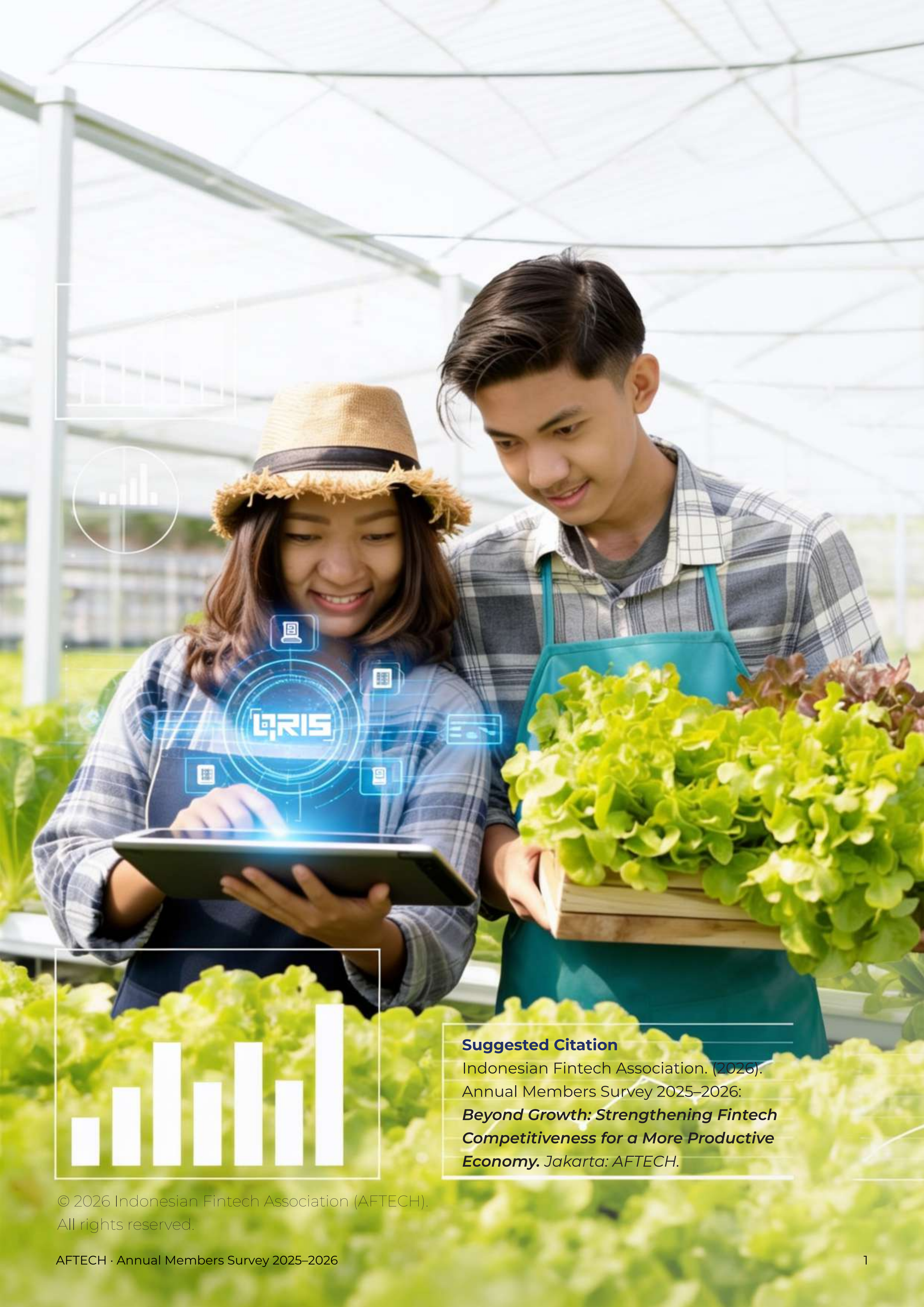
AFTECH Asosiasi Fintech Indonesia | fintech indonesia

Annual Members Survey

2025-2026

Beyond Growth: Building a More Competitive Fintech Ecosystem for a More Productive Economy



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About AFTECH's Annual Members Survey (AMS)

The Annual Members Survey (AMS) is an annual survey conducted by the Indonesian Fintech Association (AFTECH) to map the development, needs, challenges, and growth trajectory of Indonesia's digital finance industry. Since its inception, the AMS has served as one of AFTECH's primary instruments for building an industry database sourced directly from its members through quantitative data, open-ended questions, focused discussions, and analyses of regulatory and market developments.

The AMS serves not only as an annual report but also as a key industry reference document. For AFTECH members, it provides insights into the industry's current position, shared needs, and collective priorities. For regulators, ministries, and relevant institutions, the AMS offers evidence-based input to support understanding of policy impacts, identification of regulatory framework requirements, and the formulation of strategies for fostering a healthier and more productive digital finance ecosystem.

For investors and financial institutions, the AMS has provided valuable insights into the maturity of Indonesia's fintech industry, growth opportunities, infrastructure readiness, risk profiles, and the challenges that influence investment decisions. For international partners, development organisations, academics, and the global community, the window to understanding development of Indonesia's fintech sector in the context of financial inclusion, digital transformation, consumer protection, and its contribution to the real economy.

The significance of the AMS lies in its ability to capture the voice of the fintech industry on a regular basis. Conducted annually, AMS AFTECH and its stakeholders to identify recurring patterns, shifts in priorities, and persistent structural issues that must be addressed to optimise the role of fintech and digital financial services in supporting national economic growth.

The AMS methodology combines both quantitative and qualitative approaches. Primary data are collected through a self-administered survey of AFTECH members, covering company profiles, business models, technology adoption, governance, compliance, consumer protection, funding requirements, business constraints, and perspectives on regulation and market direction. These data are further enriched through analyses of open-ended responses, discussions with members, and reviews of policy and industry developments. All findings are reported in aggregate to ensure respondent confidentiality.

Since its launch in 2016, the AMS has consistently identified a number of recurring findings, indicating that Indonesia's fintech industry continues to face many of the same structural challenges. These recurring findings include: the concentration of fintech service users remains heavily centred in the Greater Jakarta metropolitan area (Jabodetabek); regulatory certainty continues to be a primary concern; the integration of fintech with the growth of priority real-sector industries has yet to be fully optimised; gaps persist in the availability of supporting infrastructure for digital identity, interoperability, cybersecurity, open finance, and artificial intelligence governance; while consumer protection and financial literacy remain key priorities.

The findings of the 2025–2026 Annual Members Survey (AMS) specifically underscore that the fintech industry's principal challenge is no longer rapid growth itself, but rather the strengthening of the foundations required to sustain that growth. Unlocking the full potential of fintech and digital financial services in Indonesia will require faster, more reliable, cost-efficient, and integrated digital financial infrastructure; stronger governance and more effective consumer protection; and strategic partnerships capable of connecting digital financial innovation with productivity growth across priority real-sector industries.

Contents

List of Abbreviations

List of abbreviations and acronyms used throughout this report.

AFTECH	Asosiasi Fintech Indonesia
AI	Artificial Intelligence
AKD	Digital Financial Assets
AML/CFT	Anti-Money Laundering / Counter-Financing of Terrorism
AMS	Annual Members Survey
API	Application Programming Interface
ASEAN	Association of Southeast Asian Nations
B2B	Business to Business
B2B2C	Business to Business to Consumer
B2C	Business to Consumer
BI	Bank Indonesia
BI-FAST	Bank Indonesia Fast Payment
BNPL	Buy Now Pay Later
BSSN	National Cyber and Crypto Agency
CERT/CSIRT	Computer Emergency Response Team / Computer Security Incident Response Team
DPI	Digital Public Infrastructure
DPO	Data Protection Officer
DRP	Disaster Recovery Plan
e-KYC	Electronic Know Your Customer
ESG	Environment, Social, and Governance
EWA	Earned Wage Access
FGD	Focus Group Discussion
GRC	Governance, Risk, and Compliance
IAKD	Financial Sector Technology Innovation, Digital Financial Assets, and Crypto Assets
ISO	International Organization for Standardization
ITSK	Financial Sector Technology Innovation
Komdigi	Ministry of Communication and Digital Affairs
KYC	Know Your Customer
LJK	Financial Services Institution
LPBBTI	Information Technology-Based Joint Funding Services
OJK	Indonesia Financial Services Authority
PAJK	Financial Services Aggregation Provider
PBI	Bank Indonesia Regulation
PDP	Personal Data Protection
PE	Private Equity
PKA	Alternative Credit Rating Provider
POJK	Indonesia Financial Services Authority Regulation
QRIS	Quick Response Code Indonesia Standard
RegTech	Regulatory Technology
SaaS	Software as a Service
SLA	Service Level Agreement
SNKI	National Strategy for Financial Inclusion
TWP90	90-Day Default Rate
UU P2SK	Financial Sector Development and Strengthening Law
VC	Venture Capital
WEF	World Economic Forum

Foreword by the Chairman of AFTECH

Message from the Chairman of the Indonesian Fintech Association

Bismillahirrahmanirrahim.
Assalamu'alaikum warahmatullahi wabarakatuh, and warm greetings to us all. Distinguished Members of the Board of Directors, Fellow Members, and Esteemed AFTECH Partners,

It is with great gratitude and pride that AFTECH is launching the Annual Members Survey (AMS) for the ninth consecutive year. When the AMS was first published in 2016, Indonesia's fintech industry was still in its early stages of development. Much remained uncertain. Business models were still being tested. Regulatory frameworks were still taking shape. Public trust was still something the industry had to earn.

Today, we stand in a very different place. Digital financial services have become an integral part of the daily lives of Indonesians. Millions of individuals and businesses now enjoy easier access to payments, financing, investments, and a wide range of other financial services. What was once regarded as potential has now become a reality, delivering tangible benefits to the national economy.

This achievement deserves to be celebrated. Yet every achievement also prompts us to ask: What comes next?

That question forms the foundation of the 2025–2026 Annual Members Survey (AMS). After a decade of rapid growth, Indonesia's fintech industry has entered a more mature phase. Our focus is no longer solely on expanding access or accelerating adoption, but on ensuring that digital financial innovation creates greater value for society and the economy. Our measure of success is no longer simply the volume of transactions generated, but the extent of the impact we create.

In this context, the AMS plays an increasingly important role. For nearly a decade, this survey has been one of AFTECH's most consistent contributions to the ecosystem. It not only documents the industry's development but also provides a platform for industry players to share their challenges, aspirations, and perspectives on the future of Indonesia's digital finance sector. Its findings have become a valuable reference for regulators, investors, academics, financial institutions, and international organisations seeking to understand the dynamics of this rapidly evolving industry.

This year's report offers strong reasons for optimism. We are witnessing a growing number of companies building their businesses on stronger foundations, adopting better governance practices, and embracing clearer long-term strategies. Amid global uncertainty, Indonesia's fintech industry continues to demonstrate that innovation and sustainability can go hand in hand.

Yet our work is far from complete.
Indonesia is home to one of the world's most dynamic digital finance ecosystems, but this success story has not yet been fully recognised by the global community. At the same time, we face an even greater challenge: ensuring that technological advancement translates into higher productivity, stronger competitiveness, and broader prosperity for society.

The next chapter of Indonesia's fintech journey, therefore, is not simply about technology. It is about how technology can strengthen the real sector, unlock greater economic opportunities, and support more inclusive and sustainable growth. It is about ensuring that innovation delivers meaningful impact.

I firmly believe Indonesia possesses everything required to achieve this vision. We have the talent, the spirit of innovation, and an increasingly robust ecosystem. What we need is a shared commitment to continue learning, collaborating, and building the future together.
May the 2025–2026 Annual Members Survey (AMS) provide valuable insights for all stakeholders and make a meaningful contribution to the continued development of Indonesia's digital finance industry.

Happy reading.
Wassalamu'alaikum warahmatullahi wabarakatuh.

Jakarta, June 2026

Pandu Patria Sjahrir
Chairman of Indonesian Fintech Association (AFTECH)

Executive Summary

The 2025–2026 Annual Members Survey (AMS) captures Indonesia's digital finance industry at a pivotal point of transition. After a decade of rapid expansion, the industry has entered a phase of consolidation. This transition is characterised by three interconnected trends: higher-quality growth, the formalisation of governance and resilience, and an increasing reliance on national digital public infrastructure.

This year's AMS received responses from 141 AFTECH member companies. Respondents represent fintech providers across digital payments, digital funding, digital financial assets, financial technology services, and supporting ecosystem sectors. The higher participation rate compared with the previous edition (122 respondents) reflects stronger member engagement in mapping the industry's development while broadening representation across digital financial services amid a more mature regulatory framework and increasingly stringent financial sustainability requirements.

Indonesia's Digital Finance Industry at a Glance: The Past Year

Six key indicators summarising the state of Indonesia's digital finance industry, based on the 2025–2026 Annual Members Survey (AMS).

Source: AFTECH Annual Members Survey (AMS) 2025–2026, N = 141 respondents (121 complete responses and 20 partial responses). The number of observations for each indicator may vary depending on the response rate for each question.

Five Key Findings

01. The Fintech Industry Has Entered an Era of Consolidation and Higher-Quality Growth

The profile of companies by stage of development reflects a more mature industry composition. 40 percent of respondents are in the growth stage, 10 percent have reached the mature or large-scale stage, and 13 percent are established corporations or financial institutions that have adopted digital business models. The industry is no longer dominated by early-stage companies focused solely on user acquisition, but increasingly comprises businesses prioritising operational sustainability and profitability.

A total of 43 percent of respondents reported being profitable, while 27 percent chose not to disclose their profitability status. This composition provides an important signal for investors and regulators: the industry has entered a stage where profitability has become a key indicator of business viability, while the reluctance of some companies to disclose their financial performance reflects competitive sensitivity and a cautious approach to market communications. Nevertheless, optimism remains strong. Most respondents expect to achieve positive profit margins next year, with 54 percent targeting margins between 0 and 10 percent.

Among AMS respondents, 40 percent primarily operate under a B2B business model, 37 percent serve the B2B2C market, and only 22 percent operate exclusively as B2C businesses. This transition reflects the growing maturity of business models, with growth increasingly driven by strategic partnerships, ecosystem integration, and revenue diversification rather than direct customer acquisition. Ecosystem partnerships have become the industry norm, with 81 percent of respondents reporting active partnerships with other ecosystem participants. The most common growth strategies include strategic partnerships (77 percent), expansion into new customer segments (56 percent), the launch of new products or services (55 percent), and integration with ecosystem platforms (50 percent). At the same time, 40 percent of respondents identified regulation and compliance as the single greatest obstacle to growth over the next 12 months, significantly exceeding competition (18 percent), distribution and partnerships (9 percent), and consumer trust (6 percent). This indicates that the industry has moved beyond a stage where market access or funding were its primary challenges and is now confronting the increasing complexity of regulatory frameworks that demand stronger compliance capabilities, policy advocacy, and more systematic collaboration between industry and regulators.

02. Governance and Resilience Have Become the New Foundations of the Fintech Industry

For the first time, the AMS assessed cyber maturity using twelve cybersecurity indicators developed by the National Cyber and Crypto Agency (BSSN). The findings are encouraging: 77 percent of respondents hold professional cybersecurity certifications issued by external auditors; 74 percent maintain IT policies and standard operating procedures that are regularly reviewed and updated; 73 percent conduct annual disaster recovery testing; 72 percent provide regular cybersecurity training for all employees; and 71 percent operate real-time system monitoring on a 24-hour basis.

Corporate governance frameworks have also become increasingly institutionalised across the fintech industry. 90 percent of respondents have established formal governance, risk, and compliance (GRC) frameworks; 91 percent maintain disaster recovery plans (DRPs); and 87 percent are able to restore operations within 24 hours. Readiness to comply with the Personal Data Protection Law (Law No. 27 of 2022) presents a more varied picture. 65 percent of respondents reported being fully prepared, 26 percent indicated partial readiness, and 10 percent remain in the early stages of preparation. This variation highlights a collective agenda that will require continued technical assistance and greater harmonisation in implementation.

The adoption of risk management frameworks demonstrates a comparable level of maturity. Information technology risk management has been implemented by 88 percent of respondents, anti-money laundering and counter-financing of terrorism (AML/CFT) compliance by 59 percent, and internal audit and compliance monitoring by 67 percent. These findings indicate that the industry no longer views resilience and governance merely as regulatory obligations, but rather as essential investments that underpin public trust and the continuity of digital financial services.

The institutionalisation of governance is consistent with the industry's evolving approach to regulation. Respondents continue to hold a positive view of the regulatory framework, while expressing a strong expectation for greater policy harmonisation and more consistent implementation.

Compliance practices among fintech providers have also evolved, with governance compliance increasingly viewed not merely as a regulatory obligation but as an integral part of business practice. Specifically, with regard to personal data protection readiness, the majority of AMS respondents reported that they are prepared; however, the transition remains incomplete. The variation in respondents' levels of readiness highlights the need for continued attention to the implementation of the Personal Data Protection Law (Law No. 27 of 2022). Regarding cybersecurity, the 2025–2026 Annual Members Survey (AMS) indicates that the number of cybersecurity incidents reported by fintech providers remains relatively low. Nevertheless, numerous reports suggest that cyber threats are becoming increasingly sophisticated, underscoring the need for heightened vigilance and stronger cyber incident response capabilities across the fintech industry. Furthermore, the 2025–2026 Annual Members Survey (AMS) shows that fintech providers are taking an increasingly proactive approach to consumer protection initiatives, including strengthening customer complaint resolution mechanisms. Overall, these findings indicate that the governance foundations of Indonesia's fintech industry and digital financial services ecosystem have continued to strengthen. Despite facing various fraud-related incidents, most providers have demonstrated a strong commitment to implementing the principles of Good Corporate Governance (GCG).

03. AI Has Become the New Operational Standard, While Governance and Talent Capacity Have Yet to Catch Up

A total of 84 percent of respondents have either adopted or are piloting artificial intelligence (AI) in their operations. Of these, 30 percent have implemented AI extensively, 34 percent use it on a limited scale, while 20 percent remain in the pilot stage. Only 17 percent of respondents have not adopted AI at all. The most common applications of AI include data analytics (68 percent), chatbot- or virtual assistant-based customer services (55 percent), process automation (53 percent), and predictive analytics (37 percent). AI is also used for fraud detection (36 percent) and credit risk assessment (33 percent). Overall, the survey findings indicate that AI adoption has become increasingly integrated across the fintech industry's operational value chain.

The widespread adoption of AI has not been matched by the availability of internal AI governance frameworks. The survey found that only 34 percent of respondents have formal internal AI governance policies, typically covering model risk testing, bias testing, and human oversight. Meanwhile, 35 percent reported that such governance frameworks are still under development, while 30 percent have yet to establish one.

The rapid adoption of AI across Indonesia's fintech industry has also outpaced the availability of qualified talent. Although AI adoption has reached 84 percent, employees working in data, AI, and analytics functions account for only around 10 percent of respondents' total workforce on average. Furthermore, 48 percent of respondents identified AI and data science professionals as the most difficult talent to recruit.

04. Digital Public Infrastructure and Digital Financial Infrastructure as the Foundation of Financial Inclusion

The ability of fintech providers to deliver faster, more affordable, and more reliable services to communities that have historically lacked access to digital finance depends heavily on the availability of digital infrastructure, particularly robust digital financial infrastructure. The 2025–2026 Annual Members Survey (AMS) found that 48 percent of respondents consider the national Digital Public Infrastructure (DPI) to be highly important to their operations. More broadly, respondents hold a positive perception of Indonesia's digital infrastructure, with 66 percent rating it as reliable.

The survey findings indicate that although the existing infrastructure is regarded as relatively reliable (66 percent of respondents), significant investment in digital financial infrastructure remains necessary, particularly to support more inclusive and integrated digital funding, investment, and insurance services.

Based on the challenges encountered in running their businesses, digital identity verification systems emerged as the most pressing infrastructure need for fintech providers. Thirty-two percent of respondents identified this as their primary challenge, followed by payment infrastructure (18 percent), data infrastructure (17 percent), and internet connectivity (13 percent). Consistent with these findings, most respondents believe that strengthening the national digital identity system should be the top infrastructure priority (53 percent), followed by enhancing cybersecurity infrastructure (40 percent), enabling faster payment systems (39 percent), and establishing stronger, more standardised data-sharing frameworks (35 percent).

The fintech industry's readiness for Open Finance is beginning to emerge. Forty-six percent of respondents have actively participated in the implementation of Open API and Open Finance, while 6 percent remain in the pilot stage. However, 40 percent have yet to become involved. These findings suggest that substantial opportunities remain, particularly through stronger technical standards, improved data-sharing governance, and more sustainable collaboration models.

Cloud computing has also become an integral part of industry operations. Sixty-nine percent of respondents regard cloud services as critical infrastructure, while a further 21 percent consider them important, although not mission-critical. This high level of adoption demonstrates that digital financial services increasingly rely on infrastructure that is reliable, secure, and capable of supporting business scalability.

The equitable distribution of digital infrastructure, particularly digital financial infrastructure, remains a key challenge requiring greater attention. Sixty-eight percent of respondents believe there is still a significant disparity in infrastructure quality between urban and rural areas. This highlights that infrastructure development is essential not only for driving innovation but also for ensuring more equitable access to digital financial services throughout Indonesia.

05. From Access to Impact: Financial Inclusion, Women's Representation, and Sustainability

Over the past five years, women's representation in Indonesia's digital finance industry has yet to be reflected at the leadership level. The 2025–2026 Annual Members Survey (AMS) found that 57 percent of respondents have no women serving on their board of directors, 78 percent have no female Chief Executive Officer (CEO) or equivalent top executive, and 81 percent have no female founders. This contrasts with a relatively balanced workforce composition, with 70 percent of respondents reporting that women account for between 26 and 50 percent of their employees. These findings suggest that the principal challenge is no longer women's participation in the workforce, but rather their opportunities to advance into decision-making positions. Consistent with this, only 7 percent of respondents offer products or services specifically designed to address women's needs.

Although environmental, social, and governance (ESG) principles are receiving growing attention across the industry, ESG implementation within Indonesia's fintech sector remains at an early stage. Thirty-seven percent of respondents reported having no ESG initiatives, while 33 percent undertake only ad hoc programmes without a formal strategy. Only 17 percent have established a structured ESG strategy, and 13 percent have published ESG reports or aligned their practices with international standards. These findings indicate that further capacity building and stronger ecosystem support are needed to expand ESG implementation across the fintech industry.

With respect to financial inclusion, the national fintech industry's focus has begun to shift from expanding access towards creating measurable impact. The 2025–2026 Annual Members Survey (AMS) found that 50 percent of respondents develop products or services for underserved or unserved communities, while 72 percent pursue financial inclusion initiatives through partnerships with financial institutions and other ecosystem participants. This shift suggests that financial inclusion is increasingly being achieved through collaboration and service integration within a broader ecosystem.

Analysis of the survey findings shows that the greatest obstacle to financial inclusion continues to be public literacy. Seventy-one percent of respondents identified financial literacy as the primary barrier to improving financial inclusion through fintech adoption, significantly higher than infrastructure gaps (45 percent) and public trust (42 percent). These findings reaffirm that the future financial inclusion agenda extends beyond access to financial services and must also ensure that people have the knowledge and capability to understand, use, and benefit from those services safely and productively.

Where Does the Industry Go from Here?

The five findings outlined above depict an industry that has moved beyond its initial expansion phase, consolidated its operational foundations, and is preparing for a more complex stage of growth. This next phase will no longer be measured solely by transaction volumes or user numbers, but by the quality of governance, the depth of ecosystem integration, public trust, and contributions to sustainable financial inclusion.

This trajectory is consistent with fintech industry developments both regionally and globally. Throughout 2025, the Asia-Pacific region led global fintech revenue growth at 25 percent, while 74 percent of the world's largest publicly listed fintech companies reported profits, with average operating profitability reaching 20 percent. Across Southeast Asia, digital financial services attracted approximately 45 to 50 percent of total private funding over the past twelve months, positioning the industry as a key driver of the region's digital economy. In Indonesia, a similar shift is evident in respondents' profitability profiles, the predominance of B2B business models, and the growing emphasis on strategic partnerships as the primary pathway to growth. Collectively, these trends indicate that Indonesia's digital finance industry is progressing along a maturation trajectory consistent with broader regional developments.

This report is organised into fourteen thematic chapters, covering the methodology, industry landscape, business growth and performance, funding, regulation and governance, cyber resilience, infrastructure, artificial intelligence, talent, financial inclusion, sustainability, and future outlook. Every quantitative finding can be traced back to primary data and is accompanied by contextual analysis that links the findings to regulatory developments, evolving public policy, and regional comparisons.

Methodology

This chapter outlines the methodological framework of the 2025–2026 Annual Members Survey (AMS), including the data collection approach, sample design, treatment of incomplete responses, business model definitions used within the survey, comparability with previous editions, and key limitations that should be considered when interpreting the survey findings.

Survey Approach and Objectives

The Annual Members Survey (AMS) is an annual survey conducted by AFTECH to document the profile, performance, governance, and strategic priorities of its members. The 2025–2026 edition marks a decade since the survey was first launched in 2016 and represents an important milestone in AFTECH's efforts to develop a comprehensive evidence base and deeper understanding of the evolution of Indonesia's digital finance industry.

Over the past ten years, the AMS has evolved into one of AFTECH's principal instruments for mapping industry developments, shaping policy advocacy priorities, providing evidence-based input to regulators, enhancing member services, and strengthening reporting practices and measurement of Indonesia's digital finance ecosystem. The consistent implementation of the survey over time has also enabled AFTECH to identify structural trends that have shaped the industry's long-term development.

As the financial sector technology innovation association designated by the Indonesia Financial Services Authority (OJK), AFTECH is committed to providing regulators, government ministries and agencies, international development partners, academia, industry participants, and other ecosystem stakeholders with a credible, accurate, and data-driven picture of the industry's current state.

Accordingly, this report has been designed as a shared reference for a wide range of stakeholders while maintaining, wherever possible, consistency in taxonomy and question structure across successive survey cycles.

To complement the survey's quantitative findings, AFTECH conducted a series of closed Focus Group Discussions (FGDs) as part of the validation and in-depth review process for the Annual Members Survey (AMS). The five FGD sessions, held from 3–5 June 2026, brought together stakeholders with first-hand perspectives on the industry's development, including AFTECH board members, fintech companies, investors, the media, think tanks, international partners, regulators, and government institutions, including Bank Indonesia (BI), the Indonesia Financial Services Authority (OJK), the Ministry of Communication and Digital Affairs (Komdigi), the National Economic Council (DEN), the Ministry of National Development Planning (PPN/Bappenas), and the Ministry of Creative Economy (Ekraf).

Through these discussions, AFTECH validated the survey findings while enriching the interpretation of the data with policy, market, governance, and ecosystem perspectives. This approach ensures that the 2025–2026 AMS not only presents a statistical overview of the industry but also provides broader context for understanding the challenges, opportunities, and implications arising from the survey findings.

Stakeholder Consensus on the Core Themes of the Industry

	Business Models & Profitability	Infrastructure & Technology	Regulation & Governance	Protection & Trust	Financial Inclusion, Gender & ESG	Public Narrative
AFTECH Internal Stakeholders	Secondary	Secondary	Primary	Secondary	Supporting	Supporting
Investors & Venture Capital	Primary	Secondary	Secondary	Supporting	Secondary	Supporting
Media	Supporting	Supporting	Secondary	Primary	Secondary	Primary
Research Partners & Global Institutions	Secondary	Primary	Secondary	Secondary	Primary	Supporting
Regulators (Ministries/Agencies)	Supporting	Secondary	Primary	Primary	Primary	Secondary

Figure M1. Stakeholder Consensus Map on the Core Themes of the Industry

Source: AFTECH Annual Members Survey (AMS) 2025–2026, synthesis of five validation FGDs (3–5 June 2026). Colours indicate the level of emphasis: primary, secondary, or supporting.

Survey Instrument

The 2025–2026 AMS survey instrument consists of approximately 120 core questions, supported by a branching logic mechanism that tailors the survey flow according to each respondent's characteristics. Depending on their business model and responses, participants may receive up to 147 questions throughout the survey. At the database level, the survey instrument generates up to 507 response variables for each participating company, enabling a more in-depth analysis of industry conditions.

The questionnaire is organised into 11 thematic sections, covering the fintech industry landscape; profiles of fintech companies in Indonesia; capital, profitability, and new growth directions; regulation, governance, and trust in the fintech industry; cyber resilience and personal data protection; strengthening technological foundations; digital talent; the role of fintech in advancing financial inclusion; women's representation in the digital financial services ecosystem; environmental, social, and governance (ESG) programmes; and industry expectations of AFTECH and the future direction of Indonesia's fintech industry.

The survey combines a range of question formats, including single-choice, multiple-choice, numerical, four-point Likert scale, and ranked-priority questions. Several open-ended questions were also included to capture perspectives that could not be adequately represented through structured response options, particularly regarding expectations of government, experiences of ecosystem partnerships, and operational challenges faced by companies.

In line with the industry's evolving landscape and policy priorities, the 2025–2026 AMS introduces several new modules not covered in previous survey cycles. These include a Cybersecurity Maturity Index based on 12 indicators, artificial intelligence governance, participation in Open API and Open Finance frameworks, the utilisation of the national Digital Public Infrastructure (DPI), corporate profitability status, the profile of foreign employees, and a five-level ESG Maturity Index. The addition of these modules broadens the scope of the survey, enabling it to capture emerging strategic issues that are increasingly relevant to the development of Indonesia's digital finance ecosystem.

Data Collection and Sample Profile

The survey was conducted online through a structured questionnaire distributed to all AFTECH members between 16 April and 3 June 2026. Participation was voluntary and free of charge. By the survey's closing date, 141 AFTECH member companies had submitted responses, comprising 121 complete responses and 20 partial responses containing sufficient substantive information to be included in the analysis.

All responses were included in the data processing. Percentages presented in this report are calculated using the valid response denominator approach, meaning they are based on the number of respondents who answered each individual question. Consequently, the value of N may vary across questions and is explicitly stated in every chart and table. As most partial responses ended during the early sections of the questionnaire, the number of valid respondents generally declines for questions appearing later in the survey.

The composition of respondents in the 2025–2026 AMS also reflects the evolving dynamics of both the fintech industry and AFTECH's membership. Some companies that participated in previous editions were no longer respondents due to business closures, mergers, acquisitions, corporate restructuring, or changes in membership status. In addition, consistent with the nature of a voluntary survey, member participation varies from year to year.

Comparability with Previous Editions

One of the principal strengths of the Annual Members Survey (AMS) is the consistency of its survey instrument across successive editions. Most questions in the 2025–2026 AMS retain the same structure, definitions, and response categories as the 2024–2025 edition, enabling longitudinal analysis of key industry indicators.

Indicators that can be directly compared include investment status, annual transaction value, perceptions of the regulatory framework, risk management practices, and business continuity and disaster recovery preparedness. Changes in these indicators provide valuable insights into shifts in industry behaviour, priorities, and market conditions, while recognising differences in sample size and composition across survey cycles.

At the same time, not all variables are directly comparable, as the survey instrument has been refined to reflect industry developments and evolving analytical needs. These refinements include improvements to question wording, expanded response categories, and revised classifications. For example, the 2025–2026 AMS distinguishes DKI Jakarta from the surrounding Greater Jakarta metropolitan area (Jabodetabek) and adopts a growth-stage classification for companies, replacing the company-age classification used in several earlier editions. Accordingly, changes in these indicators should be interpreted with due consideration of the methodological adjustments underlying them.

Business Model Classification

The increasing diversity of AFTECH members' business models requires a consistent classification framework to ensure that survey results can be analysed and compared systematically. Accordingly, the 2025–2026 Annual Members Survey (AMS) adopts business model definitions aligned with Indonesia's national regulatory framework, particularly the Financial Sector Development and Strengthening Law (Law No. 4 of 2023), regulations issued by the Indonesia Financial Services Authority

(OJK), Bank Indonesia, and relevant OJK Regulatory Sandbox publications.

Unlike mutually exclusive classifications, the 2025–2026 AMS allows respondents to select more than one category to reflect the scope of their business activities. This approach recognises the increasingly integrated nature of the digital finance industry, where a single company may operate across multiple segments or provide a combination of services spanning different subsectors. Consequently, the business model distribution presented in this report reflects the presence of business activities within each category rather than the number of unique companies.

Primary Categories

- **Payment & Infrastructure**
  Services across the payment system value chain, including payment initiation, processing, clearing, settlement, and post-transaction services, such as payment gateways, electronic wallets, QRIS acquiring services, and digital transaction infrastructure.
- **Financial Data & Technology**
  Data processing and technology services for the financial sector, including data aggregation, alternative credit scoring, electronic identity verification, data analytics, artificial intelligence, and other digital solutions.
- **Financial Services & Platforms**
  Platforms that integrate banking, financing, insurance, investment, and other financial products and services within a single digital ecosystem.
- **Digital Lending & Financing**
  Technology-based fundraising and financing services, including Information Technology-Based Joint Funding Services (LPBBTI) (peer-to-peer lending), supply chain financing, cash flow-based financing, project financing, and other digital financing models.
- **Digital Assets & Blockchain**
  Crypto-asset trading, digital asset exchanges and custodial services, and blockchain-based infrastructure providers.
- **Insurance & Risk**
  Technology solutions supporting digital insurance distribution, underwriting, claims management, risk analytics, and insurance infrastructure.
- **Digital Banking**
  Digital banking services providing access to banking products and services, as well as financial services connected to the banking ecosystem.
- **Capital Markets & Investment**
  Capital raising, digital investment, and portfolio management services, including securities crowdfunding, robo-advisory, digital financial planning, and algorithmic trading.
- **Financial Aggregator**
  Platforms that aggregate, compare, and present financial products and services from multiple providers.
- **Tax Application Service Provider**
  Digital services supporting tax administration, reporting, and tax management.
- **Cloud Services**
  Cloud computing services for the storage, processing, and management of financial institutions' data.
- **Financing Agent**
  Digital services that assist financial institutions in acquiring, screening, and managing prospective financing customers.
- **Online Distress Solution**
  Digital platforms that facilitate the negotiation or resolution of financial obligations for customers experiencing repayment difficulties.

- **Electronic Know Your Customer (e-KYC)**
  Digital identity identification and verification services that support electronic Know Your Customer (KYC) processes.
- **Earned Wage Access**
  Services that enable employees to access a portion of their earned wages before their scheduled payday.
- **Telecommunications & Digital Financial Services**
  Telecommunications companies that provide or support digital financial services through their networks and infrastructure.
- **Social Crowdfunding**
  Digital fundraising platforms for social, humanitarian, educational, religious, and community initiatives that do not involve the issuance of securities.

Data Processing and Analysis

Survey responses were extracted into a structured database and underwent a series of data cleaning, validation, and quality assurance processes to ensure the consistency, completeness, and accuracy of the information collected. For multiple-response questions, each response option was treated as a separate variable, allowing response distributions to be calculated and analysed accurately. All percentages presented in this report are based on the valid response denominator, meaning they are calculated using the number of respondents who answered each individual question.

As the survey instrument employs a branching logic mechanism, not all respondents received the same set of questions. Consequently, the number of valid responses (N) varies across indicators and is explicitly reported in every chart and table. Information on the number of valid responses and non-responses is also provided in the data appendix to support transparency and facilitate the interpretation of the findings.

Before analysis, the dataset was reviewed to identify inconsistencies, duplicate entries, and technical artefacts arising during the survey's development and implementation. All identified issues were documented and excluded from the analysis to ensure they did not affect the reported results.

In addition to quantitative data, the survey collected open-ended responses, which were analysed using a thematic approach. These qualitative findings were used to enrich the interpretation of the results and provide context for issues emerging from the analysis. To protect respondents' confidentiality, all quotations included in this report have been edited to remove any information that could potentially identify individuals or organisations.

Limitations

As with any industry survey based on self-reported data, the findings of the 2025–2026 Annual Members Survey (AMS) should be interpreted with several methodological limitations in mind.

First, participation in the survey was voluntary and limited to AFTECH member companies that chose to complete the questionnaire. Consequently, the findings presented in this report reflect the conditions and perspectives of the participating respondents.

Second, the majority of respondents are headquartered in the Greater Jakarta metropolitan area (Jabodetabek), reflecting the concentration of industry activity in the region. As a result, the perspectives of businesses operating in other parts of Indonesia may be underrepresented.

Third, all information is based on data reported directly by respondents. Although AFTECH conducted consistency checks, logical validation of survey responses, and data cleaning, the information was not subject to independent verification or audit.

Fourth, this report reflects industry conditions only up to the end of the data collection period on 3 June 2026. Regulatory changes, market developments, or other material events occurring after that date are not captured in the survey findings.

Despite these limitations, the 2025–2026 Annual Members Survey (AMS) remains the only industry report that consistently tracks the development of Indonesia's fintech industry and digital finance ecosystem. Its broad respondent base, continuous measurement over the past decade, and transparent methodology make it an important reference for understanding the industry's evolution and future direction.

7

FINTECH INDUSTRY OVERVIEW

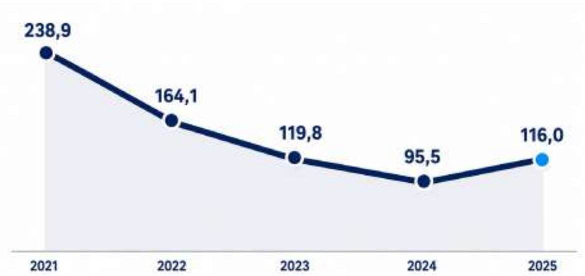
The findings of the 2025–2026 Annual Members Survey (AMS) should be interpreted within the broader context of developments in the global, Southeast Asian, and Indonesian fintech industries. The dynamics faced by Indonesia's fintech players are not isolated phenomena, but rather part of the structural changes reshaping the digital finance industry across markets worldwide. Understanding this broader context is essential for placing the survey findings into a more comprehensive perspective.

Over the past several years, the fintech industry has entered a new phase. Following nearly a decade during which growth was driven by rapid expansion, user acquisition, and abundant investment, the industry's focus has now decisively shifted towards profitability, operational efficiency, governance, and sustainability. This transition is influencing business strategies, investment priorities, and the future direction of Indonesia's fintech ecosystem, as reflected throughout the findings of the 2025–2026 AMS.

1.A Global Fintech Industry Landscape

The year 2025 marked a turning point for global fintech funding. After peaking in 2021 and declining for three consecutive years, total global fintech investment rebounded. This recovery was driven by greater regulatory clarity across multiple jurisdictions and renewed investor confidence in business models capable of demonstrating sustainable profitability and long-term growth.

Figure L1. Global Fintech Funding Trend, 2021–2025 (US$ billion)

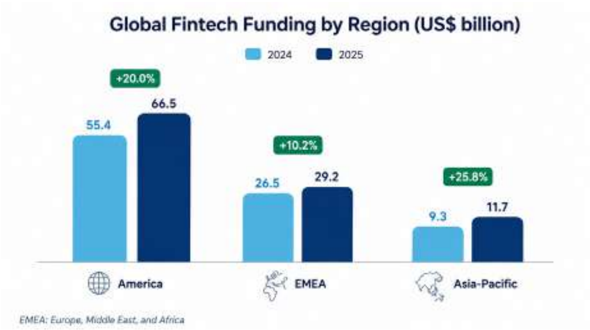


Source: KPMG, Pulse of Fintech H2 2025 (PitchBook data).

However, the recovery in funding does not indicate a broad-based return of investor appetite. On the contrary, the number of transactions fell to its lowest level in eight years, suggesting that capital is becoming increasingly concentrated among a smaller number of companies with the strongest fundamentals and growth prospects. In other words, the industry has transitioned from a phase of expansion to one of selection.

Data from KPMG's Pulse of Fintech H2 2025 reinforces this trend. Global fintech investment increased from US$95.5 billion in 2024 to US$116.0 billion in 2025, with US$56.3 billion invested during the second half of the year. Nevertheless, the number of deals declined to 4,719, the lowest level recorded in the past eight years. The combination of higher investment value alongside fewer transactions indicates that capital is increasingly flowing to a smaller number of companies, with larger investment sizes per transaction.

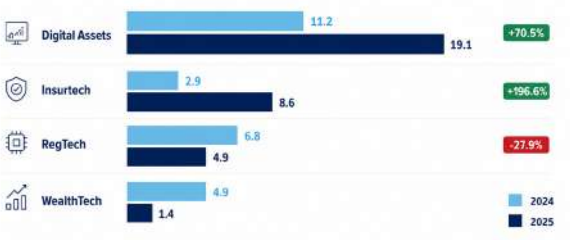
Figure L2. Global Fintech Funding by Region, 2024 and 2025



Source: KPMG, Pulse of Fintech H2 2025.

The recovery in global fintech funding has also been uneven across regions. The Americas further strengthened their position as the leading investment destination, with funding increasing from US$55.4 billion in 2024 to US$66.5 billion in 2025. The EMEA region also recorded growth, rising from US$26.5 billion to US$29.2 billion. By contrast, Asia-Pacific experienced a decline, with funding falling from US$11.7 billion to US$9.3 billion. These regional differences highlight that global capital flows are becoming increasingly concentrated in markets perceived to offer greater scale, stronger regulatory certainty, and more attractive growth prospects.

Figure L3. Global Fintech Funding by Segment, 2024 and 2025

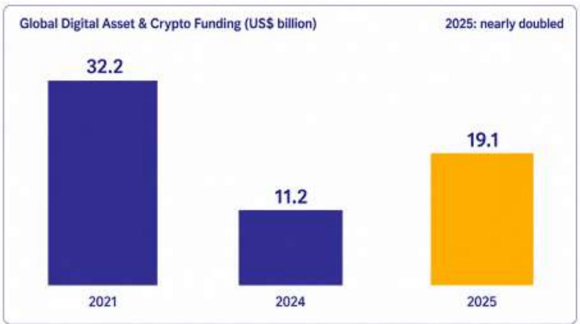


Source: KPMG, Pulse of Fintech H2 2025.

A similar pattern is evident across fintech subsectors. The recovery in fintech funding has not been evenly distributed but has instead been concentrated in segments viewed as having the strongest future potential. Digital assets led the recovery, with funding increasing from US$11.2 billion in 2024 to US$19.1 billion in 2025, while insurtech funding rose from US$2.9 billion to US$8.6 billion.

Conversely, regtech funding declined from US$6.8 billion to US$4.9 billion, while wealthtech experienced a sharp contraction from US$4.9 billion to US$1.4 billion, its lowest level in the past three years. This shift underscores that investors are increasingly prioritising segments capable of delivering stronger economic value and clearer commercialisation opportunities, with digital assets and artificial intelligence-driven technologies emerging as the primary beneficiaries.

Figure L4. Global Digital Assets and Cryptocurrency Funding, 2021, 2024, and 2025



Source: KPMG, Pulse of Fintech H2 2025.

Funding for the digital assets subsector has begun to recover after declining sharply from its peak in 2021. This improvement has coincided with greater regulatory certainty in several key markets, particularly the United States and the European Union, which have provided clearer policy direction for industry participants and investors. Meanwhile, artificial intelligence (AI)-based fintech companies attracted approximately US$7.2 billion in funding. These developments indicate that global capital is increasingly flowing toward technologies that not only offer strong growth potential but are also supported by regulatory certainty, more mature business models, and stronger long-term prospects.

1.B Southeast Asian Fintech Landscape

ASEAN's digital transformation has entered a new phase. No longer defined solely by the rapid growth of digital transactions, the region is now moving towards deeper digital economic integration through the ASEAN Digital Economy Framework Agreement (DEFA). ASEAN estimates that the implementation of DEFA could increase the region's digital economy to US$2 trillion by 2030 (OECD, 2026), nearly doubling its projected value compared to a scenario without stronger regional integration.

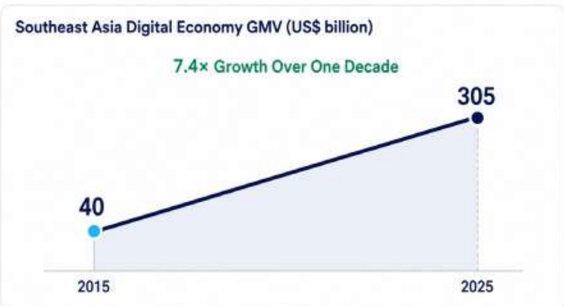
For the fintech industry, this marks an important shift. Competitive advantage is no longer determined solely by the size of domestic markets, but increasingly by the ability of businesses to operate within a more integrated regional digital ecosystem. Regulatory certainty, infrastructure interoperability, and trust in digital governance will become increasingly critical determinants of regional competitiveness. Overall, the fintech industry and the broader digital finance ecosystem across Southeast Asia are entering a more mature phase.

This transition is characterised by a shift in focus from user acquisition towards greater monetisation, profitability, and cross-border integration of digital financial services.

The development of Indonesia's fintech industry cannot be separated from the broader dynamics of Southeast Asia's digital economy. Regional investment flows, technological innovation, regulatory developments, and the integration of digital financial services all influence the direction of Indonesia's fintech ecosystem. Understanding the regional landscape is therefore essential for positioning Indonesia's opportunities and challenges within a broader context.

According to the e-Conomy SEA 2025 report published by Google, Temasek, and Bain & Company, Southeast Asia's digital economy is projected to reach a gross merchandise value (GMV) of US$305 billion in 2025. This growth has been driven by the widespread adoption of digital payments, e-commerce, and the expanding use of digital financial services. At the same time, the region has entered a more mature stage of development, marked by the industry's transition from user expansion towards monetisation, operational efficiency, profitability, and sustainable business models. This evolution provides important context for understanding Indonesia's fintech industry, which is likewise entering a post-growth phase.

Figure FA1. Southeast Asia Digital Economy GMV, 2015 and 2025



Source: Google, Temasek & Bain, e-Conomy SEA 2025.

The increasing maturity of Southeast Asia's digital economy and digital finance ecosystem is also reflected in the industry's improved ability to generate revenue. In 2025, the region's digital economy generated approximately US$135 billion in revenue. This development indicates that industry success is no longer measured solely by transaction volumes or user numbers, but increasingly by its ability to create sustainable economic value. This shift reflects growing expectations for sound business models while signalling the continued maturation of the region's digital economy.

Figure FA2. Southeast Asia Digital Economy Value and Revenue, 2025

Source: Google, Temasek & Bain, e-Conomy SEA 2025.

In line with these developments, ASEAN aims to grow the region's digital economy to approximately US$2 trillion by 2030 through the implementation of the ASEAN Digital Economy Framework Agreement (DEFA). An OECD (2026) study supporting DEFA indicates that this target will be underpinned by the harmonisation of digital economy and digital finance regulations, payment system interoperability, seamless cross-border data flows, and reduced barriers to digital trade. More broadly, this initiative reflects ASEAN's shift from developing individual national digital economies towards establishing an increasingly integrated ASEAN digital market. For the fintech industry and the broader digital finance ecosystem, this integration creates opportunities to expand cross-border services while strengthening fintech's role as a key enabler of the region's digital economy.

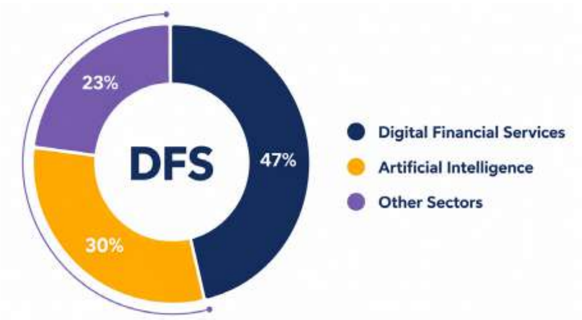
Figure FA3. **QR Payment Infrastructure in ASEAN, 2025**

Brunei and Myanmar have not yet been connected to the cross-border QR payment network. Timor-Leste had not yet joined ASEAN at the time this report was prepared.

Source: Google, Temasek & Bain, e-Conomy SEA 2025.

The region's digital integration is already evident in the development of its digital payment infrastructure. All ASEAN member states now operate national QR payment systems, with eight countries having interconnected their systems to facilitate cross-border payments. This development not only makes transactions easier for consumers and businesses, but also reduces transaction costs and strengthens regional payment connectivity. For the fintech industry, such interoperability provides a critical foundation for increasingly integrated digital financial services capable of serving the broader ASEAN market.

Figure FA4. **ASEAN Digital Economy Private Investment Trends, 2025**



Source: Estimates based on Google, Temasek & Bain, e-Conomy SEA 2025.

On the investment front, private funding in Southeast Asia's digital economy is becoming increasingly concentrated in sectors with the strongest growth prospects. Digital financial services attracted approximately 47 percent of total investment, followed by artificial intelligence at 30 percent, while the remainder was distributed across other digital economy subsectors. This distribution indicates that fintech remains one of the most attractive investment sectors within the region's digital economy, alongside the growing investor interest in AI-driven technologies. In this context, Indonesia continues to maintain its position as the largest digital market in ASEAN and remains one of the region's primary destinations for digital investment and innovation.

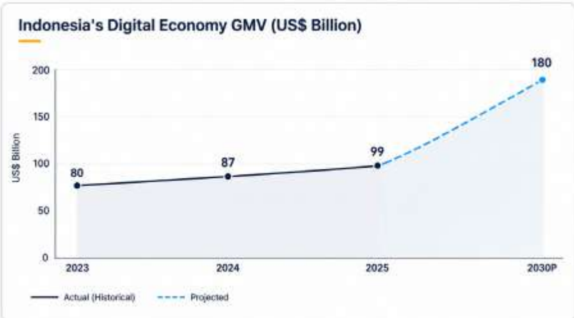
1.C Indonesia's Fintech and Digital Finance Industry Landscape

Digital finance has become one of the key pillars of Indonesia's financial system. Bank Indonesia reported that digital payment transactions reached 5.22 billion transactions in May 2026, representing 28.14 percent year-on-year growth, driven by the expanding adoption of digital payments, particularly QRIS. In the financing segment, outstanding balances of Information Technology-Based Joint Funding Services (LPBBTI), or online lending (Pindar), reached IDR 102.07 trillion as of April 2026, growing 26.11 percent year-on-year, while maintaining a healthy aggregate 90-Day Default Rate (TWP90). Buy Now, Pay Later (BNPL) services also continued to expand rapidly, with BNPL financing by finance companies reaching IDR 12.93 trillion, representing 56.92 percent year-on-year growth. Meanwhile, outstanding BNPL financing provided by banks totalled IDR 29.3 trillion, growing 37.29 percent year-on-year, with 31.76 million accounts recorded during the same period. On the investment side, digitalisation has also driven a significant increase in public participation, as reflected by the number of capital market investors, which surpassed 26.8 million Single Investor Identifications (SID) as of May 2026, representing an increase of approximately 6.4 million SID since the end of 2025, with the majority consisting of young domestic retail investors.

These achievements demonstrate that fintech has fundamentally transformed the way Indonesians conduct transactions on a large scale. However, this transformation has yet to fully extend to other financial services.

Compared with digital payments, the adoption of digital financing, investment, and insurance services remains at a relatively early stage, although momentum continues to strengthen.

Figure FI1. Indonesia's Digital Economy GMV, 2023–2030



Source: Google, Temasek & Bain, e-Conomy SEA 2025.
The 2030 figures are based on the medium-growth scenario.

Supported by its large population, accelerating technology adoption, and an increasingly mature digital ecosystem, Indonesia has become the largest digital economy and digital finance market in Southeast Asia.

The country's digital economy GMV increased from approximately US$80 billion in 2023 to US$99 billion in 2025. This development reflects an industry that is no longer focused solely on growth, but is entering a phase that places greater emphasis on efficiency, business quality, and sustainability.

Nevertheless, the size of the market does not necessarily indicate balanced development across all digital economy segments. Indonesia's GMV remains concentrated in several key sectors, while many other digital services are still in the early stages of growth.

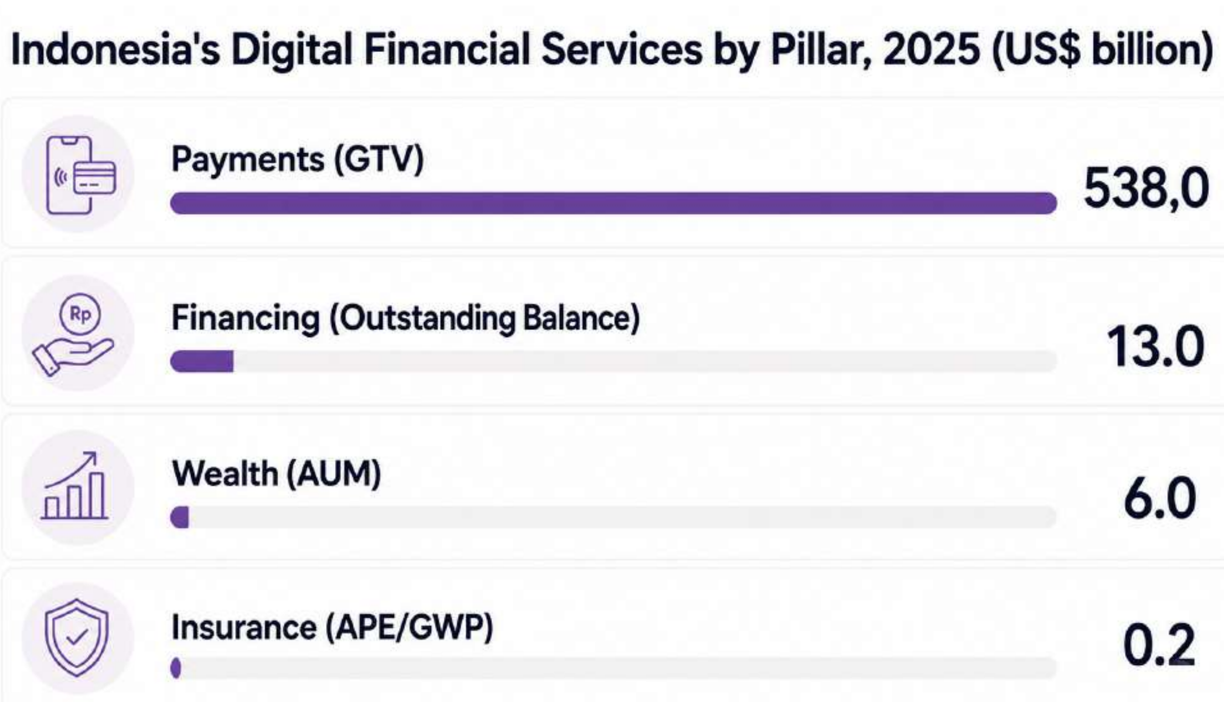
Figure FI2. Indonesia's Digital Economy GMV by Sector, 2025

Source: Google, Temasek & Bain, e-Conomy SEA 2025.

In 2025, e-commerce remained the primary driver of Indonesia's digital economy, generating approximately US$71 billion in GMV. Meanwhile, online travel, transportation and food delivery, and online media each contributed approximately US$9–10 billion. This composition suggests that the country's digital economy continues to rely heavily on digital commerce, while other digital sectors still have substantial room to expand and deepen their contribution to economic growth.

A similar pattern can also be observed in the digital finance sector. Although the adoption of digital financial services continues to increase, growth remains concentrated within certain segments.

Figure FI3. **Indonesia's Digital Financial Services by Pillar, 2025**

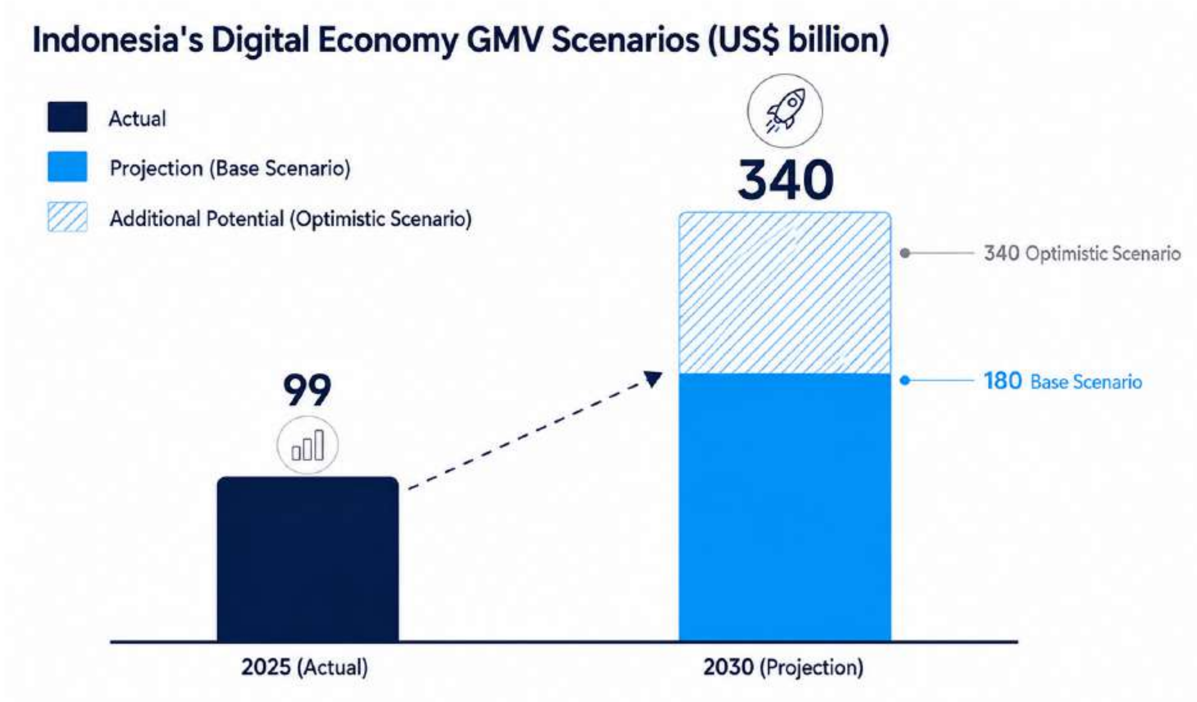


Source: Google, Temasek & Bain, e-Conomy SEA 2025. Includes payment GTV, financing outstanding balances, wealth AUM, and insurance APE/GWP.

Digital payments remain the dominant segment within Indonesia's digital finance ecosystem, with transaction values reaching approximately US$538 billion in 2025, consistent with Bank Indonesia's data showing 5.22 billion digital payment transactions in May 2026, representing 28.14 percent year-on-year growth. Meanwhile, the value of digital financing is estimated at approximately US$13 billion, supported by IDR 102.07 trillion in outstanding LPBBTI (Pindar) financing, IDR 12.93 trillion in outstanding Buy Now, Pay Later (BNPL) financing by finance companies, and IDR 29.3 trillion in outstanding BNPL financing provided by banks as of April 2026. The digital wealth management segment is estimated to be worth approximately US$6 billion, consistent with the number of capital market investors reaching 26.8 million Single Investor Identifications (SID) by May 2026, while the digital insurance market is estimated at approximately US$0.2 billion.

These differences in scale across segments indicate that the digital transformation of Indonesia's financial sector remains largely driven by the digitalisation of payment activities. By contrast, the adoption of more sophisticated digital financial services, such as financing, investment, and insurance, is still at a developmental stage. This suggests that the industry's future growth will depend not only on increasing digital payment volumes, but also on the broader and deeper adoption of value-added digital financial services that strengthen financial inclusion and support sustainable economic growth.

Figure FI4. **Indonesia's Digital Economy GMV Scenarios Towards 2030**



Source: Google, Temasek & Bain, e-Conomy SEA 2025.

Indonesia's digital economy is expected to maintain strong growth prospects through 2030. Gross Merchandise Value (GMV) is projected to increase from approximately US$99 billion in 2025 to around US$180 billion under the mid-range scenario, and could reach US$340 billion under the optimistic scenario. The gap between these two scenarios demonstrates that strong growth is not guaranteed. Its realisation will depend on Indonesia's ability to expand financial literacy, strengthen digital infrastructure, and foster innovation that enhances productivity and creates greater economic value.

1. The mid-range scenario represents the baseline projection presented in the e-Conomy SEA 2025 report. It assumes that Indonesia's digital economy will continue its current growth trajectory, with GMV maintaining double-digit growth while gradually moderating as the market matures. Under this scenario, GMV is projected to reach approximately US$180 billion by 2030. This is considered the most realistic projection in the absence of significant acceleration or major structural constraints.

2. The optimistic scenario represents the upper-bound projection, under which Indonesia's GMV could reach US$340 billion by 2030, approximately US$160 billion higher than the mid-range scenario. This outcome can only be achieved if key enabling factors are substantially strengthened, including closing the digital participation gap—particularly outside metropolitan areas—expanding financial inclusion, enhancing digital infrastructure and talent, accelerating the adoption of artificial intelligence (AI), and establishing a more enabling regulatory environment. The report also indicates that reducing barriers to digital participation could potentially increase GMV by two to three times.

1.C.1 Digital Payment Services

The success of digital payments in Indonesia has been driven not only by increasing service adoption but also by the implementation of the Indonesia Payment System Blueprint (BSPI), which has introduced key infrastructures such as QRIS, BI-FAST, the National Payment Open API Standard (SNAP), and Payment ID.

This ecosystem enables banks, payment service providers, and fintech companies to deliver services that are increasingly interconnected, efficient, and accessible to the public.

Its impact is reflected in the continued growth of digital payment transactions. Bank Indonesia recorded 5.22 billion digital payment transactions in May 2026, representing a 28.14 percent increase compared with the same period a year earlier.

QRIS remained the primary growth driver, with transaction volume increasing by 139.9 percent year-on-year, while total transaction value reached IDR 1,420.66 trillion throughout 2025. During the first quarter of 2026, BI-FAST processed transactions worth IDR 3,519 trillion, while BI-RTGS processed IDR 51,490 trillion.

These developments demonstrate that digital payments have become one of the main pillars of Indonesia's financial system while creating new opportunities to expand digital financial services across various sectors of the economy.

Figure B1. Indonesia's Gross Digital Payment Transaction Value, 2023–2025

Source: Google–Temasek–Bain, e-Conomy SEA 2025 (Indonesia Report), Gross Transaction Value (GTV) of Digital Payments.

Growth in Indonesia's payment system is reflected in the rising value of QRIS transactions. Transaction value increased from IDR 229.96 trillion in 2023 to IDR 659.93 trillion in 2024, before reaching IDR 1,420.66 trillion in 2025. Within a single year, transaction value more than doubled, while transaction volume reached 15.51 billion. This trend indicates that digital payments have become an integral part of daily economic activity, supporting both household consumption and business transactions.

Figure B2. QRIS Transaction Value, 2023–2025

Source: Bank Indonesia and ASPI; Indonesia Economic Report 2025.

The rapid growth of QRIS reflects the successful implementation of an interoperable national payment standard. Within three years, transaction value increased more than sixfold, from IDR 226 trillion in 2023 to over IDR 1,420 trillion in 2025. This growth demonstrates that interoperability has successfully reduced transaction barriers among payment service providers, thereby accelerating the adoption of digital payments on a broader scale.

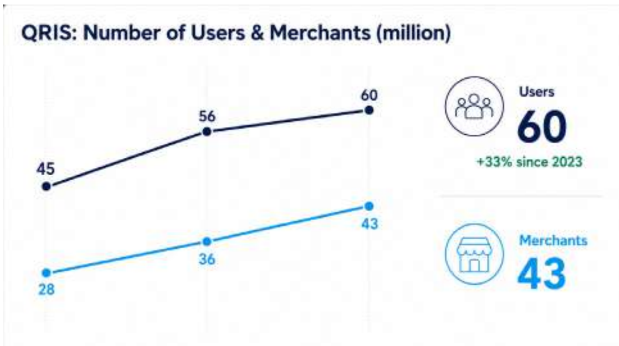
QRIS has evolved beyond being merely a payment method; it has become a shared infrastructure connecting participants across Indonesia's digital payment ecosystem.

Figure B3. Growth in Payment System Transaction Volume, 2025

Source: Bank Indonesia, Indonesia Economic Report 2025 (Fourth Quarter).

The success of QRIS implementation is also reflected in its transaction volume growth, which reached 139.9 percent in 2025, significantly outpacing all other payment channels. This difference indicates that QRIS has become the primary channel for everyday retail transactions. Its remarkable growth further demonstrates that an interoperable payment standard can accelerate the adoption of digital payments more effectively than other payment infrastructures.

Figure B4. Number of QRIS Users and Merchants, 2023–2025



Source: Bank Indonesia and ASPI. Figures represent year-end positions.

The impact of QRIS is reflected not only in higher transaction volumes but also in its expanding user base. Approximately 93 percent of QRIS merchants are micro, small, and medium-sized enterprises (MSMEs). This indicates that payment digitalisation has reached millions of businesses across Indonesia. For MSMEs, QRIS not only simplifies transactions but also helps establish a digital financial track record that can support access to financing and formal financial services. As such, QRIS serves not only as a payment infrastructure but also as a gateway to financial inclusion and improved productivity in the real sector.

1.C.2 Digital Funding Services

Following the establishment of digital payments as a foundation of the digital economy, the next stage is to expand access to financing. In Indonesia, digital funding is playing an increasingly important role as an alternative source of financing for individuals and businesses that remain underserved or unserved by conventional financial institutions.

This development is reflected in the growth of various digital financing segments. As of April 2026, outstanding financing provided by the online lending (Pindar/ LPBBTI) industry reached IDR 102.07 trillion, representing 26.11 percent year-on-year growth. During the same period, outstanding Buy Now, Pay Later (BNPL) financing provided by finance companies reached IDR 12.93 trillion, growing 56.92 percent year-on-year. These trends indicate that the adoption of fintech and digital financial services is evolving beyond facilitating transactions towards expanding more inclusive access to financing.

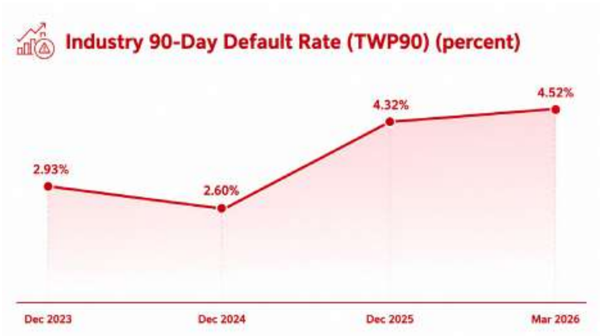
Figure D1. **Outstanding Financing of Information Technology-Based Joint Funding Services (LPBBTI), 2019–2026**

Source: AFTECH–Mandala White Paper (2025), Expanding Access to Credit through Responsible Collaboration between Banks and P2P Lending Platforms; and OJK Fintech Statistics (2023, 2024, 2025, and April 2026).

These prospects are reflected in both industry projections and actual performance. The e-Conomy SEA 2025 report projects that Indonesia's digital financing market will continue to grow through 2030. Consistent with this outlook, outstanding financing in the Information Technology-Based Joint Funding Services (LPBBTI) industry increased from approximately IDR 13 trillion in 2019 to IDR 77 trillion in 2024, representing a compound annual growth rate (CAGR) of 34 percent. This growth rate makes LPBBTI one of the fastest-growing segments within Indonesia's financial services industry.

This momentum continued into 2025 and 2026. According to OJK's LPBBTI Statistics, outstanding financing reached IDR 102.07 trillion in April 2026, representing a 26.11 percent increase compared with the same period the previous year. This performance reflects the growing use of digital financing as a complementary financial service, particularly for MSMEs and individuals who are unserved or underserved by the banking sector.

Figure D2. **Industry 90-Day Default Rate (TWP90), 2023–2026**

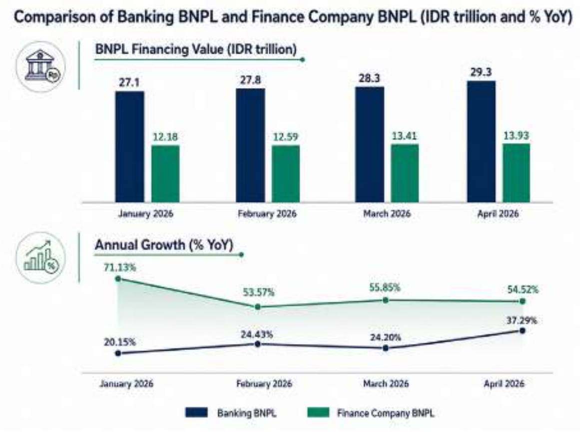


Source: Indonesia Financial Services Authority (OJK), LPBBTI Statistics.

Despite continued strong financing growth, maintaining financing quality has become the industry's next major challenge. OJK statistics show that the 90-Day Default Rate (TWP90) declined from 2.93 percent at the end of 2023 to 2.60 percent in 2024, before increasing to 4.32 percent at the end of 2025 and 4.52 percent in March 2026. Although this remains below the regulatory threshold, the trend indicates that financing expansion must be accompanied by stronger risk management practices. Going forward, the industry's success will be measured not only by the volume of financing disbursed but also by its ability to maintain portfolio quality and implement disciplined risk management.

Beyond online lending (Pindar/LPBBTI), the Buy Now, Pay Later (BNPL) segment has also experienced rapid growth. As of April 2026, outstanding BNPL financing provided by finance companies reached IDR 12.93 trillion, an increase of 56.92 percent compared with the same period the previous year. Meanwhile, outstanding BNPL financing provided by banks reached IDR 29.3 trillion, growing 37.29 percent year-on-year, and was used across 31.76 million accounts. These developments indicate that BNPL has become an increasingly important financing option for consumers, whether offered by finance companies or banks.

Figure D3. BNPL Industry Financing Value and Growth, January–April 2026



Source: Indonesia Financial Services Authority (OJK), Monthly Board of Commissioners Meetings (March–June 2026).

Although both Buy Now, Pay Later (BNPL) models have recorded strong growth, their characteristics differ. Banks account for the larger financing value, while finance companies are growing at a faster rate in percentage terms. As BNPL adoption continues to increase, the Indonesia Financial Services Authority (OJK) has also strengthened its supervisory oversight to maintain financing quality and mitigate the risk of over-indebtedness, particularly among users of productive working age.

The development of digital financing has also given rise to new service models, one of which is Earned Wage Access (EWA). Unlike consumer credit, EWA enables employees to access a portion of their earned wages before payday through collaboration between service providers and employers. A study by the International Labour Organization (ILO) indicates that this model has the potential to improve workers' cash flow flexibility while reducing their reliance on high-cost borrowing, provided that it is implemented within an appropriate governance framework.

Figure D4. Earned Wage Access (EWA): How It Works, Benefits, and Risks

Source: International Labour Organization (ILO), Earned Wage Access – A Global Study on Benefits and Risks (2025).

In Indonesia, Earned Wage Access (EWA) has not yet been governed by a dedicated regulatory framework and currently operates under the general provisions of labour and wage regulations. To support the healthy development of the service, AFTECH is preparing Technical Guidelines for Earned Wage Access (EWA) as a practical reference for service providers and employers, while awaiting greater regulatory clarity for EWA providers.

1.C.3 Digital Investment Services and Digital Financial Assets

Following the development of digital payments and digital financing, investment represents the next phase in the evolution of Indonesia's digital finance sector. Easier access through digital platforms has not only accelerated the growth of the investment industry but has also broadened public participation across a wide range of financial instruments. This development demonstrates that digital transformation is playing an increasingly important role in supporting wealth creation and improving the financial well-being of society.

Figure I1. Assets under Management in the Investment Industry and the Digital Asset Ecosystem

Source: Indonesia Financial Services Authority (OJK), Press Releases of the Monthly Board of Commissioners Meetings (December 2025; March–May 2026).

The growth of digital investment is reflected in the expanding scale of Indonesia's investment management industry. As of December 2025, Assets under Management (AUM) reached IDR 1,033.81 trillion, representing a 23.46 percent increase compared with the previous year, while the Net Asset Value (NAV) of mutual funds increased by 35.26 percent to IDR 675.32 trillion.

Meanwhile, Securities Crowdfunding (SCF) has continued to develop as an alternative source of financing, recording 978 securities offerings from 585 issuers, with cumulative funds raised reaching IDR 1.82 trillion.

In parallel, the number of capital market investors holding a Single Investor Identification (SID) increased to 20.35 million by the end of 2025, representing 36.87 percent growth compared with the previous year. Mutual funds remained the investment instrument with the largest investor base, while more than half of all investors were under the age of 30. These findings indicate that the growth of digital investment is reflected not only in increasing assets under management but also in the expanding participation of retail investors, particularly younger generations.

Indonesia's Digital Financial Assets ecosystem has also entered a new phase following the transfer of regulatory and supervisory authority from Bappebti to the Indonesia Financial Services Authority (OJK), as mandated by the Financial Sector Development and Strengthening Law (Law No. 4 of 2023). As of May 2026, OJK had approved 32 entities within the crypto ecosystem, supported by seven supporting institutions. The number of tradable assets increased to 1,464 crypto assets and 77 derivatives, while tax revenue from crypto transactions reached IDR 796.73 billion throughout 2025.

Figure I2. Crypto Asset Transaction Value and Number of Investors

Source: Indonesia Financial Services Authority (OJK), Monthly Board of Commissioners Meetings; Crypto Literacy Month 2026.

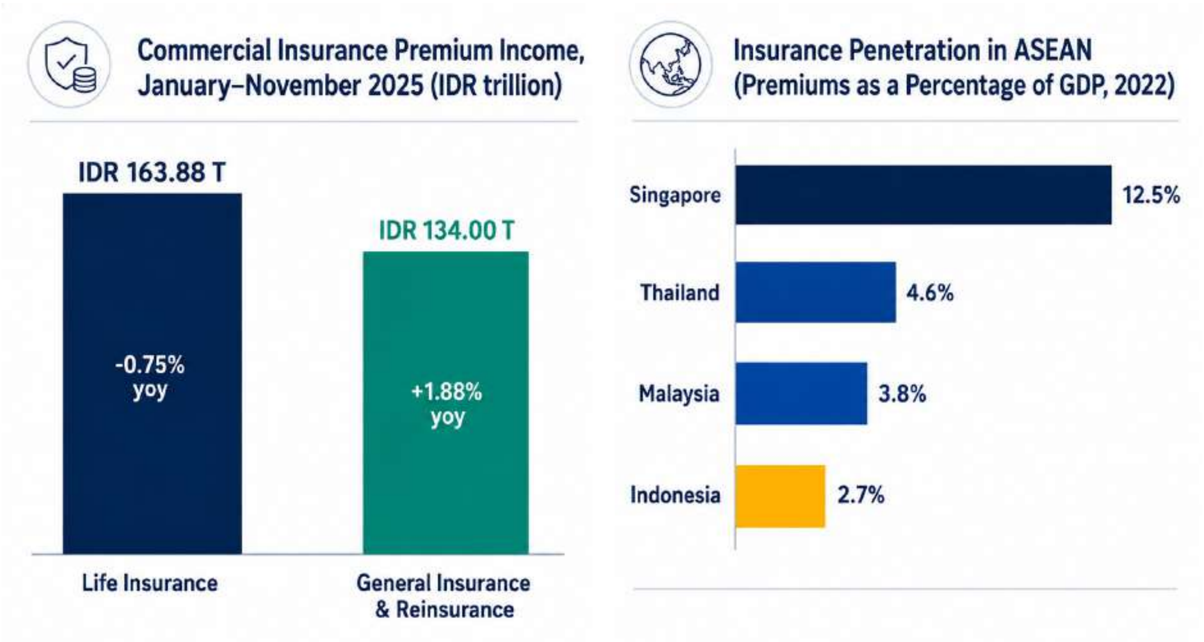
Interestingly, the expansion of the crypto ecosystem has not always been accompanied by higher transaction activity. Throughout 2025, the value of crypto asset transactions declined by 25.9 percent, falling to IDR 482.23 trillion from IDR 650.61 trillion in 2024. OJK attributes this decline to heightened global uncertainty, which has encouraged investors to adopt a more cautious approach.

Nevertheless, the number of investors continued to increase, rising from 19.56 million in November 2025 to 21.07 million in February 2026. This development indicates that the adoption of crypto assets continues to expand, while investor behaviour is becoming increasingly selective and more focused on risk management.

1.C.4 Technology-Enabled Insurance Services

Among the various segments of digital financial services, insurance remains at an early stage of development. Although Indonesia's insurance industry continues to demonstrate stable performance, its penetration and adoption rates remain relatively low compared with those of other ASEAN countries. At the same time, this presents significant growth opportunities for insurtech to expand financial protection through product innovation, service digitalisation, and integration with a wide range of digital ecosystems.

Figure A1. Commercial Insurance Premium Performance and Insurance Penetration in ASEAN



Source: Indonesia Financial Services Authority (OJK), Insurance Development Roadmap 2023–2027 and Monthly Board of Commissioners Meeting (December

Indonesia's relatively low insurance penetration presents substantial growth opportunities for digital innovation in the insurance sector. As of November 2025, insurance penetration stood at approximately 2.8 percent of GDP, among the lowest levels in ASEAN, despite the industry recording total assets of IDR 1,194.06 trillion and maintaining a strong capital position. In response, the Indonesia Financial Services Authority (OJK) aims to increase insurance penetration to 3.2 percent by 2027 through strengthening the insurance ecosystem, including accelerating digital transformation.

These opportunities are reflected in the rapid growth of the insurtech sector in Indonesia. The adoption of microinsurance and embedded insurance is expanding through integration with digital platforms such as e-commerce, ride-hailing services, and retail, making insurance products more accessible, affordable, and better tailored to consumers' needs. Consistent with this trend, Indonesia's insurtech market was estimated to be worth US$8.5 billion in 2024 and is projected to grow by 16–18 percent annually through 2030. This growth demonstrates that technology is no longer merely a distribution channel but is increasingly becoming a key enabler for expanding access to financial protection in Indonesia.

Figure A2. Indonesia's Digital Insurance Market Size and Outlook

Source: e-Conomy SEA 2025 (Google, Temasek & Bain); Indonesia Financial Services Authority (OJK), National Survey of Financial Literacy and Inclusion (SNLIK); Insurance Development Roadmap 2023–2027.

Indonesia's digital insurance market remains at an early stage of development but exhibits strong growth potential. The country's digital insurance market is estimated to be worth approximately US$0.2 billion in 2025, significantly smaller than the digital payments, digital financing, and digital investment segments. Nevertheless, it is projected to nearly triple in value to approximately US$0.6 billion by 2030. This outlook reflects the considerable expansion potential of digital insurance, given the country's still-low insurance penetration and the large proportion of the population that remains without financial protection beyond basic health coverage.

This growth is also expanding the role of insurtech, positioning it not only as a digital distribution channel but also as a developer of simpler, more personalised, and data-driven insurance products. As the adoption of artificial intelligence (AI), data analytics, and embedded insurance models continues to increase, the Indonesia Financial Services Authority (OJK) is strengthening its regulatory framework and governance standards to ensure that insurtech innovation develops sustainably without compromising consumer protection.

1.C.5 Structural Enabler: Digital Financial Infrastructure

Digital infrastructure provides the foundation that enables fintech and digital financial services to develop in a secure, efficient, and integrated manner. The 2025–2026 Annual Members Survey (AMS) shows that the industry's focus is no longer limited to infrastructure availability, but increasingly centres on interoperability, connectivity, and enabling policy support that can accelerate innovation while strengthening trust across the ecosystem.

In addition to business model innovation and regulatory developments, the growth of the fintech industry and the broader digital finance ecosystem also depends on the readiness of the supporting infrastructure. Such infrastructure not only underpins companies' operations but also enables faster transactions, more secure data exchange, and seamless connectivity between financial services within an integrated digital ecosystem.

Broadly, this infrastructure comprises two complementary layers. Digital Public Infrastructure (DPI) provides the digital foundation supporting the operation of the digital economy, including computing capacity and data centres. Built upon this foundation, Digital Finance Infrastructure (DFI) enables digital financial services to interconnect through payment system infrastructure, digital identity, fraud databases, credit information infrastructure, and other supporting systems. Together, these two layers are critical determinants of the efficiency, interoperability, and competitiveness of Indonesia's digital finance industry.

This section reviews developments across both infrastructure layers while identifying future development priorities based on industry perceptions.

KEY NUMBERS

64% of respondents use a third-party cloud provider as their primary data centre.

74% of respondents consider Digital Public Infrastructure (DPI) to be important for their company's operations.

53% of respondents identify strengthening digital identity as the highest priority for infrastructure development.

32% of respondents still regard digital identity as the greatest challenge facing digital financial infrastructure.

Digital Public Infrastructure: The Operational Foundation of the Digital Economy and Digital Finance

The growth of digital financial services requires an infrastructure foundation capable of ensuring service availability, system scalability, and operational efficiency. In this context, cloud computing and data centres constitute the core components of Digital Public Infrastructure (DPI) supporting the industry's overall operations.

Figure IF1. Respondents' Primary Data Centre Infrastructure Models

Source: AFTECH Annual Members Survey (AMS) 2025–2026, N = 124.

A total of 64 percent of respondents use a third-party cloud provider as their primary data centre. Twenty-five percent have adopted a hybrid model, while 10 percent continue to operate their own on-premises data centres. Compared with the 2024–2025 Annual Members Survey (AMS), the adoption of hybrid models has increased, indicating that companies are seeking a balance between the flexibility offered by cloud services and the requirements of data governance, regulatory compliance, and operational resilience.

The geographical distribution of data centres also reveals that 52 percent of respondents continue to locate their primary data centres in the Greater Jakarta metropolitan area (Jabodetabek), 41 percent operate data centres across multiple domestic locations, 6 percent use a combination of domestic and overseas locations, while 1 percent host their data centres exclusively overseas. This concentration suggests that strengthening Indonesia's national digital infrastructure should be accompanied by greater redundancy and a more balanced distribution of data centre capacity across different regions.

The stability of infrastructure providers remains relatively high. A total of 77 percent of respondents have not changed their primary data centre provider over the past three years. Among companies that did switch providers, the primary reasons were to improve service reliability, strengthen regulatory compliance, and enhance cost efficiency. These findings suggest that the selection of infrastructure providers is increasingly driven by long-term service quality rather than price considerations alone.

Government Support Is Needed to Strengthen Digital Infrastructure

Beyond expanding infrastructure capacity, industry players also view policy support as a critical factor in accelerating the development of the digital ecosystem.

Figure IF2. Government Support Expected for Digital Infrastructure Development

Source: AFTECH Annual Members Survey (AMS) 2025–2026, N = 65 respondents providing open-ended responses. Percentages across categories do not sum to 100 percent.

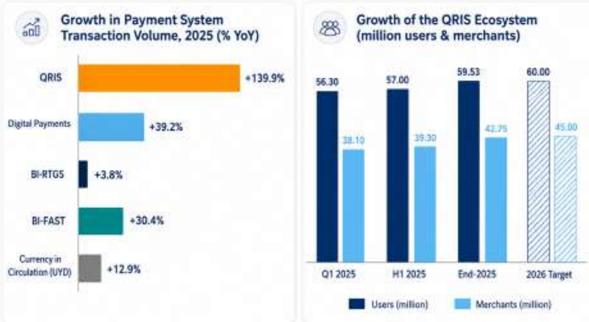
Reducing operating costs emerged as the most frequently cited priority, identified by 60 percent of respondents, followed by greater regulatory clarity and deregulation (37 percent), fiscal and tax incentives (35 percent), and increased investment in Digital Public Infrastructure (DPI) (31 percent). Respondents also highlighted the importance of supporting cloud development, strengthening data sovereignty, and providing more sustainable digital infrastructure.

These findings indicate that the development of digital infrastructure depends not only on technology investment but also on a supportive policy environment capable of reducing operating costs, providing regulatory certainty, and fostering a favourable investment climate.

While digital infrastructure provides the foundation for industry transformation, it does not automatically create interconnected financial services. That role is fulfilled by Digital Finance Infrastructure (DFI), which enables digital payments, financing, insurance, digital investment, and digital financial assets to operate securely, efficiently, and in an integrated manner. The following section reviews the development of Digital Finance Infrastructure in Indonesia.

Payment System Infrastructure: The Backbone of Digital Finance Infrastructure

Figure IF3. QRIS Adoption Statistics



Source: Bank Indonesia, Indonesia Economic Report 2025; Monetary Policy Review, December 2025.

Indonesia's digital payment system continues to develop steadily. QRIS remains the primary driver of the country's payment digitalisation, with transaction volume growing by 139.9 percent year-on-year in 2025. During the same period, the number of users increased to 59.53 million, while the number of merchants reached 42.75 million, more than 93 percent of whom were micro, small, and medium-sized enterprises (MSMEs). This trend is expected to continue as Bank Indonesia targets expanding the QRIS ecosystem to 60 million users and 45 million merchants by 2026.

These achievements have been supported by the strengthening of Indonesia's payment system infrastructure under the Indonesia Payment System Blueprint (BSPI) 2025. The Blueprint has established the foundation for interoperability through key infrastructures such as BI-FAST and the National Payment Open API Standard (SNAP), enabling digital payment services to become increasingly interconnected and efficient.

As Indonesia moves towards the Indonesia Payment System Blueprint (BSPI) 2030, the focus is shifting from infrastructure development to broader digital economic and financial integration through the enhancement of infrastructure (including Payment ID), industry structure, innovation, cross-border connectivity, and the development of the Digital Rupiah.

Digital Identity: A Critical Infrastructure for the Fintech Industry

In addition to payment infrastructure, digital identity is increasingly recognised as a vital component of Digital Finance Infrastructure (DFI).

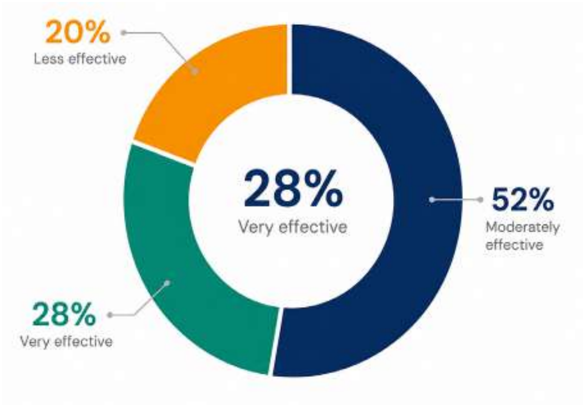
Figure IF4. Respondents' Level of Dependence on National Digital Public Infrastructure

Source: AFTECH Annual Members Survey (AMS) 2025–2026, N = 121.

A total of 74 percent of respondents consider Digital Public Infrastructure (DPI) to be an important component of their business operations. This finding indicates that public digital infrastructure is increasingly becoming the foundation of digital financial services, although some companies still require additional support to adopt it more effectively.

Among the various components of Digital Public Infrastructure (DPI), digital identity infrastructure received the most positive assessment. A total of 80 percent of respondents considered it effective in supporting digital financial services, comprising 52 percent who rated it as fairly effective and 28 percent who considered it highly effective. Meanwhile, 20 percent of respondents believed that its effectiveness remains inadequate. These findings demonstrate that digital identity is increasingly recognised as a critical foundation for accelerating verification processes, improving service efficiency, and strengthening trust within the digital finance ecosystem.

Figure IF5. Industry Perceptions of the Effectiveness of Digital Identity Infrastructure



Source: AFTECH Annual Members Survey (AMS) 2025–2026.

These findings indicate that digital identity is increasingly accepted as one of the fundamental pillars of digital financial services. Nevertheless, the diversity of respondents' assessments suggests that greater interoperability, broader service coverage, and enhanced system reliability remain necessary to ensure that the benefits of digital identity are experienced consistently across the ecosystem.

At the same time, the findings also demonstrate that the development of Digital Finance Infrastructure (DFI) remains an ongoing priority. With the core foundations now largely established, the next challenge is to expand adoption, strengthen interoperability between infrastructure components, and ensure that their benefits are more widely accessible. The following discussion examines these development priorities based on industry perceptions and international best practices.

Infrastructure Gaps, Challenges, and the Digital Infrastructure Strengthening Agenda

The survey findings indicate that digital identity has become the highest priority for the development of Indonesia's fintech industry and digital finance ecosystem. When asked to identify the infrastructure challenge with the greatest impact on service delivery, 33 percent of respondents identified digital identity verification as the primary issue.

This figure significantly exceeds concerns relating to payment infrastructure limitations (18 percent), data infrastructure availability (17 percent), internet connectivity (13 percent), and both API integration and cloud computing costs, each cited by 8 percent of respondents.

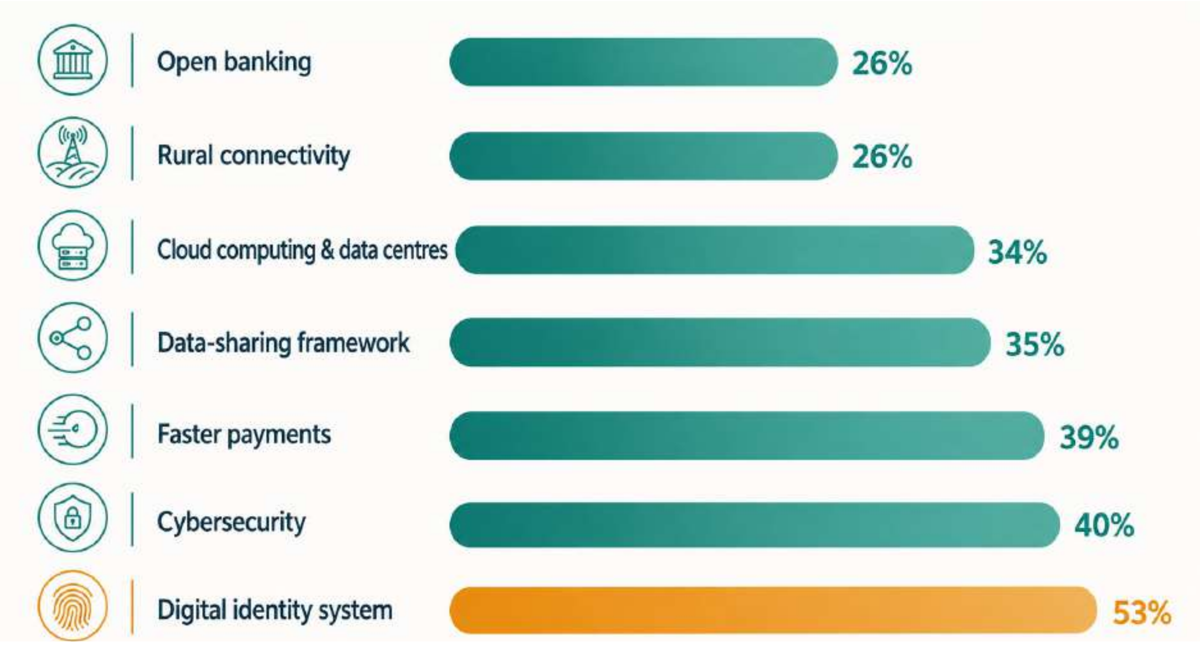
This perspective is also reflected in respondents' priorities for future infrastructure development. When asked to identify up to three areas requiring the greatest strengthening, 53 percent of respondents selected digital identity as the highest priority, ahead of cybersecurity infrastructure (40 percent) and faster payment infrastructure (39 percent).

Figure IF6. Infrastructure Challenges with the Greatest Impact on Service Delivery

Source: AFTECH Annual Members Survey (AMS) 2025–2026, N = 121.

The consistency of these findings indicates that the industry views strengthening digital identity not only as essential for addressing current operational challenges but also as a foundational element for the future development of Indonesia's digital finance ecosystem.

Figure IF7. **Infrastructure Improvement Priorities Most Expected by the Industry**

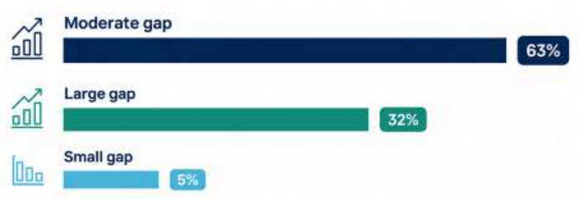


Source: AFTECH Annual Members Survey (AMS) 2025–2026, N = 121. Multiple-response question (maximum of three selections).

Despite the progress achieved to date, the development of Digital Finance Infrastructure (DFI) continues to face several challenges. These findings indicate that the success of infrastructure development depends not only on technological readiness but also on the quality of implementation, coordination among stakeholders, and the level of adoption across different regions.

One of the key challenges identified by the industry is the disparity in digital infrastructure quality between urban and rural areas. A total of 68 percent of respondents believe that this gap remains significant, while 32 percent do not perceive any substantial difference.

Figure IF8. **Perceptions of the Urban–Rural Digital Infrastructure Gap**



Source: AFTECH Annual Members Survey (AMS) 2025–2026, N = 121. The distribution of perceived gap levels is based on the 68 percent of respondents who observed differences in infrastructure quality.

Among respondents who perceived a gap, the majority (63 percent) considered it to be moderate, followed by large (32 percent) and small (5 percent).

These findings indicate that the Digital Finance Infrastructure agenda should not focus solely on expanding technological capacity. Broader access, stronger interoperability, greater standardisation, and enhanced coordination among stakeholders must advance in parallel to ensure that the benefits of digital infrastructure are distributed more equitably across Indonesia.

Infrastructure to Strengthen Cybersecurity

The rapid growth of the digital economy has been accompanied by an increasing intensity of cyber threats. Throughout 2025, the National Cyber and Crypto Agency (BSSN) recorded a cumulative 5.5 billion anomalous national cyberattack traffic events, up from 3.64 billion recorded during the January–July period. This equates to approximately 182 cyberattack attempts per second, with more than 80 percent involving malware-based attacks. During the same period, the Indonesia Anti-Scam Center, together with the

Indonesia Financial Services Authority (OJK), reported that losses resulting from online fraud had exceeded IDR 2.6 trillion as of May 2025. These challenges are further compounded by a shortage of cybersecurity professionals, with Indonesia projected to require 50,000 cybersecurity specialists by 2030, while the current workforce stands at only around 8,000 professionals.

Figure IF9. Escalation of Cumulative National Cyberattack Traffic Anomalies Throughout 2025

Source: National Cyber and Crypto Agency (BSSN), 2025.

Despite the increasingly complex national cyber threat landscape, AFTECH member companies appear to be relatively well protected. A total of 80 percent of respondents reported experiencing no cybersecurity incidents during the past 12 months, 18 percent experienced minor incidents, and only 2 percent reported serious incidents. These findings suggest that investments in information security governance, infrastructure strengthening, and risk management are beginning to yield positive results in enhancing companies' operational resilience.

Figure IF10. Cybersecurity Incidents Reported by Respondents

Source: AFTECH Annual Members Survey (AMS) 2025–2026, N = 122.

Fraud Is Increasingly Driven by Human Exploitation

Although the incidence of cybersecurity events remains relatively low, fraud patterns reveal a different challenge. Transaction fraud was the most frequently reported type of fraud (37 percent), followed by social engineering (24 percent), identity theft (19 percent), account takeover (16 percent), and internal fraud (3 percent).

Figure IF11. Distribution of the Most Common Types of Fraud Experienced by Respondents

Source: AFTECH Annual Members Survey (AMS) 2025–2026, N = 122. Multiple-response question.

Overall, approximately 59 percent of reported fraud cases were associated with the exploitation of user behaviour. These findings indicate that digital security challenges no longer stem solely from technological vulnerabilities but are increasingly driven by the manipulation of human behaviour. Accordingly, strengthening digital literacy, user education, multi-factor authentication, and fraud detection systems has become just as important as continued investment in cybersecurity technologies.

Credit Information Infrastructure and Digital Identity Strengthen e-KYC Processes

Beyond cybersecurity, the quality of digital financial services also depends on the ability to verify identities and assess risk quickly, accurately, and securely. In this regard, Indonesia's Digital Finance Infrastructure (DFI) is supported by three key components: the Financial Information Services System (SLIK) as the national credit information infrastructure, the Directorate General of Population and Civil Registration (Dukcapil) database as the primary source of identity verification, and Electronic Certification Providers (PSrE), which ensure the validity of digital transactions.

As Indonesia's national credit information infrastructure, the Financial Information Services System (SLIK) consolidates borrowers' financing histories from various financial institutions to support credit assessment, risk management, and market discipline. Meanwhile, the identity verification services based on the Dukcapil population database provide the primary foundation for implementing electronic Know Your Customer (e-KYC) across the financial services sector.

Figure IF12. Strengthening Digital Identity Infrastructure to Support a National e-KYC Framework

Source: Dukcapil data as of May 2026.

As of May 2026, Dukcapil's data utilisation services had processed more than 638 million cumulative face-matching transactions and were supported by over 7,600 cooperation agreements with both government agencies and private-sector organisations. This infrastructure has also facilitated the opening of approximately 287,000 new bank accounts through digital identity verification. Its development is further reinforced by the presence of licensed Electronic Certification Providers (PSrE) and US$250 million in financing from the World Bank to support the development of Indonesia's national e-KYC platform.

Digital Identity: Infrastructure Expected to Optimise the Growth of the Fintech Industry and the Digital Financial Services Ecosystem

International experience demonstrates that digital identity is not merely a compliance tool but also an investment capable of significantly improving industry efficiency.

Figure IF13. Reduction in Identity Verification Costs through Digital Identity Databases

Source: World Bank, based on India's Aadhaar system; identity verification cost per transaction.

According to World Bank estimates, the integration of digital identity through India's Aadhaar system reduced identity verification costs from approximately US$10–20 to just US$0.27 per transaction, representing a reduction of up to 98 percent. These efficiency gains have accelerated customer onboarding, expanded access to financial services, and reduced compliance costs associated with Know Your Customer (KYC) requirements.

Indonesia is beginning to develop similar capabilities through the implementation of the Digital Population Identity (Identitas Kependudukan Digital/IKD). However, its utilisation within the financial services sector remains relatively limited, meaning that its potential efficiency gains have yet to be fully realised. Strengthening interoperability between IKD, population data, payment systems, and credit information infrastructure will be a critical step towards accelerating customer onboarding, enhancing transaction security, and improving the overall efficiency of digital financial services.

HIGHLIGHT | LESSONS FROM INDIA

India's experience demonstrates that the greatest value of digital identity lies not simply in the number of registered users, but in its ability to integrate seamlessly with public services and financial services. With more than 1.4 billion registered individuals and approximately 150 billion cumulative authentication transactions, the Aadhaar system has evolved into the foundation for digital payments, bank account opening, social assistance distribution, and a wide range of other financial services. According to the World Bank, this integration has the potential to increase India's GDP by up to 4 percent by 2030. By comparison, Digital Population Identity (IKD) in Indonesia currently covers only around 6.7 percent of the population, indicating substantial room for further development and significant untapped economic value.

Key Takeaway: Interoperability Is the Next Priority for Infrastructure Development

The findings of the 2025–2026 Annual Members Survey (AMS) indicate that the next phase of Digital Finance Infrastructure (DFI) development is no longer about simply building new infrastructure, but about ensuring that the infrastructure already in place is interconnected and operates as an integrated ecosystem. The ability to integrate digital identity, payment systems, data infrastructure, and other supporting systems will increasingly determine the efficiency of identity verification, credit assessment, and customer onboarding.

At the same time, greater interoperability must be supported by robust governance. Personal data protection, information security, and data governance are essential prerequisites to ensure that integration across systems not only improves operational efficiency but also strengthens public trust. Consequently, the future competitiveness of Indonesia's digital finance ecosystem will increasingly depend on its ability to build infrastructure that is not only modern, but also interconnected, secure, and trusted.

2

PROFILE OF FINTECH COMPANIES IN INDONESIA


Return on Investment
America
Africa
Australia
Asia
PROFIT

KEY INSIGHTS

Indonesia's digital financial industry has entered a new phase. After more than a decade dominated by the startup formation stage, an increasing number of companies are now shifting their focus toward scaling their businesses, strengthening organizational capabilities, and building sustainable business models. This transition indicates that the industry's growth is no longer driven primarily by the emergence of new players, but by the ability of established companies to deliver higher-quality growth.

Mapping the Industry Structure

Indonesia's digital financial industry has evolved into an increasingly diverse ecosystem. Growth is no longer driven solely by companies providing direct-to-consumer services, but also by providers of infrastructure, technology, data, and various supporting services that connect the industry's entire value chain. This evolution has been accompanied by increasingly diverse business profiles, a continued concentration of companies in the country's major economic centers, and business models operating within an increasingly complex regulatory landscape. Together, these four aspects provide an overview of the foundations of Indonesia's digital financial industry as it prepares for its next phase of growth.

The Growing Role of Digital Infrastructure in the Fintech Industry and Digital Financial Ecosystem

The development of the digital financial industry is no longer determined solely by the number of services interacting directly with consumers. In recent years, growth has increasingly been driven by providers of infrastructure, technology, data, and supporting services that enable digital financial services to operate efficiently, securely, and seamlessly. This shift demonstrates that the ecosystem's underlying infrastructure has become just as important as user-facing product innovation.

Chart 2.1. Composition of Respondents by Type of Digital Financial Service
Source: AFTECH Annual Members Survey 2025–2026, N=138, multiple-response question (multi-select)

Payment systems and infrastructure providers remain the largest group of AMS respondents, followed by financial data and technology providers, as well as financial services and platform providers. This composition indicates that industry growth is no longer driven solely by customer-facing services, but increasingly by technology and infrastructure providers that support the operations of the entire ecosystem.

The large number of companies operating across multiple service categories also demonstrates that the boundaries between industry segments are becoming increasingly blurred. Companies are progressively integrating payment capabilities, data, technology, compliance, and infrastructure into unified business models. As the ecosystem becomes more complex, demand for business-to-business (B2B) services is expected to continue growing as a foundation for the development of digital financial services.

Beyond the survey's nine primary categories, several respondents also identified emerging business models such as Earned Wage Access (EWA), tax application services, social crowdfunding, cloud computing, and financing agents. The emergence of these services demonstrates that innovation is evolving more rapidly than existing sectoral classifications, providing valuable input for refining the taxonomy of Indonesia's digital financial industry in the future.

A Highly Concentrated Fintech Industry Hub

The expansion of fintech and digital financial services has not yet been accompanied by a more balanced distribution of industry hubs. Although fintech companies serve users across Indonesia, strategic functions including decision-making, business development, access to funding, and engagement with regulators remain concentrated in the Greater Jakarta area (Jabodetabek). This indicates that digitalization has expanded service reach more rapidly than it has dispersed the industry's centers of growth.

Chart 2.2. Distribution of Respondents' Headquarters by Location
Source: AFTECH Annual Members Survey 2025–2026, N=138

A total of 86% of AMS 2025–2026 respondents are headquartered in Jakarta, while 7% are based in Tangerang, bringing the total concentration within the Greater Jakarta area (Jabodetabek) to 93%. Outside this region, only a small number of companies reported headquarters overseas, including Beijing, Dubai, London, and the United States. During this survey period, no respondents reported having their headquarters outside Java.

However, the concentration of headquarters does not fully reflect the industry's operational footprint. Approximately 21% of respondents have established branch offices across Indonesia, spanning Sumatra, Kalimantan, Sulawesi, Bali and Nusa Tenggara, as well as Maluku and Papua. These findings indicate that service expansion continues, even though companies' strategic functions remain centered in Greater Jakarta.

This pattern suggests that the challenge of achieving a more balanced industry extends beyond expanding access to digital financial services. It also requires creating new centers of growth outside Greater Jakarta. Going forward, the development of digital talent, access to funding, supporting infrastructure, and stronger regional innovation ecosystems will be essential to fostering more balanced industry growth.

The Dominance of the Digital Generation

The rapid expansion of the digital economy over the past decade has given rise to a new generation of digital financial companies in Indonesia.

However, the growth of the fintech industry and the broader digital financial ecosystem has not been driven solely by startups. An increasing number of established financial institutions and long-standing companies have also undergone digital transformation, creating an ecosystem that is increasingly diverse in terms of experience, capabilities, and business

Chart 2.3. Respondent Company Age Profile
Source: AFTECH Annual Members Survey 2025–2026, N=138

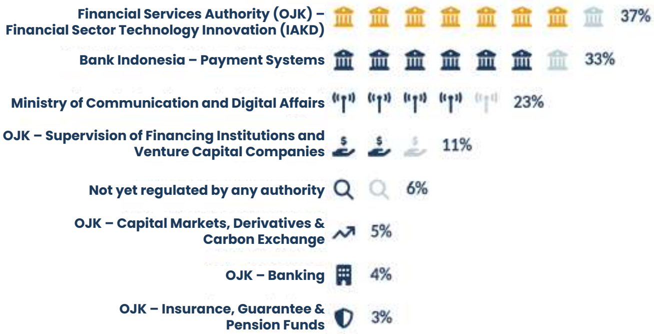


Chart 2 - 4 Regulatory Authorities Overseeing Respondents

Source: AFTECH Annual Members Survey 2025–2026, N=132, multiple-response question (multi-select)

The largest group of respondents consists of companies that have been operating for 6–10 years (46%), followed by companies established within the past 0–5 years (25%). This composition indicates that most industry players emerged alongside Indonesia's digital economy acceleration over the past decade. Meanwhile, nearly three out of every ten respondents have been operating for more than ten years.

A total of 37% of respondents fall under the regulatory and supervisory framework for Digital Financial Innovation, Digital Financial Assets, and Crypto Assets (IAKD) administered by the Financial Services Authority (OJK), making it the largest regulatory category represented in this survey. Meanwhile, 33% of respondents are supervised by Bank Indonesia, primarily those operating payment systems and payment infrastructure.

HIGHLIGHT

The increasingly diverse profiles of fintech companies and participants in the digital financial ecosystem have also expanded the variety of fintech business models operating within the digital financial sector. Companies no longer operate under a single service category or regulatory regime. Instead, an increasing number now integrate multiple digital financial activities within a single business model. As a result, the industry's regulatory landscape has become increasingly complex.

Evolution of the Fintech Industry and the Development of Regulatory, Licensing, and Supervisory Frameworks

The evolution of digital business models has increasingly blurred the boundaries between financial services subsectors. A growing number of fintech companies now combine payment, financing, investment, digital asset, and supporting technology services within a single ecosystem. As a result, industry players no longer operate under a single supervisory framework but are increasingly subject to multiple regulatory regimes.

The remaining respondents are distributed across the Capital Markets, Financial Derivatives, and Carbon Exchange sectors (5%), Banking (4%), and Insurance, Guarantee, and Pension Funds (3%).

This distribution demonstrates that digital financial innovation is no longer concentrated within a single subsector. An increasing number of companies are developing cross-sector business models that integrate multiple financial services within a unified ecosystem. Meanwhile, 6% of respondents did not identify their business models under any of the available regulatory categories. This finding indicates that innovation is evolving more rapidly than the current sectoral classification framework.

As more companies operate under multiple regulatory regimes, coordination among regulators has become increasingly important. For industry players, the challenge ahead is no longer limited to delivering innovation, but also involves building integrated compliance systems to ensure that growth remains healthy, efficient, and sustainable.

The largest group of respondents consists of companies in the growth stage (40%), followed by early-stage (startup) companies (37%), while the remaining 23% are mature companies or long-established corporations. This distribution indicates that the ecosystem has become increasingly balanced, with companies at different stages of maturity complementing one another.

HIGHLIGHT

The industry structure illustrated in Charts 1–4 shows that Indonesia's digital financial ecosystem has become increasingly diverse and complex. This transformation reflects not only the industry's growing maturity but also its transition into a new phase of growth. In this phase, the focus is no longer on building the ecosystem itself, but on how companies scale their businesses, deepen collaboration, and achieve sustainable growth.

The Evolution of AMS 2025–2026 Respondent Companies: The Scale-Up Stage

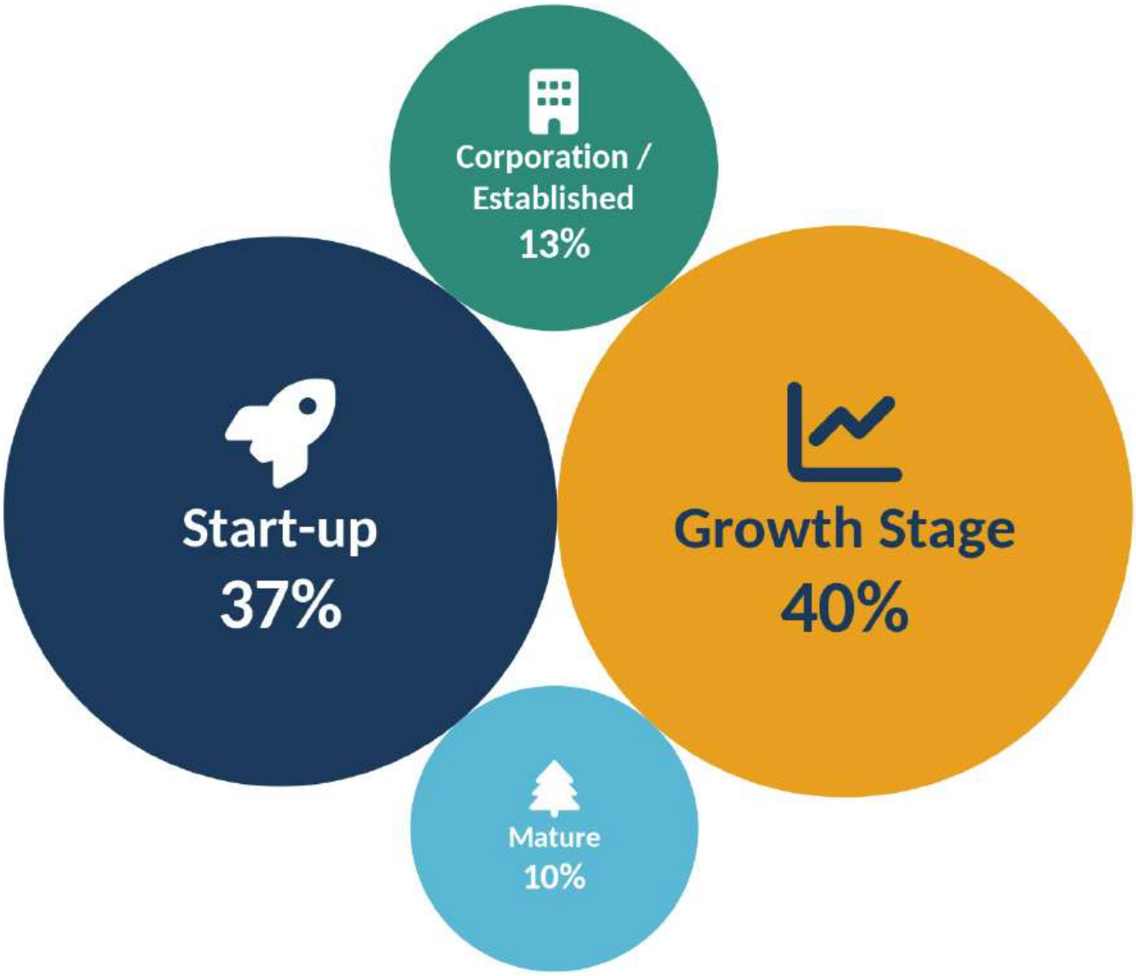


Chart 2 - 5 Distribution of Respondent Companies by Growth Stage

Source: AFTECH Annual Members Survey 2025–2026, N=132

This shift in composition has also reshaped business priorities. Companies are no longer focused solely on securing funding or achieving product-market fit. Instead, they are increasingly prioritizing market expansion, operational efficiency, stronger governance, and sustainable profitability. In other words, as the industry enters the scale-up phase, the quality of execution has become a more decisive factor than the pace of expansion alone.

Growth Increasingly Driven by the Ecosystem

The growth of Indonesia's digital financial industry is increasingly determined by the ability of fintech providers and digital financial service providers to build collaboration within the ecosystem. Respondent companies no longer focus solely on delivering services directly to consumers. Instead, many now serve as providers of technology, infrastructure, and capabilities that support financial institutions, corporations, and other digital platforms. This shift indicates that industry growth is now increasingly driven by ecosystem integration rather than standalone expansion.

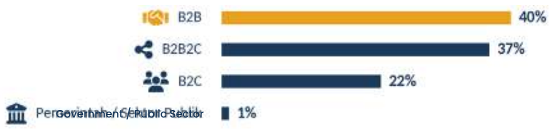


Chart 2 - 6 Respondents' Primary Target Market
Source: AFTECH Annual Members Survey 2025–2026, N=132

A total of 40% of respondents identified business-to-business (B2B) as their primary market, while 37% operate under a business-to-business-to-consumer (B2B2C) model. In contrast, companies primarily serving consumers (business-to-consumer/B2C) account for only 22%, while the remainder serve the public sector. This composition indicates that approximately three-quarters of respondents grow their businesses through collaboration with financial institutions, corporations, and other ecosystem partners.

This pattern reflects the changing nature of the industry. As the market matures, competitive advantage is no longer determined solely by the ability to acquire end users, but also by the ability to provide solutions that can be integrated into the value chains of various institutions. This model enables companies to expand their service reach, diversify revenue streams, and strengthen connectivity within the digital financial ecosystem.

Increasing Diversity in Respondents' Business Scale

The size of fintech companies can no longer be measured solely by the number of users. Within the same ecosystem, some companies serve millions of consumers, while others provide infrastructure, technology, data, or business-to-business services that generate value through transaction volumes and system connectivity. This evolution indicates that the scale and contribution of industry players are increasingly defined by the characteristics of their business models.

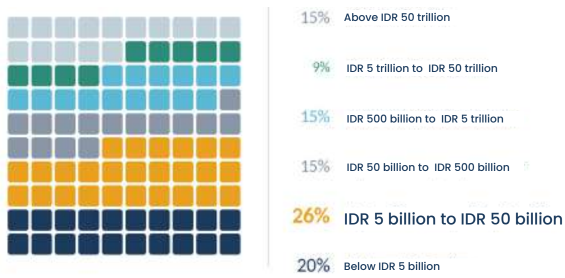


Chart 2 - 7 Distribution of Respondents by Annual Transaction Value
Source: AFTECH Annual Members Survey 2025–2026, N=129

The distribution of annual transaction values reveals a wide disparity in business scale. Nearly half of respondents still record annual transaction values of less than IDR 50 billion, while others process transactions exceeding IDR 50 trillion annually. This broad range reflects an increasingly diverse ecosystem, spanning companies that are still building their market presence to nationally scaled players that have become integral components of Indonesia's digital financial infrastructure.

These differences in scale also indicate that the industry's needs cannot be addressed uniformly. Investment capacity, risk management, funding requirements, and compliance burdens differ significantly between companies processing tens of billions of rupiah and those handling transactions worth tens of trillions of rupiah. Therefore, policies supporting industry growth should take into account the distinct characteristics of each business segment.

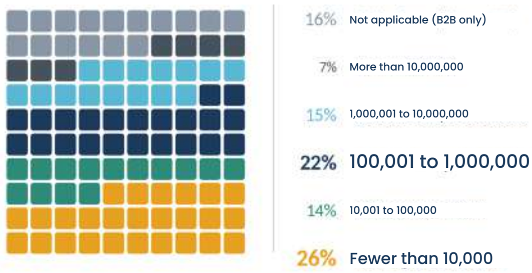


Chart 2 - 8 Distribution of Respondents by Number of Active Users Over the Past Twelve Months
Source: AFTECH Annual Members Survey 2025–2026, N=129

The distribution of active users likewise reflects considerable diversity, ranging from AMS 2025–2026 respondents serving millions of users to those with relatively small user bases. Nevertheless, the number of users is no longer a comprehensive measure of the scale of fintech and digital financial service businesses. Several respondents—particularly infrastructure, technology, and B2B service providers—noted that this metric is not relevant to their businesses, as their primary value lies in serving institutions rather than end consumers.

These findings confirm that the digital financial industry is increasingly supported by complementary business models. Consumer-facing companies continue to drive the adoption of digital financial services, while infrastructure, technology, and data providers enable the entire ecosystem to operate more efficiently, securely, and seamlessly. In this context, a company's contribution is no longer determined solely by the size of its user base, but also by its role in creating value across the digital financial ecosystem's value chain.

Strengthening Organizational Capacity Alongside Business Growth

The growth of the fintech and digital financial services industry is reflected not only in expanding business scale but also in stronger organizational capabilities. As operational complexity increases, digital financial companies are developing more mature organizational structures to support product development, risk management, compliance, technology, and customer service. This shift demonstrates that the scale-up phase is no longer measured solely by transaction growth, but also by an organization's ability to sustain long-term growth.

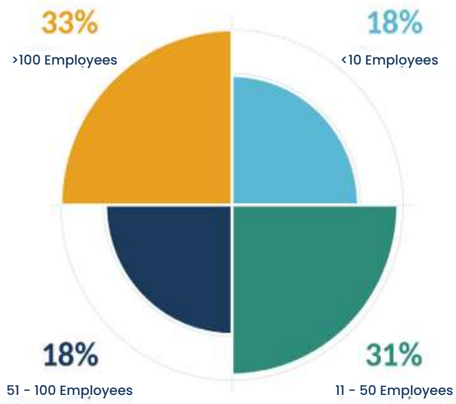


Chart 2 - 9a Respondent Workforce Size
Source: AFTECH Annual Members Survey 2025=2026

The workforce composition shows that the fintech and digital financial services industry comprises companies with varying levels of organizational capacity. Forty-nine percent (49%) of respondents operate with 50 employees or fewer, including 18% with fewer than 10 employees and 31% employing 11–50 employees. Meanwhile, more than half of respondents have over 50 employees, including 33% that employ more than 100 people. This composition reflects that startups remain an important part of the ecosystem, while an increasing number of companies have evolved into organizations with substantially greater operational capacity.

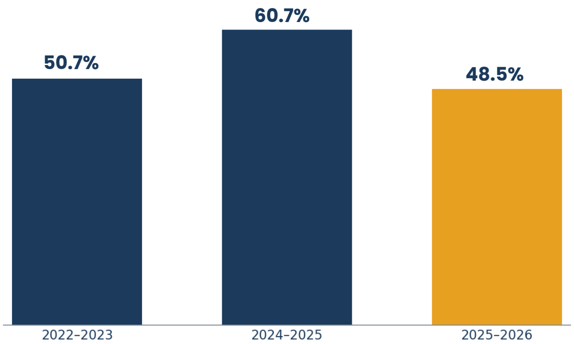


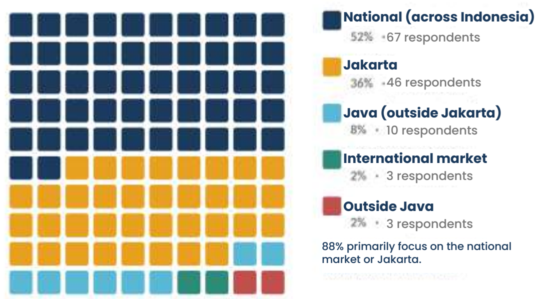
Chart 2 - 9b Trend in the Proportion of Companies with Up to 50 Employees, AMS 2016–2026
Source: AFTECH Annual Members Survey, various years

A comparison across survey periods shows a clear evolution in the organisational structure of the fintech and digital financial services ecosystem. After increasing in the 2024–2025 AMS, the proportion of companies with up to 50 employees declined to 48.5% in the 2025–2026 AMS. This decline indicates that some companies have begun expanding their organisational capacity by increasing their workforce and establishing new functions to support business expansion.

This trend is consistent with the growing proportion of companies that have entered the growth stage. As businesses expand, the need for compliance, risk management, technology, cybersecurity, product development, and customer service functions also increases. Consequently, workforce growth reflects not only an increase in the number of employees, but also the strengthening of the internal capabilities required to support the increasingly complex growth of the digital financial industry.

Growth of the Fintech and Digital Financial Services Industry Continues to Be Driven by the Domestic Market

As the industry enters the scale-up phase, the growth of Indonesia's fintech and digital financial services ecosystem continues to rely primarily on the domestic market. This is reflected in the geographical concentration, age groups, and income levels of the consumers served. Together, these characteristics indicate that opportunities for domestic expansion remain greater than the impetus to expand internationally or target entirely new market segments.



Base: 129 valid respondents (out of 141). Each square represents approximately 1% of respondents.

Chart 2 - 10 Primary Consumer Target Segments by Geographic Location
Source: AFTECH Annual Members Survey 2025–2026

From a geographical perspective, more than half of AMS 2025–2026 respondents serve the national market, while 36% identify Jakarta as their primary market. The remainder focus on Java outside Jakarta, regions outside Java, or international markets. This composition indicates that although digital financial services have expanded across Indonesia, the country's largest economic activity and strongest demand remain concentrated in major economic centres, particularly Jakarta.

This also reflects the industry's business model, which is increasingly dominated by B2B and B2B2C. Many companies are able to serve the national market through partner networks without establishing a physical presence across multiple regions. As a result, market expansion is increasingly driven by ecosystem connectivity rather than conventional branch expansion.

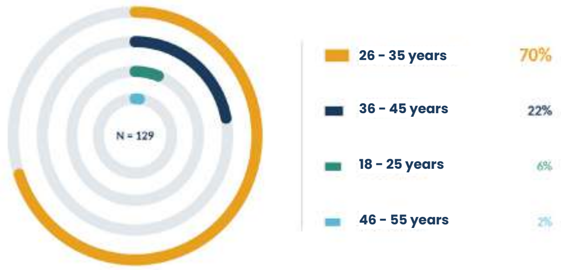


Chart 2 - 11 Primary Consumer Target Segments by Age Group
Source: AFTECH Annual Members Survey 2025–2026

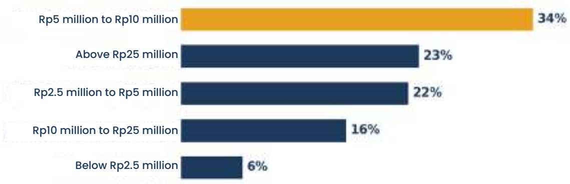


Chart 2 - 12 Primary Consumer Target Segments by Monthly Income
Source: AMS 2025–2026 data, Sheet 02_Market_Performance. N=129, single-response question.

The customer profile of fintech and digital financial services also exhibits a relatively concentrated pattern. Seventy percent (70%) of respondents target consumers aged 26–35, followed by those aged 36–45 (22%). This dominance indicates that digital financial services continue to primarily serve individuals of productive working age who are economically active, have increasingly diverse financial needs, and demonstrate high levels of technology adoption.

From an income perspective, approximately half of respondents focus on consumers earning between IDR 5 million and IDR 25 million per month. This finding indicates that the middle-income segment remains the primary driver of demand for digital financial services in Indonesia. This group typically demonstrates higher levels of digital transaction activity alongside increasingly diverse financial needs, ranging from payments and financing to investment and financial protection.

Overall, these three charts demonstrate that industry growth continues to be driven by urban domestic consumers, working-age populations, and the middle-income segment. This suggests that significant opportunities remain for market expansion, both through increasing penetration beyond major economic centres and by developing services that better address the needs of population segments that have not yet become the industry's primary target market.

Partnerships Have Become the Growth Engine of the Fintech and Digital Financial Services Ecosystem

As the industry enters the scale-up phase, digital financial companies no longer rely primarily on independent expansion as their growth strategy. Instead, growth is increasingly determined by their ability to collaborate with a wide range of ecosystem participants, including financial institutions, technology providers, and digital platforms. This shift reflects the industry's evolution from competing to build user bases towards integrating capabilities across a broader value chain.

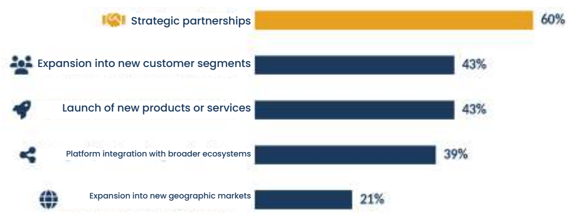


Chart 2 - 13 Revenue Growth Strategies Adopted by Respondents
Source: AFTECH Annual Members Survey 2025–2026, N=129, multiple-response question

Strategic partnerships are the most widely adopted growth strategy, selected by 77% of respondents. This is followed by expansion into new customer segments (56%), launching new products or services (55%), and platform integration with broader ecosystems (50%). By contrast, only 21% of respondents pursue expansion into new geographic markets. This pattern indicates that companies prefer extending their market reach through collaboration rather than building distribution networks

This strategy reflects the increasingly mature landscape of Indonesia's fintech and digital financial services ecosystem. Amid more selective funding conditions and growing pressure for operational efficiency, partnerships provide a more effective means of scaling businesses, accelerating service distribution, and strengthening business models without bearing the full cost of expansion independently.

Banks as an Integral Node within Indonesia's Fintech and Digital Financial Ecosystem

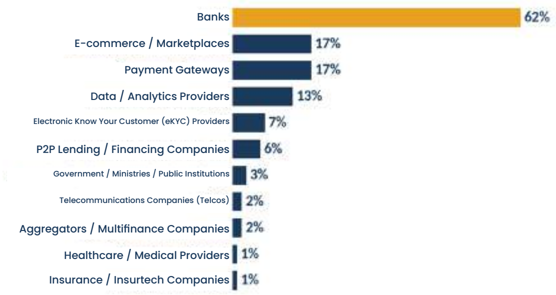


Chart 2 - 14 Ecosystem Partner Categories Based on Respondents' Open-Ended Responses
Source: AFTECH Annual Members Survey 2025–2026, N=104 respondents who provided partnership details; each respondent could identify more than one partner category.

The partnership landscape demonstrates that banks remain the central node within Indonesia's fintech and digital financial ecosystem. Among respondents who provided partnership details, 62% identified banks as their primary partners—far exceeding payment service providers and e-wallets, e-commerce platforms, and data and analytics providers. This dominance indicates that the relationship between fintech companies and banks has become increasingly complementary.

The partnership landscape of respondents shows that banks remain the central node within the fintech industry and digital financial ecosystem. A total of 62% of respondents who provided partnership details identified banks as their primary partners, far surpassing payment service providers and e-wallets, e-commerce platforms, as well as data and analytics providers.

This dominance indicates that the relationship between fintech companies and banks has become increasingly complementary. For many companies, banks are no longer viewed as competitors but as strategic partners for expanding service distribution, leveraging established financial infrastructure, and meeting compliance and risk management requirements. These findings demonstrate that industry growth increasingly depends on the ability to connect diverse participants within a mutually reinforcing ecosystem.

This pattern is also reflected in the stability of respondents' business models. Ninety-seven percent (97%) of companies reported no changes to their business models over the past twelve months, although approximately half expanded their product and service portfolios during the same period. This finding suggests that current industry growth is being driven more by deepening capabilities and strengthening collaboration than by fundamental changes to business models.

HIGHLIGHT

A total of 81% of respondents have established active partnerships with other ecosystem participants, while 77% identify strategic partnerships as their primary growth strategy. These findings indicate that competitive advantage in the digital financial industry is increasingly determined by the ability to build connectivity across the ecosystem, rather than by developing services independently. As customer needs become more complex and financial services become increasingly integrated, collaboration has become the cornerstone for scaling businesses while accelerating innovation throughout the ecosystem.

The Regulatory Framework and the Challenges of the Scale-Up Phase

As the industry enters the scale-up phase, the principal challenges facing the digital financial industry are no longer limited to securing funding or expanding market reach. As businesses grow in scale and service offerings become more complex, companies are increasingly focused on meeting regulatory and compliance requirements.

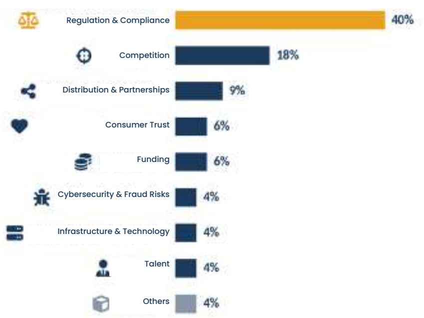


Chart 2 - 15 Biggest Growth Challenges over the Next Twelve Months

Source: AFTECH Annual Members Survey 2025–2026, N=129, new question introduced in this edition

A total of 40% of respondents identified regulation and compliance as their greatest growth challenge, significantly exceeding competition (18%) and distribution and partnerships (9%). Meanwhile, funding, talent, cyber risk, infrastructure, and consumer trust were cited by only a small proportion of respondents. These findings indicate that as the industry matures, its primary challenge has shifted from generating growth to managing operational complexity and regulatory compliance.

These findings do not contradict respondents' high level of confidence in the overall direction of regulatory policy, as discussed in the previous chapter. The primary concern lies not with the objectives of regulation, but with its implementation—particularly licensing certainty, regulatory harmonisation, and the efficiency of regulatory reporting obligations. Accordingly, the industry's greatest challenge is not the existence of regulation itself, but the ability to establish compliance frameworks that can keep pace with the speed of innovation.

ASEAN as the Primary Destination for Respondents' Business Expansion Plans

After strengthening their position in the domestic market, some industry players have begun exploring growth opportunities across the region. Although most respondents remain focused on Indonesia, the increasing connectivity of ASEAN's digital economy presents opportunities for fintech companies to expand their services into markets with similar characteristics.

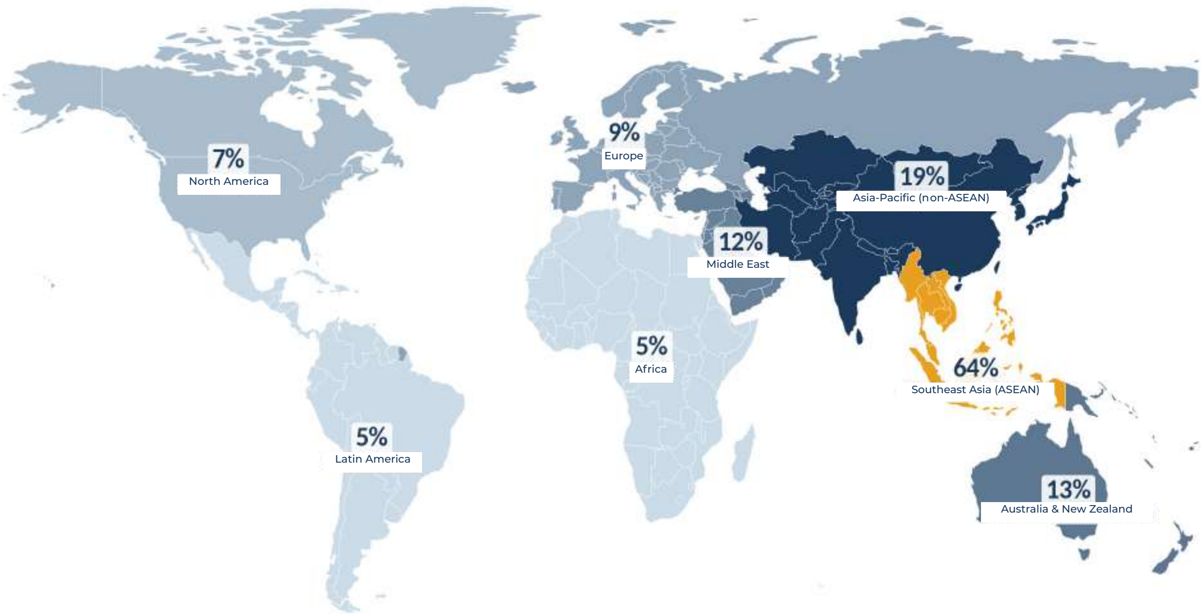


Chart 2 - 16 Overseas Markets Currently Served or Targeted by Respondents
Source: AFTECH Annual Members Survey 2025–2026, N=129, multiple-response question.

A total of 50% of respondents do not yet have an international market presence, while 35% are already operating or serving customers outside Indonesia, and 15% plan to expand internationally within the next twelve months. Among respondents that have expanded or intend to expand overseas, ASEAN is the primary destination, accounting for 64%, far exceeding the Asia-Pacific region outside ASEAN, Australia and New Zealand, the Middle East, Europe, and other regions.

ASEAN's dominance reflects the similarity of market characteristics, regulatory environments, and digital economy development across the region. In addition, the expanding implementation of cross-border payment connectivity, national QR interoperability, and growing ASEAN digital economy cooperation have created an increasingly solid foundation for the regional expansion of Indonesian fintech companies. Consequently, ASEAN has the potential to serve as the first stage of the industry's regionalisation before expanding into broader global markets.

Nevertheless, significant opportunities for regional expansion remain. Half of the respondents have not yet established operations outside Indonesia, indicating that industry growth over the coming years will continue to be driven primarily by the strengthening of the domestic market. Accordingly, enhancing corporate capabilities, harmonising regional regulations, and strengthening collaboration among regulatory authorities and industry associations will be key factors in accelerating the regional expansion of Indonesian fintech companies.

Key Takeaways from the AMS 2025–2026 Respondent Profile

The findings presented in this chapter demonstrate that Indonesia's fintech industry and digital financial ecosystem have entered a new phase of growth. The industry's focus is no longer solely on achieving scale through user acquisition, but on improving the quality of growth through more mature business models, stronger organisations, and closer collaboration across the ecosystem. This shift is reflected in the growing proportion of companies in the growth stage, the dominance of B2B and B2B2C business models, and the prominence of strategic partnerships as the primary pathway for expansion.

At the same time, increasing business scale has introduced new challenges. Regulation and compliance have emerged as the industry's primary concerns, signalling a shift from the challenge of securing funding to managing increasingly complex governance requirements. This demonstrates that the industry's future success will depend not only on its ability to innovate, but also on companies' capacity to establish strong and adaptive governance frameworks.

Meanwhile, the continued focus on the domestic market, with ASEAN serving as the primary regional expansion destination, indicates that substantial growth opportunities remain. Going forward, regulatory quality, stronger digital infrastructure, regional connectivity, and cross-sector collaboration will form the essential foundations for enabling Indonesia's digital financial industry to achieve sustainable growth while enhancing its competitiveness at the regional level.

3

CAPITAL, PROFITABILITY, AND THE NEW DIRECTION OF GROWTH

Key Insight:

Indonesia's digital financial industry has entered a phase of capital discipline. Dependence on external funding is gradually declining, while capital efficiency, profitability, and business model sustainability have become increasingly important measures of success. This shift indicates that industry growth is no longer driven solely by the ability to raise investment, but by the ability to generate sustainable economic value.

Changes in the global investment landscape over the past few years have also transformed the way fintech companies and the digital financial ecosystem finance their growth. Whereas access to funding was the primary concern during the industry's early stage of development, companies are now placing greater emphasis on capital efficiency, profitability, and business model resilience. This shift reflects the increasing maturity of Indonesia's digital financial industry, where growth is no longer measured by the amount of capital raised, but by the ability to manage capital productively and sustainably.

This chapter examines how these changes are reflected in the funding behaviour of AFTECH member companies, covering investment fundraising needs, capital structure, funding stages, investor profiles, and the growing emphasis on profitability. It also highlights the Government's role in fostering an investment climate that supports the sustainable growth of Indonesia's digital financial industry.

This transition marks the industry's shift from a phase focused on raising capital to one centred on capital discipline, where the quality of growth has become more important than the amount of capital raised.

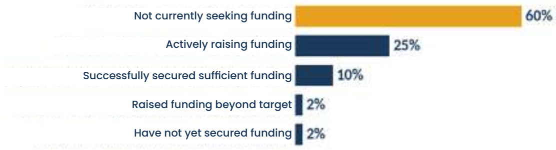


Chart 3 - 1 Respondents Funding Status

Source: AFTECH Annual Members Survey 2025–2026, N=126

Sixty percent (60%) of respondents stated that they were not seeking investment during the survey period. Meanwhile, 25% were actively fundraising, 10% had already secured what they considered sufficient funding, and 2% reported raising investment beyond their target. Only a small proportion of respondents indicated that they had not yet obtained funding that met their business needs.

These findings indicate that the need for external funding is no longer a common characteristic across the industry.

KEY NUMBERS

Capital Discipline

Sixty percent (60%) of respondents are not currently seeking new investment, while nearly half have financed their business growth independently. Strategic corporate investors and internally generated funding have become the dominant sources of capital, reflecting the industry's shift from funding-driven expansion towards more sustainable growth.

Capital Discipline Is Reshaping Industry Growth

External funding is no longer the sole driver of growth in Indonesia's digital financial industry. An increasing number of companies are choosing to strengthen their business fundamentals, optimise existing capital, and pursue new investment more selectively based on their expansion requirements.

For many companies, the focus has shifted towards strengthening business models, improving operational efficiency, and achieving organic growth before returning to the capital market. As a result, the decision to seek investment is increasingly determined by business strategy rather than short-term liquidity needs.

These findings also demonstrate that the high proportion of companies not currently seeking investment should not be interpreted as weakening investor interest in the industry.

Rather, an increasing number of companies are now in a position to determine the timing and scale of their funding needs more selectively as their business models mature and their revenue-generating capabilities improve.

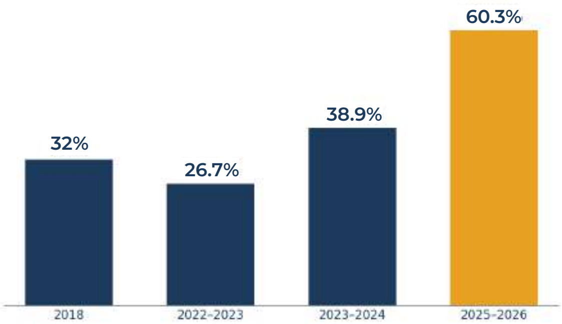


Chart 3 - 2 Respondents Not Seeking Investment, AMS 2018–2026 Comparison
Source: AFTECH Annual Members Survey, various years

This trend is also evident over the longer term. The proportion of respondents not seeking investment increased from 32% in the 2018 AMS to 60.3% in the 2025–2026 AMS, with the increase becoming particularly pronounced in recent years. This development indicates that external fundraising is no longer a primary requirement for an increasing number of companies across the industry.

The trend reflects a broader shift in the industry's growth orientation. During the early stages of development, companies relied heavily on external funding to accelerate expansion. Today, however, more businesses are choosing to maximise existing capital, strengthen their business fundamentals, and access new funding in a more disciplined manner. This transition is one of the key indicators of the increasing maturity of Indonesia's digital financial ecosystem.

A More Diversified Capital Structure

The declining reliance on external funding does not imply that companies require less capital. Rather, digital financial companies are increasingly relying on a combination of funding sources that align with their stage of development and business needs. This shift demonstrates that the industry's capital structure is becoming increasingly diversified, with internally generated funding, strategic investors, and private capital complementing one another in supporting business growth.

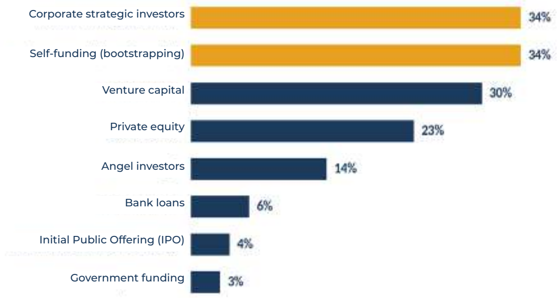


Chart 3 - 3 Composition of Respondents Funding Sources
Source: AFTECH Annual Members Survey 2025–2026, N=126, multiple-response question

Strategic corporate investors and self-financing are the two most widely utilised sources of capital, each cited by 34% of respondents. Venture capital ranks next at 30%, followed by private equity (23%) and angel investors (14%). Meanwhile, bank loans, Initial Public Offerings (IPOs), and government funding are utilised by only a small proportion of respondents.

This composition indicates that companies no longer rely on a single source of financing. Beyond providing capital, strategic investors also contribute access to technology, distribution networks, markets, and operational capabilities, all of which have become increasingly important in supporting business growth. At the same time, the significant proportion of self-financed companies reflects the growing number of businesses that are able to finance their expansion through internally generated cash flow and operating revenues.

These developments mark a significant shift in the investment landscape of Indonesia's digital financial industry. Compared with the early stage of fintech development, which was dominated by venture capital, the current funding structure has become more diversified and flexible, providing companies with a broader range of financing options aligned with their respective business needs and strategies.

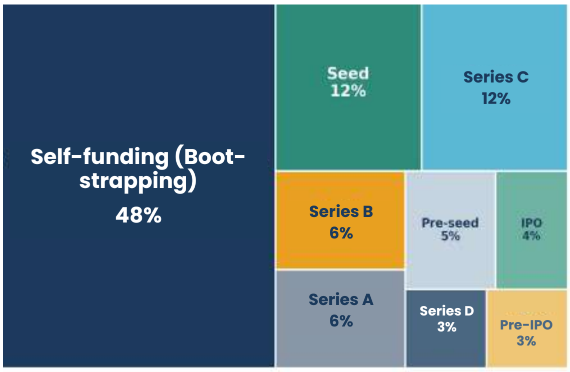


Chart 3 - 4 Distribution of Respondents by Funding Stage

Source: AFTECH Annual Members Survey 2025–2026, N=126

The diversity of funding structures is also reflected in companies' funding stages. Nearly half of respondents (48%) reported operating as bootstrapped businesses, making this the largest group in the survey. This finding reinforces the indication that an increasing number of companies have achieved greater financial independence compared with the industry's early stage of development.

Beyond the bootstrapped group, companies span funding stages from pre-seed to pre-IPO. A total of 24% of respondents are at the Seed, Series A, and Series B stages, indicating that capital continues to flow to early-stage and growth-stage companies. Meanwhile, the presence of companies at the Series C, Series D, and pre-IPO stages demonstrates that the industry now possesses an increasingly comprehensive funding spectrum.

The introduction of the Series D to pre-IPO funding categories in the AMS 2025–2026 reflects an important development in Indonesia's investment landscape. A total of 24% of respondents are at the Seed, Series A, and Series B funding stages, indicating that capital continues to flow to early-stage and growth-stage companies. Meanwhile, the presence of companies at the Series C, Series D, and pre-IPO stages demonstrates that the industry now has an increasingly comprehensive funding spectrum.

The introduction of the Series D to pre-IPO funding categories in the AMS 2025–2026 reflects a significant development in Indonesia's investment landscape. Although these companies still represent a relatively small proportion of respondents, their presence indicates that an increasing number of fintech and digital financial companies have successfully progressed beyond the early stage of growth and entered the expansion phase. This finding suggests that Indonesia's investment ecosystem is becoming increasingly mature, with the ability to produce companies that not only emerge as startups but also develop into large-scale businesses capable of competing over the long term.

Investor Demographics: Increasingly Connected to Global Capital Networks

The growing diversity of funding structures has also broadened the profile of investors participating in Indonesia's digital financial industry. In addition to domestic investors, fintech companies and the broader digital financial ecosystem are becoming increasingly connected to regional and global capital networks. This development not only expands access to capital but also creates opportunities for collaboration, knowledge transfer, and international expansion.

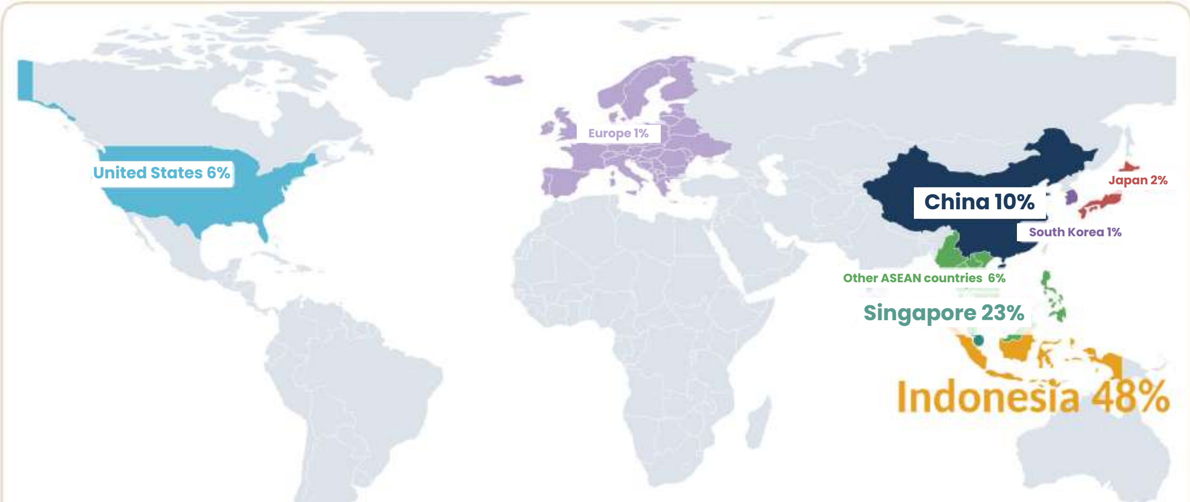


Chart 3 - 5 Region of Origin of Respondents' Majority Investors
Source: AFTECH Annual Members Survey 2025–2026, N=126

Domestic investors remain the largest source of capital for Indonesia's digital financial industry, accounting for 48% of respondents. Singapore ranks second with 23%, followed by China (10%), the United States, other ASEAN countries, and other regions in smaller proportions. This composition indicates that the industry's investment ecosystem increasingly combines domestic capital with international investment networks.

The presence of investors from various countries not only broadens companies' financing options but also provides access to business networks, expertise in scaling technology companies, and opportunities for cross-border expansion. For fintech companies, the strategic value of investors is increasingly determined by their ability to facilitate market access and build partnerships, rather than simply providing capital.

Long-term trends indicate that the investor base within the fintech and digital financial ecosystem has become increasingly geographically diversified. The proportion of respondents whose majority investors originate from Indonesia declined from 80% in the 2021 AMS to 47.6% in the 2025–2026 AMS. This decline does not indicate a diminished role for domestic investors; rather, it reflects the growing participation of regional and global investors in supporting the industry's growth.

This evolution demonstrates the increasingly strong integration of Indonesia's digital financial industry with the international investment ecosystem. Domestic investors continue to serve as the industry's primary foundation, while the participation of foreign investors expands companies' access to capital, networks, and expertise required to scale their businesses.

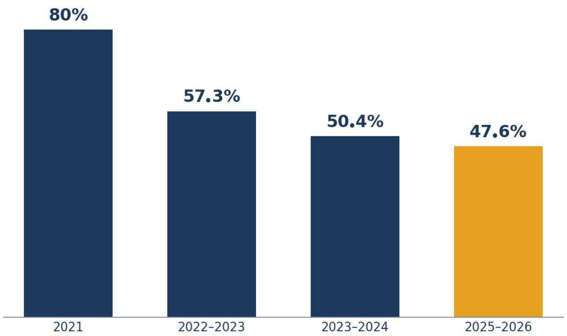


Chart 3 - 6 Proportion of Respondents Whose Majority Investors Are from Indonesia, AMS 2021–2026 Comparison
Source: AFTECH Annual Members Survey, various years

HIGHLIGHT

This shift in the investor profile has also changed the way companies measure success. Amid an increasingly selective investment environment, success is no longer determined solely by user growth or transaction volume. Instead, the focus has shifted towards companies' ability to achieve profitability, maintain operational efficiency, and build business models capable of sustaining long-term growth.

Profitability as the New Measure of Growth

Profitability has consistently become one of the primary indicators for assessing the quality of growth among fintech companies and digital financial service providers. After years of focusing on expansion and user acquisition, fintech companies and digital financial service providers. After years of focusing on expansion and user acquisition, fintech companies and digital financial service providers are now increasingly expected to demonstrate their ability to generate profits without compromising business sustainability. This shift reflects both the growing selectivity of capital markets and the increasing maturity of the industry's growth strategies.

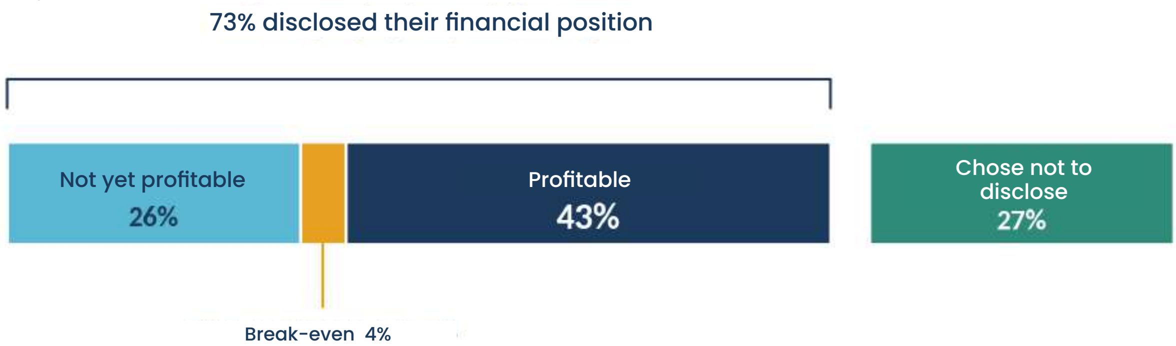


Chart 3 - 7 Respondents' Profitability Status
Source: AFTECH Annual Members Survey 2025–2026, N=126

A total of 43% of respondents reported having achieved profitability, while 4% were operating at break-even. Meanwhile, 26% of respondents had not yet become profitable, and 27% chose not to disclose their company's profitability status.

These findings indicate that profitability has become an increasingly relevant indicator of industry development. Although not all respondent companies have reached the same stage, a growing number of industry players have successfully translated business growth into sustainable financial performance. This reinforces the view that corporate success is now determined increasingly by the strength of the business model, rather than solely by the pace of expansion.

HIGHLIGHT

Profitability as Sensitive Information

More than one-quarter of respondents chose not to disclose their company's profitability status. This indicates that profitability is still regarded as commercially sensitive information, particularly for companies that are fundraising, operating in highly competitive markets, or following group-level reporting policies. Consequently, the proportion of companies that have achieved profitability should be understood as reflecting voluntary disclosure, rather than a complete representation of the industry as a whole.

In addition to assessing companies' current financial performance, the AMS 2025–2026 also examines respondents' target profitability margins for the coming year. This indicator provides insight into companies' expectations regarding future business performance and the extent to which they balance growth with financial sustainability. The distribution of target margins shows that most respondents are aiming for moderate levels of profitability, reflecting a stronger emphasis on sustainable growth rather than expansion at the expense of long-term financial health. The following chart presents the distribution.

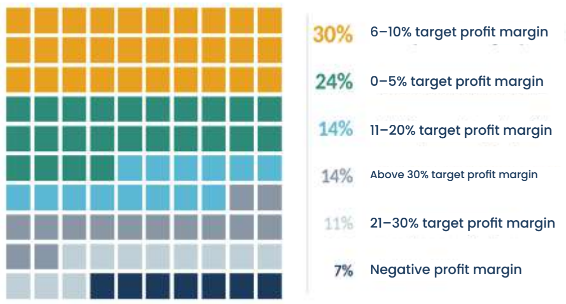


Chart 3 - 8 Distribution of Target Profitability Margins for the Coming Year

Source: AFTECH Annual Members Survey 2025–2026, N=109.

Respondents' target profitability margins indicate generally realistic expectations. More than half of respondents are targeting profit margins in the 0–10% range, suggesting that most companies prioritise sustainable growth over pursuing high short-term returns.

Meanwhile, 14% of respondents are targeting profit margins exceeding 30%. This variation reflects the diversity of business models within the digital financial industry. Technology, software, and infrastructure providers generally have greater margin potential due to the highly scalable nature of their business models. By contrast, companies serving end consumers directly tend to incur higher customer acquisition and distribution costs.

Overall, the distribution of target profit margins demonstrates that the industry is not converging towards a single level of profitability. Differences in business models result in varying cost structures, revenue potential, and profit margin expectations, further reflecting the increasing maturity of Indonesia's digital financial ecosystem.

Building a Conducive Investment Climate

Beyond the availability of capital, the quality of the investment climate also plays a critical role in determining the sustainability of growth in the digital financial industry. Accordingly, the AMS 2025–2026 not only examines the forms of government support that industry players have already received but also identifies the policy measures considered most important for encouraging future investment. These findings provide insight into how industry players perceive the Government's role in fostering a healthy and competitive investment ecosystem.

Regulatory certainty is regarded as the most effective means of strengthening investor confidence—both domestic and international—while providing companies with a solid foundation for making long-term investment and expansion decisions.

The emphasis on regulatory sandboxes and tax incentives also indicates that the industry places greater importance on policies that encourage innovation and strengthen private capital participation than on direct financial support. In other words, the Government's role is increasingly viewed as that of an enabler of a conducive business environment, while financing for growth is expected to come primarily from market mechanisms and the broader investment ecosystem.

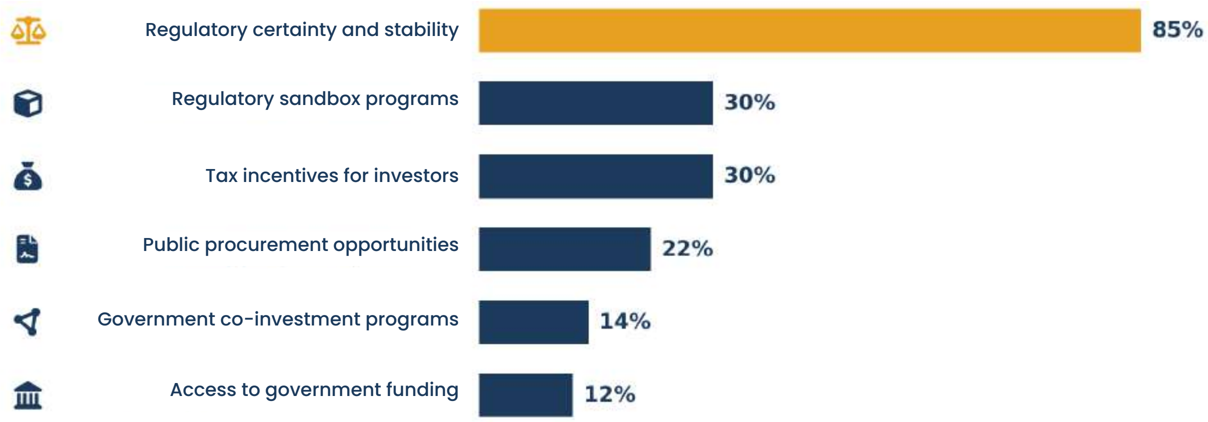


Chart 3 - 9 Forms of Government Support Most Expected to Encourage Industry Investment
Source: AFTECH Annual Members Survey 2025–2026, N=125.

Regulatory certainty and stability are the forms of government support most desired by industry players, selected by 84% of respondents. This is followed by regulatory sandboxes and tax incentives for investors (30% each), public procurement opportunities (22%), government co-investment programmes (14%), and access to government funding (12%).

These findings indicate that the primary investment-related need of the fintech and digital financial ecosystem is not additional government funding, but rather the creation of a stable, predictable, and consistently implemented investment climate.

HIGHLIGHT

Mobilising Long-Term Domestic Capital

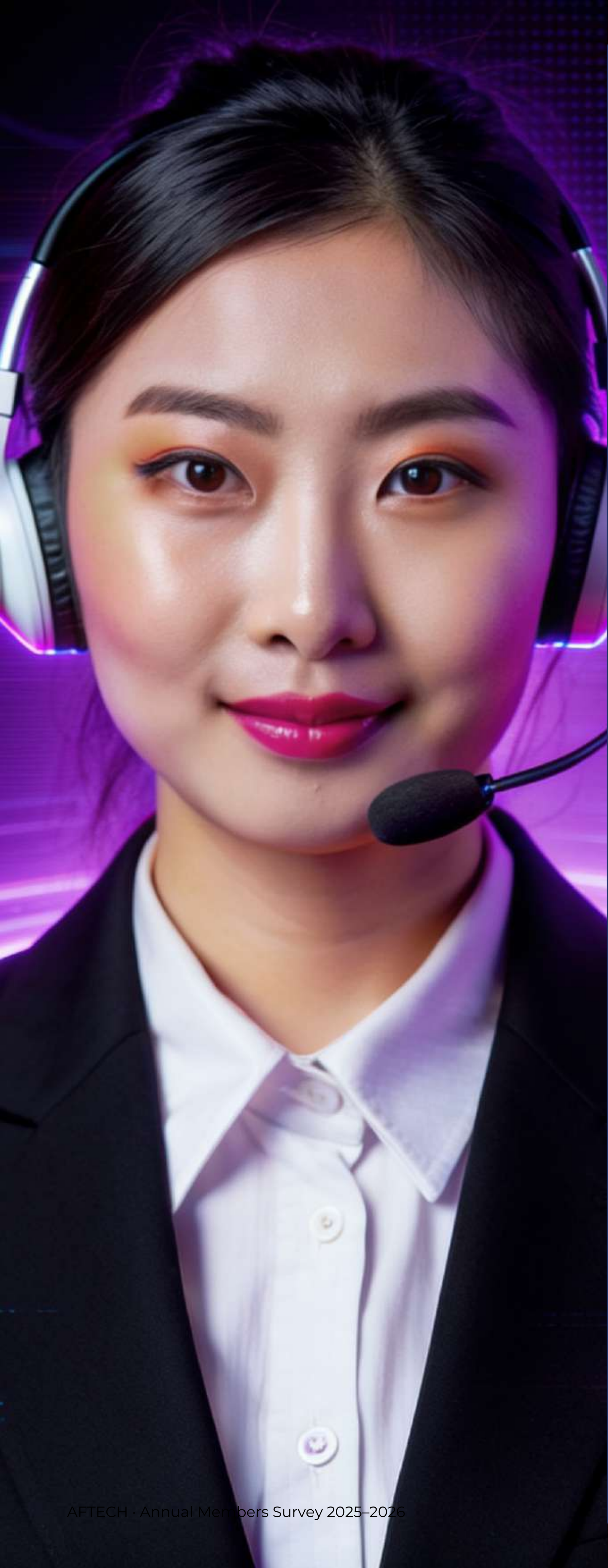
Strengthening the investment ecosystem depends not only on attracting foreign capital but also on developing long-term domestic sources of financing. Several Southeast Asian countries have begun strengthening the role of sovereign wealth funds, institutional investors, and co-investment schemes to support technology companies in their later stages of growth. For Indonesia, this approach presents an opportunity to broaden domestic capital participation, enabling digital financial companies to access more sustainable financing throughout their expansion phase.

Key Takeaway: From Valuation to Sustainability

The findings in this chapter indicate that Indonesia's fintech industry and digital financial ecosystem have entered a more mature phase of capital development. External funding remains an important component of the ecosystem, but it is no longer the sole driver of growth. An increasing number of companies are relying on a combination of internally generated capital, strategic investors, and more disciplined financial management to scale their businesses.

This shift has also redefined how industry success is measured. As investors become increasingly selective, the ability to achieve profitability, deploy capital efficiently, and build sustainable business models has become increasingly important. Capital is therefore no longer viewed as an end in itself, but as an enabler that accelerates the growth of companies with strong business fundamentals.

The survey findings also indicate that the quality of the investment climate is becoming increasingly important. For industry players, the government support most needed is not additional direct funding, but regulatory certainty that can strengthen investor confidence while creating an environment in which innovation can flourish in a healthy manner. These findings provide a bridge to the next chapter, which examines how industry players perceive the quality of regulation, governance, and compliance as the foundation for the future growth of Indonesia's digital financial industry.



4

REGULATION, GOVERNANCE, AND TRUST IN THE FINTECH INDUSTRY

Key Insight:

Indonesia's digital financial industry has entered a new phase in the evolution of its regulatory framework. Industry players are no longer focused on whether a regulatory framework exists, but rather on the certainty of its implementation, harmonisation among regulators, and the efficiency of regulatory compliance. At the same time, governance, risk management, and operational resilience have increasingly become integral components of business strategy to maintain trust and support sustainable growth.

Regulation has become an integral part of the development of Indonesia's digital financial industry. During the industry's early stages, attention was primarily directed towards establishing the regulatory framework. Today, however, the challenge has shifted towards the quality of implementation, harmonisation among regulatory authorities, and companies' ability to establish governance frameworks capable of keeping pace with the growing complexity of digital business models. This shift demonstrates that the industry's competitiveness is no longer determined solely by its capacity for innovation, but also by the quality of the governance that underpins it.

This chapter examines how fintech companies and the broader digital financial ecosystem perceive the quality of the current regulatory framework, the most challenging areas of compliance, and companies' level of preparedness in establishing governance, risk management, operational resilience, personal data protection, and artificial intelligence governance. Together, these six dimensions provide an overview of the industry's readiness to build the certainty of implementation, consistency in enforcement, and its ability to create a conducive business environment. This shift has become increasingly important because the quality of regulatory implementation now has a growing influence on companies' investment and expansion decisions.

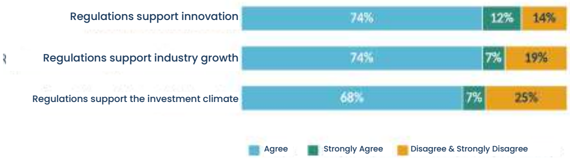


Chart 4 - 1 Perceptions of the Digital Financial Industry Regulatory Framework

Source: AFTECH Annual Members Survey 2025–2026, N=121

The majority of respondents expressed positive views of the current regulatory framework. A total of 86% agreed that the regulatory framework supports innovation, 81% believed it supports industry growth, and 75% considered it supportive of the investment climate. Although all three indicators continue to receive predominantly positive assessments, support for the investment climate recorded the lowest level of agreement among the three dimensions.

These differences indicate that industry players distinguish between the overall direction of regulatory policy and their experience with its implementation. While the regulatory framework is perceived as providing room for innovation and industry growth, its effectiveness in creating certainty for investment decisions remains an area of concern.

These findings are consistent with those presented in the investment chapter of the

KEY NUMBERS

The Industry Supports the Direction of Regulation but Expects Greater Certainty in Implementation

A total of 86% of respondents believe that Indonesia's current digital financial ecosystem regulatory framework is supportive of innovation. However, this level of agreement has declined compared with the AMS 2024–2025. At the same time, the majority of fintech companies have adopted governance, risk management, and operational resilience frameworks. These findings indicate that the industry's primary challenge no longer lies in the direction of regulation, but in the consistency of its implementation and the efficiency of compliance.

From Regulatory Support to Regulatory Certainty

As the fintech industry and digital financial ecosystem continue to mature, industry expectations regarding regulation have also evolved. The focus is no longer solely on the availability of a regulatory framework that supports innovation, but on the

AMS 2024–2025, where regulatory certainty emerged as the form of government support most needed by the industry.

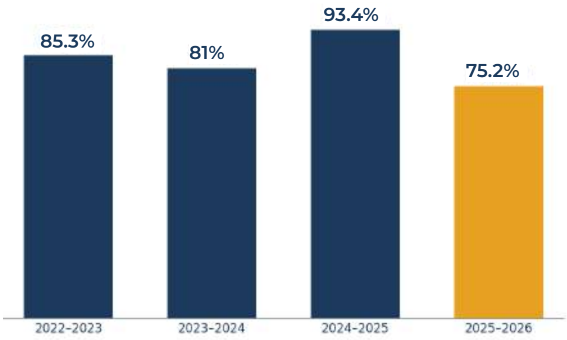


Chart 4 - 2 Perception that Regulation Supports Investment, AMS 2022–2026 Comparison

Source: AFTECH Annual Members Survey, various years

Longitudinal analysis shows that perceptions of regulatory support for investment have fluctuated over recent years. After increasing to 93.4% in the AMS 2024–2025, the proportion of respondents who believe that regulation supports investment declined to 75.2% in the AMS 2025–2026.

This decline does not indicate diminishing confidence in the overall direction of regulation. Rather, it reflects the industry's growing expectations for greater certainty in implementation, stronger harmonisation among regulators, and more consistent policy enforcement. As businesses increase in scale and digital business models become more complex, the quality of regulatory implementation has become an increasingly important determinant of sustainable investment and industry growth.

The Real Challenge Lies in Regulatory Implementation

The industry's rising expectations regarding regulatory quality are reflected in the compliance areas that respondents perceive as the most challenging. These challenges relate less to the substance of regulation it self than to the implementation processes associated with regulatory compliance, ranging from licensing procedures to reporting obligations. This finding suggests that the quality of regulatory governance is now increasingly determined by the effectiveness of its implementation.

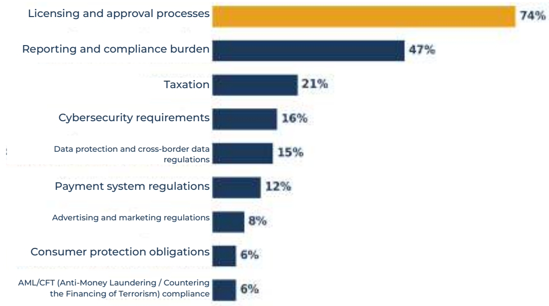


Chart 4 - 3 Regulatory Areas Considered Most Challenging to Implement

Source: AFTECH Annual Members Survey 2025–2026, N=117, multiple-response question (maximum three selections)

Licensing and approval processes were identified as the most challenging regulatory area, selected by 74% of respondents. This was followed by reporting and compliance (47%), taxation (21%), cybersecurity (16%), personal data protection and cross-border data transfers (15%), and payment systems (12%). Other areas, such as consumer protection and anti-money laundering and counter-terrorism financing (AML/CFT), were selected by only a small proportion of respondents.

The prominence of licensing and reporting indicates that the industry's primary challenges lie in administrative processes rather than the substance of regulation itself. For industry players, the certainty of licensing timelines, consistent interpretation of emerging business models, and efficient reporting processes increasingly influence both compliance costs and the pace of innovation.

Conversely, the relatively small proportion of respondents identifying consumer protection, AML/CFT, or payment systems as major challenges suggests that these obligations have become increasingly embedded in companies' day-to-day operations.

Accordingly, future regulatory reform should focus on harmonising licensing processes and simplifying reporting requirements, thereby reducing compliance burdens without compromising the effectiveness of regulatory oversight.

and Compliance Monitoring (67%), Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) Compliance (59%), and Enterprise Risk Management (ERM) (45%).

HIGHLIGHT

Compliance as a Strategic Pillar of Industry Growth

The varying levels of adoption reflect the different stages of organisational development among respondent companies. Frameworks that are directly related to operations and technology have become standard practice across almost the entire industry, whereas Enterprise Risk Management (ERM) is more commonly adopted by companies with larger business operations and greater organisational complexity.

Good Governance: The New Industry Standard for Fintech

Increasingly complex regulatory requirements have encouraged companies to establish more structured governance systems. Governance, Risk, and Compliance (GRC) frameworks, risk management, and internal oversight are no longer viewed merely as compliance requirements; instead, they have become fundamental to building more resilient and sustainable organisations.

The varying levels of adoption reflect the different stages of organisational development among respondent companies. Frameworks that are directly related to operations and technology have become standard practice across almost the entire industry, whereas Enterprise Risk Management (ERM) is more commonly adopted by companies with larger business operations and greater organisational complexity.

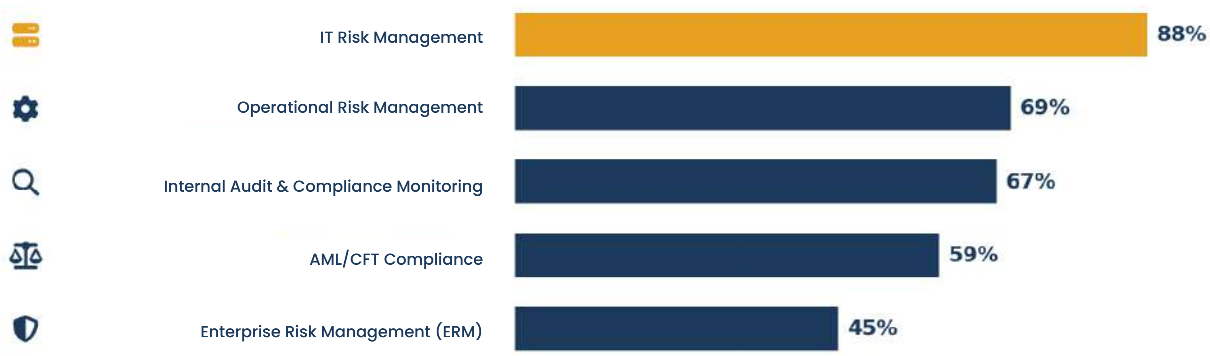


Chart 4 - 4 Governance and Risk Management Frameworks Adopted by Respondents

Source: AFTECH Annual Members Survey 2025–2026, N=124, multiple-response question

The adoption of governance frameworks among AMS 2025–2026 respondents demonstrates continued progress, particularly in terms of organisational maturity. Information Technology Risk Management is the most widely implemented framework, adopted by 88% of respondents, followed by Operational Risk Management (69%), Internal Audit

These findings indicate that governance frameworks continue to evolve alongside companies' growth. As businesses expand, organisations require not only stronger operational risk management but also enterprise-wide risk management frameworks capable of integrating risk management across all business functions.

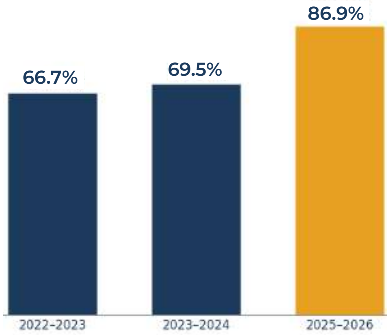


Chart 4 - 5 Compliance with the AFTECH Code of Conduct, AMS 2022–2026 Comparison

Source: AFTECH Annual Members Survey, various years

Strengthened governance is reflected not only in the adoption of risk management frameworks but also in the industry's growing commitment to ethical standards. The proportion of respondents reporting compliance with the AFTECH Code of Conduct increased from 69.5% in AMS 2023–2024 to 86.9% in AMS 2025–2026.

This increase indicates that self-regulation is becoming more deeply embedded in business practices across Indonesia's digital financial industry. For industry players, compliance with the Code of Conduct is no longer viewed merely as a membership requirement, but as an integral component of corporate governance that helps build trust, uphold integrity, and strengthen the industry's credibility.

This strengthening of governance is also reflected in the increasing preparedness of fintech companies and the broader digital financial ecosystem to maintain service continuity during operational disruptions.

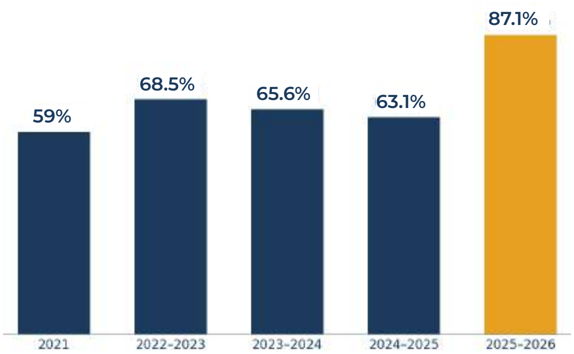


Chart 4 - 6 Respondents Able to Restore Operations Within 24 Hours, AMS 2021–2026 Comparison

Source: AFTECH Annual Members Survey, various years

Respondents' operational resilience has improved significantly over the past several years. A total of 87.1% of respondents reported that they are able to restore operations within 24 hours following an operational disruption, a substantial increase from 63.1% in AMS 2024–2025. This improvement reflects the industry's growing readiness to ensure the continuity of digital financial services.

The enhanced recovery capability indicates that investment in operational resilience has become an increasingly important corporate priority. Strengthened technology infrastructure, more resilient system architectures, and enhanced Disaster Recovery Plans (DRPs) have enabled companies to respond to disruptions more rapidly while minimizing their impact on both services and customers.

These findings also suggest that operational resilience has evolved into a competitive advantage for the industry. As society becomes increasingly dependent on digital financial services, the ability to maintain service continuity is becoming a critical factor in building customer trust and meeting regulatory expectations.

HIGHLIGHT

Operational Resilience Amid an Evolving Regulatory and Technological Landscape

Strengthening governance and operational resilience has become a fundamental prerequisite for the sustainable growth of Indonesia's fintech and digital financial services ecosystem amid an increasingly complex regulatory environment. The challenge is no longer limited to meeting compliance requirements, but extends to establishing governance systems capable of safeguarding personal data while anticipating emerging risks associated with new technologies, including Artificial Intelligence (AI).

Strengthening Governance in Today's Fintech Industry

Digital transformation continues to create new governance challenges. Beyond enhancing operational resilience, companies are increasingly expected to ensure that personal data management and the use of Artificial Intelligence (AI) are conducted responsibly. Both aspects have become increasingly important, as they form the foundation of consumer trust while determining the industry's readiness to respond to future regulatory developments.

Sixty-five percent (65%) of respondents reported that they are fully prepared to comply with the requirements of Indonesia's Personal Data Protection Law (PDP Law). Meanwhile, 26% indicated they are partially prepared, while 10% stated that they remain in the early stages of readiness.

This distribution suggests that the industry's readiness to comply with the PDP Law is relatively high, although the transition process is not yet complete. For some companies, the primary challenges remain the alignment of business processes, strengthening data governance,

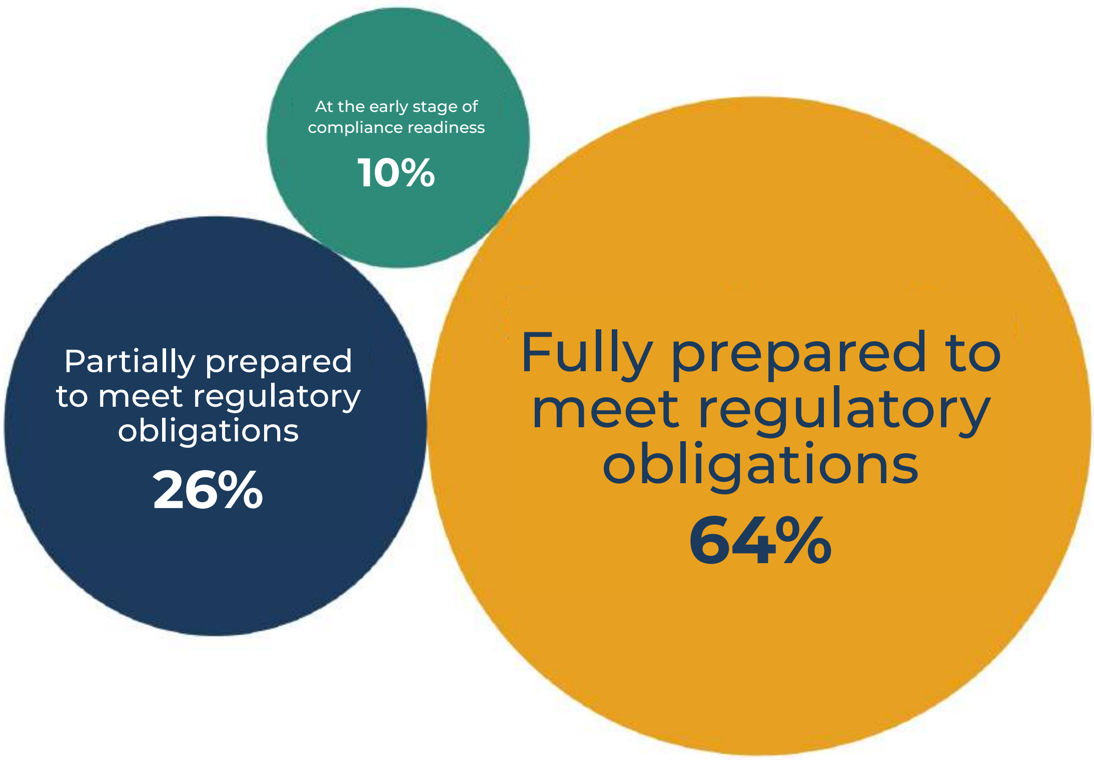


Chart 4 - 7 Respondents' Readiness to Comply with the Personal Data Protection Law (PDP Law)

Source: AFTECH Annual Members Survey 2025–2026, N=124

and implementing technical requirements that continue to evolve alongside the development of implementing regulations.

These findings indicate that compliance with the Personal Data Protection (PDP) Law depends not only on fulfilling administrative requirements but also on a company's ability to establish data governance that is integrated with risk management, information security, and consumer protection.

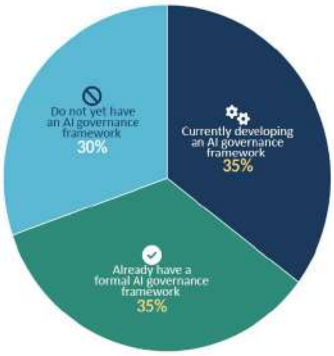


Chart 4 - 8 Status of Respondents' Artificial Intelligence Governance Frameworks

Source: AFTECH Annual Members Survey 2025–2026, N=122

The rapid advancement of Artificial Intelligence (AI) presents new governance challenges for the digital financial industry. Unlike personal data protection, which is already supported by a more mature regulatory framework, AI governance remains in the early stages of development. Consequently, companies' readiness to establish AI governance frameworks has become an important indicator of the industry's ability to anticipate future technology-related risks.

The development of Artificial Intelligence (AI) presents new governance challenges for the digital financial industry. Unlike personal data protection, which is already supported by a more mature regulatory framework, AI governance remains at a relatively early stage of development. Therefore, companies' readiness to establish AI governance frameworks has become an important indicator of the industry's ability to anticipate and manage future technology-related risks.

Thirty-four percent (34%) of respondents have already established a formal AI governance framework, while 35% are currently developing one, and 30% have not yet implemented such a framework. This distribution indicates that most companies recognize the importance of AI governance, although implementation remains at varying levels of maturity.

These findings suggest that the industry's focus is shifting from merely adopting AI to ensuring that its use is responsible, transparent, and accountable. As AI is increasingly deployed in analytics, customer services, and decision-making processes, AI governance will become an increasingly integral component of corporate risk management frameworks.

HIGHLIGHT

AI Governance: From Principles to Implementation

The survey findings indicate that AI adoption is advancing more rapidly than the development of internal governance frameworks among respondent companies. However, this does not mean the industry is starting from scratch. In 2023, AFTECH published the Code of Ethics for Artificial Intelligence in the Financial Technology Industry, which was further strengthened through the integration of AI principles into the AFTECH Integrated Code of Conduct in 2025. These initiatives provide an initial foundation for the responsible development and use of AI within Indonesia's digital financial industry.

The next challenge is no longer defining principles, but translating them into policies, procedures, and oversight mechanisms that can be implemented consistently across organizations. In this context, industry associations play an increasingly important role in strengthening members' capabilities through the development of implementation guidelines, the sharing of best practices, and alignment with evolving international standards. These efforts will help ensure that AI is deployed in a manner that is secure, transparent, accountable, and consistently focused on consumer protection.

Resilience as a Competitive Advantage

The findings in this chapter indicate that Indonesia's fintech industry and digital financial ecosystem have entered a new phase in strengthening governance. The industry's focus is no longer on the need for regulation itself, but rather on the quality of its implementation to ensure that it is consistent, efficient, and capable of keeping pace with the evolution of digital business models. This shift reflects the increasing maturity of the ecosystem, where compliance has become an integral part of the innovation process.

The findings of the AMS 2025–2026 survey also demonstrate that stronger governance has been translated into more concrete practices. The high level of adoption of governance frameworks, risk management, and operational resilience indicates that companies are increasingly integrating these elements into their business strategies. Readiness for the implementation of the Personal Data Protection Law, together with the growing emphasis on Artificial Intelligence (AI) governance, also reflects the industry's efforts to anticipate the evolving regulatory and technological landscape.

Looking ahead, the industry's competitive advantage will be determined not only by its ability to drive innovation, but also by its capacity to maintain operational resilience and build public trust. This foundation provides the basis for the next chapter, which discusses cybersecurity resilience, data protection, and consumer trust as the key pillars of a sustainable digital financial ecosystem.

5

SECURE BY DESIGN:

THE FOUNDATION OF FINTECH AND DIGITAL FINANCIAL SERVICES GROWTH

Key Insight:

Trust is the most valuable asset in the digital financial industry. The findings of AMS 2025–2026 indicate that the cyber resilience of Indonesia's fintech industry and digital financial ecosystem continues to strengthen. This is reflected in the wider adoption of cybersecurity best practices, improved incident response capabilities, and respondents' growing readiness to maintain service continuity. However, as defensive capabilities improve, the digital risk landscape is also evolving. Threats are no longer directed solely at systems but increasingly exploit social engineering, identity misuse, and vulnerabilities across the digital supply chain. This shift underscores that building trust requires not only investment in technology, but also stronger governance, collaboration, and consumer protection.

As fintech adoption continues to grow, the industry's challenge is no longer limited to delivering innovation more rapidly, but also to ensuring that every service operates securely, reliably, and responsibly. Increasing transaction volumes, greater data exchange, and deeper interconnectivity among systems have expanded exposure to cyber risks, operational disruptions, and personal data misuse. In this context, the ability to build and sustain trust has become a fundamental prerequisite for the long-term growth of the fintech industry and the digital financial services ecosystem.

This chapter presents an overview of AFTECH members' readiness to strengthen this foundation of trust through four key dimensions: cyber resilience, incident response capability, consumer protection, and the adoption of international standards and industry codes of conduct. As a new initiative, AMS 2025–2026 also introduces the Cyber Maturity Index, developed using twelve cybersecurity best practice indicators to provide a more comprehensive benchmark for assessing the industry's level of preparedness and tracking the evolution of cyber resilience over time.

Cyber Maturity: The Foundation of Trust and a Driver of Fintech Industry Growth

Cyber resilience is no longer measured solely by the deployment of security technologies, but also by an organisation's ability to establish governance, processes, and a cybersecurity culture that are implemented consistently. To assess this readiness, AMS 2025–2026 introduces the Cyber Maturity Index, comprising twelve best-practice indicators. These indicators cover security governance, information asset management, access controls, data protection, third-party risk management, workforce capability development, operational monitoring, incident response, operational resilience, secure software development, and external certification.

KEY NUMBERS

Building the Foundation of Digital Trust

77% of respondents have obtained security certification from external auditors; 74% have information technology (IT) security policies and standard operating procedures (SOPs) that are reviewed regularly, 73% test their Disaster Recovery Plans (DRPs) annually, 68% have implemented encryption for sensitive data at rest, 64% have established trained CERT/CSIRT teams. 60% experienced no system disruption during the past 12 months.

These findings indicate that fundamental cybersecurity practices have become the new industry standard across Indonesia's fintech and digital financial ecosystem. The next challenge is no longer establishing the foundation, but ensuring that cybersecurity capabilities are strengthened consistently throughout the entire digital financial ecosystem.

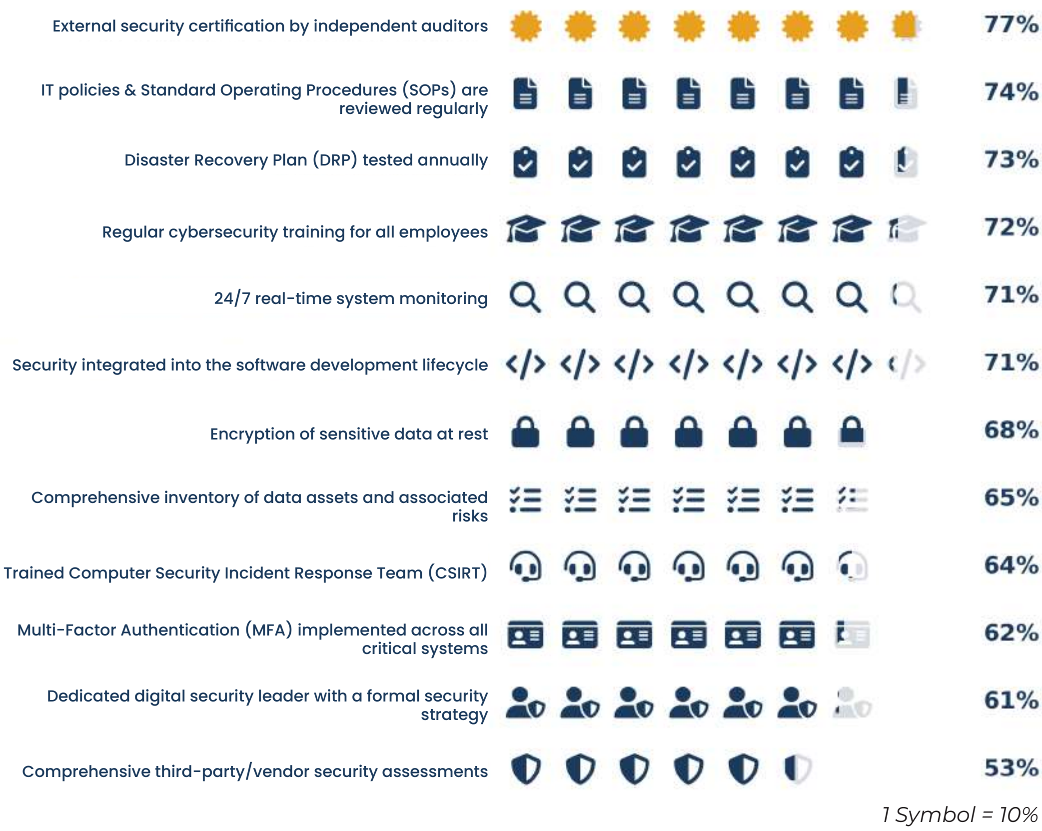


Chart 5 - 1 Proportion of Respondents Meeting Best Practices Across the Twelve Cybersecurity Indicators

Source: AFTECH Annual Members Survey 2025–2026, N=121

The survey findings indicate that core cybersecurity practices have been widely adopted across the industry. Seventy-seven percent (77%) of respondents have obtained security certification from external auditors, 74% have IT security policies and procedures that are reviewed regularly, while 73% routinely test their Disaster Recovery Plans (DRPs). Furthermore, 72% provide cybersecurity awareness training for all employees, while 71% conduct 24/7 system monitoring and have integrated security testing into their software development lifecycle.

Among the remaining indicators, 68% of respondents have implemented encryption for sensitive data at rest, 65% maintain documented inventories of data assets and associated risks, and 64% have established trained CERT/CSIRT teams. Multi-factor authentication (MFA) has been implemented across all critical systems by 62% of respondents, 61% have formally designated information security leaders, while security assessments of vendors and business partners recorded the lowest level of implementation at 53%.

The findings of AMS 2025–2026 also indicate that most respondents have adopted the cybersecurity practices that form the foundation of cyber resilience. However, the level of maturity remains uneven. An almost 24% point worth of gap between the highest and lowest-performing indicators suggests that the industry's focus is shifting from strengthening internal controls toward managing risks arising from an increasingly complex digital ecosystem. In an ecosystem where organizations become more dependent on technology providers, business partners, and third-party service providers, supply chain security is expected to become one of the industry's foremost priorities over the coming years.

HIGHLIGHT

Measuring the Cyber Resilience of Indonesia's Fintech Industry More Closely

AMS 2025–2026 is the first edition to introduce the Cyber Maturity Index as a tool for monitoring the evolution of the industry's cyber resilience. The twelve indicators were developed based on internationally recognised best practices, including the NIST Cybersecurity Framework and ISO/IEC 27001, enabling cyber resilience to be measured consistently across future editions of the AMS.

The initial assessment indicates that three areas require greater attention: security assessments of vendors and business partners (53%), formal information security leadership (61%), and comprehensive implementation of multi-factor authentication (62%). These three indicators not only recorded the lowest adoption rates but are also directly linked to the industry's ability to address risks increasingly arising from interconnected systems and digital supply chains.

The Growing Cyber Threat Landscape: Staying Vigilant Against an Evolving Cybercrime Environment

The level of maturity for cybersecurity is ultimately reflected in an organisation's ability to maintain service continuity and minimise security incidents. The survey findings indicate that most respondents were able to maintain operational stability throughout 2025. However, the relatively low number of incidents reported by AMS 2025–2026 respondents does not imply that cybersecurity risks within the fintech industry and digital financial services ecosystem have diminished. As the quality of system security improves, threat patterns are shifting towards focus toward exploiting users, digital identities, and third-party relationships.

Relatively Low Level of Operational Disruptions

The AMS 2025–2026 survey distinguishes operational disruptions from cybersecurity incidents. Operational disruptions measure service availability, whereas cybersecurity incidents measure the success of attacks that affect the confidentiality, integrity, or availability of respondents' systems.

From an operational perspective, 60% of respondents reported experiencing no system disruptions during the past twelve months. Among the 40% that experienced disruptions, 92% encountered only one to two incidents, 6% experienced three to five incidents, and only 2% reported more than five disruptions.

These findings indicate that operational disruptions continue to occur among some industry players, although their frequency remains relatively low. The results are also consistent with the discussion in the chapter on regulatory frameworks and governance, which found that 87% of respondents were able to restore operations within 24 hours following a disruption. In other words, when disruptions occur, most companies already possess adequate recovery capabilities, enabling them to minimize the impact on service delivery.

Cyber Threats: The Human Factor and the Importance of Strengthening Digital Identity Infrastructure

Unlike operational disruptions, the measurement of cybersecurity incidents focuses specifically on events involving attacks against systems or data.

Chart 5 - 2 Cybersecurity Incidents Reported by Respondents During the Past 12 Months

Source: AFTECH Annual Members Survey 2025–2026, N=122

A total of 80% of respondents reported experiencing no cybersecurity incidents during the past twelve months. Meanwhile, 18% reported incidents with minor impact, while only 2% experienced high-severity incidents.

Among companies that experienced incidents, Distributed Denial-of-Service (DDoS) attacks and social engineering attacks were the most frequently reported, each cited by 10% of respondents. This was followed by phishing (9%), account takeover (4%), malware (3%), and ransomware (2%).

These figures indicate that successful attacks resulting in significant impact remain relatively limited. However, the nature of the threats signals an evolving risk landscape. Cyberattacks are no longer primarily driven by the exploitation of infrastructure vulnerabilities, but increasingly target digital identities, user credentials, and human behavior. This shift explains why cybersecurity investments are increasingly focused on strengthening authentication mechanisms, enhancing cybersecurity awareness, and improving digital identity management.

Fraud: The Dominance of Social Engineering and Identity Misuse

While cybersecurity incidents illustrate threats targeting technology systems, fraud reflects risks arising from business processes and user interactions. These two indicators therefore complement one another in depicting the industry's overall risk profile.

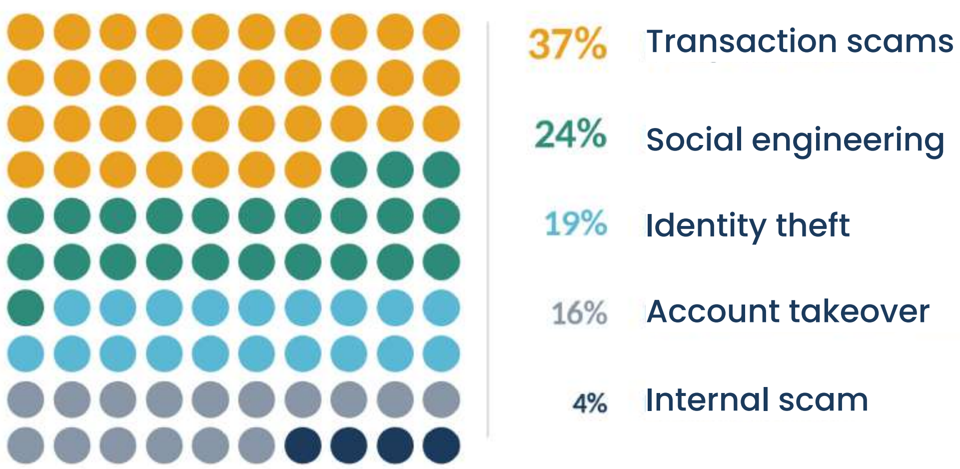


Chart 5 - 3 Distribution of the Most Frequently Experienced Types of Fraud

Source: AFTECH Annual Members Survey 2025–2026, N=122, multiple-response question

Transaction fraud was the most commonly reported type of fraud, cited by 37% of respondents. This was followed by social engineering (24%), identity theft (19%), account takeover (16%), and internal fraud (3%). In terms of case volume, 67% of respondents that experienced fraud recorded fewer than 10 cases throughout 2025. Meanwhile, 22% reported 10–100 cases, while 11% experienced more than 100 cases.

These findings suggest that most companies have been able to maintain fraud at relatively low levels. However, the concentration of cases among a small group of respondents indicates that fraud exposure is heavily influenced by business scale, user base, and transaction volume. Consequently, the effectiveness of fraud controls cannot be assessed solely based on the number of cases, but must also take into account the complexity of each provider's business model.

HIGHLIGHT

Cyber Threats No Longer Target Systems Alone

The findings of AMS 2025–2026 reveal a shift in the nature of threats facing Indonesia's digital financial industry. As respondents increasingly adopt core cybersecurity practices, cybercriminals are redirecting their attacks toward areas that are more difficult to control—namely people, digital identities, and supply chains.

This shift is reflected in the growing prevalence of social engineering, phishing, and identity theft, compared with attacks exploiting technical vulnerabilities. These findings underscore that strengthening cyber resilience can no longer rely solely on investments in technology. As threat patterns continue to evolve, fintech and digital financial service providers must also foster a stronger security culture, improve users' digital literacy, and implement more systematic third-party risk management.

Strengthening Response Capabilities: Enhancing Detection and Recovery

As cyber threats become increasingly sophisticated, the capability of fintech and digital financial service providers is no longer measured solely by their ability to prevent attacks, but also by how quickly they can detect, respond to, and recover from incidents. Accordingly, AMS 2025–2026 evaluates four key components of the industry's response capabilities: security audits, incident response teams (CERT/CSIRT), fraud detection mechanisms, and personal data protection governance.

Regular Security Audits Have Become Standard Industry Practice

Security audits and penetration testing have become key instruments for ensuring the effectiveness of cybersecurity controls. The findings of AMS 2025–2026 indicate that these practices have become part of the regular operational cycle for most companies.

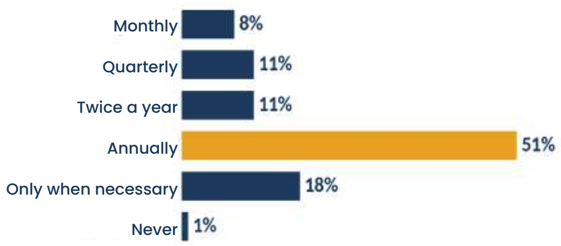


Chart 5 - 4 Frequency of Cybersecurity Audits and Penetration Testing

Source: AFTECH Annual Members Survey 2025–2026, N=122

A total of 51% of respondents conduct security audits and penetration testing annually, 12% perform them quarterly, 11% conduct them semi-annually, and 8% carry them out monthly. Meanwhile, 18% conduct security audits only when necessary, such as following an incident or upon a regulator's request, while 1% reported never having conducted a security audit.

Overall, 82% of respondents perform security audits on a regular basis at least once a year, while 31% conduct them more frequently than the annual standard. These findings indicate that security audits are increasingly regarded as a preventive risk management mechanism, rather than merely a compliance requirement.

Strengthening Cyber Incident Response Capabilities

In addition to strengthening preventive measures, the fintech industry and digital financial ecosystem have also enhanced their ability to respond when cyber incidents occur.

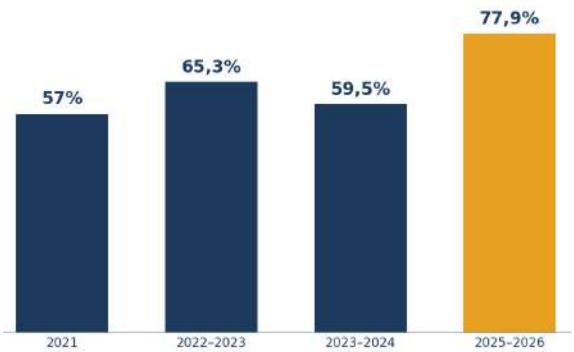


Chart 5 - 5 Respondents with CERT or CSIRT Teams, AMS 2016–2026 Comparison

Source: AFTECH Annual Members Survey, various years

A total of 70% of respondents have established internal CERT/CSIRT teams, while 8% rely on third-party CERT services. As a result, 78% of respondents possess dedicated incident response capabilities, whereas 22% still do not have a dedicated incident response team.

Comparison with previous AMS editions shows a consistent upward trend. The proportion of companies with incident response capabilities increased from 57% in AMS 2021, to 65.3% in AMS 2022–2023, stood at 59.5% in AMS 2023–2024, and then rose significantly to 77.9% in AMS 2025–2026.

The increase of nearly 21 percentage points over the past four years demonstrates that incident response capability has become a strategic investment for the industry, reflecting growing expectations from both regulators and users regarding the resilience and continuity of digital financial services.

Fraud Detection: Primarily Driven by Internal Monitoring

The ability to respond to threats is closely linked to the effectiveness of detection mechanisms. Survey findings indicate that internal monitoring systems remain the primary source of fraud detection, used by 76% of respondents. This is followed by customer reports (59%), whistleblowing mechanisms (34%), and information obtained from regulatory authorities and third-party fraud detection solutions (32%).

Other sources of information include business partners and other financial institutions, although these account for a smaller proportion of responses. These findings suggest that fraud detection continues to be driven primarily by companies' internal capabilities. However, the growing interconnectedness among financial institutions creates opportunities to strengthen collaboration and threat intelligence sharing as part of the industry's future risk mitigation strategy.

Personal Data Protection Governance Remains Diverse

The strengthening of response capabilities is also reflected in personal data protection governance. Survey results show that 48% of respondents have established a dedicated personal data protection function, 41% have integrated these responsibilities into other corporate functions, while 11% have not yet established a formal governance structure.

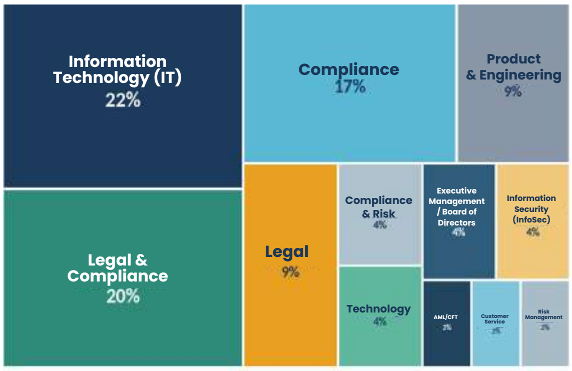


Chart 5 - 6 Functions Responsible for Personal Data Protection

Source: AFTECH Annual Members Survey 2025–2026, N=46 respondents that selected the integrated-function option

Among AMS 2025–2026 respondents that integrated the function into existing organizational structures, Legal and Compliance was the most common arrangement, together accounting for approximately half of this group. Meanwhile, Information Technology oversees the function for 22% of respondents, while 4% assign personal data protection responsibilities directly to the Board of Directors or executive management.

These findings indicate that implementation of Indonesia's Personal Data Protection Law (PDP Law) remains in a period of consolidation. No single organizational model has yet emerged as the dominant approach, as governance structures are generally tailored to each company's size, business complexity, and organizational maturity. Nevertheless, an increasing number of fintech providers and digital financial service providers are positioning personal data protection as a more strategic function, reflecting growing regulatory requirements and rising public expectations regarding the security of personal data.

HIGHLIGHT

Cyber Resilience Goes Beyond Prevention

The AMS 2025–2026 survey shows that the industry's approach to cyber resilience continues to evolve. Whereas the primary focus was previously on preventing cyberattacks, attention is increasingly shifting toward the ability to detect, respond to, and recover from incidents.

This shift is reflected in the growing frequency of security audits, the increasing establishment of CERT/CSIRT teams, and the strengthening of personal data protection governance. In other words, cybersecurity is no longer measured solely by the absence of incidents, but also by an organization's readiness to maintain service continuity when disruptions occur.

The Test of Trust: Delivering a Better Consumer Experience

Strong cybersecurity and sound governance are finally reflected in the consumer experience. From a user's perspective, service quality is measured not only by the security of the system, but also by the provider's ability to resolve issues quickly, transparently, and fairly. Accordingly, the AMS examines consumer protection within the fintech industry and digital financial services ecosystem across three dimensions: complaint levels, complaint resolution capacity, and consumer protection programs implemented by companies.

Complaint Levels Remain Relatively Low

The AMS 2025–2026 survey shows that the majority of respondents are recorded with a relatively low complaint rates compared to the number of active users they serve.

A total of 62% of respondents reported that less than 1% of their users submitted complaints during 2025. Furthermore, 30% of respondents recorded complaint rates for 1-5%, 6% reported complaint rates of 5–10%, while only 2% reported complaint rates of 10–20%.

These findings suggest that most companies have maintained service quality at a relatively high standard. However, low complaint rates do not necessarily reflect overall service quality, as user characteristics, business models, and transaction volumes vary across companies. Therefore, complaint statistics should be interpreted alongside the types of complaints received and the company's ability to resolve them.

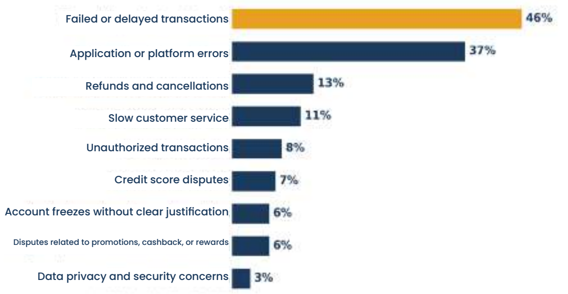


Chart 5 - 7 Distribution of the Most Frequently Reported Consumer Complaints

Source: AFTECH Annual Members Survey 2025–2026, N=122, multiple-response question

Unlike cybersecurity threats, which are increasingly driven by social engineering, consumer complaints continue to be dominated by day-to-day operational issues. Failed or delayed transactions were the most frequently reported complaints, followed by application or platform disruptions. Meanwhile, issues related to data privacy and unauthorized transactions accounted for a much smaller proportion of complaints.

These findings indicate that, from the perspective of fintech users, service reliability remains the primary determinant of trust. Even a highly secure system may not be perceived positively if transactions are frequently disrupted or applications fail to operate consistently. In other words, operational reliability is an integral component of digital security itself.

Consumer Complaint Resolution Speed: A Key Driver of a Positive Customer Experience

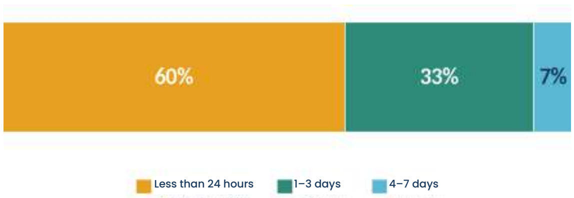


Chart 5 - 8 Distribution of Consumer Complaint Resolution Time

Source: AFTECH Annual Members Survey 2025–2026, N=122

In addition to relatively low complaint rates, the AMS 2025–2026 survey also demonstrates strong complaint resolution capabilities. A total of 60% of respondents were able to resolve complaints within 24 hours, while 33% resolved them within one to three days, and 7% required four to seven days. No respondents reported resolution times exceeding one week.

In terms of effectiveness, 79% of respondents stated that they successfully resolved more than 60% of the complaints they received. These findings suggest that most companies have established complaint handling mechanisms that operate consistently as part of their day-to-day operations. Complaint channels have also become increasingly diverse. Email remains the most widely used channel (31%), followed by contact centers/call centers (26%), in-app support (20%), other channels (16%), social media (5%), and in-person visits to company offices or branches (2%). Beyond these predefined options, many respondents also identified WhatsApp as a primary communication channel with customers, reflecting the growing adoption of instant messaging platforms for complaint management. pengaduan.

The Test of Trust: Delivering a Better Consumer Experience

Complaint resolution represents a reactive form of consumer protection. As fintech business models and digital financial services become increasingly complex, respondents are expanding their approach through a range of consumer education initiatives, enhanced information transparency, and risk management measures aimed at reducing potential consumer harm from the outset.

Chart 5 - 9 Types of Consumer Protection Programs Implemented by Respondents

Source: AFTECH Annual Members Survey 2025–2026, N=122, multiple-response question

Anti-fraud and security programs were the most widely implemented initiatives, adopted by 59% of respondents. This was followed by data privacy and consent management programs (51%), while 51% also provided customer service training. Dispute resolution and complaint handling programs were implemented by 46% of respondents, followed by financial literacy and awareness initiatives (44%), and regulatory compliance and licensing assurance programs (40%). Among more specialized initiatives, 17% of respondents had implemented credit score transparency and decision-making programs, while 11% had adopted responsible lending programs.

These findings indicate that consumer protection in the digital financial industry is increasingly focused on preventive risk management, particularly through enhanced security, stronger data protection, and improved service quality. Meanwhile, the relatively limited adoption of credit score transparency and responsible lending programs reflects the composition of AMS respondents, which is not dominated by digital lending providers. Nevertheless, both areas are expected to become increasingly relevant as the use of data analytics and artificial intelligence in decision-making continues to expand.

International Standards and AFTECH Codes of Conduct: Aligning Industry Practices with Global Standards

Beyond strengthening internal governance, the AMS 2025–2026 findings indicate that respondents are increasingly adopting international standards and self-regulatory mechanisms as part of their efforts to enhance consumer trust. These two approaches complement one another. International standards help ensure that corporate practices align with globally recognized benchmarks, while industry codes of conduct reinforce collective commitments to sound governance and consumer protection.

Most Companies Have Adopted International Standards

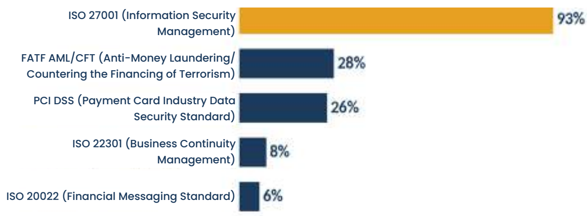


Chart 5 - 10 International Standards Adopted by Respondents

Source: AFTECH Annual Members Survey 2025–2026, N=88, among respondents adopting international standards.

A total of 73% of respondents reported implementing at least one international standard relevant to their business model. Meanwhile, 15% stated that they had not adopted any international standards, while 12% indicated that no existing international standard was directly relevant to the nature of their business.

Among companies adopting international standards, ISO 27001 was by far the most widely implemented, adopted by 93% of respondents. This was followed by ISO/IEC 27701 for Privacy Information Management Systems, ISO 37001 for Anti-Bribery Management Systems, and ISO 20022, which is increasingly being adopted to support the standardization of financial messaging.

The widespread adoption of ISO 27001 demonstrates that information security has become a well-established governance standard across the industry. Meanwhile, the growing adoption of more specialized standards such as ISO/IEC 27701 and ISO 20022 indicates that industry priorities have expanded beyond information security to encompass data governance and financial services interoperability.

Chart 5 - 11 AFTECH Codes of Conduct Adopted by Respondents

Source: AFTECH Annual Members Survey 2025–2026, N=105, among respondents adopting AFTECH codes of conduct.

In addition to international standards, 87% of AMS 2025–2026 respondents reported implementing at least one AFTECH code of conduct or guideline.

Among these respondents, the AFTECH Integrated Code of Conduct was the most widely adopted, cited by 76%, followed by the Data Protection Guidelines (66%) and the Cybersecurity Guidelines (53%). Meanwhile, the Code of Conduct for Payment Initiation and Acquisition, introduced during the current reporting period, had been adopted by 19% of respondents, while the Financial Planner Code of Conduct was implemented by 13%.

These findings indicate that self-regulation is becoming an increasingly important complement to the industry's governance framework. As technology and business models continue to evolve much faster than formal regulatory processes, industry guidelines provide companies with greater flexibility to adopt best practices in a more adaptive and consistent manner.

A Stronger Foundation of Trust Amid an Evolving Risk Landscape

The findings presented in this chapter demontrate the industry of fintech and digital financial services provider, as reflected in the widespread adoption of cybersecurity best practices, low cybersecurity incident rates, enhanced incident response capabilities, stronger consumer protection initiatives, and the broad implementation of international standards and industry codes of conduct.

At the same time, the AMS 2025–2026 findings show that the risk landscape continues to evolve. Threats no longer target technological vulnerabilities alone, but increasingly exploit digital identities, user behavior, and interconnectivity across systems. This development requires companies to broaden their security focus—from protecting infrastructure to managing risk across the entire digital ecosystem.

Going forward, the industry's competitiveness will depend not only on its ability to introduce new innovations, but also on its capacity to maintain public trust over the long term. In an increasingly interconnected ecosystem, security, consumer protection, and robust governance are no longer merely supporting functions—they have become fundamental prerequisites for the sustainable growth of Indonesia's digital financial industry.

6

STRENGTHENING THE TECHNOLOGY FOUNDATION FOR THE FUTURE OF THE FINTECH INDUSTRY

Key Insight:

APIs, cloud computing, and artificial intelligence (AI) are no longer viewed as complementary technologies—they have become core components of service development, system integration, and decision-making across the fintech industry and digital financial services ecosystem. At the same time, the growing adoption of Open APIs indicates that collaboration among financial institutions has entered a more mature phase. Going forward, stronger AI governance, interoperability, and digital identity infrastructure will be critical to maintaining the industry's competitiveness.

KEY INSIGHTS

APIs, cloud computing, and artificial intelligence (AI) are no longer viewed as complementary technologies—they have become core components of service development, system integration, and decision-making across the fintech industry and digital financial services ecosystem. At the same time, the growing adoption of Open APIs indicates that collaboration among financial institutions has entered a more mature phase. Going forward, stronger AI governance, interoperability, and digital identity infrastructure will be critical to maintaining the industry's competitiveness.

Digital transformation is no longer defined by an organization's ability to adopt new technologies, but rather by its ability to integrate multiple technologies into business processes in a secure, efficient, and sustainable manner. This shift is driving fintech and digital financial service providers to develop increasingly sophisticated technological capabilities, ranging from computing infrastructure and data analytics to artificial intelligence.

This chapter examines the technological maturity of the industry across four key dimensions: technology capabilities and digital infrastructure, technology sourcing strategies, AI adoption and utilization, and the development of Open APIs and Open Finance. Together, these four dimensions provide insight into the industry's readiness to leverage technology as the foundation for future innovation and growth.

Technology Capabilities: The Operational Foundation of the Digital Financial Industry

Technology adoption in the digital financial industry no longer relies on a single solution but instead on a combination of complementary capabilities. Survey findings show that APIs, artificial intelligence (AI), cloud computing, data analytics, and digital public infrastructure have all become integral components of day-to-day operations.

Chart 6.1. Distribution of Digital Technologies and Infrastructure Used by Respondents

Source: AFTECH Annual Members Survey 2025–2026, N=121, multiple-response question

APIs are the most widely adopted technology, with 72% of respondents having implemented them in their operations. This is followed by artificial intelligence (AI) or machine learning (61%), while 54% of respondents use cloud computing. Cybersecurity technologies and encryption are utilized by 47% of respondents, 45% use mobile technologies, and 42% leverage data analytics.

Among other technologies and infrastructure, 36% of respondents have adopted digital identity infrastructure, 34% utilize payment system infrastructure, 28% have implemented Open Banking or Open APIs, 21% have adopted RegTech, and 12% have adopted blockchain or distributed ledger technology (DLT). Although adoption remains relatively limited, blockchain implementation reflects the emergence of innovation in digital assets, tokenization, and new distributed technology-based business models.

These findings indicate that the technological foundation supporting the industry is becoming increasingly diverse. The high adoption of APIs reflects that interoperability has become a fundamental requirement for developing digital financial services. At the same time, the growing use of AI and data analytics indicates that companies are increasingly leveraging technology to improve operational efficiency, strengthen decision-making, and enhance the customer experience.

Interestingly, cloud computing is no longer the sole indicator of technological maturity. Survey findings suggest that the industry's competitiveness is increasingly determined by the ability to integrate multiple technological capabilities simultaneously. In other words, value creation no longer comes from deploying a single technology, but from effectively integrating APIs, AI, cloud computing, data analytics, and digital infrastructure into a unified service ecosystem.

Building Technology Capabilities: The Role of In-House Development and Technology Partners

As technology becomes increasingly complex, respondents are no longer relying on a single approach to developing digital capabilities. Some choose to develop technology internally, while others leverage external technology providers to accelerate innovation and improve efficiency.

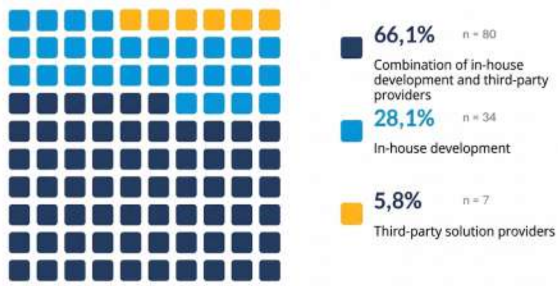


Chart 6.2. Technology Sourcing Models Used by the Industry

Source: AFTECH Annual Members Survey 2025–2026, N=121

A total of 66% of respondents develop technology through a combination of in-house development and third-party solutions, making it the most widely adopted approach across the industry. Meanwhile, 28% develop technology entirely in-house, while 6% rely primarily on external technology providers.

These findings indicate that most companies adopt a balanced approach. Capabilities considered strategic are generally developed internally to preserve flexibility and maintain competitive advantage, while more standardized solutions—or those requiring specialized expertise—are sourced through partnerships with technology providers.

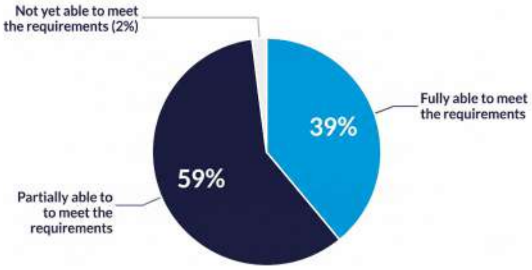


Chart 6.3. Perceptions of the Capabilities of Local Technology Providers

Source: AFTECH Annual Members Survey 2025–2026, N=121

The AMS 2025–2026 also shows generally positive perceptions of local technology providers. A total of 39% of respondents believe that local providers are capable of meeting all of their companies' technology needs, while 59% believe they can meet most of those needs. Overall, 98% of respondents consider local technology providers capable of supporting industry development, at least for a significant portion of their technology requirements.

Nevertheless, technology procurement challenges remain for some industry players. A total of 28% of respondents reported difficulties in obtaining the technology they require. The most frequently cited obstacle was high infrastructure costs (19%), followed by integration challenges with existing systems (13%), while regulatory barriers and limited capabilities among local technology providers were each cited by 12% of respondents.

From a cost perspective, industry sentiment remains largely positive. A total of 83% of respondents believe that the technologies available in the market are reasonably priced and affordable. These findings suggest that the primary challenge in technology procurement no longer lies in pricing, but rather in the ability to integrate diverse technology solutions into existing systems while ensuring that available capabilities align with business needs.

Artificial Intelligence (AI) Adoption in Core Operational Activities

Having established increasingly mature technology foundations, the fintech industry and digital financial services ecosystem are now shifting their focus toward leveraging technology to enhance productivity, operational efficiency, and service quality. In this context, artificial intelligence (AI) has emerged as one of the fastest-growing technologies in recent years.

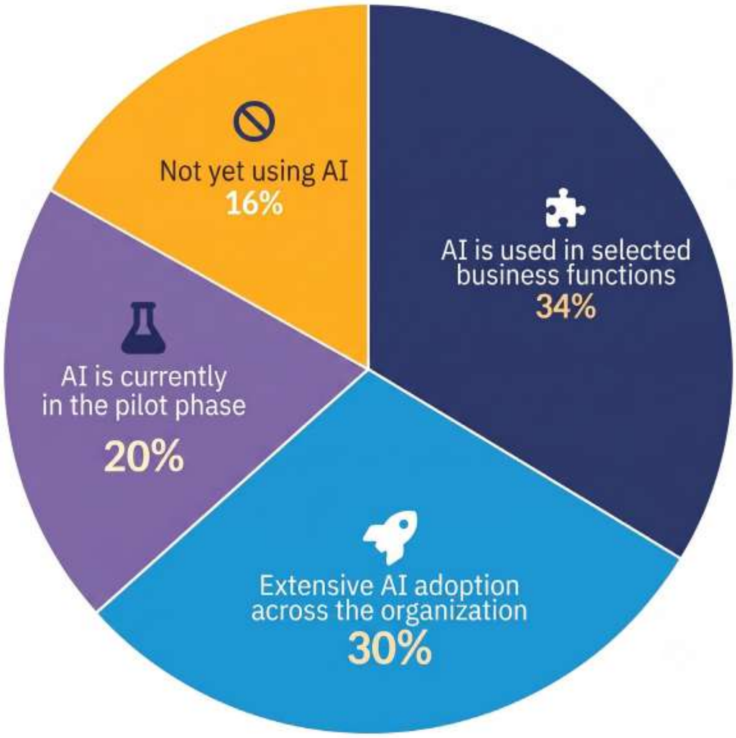


Chart 6.4. Artificial Intelligence Adoption Rate

Source: AFTECH Annual Members Survey 2025–2026, N=121

Survey findings show that 84% of respondents have adopted AI at various stages of implementation. A total of 43% of respondents have deployed AI extensively across their operational processes, 29% are in the early stages of implementation, while 21% are still conducting pilot projects. Meanwhile, 16% of respondents reported that they have not yet adopted AI.

These findings indicate that AI has entered the mainstream of the industry's digital transformation. However, the level of adoption remains varied. Some companies have fully integrated AI into their core business processes, while others are still evaluating the most suitable use cases based on their business characteristics and organizational readiness. The findings also suggest that the industry's focus is shifting from asking whether AI should be adopted to how AI can generate measurable value, whether through improved operational efficiency, enhanced service quality, or data-driven decision-making.

AI Adoption Is Primarily Driven by Automation and Analytics

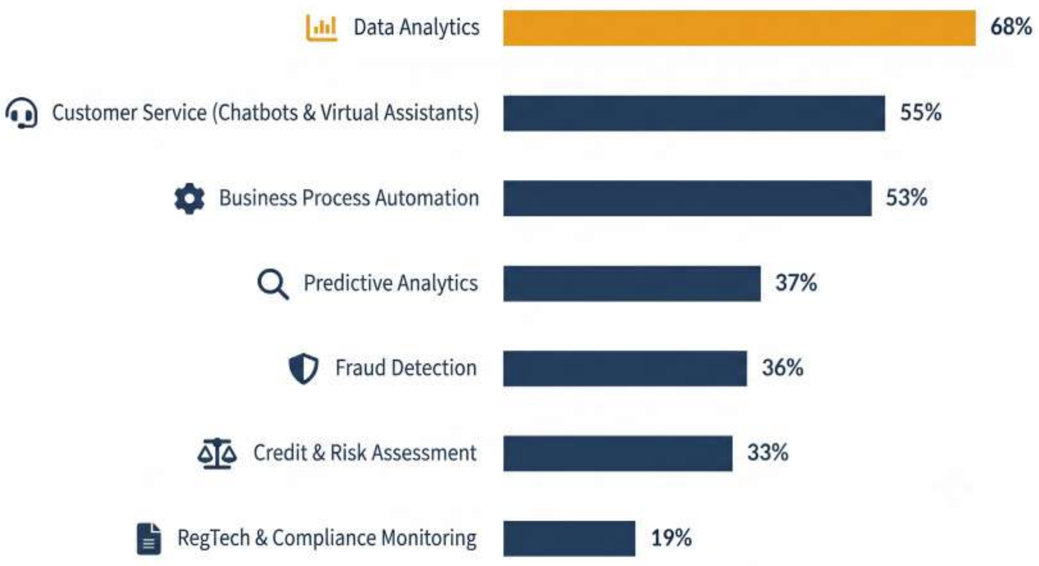


Chart 6.5. AI Use Cases Among Respondents

Source: AFTECH Annual Members Survey 2025–2026, N=101, multiple-response question for AI users

Companies utilize AI across a wide range of business functions, with the greatest concentration in activities related to operational efficiencyand data processing. Respondents that use AI (67%) for data analytics and business insights, making it the most common use case. This is followed by business process automation (61%), customer service (58%), and fraud detection and risk management (46%).

AI adoption is also expanding into more specialized functions, with data recorded 38% of respondents use AI for product and service personalization, 32% for software development, 26% for compliance and RegTech, and 19% for credit assessment. Meanwhile, AI adoption for cybersecurity and human resource management remains below 20% of respondents.

Based off the survey's data distribution, AI is currently used primarily to optimize existing processes rather than create entirely new business models. This reflects a pragmatic industry approach, prioritizing AI implementation in areas capable of delivering quick and measurable operational benefits before expanding into more complex functions.

The Challenge Is Shifting from AI Adoption to AI Governance

Although AI adoption continues to grow, its implementation also introduces new challenges. Respondents identified several key issues, including data quality and availability, investment costs, talent availability, integration with existing systems, in addition with government and regulatory certainty.

These findings indicate that the industry's primary challenge no longer lies in the availability of AI technology itself, but rather in organizational readiness to manage AI responsibly. As AI becomes increasingly embedded in business processes and decision-making, the need for governance frameworks that ensure transparency, accountability, data security, and effective risk management also becomes increasingly important.

All-in-all, the future AI agenda extends beyond increasing adoption rates to developing governance frameworks capable of balancing innovation, consumer protection, and compliance with an evolving regulatory landscape.

Open APIs: Strengthening Collaboration Across the Digital Financial Ecosystem

Technological advancements are transforming not only how companies build services, but also how industry participants connect with one another. An increasing number of digital financial services are now developed through inter-institutional collaboration enabled by Application Programming Interfaces (APIs).

Open API Adoption Continues to Increase

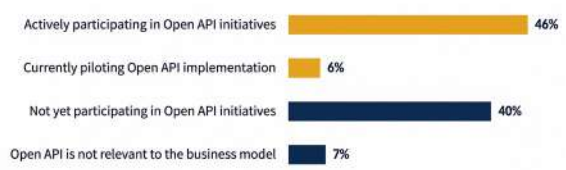


Chart 6.6. Open API Adoption Rate
Source: AFTECH Annual Members Survey 2025–2026, N=121

A total of 52% of respondents reported participating in Open API implementation or pilot initiatives, while the remaining 48% have either not yet participated or believe that Open APIs are not yet relevant to their business models.

This level of adoption indicates that interoperability is becoming an increasingly important requirement in the development of digital financial services. Unlike APIs used for internal or application-to-application integration, Open APIs enable broader collaboration among organizations, accelerating the development of new services and expanding access to the digital ecosystem.

Collaboration Is the Key Value Proposition of Open APIs

Respondents identified the greatest benefits of Open APIs as accelerating service integration, improving product development efficiency, and facilitating collaboration with business partners. In addition, Open APIs enable faster innovation by eliminating the need for companies to develop every capability independently.

However, Open API implementation also presents challenges, particularly in relation to standardization, secure data exchange, interoperability across systems, and governance readiness. Consequently, the success of Open APIs depends not only on each company's technological readiness, but also on the industry's ability to establish common standards that ensure security, reliability, and consistency.

HIGHLIGHT

Technology Optimization: The Next Stage of Digital Transformation

The findings in this chapter demonstrate that Indonesia's fintech industry has moved beyond the initial stage of technology transformation. APIs, cloud computing, and AI have been adopted by the majority of companies, while Open APIs are beginning to strengthen collaboration across the digital financial ecosystem.

The next challenge no longer lies in deciding whether to adopt technology, but in optimizing its use. The value of technology will increasingly be determined by the quality of system integration, responsible AI governance, secure data exchange, and companies' ability to translate innovation into higher productivity, greater operational efficiency, and better user experiences.

Key Takeaway: Technology as the Foundation for Fintech Industry Growth

Technological development within Indonesia's fintech industry and digital financial services ecosystem has entered a more advanced phase. Core technologies such as APIs, cloud computing, and artificial intelligence (AI) have become integral to business operations, while Open APIs are strengthening collaboration across the industry. This shift demonstrates that technology is no longer viewed as a competitive differentiator, but rather as the foundation that supports innovation, efficiency, and business scalability.

At the same time, the survey findings indicate that the industry's focus is shifting from adoption to optimization. The primary challenge no longer lies in the availability of technology, but in the ability to integrate diverse digital capabilities, establish responsible AI governance, and strengthen interoperability across the ecosystem.

Looking ahead, the industry's competitiveness will increasingly depend on its ability to leverage technology in a measurable and sustainable manner. In this context, the success of digital transformation will depend not only on the speed at which new innovations are introduced, but also on the ability to ensure that every innovation delivers tangible value for consumers, strengthens industry collaboration, and supports the sustainable growth of Indonesia's digital financial ecosystem.

7

DIGITAL TALENT: BUILDING THE CAPABILITIES OF INDONESIA'S FINTECH INDUSTRY

KEY INSIGHTS

Talent has become the new differentiating factor in Indonesia's digital financial industry. Although 64% of respondents plan to expand their workforce over the next one to two years, the industry's priority is no longer increasing headcount, but rather strengthening competencies in strategic areas such as software engineering, artificial intelligence (AI), data science, and cybersecurity. This shift indicates that the industry's primary challenge is no longer job creation, but the ability to attract, develop, and retain talent with the capabilities required to support digital transformation.

The growth and impact of fintech and digital financial services are increasingly driven by the quality of the talent behind them. The growing adoption of artificial intelligence (AI), data analytics, and automation is reshaping competency requirements across nearly every business function. As a result, fintech and digital financial service providers are making talent development a strategic priority to improve productivity, accelerate innovation, and strengthen competitiveness.

This chapter examines the state of talent within Indonesia's digital financial industry across eight interconnected dimensions: workforce size and composition, the mix of permanent and outsourced employees, recruitment and restructuring plans, talent priorities, skills gaps, talent development strategies, the role of foreign talent, and perceptions of workforce readiness to support industry growth.

KEY NUMBERS

Indonesia's Fintech Industry Is Entering a Talent Reallocation Phase

A total of 64% of respondents plan to increase their workforce over the next one to two years. However, hiring demand is becoming increasingly concentrated in technology-related functions. Despite AI adoption having reached 84%, employees working in Data, AI, and Analytics account for only around 10% of the total workforce on average, indicating that the industry's challenge is shifting from technology adoption to human capability development.

Digital Talent Profile: The Foundation of Fintech Industry Capabilities

The existence of workforce structure provides insight into the organizational maturity of companies within the fintech and digital financial services industry. Survey findings indicate that Indonesia's fintech and digital financial ecosystem comprises companies of varying sizes, ranging from early-stage startups operating with lean organizations to larger enterprises with more extensive operational capacity.

This diversity gives rise to different digital talent requirements and human capital management strategies across companies.

A total of 33% of respondents employ more than 100 people, making this the largest respondent group in the survey. This is followed by 31% employing 11–50 employees, 18% employing 51–100 employees, while 17% have fewer than 10 employees.

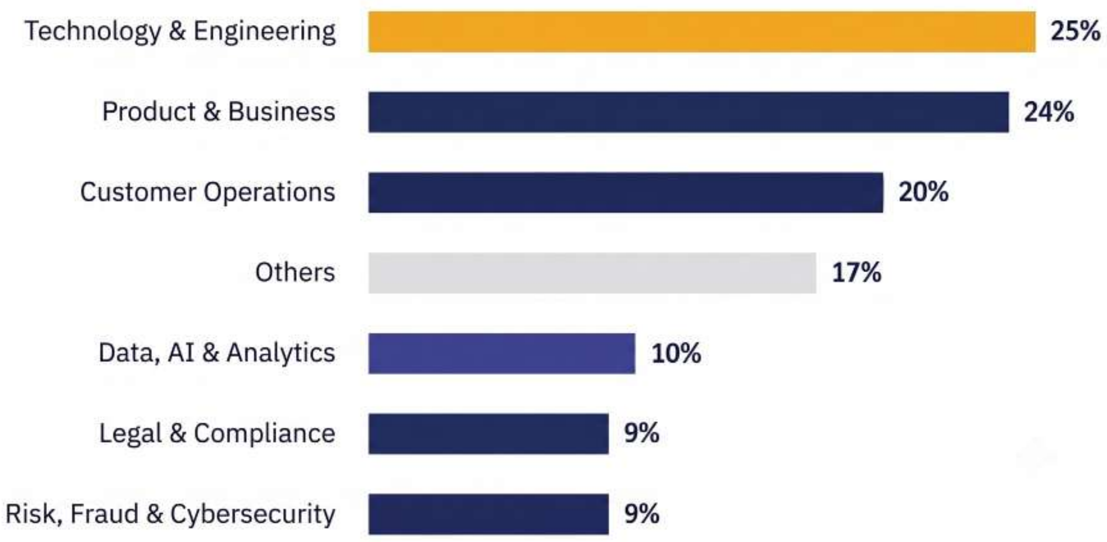


Chart 7.1. Average Workforce Composition by Function

Source: AFTECH Annual Members Survey 2025–2026, N varies between 87–125 by function

The workforce composition indicates that the industry continues to be driven by functions supporting technology development and business operations. Engineering and Technology account for the largest share of employees, representing approximately 28% of respondents' total workforce. This is followed by Operations (18%), Business Development and Partnerships (15%), Customer Service (12%), and Data, AI, and Analytics (10%). Cybersecurity accounts for approximately 9%, while Legal and Compliance, Finance, Human Resources, and other support functions represent smaller proportions.

This distribution indicates that the industry continues to be dominated by functions directly supporting product development, operations, and business growth. Meanwhile, specialist functions requiring advanced expertise—such as Data, AI, Analytics, and Cybersecurity—still account for a relatively small proportion of the workforce. This finding does not indicate low technology adoption; rather, it suggests that demand for specialized talent is growing faster than its availability in the labor market.

Workforce Structures in the Fintech Industry Are Becoming More Flexible

Evolving business needs have encouraged fintech and digital financial service providers to adopt increasingly flexible organizational structures. In addition to strengthening internal capabilities, many organizations utilize outsourced personnel and non-permanent workers to meet specific operational requirements without permanently expanding their organizational structure.

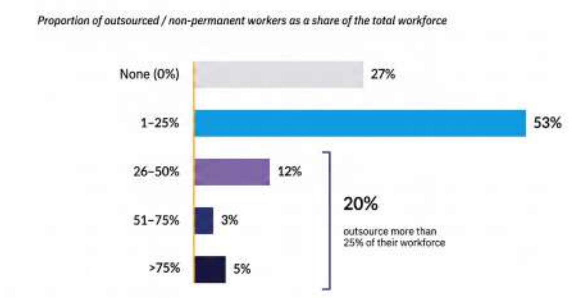


Chart 7.2. Utilization of Outsourced and Non-Permanent Workers

Source: AFTECH Annual Members Survey 2025–2026, N=132

Survey findings show that permanent employees remain the backbone of operations across Indonesia's fintech and digital financial ecosystem. However, respondents also leverage outsourced personnel, consultants, contract workers, and other forms of non-permanent employment to address specialized or temporary operational needs. This combination reflects increasingly diverse human capital management strategies across the digital financial industry. The findings indicate that respondents are no longer pursuing larger organizations, but rather more adaptive organizations. Functions that constitute a company's competitive advantage are generally maintained through in-house employees, while specialized or project-based requirements are increasingly fulfilled through flexible workforce arrangements. This approach enables fintech and digital financial service providers to respond to changing business needs without permanently expanding their organizational structures.

The composition and structure of the workforce demonstrate that the fintech and digital financial services ecosystem has established increasingly mature organizational foundations. However, technological advancements are also changing the types of competencies companies require.

Digital Talent Reallocation Amid Industry Growth

Accordingly, the following discussion focuses on how companies are adapting their recruitment and restructuring strategies to secure the talent needed for the next phase of industry growth.

Following the establishment of increasingly mature organizational structures, respondents to the AMS 2025–2026 have begun aligning their human capital strategies with evolving business needs. The focus is no longer simply on increasing headcount, but on ensuring that organizations possess the capabilities required to support technology development, product innovation, and operational efficiency.

Chart 7.3. Recruitment and Workforce Restructuring Plans

Source: AFTECH Annual Members Survey 2025–2026, N=132

Survey findings show that 64% of respondents plan to expand their workforce over the next one to two years. Meanwhile, 27% anticipate undertaking organizational restructuring, 5% have yet to determine their workforce strategy, and 3% expect their workforce size to remain relatively unchanged.

Among companies that continue to recruit, most are adopting a more measured approach.

A total of 48% of respondents expect to increase their workforce by less than 10%, 43% anticipate growth of 10–25%, 6% expect workforce expansion of 25–50%, while only 3% plan to increase headcount by more than 50%.

This distribution indicates that the industry remains on a growth trajectory, but its expansion is becoming increasingly selective. Companies are no longer aggressively expanding headcount as they did during the early startup phase. Instead, they are adjusting their organizations more strategically based on evolving business needs. As a result, success is no longer measured by organizational size, but by the quality of the capabilities within the workforce.

Talent Demand Is Shifting Toward Digital Competencies

As digital technologies become increasingly embedded across business processes, workforce demand within the fintech and digital financial services industry is becoming more concentrated in functions that support product development, data management, and business process automation. This shift is reflected in companies' recruitment strategies, which increasingly prioritize digital competencies and technical expertise aligned with their respective business models.

Chart 7.4. Recruitment Priorities by Function

Source: AFTECH Annual Members Survey 2025–2026, N=119, multiple-response question

Software Engineering is the top recruitment priority, selected by 48% of respondents. This is followed by Data, AI, and Analytics (44%), Cybersecurity (37%), Business Development (27%), Product (23%), Compliance and Risk Management (22%), and Operations (20%). Other functions, such as Finance, Customer Service, and Human Resources, account for smaller proportions.

This pattern indicates that industry demand is becoming increasingly concentrated on competencies that support digital transformation. In addition to maintaining product development capabilities, companies are also strengthening expertise in data management, AI development, and digital system security. This shift suggests that investment in talent is now focused on enhancing productivity and innovation, rather than merely expanding operational capacity.

The Talent Gap Remains a Key Industry Challenge

Growing demand for digital competencies has yet to be fully matched by the supply of talent in the labor market. As a result, companies face increasingly intense competition to recruit professionals with the required expertise.

Chart 7.5. Most Difficult Talent to Recruit

Source: AFTECH Annual Members Survey 2025–2026, N=121, multiple-response question

Survey results show that Data, AI, and Analytics is the most difficult talent segment to recruit, cited by 48% of respondents. This is followed by Software Engineering (43%), Cybersecurity (27%), Product (16%), Compliance and Risk Management (14%), and Business Development (approximately 10%). Other functions received relatively lower responses.

Compared with the recruitment priorities shown in the previous chart, the findings reveal that the most sought-after talent is also the most difficult to secure. This indicates a clear mismatch between industry demand and the available talent supply, particularly for competencies related to digital technologies and data analytics.

This finding becomes even more significant when viewed alongside the survey results presented in the previous chapter. Although 84% of respondents have adopted artificial intelligence (AI) at various stages of implementation, employees working in Data, AI, and Analytics account for only around 10% of the total workforce on average. Together, these three indicators demonstrate that technological advancement is outpacing the labor market's ability to supply the required talent. In other words, the industry's primary challenge is no longer whether to adopt technology, but whether it can develop the human capital needed to maximize its potential.

Building a Talent Pipeline to Close the Skills Gap in the Fintech Industry

The growing demand for digital talent has prompted fintech and digital financial service providers to adopt a range of strategies to strengthen their human capital capabilities. Rather than relying solely on recruitment, companies are increasingly emphasizing internal capability development, collaboration with educational institutions, and the use of technology to improve workforce productivity.

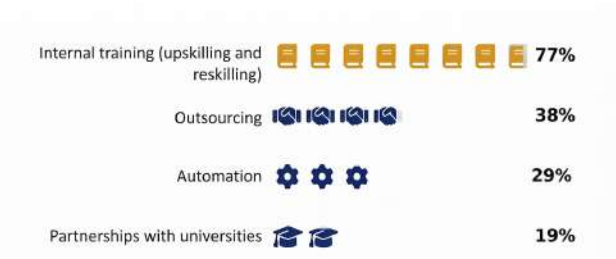


Chart 7.6. Corporate Strategies to Address Talent Shortages

Source: AFTECH Annual Members Survey 2025–2026, N=119, multiple-response question

Survey results show that 77% of respondents identify training and capability development (upskilling and reskilling) as their primary strategy for meeting talent needs. This is followed by business process automation (29%) to reduce dependence on specific roles, partnerships with universities and educational institutions (19%), and recruitment of foreign talent (14%). Some respondents also reported implementing other initiatives, such as internship programs, partnerships with professional communities, and the establishment of in-house training centers. These findings indicate that the fintech and digital financial ecosystem is increasingly relying on internal capability development rather than competing solely for talent in the labor market.

Training has become the dominant strategy because it provides companies with the flexibility to build competencies tailored to their business needs while enabling employees to adapt more quickly to rapidly evolving technologies.

At the same time, the growing use of automation suggests that respondents are increasingly leveraging technology as part of their human capital strategy. By automating routine tasks, companies can redeploy employees to higher-value functions such as product development, data analytics, and service innovation.

The Role of Educational Partnerships in Securing the Talent Pipeline

The growing demand for digital competencies also highlights that responsibility for developing talent cannot rest solely with the industry. Ensuring an adequate supply of technology-skilled professionals requires stronger involvement from universities, training institutions, and other stakeholders across the education ecosystem.

The finding that 19% of respondents have established partnerships with universities indicates the emergence of a more long-term approach. Although the proportion remains lower than that of internal training initiatives, such collaborations represent an important step toward strengthening the talent pipeline and narrowing the gap between graduates' competencies and industry requirements.

Over the long term, strengthening collaboration between industry and educational institutions will become increasingly important, particularly in high-growth fields such as software engineering, data science, artificial intelligence (AI), and cybersecurity. These partnerships will not only expand the talent pool but also help accelerate graduates' transition into the workforce.

The Use of Foreign Talent Remains Complementary

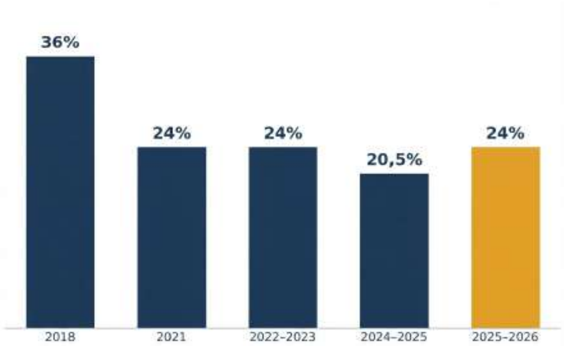


Chart 7.7. Utilization of Foreign Talent, AMS 2018–2026 Comparison

Source: AFTECH Annual Members Survey, various years

Longitudinally, the proportion of respondents employing foreign talent has remained relatively stable over recent years. After reaching 36% in AMS 2018, the figure declined to 24% in AMS 2021 and remained around that level through AMS 2022–2023. It then fell slightly to 20.5% in AMS 2024–2025, before increasing again to 24% in AMS 2025–2026. This trend indicates that foreign talent continues to serve as a complement for specialized skill requirements rather than replacing the domestic workforce on a large scale.

This complementary role is also reflected in the positions and functions they occupy. Among companies employing foreign talent, 55% place them in C-level and executive roles, 52% in technical and specialist positions, and 45% in managerial roles, while only 7% employ them at the staff level. Functionally, foreign professionals primarily contribute to Engineering and Technology, Data, Artificial Intelligence (AI) and Analytics, as well as Product and Business Development. Their presence also remains relatively limited in scale, with 27% of respondents reporting that foreign employees account for only 1–5% of their total workforce. This finding suggests that companies primarily employ foreign talent to fill specialized skills that remain scarce in the domestic labor market while also facilitating knowledge transfer to local talent.

STRATEGIC HIGHLIGHT

Developing Digital Talent in the Fintech Industry and Digital Financial Ecosystem

The AMS 2025–2026 highlights a significant shift in human capital management strategies across Indonesia's fintech industry and digital financial ecosystem. Competitive advantage is no longer determined solely by a company's ability to recruit the best talent, but increasingly by its ability to develop capabilities aligned with evolving technological demands.

This shift is reflected in several key survey findings. While 64% of respondents still plan to expand their workforce, most intend to do so gradually. At the same time, Data, AI, and Analytics has emerged as one of the highest recruitment priorities (44%) while also being the most difficult area in which to recruit talent (48%). Meanwhile, 77% of companies identified training and capability development as their primary strategy for addressing talent shortages.

Taken together, these indicators demonstrate that the industry is shifting from a "buy talent" strategy toward a "build talent" strategy. In today's rapidly evolving business environment, competitive advantage is no longer determined solely by an organization's ability to hire talent from the market, but by its capacity to continuously develop new capabilities through learning, training, and collaboration with the education ecosystem.

Key Takeaway: Digital Talent as the New Competitive Advantage

The findings in this chapter show that Indonesia's fintech industry and digital financial ecosystem have entered a new phase of human capital management. Workforce growth continues, but the focus of fintech and digital financial service providers has shifted from expanding organizational size to strengthening the competencies that drive innovation, productivity, and digital transformation. This shift reflects the growing importance of talent quality as a key determinant of a company's long-term competitiveness.

At the same time, the AMS findings indicate that demand for digital competencies is growing faster than the supply of talent available in the labor market. Strong demand for software engineering, artificial intelligence, data science, and cybersecurity highlights the skills gap as one of the industry's most pressing challenges in the years ahead. This underscores the need for investments in technology to be matched by equally significant investments in human capital development.

Companies' responses to this challenge also reflect an important strategic shift. Rather than relying solely on recruitment, most organizations are strengthening upskilling and reskilling programs, building partnerships with universities, and leveraging automation to enhance workforce productivity. This approach marks a transition from a buy talent strategy to a build talent strategy, establishing digital talent development as the foundation for long-term growth.

8

FROM ACCESS TO IMPACT: THE ROLE OF FINTECH IN ADVANCING FINANCIAL INCLUSION

KEY INSIGHTS

The fintech and digital financial services industry continues to play an important role in expanding public access to financial services. However, as Indonesia's national financial inclusion rate continues to improve, the industry's challenge is shifting from expanding access to ensuring that financial services are used safely, productively, and sustainably. At this stage, cross-ecosystem collaboration, stronger financial literacy, and broader access have become the key drivers for deepening the impact of financial inclusion in Indonesia.

Over the past decade, fintech has expanded access to a wide range of financial services, including payments, financing, investment, and insurance. Alongside this growth, the role of fintech has also evolved. Whereas the industry's primary focus was previously on extending access to unserved and underserved communities, attention is now increasingly directed toward ensuring that these services generate broader economic benefits for society.

This chapter examines the fintech industry's contribution to the financial inclusion agenda across six key dimensions: the development of products for underserved communities, collaborative initiatives to promote financial inclusion, participation in government programs, industry challenges, financial literacy initiatives, and developments in Indonesia's national financial literacy and inclusion landscape, which together shape the industry's future direction.

KEY NUMBERS

Entering the Next Phase of Financial Inclusion

A total of 50% of respondents develop products or services for unserved and underserved communities. Meanwhile, 72% implement financial inclusion initiatives through partnerships with various stakeholders, while 71% identify low levels of financial literacy as the greatest challenge to expanding financial inclusion.

Financial Inclusion: Reaching the Underserved

Financial inclusion remains one of the primary objectives of Indonesia's digital financial industry. In line with the government's National Strategy for Financial Inclusion (SNKI), fintech companies continue to develop products and services designed for individuals who lack adequate access to formal financial services.

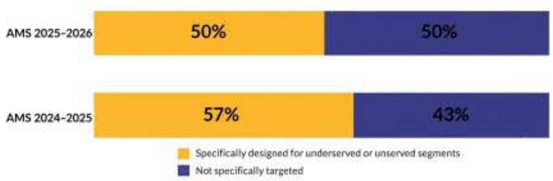


Chart 8.1. Products and Services for the Underserved Segment

Source: AFTECH Annual Members Survey 2024–2025 (N=122) and AFTECH Annual Members Survey 2025–2026 (N=121)

Survey results show that 50% of respondents stated that their products or services are specifically designed to serve communities that remain unserved or underserved by formal financial services. This figure is slightly lower than the 57% recorded in the AMS 2024–2025. Meanwhile, the other half of respondents indicated that their businesses are not specifically targeted at this segment.

This change should be interpreted with caution and should not be viewed as a decline in the fintech industry's commitment to financial inclusion. Differences in respondent composition between survey periods, the increasing diversity of fintech business models, and respondents' greater precision in identifying their primary target markets are among the factors that may have influenced the survey results. Therefore, the decline in the proportion of respondents should not be interpreted as a reduction in the industry's contribution to the financial inclusion agenda.

Regardless of this change, the survey findings indicate that one in every two fintech companies continues to actively develop products for unserved and underserved communities. This confirms that expanding access to financial services remains a core element of the industry's growth strategy, even though the approaches being used are becoming increasingly diverse.

Collaboration: The Primary Model for Financial Inclusion

As the fintech industry and digital financial ecosystem continue to evolve, expanding financial inclusion is no longer pursued independently by individual companies. Instead, cross-sector collaboration has become the primary approach for reaching broader segments of society and delivering services that better meet users' needs.

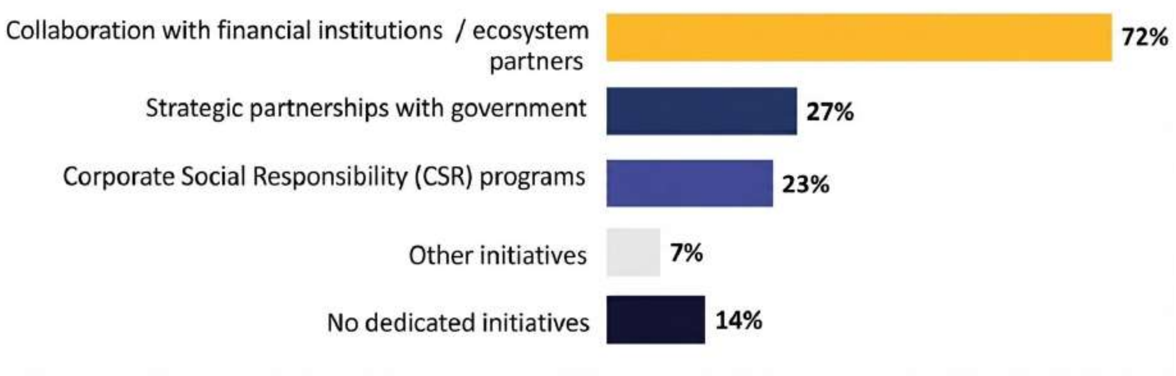


Chart 8.2. Financial Inclusion Initiatives Implemented by Respondents

Source: AFTECH Annual Members Survey 2025–2026, N=121, multiple-response question

A total of 72% of respondents implement financial inclusion initiatives through partnerships with financial institutions and ecosystem partners, making this the most common approach. This is followed by 27% participating through partnerships with the government, 23% through Corporate Social Responsibility (CSR) programs, 7% through other initiatives, while 14% reported that they do not currently operate dedicated financial inclusion programs. These findings indicate that a collaborative approach has become the defining characteristic of financial inclusion efforts in Indonesia. Expanding access to financial services no longer depends on a single institution but increasingly relies on collaboration among fintech companies, financial institutions, regulators, ministries, local governments, businesses, civil society organizations, and technology providers to reach wider segments of the population.

This collaborative model also reflects a shift in how the industry creates impact. Fintech's contribution to financial inclusion is no longer delivered solely through direct business-to-consumer (B2C) relationships. Increasingly, it is achieved through business-to-business (B2B) and business-to-business-to-consumer (B2B2C) models that enable financial services to reach more people through partner networks.

HIGHLIGHT

Financial Inclusion Is No Longer Synonymous with B2C

Fintech's contribution to financial inclusion is no longer measured solely by the number of people it serves directly. Increasingly, companies are developing B2B and B2B2C business models that generate inclusive impact through partnerships with banks, cooperatives, corporations, digital platforms, and government institutions that already serve large user bases.

This approach demonstrates that fintech's role is evolving from that of a direct service provider to an enabler of the digital financial ecosystem. As a result, the impact of financial inclusion is generated not only through direct engagement with end users but also through fintech's ability to expand the capacity of other institutions to deliver financial services that are more accessible, efficient, and affordable.

The Fintech Industry's Participation in Government Financial Inclusion Programs

In addition to developing products and fostering ecosystem-wide collaboration, the survey also shows that fintech and digital financial service providers are increasingly participating in government-led financial inclusion initiatives. This demonstrates that financial inclusion is no longer viewed as the responsibility of individual companies alone, but as a collective effort to expand access to financial services nationwide.

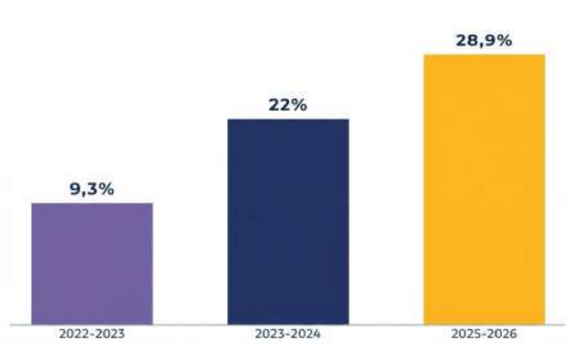


Chart 8.3. Participation in Government Financial Inclusion Programs, AMS 2022–2026 Comparison

Source: AFTECH Annual Members Survey, various years

According to the AMS 2025–2026, 29% of respondents reported participating in government-led financial inclusion and financial literacy programs. This represents an increase from 25% in AMS 2024–2025. From a longitudinal perspective, participation has shown a consistently upward trend, rising from 9.3% in AMS 2022–2023 to 22% in AMS 2023–2024, before increasing further to 28.9% in AMS 2025–2026.

The forms of participation reported by respondents include various national and regional programs, including Financial Inclusion Month, National Fintech Month, Crypto Literacy Month, the Indonesia Digital Economy and Finance Festival (FEKDI), collaborations with the Directorate General of Taxes, and a range of financial literacy and MSME empowerment programs facilitated by local governments.

This increase indicates that the relationship between the government and the industry has evolved from mere consultation into active collaboration in program implementation. This shift provides an important foundation for expanding financial inclusion while ensuring that national policies can be implemented more effectively with the support of industry stakeholders.

The Shifting Barriers to Digital Financial Inclusion

Although digital financial inclusion initiatives continue to expand, the AMS 2025–2026 findings indicate that the industry's primary challenge no longer lies in the availability of digital financial services. Instead, the greatest obstacle is society's readiness to access and make optimal use of these services.

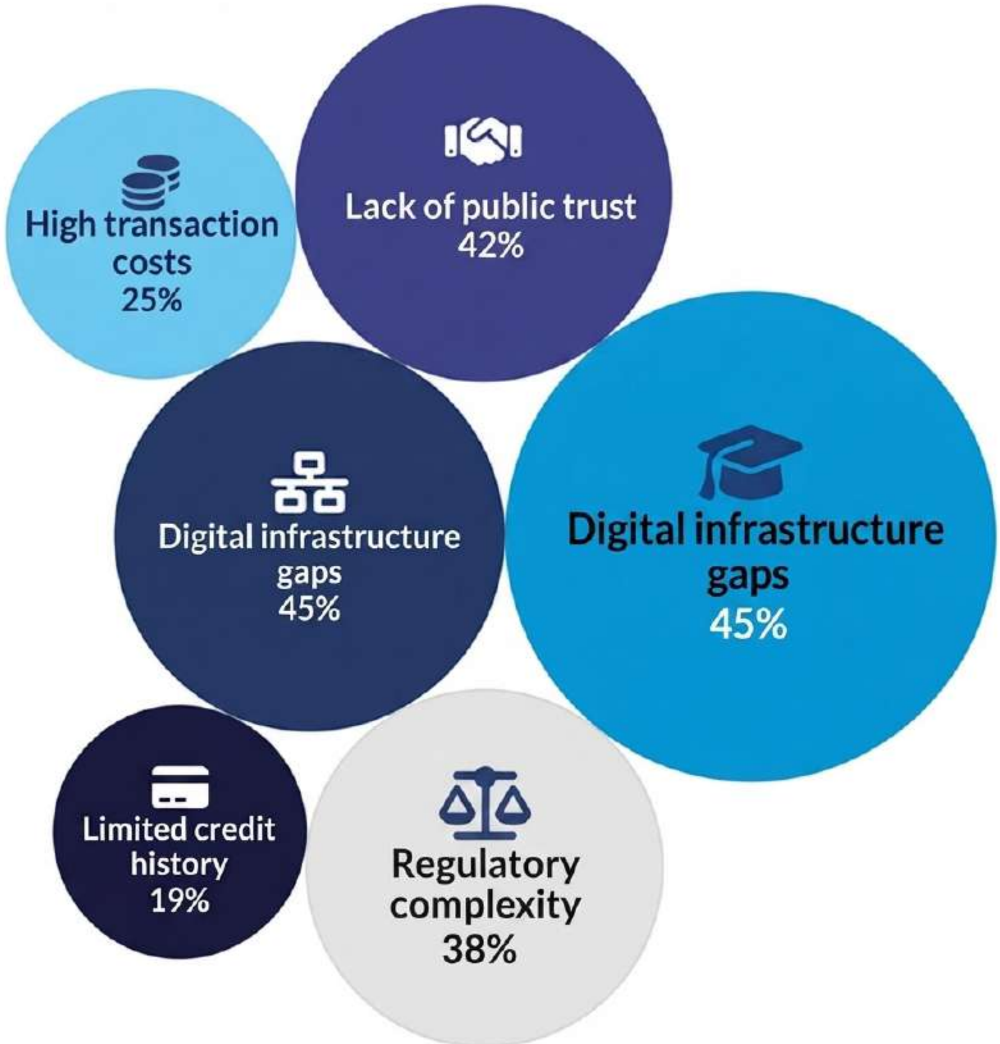


Chart 8.4. Key Challenges in Advancing Financial Inclusion

Source: AFTECH Annual Members Survey 2025–2026, N=121, multiple-response question

A lack of digital financial literacy was identified as the greatest challenge, cited by 71% of respondents. This was followed by digital infrastructure gaps (45%), limited public trust (42%), regulatory complexity (38%), transaction costs (25%), and limited credit history (19%).

These findings indicate that the challenge of digital financial inclusion has shifted from the supply side—the availability of services—to the demand side, namely society's ability to utilize those services effectively.

The industry no longer views limited innovation as the primary obstacle. Instead, the key challenge lies in enabling people to understand, trust, and use digital financial services safely and productively.

The survey also demonstrates that expanding access alone is insufficient to generate sustainable economic impact. Without improvements in financial literacy, public trust, and digital infrastructure, the utilization of financial services is unlikely to keep pace with the rapid expansion of access achieved in recent years.

HIGHLIGHT

Effective Digital Financial Literacy Is Embedded in Products

The AMS findings show that digital financial literacy remains the greatest challenge in advancing financial inclusion. However, discussions conducted by AFTECH together with various knowledge partners indicate that the effectiveness of digital financial literacy is not necessarily determined by the number of seminars or educational activities conducted.

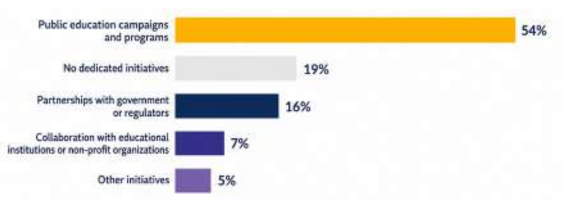
Instead, digital financial literacy tends to have a greater impact when it is embedded directly into the user experience of digital financial products and services. In-app educational features, transaction guidance, product simulations, and user interface designs that help users understand the risks and benefits of financial services can provide more contextual learning than standalone educational initiatives.

This approach enables fintech companies to expand their role beyond simply providing digital financial services to becoming facilitators of financial learning, helping people develop healthier financial behaviors in their everyday lives.

Digital Financial Literacy: From Education to Behavioral Change

The growing emphasis on digital financial literacy reflects the industry's commitment not only to expanding access to financial services but also to ensuring that people are able to use those services appropriately. As a result, the financial literacy programs implemented by companies are no longer positioned merely as educational activities but as an integral part of strategies to strengthen the quality of financial inclusion.

Chart 8.5. Financial Literacy Initiatives Implemented by Respondents



Source: AFTECH Annual Members Survey 2025–2026, N=121

The survey found that 81% of respondents implemented at least one form of digital financial literacy program during 2025. Among them, 54% conducted public awareness campaigns and educational programs, 16% implemented initiatives through partnerships with the government or regulators, 7% collaborated with educational institutions or non-profit organizations, 5% carried out other initiatives, while 19% reported that they did not have dedicated financial literacy programs.

Overall, these findings indicate that digital financial literacy has become part of the standard business practices of most fintech companies. The dominance of public education campaigns reflects the industry's efforts to reach society on a broader scale, while partnerships with regulators and educational institutions demonstrate that financial literacy is increasingly viewed as a **shared agenda** requiring cross-sector collaboration.

Chart 8.6. Types of Digital Financial Literacy Programs Implemented by Respondents

Source: AFTECH Annual Members Survey 2025–2026, N=109, multiple-response question

Among respondents that have implemented financial literacy programs, 71% conduct public awareness and outreach campaigns, making them the most common activity. This is followed by digital financial literacy campaigns (54%), workshops and training programs (43%), community outreach initiatives (39%), and mentoring or consultation services for users (24%).

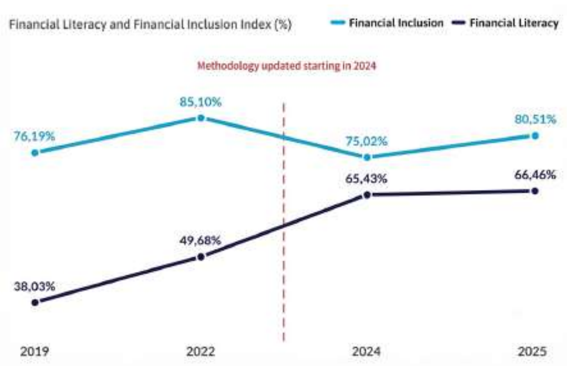
These findings indicate that the fintech industry's financial literacy strategy continues to emphasize broad-based outreach. At the same time, fintech companies are increasingly complementing these efforts with more intensive approaches, such as training programs and community-based initiatives, to address the specific needs of different population groups.

The fact that 24% of respondents provide mentoring and consultation services suggests that there remains considerable room to deepen the quality of digital financial literacy. Unlike awareness campaigns, which primarily focus on increasing public awareness, mentoring enables individuals to receive more contextual guidance on using digital financial services according to their everyday needs, including MSMEs, informal sector workers, and people entering the formal financial system for the first time.

National Context: Digital Financial Access Is Growing Faster than Financial Literacy

The findings of the AMS 2025–2026 should be viewed within the broader context of Indonesia's national financial literacy and financial inclusion landscape. This context provides insight into the extent to which expanded access to financial services has been accompanied by improvements in people's ability to understand and effectively utilize those services.

Chart 8.7. Indonesia's Financial Literacy and Financial Inclusion Indices, 2019–2025



Source: Financial Services Authority (OJK) and Statistics Indonesia (BPS), National Survey of Financial Literacy and Inclusion (SNLIK), various years. Since 2024, OJK has updated the survey methodology; therefore, figures before and after the methodological revision are not fully comparable.

According to the 2025 National Survey of Financial Literacy and Inclusion (SNLIK), Indonesia's financial literacy index reached 66.46%, while the financial inclusion index reached 80.51%. It should be noted that OJK and BPS revised the survey methodology beginning in 2024, meaning that results before and after the revision are not directly comparable. Nevertheless, the 2025 results continue to indicate a positive overall trend.

The approximately 14-percentage-point gap between financial inclusion and financial literacy indicates that the adoption of formal financial services is growing more rapidly than people's understanding of financial products, their benefits, and their associated risks. This national finding is consistent with the AMS survey, which identifies financial literacy as the greatest challenge to deepening financial inclusion.

Chart 8.8. Financial Literacy and Financial Inclusion Indices: Urban vs. Rural Areas, 2025 (%)

Source: Financial Services Authority (OJK) and Statistics Indonesia (BPS), National Survey of Financial Literacy and Inclusion (SNLIK), various years. Since 2024, OJK has updated the survey methodology; therefore, figures before and after the methodological revision are not fully comparable.

Behind these national achievements, regional disparities remain an important challenge. In 2025, the financial literacy rate in urban areas exceeded that of rural areas by 11.29 percentage points, while the gap in financial inclusion reached 7.91 percentage points.

These differences indicate that the benefits of digital transformation—particularly digital financial services—have not yet been experienced evenly across Indonesia. For the fintech industry, this suggests that the next growth opportunity lies not only in expanding the number of users but also in delivering services that are more relevant to communities outside the country's major economic centers, supported by financial literacy programs tailored to the characteristics and needs of each region.

Important Note: From Expanding Access to Deepening Impact

The findings in this chapter indicate that Indonesia's financial inclusion agenda has entered a new phase. While the primary focus over the past decade was to expand public access to formal financial services, attention is now shifting toward ensuring that such access generates tangible economic benefits for society.

This shift is reflected in stronger cross-ecosystem collaboration, greater industry participation in government programs, and the expansion of various financial literacy initiatives, including digital financial literacy. At the same time, the survey findings indicate that the greatest challenge no longer lies in the availability of financial services, but rather in people's ability to understand, trust, and use digital financial services safely and productively.

Going forward, the success of financial inclusion will no longer be measured solely by the growing number of people with access to financial services, but also by the increasing quality of their participation in the formal economy. In this context, closer collaboration among industry, government, educational institutions, and the public will serve as a critical foundation for ensuring that digital transformation delivers inclusive, sustainable outcomes while supporting Indonesia's long-term economic growth.

9

BROADER REPRESENTATION: WOMEN'S LEADERSHIP IN THE DIGITAL FINANCIAL SERVICES ECOSYSTEM

KEY INSIGHTS

Women have become an important part of Indonesia's digital financial services ecosystem, both as users and as members of the workforce. However, this representation has not yet fully extended to decision-making positions. The AMS 2025–2026 findings indicate that the industry's primary challenge is no longer increasing women's participation, but strengthening leadership development pathways so that more women can attain strategic positions within organizations.

For the digital financial services industry, diversity is not merely an issue of equality but also a strategy for building organizations that are more adaptive and innovative. Consequently, attention is increasingly shifting from women's overall participation toward strengthening their role in leadership, decision-making, and the development of more inclusive financial services.

This chapter examines women's representation in the digital financial services ecosystem across four key dimensions: women's representation as users and employees, representation at the corporate leadership level, the implementation of gender equality policies, and the development of products and services that address women's needs. Together, these dimensions provide an overview of progress in gender diversity while highlighting areas where the industry can continue to improve.

KEY NUMBERS

Women's Representation at the Board of Directors Level in the Fintech Industry Remains Limited

While 79% of respondents reported that women account for at least 26% of their workforce, only 25% reported a similar proportion of women serving on their Board of Directors. Meanwhile, 89% of respondents have adopted workplace gender equality and anti-discrimination policies.

Women's Representation Is Strengthening Among Users and the Workforce in the Fintech Industry

Women's participation in the fintech industry and digital financial services ecosystem can be viewed across three layers: the user base, the workforce, and corporate leadership. Comparing these three layers illustrates how women's representation evolves from participation to decision-making roles.

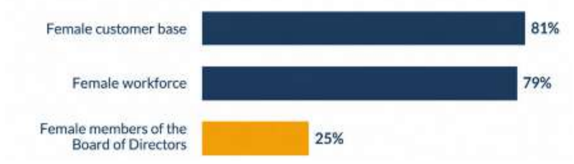


Chart 9.1. Distribution of Respondents with at Least 26% Female Representation Across Their Customer Base, Workforce, and Board of Directors

Source: AFTECH Annual Members Survey 2025–2026, N=121

Among the customer base, 65% of respondents reported that women account for 26–50% of customers, 19% reported female representation below 25%, 15% reported 51–75%, and 1% reported more than 75%. This distribution indicates that women have become a significant user segment within the digital financial services ecosystem.

A similar pattern is evident within the workforce. Seventy percent of respondents reported that women account for 26–50% of their workforce, 21% reported less than 25%, 8% reported 51–75%, and 1% reported more than 75%. These findings suggest that women are also meaningfully represented within the industry's human capital. However, the distribution changes significantly at the Board of Directors level. Fifty-seven percent of respondents reported having no women on their Board of Directors, 17% reported female representation of up to 25%, 18% reported 26–50%, 2% reported 51–75%, and only 5% reported that women account for more than 75% of their Board.

As a result, 74% of respondents still have less than 25% female representation on their Board of Directors.

Comparing the three layers reveals a consistent pattern. Women are well represented both as users and as employees within the fintech industry; however, this representation has not yet carried through to corporate leadership positions. These findings indicate that the industry's primary challenge is no longer expanding women's participation, but strengthening career development pathways to enable more women to reach decision-making roles.

Women's Representation at the Board, CEO, and Founder Levels Has Yet to Reach Its Full Potential

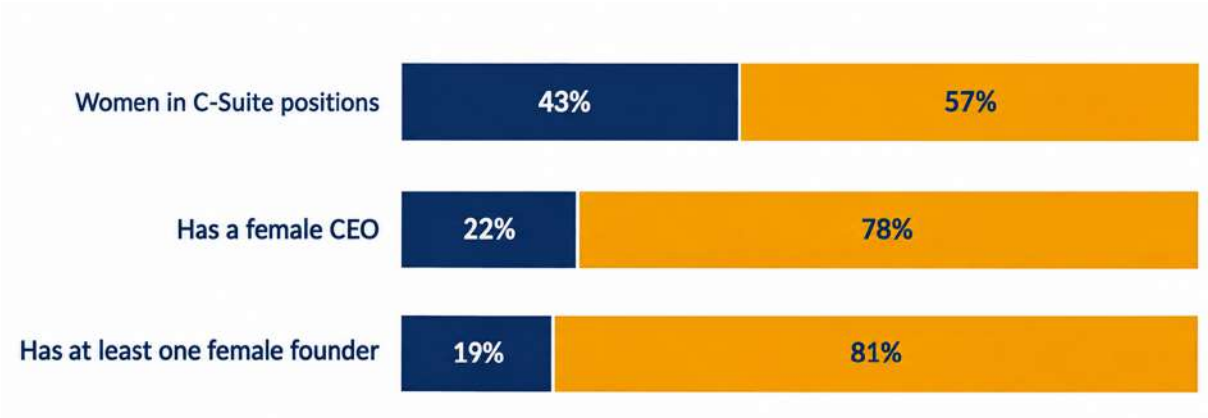


Chart 9.2. Women's Presence Across Three Corporate Leadership Indicators

Source: AFTECH Annual Members Survey 2025–2026, N=121

The three leadership indicators reveal a relatively consistent pattern. A total of 43% of respondents have women serving on their Board of Directors, 22% reported having a female CEO, while 19% indicated that at least one of the company's founders is a woman. Compared with AMS 2024–2025, the proportion of companies led by female CEOs remained relatively stable, declining slightly from 25% to 22%, while the proportion of companies with female founders increased from 17% to 19%. These changes indicate that women's representation at the leadership level is progressing gradually, although significant improvement has yet to materialize.

HIGHLIGHT

The Leadership Pipeline Challenge

The AMS 2025–2026 findings show that women have become an essential part of the digital financial services ecosystem, both as users and as members of the workforce. However, this representation has not yet fully extended to corporate leadership. In other words, the industry's key challenge is no longer increasing the number of women joining organizations, but ensuring that effective career development pathways exist to enable them to advance into strategic leadership positions.

This perspective was reinforced through the AMS 2025–2026 focus group discussions (FGDs) conducted with international research partners. Participants emphasized that measuring gender diversity should not focus solely on the number of women within an organization but should also consider the functions and career paths they occupy from the outset. Women who are concentrated in administrative or support functions may not have the same opportunities to progress into C-level positions as those working in product development, technology, commercial functions, or business development. Therefore, strengthening the leadership pipeline is just as important as increasing women's overall representation.

Strengthening Commitment to Gender Equality with Continued Progress in Implementation

Growing attention to gender diversity is reflected not only in workforce composition and leadership representation but also in the policies adopted by companies. The AMS 2025–2026 findings show that the majority of respondents have established policy frameworks that support a more inclusive workplace. The next challenge is ensuring that these policies are implemented consistently in day-to-day practice.

Chart 9.3. Adoption of Gender-Related Policies and Practices

Source: AFTECH Annual Members Survey 2025–2026, N=121

A total of 89% of respondents have adopted gender equality and anti-discrimination policies, while 87% have established policies on the prevention of sexual harassment. The high adoption rates of these two policies indicate that the fundamental principles of protection and gender equality have become part of human resource governance across most fintech companies.

However, implementation at the operational level still leaves room for improvement. Only 33% of respondents have implemented gender sensitivity training, while just 9% measure customer retention by gender. These findings suggest that efforts to strengthen gender equality are still primarily reflected in formal policies rather than in operational practices or systematic impact measurement.

The gap between the high adoption of formal policies (89%) and the lower implementation of operational practices (33%) indicates that the industry's next priority is no longer policy development, but ensuring that these policies are embedded in organizational culture, capacity building, and measurable evaluation systems. Such efforts will be essential to ensure that commitments to diversity translate into meaningful organizational outcomes.

Gender Diversity Is Increasingly Viewed as a Component of Corporate Governance

In addition to being implemented within companies, gender diversity is increasingly seen as one of the factors that investors consider when evaluating the quality of corporate governance.

A total of 48% of respondents believe that investors consider gender diversity to be fairly important, 22% regard it as very important, while 30% believe it is not yet an important consideration. Overall, 70% of respondents perceive that investors have incorporated gender diversity into their investment considerations. This represents an increase from 43% recorded in the AMS 2024–2025.

These findings indicate that gender diversity is increasingly regarded as an element of good corporate governance (GCG) rather than merely a human resources diversity issue.

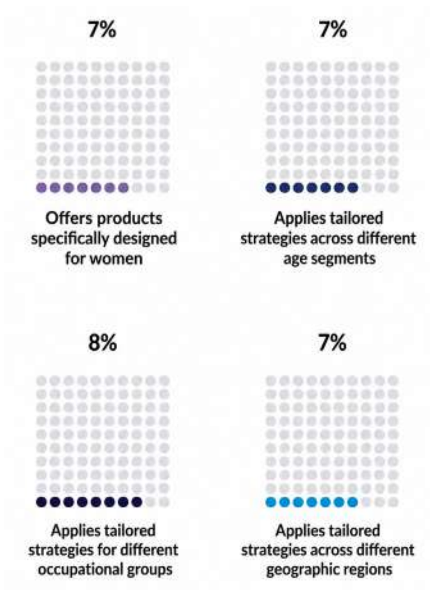
As investors place greater emphasis on governance and sustainability, companies that build inclusive organizations are likely to gain additional value in strengthening market confidence.

Products and Services for Women: An Opportunity Yet to Be Fully Realized

Beyond organizational practices, greater attention to women is also beginning to be reflected in product and service development. However, the survey findings suggest that this approach remains at an early stage and has not yet become common industry practice.

Ninety-three percent of respondents reported that they do not currently offer products or services specifically designed for women, while only 7% have developed such offerings. This proportion has changed only slightly compared with the AMS 2024–2025, when 88% of respondents indicated that they did not offer women-specific products.

Chart 9.4. Product Personalization and Service Strategies Based on User Characteristics



Source: AFTECH Annual Members Survey 2025–2026, N=121

These findings indicate that most companies continue to develop gender-neutral services, with differentiation based primarily on service usage patterns rather than users' demographic characteristics. This approach is reflected in the limited adoption of differentiated strategies based on age (7%), occupation (8%), and geographic location (7%).

Nevertheless, a number of companies have begun introducing solutions specifically designed to address women's needs, including financing for women-owned MSMEs, financial literacy programs for women's communities, family financial management features, and services that support women's economic empowerment. Although these initiatives remain limited in number, they demonstrate the emergence of new opportunities for innovation within the digital financial services industry.

HIGHLIGHT

Women as a Strategic Segment for the Fintech Industry

For many years, discussions surrounding women in financial inclusion primarily positioned women as a group requiring greater access to financial services. The AMS findings indicate that this perspective has evolved.

Although only 7% of respondents currently offer products specifically designed for women, the initiatives that have emerged suggest that women are increasingly viewed as a customer segment with distinct financial needs, rather than merely beneficiaries of financial inclusion programs.

As women's economic participation continues to increase, female entrepreneurship expands, and women play a growing role in household financial decision-making, demand for more relevant financial solutions—including fintech services—is expected to continue rising. This presents opportunities for the fintech industry to develop new innovations, ranging from financing for women-owned MSMEs, services for informal workers, and family financial management solutions, to products that support women's health and overall well-being.

Important Note: Women's Leadership as a Hallmark of a More Mature Fintech Industry

The findings in this chapter indicate that Indonesia's fintech industry and digital financial services ecosystem have established an increasingly strong foundation for promoting gender diversity. Women are no longer present solely as beneficiaries of digital financial services but have become integral participants as both customers (users) and members of the workforce. This development reflects the growing integration of women's participation into the expansion of the digital financial ecosystem.

However, the survey also reveals that increased female participation in the fintech industry has not been fully accompanied by greater representation at the leadership level. This gap indicates that the industry's next priority is to strengthen the leadership pipeline, enabling more women to advance into strategic positions.

In this context, the focus extends beyond the number of women employed in the industry to ensuring they have opportunities to gain the experience, responsibilities, and career pathways needed to progress into decision-making roles.

At the same time, the widespread adoption of gender equality policies and growing investor attention to gender diversity demonstrate that the issue is increasingly viewed as an integral component of good corporate governance. The next challenge is ensuring that these commitments are translated into more systematic practices through talent development, an inclusive organizational culture, and evaluation mechanisms capable of measuring their long-term impact.

From a market perspective, the AMS findings also point to significant opportunities to develop financial services that are more responsive to women's needs. As women's economic participation continues to increase, female entrepreneurship expands, and women assume a greater role in household financial decision-making, demand for more relevant financial solutions is expected to continue growing. For the fintech industry, this development not only advances the financial inclusion agenda but also creates new opportunities for innovation and broader market growth.

10

ESG STRATEGIES IN THE FINTECH INDUSTRY

KEY INSIGHTS

Environmental, Social, and Governance (ESG) practices are increasingly evolving from voluntary initiatives into an integral part of the business strategies of fintech and digital financial services providers in Indonesia. Although more than half of respondents have either established or are developing ESG programs, most remain at the early stages of implementation. The next challenge is no longer raising awareness of ESG, but integrating it more systematically into corporate governance, business processes, and performance measurement.

The development of the fintech and digital financial services industry is no longer measured solely by business growth, but also by its ability to create sustainable economic value. In this context, ESG is increasingly becoming the framework that integrates corporate governance, social impact, and environmental responsibility into a unified business strategy.

For the fintech industry, ESG implementation does not begin from the same starting point for every provider. Differences in company size, organizational maturity, and business models result in varying levels of adoption and implementation.

Therefore, in addition to measuring the existence of ESG programs, the AMS 2025–2026 introduces the ESG Maturity Index for the first time to assess the industry's position across different stages of ESG implementation.

This chapter examines ESG development through three key dimensions: the adoption of ESG programs, the maturity of ESG implementation, and the composition of sustainability initiatives undertaken by the industry. Together, these dimensions provide insight into the extent to which ESG has evolved from isolated corporate initiatives into a component of long-term business strategy.

KEY NUMBERS

ESG Implementation Remains at an Early Stage

Fifty-six percent of respondents have either implemented or are currently developing ESG programs. However, 70% of companies remain in Tier 1 and Tier 2, indicating that most ESG implementation is still at an early stage. The industry's greatest challenge is accelerating the transition from ad hoc initiatives to integrated ESG strategies.

ESG Adoption: Becoming Part of the Corporate Agenda

Over the past several years, attention to ESG has grown across the fintech and digital financial services ecosystem. Increasing focus from regulators and investors on responsible business practices has driven sustainability to become more deeply embedded in corporate strategy. For fintech providers, sustainability not only strengthens corporate governance but also serves as a key foundation for maintaining long-term competitiveness.

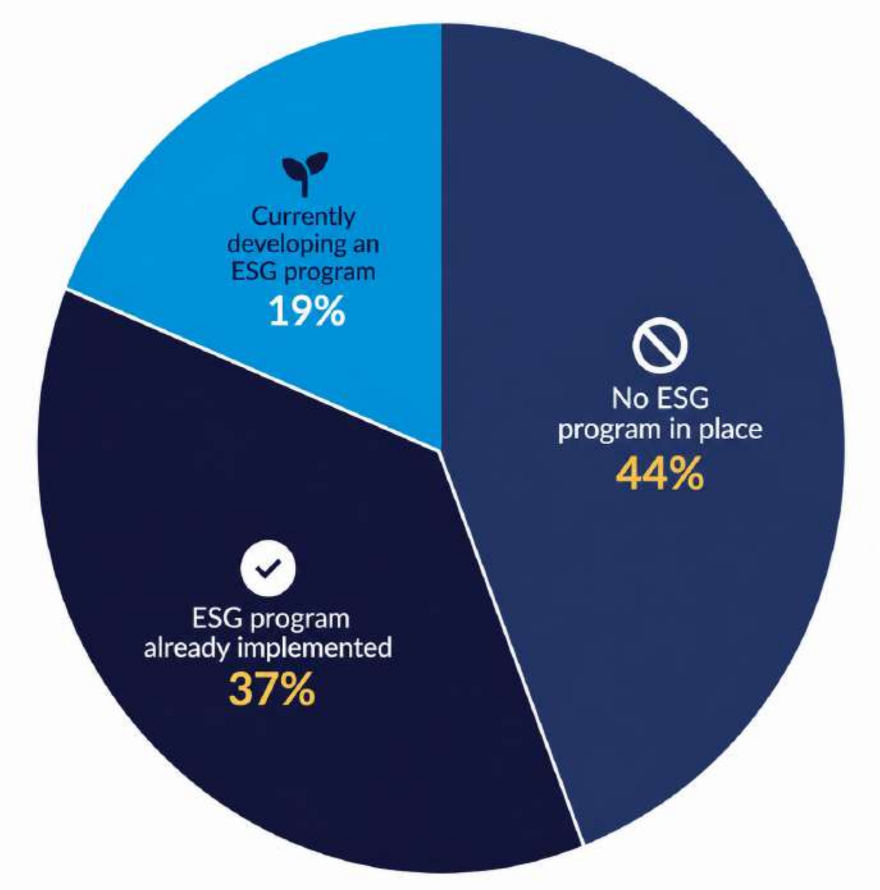


Chart 10.1. Status of ESG Program Adoption

Source: AFTECH Annual Members Survey 2025–2026, N=121

The survey found that 37% of respondents already have active ESG programs, while 19% are currently developing ESG initiatives. Meanwhile, 44% reported that they have not yet established an ESG program. Overall, 56% of respondents have begun the ESG adoption journey, either through implementation or program development.

This composition indicates that ESG is evolving from an initiative undertaken by a limited number of fintech providers into an increasingly common industry practice. Nevertheless, the proportion of respondents without ESG programs remains relatively high, making broader adoption an important priority over the coming years.

ESG Adoption Shows a Consistent Upward Trend

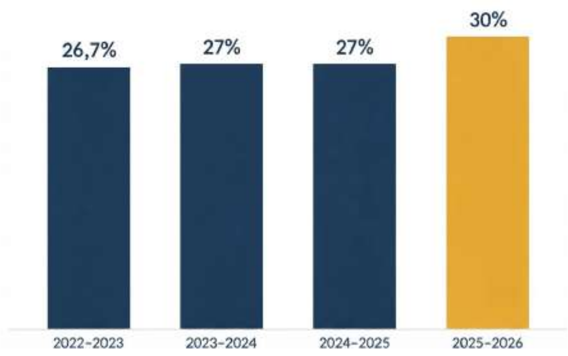


Chart 10.2. Respondents with Formal ESG Programs, AMS 2022–2026 Comparison

Source: AFTECH Annual Members Survey, various years

Longitudinal data shows that the adoption of formal ESG programs has increased gradually over recent years. After reaching 26.7% in the AMS 2022–2023, the proportion remained relatively stable at around 27% in both the AMS 2023–2024 and AMS 2024–2025, before increasing to 30% in the AMS 2025–2026.

Although progress has been gradual, the trend demonstrates that ESG is becoming increasingly embedded in the agendas of fintech providers. This development reflects several contributing factors, including the continued evolution of sustainable finance policies, growing investor attention to sustainability practices, and increasing corporate awareness that ESG can strengthen governance, enhance reputation, and improve long-term business resilience.

However, the findings also indicate that ESG adoption remains uneven across the digital financial services ecosystem. The fact that 44% of respondents have yet to establish ESG programs suggests that many companies—particularly smaller firms or those with less mature governance structures—still require support to begin implementation.

In this context, providing simpler implementation guidelines, peer learning mechanisms, and industry support programs could serve as catalysts for accelerating broader ESG adoption.

Most Respondents Remain in the Early Stages of ESG Implementation

Having an ESG program does not necessarily mean that sustainability practices are fully integrated into a company's business strategy. To better assess implementation maturity within the fintech and digital financial services ecosystem, the AMS 2025–2026 introduces the ESG Maturity Index for the first time, classifying companies into five levels of implementation—from having no ESG initiatives to publishing ESG reports on a regular basis.

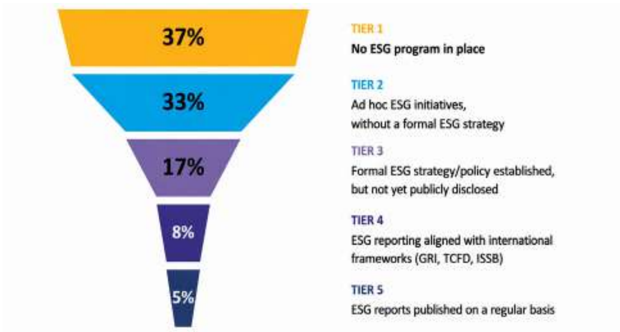


Chart 10.3. Distribution of ESG Implementation Maturity Levels

Source: AFTECH Annual Members Survey 2025–2026, N=121

The survey found that 37% of respondents remain in Tier 1, meaning they have not yet initiated ESG activities. Another 33% fall into Tier 2, indicating that fintech providers have undertaken various ESG initiatives, but these remain ad hoc and are not yet supported by a formal strategy. Seventeen percent of respondents have reached Tier 3, with documented ESG strategies or policies.

Meanwhile, 8% are classified as Tier 4, producing sustainability reports aligned with internationally recognized frameworks such as *the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), or the International Sustainability Standards Board (ISSB).* Another 5% have reached Tier 5, publishing ESG reports on a regular basis.

When grouped by maturity level, 70% of respondents remain in Tier 1 and Tier 2, 17% are in the transition stage (Tier 3), while only 13% have reached more advanced stages of implementation (Tier 4 and Tier 5). This distribution indicates that ESG development within the fintech industry is still largely focused on building foundational capabilities, while fully integrated ESG implementation remains relatively limited.

The AMS 2025–2026 also provides a more comprehensive perspective than simply measuring the number of fintech and digital financial services providers that have ESG programs. Although more than half of respondents have already implemented or are developing ESG initiatives, most of these efforts remain at an early stage. In other words, the industry's primary challenge is no longer initiating ESG programs, but progressively improving the quality and maturity of their implementation.

HIGHLIGHT

Institutional Capacity Is a Critical Challenge in ESG Implementation

The ESG Maturity Index shows that the critical transition point lies between Tier 2 and Tier 3. At this stage, companies have launched various ESG initiatives, but these efforts have not yet become part of a documented corporate strategy integrated into business governance.

The AMS 2025–2026 data shows that 63% of respondents have implemented ESG initiatives (Tier 2 and above), yet only 30% have established a formal ESG strategy (Tier 3 and above). Furthermore, only 13% have adopted practices aligned with international reporting standards (Tier 4 and Tier 5). This gap indicates that the industry's greatest challenge is no longer building ESG awareness, but transforming fragmented initiatives into measurable, integrated, and sustainable corporate strategies.

For many fintech providers—particularly small and medium-sized enterprises—this transition requires the capacity to develop ESG policies, establish data collection systems, define performance indicators, and integrate sustainability considerations into decision-making processes. In this context, support from industry associations through implementation guidelines, policy templates, and proportionate reporting frameworks will be instrumental in accelerating ESG maturity across the fintech and digital financial services ecosystem.

ESG Programs Continue to Be Dominated by the Social Pillar

Having examined the maturity of ESG implementation, the discussion now turns to the types of ESG programs undertaken by companies. The distribution of these programs provides insight into the sustainability areas that currently receive the greatest attention within the fintech and digital financial services ecosystem.

Chart 10.4. Types of ESG Programs Implemented by Respondents

Source: AFTECH Annual Members Survey 2025–2026, N=68, multiple-response question

Among respondents with ESG programs, the Social pillar remains the primary focus. Employee well-being and development was selected by 47% of respondents, followed by financial literacy programs (44%), while inclusive workplace policies and community development programs were each implemented by 43% of respondents.

Within the Environmental pillar, carbon footprint reduction was the most widely implemented initiative (37%), while green technologies, energy efficiency, and Green IT were each adopted by 28% of respondents. Compared with the Social pillar, environmental initiatives remain relatively limited, reflecting the characteristics of the digital financial services industry, which generally has a lower operational carbon footprint than sectors such as manufacturing or energy.

Meanwhile, within the Governance pillar, responsible business practices and compliance were implemented by 37% of respondents, governance programs by 29%, and business ethics and transparency initiatives by 28%. These findings reinforce the results presented in the Regulation and Governance chapter, which showed that the majority of respondents have already established *Governance, Risk, and Compliance (GRC)* frameworks as the foundation of corporate governance.

Beyond the three core ESG pillars, 29% of respondents have implemented MSME empowerment programs. Although less prevalent than other social initiatives, these programs are strategically significant because they reflect the fintech industry's direct contribution to strengthening the productive economy, which is also one of the key priorities of Indonesia's national financial inclusion agenda.

Key Takeaway: ESG and the Sustainable Growth of the Fintech Industry

The findings in this chapter indicate that Indonesia's fintech and digital financial services ecosystem is entering a new phase of ESG implementation. Whereas ESG was initially viewed largely as a voluntary initiative adopted by a limited number of companies, sustainability practices are increasingly becoming an integral part of corporate strategy and governance. This shift reflects growing recognition that long-term growth depends not only on financial performance but also on a company's ability to manage its social, environmental, and governance impacts sustainably.

Nevertheless, the AMS 2025–2026 findings show that most respondents remain in the early stages of ESG implementation. Further analysis indicates that the principal challenge facing the fintech and digital financial services industry is no longer raising awareness, but strengthening organizational capacity to integrate sustainability principles into corporate strategy, business processes, risk management, and performance measurement systems. Accordingly, the future success of ESG implementation in the fintech industry will depend more on the quality of execution than on the mere existence of ESG programs.

The AMS 2025–2026 findings also demonstrate that many of the practices discussed in previous chapters are, in fact, components of a broader ESG agenda. Strengthening corporate governance, enhancing cyber resilience, developing talent, expanding financial inclusion, and promoting women's leadership all illustrate how the Governance and Social dimensions are becoming increasingly integrated into corporate strategies. Meanwhile, initiatives related to operational efficiency and Green IT reflect the industry's growing attention to the Environmental dimension. ESG, therefore, should not be viewed as a standalone agenda, but rather as an overarching framework that unifies the industry's transformation toward more responsible growth.

Looking ahead, the competitiveness of the fintech industry will be determined not only by its ability to innovate but also by its capacity to build resilient, inclusive organizations that earn the trust of regulators, investors, and society. In this context, ESG has the potential to evolve beyond a sustainability standard into one of the fundamental pillars that strengthens industry resilience while supporting a more inclusive and sustainable digital economy in Indonesia.

11

TOWARD SUSTAINABLE GROWTH: THE NEXT AGENDA FOR INDONESIA'S FINTECH INDUSTRY

KEY INSIGHTS

The AMS 2025–2026 findings indicate that Indonesia's fintech industry has entered a new phase of maturity. While growth remains an important priority, the industry's definition of success is increasingly shifting from user expansion and access to capital toward strengthening business fundamentals, corporate governance, talent capabilities, digital infrastructure, and collaborative efforts that generate sustainable economic impact. This transition provides the foundation for a shared agenda among industry players, regulators, investors, academia, and AFTECH in shaping Indonesia's digital financial ecosystem over the coming decade.

Over the past decade, Indonesia's fintech industry has grown through technological innovation, expanded access to financial services, and the emergence of new business models that have transformed the financial services sector. This period laid a critical foundation for accelerating digitalization while advancing financial inclusion across Indonesia.

The AMS 2025–2026 shows that the fintech and digital financial services ecosystem is now entering a different stage of development. Companies are no longer focused solely on scaling their businesses but are increasingly prioritizing the strengthening of the foundations that support long-term growth. This transition is consistently reflected across the various dimensions explored throughout this report—from business strategy, funding, regulation, technology, and talent to corporate governance. This chapter synthesizes these findings into five major transitions that are expected to shape the industry's direction in the years ahead. It also discusses the implications for AFTECH's role as the industry association and outlines the collaborative agenda that should be pursued jointly with all stakeholders.

Five Transitions That Will Shape the Next Decade

The findings from the AMS 2025–2026 reveal a consistent pattern across nearly every dimension of the survey. Although drawn from different topics, these findings point to five structural transitions that signal a shift in the direction of Indonesia's fintech industry's development. These five transitions are more than simply a summary of each chapter—they represent the common thread that explains how the industry is evolving from a phase of rapid growth to one of greater maturity.

Transition 1: From Growth to Stronger Fundamentals

One of the most significant shifts highlighted in the AMS 2025–2026 is the changing definition of success within Indonesia's fintech and digital financial services ecosystem. During the industry's early stages, user growth, market expansion, and the ability to secure funding were the primary indicators of success. Today, the industry's focus is increasingly shifting toward business model quality, profitability, operational efficiency, and sustainable growth.

This transition is reflected in several key indicators. **Seventy-seven percent** of respondents now operate through **B2B** or **B2B2C** business models, **77%** identify strategic partnerships as their primary growth strategy, and **43%** have already achieved profitability. Meanwhile, business model changes have been relatively limited compared with previous years, indicating that most companies have entered a phase of consolidation.

The shift in priorities is also evident in funding patterns. **Strategic corporate investors** and self-funding each serve as **the primary source** of capital for **34%** of respondents, surpassing **venture capital**, which was selected by **30%**. In addition, **60%** of companies reported that they are not currently seeking new funding, while most respondents target profit margins in the **0–10% range**. Together, these findings indicate that disciplined capital management and the ability to generate cash flow have become the primary foundations of industry growth.

Indonesia's fintech industry is therefore no longer simply growing in size—it is building stronger foundations. This shift is one of the clearest indicators that the industry is entering a more mature phase, where success is increasingly determined by the strength of business fundamentals rather than the speed of expansion alone.

Transition 2: From Regulation to Implementation Certainty

As Indonesia's fintech and digital financial services ecosystem matures, expectations regarding public policy have also evolved. During the industry's early years, the primary concern was the establishment of a regulatory framework. Today, the main challenge lies in ensuring that regulations are implemented consistently, efficiently, and in a manner that keeps pace with evolving digital business models.

The AMS findings reveal a highly consistent pattern. **Eighty-four percent** of respondents identified r**egulatory certainty and stability** as the form of government support they need most. At the same time, **40%** still view regulation and compliance as major constraints to business growth. A deeper analysis shows that these challenges are concentrated primarily in implementation, with **74%** of respondents highlighting licensing processes and **47%** identifying reporting requirements as key issues.

The consistency of these findings indicates that the fintech and digital financial services industry is no longer questioning the direction of regulatory policy. Instead, attention has shifted toward the quality of regulatory implementation, including greater harmonization among authorities, streamlined administrative processes, and regulatory approaches that are more proportionate to the characteristics of digital business models.

This transition also reflects a changing relationship between regulators and the industry. Policy dialogue is no longer focused primarily on drafting new regulations, but increasingly on improving implementation to maintain an appropriate balance between innovation, consumer protection, and financial system stability.

Transition 3: From Digital Infrastructure to Digital Trust

As the fintech and digital financial services ecosystem evolves, digital infrastructure is no longer viewed merely as an operational enabler. It has become the foundation that determines service quality, compliance efficiency, consumer protection, and the industry's ability to build trust in the digital era.

One of the most consistent findings in the AMS 2025–2026 is the growing importance of **digital identity. A total of 32%** of respondents identified **digital identity verification** as the industry's greatest infrastructure challenge, **53%** considered it the top infrastructure development priority, while only **28%** believed that Indonesia's current digital identity infrastructure is already highly effective. The consistency across these three indicators suggests that digital identity has become a critical foundation for customer onboarding, regulatory compliance, fraud mitigation, service interoperability, and the expansion of digital financial access.

These developments demonstrate that the industry's agenda has moved beyond simply digitizing services. The focus is now shifting toward building trust infrastructure that enables digital transactions to be conducted securely, efficiently, and seamlessly. In this context, strengthening digital identity, data interoperability, cybersecurity, and data governance will become essential prerequisites for industry growth over the next decade.

Transition 4: From Technology Adoption to Capability Building Talenta Digital

Digital transformation over the past several years has shown that technology adoption is no longer the industry's primary challenge. Instead, an organization's ability to develop talent capable of using technology productively has become the defining factor of corporate competitiveness.

The AMS 2025–2026 shows that **84%** of respondents have adopted **artificial intelligence (AI)** at various stages of implementation. However, workforce readiness has not progressed at the same pace.

Forty-eight percent of respondents **identified data, AI, and analytics talent** as the most difficult category of professionals to recruit, while **44%** ranked these capabilities as their highest recruitment priority. Meanwhile, **data, AI, and analytics functions** account for an average of only **10%** of companies' total workforce.

These findings indicate that the next challenge is no longer providing access to technology, but building organizational capabilities to maximize its value. Without sufficient talent, investments in AI and other digital technologies may fail to deliver the anticipated gains in productivity and innovation.

This shift also demonstrates that industry competition is evolving. Whereas companies once competed primarily to adopt new technologies, competitive advantage in the next phase will increasingly depend on their ability to attract, develop, and retain high-quality digital talent.

Transition 5: From Inclusion to Sustainable Impact

Expanding access to financial services remains one of the fintech and digital financial services industry's most significant achievements in Indonesia. However, the AMS findings indicate that the industry's definition of success is increasingly shifting from simply expanding access toward generating broader and more sustainable economic impact.

This transition is reflected in the industry's growing **emphasis on financial inclusion, talent development, gender diversity**, and **ESG practices.** Together, these dimensions demonstrate that industry growth is no longer measured solely by business performance, but also by its contribution to the quality of economic and social development.

This approach reflects a broader shift in how the industry views sustainability. Initiatives such as financial literacy, MSME empowerment, women's leadership development, corporate governance, and ESG implementation are no longer treated as standalone programs. Instead, they are increasingly being integrated into corporate strategies to strengthen competitiveness while creating long-term value for society.

The growing maturity of Indonesia's fintech industry is therefore reflected not only in higher profitability or technological advancement, but also in its ability to deliver growth that is increasingly inclusive, responsible, and sustainable.

Looking Ahead: Five Transitions, One Direction of Change

These five transitions demonstrate that Indonesia's fintech and digital financial services ecosystem is undergoing a structural transformation. While growth remains an essential prerequisite, it is no longer the sole measure of success. An increasing number of indicators show that the industry's competitiveness is now being built on stronger business fundamentals, greater certainty in regulatory implementation, the development of trust infrastructure, enhanced talent capabilities, and the creation of broader economic impact.

This shift also ties together the central narrative of the AMS 2025–2026. Nearly all of the report's findings point to the same conclusion: Indonesia's fintech industry is transitioning from a phase of expansion to one of maturity. Success in the next stage will increasingly depend on the strength of the foundations being built today, rather than solely on the pace of growth achieved.

AFTECH's Role: Policy Advocacy Remains Members' Top Expectation

The changes reflected in the AMS 2025–2026 are also evident in members' expectations of AFTECH's role. As the industry matures, members' needs extend beyond industry representation to include knowledge generation, collaboration facilitation, and capacity building to address emerging challenges.

The survey shows that policy advocacy remains members' highest priority. At the same time, demand for industry research, talent development, strategic partnerships, and platforms for sharing best practices continues to grow. This trend indicates that the association's role is evolving from serving merely as a communication bridge between industry and regulators into a platform for collaboration and ecosystem development. This shift reflects the changing needs of a maturing industry. As business challenges become more complex, the value of an industry association is no longer measured solely by its ability to represent members' interests, but also by its capacity to generate knowledge, strengthen networks, and accelerate the adoption of best practices across the industry.

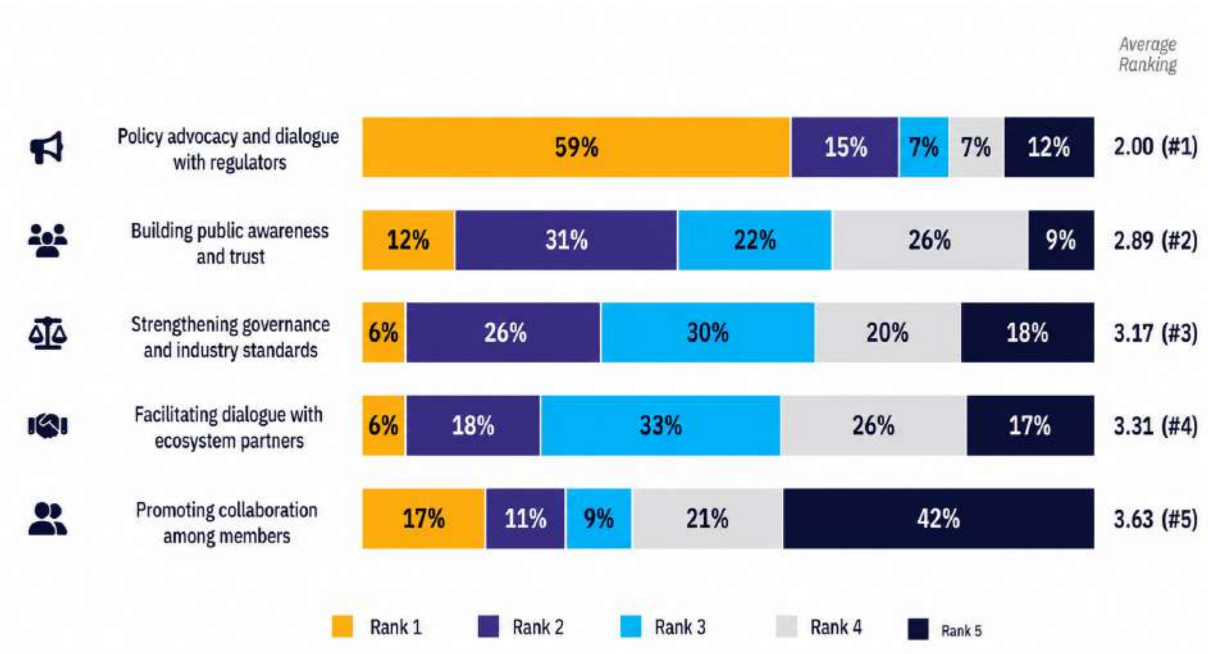


Chart 11.1. Average Ranking of Respondents' Top Five Priorities for AFTECH's Role

Source: AFTECH Annual Members Survey 2025–2026, N=121. Lower rankings indicate higher priority (scale of 1–5).

From Findings to Action

The AMS 2025–2026 findings provide a clear direction for the priority agenda that should be pursued collectively. The industry's continued maturation cannot be achieved by any single stakeholder; it requires complementary contributions from the entire ecosystem.

Agenda for the Industry

The industry's foremost priority is to strengthen the foundations of the fintech and digital financial services ecosystem through adaptive governance, investment in talent development, the responsible use of technology, and increasingly integrated ESG implementation.

At the same time, companies must continue expanding collaboration so that innovation can generate greater benefits for society and the broader economy.

Agenda for AFTECH

For AFTECH, the survey findings provide a foundation for strengthening evidence-based advocacy, expanding member services, and deepening collaboration with regulators, investors, academia, and international partners. As the industry's association, AFTECH plays a vital role in accelerating the dissemination of best practices, promoting standardization, and facilitating constructive dialogue amid the evolving digital financial landscape.

Agenda for Regulators

For regulators, the AMS findings highlight the importance of maintaining a balance between innovation and protection. Greater certainty in regulatory implementation, stronger coordination among regulatory authorities, and regulatory approaches that are proportionate to the characteristics of digital business models will be essential to sustaining a healthy investment climate while strengthening financial system stability.

Agenda for Investors and Ecosystem Partners

For investors, educational institutions, international organizations, and other ecosystem partners, the AMS demonstrates that Indonesia's fintech and digital financial services ecosystem is entering a more mature stage. Support for talent development, applied research, innovation, and long-term financing will be critical to strengthening industry competitiveness while accelerating Indonesia's digital economic transformation.

Concluding Note: Building the Foundation for Growth in the Next Decade

The findings of the AFTECH Annual Members Survey (AMS) 2025–2026 indicate that Indonesia's fintech industry is entering a new phase of maturity. After more than a decade characterized by rapid innovation, business model expansion, and broader access to digital financial services, the industry's definition of success is evolving. While growth remains an essential prerequisite, long-term competitiveness will increasingly depend on the ability to build strong foundations through adaptive governance, sustainable business models, skilled talent, responsible technology, and deeper collaboration across the ecosystem.

The findings also show that the industry's challenges are becoming increasingly complex. The agenda going forward is no longer limited to introducing new innovations, but extends to ensuring that those innovations enhance productivity, strengthen public trust, generate broader economic impact, and remain aligned with evolving regulations and market needs. In other words, success in the next phase will depend more on the quality of implementation than on the speed of expansion.

In this context, no single stakeholder can drive this transformation alone. The industry requires policy certainty that encourages innovation while safeguarding stability. Regulators need evidence-based input from industry participants. Investors seek companies with increasingly strong fundamentals. Academia and research institutions play a crucial role in generating relevant knowledge and talent. Meanwhile, industry associations occupy a strategic position in bringing these interests together through dialogue, collaboration, and the dissemination of best practices.

For AFTECH, the AMS 2025–2026 is more than an annual report on industry conditions. It serves as an evidence-based advocacy instrument that helps identify structural changes within the industry, capture members' aspirations, and shape a more focused agenda for ecosystem development.

Accordingly, the true value of the AMS lies not only in the data it gathers, but also in its ability to serve as a foundation for constructive dialogue among industry participants, regulators, investors, academia, development partners, and all other stakeholders.

Ultimately, the future of Indonesia's fintech industry will no longer be determined by how rapidly companies can grow, but by how strong the foundations they build together become. The ability to strengthen governance, develop talent, harness technology responsibly, expand collaboration, and sustain public trust will determine whether digital transformation can truly deliver a financial system that is more inclusive, productive, competitive, and sustainable for Indonesia.

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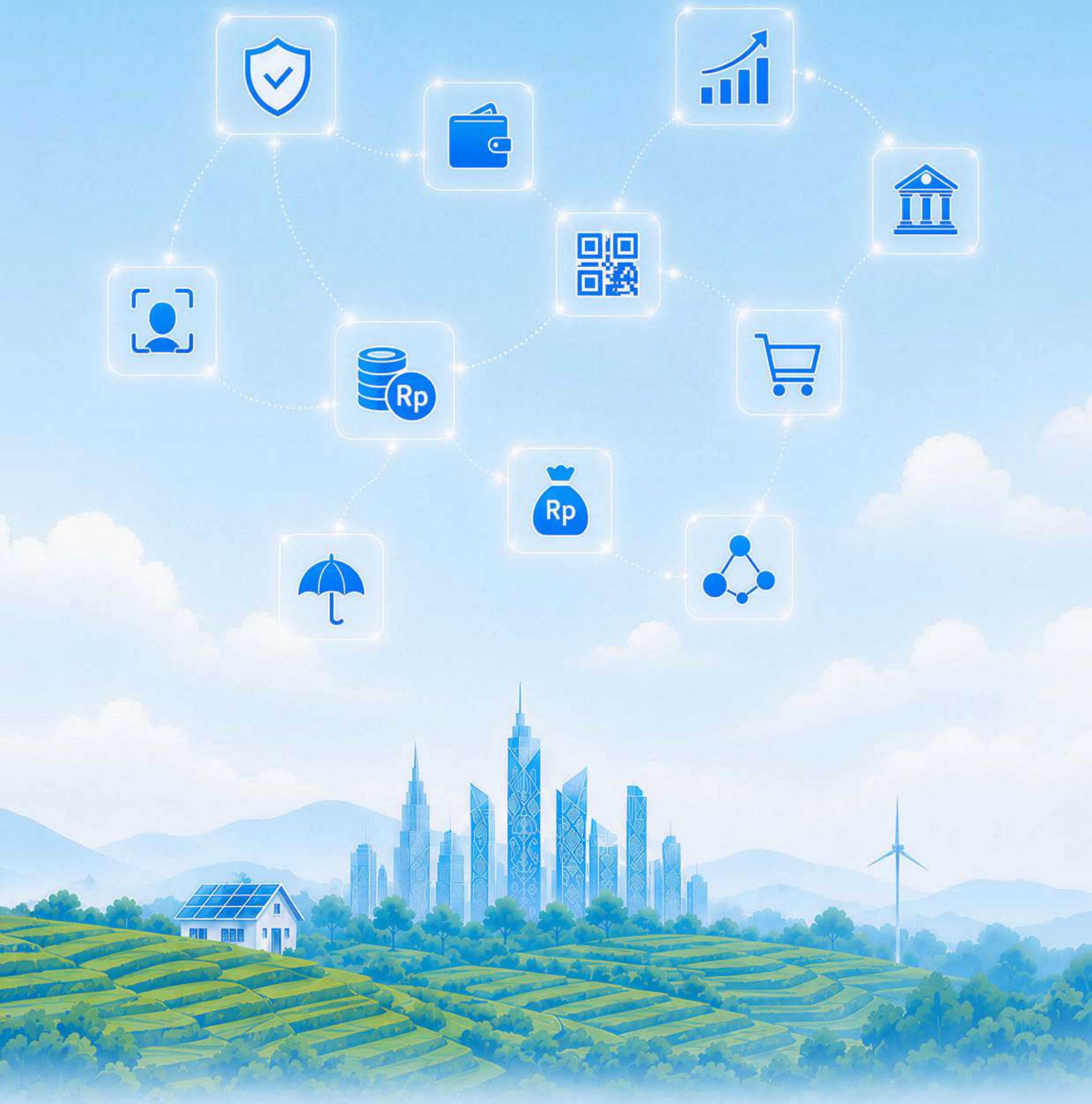

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