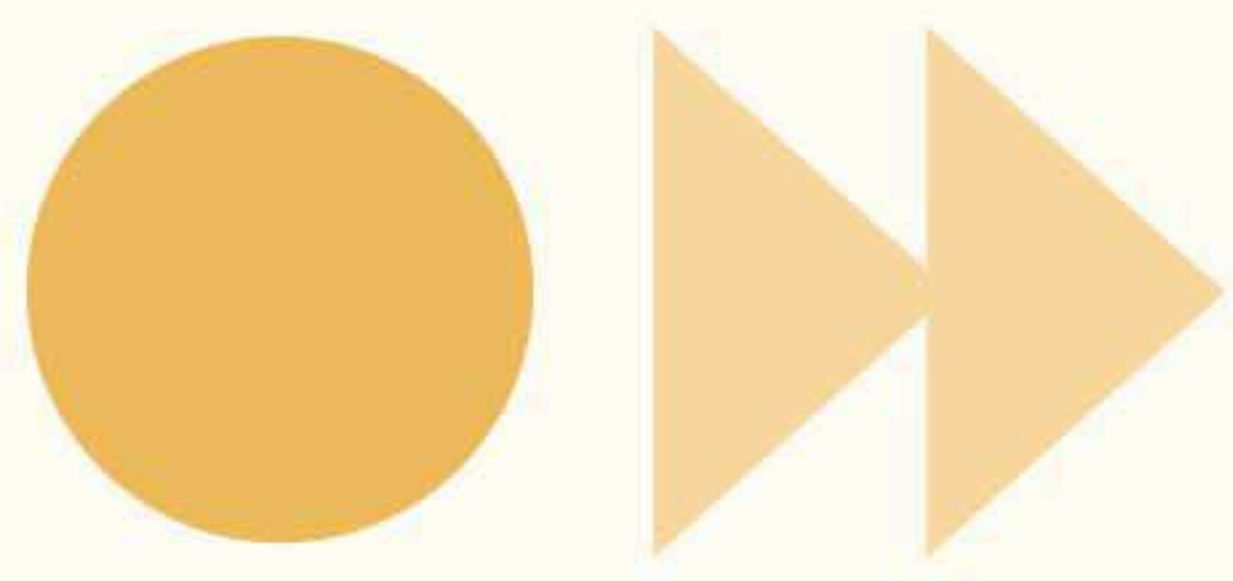




Indonesia Deposit Insurance Corporation

Global Updates



VOL. 2/2025

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03

IDIC Updates

Key Financial Highlights



Banking Growth and Stability

Table 1: Main Indicators of Banking Industry (Million USD)

Indicators	June 2024	May 2025	June 2025	mtm	yoy
Asset	741,093	779,331	788,973	6.46%	1.24%
Gross Asset	1,378,351	1,482,238	1,511,635	9.67%	1.98%
Credit	466,253	499,280	503,201	7.92%	0.79%
Third Parties Fund	537,285	558,846	574,677	6.96%	2.83%
Tier 1 Capital	107,589	112,841	114,513	6.44%	1.48%
Profit / Loss	7,795	6,562	8,095	3.84%	23.36%

*in million USD

As of June 2025, Indonesia's banking industry total assets reached USD 788.97 billion, marking a 6.46% month-to-month (mtm) increase and a 1.24% year-on-year (yoy) growth. This steady asset expansion reflects the industry's ability to effectively manage resources and drive growth. Gross assets saw a significant rise of 9.67% mtm, reaching USD 1,511.64 billion, indicating a positive trend in overall asset accumulation. Tier 1 capital, a key indicator of financial stability, grew by 6.44% mtm to USD 114.51 billion. This increase reflects a stronger capital base, enhancing the banking sector’s resilience against financial stress and improving its capacity to meet regulatory requirements.

In terms of credit, the banking industries saw a 7.92% mtm increase and a slight 0.79% yoy rise, reaching USD 503.20 billion. This growth reflects a proactive approach to lending, which is a key driver of the bank's operational performance. However, the more moderate yoy growth indicates that credit expansion may have slowed compared to the previous year, possibly due to cautious lending practices in response to market conditions or regulatory changes.

Third-party funds also grew by 6.96% mtm and 2.83% yoy, totaling USD 574.68 billion. This increase is indicative of the bank's success in attracting more deposits and external funding, which is crucial for maintaining liquidity and supporting lending activities. The rise in third-party funds also signals a growing trust in the bank’s financial products and services.

Finally, the bank reported a profit of USD 8.10 billion in June 2025, reflecting a 3.84% mtm increase and a significant 23.36% yoy growth. The large yoy growth in profit is particularly noteworthy, signaling the bank’s strong performance despite potentially volatile market conditions. Overall, these financial highlights show a bank that is not only growing its assets and capital but also improving its profitability and maintaining strong liquidity, positioning it well for continued success in the future.

Table 2: Financial Ratios of Banking Industry (Million USD)

Indicators	June 2024	May 2025	June 2025	YoY	MtM
Capital Adequacy Ratio (CAR)	25.86%	25.32%	25.56%	-30bps	24bps
Gross Non-Performing Loan Ratio (Gross NPL)	2.24%	2.26%	2.20%	-4bps	-6bps
Return on Asset (ROA)	2.67%	2.52%	2.58%	-8bps	6bps
Operating Expense / Income Ratio (OC/OR)	79.28%	86.82%	86.04%	675bps	-78bps
Net Interest Margin (NIM)	4.58%	4.49%	4.52%	-5bps	3bps
Loan to Deposit Ratio (LDR)	86.78%	89.34%	87.56%	78bps	-177bps



As indicated on the **Table 2**, the Indonesian banking sector exhibited a mixed performance across several key financial indicators. The Capital Adequacy Ratio (CAR) saw a modest improvement of 24bps month-to-month (mtm), reaching 25.56%, although it decreased by 30bps year-on-year (YoY). This suggests a slight improvement in the sector’s capital position in the short term, but a small dip in its capital adequacy compared to the previous year. Meanwhile, the Gross Non-Performing Loan Ratio (Gross NPL) improved, dropping 6bps mtm to 2.20%. This indicates that the sector has made progress in reducing the proportion of non-performing loans, which is a positive sign for asset quality.

Return on Assets (ROA) saw a modest recovery, increasing by 6bps mtm to 2.58%, although it still experienced a decrease of 8bps YoY. This suggests that the sector's overall profitability has slightly improved in recent months, but it remains below the level achieved a year earlier. The Operating Expense/Income Ratio (OC/OR), a key efficiency metric, decreased by 78bps mtm to 86.04%, signaling some improvement in cost control. However, the ratio rose significantly by 675bps YoY, reflecting a substantial increase in operating expenses relative to income, which may indicate challenges in managing costs effectively.

The Net Interest Margin (NIM) showed a small uptick of 3bps mtm to 4.52%, though it saw a 5bps decline YoY. This modest growth suggests that the sector has managed to maintain its profitability on interest-bearing assets despite a slight overall decrease in the margin over the past year. Finally, the Loan to Deposit Ratio (LDR) decreased by 177bps mtm to 87.56%, indicating that banks have become more conservative in their lending practices in the short term.

In summary,

while the banking sector has made progress in reducing non-performing loans and improving some profitability metrics, challenges remain in managing operational expenses and maintaining capital adequacy. The overall picture suggests a mixed outlook, with improvements in asset quality and profitability offset by cost pressures and cautious lending.



IDIC Updates

Deposit Insurance Updates

As of June 2025, savings accounts continued to lead in terms of account type, representing 98.24% of the entire deposit accounts. However, time deposits accounted for the largest share of total nominal deposits with 35.02% share, followed closely by demand deposits at 32.67%, and savings accounts at 31.34% (**Figure 1**). In terms of account distribution, Savings Accounts dominate the distribution of deposit accounts, accounting for 98.24% of the total. The remaining share is held by Demand Deposits and Time Deposits with each comprising of 0.87%.

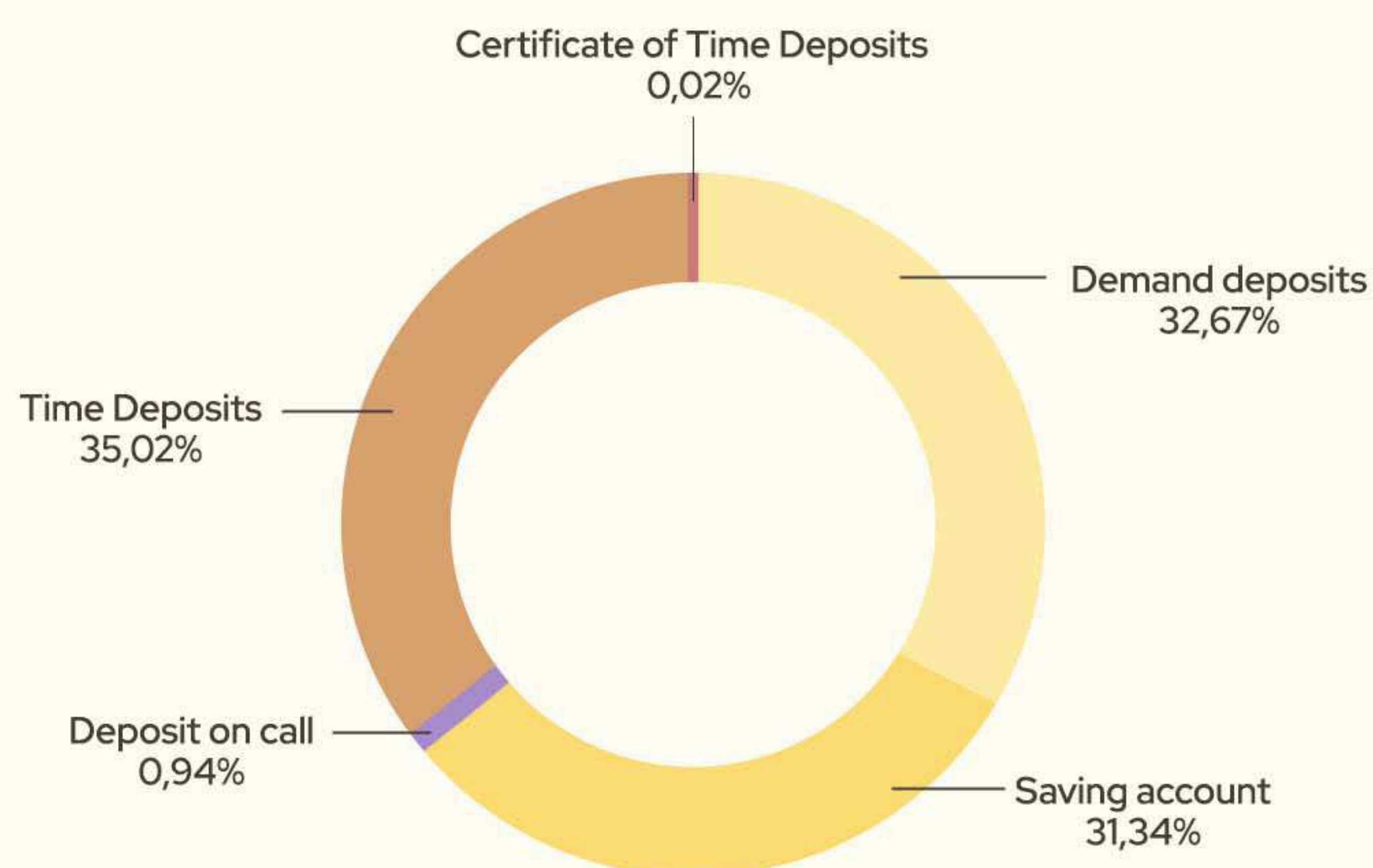


Figure 1: Distribution of Deposits in Banking Industry
Distribution of Total Deposits by Type of Deposits (June 2025)

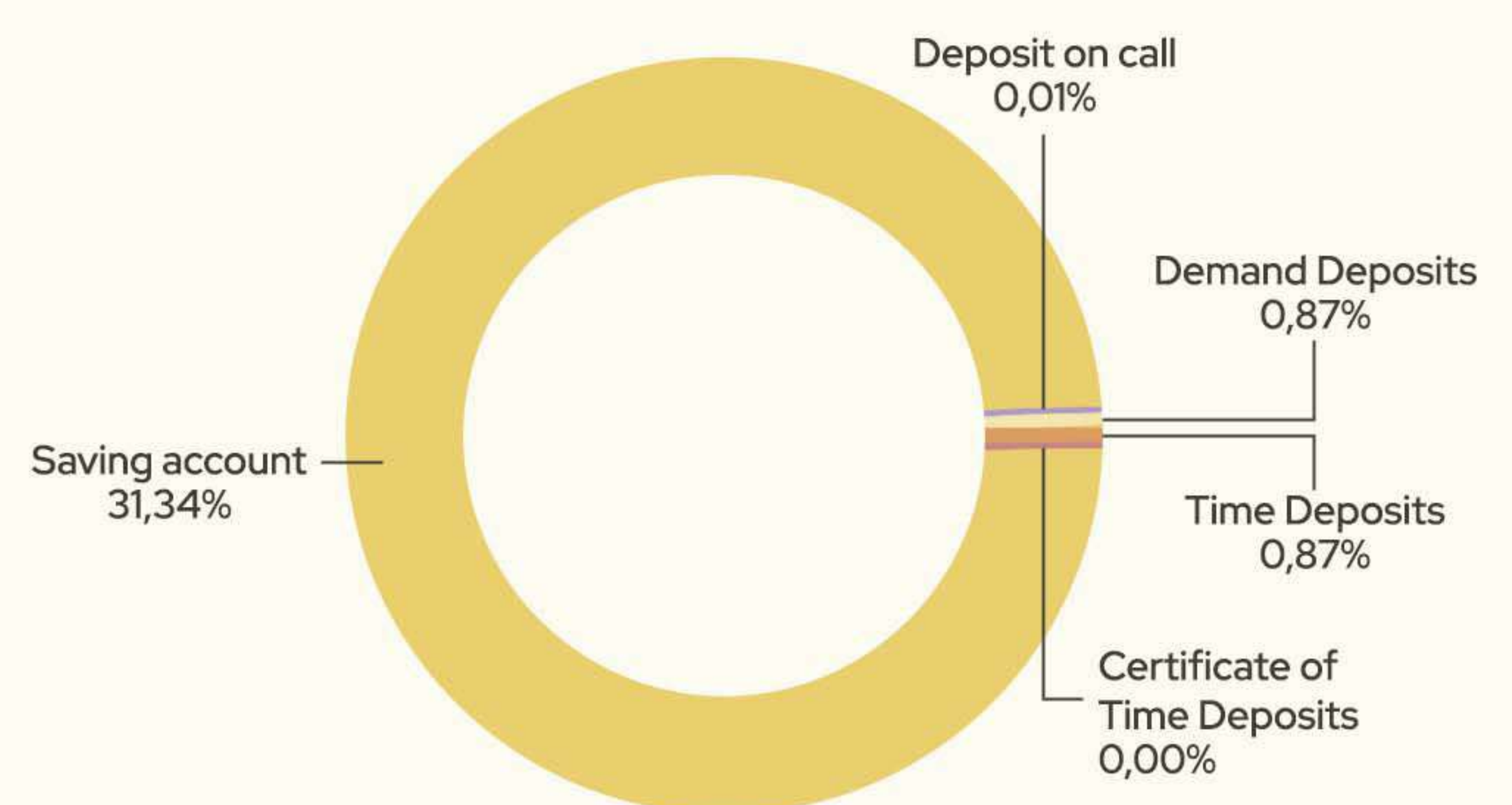


Figure 2: Distribution of Account by Type of Deposits
Distribution of Account by Type of Deposits (June 2025)

In terms of account distribution, Savings Accounts account for the largest portion, comprising 98.24% of the total. The remaining share is divided between Demand Deposits and Time Deposits, each representing 0.87% of the total accounts. The other deposit types, such as Deposit on Call and Certificates of Time Deposits, contribute a small portion, with each accounting for just over 0.1% (**Figure 2**).

Table 3: Distribution of Deposits Based on Type of Deposits

Total Deposits and Number of Accounts by Type of Deposits (Nominal in Million USD)												
Type of Deposits	June 2024				June 2025				Δ MoM			
	Account	%	Nominal	%	Account	%	Nominal	%	Δ Account	%	Δ Nominal	%
Demand Deposit	5,533,299	0.95%	171.594	31.75%	5,569,698	0.87%	188.748	32.67%	36,399	0.66%	17.154	10.00%
Saving Accounts	573,155,732	98.11%	169.439	31.35%	625,955,959	98.24%	181.013	31.34%	52,800,227	9.21%	11.573	6.83%
Deposit on Call	18,666	0.00%	3.067	0.57%	62,319	0.01%	5.455	0.94%	43,653	233.86%	2.387	77.83%
Time Deposits	5,469,494	0.94%	196.089	36.28%	5,558,645	0.87%	202.314	35.02%	89,151	1.63%	6.225	3.17%
Certificate of Time Deposits	4,670	0.00%	0.340	0.06%	169	0.00%	0.140	0.02%	-4,501	-96.38%	-0.200	-58.87%
Total	584,181,861	100.00%	540.530	100.00%	637,146,790	100.00%	577.669	100.00%	52,964,929	9.07%	37.139	6.87%

As shown in **Table 3**, total deposits in the Indonesian banking sector grew by 9.07% year-on-year (YoY) in June 2025, reaching USD 577.67 billion. The growth was mainly fueled by demand deposits, which saw an increase of over USD 17 billion, or a 10.00% rise in nominal value, reaching USD 188.75 billion. Accompanied by a 0.66% increase in the number of accounts, this reflects a stronger demand for liquid funds.

Savings accounts grew by 6.83% in nominal value to USD 181.01 billion, with a 9.21% increase in account numbers, indicating higher public engagement in saving. Deposit on call experienced a substantial surge, with a 77.83% rise in nominal value to USD 5.46 billion, driven by an impressive 233.86% increase in the number of accounts. Time deposits saw a more modest 3.17% increase in nominal value, reaching USD 202.31 billion, with a 1.63% rise in the number of accounts. However, certificates of time deposits experienced a significant decline, with a 96.38% drop in the number of accounts and a 58.87% decrease in nominal value, reflecting a shift away from this deposit type. Overall, the banking sector's deposit growth was largely supported by the strong performance of demand and savings deposits, while deposit on call showed remarkable growth, and certificates of time deposits saw a sharp contraction.

Table 4: Distribution of Deposits Based on Ownership of Deposit

Total Deposits and Number of Accounts by Ownership of Deposits (Nominal in Million USD)												
Ownership of Deposits	June 2024				June 2025				Δ YoY			
	Account	%	Nominal	%	Account	%	Nominal	%	Δ Account	%	Δ Nominal	%
Third Party-Fund (DPLK)	584,153,325	100.00%	537.709	99.11%	637,117,893	100.00%	572.498	99.10%	52,964,568	9.07%	36.789	6.87%
Funds From Other Bank	28,536	0.00%	4.821	0.89%	28,897	0.00%	5.171	0.90%	361	1.27%	0.350	7.26%
Total	584,181,861	100.00%	542.530	100.00%	637,146,790	100.00%	577.669	100.00%	52,964,929	9.07%	37.139	6.87%

Table 4 signifies that the total deposits in the Indonesian banking sector increased by 9.07% yoy, reaching USD 577.68 billion. This growth was primarily driven by third-party funds, which accounted for the majority of the deposits. The number of accounts in this category rose by 9.07%, and nominal value increased by 6.87%, reaching USD 572.50 billion. Meanwhile, Funds from Other Banks saw a modest increase of 7.26% yoy, totaling USD 5.17 billion. Given that third-party funds were the primary components of the entire deposits in Indonesia, their modest growth was similarly mirrored in the overall nominal deposits.

Table 5: Distribution of Deposits Based on Type of Bank

Total Deposits and Number of Accounts by Type of Business Banks (Nominal in Million USD)												
Type of Business Banks	June 2024				June 2025				Δ MoM			
	Account	%	Nominal	%	Account	%	Nominal	%	Δ Account	%	Δ Nominal	%
Conventional	525,493,160	89.95%	498.883	92.30%	572,793,969	89.90%	533.465	92.35%	47,300,809	9.00%	34.583	6.93%
Islamic	58,688,701	10.15%	41.647	7.70%	64,352,821	10.10%	44.204	7.65%	5,664,120	9.65%	2.557	6.14%
Total	615,409,865	100.00%	540.530	100.00%	637,146,790	100.00%	577.669	100.00%	52,964,929	9.07%	37.139	6.87%

In Indonesia, the banking sector is divided into two main types: conventional banks and Sharia banks, with the latter operating in accordance with Islamic principles. **Table 5** illustrates an increase in deposits across both bank types. Conventional banks saw a 9.00% rise in the number of accounts and a 6.93% growth in nominal deposits, totaling USD 533.47 billion. This highlights the continued dominance of conventional banks, which maintain a significant share of the overall deposit market. On the other hand, Sharia banks experienced a more modest but still notable increase, with a 9.65% rise in accounts and a 6.14% growth in nominal deposits, reaching USD 44.20 billion. While Sharia banks hold a smaller market share, their growth reflects the ongoing demand for Sharia-compliant banking products, signaling continued expansion within this segment.

Table 6: Distribution of Deposits Based on Tiering of Nominal (in IDR)

Total Deposits by Tiering of Nominal (Nominal in Million USD)												
Deposit Tiering (IDR)	June 2024				June 2025				Δ MoM			
	Account	%	Nominal	%	Account	%	Nominal	%	Δ Account	%	Δ Nominal	%
N ≤ 100 Mio	577,280,148	98.82%	65,168	12.06%	629,940,258	98.87%	68,355	11.83%	52,660,110	9.12%	3,188	4.89%
100 Mio < N ≤ 200 Mio	3,114,892	0.53%	26,988	4.99%	3,263,331	0.51%	28,243	4.89%	148,439	4.77%	1,254	4.65%
200 Mio < N ≤ 500 Mio	2,218,628	0.38%	43,755	8.09%	2,309,100	0.36%	45,432	7.86%	90,472	4.08%	1,678	3.83%
500 Mio < N ≤ 1 Bio	836,268	0.14%	37,144	6.87%	874,030	0.14%	38,713	6.70%	37,762	4.52%	1,569	4.22%
1 Bio < N ≤ 2 Bio	372,182	0.06%	32,588	6.03%	386,348	0.06%	33,723	5.84%	14,166	3.81%	1,135	3.48%
2 Bio < N ≤ 5 Bio	218,630	0.04%	42,933	7.94%	225,433	0.04%	44,352	7.68%	6,803	3.11%	1,419	3.31%
N > 5 Bio	141,113	0.02%	291,954	54.01%	148,290	0.02%	318,851	55.20%	7,177	5.09%	26,897	9.21%
Total	584,181,861	100.00%	540,530	100.00%	637,146,790	100.00%	577,669	100.00%	52,964,929	9.07%	37,139	6.87%

Based on deposits nominal tiering, the most significant growth was seen in the highest deposit tier, over IDR 5 billion, which grew by 9.21% in nominal value to USD 318.85 billion and the number of accounts in this tier also rose by 5.09%. This surge suggests that high-value deposits, likely from wealthy individuals and large corporations, are a major driver of sector growth. In contrast, the deposit tier between IDR 100 million and 200 million experienced the least growth, with only a 4.65% increase in nominal value, reaching USD 28.24 billion (**Table 6**).

Table 7: Distribution of Insured Deposit Based on Accounts

Distribution of Account by Insured Accounts June 2025			
Item	Deposit Tiering (IDR)	Number of Accounts	%
Account for Fully Insured Deposit	≤ 2 Billion	636,773,067	99.9%
Account for Partially Insured Deposit	> 2 Billion	373,723	0.01%
Total Account		637,146,790	100.00%

Note: (*) Exchange rate 30 June 2025 = IDR16.231/USD (Source: JISDOR Bank Indonesia)

With the maximum deposit insurance coverage of IDR2 billion (USD123,221)*, the IDIC’s insurance program covers 99.94% number of deposit accounts (Table 7). In terms of the nominal, about 37.13% of total deposits are fully insured, while 7.97% are partially insured up to IDR2 billion (Table 8).



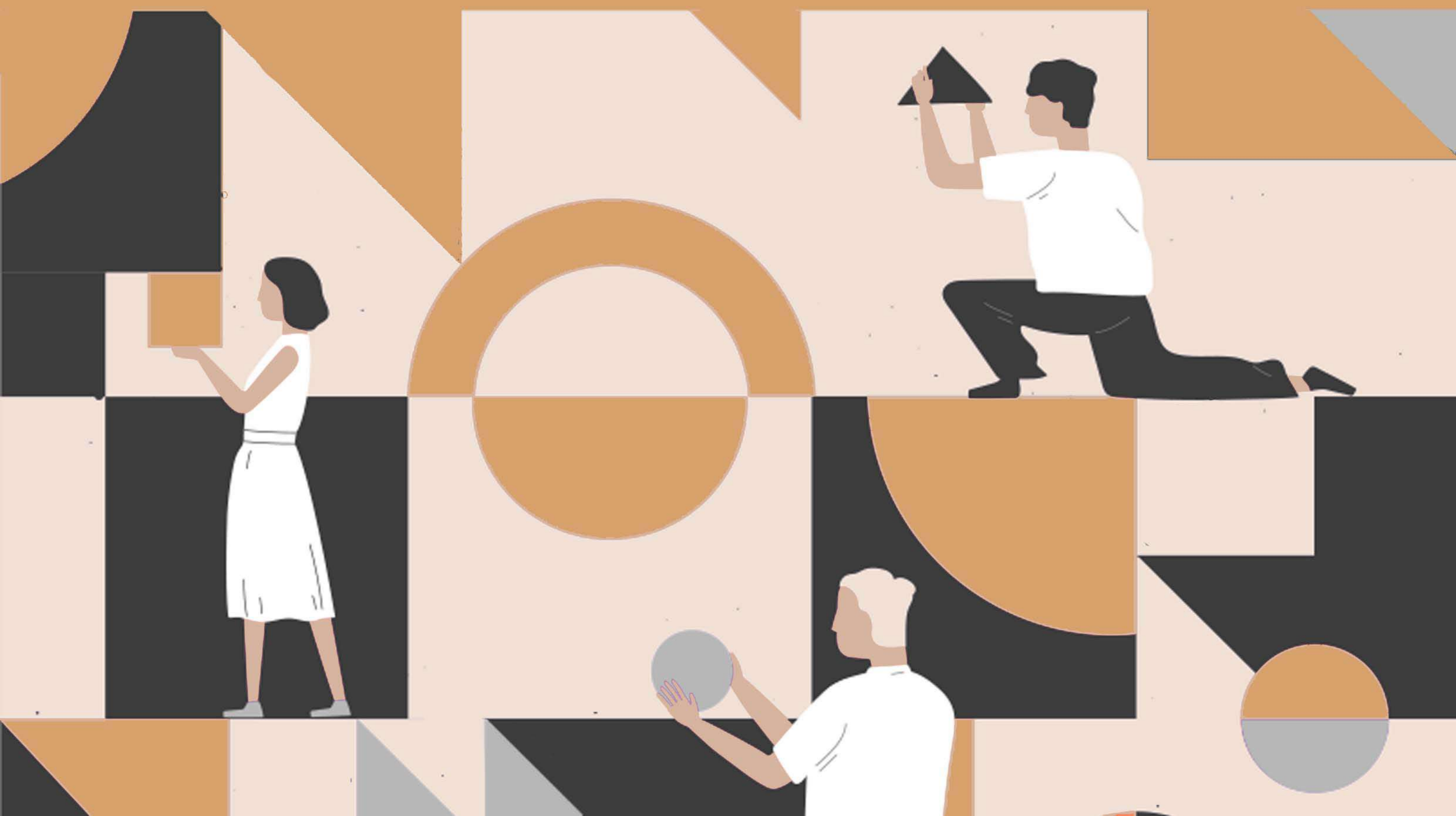
Table 8: Distribution of Deposit Based on Nominal

Distribution of Deposits by Insured Deposits (Nominal in Million USD) June 2025			
Item	Deposit Tiering (IDR)	Nominal Amount	%
Fully Insured Deposits	≤ 2 Billion	214,466	37.13%
Partially Insured Deposits	> 2 Billion	46,051	7.97%
Subtotal - Insured Deposits		260,517	45.10%
Uninsured Deposit	> 2 Billion	317,152	54.90%
Subtotal - Uninsured Deposits		317,152	100.00%
Total Account		577,669	

Note: (*) Exchange rate 30 June 2025 = IDR16.231/USD (Source: JISDOR Bank Indonesia)

11

IDIC Activities



April 10, 2025

IDIC Shares Its Purchase and Assumption Framework in Bank Resolution Online Course (BROC)

On April 10, 2025, the Deposit Insurance Corporation (IDIC) participated as a speaker in the Bank Resolution Online Course (BROC), an event held virtually by the Financial Stability Institute (FSI) and the International Monetary Fund (IMF). The event aimed to enhance the capacity of resolution authorities and financial regulators in designing and implementing effective bank resolution frameworks, particularly in developing countries and emerging markets.



During this session, IDIC was represented by Mr. Herman Saheruddin, Chief of the PRP Preparation and Institutional Relations Office. Under the topic "Use of Transfer Tools in Resolution: Preparing a P&A in Challenging Geographical and Market Conditions," IDIC shared its experience and approach in applying the purchase and assumption (P&A) method as a bank resolution strategy. The presentation specifically highlighted the various challenges faced in implementing P&A in Indonesia, given its geographical characteristics as an archipelagic country with over 17,000 islands and 77% of its area covered by water, along with the diverse conditions of the domestic banking market.

IDIC also provided an overview of Indonesia's banking industry, including the number of commercial banks and rural banks (BPR), key banking indicators, and statistics on past resolutions. Additionally, IDIC explained the legal and operational framework for bank resolution, the categories of assets and liabilities that can be transferred in a P&A scheme, and the geographical distribution of banks that have been resolved.

Several key challenges were identified during the session, such as the limited capacity of rural banks in certain regions to take over failed banks, the trend of digitalization among commercial banks leading to a reduction in the number of physical branches, the relatively simple and non-standardized IT systems of rural banks, and local social and cultural barriers that may complicate the asset sale or transfer process.



April 22-24, 2025

IDIC Welcomes Deposit Protection Office of Lao PDR and Bangladesh Bank on the IDIC Technical Assistance 2025



IDIC once again hosted the IDIC Technical Assistance from 22–24 April 2025 in Jakarta, following a series of previous sessions held in Bali. This initiative is organized to provide best practices, share insights, and strengthen the capacity of deposit insurance institutions in managing financial stability, risk, and public trust.

In this edition, IDIC welcomed representatives from the Deposit Protection Office of Lao PDR and Bangladesh Bank. The event was formally opened by Mr. Dwityapoetra S. Besar, Executive Director of Surveillance, Examination, and Statistics at IDIC, who emphasized that Technical Assistance is intended to deliver meaningful benefits to all participating institutions while serving as a foundation for future collaboration and long-term partnerships to enhance financial resilience in each country.

The first day of the Technical Assistance focused on an overview of the Financial System Stability Committee as the primary coordinating body for financial system stability in Indonesia, as well as an introduction to the broader framework of the Indonesian financial system.

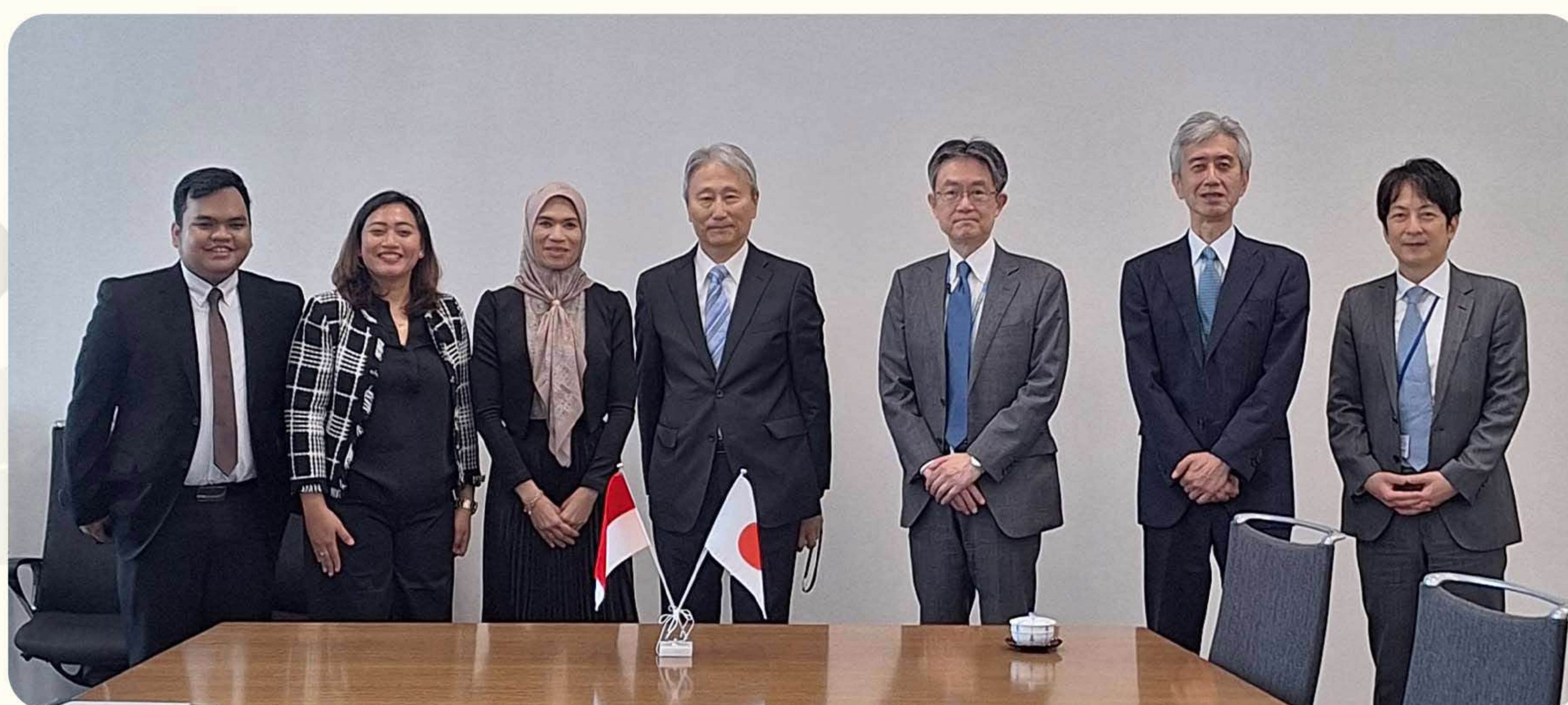
The second day delved deeper into technical aspects of deposit insurance, covering topics such as the IDIC Deposit Insurance Scheme and Bank Resolution Framework, IDIC Legal Framework, premium collection mechanisms, and the public communication framework, including the use of social media as a tool to increase transparency and public confidence in deposit insurance.

To conclude the program, delegations from the Deposit Protection Office of Lao PDR and Bangladesh Bank participated in a cultural excursion at Taman Mini Indonesia Indah, a theme park showcasing Indonesia's rich archipelago and cultural heritage. This cultural visit was graciously supported by the Ministry of State Secretariat of Indonesia, reflecting Indonesia's commitment to promoting its culture alongside technical knowledge exchange.

Overall, the 2025 IDIC Technical Assistance successfully provided a platform for knowledge sharing, strengthened institutional capacities, and fostered closer ties among regional deposit insurers, contributing to a more resilient and informed financial ecosystem.

May 7, 2025

IDIC Visits Deposit Insurance of Japan (DICJ)



On May 7, 2025, the Indonesia Deposit Insurance Corporation (IDIC) conducted a visit to the Deposit Insurance Corporation of Japan (DICJ) headquarter in Tokyo. IDIC delegations had the honor of being welcomed by the Governor of DICJ, Mr. Hidenori Mitsui, Deputy Governors, and other DICJ senior officials.

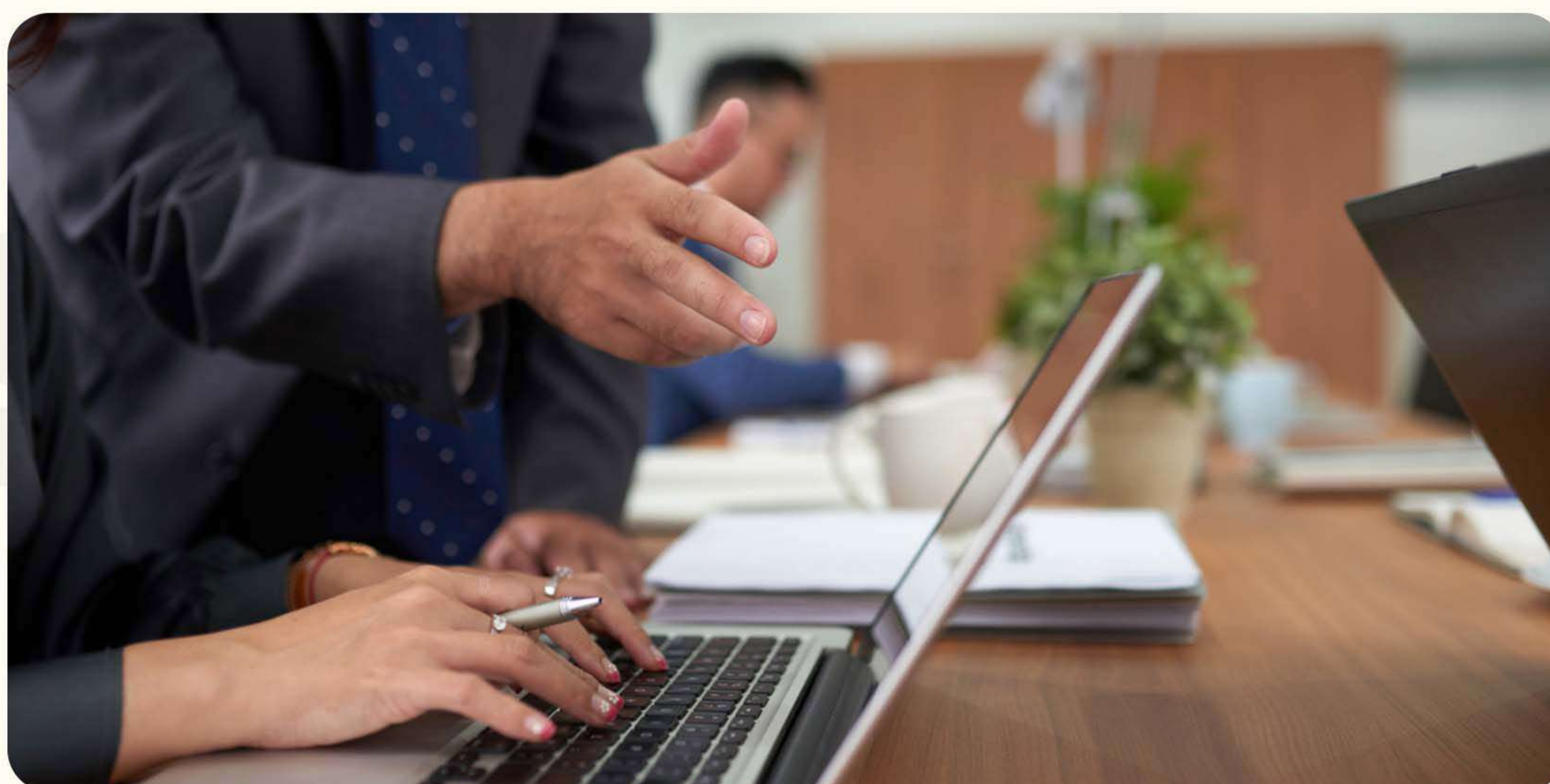
During the visit, IDIC expressed its appreciation for DICJ's contributions to strengthening the global deposit insurance system and for the close bilateral relationship between the two institutions.

The visit was then followed by a technical discussion of the resolution schemes for failed banks implemented by DICJ. This included the purchase and assumption model for non-systemic banks, the role of the Financial Crisis Response Council in systemic cases involving Japan's senior government authorities, and fund placement mechanisms designed to maintain the stability of Japan's financial system. These insights provided LPS with a deeper understanding of crisis management practices in other jurisdictions and serve as valuable references for developing national policies.

May 9, 2025

IDIC Participation in EMEAP-SGR H1 Meeting

On 9 May 2025, IDIC participated in the WGBS-SGR session, which focused on liquidity funding during crises or resolutions. The Bank of Japan highlighted the importance of credible public funding mechanisms and liquidity readiness to maintain essential banking functions. The 2023 banking crisis, including the Silicon Valley Bank case, demonstrated that even non-G-SIB banks can trigger systemic impacts, emphasizing the need for stronger resolution funding frameworks.



IDIC also attended a session by the Bank for International Settlements on financial institutions' operational readiness to access central bank liquidity facilities. The session discussed the challenges of stigma in using these facilities and recommended deferring public disclosures and pre-positioning collateral to improve crisis response.

IDIC also attended a session by the Bank for International Settlements on financial institutions' operational readiness to access central bank liquidity facilities. The session discussed the challenges of stigma in using these facilities and recommended deferring public disclosures and pre-positioning collateral to improve crisis response.

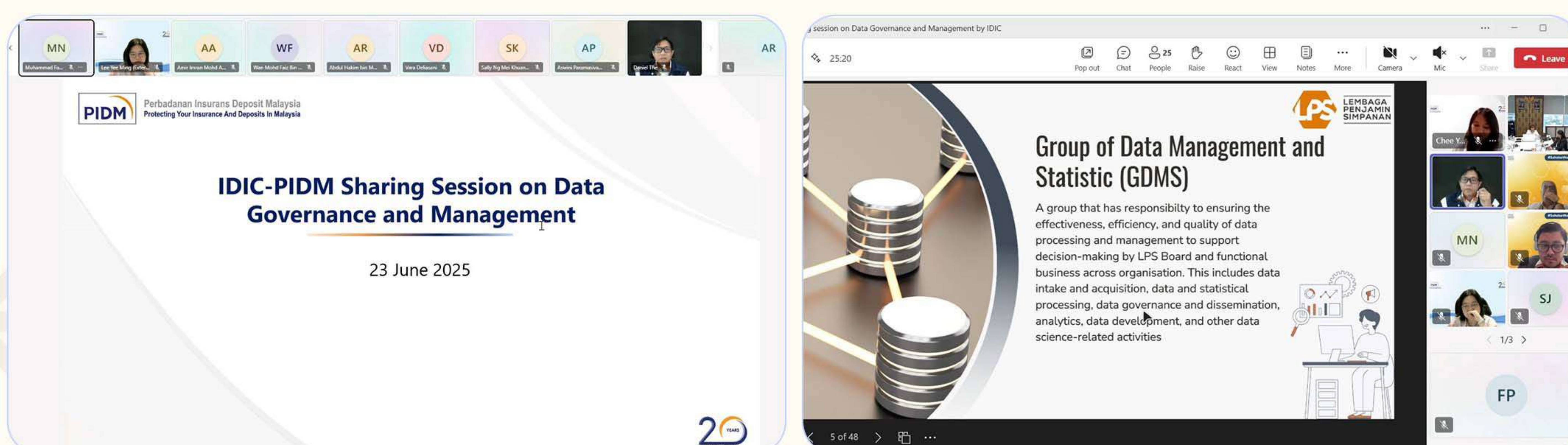
Additionally, IDIC contributed to the Study Group on Resolution (SGR) meeting, sharing its domestic experience on bank auctions and due diligence processes for potential buyers. Input from Japan's FSA and Hong Kong's HKMA was also included, with a focus on cross-jurisdictional practices. The SGR Chair concluded by stressing the importance of a holistic approach to crisis management, with IDIC reaffirming its commitment to strengthening resolution frameworks regionally and globally.

June 10 & 23, 2025

IDIC and PIDM held Series of Virtual Technical Working Group Meeting

As part of the supporting agenda for the High-Level Meeting, IDIC and PIDM convened a series of Technical Working Group Meetings, designed to facilitate the exchange of expertise and best practices between the two institutions on specialized areas of deposit insurance and bank resolution.

The first meeting, held on 10 June 2025, focused on sharing each institution's Resolvability Assessment Framework, allowing both parties to discuss approaches and methodologies used in evaluating the preparedness of banks for resolution. During this session, PIDM also presented its IT system for the Insurance Guarantee Scheme, highlighting best practices that can support IDIC in preparing for the upcoming Policyholders Protection Program (PPP) implementation in 2028.



Subsequently, on 23 June 2025, IDIC and PIDM held another technical discussion, which centered on data management and governance. The discussions covered topics such as the development of data governance and management practices at IDIC, fostering a culture of data ownership and stewardship, and sharing technical experiences with tools and technology employed to implement effective data management strategies.

These Technical Working Group meetings provided valuable opportunities for both IDIC and PIDM to deepen mutual understanding, enhance operational practices, and strengthen institutional capacity. The exchanges of knowledge and experience not only support IDIC's preparations for future policy implementation but also allow PIDM to benchmark and refine its own practices, resulting in tangible benefits for both institutions in advancing financial stability and effective deposit insurance frameworks.

June 17-19, 2025

IDIC Visits Kuala Lumpur for a High-Level Meeting with PIDM



On 16-19 June 2025, IDIC had the honor to be welcomed by PIDM in Kuala Lumpur for a High-Level Meeting, marking a continued commitment to the ongoing cooperation between the two institutions. The meeting covered key topics such as research collaboration, economic conditions, resolution strategies, and crisis communication.

As Indonesia plans to implement its Policyholders Protection Program (PPP) in 2028, IDIC and PIDM will explore a joint research initiative to examine the impact of Malaysia's Policyholders Protection Scheme (TIPS) on the insurance industry, with a particular focus on consumer trust and financial stability. The research will adopt both quantitative and qualitative approaches, including cross-country data analysis, interviews, and focused discussions, to support evidence-based policy formulation.

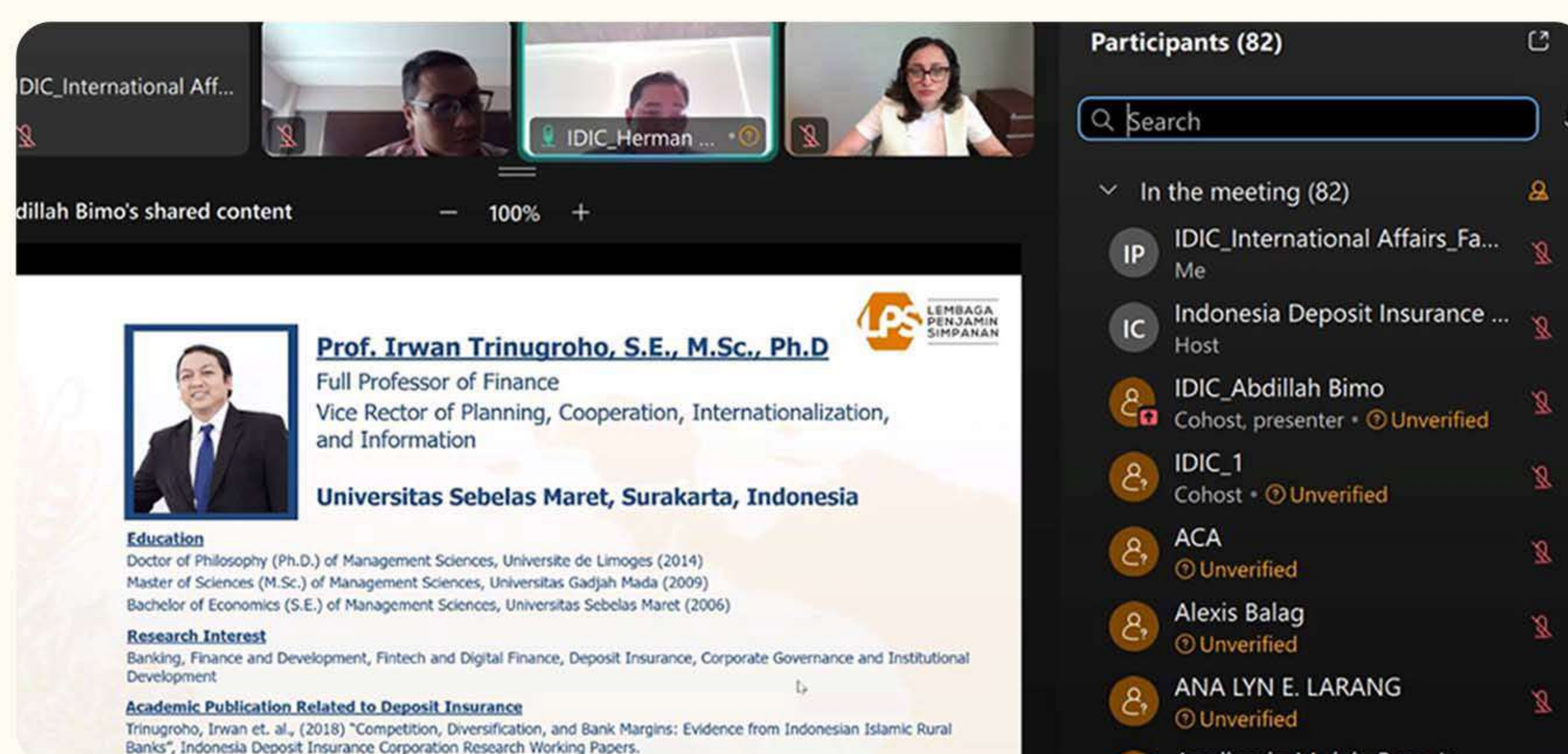


During the meeting, PIDM and IDIC addressed the macroeconomic resilience of both nations. Despite global growth projections slowing to 2.7% in 2025, Indonesia's economy grew by 4.87% in Q1 2025, while Malaysia maintained a solid banking sector and limited external exposure. Both countries emphasized the need for financial literacy and effective public communication to strengthen public trust.

In the resolution strategy session, IDIC and PIDM exchanged experiences on handling failed banks, using tools such as liquidation and purchase and assumption. IDIC has resolved 143 banks, including systemic cases like the resolution of Bank Century. The final session focused on crisis communication, with PIDM and Bank Negara Malaysia presenting their Strategic Alliance Agreement (SAA) and Inter-agency Binder (IA Binder), which IDIC can adapt to enhance its own crisis communication framework, ensuring stability and public confidence during crises.

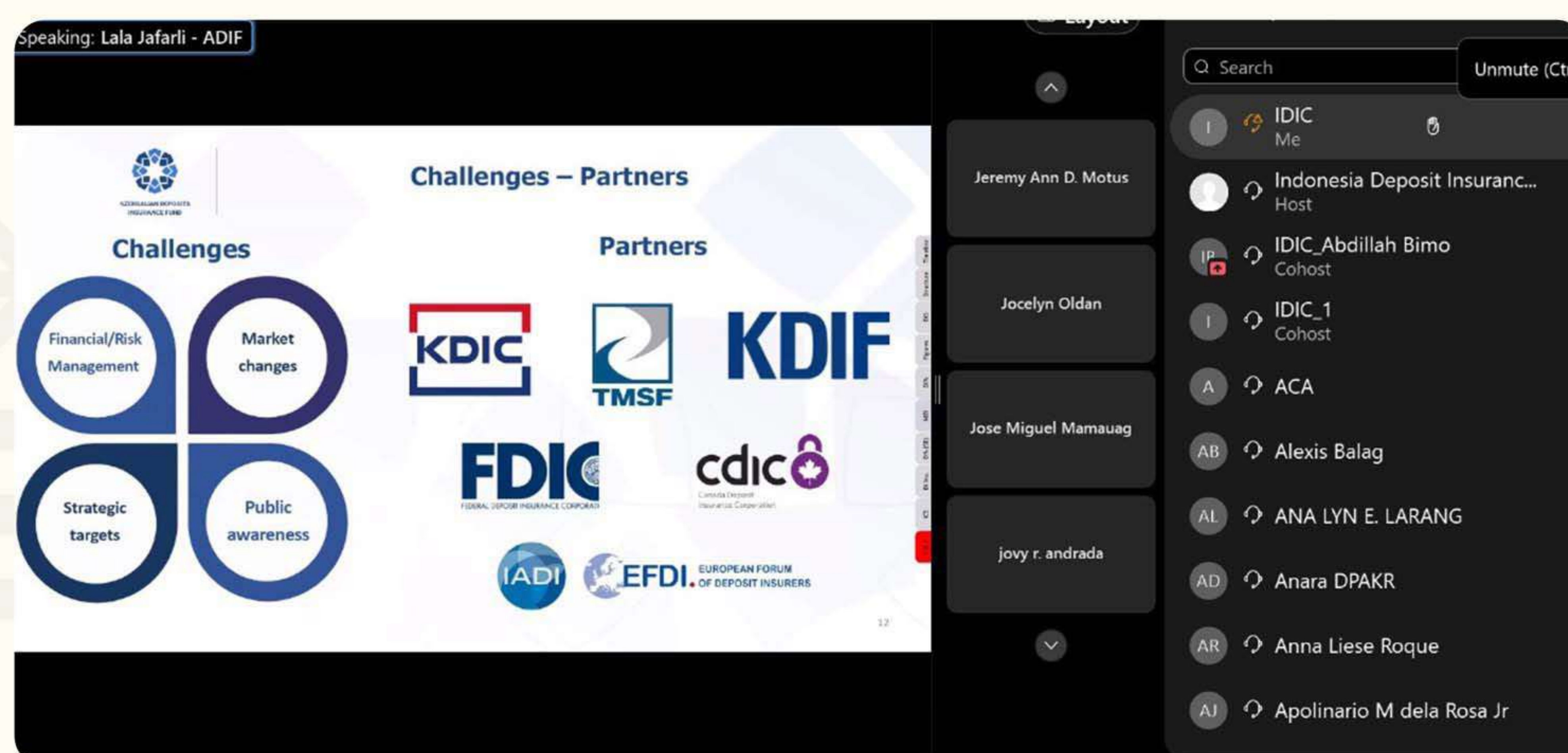
June 25, 2025

IADI APRC Research Technical Committee held the First RTC Webinar



On 25 June 2025, IDIC hosted the first Research Technical Committee (RTC) Webinar titled "Recent Developments in Deposit Insurance: Coverage, Market Discipline, and Credibility". The webinar was attended by over 100 participants from the Asia Pacific Regional Committee. The RTC Webinar featured Prof. Irwan Trinugroho, Professor of Economics and Vice Rector from the Public University of Sebelas Maret, Indonesia and Lala Jafarli from Risk Management Department of Azerbaijan Deposit Insurance Fund (ADIF).

Dr. Herman Saheruddin, RTC Chairperson and Chief of the Bank Restructuring Program (BRP) Preparation and Institutional Relations Office of IDIC, delivered the opening remarks, emphasizing the importance of protecting depositors while upholding market discipline and institutional credibility amid ongoing challenges. He also highlighted the RTC's role as a platform for knowledge sharing, aiming to foster a deeper understanding among all participants.



The keynote speaker, Prof. Irwan Trinugroho presented Indonesia's market discipline and deposit insurance coverage. The study highlighted that large depositors whose funds are only partially insured actively signal bank performance, and that bank ownership influences depositor responsiveness.



The findings affirmed the credibility of Indonesia's deposit insurance system while noting weaker market discipline toward foreign banks. Recommendations to strengthen the system include risk-based premiums, minimum capital requirements, and enhanced supervision.

Ms. Lala Jafarli, from Risk Management Department of ADIF provided an overview of Azerbaijan's deposit insurance framework, including mechanisms for claim payments and bank liquidation. As of 2025, ADIF covers 22 banks and manages a growing asset base, with an emphasis on low-risk investment instruments. The concentration of deposits in five systemic banks highlights the critical importance of robust risk management. The webinar reinforced the critical role of deposit insurance in maintaining banking stability and public confidence. Despite differing contexts, both countries face similar challenges regarding market discipline, coverage, and institutional capacity. Their experiences provide valuable lessons for APRC members in designing credible, adaptive systems that support financial sector resilience.

20



International
Association
of Deposit
Insurers

IADI Updates



IADI Welcomes Three New Members in Q2 2025

IADI has welcomed two new members in May—the Deposit Guarantee Fund in Central Africa (FOGADAC) and the Fondo de Garantía de Depósitos (FGD) of Costa Rica—and the Reserve Bank of New Zealand in June, strengthening global collaboration in deposit insurance.

Source: <https://www.iadi.org/2025/03/103-members/>

Asia-Pacific Regional Committee (APRC) APRC Net (May 2025)

The APRC shared the 13th edition of APRC Net with the IADI community. This edition includes updates and highlights, such as:

- a. A farewell message from Governor Hidenori Mitsui, reflecting on his tenure as APRC Chairperson and the designation of Dr Jae Hoon Yoo as the new APRC Chairperson.
- b. Insights into regional developments, including updates from member organizations such as CDIC (Chinese Taipei), KDIC (Korea), and PIDM (Malaysia).
- c. A spotlight on the 2025 KDIC Asia-Pacific Forum, as well as other regional activities, technical assistance initiatives, and research priorities shaping the future of deposit insurance systems in the Asia-Pacific region.

Source: <https://www.iadi.org/2025/06/iadi-digest-may-2025/>

IADI Public Consultation and Global Webinar on the Core Principles Review (Q2 2025)

On 30 June 2025, the International Association of Deposit Insurers (IADI) hosted a Global Webinar on the Core Principles Review, convening experts from academia, industry, and the deposit insurance community to discuss the proposed updates to the Core Principles. The webinar, held online via Webex, featured presentations by IADI Secretary General Eva Hüpkes and Senior Advisor Bert van Roosebeke, who highlighted revisions designed to ensure the Core Principles remain relevant and effective in a rapidly evolving financial landscape. This event formed part of IADI's broader public consultation process on the revised Core Principles for Effective Deposit Insurance Systems, which concluded in April 2025.

The updated Core Principles build on the 2009 and 2014 editions, incorporating lessons from the 2023 banking turmoil—the most severe systemic stress since the 2007–09 global financial crisis—while also reflecting digital innovation and the expanded role of deposit insurers in resolution. The revisions were spearheaded by a High-level Steering Group chaired by CDIC Canada and shaped through extensive feedback from key international stakeholders, including the IMF, World Bank, Basel Committee, and FSB. Supported by regional dialogues and the global webinar, the consultation underscored IADI’s commitment to strengthening depositor protection, financial stability, and coordination within the financial safety net, ensuring the Core Principles continue to serve as the global standard for effective deposit insurance systems.

Source: <https://www.iadi.org/events/global-webinar-cp-review/> and <https://www.iadi.org/2025/05/press-release-cp-public-consultation/>

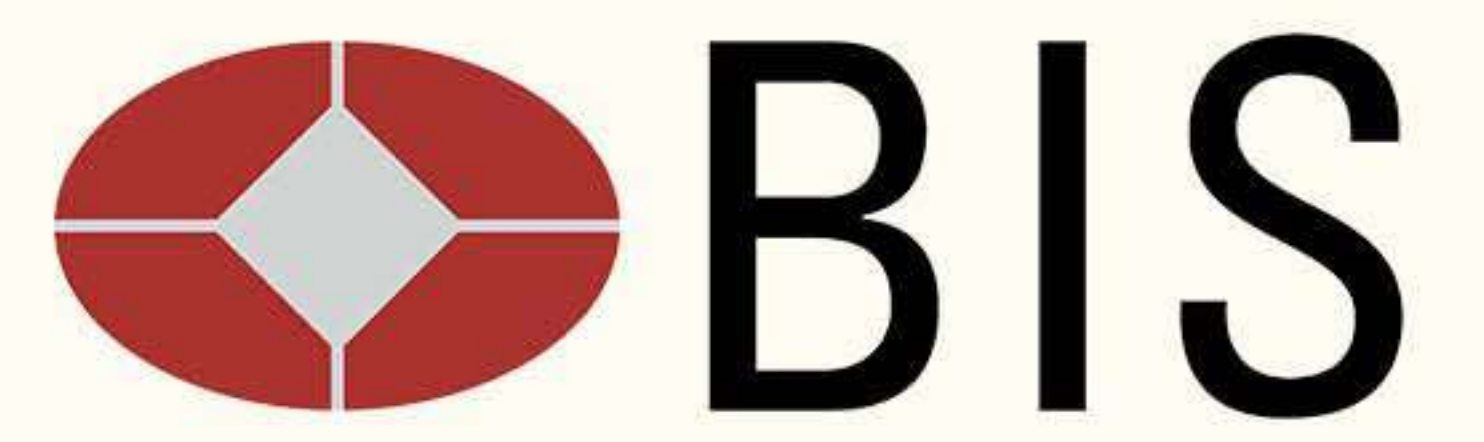
The IADI Africa Regional Committee Annual General Meeting and Conference 2025 (June 16, 2025)



The IADI Africa Regional Committee Annual General Meeting and Conference 2025, hosted by the Kenya Deposit Insurance Corporation (KDIC) in Mombasa, brought together deposit insurers, central banks, policymakers, and financial safety net players from across Africa and beyond under the theme “Enhanced Bank Resolution Frameworks and the Vital Role of Deposit Insurance Systems in Bank Failure.” Opening remarks from KDIC leaders emphasized the critical role of deposit insurance in financial stability, risk mitigation, and public trust, while ARC Chair Dr. Julia Oyet highlighted regional progress and new memberships, and IADI Secretary General Dr. Eva Hupkes stressed the importance of transparency, governance, and cross-country learning. Throughout the event, key topics discussed includes Reforming resolution practices post-2023 crisis; Building robust financial safety nets through effective coordination between resolution and deposit insurance; Strategies for fostering public trust during resolution processes; and Tailored approaches for small and medium-sized institutions.

Source: <https://www.iadi.org/events/arc-agm-2025/> and <https://kdic.go.ke/strengthening-financial-resilience-highlights-iadi-africa-regional-committee-conference-2025>

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BCBS Updates





Project Promissa: Tokenising MDB Promissory Notes (April 23, 2025)

Project Promissa, a joint initiative of the BIS Innovation Hub, World Bank, and Swiss National Bank, complements the G20's roadmap to strengthen multilateral development banks (MDBs) by modernising MDB funding through the tokenisation of promissory notes. By replacing manual, paper-based processes with a digital proof-of-concept (PoC) platform, the project showcased significant gains in efficiency, transparency, and security, featuring real-time records, multiparty signatures, confidentiality, and sovereignty. The results demonstrate that the PoC effectively addresses key pain points in the current lifecycle of promissory notes. It is also technically feasible, with no major issues identified in the tokenisation of promissory notes, subject to further study of the legal aspects identified in the preliminary review.

Source: <https://www.bis.org/publ/othp93.htm>

Joint study explores feasibility of central bank operations using tokenization and smart contracts (May 14, 2025)

The Federal Reserve Bank of New York and the BIS Innovation Hub's Swiss Centre released Project Pine, a joint research study testing how central banks could implement monetary policy in tokenized wholesale financial markets. The project generated the prototype of a generic monetary policy implementation tokenised toolkit for potential further research and development by central banks across jurisdictions and currencies. The prototype was designed to be technically modifiable for different central banks' monetary policy frameworks and calibrated to conduct standard or emergency market operations. Tested against ten simulated market scenarios, including tightening cycles, quantitative easing, and liquidity stress. The project identified the need for further research on interoperability and data standardisation, aiming to foster transparent public dialogue on new financial technologies. As a research exercise, Project Pine is exploratory in nature and does not represent official policies or positions of the Federal Reserve Bank of New York or the Federal Reserve System.

Source: <https://www.bis.org/press/p250514.htm>

Quantitative metrics and Qualitative information to form a comprehensive picture of banks' exposure to climate related financial risks. (June 13, 2025)

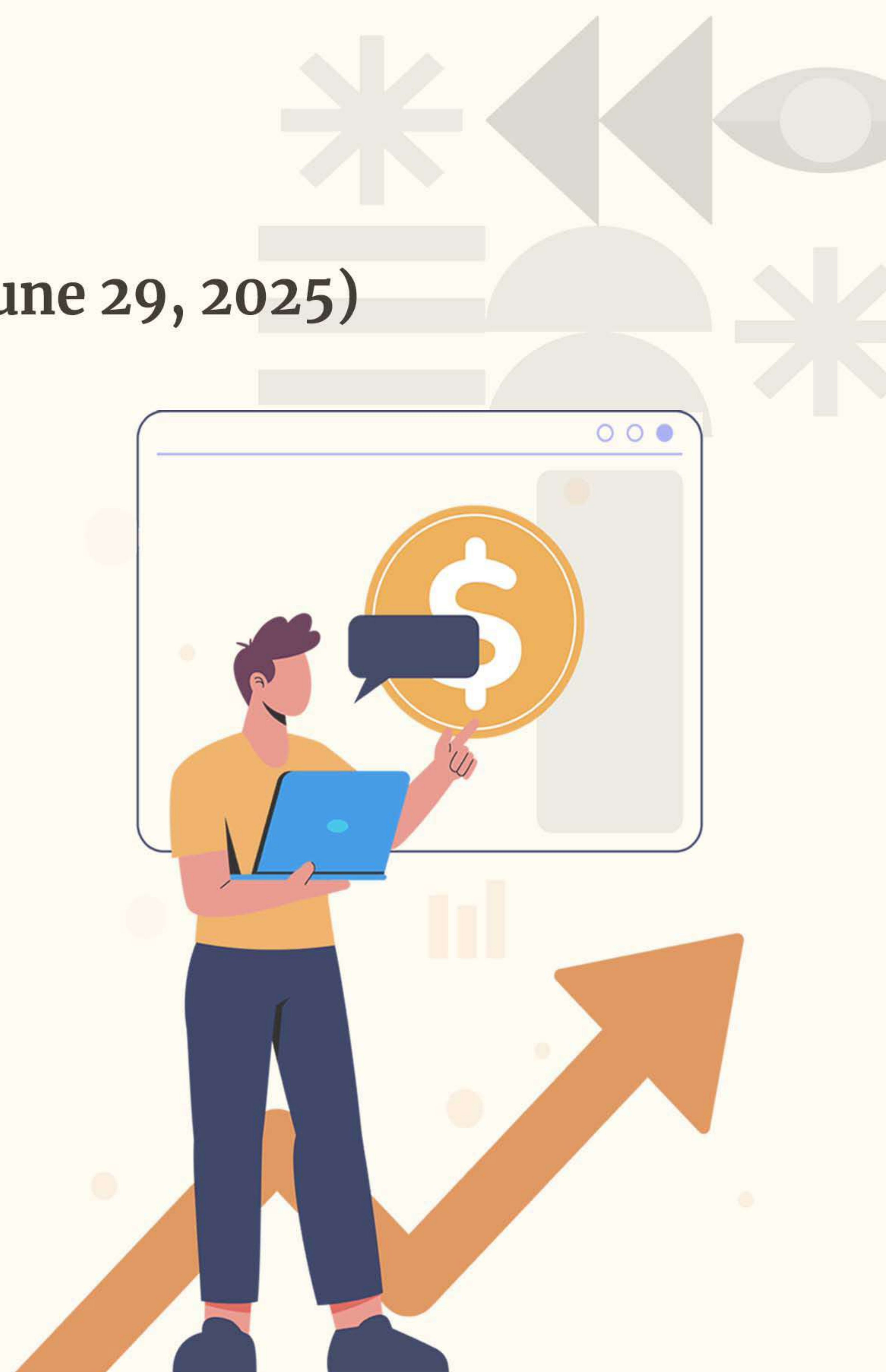
The Basel Committee on Banking Supervision has finalized a voluntary framework for the disclosure of climate-related financial risks, building on earlier consultations that explored how a Pillar 3 disclosure framework could strengthen global banking regulation, supervision, and practices to support financial stability. The framework incorporates adjustments based on stakeholder feedback and allows jurisdictions to decide whether to adopt it domestically, with the Committee continuing to monitor international reporting practices and considering future revisions if needed. Recognizing the complexity of climate-related risks, the Committee notes that no single metric can capture them fully; instead, a mix of quantitative metrics and qualitative information is necessary, and users should interpret disclosures holistically, mindful of both their strengths and limitations.

Source: <https://www.bis.org/publ/othp93.htm>

BIS Annual Economic Report (June 29, 2025)

At its Annual General Meeting, the BIS released its Annual Economic Report. This year's Annual Economic Report assesses the state of the global economy and discusses the key policy challenges. In addition, it offers an in-depth analysis of two important issues. The first is changes in the financial system, and their implications for the global transmission of financial conditions. The second is the design of a future monetary and financial system – one that embraces innovation to unlock new possibilities while preserving the trust in money that is fundamental to economic stability. The report is broadly segmented into three chapter which touch upon sustaining, stability amid uncertainty and fragmentation, financial conditions, and next-generation monetary and financial systems.

Source: <https://www.bis.org/publ/arpdf/ar2025e.htm>



BIS Annual Report 2024/25 (June 29, 2025)

At its Annual General Meeting, the Bank for International Settlements (BIS) released its Annual Report 2024/25, documenting the institution's achievements over the past year. A key highlight of the report is the completion of the strategic program Innovation BIS 2025. Launched six years ago under the vision of "shaping the Bank for tomorrow," the strategy set out a bold and ambitious change agenda covering all areas of the BIS's work, including cooperative activities, research, banking services, information technology, people, and work practices. The Annual Report confirms that all commitments under the program have been delivered on time and within budget. As a result, the BIS has been successfully transformed into a more modern and forward-looking institution, equipped with enhanced capabilities to respond more swiftly to the evolving needs of its stakeholders. The Innovation BIS 2025 program marks a milestone that will continue to deliver long-term value to the global central banking community.

Source: <https://www.bis.org/about/areport/areport2025.htm>



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FSB Updates



Format for Incident Reporting Exchange (FIRE): Final Report (April 15, 2025)

The Financial Stability Board (FSB) has introduced the Format for Incident Reporting Exchange (FIRE), a global framework aimed at harmonizing the reporting of cyber and operational incidents while strengthening cross-border coordination. Developed jointly with the private sector, FIRE seeks to promote consistency in reporting to multiple authorities, and improve information-sharing across jurisdictions. The framework sets out a standardized set of information elements while allowing for flexibility and interoperability in its application. It is designed to cover a wide spectrum of cyber and operational events and can also be applied by third-party providers and entities outside the financial industry. The initiative has been well received by industry participants, who have highlighted its practical value.

Source: <https://www.fsb.org/2025/04/format-for-incident-reporting-exchange-fire-final-report/>



FSB Chair's Letter to G20 Finance Ministers and Central Bank Governors (April 23, 2025)

In a letter to G20 Finance Ministers and Central Bank Governors ahead of their April meeting, outgoing FSB Chair Klaas Knot reflected on progress in strengthening financial stability and outlined future priorities. He highlighted the challenging global risk outlook, marked by policy uncertainty, market volatility, technological change, and climate risks, and called for continued vigilance from market participants and regulators. The letter underscores the FSB's role in bolstering financial system resilience, stressing the need for reform implementation and sustained international coordination to address emerging risks and safeguard resiliency and stability of the financial system.

Source: <https://www.fsb.org/2025/04/fsb-chairs-letter-to-g20-finance-ministers-and-central-bank-governors-april-2025/>

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IFSB Updates



AMF and IFSB Formalise Partnership to Advance Financial Resilience and Growth in the Arab Region | Joint Release

March 25, 2025

The Arab Monetary Fund (AMF) and the Islamic Financial Services Board (IFSB) signed a Memorandum of Understanding to establish a Strategic Partnership Framework focused on advancing Islamic finance regulation, strengthening financial resilience, and promoting sustainable development in the Arab region. The agreement, signed by Dr. Fahad Alturki (AMF) and Dr. Ghiath Shabsigh (IFSB), formalizes collaboration in four key areas: (1) Policy advice; (2) Capacity development; (3) Knowledge sharing & research; (4) Analytical support for AMF's regional initiatives. The partnership aligns with the IFSB Strategic Plan 2025–2027 and AMF Strategy 2025–2030, enhancing both institutions' ability to provide technical assistance, promote adoption of global prudential standards, and foster a robust, inclusive Islamic finance sector.

Source: <https://www.ifsb.org/press-releases/amf-and-ifsb-formalise-partnership-to-advance-financial-resilience-and-growth-in-the-arab-region-joint-release/>

Islamic Financial Services Industry Stability Report 2025

May 16, 2025

The Islamic Financial Services Board (IFSB) has released the 13th edition of its Islamic financial services industry (IFSI) Stability Report 2025, themed “Navigating Shallow Waters: Addressing Structural Vulnerabilities and Shoring Up Resilience to Global Shocks.” The report highlights renewed momentum in the industry, underscoring deepening participation, global relevance, and geographical reach. Financial soundness indicators across banking and insurance—covering capital, leverage, liquidity, and asset quality—remained broadly stable, reflecting the benefits of strengthened regulatory frameworks, wider adoption of IFSB standards, and stronger investor confidence.

Despite this positive outlook, the report warns of persistent structural vulnerabilities, including the underdevelopment of capital markets and limited insurance sector depth, which constrain scalability and the industry's ability to fully support investment, funding, and liquidity needs. Another focus is on the sukuk market, where growth in issuance and issuer diversity still saw structural limitations such as underdeveloped market infrastructure, complex structures, limited local-currency sovereign issuances, investor concentration, and low trading volumes. To overcome these challenges, the report calls for coordinated policy action among regulators, policymakers, and industry stakeholders, emphasizing the need to strengthen sukuk markets, address structural gaps, and enhance resilience.

Source: <https://www.ifsb.org/press-releases/islamic-financial-services-industry-stability-report-2025-need-for-coordinated-action-to-deepen-markets-and-sustain-growth-momentum/>

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