positive, and the budget deficit was controlled within a safe limit of IDR 507.8 trillion (2.29% of GDP).
7. **The performance of state revenue grew positively amid global economic turmoil and moderated commodity prices.** The preliminary realization of state revenue and grants reached IDR2,842.5 trillion (101.4% of the APBN) or grew by 2.1% year-on-year, supported by tax revenue growth of 3.6% year-on-year or IDR2,232.7 trillion (96.7% of the APBN target) and non-tax revenue (PNBP) of IDR 579.5 trillion, achieving 117.8% of the APBN target. This positive performance is primarily supported by economic activity, the effectiveness of tax reforms, optimization of natural resource management, increased contributions from state-owned enterprises (BUMN), and improved services from ministries and agencies (K/L) and public service agencies (BLU).
8. **The performance of state spending grew strongly by 7.3% year-on-year, with the APBN acting as an optimal shock absorber continuing to support development targets.** The preliminary realization of state spending reached IDR 3,350.3 trillion (100.8% of the APBN) or grew by 7.3% year-on-year, consisting of central government spending realization of IDR 2,486.7 trillion (11.0% year-on-year) and transfers to regions of IDR 863.5 trillion (7.7% year-on-year). **State spending is directed to provide direct benefits to the public, maintain economic stability, and sustain growth momentum through food assistance and stabilization of food prices (SPHP).** Various social protection programs are also provided, including through the national program that aims to increase maternal and child health (*Program Keluarga Harapan*/PKH), food assistance cards, scholarships (PIP and KIP for college), health insurance premium assistance (PBI JKN), subsidies and compensation for fuel, electricity, and 3 kg LPG, fertilizer subsidies, and KUR interest subsidies. Spending is also allocated to support the implementation of elections, simultaneous regional head elections, holiday allowances, salary increases for civil servants/military/police, infrastructure completion, acceleration of stunting reduction and extreme poverty, and the development of the National Capital (IKN).
9. **Budget financing is conducted prudently and sustainably to support the development agenda.** The realization of budget financing in 2024 reached IDR553.2 trillion (105.8% of the APBN), consisting of debt financing of IDR556.6 trillion (85.9% of the APBN) and non-debt financing of minus IDR3.4 trillion. The realization of debt

financing was lower than planned and was fulfilled through the issuance of net Government Securities (SBN) amounting to IDR450.7 trillion and net loans of IDR105.8 trillion. This debt financing was carried out cautiously and measured in line with needs, while considering the dynamics of the financial market and maintaining a balance between efforts to sustain momentum and keeping risks manageable. In addition, the government continuously coordinates with Bank Indonesia in managing government debt financing and supporting monetary operations.

10. **Throughout 2024, the government continued to optimize the role of the APBN as a shock absorber** amid global economic turmoil through several policies, including:
    a. **Additional incentive policies in the form of Value Added Tax (VAT)** borne by the government (DTP) on the transfer of landed houses and apartment units during the period from September 1 to December 31, 2024. This incentive aims to boost economic growth by stimulating public purchasing power in the housing sector.
    b. **The DTP Sales Tax on Luxury Goods incentive for Battery-Based Electric Motor Vehicles (KBLBB) continues until 2025.** This incentive is provided for the import and/or transfer of KBLBB for new investors and domestic producers committed to producing KBLBB domestically in the future.
    c. **Anti-dumping duties (BMAD) on imported products priced below their normal value, causing losses.** This policy aims to protect domestic products, including textiles and steel.
    d. **The government has revised the provisions regarding the formation of reserves for impairment losses (CKPN)** that can be charged by banks and financing companies. This policy aims to align treatment in the fiscal and commercial context with applicable accounting standards, providing legal certainty for relevant business actors.
11. Additionally, to support a healthier, more competitive, and equitable investment climate, the government:
    a. **Implements 12% VAT policy only for luxury goods through PMK 131/2024, effective from January 2025, accompanied by an economic stimulus for welfare amounting to IDR 38.6 trillion as follows:**
        1) **Households:** food assistance of 10 kg for 16 million beneficiary families (KPM) for 2 months (January and February) and a 50% electricity discount for customers with 2200 VA or below for 2 months (January and February).
        2) **Workers:** ease of access to unemployment insurance for workers affected by layoffs.
        3) **UMKM:** extension of the validity period of the final income tax of 0.5% for UMKM taxpayers throughout 2025.
        4) **Labor-Intensive Industries:** including DTP income tax for labor-intensive industries (textiles, ready-made clothing, footwear, and furniture) with a

maximum income of IDR 10 million per month, financing for labor-intensive industries for machinery revitalization with a 5% interest subsidy, and 50% assistance for work accident insurance in the labor-intensive sector for 6 months.

5) **Electric and Hybrid Vehicles:** DTP VAT incentives of 10% for CKD KBLBB, DTP Sales Tax on Luxury Goods of 15% for imported CBU and CKD KBLBB, 0% import duty for CBU KBLBB, and DTP Sales Tax on Luxury Goods of 3% for hybrid vehicles.
6) **Housing:** DTP VAT on the sale of houses priced up to IDR 5 billion, for the price portion up to IDR 2 billion, 100% (from January to June 2025) and 50% (from July to December 2025).

b. **Committed to addressing base erosion and profit shifting (BEPS) through the issuance of PMK 136/2024,** which regulates the imposition of a minimum tax of 15% starting in the 2025 tax year for corporate taxpayers that are part of multinational corporate groups (MNCs) with a turnover of at least EUR 750 million. With this policy, MNCs will be subject to a minimum tax of 15% regardless of their location, thereby minimizing the trend of tax "race to the bottom."

12. **Bank Indonesia (BI) continues to strengthen its response through a mix of monetary, macroprudential, and payment system policies to maintain stability and encourage sustainable economic growth.** Monetary policy is balanced to maintain stability and promote growth (pro-stability and growth), while macroprudential policies, digitalization of the payment system, deepening of the money market, and inclusive and green economic-financial initiatives are directed to promote growth (pro-growth). BI continues to optimize its policy mix to maintain stability and support sustainable economic growth while fully supporting the implementation of government programs in the Asta Cita, including food security, economic financing, and the acceleration of digital economy and finance.
13. **In line with this policy mix,** the BI Governor's Board Meeting (RDG) on 14 -15 January 2025, decided to lower the BI Rate by 25 basis points to 5.75%, the Deposit Facility rate by 25 basis points to 5.00%, and the Lending Facility rate by 25 basis points to 6.50%. This decision is consistent with the low inflation forecast for 2025 and 2026, which remains within the target of 2.5±1%, the stability of the Rupiah exchange rate in line with fundamentals to control inflation within its target, and the need to promote economic growth. Moving forward, BI will continue to direct monetary policy to maintain inflation within its target and ensure the exchange rate aligns with fundamentals, while also considering the space to promote economic growth in line with the dynamics occurring in the global and national economy. BI continues to strengthen its pro-market monetary operation strategies to enhance the effectiveness of monetary policy transmission, accelerate the deepening of the money and foreign

exchange markets, and encourage foreign capital inflows through: (a) Optimization of SRBI, SVBI, and SUVBI; (b) maintaining the structure of monetary instrument interest rates to attract foreign portfolio inflows into domestic financial assets; (c) strengthening term-repo and foreign exchange swap transaction strategies; and (d) enhancing the role of Primary Dealers (PD) to increase SRBI transactions in the secondary market and repurchase agreement (repo) transactions among market participants. BI also continues to strengthen the strategy for stabilizing the Rupiah exchange rate in line with fundamentals through interventions in the foreign exchange market on spot transactions, Domestic Non-Deliverable Forward (DNDF), and SBN in the secondary market.

14. **Loose macroprudential policies are implemented to increase banking credit/financing to support sustainable economic growth while maintaining the stability of the financial system,** including:
    a. Strengthening the Macroprudential Liquidity Incentive Policy (KLM) strategy to increase credit/financing to priority sectors for growth and job creation, including UMKM and the green economy starting January 2025, while still adhering to prudential principles. As of the second week of January 2025, BI has disbursed KLM incentives amounting to IDR295 trillion, an increase of IDR36 trillion from IDR259 trillion at the end of October 2024. These incentives have been channeled to sectors such as agriculture, trade, manufacturing, transportation, warehousing, tourism, and the creative economy, construction, real estate, housing for the people, as well as UMKM, Ultra Micro, and green sectors, through state-owned banks amounting to IDR129.1 trillion, private banks amounting to IDR130.6 trillion, regional development banks (BPD) amounting to IDR29.9 trillion, and cooperative banks (KCBA) amounting to IDR5 trillion;
    b. Maintaining: (i) a Countercyclical Capital Buffer (CCyB) ratio of 0%, (ii) a Macroprudential Intermediation Ratio (RIM) in the range of 84-94%, (iii) a Loan to Value/Financing to Value (LTV/FTV) ratio for property credit/financing of up to 100% and a minimum down payment for motor vehicle credit/financing of 0%, effective from 1 January to 31 December 2025, (iv) a Macroprudential Liquidity Buffer (PLM) ratio of 5% with a repo flexibility of 5% and a Sharia PLM ratio of 3.5% with a repo flexibility of 3.5%, and (v) a Foreign Funding Ratio (RPLN) of 30% with a countercyclical parameter of 0% or ±5%;
    c. Strengthening the publication of transparency assessments of the Basic Credit Interest Rate (SBDK) with a focus on credit interest rates based on priority sectors covered by KLM.

15. **The Payment System policy is directed to support growth, particularly in the trade and UMKM sectors, and to strengthen public acceptance of digital payments,** including through the expansion of BI-FAST services, which include

collective transfer services (bulk transfer), payment on demand (request for payment), and direct debit transfers to meet the public's needs for fast, easy, cheap, safe, and reliable economic and financial transactions starting from 21 December 2024. BI also continues to encourage the strengthening of the implementation of electronic initiatives to support government programs through the digitalization of social welfare programs and the electronification of the transportation sector. Additionally, BI will ensure that the stability of the payment system is maintained, supported by a healthy industry structure and stable infrastructure.

16. **The policy of deepening the financial market continues to be implemented by integrating product development, pricing, market participants, and infrastructure, including the implementation of a Central Counterparty (CCP)** as a systemic financial market infrastructure that performs clearing and novation functions to accelerate the deepening of the money market and foreign exchange market, improve market efficiency, and support the transmission of monetary policy, thereby increasing financing capacity.
17. **Bank Indonesia (BI) also strengthens and expands international cooperation in the area of central banking,** including through payment system connectivity and transactions using local currencies, as well as facilitating investment and trade promotion in priority sectors, in collaboration with relevant agencies.
18. **BI continues to strengthen policy coordination with the government to maintain stability and encourage economic growth.** First, coordination of monetary and fiscal policies is enhanced through the purchase of Government Securities (SBN) from the secondary market by BI via bilateral buyback/debt switching. Second, support for strengthening food security through the GNPIP program in various regions within the TPIP and TPID. Third, promoting economic financing through KLM to priority sectors, including inclusive and green financing. Fourth, support for accelerating the government's digital transformation in social welfare programs, the electronification of financial transactions in local governments, and the transportation sector, among others, through coordination with the Regional Digitalization Acceleration and Expansion Team (TP2DD).
19. **The stability of the national financial services sector remains stable amid global economic dynamics,** supported by strong capital, adequate liquidity, a manageable risk profile, and positive performance in the financial services sector.
20. **The performance of banking intermediation has grown positively with a maintained risk profile.** Throughout 2024, banking credit recorded double-digit growth of 10.39% year-on-year, reaching IDR7,827 trillion, driven by high growth in Investment Credit of 13.62% year-on-year, followed by Consumption Credit at 10.61% year-on-year, while Working Capital Credit grew by 8.35% year-on-year. Meanwhile, credit quality remains intact with a gross Non-Performing Loan (NPL) ratio of 2.08%

and a net NPL ratio of 0.74%. The Loan at Risk (LaR) also shows a declining trend, now at 9.28%. On the other hand, Third Party Funds (DPK) in banking grew by 4.48% year-on-year to IDR8,837 trillion, with demand deposits, savings, and time deposits growing by 3.34%, 6.78%, and 3.50% year-on-year, respectively.

21. Banking resilience remains strong with a **high Capital Adequacy Ratio (CAR) of 26.68%**. Banking liquidity in December 2024 remains adequate, with the Liquid Assets/Non-Core Deposits (AL/NCD) ratio and Liquid Assets/DPK (AL/DPK) ratio recorded at 112.87% and 25.59%, respectively, well above the thresholds of 50% and 10%.
22. **Amid various challenges of global geopolitical uncertainty, throughout 2024, the development of the Indonesian Capital Market continues to show its resilience. Although the domestic stock market closed lower at 7,079.91, down 2.65% throughout 2024,** non-resident investors still recorded a net buy of IDR16.53 trillion, and market capitalization rose to IDR12,336 trillion, growing by 5.74%. Fundraising by corporations in the capital market in 2024 also showed a positive trend, with public offerings reaching IDR259.24 trillion with 43 new issuers. Entering January 2025, the domestic financial market remains volatile amid expectations of a slowdown in the pace of the Federal Funds Rate (FFR) cuts and potential US government policies. The Composite Stock Price Index (IHSG) closed at 7,232.64 on 23 January 2025, up 2.16% compared to the end of 2024 (7,079.91). Non-residents in the domestic stock market recorded a net sell of IDR 3.04 trillion year-to-date as of 23 January 2025.
23. **In the Insurance, Guarantee, and Pension Fund (PPDP) sector**, the assets of the insurance industry as of December 2024 **reached IDR1,133.87 trillion, growing by 2.03% year-on-year**. The performance of commercial insurance accumulated premium income of IDR 336.65 trillion reflecting a 4.91% year-on-year growth. **Capitals in the commercial insurance industry as of December 2024 remains adequate**, with the Risk-Based Capital (RBC) of the life insurance industry recorded at 420.67% and general insurance and reinsurance at 325.93%, both above the threshold of 120%. **In the pension fund industry**, total pension fund assets as of December 2024 grew by 7.31% year-on-year to IDR 1,508.21 trillion, with voluntary pension fund assets amounting to IDR 382.54 trillion, growing by 3.75% year-on-year. Meanwhile, **outstanding guarantees as of December 2024 contracted by 0.71% year-on-year to IDR 419.90 trillion**, and assets contracted by 0.04% year-on-year to IDR 46.39 trillion.
24. **In the Financing Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Service Institutions (PVML) sector, financing receivables from Financing Companies (PP) grew by 6.82% year-on-year as of December 2024, reaching IDR 530.46 trillion, supported by increased investment financing of 9.66% year-on-year.** The risk profile of financing companies remains

stable, with a net non-performing financing (NPF) ratio recorded at 0.75% and a gross NPF ratio of 2.70%. The gearing ratio of financing companies remains at an adequate level, recorded at 2.31 times, well below the maximum limit of 10 times. Meanwhile, the growth of venture capital financing in December 2024 contracted by 8.72% year-on-year, with recorded financing of IDR 16.48 trillion. **In the peer-to-peer (P2P) lending fintech industry**, outstanding financing grew by 29.14% year-on-year to IDR 77.02 trillion, with disbursements to the productive sector amounting to IDR 8.45 trillion (30.19% of total P2P financing). The aggregate non-performing loan rate (TWP90) remains under control at 2.60%.

25. In order to maintain the stability of the financial services sector and strengthen its role in driving national economic growth, OJK has implemented the following policy measures:
    a. In accordance with the mandate of the P2SK Law, OJK has received new supervisory mandates, including oversight of PIKK, Bullion activities, Derivative Finance, digital financial assets-including crypto assets-and open-loop cooperatives. The transition and acceptance of these mandates have been successfully carried out, including the preparation of regulatory and supervisory infrastructure.
    b. In line with the transition of regulatory and supervisory duties for crypto assets and as part of efforts to strengthen Indonesia's digital financial ecosystem, OJK has issued three regulations concerning the implementation of digital financial asset and crypto asset trading, reporting and supervision mechanisms for digital financial assets and crypto assets, and the Alternative Credit Rating (PKA) system.
    c. To fulfill the mandate of the P2SK Law, OJK has aligned several regulations (POJK and SEOJK) and policies, including those related to:
        - The utilization and governance of SIPELAKU, a system containing data and information on the track records of fraud perpetrators in the financial services sector (fraud database).
        - The requirement for banks to comply with the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) to strengthen liquidity risk management.
        - Regulations on Financial Conglomerates and their Parent Companies (PIKK).
        - In terms of consumer protection, a regulation has been issued regarding self-assessment compliance with consumer and public protection provisions in the financial services sector.
    d. OJK supports the government's program to provide housing for the public, particularly for Low-Income Communities (MBR), including through the use of the Financial Information Service System (SLIK) in the housing credit/financing approval process as one of the factors in debtor feasibility analysis, though not the sole determinant. OJK has also set up a dedicated complaint channel via Contact 157 for any issues encountered in the MBR mortgage (KPR) application process.

Furthermore, OJK, together with relevant stakeholders, will discuss liquidity support for the financing of the 3-million-home program, considering the significant funding required, including the enhancement of the Asset-Backed Securities-Participation Certificates (EBA SP) scheme in the capital market.

e. OJK has also issued a series of policies to support housing sector financing, including:
   - Mortgage loan (KPR) quality assessment can be based solely on payment punctuality (one-pillar system), which is more lenient than other types of credit, which require assessment based on three pillars (business prospects, debtor performance, and repayment ability).
   - Mortgages are subject to a lower risk weight and are granularly defined in Risk-Weighted Assets (RWA) calculations for credit.
   - The ban on credit financing for land acquisition/development was lifted on 1 January 2023 to support funding access for housing developers.

f. OJK, in collaboration with the Ministry of Environment/Environmental Control Agency of Indonesia (KLH/BPLH) and the Indonesia Stock Exchange (IDX), officially launched the First International Trade of Indonesian Carbon Units through IDXCarbon on 20 January 2025. This launch marks a milestone in carbon trading in Indonesia. Additionally, to build a transparent, high-integrity, inclusive, and fair carbon ecosystem, the Indonesian government has strengthened key elements of the carbon ecosystem in accordance with international best practices, including:
   - Strengthening the National Registry System (SRN).
   - Enhancing Measurement, Reporting, and Verification (MRV).
   - Establishing Greenhouse Gas Emission Reduction Certificates (SPE-GRK).
   - Implementing Authorization and Corresponding Adjustment (CA) for international carbon trading.

g. Regarding consumer protection, throughout 2024, OJK received and handled 16,231 complaints related to illegal entities, including illegal online lending and fraudulent investments. The Task Force for the Eradication of Illegal Financial Activities (Satgas PASTI) has shut down 2,930 illegal online lending entities and 310 illegal investment offers found on various websites and applications that posed risks to the public. Satgas PASTI has also facilitated the blocking of 228 bank accounts or virtual accounts linked to illegal financial activities and 1,692 debt collector contact numbers associated with illegal online lending.

26. **In terms of banking deposit insurance, the number of customer accounts fully covered by the Indonesia Deposit Insurance Corporation (LPS) reached 99.94% of total accounts as of the end of December 2024, equivalent to 608,850,379 accounts for commercial bank customers.** Meanwhile, for Rural Banks (BPR) and Sharia Rural Banks (BPRS), as of the end of November 2024, the number of insured

accounts reached 99.98% of total BPR/BPRS customer accounts, or equivalent to 15,817,553 accounts. During the regular determination period for Q1 2025 (January 2025), LPS decided to maintain the Deposit Insurance Interest Rate (TBP) at 4.25% for Rupiah deposits in commercial banks, 6.75% for Rupiah deposits in BPR, and 2.25% for Foreign Currency (Forex) deposits in commercial banks. These deposit insurance interest rates will apply from 1 February 2025 to 31 May 2025, but remain subject to adjustment should there be significant changes in market interest rates, banking conditions, or the overall economy.

27. **LPS policies continue to be directed at maintaining financial system stability and supporting national economic performance** by ensuring adequate deposit insurance coverage and continuously evaluating the TBP to align with interest rate developments, banking liquidity conditions, and efforts to support economic performance optimally. LPS will maintain coordination with other authorities to enhance synergy regarding deposit insurance programs and bank resolution processes. Furthermore, to strengthen public understanding, LPS continues to increase outreach and socialization efforts to educate the public about its functions, duties, and authority.
28. **LPS is also continuing to formulate policies and regulations to support the development and strengthening of the financial sector concerning deposit insurance programs and bank resolution.** This includes issuing regulations on premiums for the banking restructuring program, commercial bank resolution plans, reporting requirements for insured banks, customer-based deposit insurance reporting, and resolution processes for banks facing solvency issues. Additionally, LPS is preparing regulations, business processes, infrastructure, and human resource development as mandated by the Financial Sector Development and Strengthening Law (UU P2SK) regarding the insurance policy guarantee program, which is set to be implemented in 2028, as well as regulations on the implementation of banking restructuring programs in the event of a financial system crisis.
29. **Financial System Stability Committee (KSSK) is committed to enhancing synergy in anticipating potential risks from global economic developments and geopolitical dynamics**, particularly their spillover effects on the domestic economy and financial sector. This includes strengthening coordinated policy responses and vigilance to mitigate various risks to the economy and financial system stability. KSSK has also reaffirmed its commitment to supporting the real sector and the Government's Asta Cita program to drive sustainable economic growth and national prosperity.
30. **Government, Bank Indonesia (BI), the Financial Services Authority (OJK), and LPS are committed to completing the regulatory framework for implementing the**

UU P2SK in a credible manner by engaging various stakeholders, including financial industry players and the public.

31. **KSSK will hold its next regular meeting in April 2025.**