



MACROECONOMIC BOOKLET

'Slower and Higher for Longer'

September 2023

Office of Chief Economist



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Latest Development – Global

The global economic outlook is alarmingly fragile; slower for longer?

United States: *When will FFR peak?*

- Inflation increased to 3.2% yoy in Jul-23 due to persistently high index for shelter. Core inflation was down to 4.7% yoy. Inflation remains well above the 2% target.
- Unemployment rate rose to 3.8% in Aug-23, the highest since Feb-22. This suggested that the labor market started to loosen.
- The Fed Chair Jerome Powell at the Jackson Hole Symposium emphasized the need to implement additional FFR hikes to manage stubborn inflation effectively. Yet, Powell suggested the Fed could hold FFR steady at the Sep-23 FOMC meeting to assess the incoming data and the evolving outlook and risks.

Eurozone: *Heading for a slowdown*

- Inflation remained steady at 5.3% yoy in Aug-23 amid upward pressure of energy, non-energy industrial goods, processed food, alcohol & tobacco, and service prices. Core inflation eased to 5.3% yoy.
- ECB maintained the possibility of a rate hike in Sep-23. However, arguments favoring a rate pause are gaining traction, driven by the belief that the cumulative tightening's impact is enough to reduce inflation.
- PMI Service entered the contraction territory as it dropped to 48.3 (below 50), the first time since the end of 2022 amid worsening demand conditions.

Asia Pacific: *Slowdown and deflation risks*

- The People's Bank of China (PBoC) cut LPR by 10 bps to a record low of 3.45% to help the faltering Chinese economy. It vowed to inject more liquidity for the economy amid slowing business activity, a growing deflationary outlook, and weak trade performance.
- Japan's export declined by -0.3% yoy in Jul-23, the first contraction since Feb-21 amid weak foreign demand from key markets.

Global Economic Indicators	Jun-23	Jul-23	Aug-23
United States			
Inflation rate (% yoy)	3.0	3.2	
Unemployment rate (%)	3.6	3.5	3.8
Policy rate (%)	5.25	5.50	5.50
Eurozone			
Inflation rate (% yoy)	5.5	5.3	5.3
Policy rate (%)	4.00	4.25	4.25
PMI service	52.0	50.9	48.3
Asia Pacific			
China's policy rate (%)	3.55	3.55	3.45
Japan's export (% yoy)	1.5	-0.3	

Latest Development – Indonesia

Resilient domestic economy is making up faltered external demand

- **Bank Indonesia (BI) kept the benchmark rate, specifically the BI 7-Day Reverse Repo Rate (BI-7DRRR), at 5.75% in the Aug-23 meeting.** This decision aligned with the ongoing monetary policy strategy of maintaining control over inflation within the target range of 2 – 4% for the remainder of 2023 and 1.5 – 3.5% for 2024.
- **The Consumer Price Index (CPI) experienced a monthly deflation of -0.02% mom in Aug-23,** primarily driven by seasonally lower food prices, coinciding with the harvest season. **The annual headline inflation exhibited an uptick (3.27% yoy)** in response to the low base effect observed from the previous year.
- **Core inflation continued decelerating, declining to 2.18% yoy in Aug-23.** The decrease in inflation within the production/supply side resulted in a decline in selling prices for most non-administered and volatile goods, translating into lower consumer-side inflation.
- **Trade surplus notably shrank to USD1.31 billion in Jul-23** due to a more significant drop in exports than imports. **Export continued to fall by -18.03% yoy,** attributed to flagging global demand amid persistent inflation pressures, leading many countries to maintain higher-for-longer interest rates. **Import contracted by less than anticipated (-8.32% yoy).** There was an improvement in the sense of consumer goods and capital goods.
- **Banking performance started accelerating in Jul-23.** Loan growth strengthened to 8.54% yoy. Deposit growth was also up to 6.62% yoy. Liquidity in the banking industry remained loose, with LDR at 82.9%. Money supply (M2) growth increased to 6.44% yoy. Asset quality remained strong, with NPL at 2.51%.

Economic Indicators	Jun-23	Jul-23	Aug-23
BI-7DRRR (%)	5.75	5.75	5.75
CPI Inflation			
Inflation rate (% yoy)	3.52	3.08	3.27
Inflation rate (% mom)	0.14	0.21	-0.02
Core inflation rate (% yoy)	2.58	2.43	2.18
Trade			
Export (% yoy)	-21.18	-18.03	
Import (% yoy)	-18.35	-8.32	
Trade balance (USD bn)	3.45	1.31	
Bank			
Loan (% yoy)	7.76	8.54	
Deposit (% yoy)	5.79	6.62	
LDR (%)	82.8	82.9	
M2 (% yoy)	6.11	6.44	
NPL (%)	2.44	2.51	

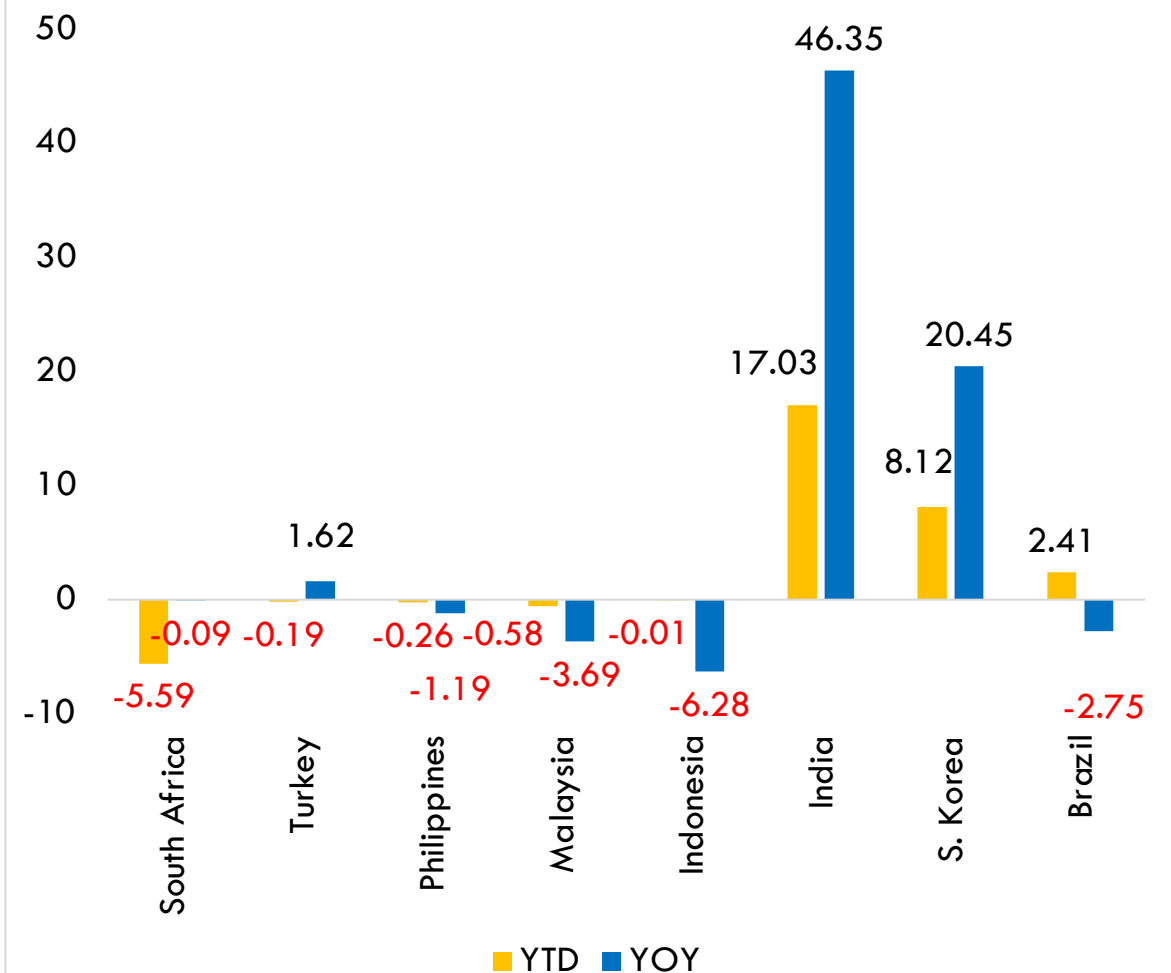
GLOBAL ECONOMIC UPDATE



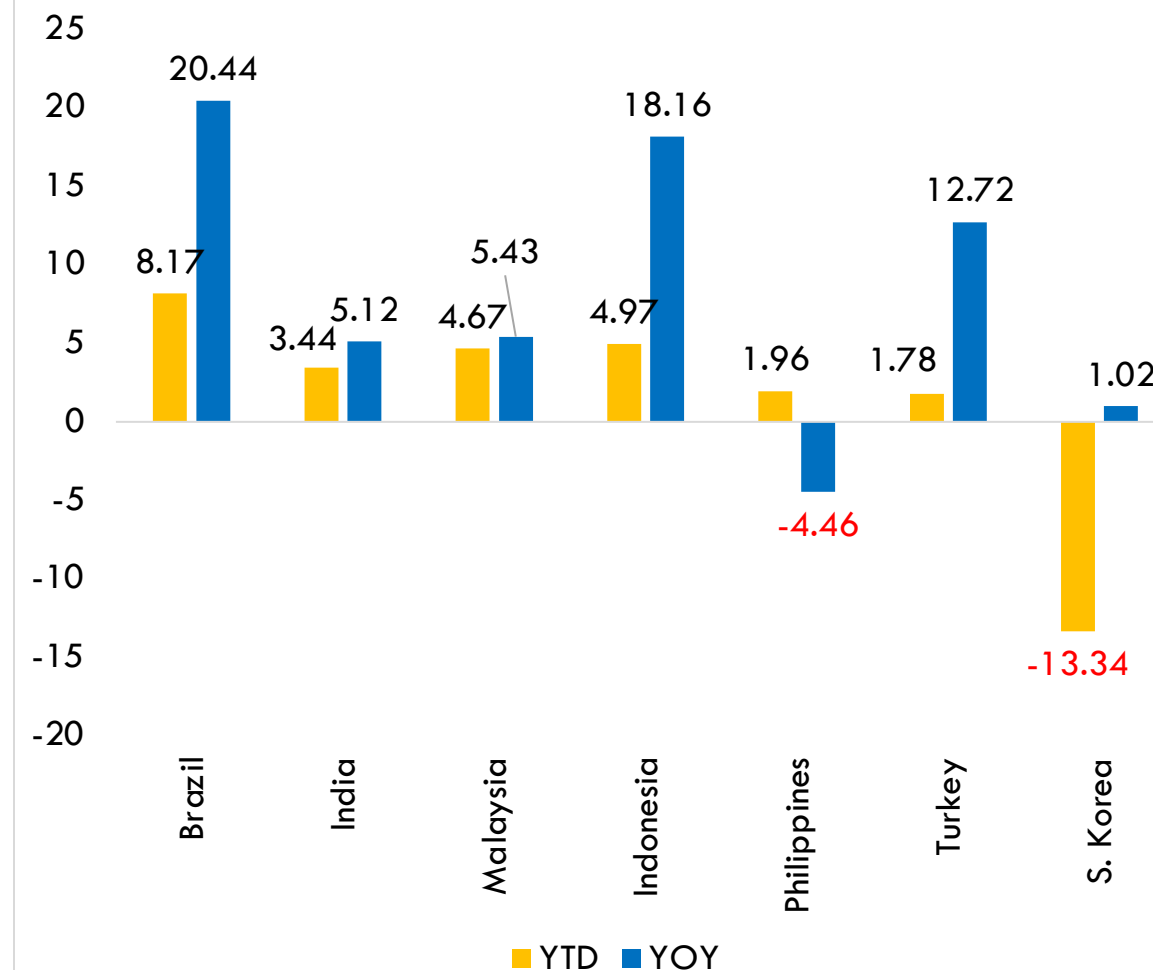
Capital flow of Bond and Stock Market in EM

Investors start switching to the bond market rather than the stock market

Flows in Stock Market (USD bn)

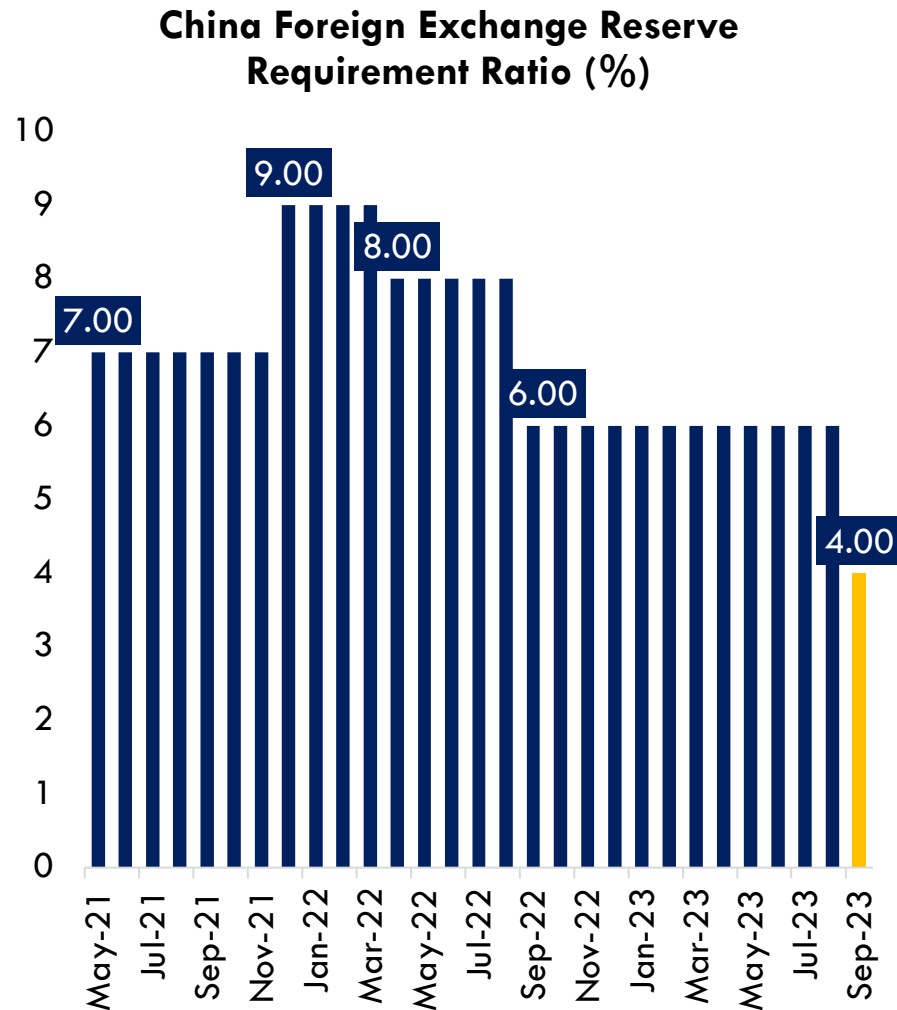
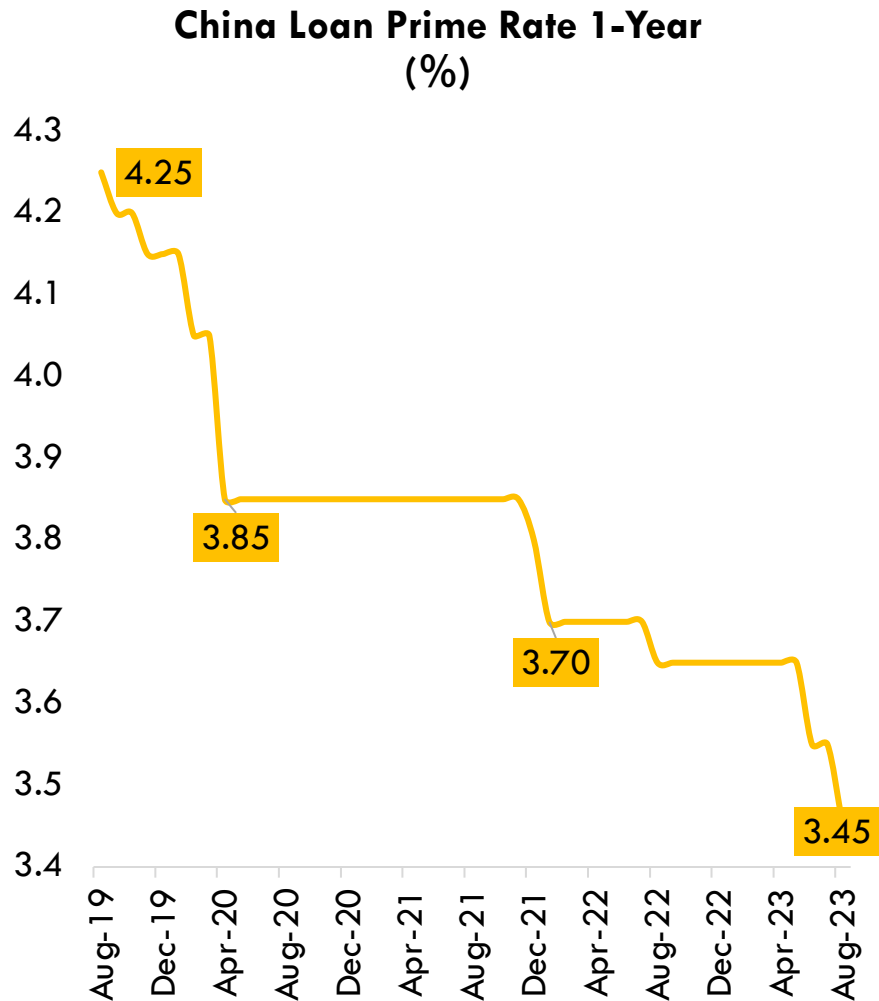


Flows in Bond Market (USD bn)



China Give Significant Stimulus by Lowering Policy Rate and Reserve Requirement

The interest rate cut was primarily an unexpected move to provide monetary stimulus for the economy.



Other Stimulus Measures by China Officials

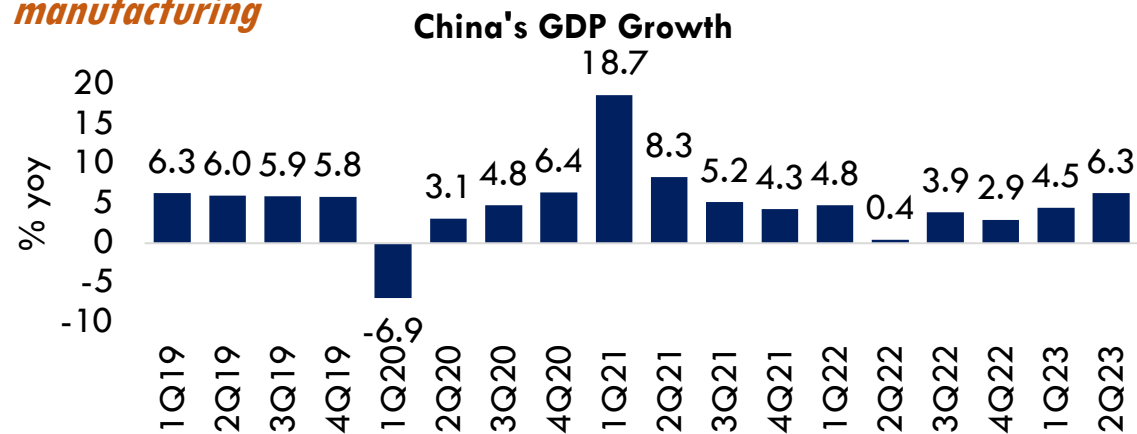
In attempt to halt a slide in the country's economy

- For property sector, China also has allowed its largest cities to **cut down payments for homebuyers** and **encouraged lenders to lower rates on existing mortgages**
- To boost investor confidence in the capital market, stimulus were including
 - **Reduction of the 0.1% duty on stock trades**
 - **Restriction of share sales** by top stakeholders at firms **whose stock prices have fallen below IPO levels** or net asset levels
 - **Slowing the pace of IPOs**

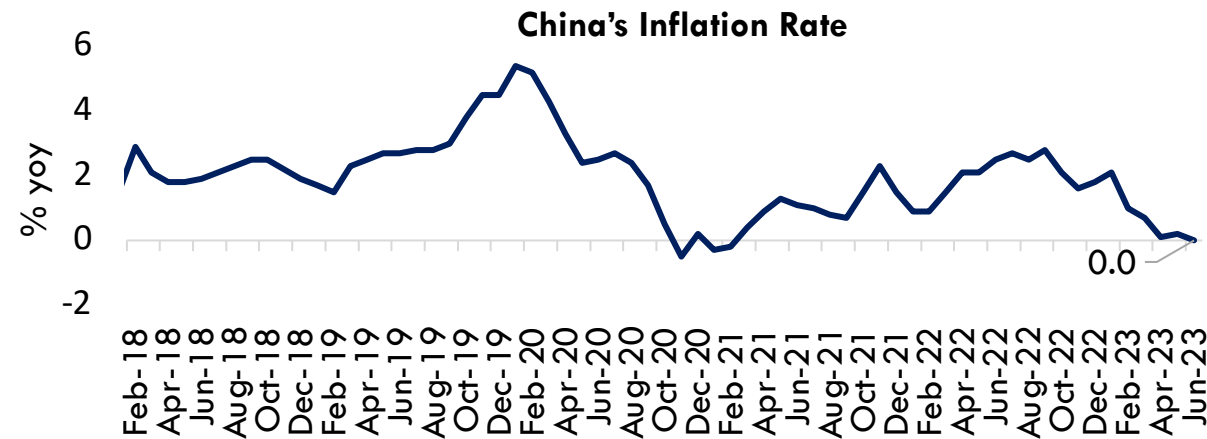
Source: Bloomberg, as of 5-Sep-23

China: Uneven recovery and lack of stimulus raised concern on the economy

GDP Growth fell short of expectation. Weakness on property investment and exports, but stronger growth in services and hi-tech manufacturing



The economy on the brink of a deflation



China's Manufacturing PMI Extends Decline



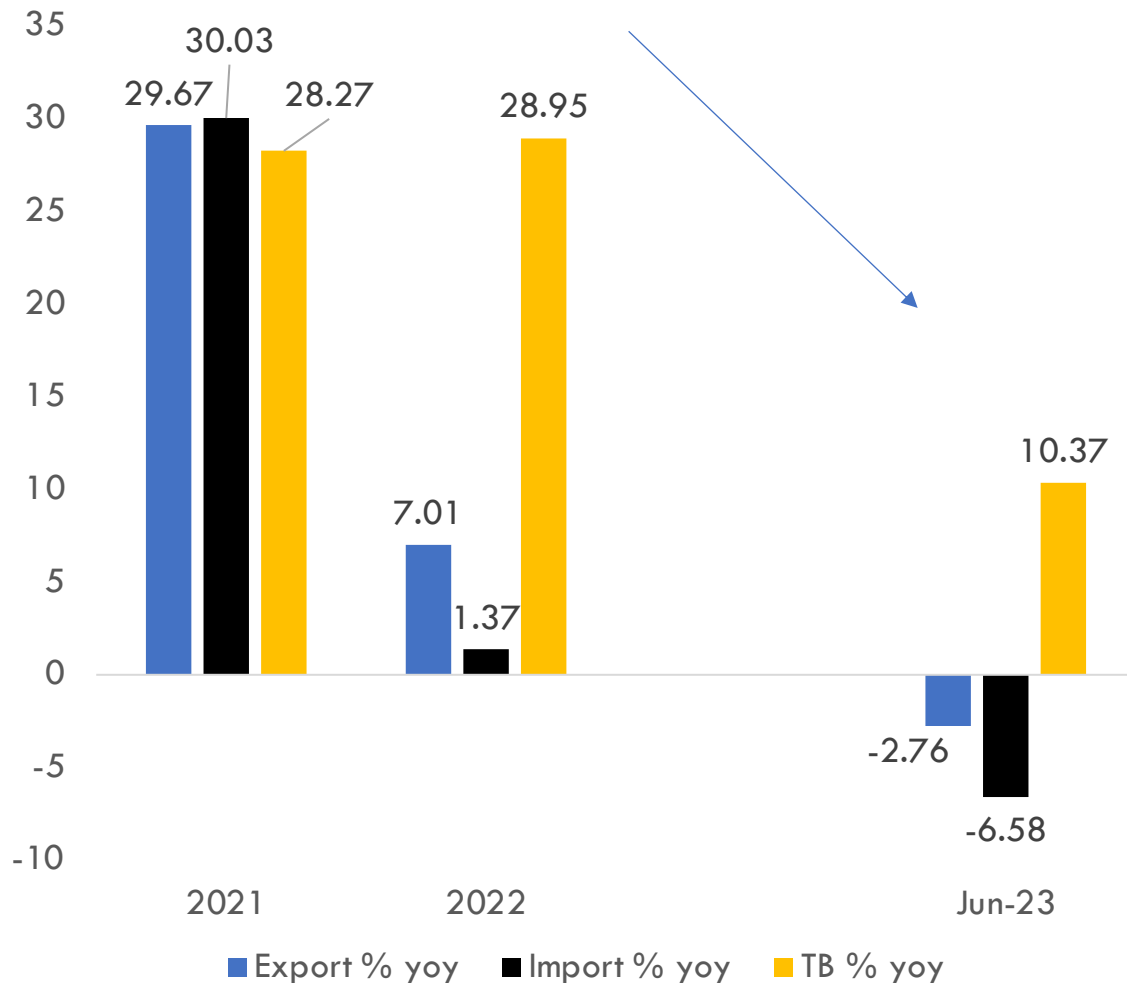
Property sector continue to weakens



China slowdown will impact global growth outlook

Trade performance declining as global demand slowdown

China Trade Performance (% yoy)



Source: CEIC & Trade Map

China slowdown will impact global recovery path going forward

Top China's exports to US, EU, Asia

Product Export to USA	6M23	% yoy
Machinery, Electrical Equipment	243.4	-15.3
Electrical Machinery and Equipment	103.9	-15.5
Nuclear Reactors, Machinery	56.6	-16.4
Product Export to EU	6M23	% yoy
Machinery, Electrical Equipment (ME)	122.1	-3.0
Electrical Machinery and Equipment	80.0	5.6
Nuclear Reactors, Machinery	42.1	-16.0
Product Export to ASIA	2022	% yoy
Electrical machinery and equipment	510.1	0.9
Nuclear reactors, boilers, machinery and mechanical	235.5	2.2
Plastics and articles thereof	65.5	14.8

Top China's import by commodities from US, EU, Asia

Product Import from USA	6M23	% yoy
Vegetable Products	16.3	0.3
Machinery, Electrical Equipment (ME)	16.1	-16.1
Mineral Products	13.0	8.4
Product Import From EU	6M23	% yoy
Machinery, Electrical Equipment (ME)	40.8	-4.2
Products of Chemical or Allied Industries	27.7	3.5
Nuclear Reactors, Machinery	23.4	3.4
Product Import from ASIA	2022	% yoy
Electrical machinery and equipment	574.7	-3.2
Mineral fuels, mineral oils and products	325.2	48.8
Nuclear reactors, boilers, machinery	129.7	-14.8

GDP in Several Countries

Some countries still showed resilient economic growth

(GDP growth, % yoy)

Countries	2017	2018	2019	2020	2021	2022	2023F	2024F	2025F	4Q22	1Q23	2Q23	3Q23F	4Q23F
US	2.2	2.9	2.3	-2.8	5.9	2.1	2.0	0.9	1.9	0.9	1.8	2.5	2.1	1.5
Euro Zone	2.6	1.8	1.6	-6.1	5.3	3.5	0.6	0.9	1.5	1.8	1.1	0.6	0.2	0.5
Japan	1.7	0.7	-0.4	-4.3	2.3	1.1	1.6	1.0	1.0	0.4	2.0	2.0	1.9	1.9
UK	2.5	1.7	1.6	-11.0	8.5	4.3	0.3	0.6	1.5	0.6	0.2	0.4	0.4	0.3
China	6.9	6.7	6.0	2.2	8.4	3.0	5.1	4.5	4.6	2.9	4.5	6.3	4.3	5.0
South Korea	3.2	2.9	2.2	-0.7	4.1	2.6	1.2	2.2	2.4	1.6	0.9	0.9	1.2	2.2
Russia	1.8	2.8	2.2	-2.7	5.6	-2.1	0.9	1.1	1.1	-2.7	-1.8	4.9	2.4	2.2
India	8.3	6.8	6.5	3.9	-5.8	9.1	6.4	6.1	6.4	4.5	6.1	7.8	6.3	5.9
Brazil	1.3	1.8	1.2	-3.3	5.2	2.9	2.3	1.5	2.0	1.9	4.0	3.4	1.5	1.7
Indonesia	5.1	5.2	5.0	-2.0	3.7	5.3	5.0	5.0	5.2	5.0	5.0	5.2	5.0	5.0
Malaysia	5.7	4.7	4.3	-5.6	3.1	8.7	4.0	4.5	4.5	7.1	5.6	2.9	2.7	4.4
Thailand	4.2	4.2	2.1	-6.2	1.6	2.6	3.1	3.6	3.1	1.4	2.6	1.8	2.8	4.7
Singapore	4.5	3.4	0.9	-4.1	9.1	3.7	1.3	2.5	2.8	2.1	0.4	0.5	1.5	2.4
Philippines	6.9	6.3	6.1	-9.5	5.7	7.6	5.5	5.8	6.1	7.1	6.4	4.3	4.8	4.7
Australia	2.4	2.8	2.0	-1.8	5.3	3.7	1.5	1.4	2.2	2.7	2.3	1.6	1.1	0.8

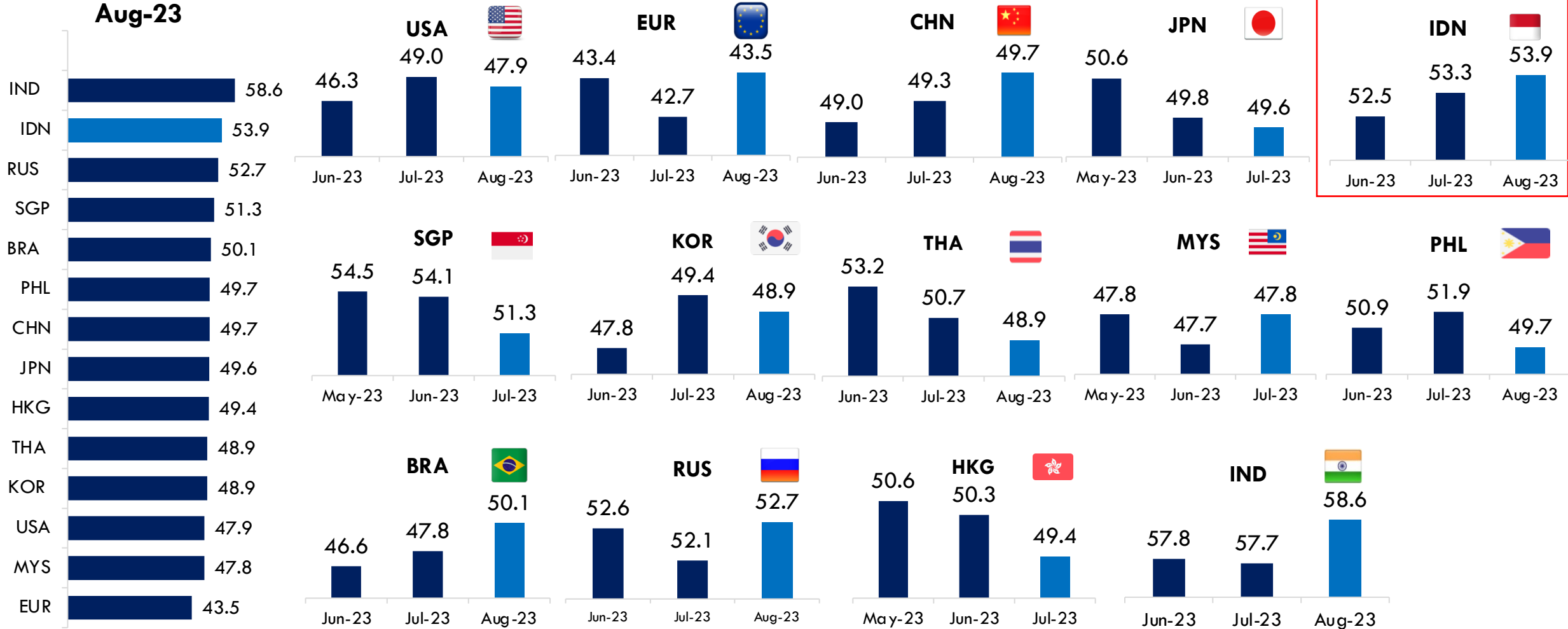
Source: Bloomberg consensus as of 04-Sep-23

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Global Manufacturing PMI

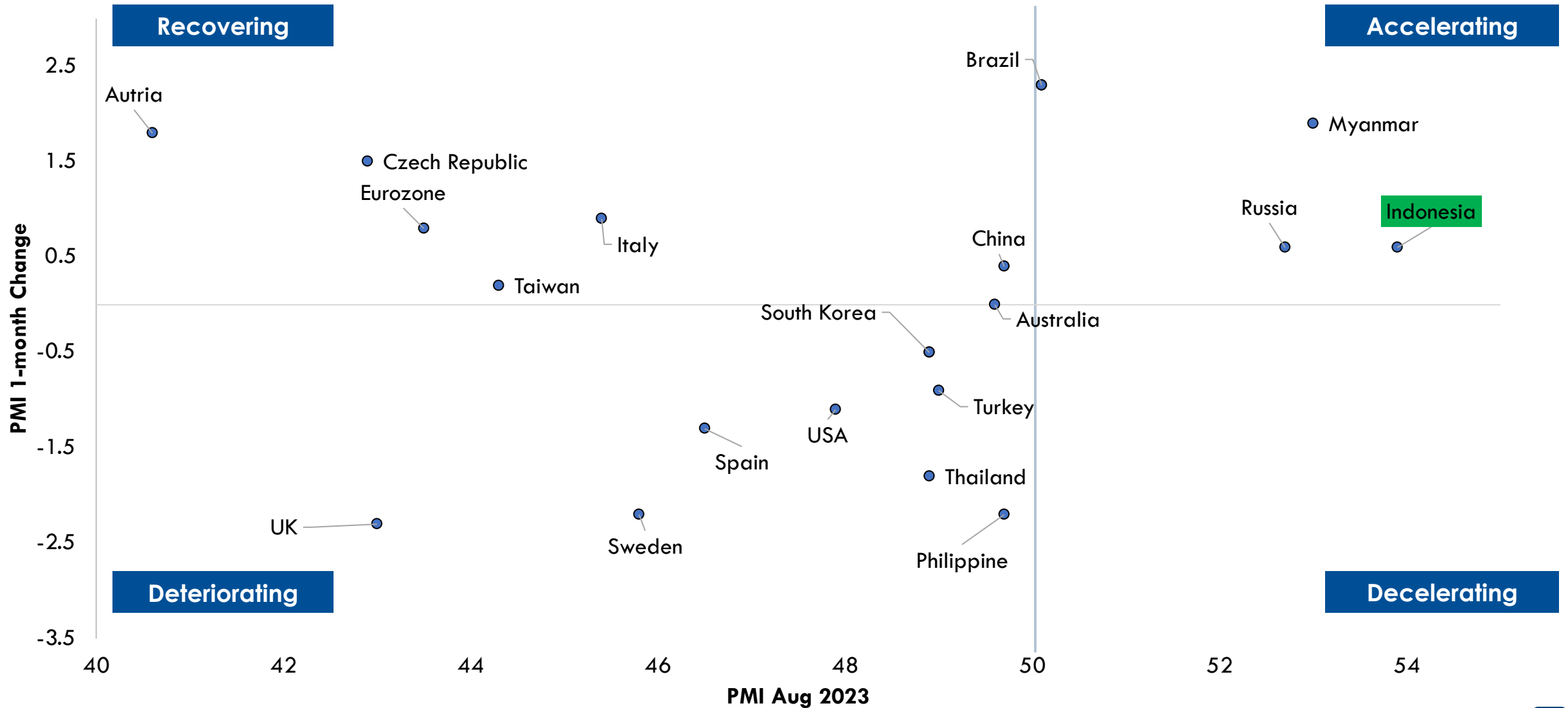
Indonesia's Manufacturing PMI Outperforms Major Countries

Manufacturing PMI Aug-23



Global Manufacturing PMI




Indonesia's Manufacturing PMI Outperforms Major Countries



Global Economic Outlook

Growth slowdown expected to continue throughout 2023

(GDP growth, %)

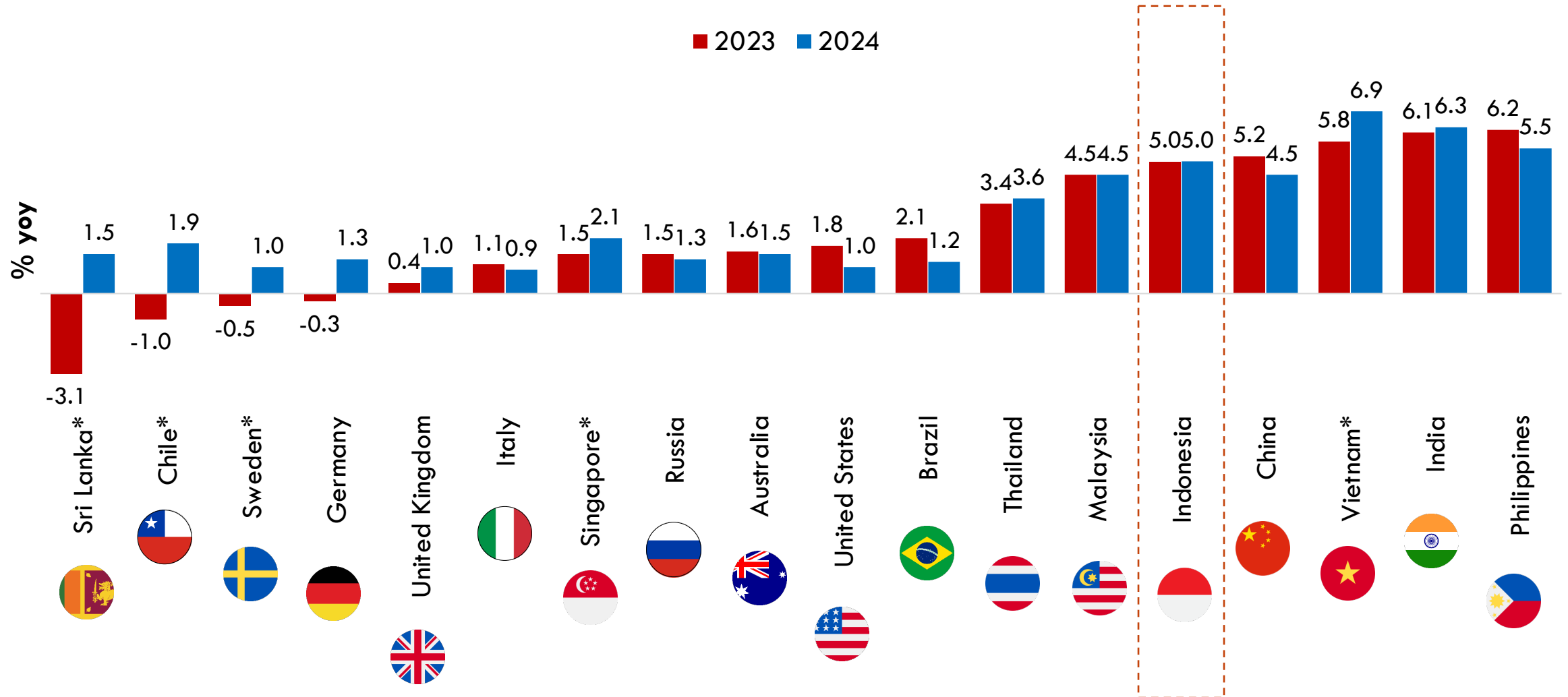
Countries / Area	2019	2020	2021	2022	IMF		World Bank		Bloomberg		OECD	
					2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F
World 	2.8	-2.8	6.3	3.4	3.0	3.0	2.1	2.4	2.7	2.7	2.7	2.9
US 	2.3	-2.8	5.9	2.1	1.8	1.0	1.1	0.8	2.0	0.9	1.6	1.0
Euro Zone 	1.6	-6.1	5.3	3.5	0.9	1.5	0.4	1.3	0.6	0.9	0.9	1.5
Indonesia 	5.0	-2.0	3.7	5.3	5.0	5.0	4.9	4.9	5.0	5.0	4.7	5.1
Japan 	-0.4	-4.3	2.3	1.1	1.4	1.0	0.8	0.7	1.9	1.0	1.3	1.1
China 	6.0	2.2	8.4	3.0	5.2	4.5	5.6	4.6	5.1	4.5	5.4	5.1
India 	6.5	3.9	-5.8	9.1	6.1	6.3	6.3	6.4	7.0	6.1	6.0	7.0
Russia 	2.2	-2.7	5.6	-2.1	1.5	1.3	-0.2	1.2	1.4	1.2	-1.5	-0.4
Brazil 	1.2	-3.3	5.2	2.9	2.1	1.2	1.2	1.4	2.3	1.5	1.7	1.2
ASEAN-5 	4.9	-3.4	3.4		4.6	4.5	-	-	-	-	-	-

Source : IMF, Jul-23 World Economic Outlook; World Bank, Jun-23 Global Economic Prospect; OECD, Jun-23 Economic Outlook; Bloomberg as of 5-Sep-23

IMF's 2023 Economic Growth Projection

IMF forecasted Indonesia's GDP to grow by 5.0% in 2023

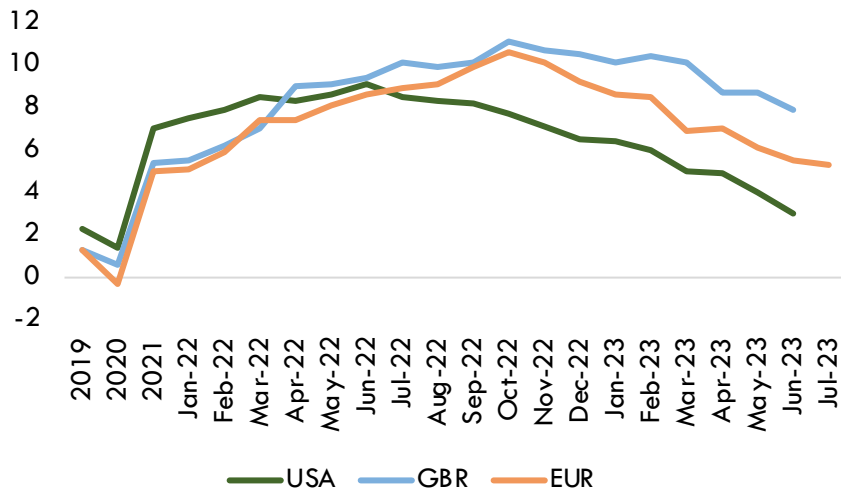
■ 2023 ■ 2024



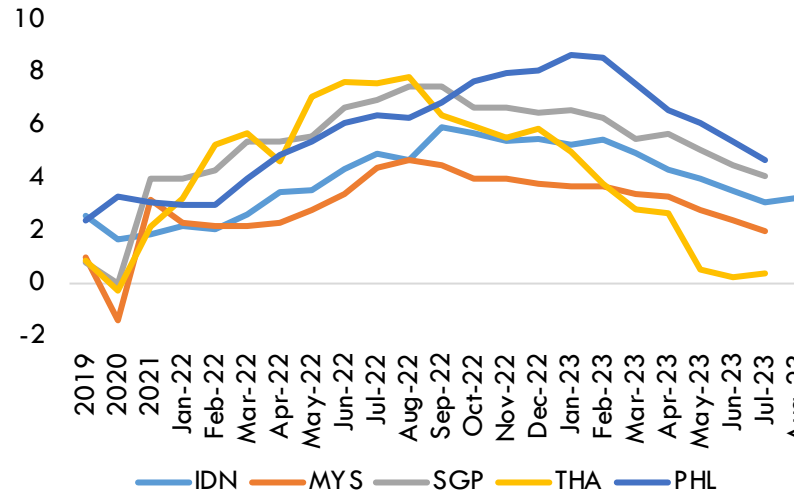
Global Inflation

Inflation is starting to ease in most countries due to the effect of rising interest rates

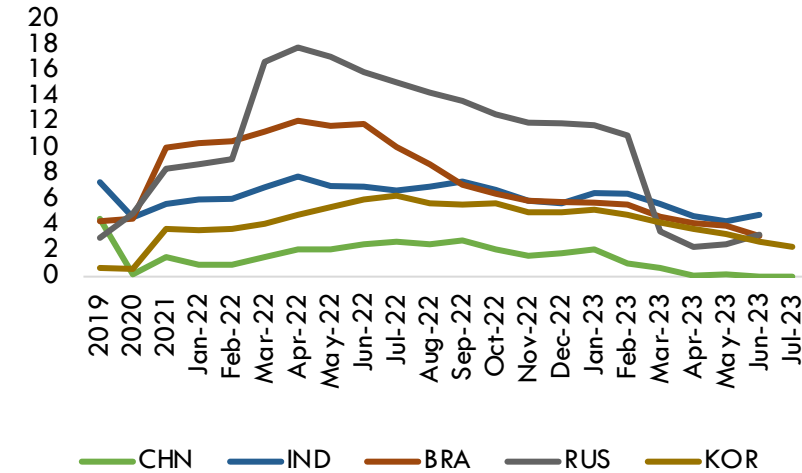
Inflation Rate in Developed Countries (%)



Inflation in Emerging Markets (%)



Inflation in Emerging Markets (%)



Period	USA	GBR	EUR
2020	1.40	0.60	-0.30
2021	7.00	5.40	5.00
2022	6.50	10.50	9.20
Jul-23	3.00	7.90	5.50
Aug-23	-	-	5.30

Period	IDN	MYS	SGP	THA	PHL	CHN	IND	BRA	RUS	KOR
2020	1.68	-1.40	0.00	-0.27	3.30	0.20	4.59	4.52	4.91	0.60
2021	1.87	3.20	4.00	2.17	3.10	1.50	5.66	10.06	8.39	3.70
2022	5.51	3.80	6.50	5.89	8.10	1.80	5.72	5.79	11.94	5.00
Jul-23	3.08	2.00	4.10	0.38	4.70	-0.30	7.44	3.99	4.30	2.30
Aug-23	3.27	-	-	-	-	-	-	-	-	-

Inflation Forecast in Several Countries

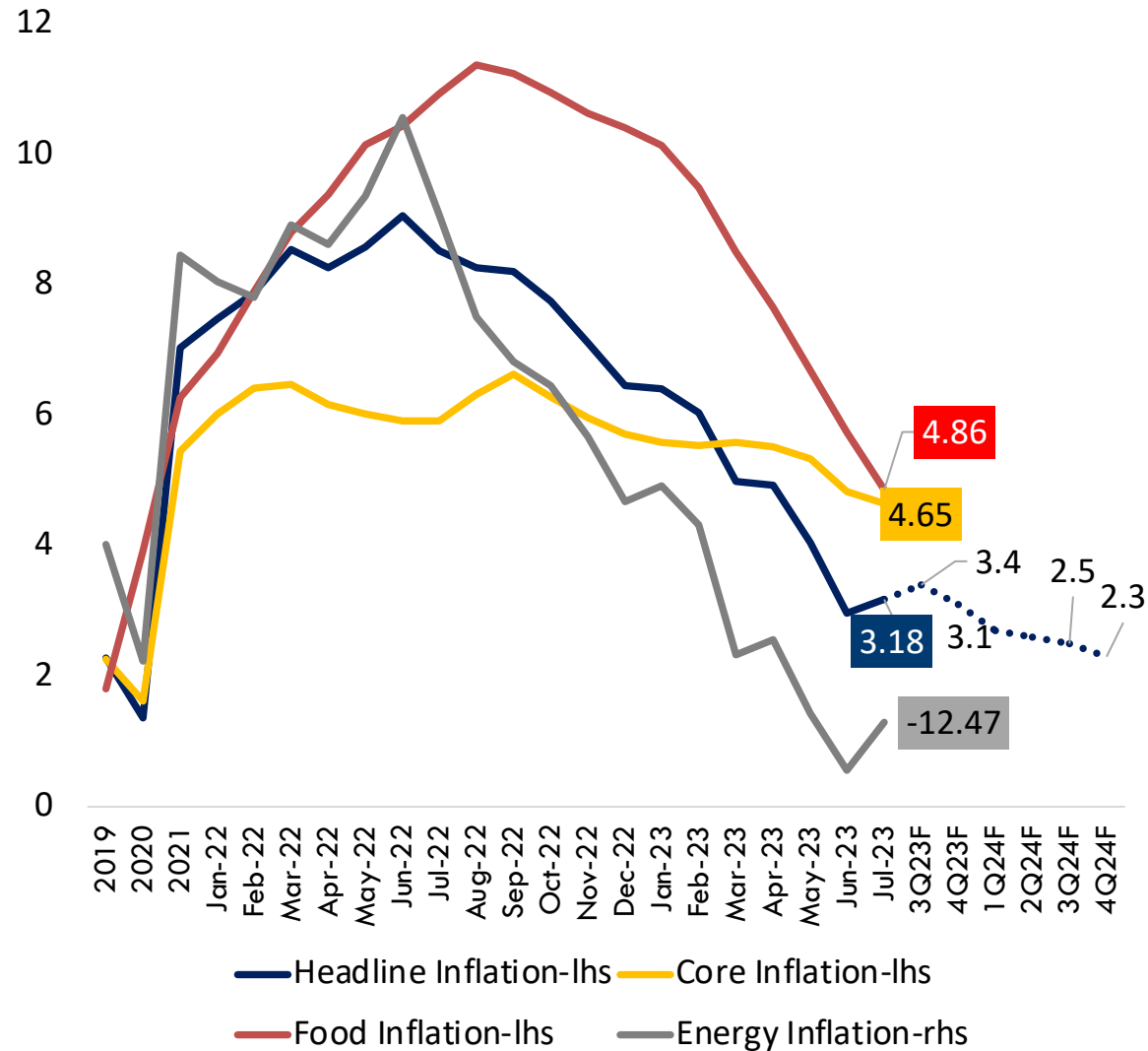
Average inflation is mostly expected to ease in 2023

(Inflation Rate, % yoy)

Country/Area	2017	2018	2019	2020	2021	2022	2023F	1Q23	2Q23	3Q23F	4Q23F
Indonesia*	3.8	3.2	2.8	2.0	1.6	4.2	3.7	5.2	4.0	2.9	2.8
Malaysia	3.8	1.0	0.7	-1.1	2.5	3.4	2.9	3.6	2.8	2.4	2.5
Singapore	0.6	0.4	0.6	-0.2	2.3	6.1	4.9	6.1	5.1	4.1	3.8
Thailand	0.7	1.1	0.7	-0.8	1.2	6.1	1.8	3.9	1.1	1.0	1.2
Philippines	2.9	5.2	2.4	2.4	3.9	5.8	5.6	8.3	6.0	4.7	3.5
China	1.6	2.1	2.9	2.5	0.9	2.0	0.7	1.3	0.1	0.0	0.7
India	3.3	4.0	3.7	6.6	5.1	6.7	5.3	6.2	4.6	5.6	5.2
Brazil	3.5	3.7	3.7	3.2	8.3	9.3	4.8	5.3	3.8	4.9	5.1
Russia	3.7	2.9	4.5	3.4	6.7	13.8	5.6	8.8	2.7	4.9	5.9
South Korea	2.0	1.5	0.4	0.5	2.5	5.1	3.3	4.7	3.2	2.6	2.7
Japan	0.5	1.0	0.5	0.0	-0.3	2.5	3.0	3.6	3.3	3.0	2.4
US	2.1	2.5	1.8	1.2	4.7	8.0	4.1	5.8	4.0	3.5	3.2
UK	2.7	2.5	1.8	0.9	2.6	9.1	7.4	10.2	8.4	6.8	4.5
Euro Zone	1.5	1.8	1.2	0.3	2.6	8.4	5.5	8.0	6.2	4.8	3.1

The US Inflation

Inflation is in a declining trend, but remains above the 2% target

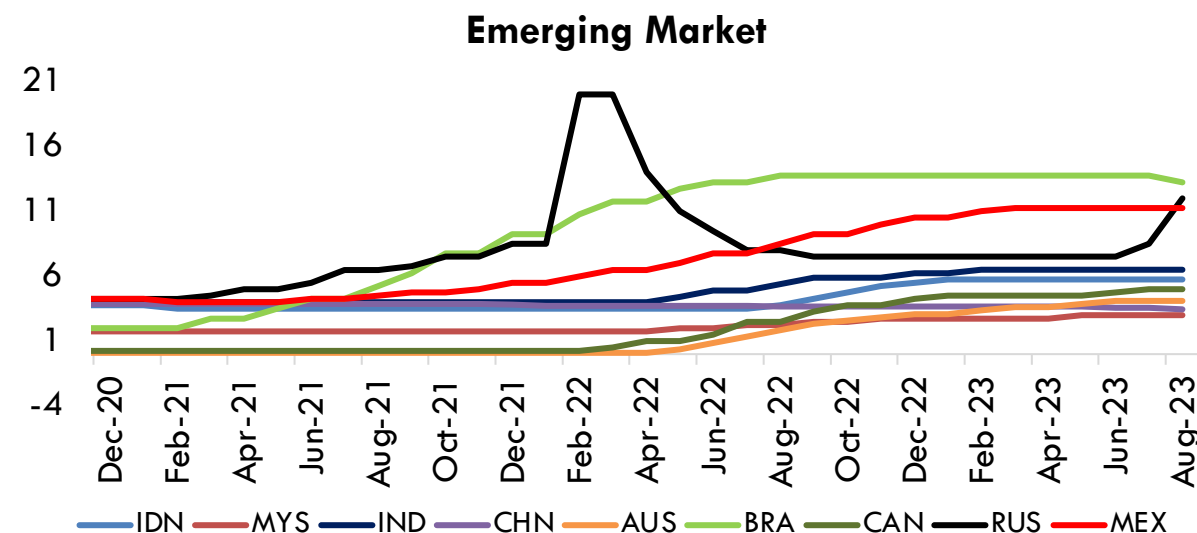
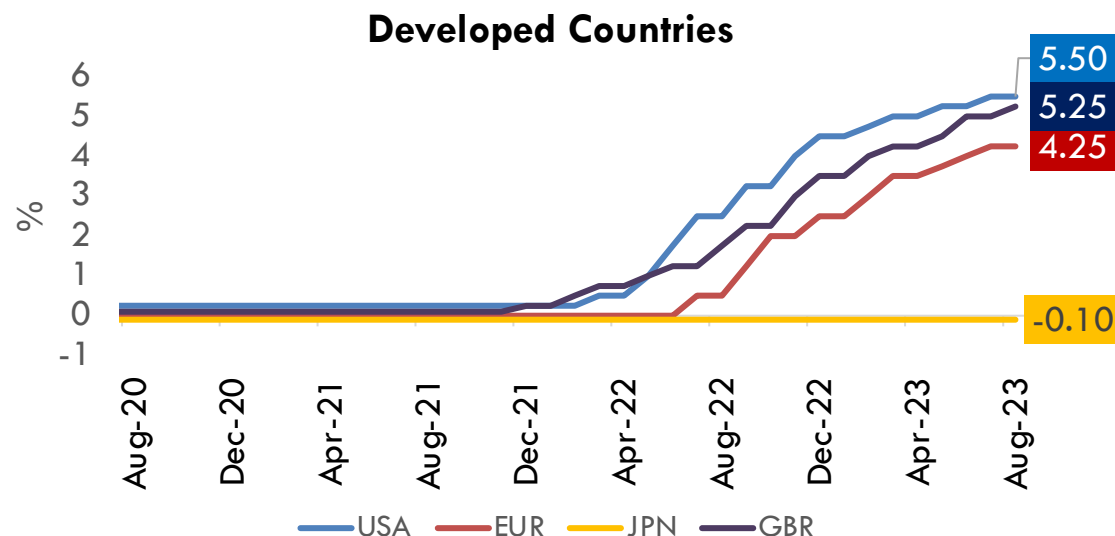


	2019	2020	2021	2022	1Q23	2Q23
Headline	2.3	1.4	7.0	6.5	5.0	3.0
Food	1.8	3.9	6.3	10.4	8.5	5.7
Food at home	0.7	3.9	6.5	11.8	8.4	4.7
Food away from home	3.1	3.9	6.0	8.3	8.8	7.7
Energy	3.4	-7.0	29.3	7.3	-6.4	-16.7
Energy commodities	7.4	-15.2	48.9	0.4	-17.0	-26.8
Gasoline	7.9	-15.2	49.6	-1.5	-17.4	-26.5
Fuel oil	4.6	-20.0	41.0	41.5	-14.2	-36.6
Energy Services	-1.2	2.6	10.4	15.6	9.2	-0.9
Electricity	-0.4	2.2	6.3	14.3	10.2	5.4
Gas services	-3.5	4.1	24.1	19.3	5.5	-18.6
Core	2.3	1.6	5.5	5.7	5.6	4.8
Commodities less food and	0.1	1.7	10.7	2.1	1.5	1.3
New vehicles	0.1	2.0	11.8	5.9	6.1	4.1
Used cars and trucks	-0.7	10.0	37.3	-8.8	-11.2	-5.2
Apparel	-1.2	-3.9	5.8	2.9	3.3	3.1
Medical care commodities	2.5	-2.5	0.4	3.2	3.6	4.2
Services less energy services	3.0	1.6	3.7	7.0	7.1	6.2
Shelter	3.2	1.8	4.1	7.5	8.2	7.8
Transportation services	0.6	-3.5	4.2	14.6	13.9	8.2
Medical care services	5.1	2.8	2.5	4.1	1.0	-0.8

Source: CEIC & Bloomberg

Global Policy Rates

Most central banks have started to soften policy rate increase amid moderating inflation



Month	USA	EUR	JPN	GBR
Dec-22	4.50	2.50	-0.10	3.50
Jan-23	4.50	2.50	-0.10	3.50
Feb-23	4.75	3.00	-0.10	4.00
Mar-23	5.00	3.50	-0.10	4.25
Apr-23	5.00	3.50	-0.10	4.25
May-23	5.25	3.75	-0.10	4.50
Jun-23	5.25	4.00	-0.10	5.00
Jul-23	5.50	4.25	-0.10	5.00
Aug-23	5.50	4.25	-0.10	5.25

Date	IDN	MYS	IND	CHN	BRA	RUS	MEX
Dec-22	5.50	2.75	6.25	3.65	13.75	7.50	10.50
Jan-23	5.75	2.75	6.25	3.65	13.75	7.50	10.50
Feb-23	5.75	2.75	6.50	3.65	13.75	7.50	11.00
Mar-23	5.75	2.75	6.50	3.65	13.75	7.50	11.25
Apr-23	5.75	2.75	6.50	3.65	13.75	7.50	11.25
May-23	5.75	3.00	6.50	3.65	13.75	7.50	11.25
Jun-23	5.75	3.00	6.50	3.55	13.75	7.50	11.25
Jul-23	5.75	3.00	6.50	3.55	13.75	8.50	11.25
Aug-23	5.75	3.00	6.50	3.45	13.25	12.00	11.25

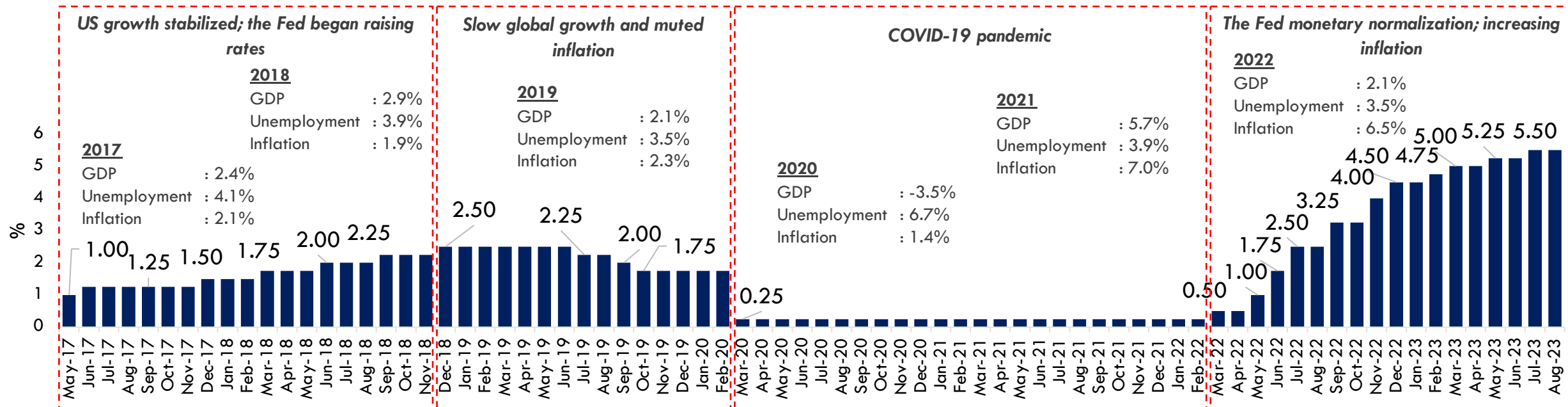
Source: Bloomberg, as of 03-Sep-23

The Fed's Economic Projection

The Fed gave signal that there is still a room for further FFR hikes

Indicators	2023		2024	2025	Long-run
	Jun-23 FOMC Projection	As of 4-Sep-23	Jun-23 FOMC Projection		
GDP	1.0%	2Q23 = 2.6% yoy or 2.1% qoq	1.1%	1.8%	1.8%
Unemployment	4.1%	Aug-23 = 3.8%	4.5%	4.5%	4.0%
PCE Inflation	3.2%	Jul-23 = 3.3%	2.5%	2.1%	2.0%
Policy Rate	5.75%	Aug-23 = 5.50%	4.75%	3.50%	2.5%

Fed Funds Rate:



Source: US Federal Reserves

Fed Meeting Target Rate Probabilities

Market expects the FFR reached its peak this year

FOMC Meeting Date	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550	550-575	575-600
9/20/2023				0.0%	0.0%	0.0%	0.0%	0.0%	94.0%	6.0%	0.0%
11/1/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	64.6%	33.5%	1.9%
12/13/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%	61.9%	30.8%	1.7%
1/31/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	17.2%	55.5%	24.8%	1.4%
3/20/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	8.2%	34.1%	42.0%	14.5%	0.8%
5/1/2024	0.0%	0.0%	0.0%	0.0%	0.3%	4.6%	21.9%	38.3%	27.4%	7.2%	0.4%
6/12/2024	0.0%	0.0%	0.0%	0.2%	3.1%	15.8%	32.5%	31.2%	14.3%	2.8%	0.1%
7/31/2024	0.0%	0.0%	0.1%	2.2%	12.0%	27.5%	31.6%	19.4%	6.2%	0.9%	0.0%
9/18/2024	0.0%	0.1%	1.8%	10.1%	24.4%	30.8%	21.8%	8.8%	2.0%	0.2%	0.0%
11/7/2024	0.1%	1.3%	7.5%	19.9%	28.8%	24.6%	12.9%	4.1%	0.8%	0.1%	0.0%
12/18/2024	0.9%	5.6%	16.1%	26.1%	25.9%	16.5%	6.8%	1.8%	0.3%	0.0%	0.0%

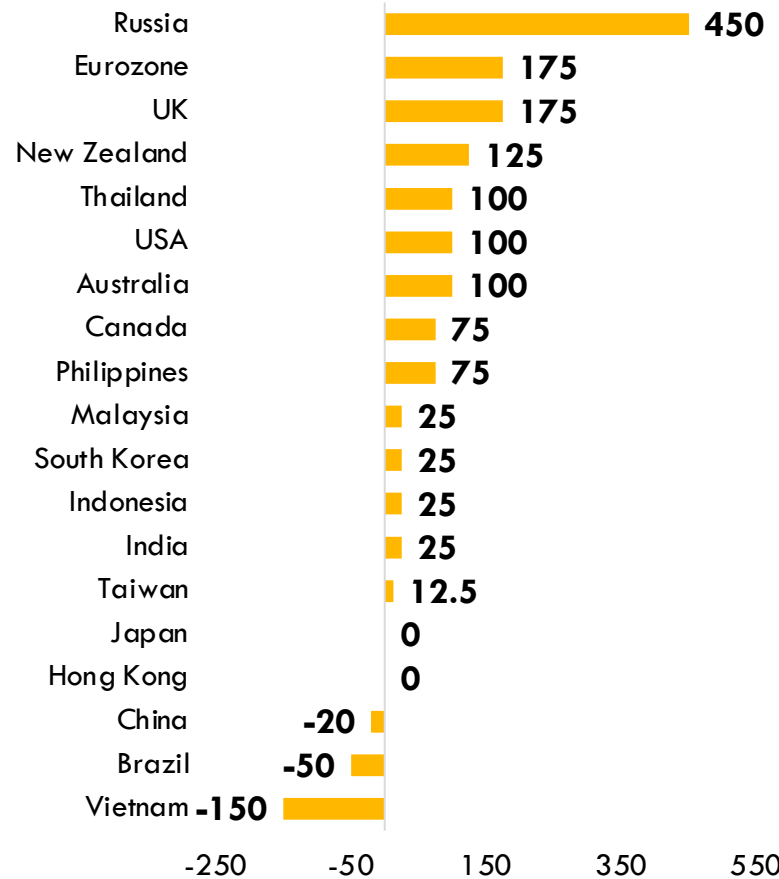
Expectation on Policy Rate

Major central banks are expected to continue raising policy rates, but in a moderate way

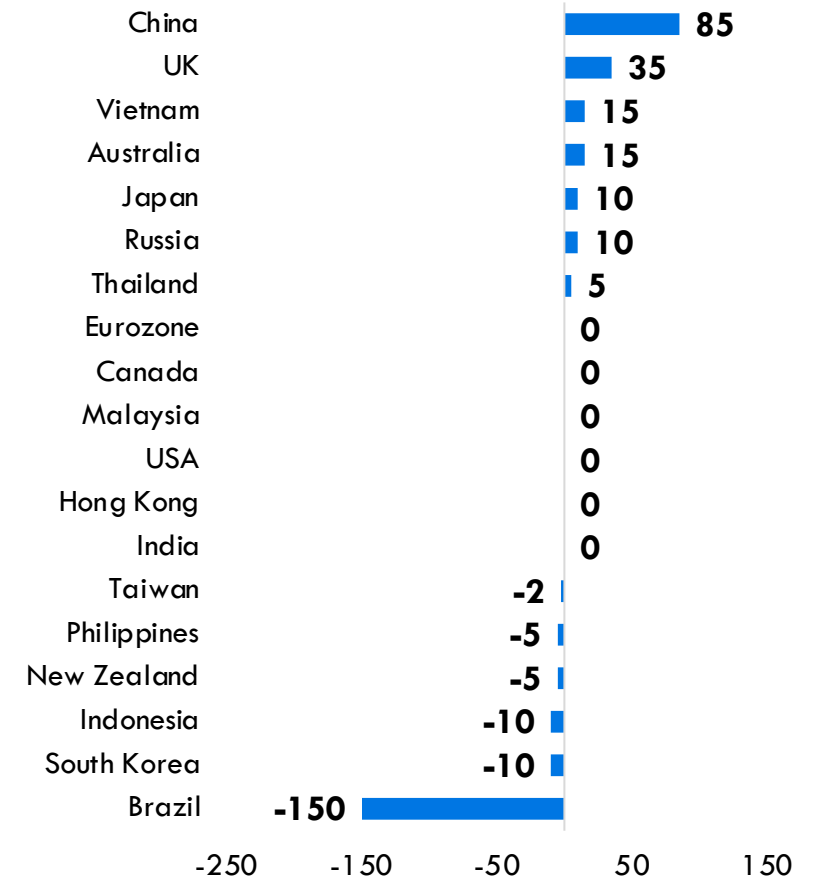
Policy Rate Change in 2022 (bps)



Policy Rate Change in YTD 2023 (bps)



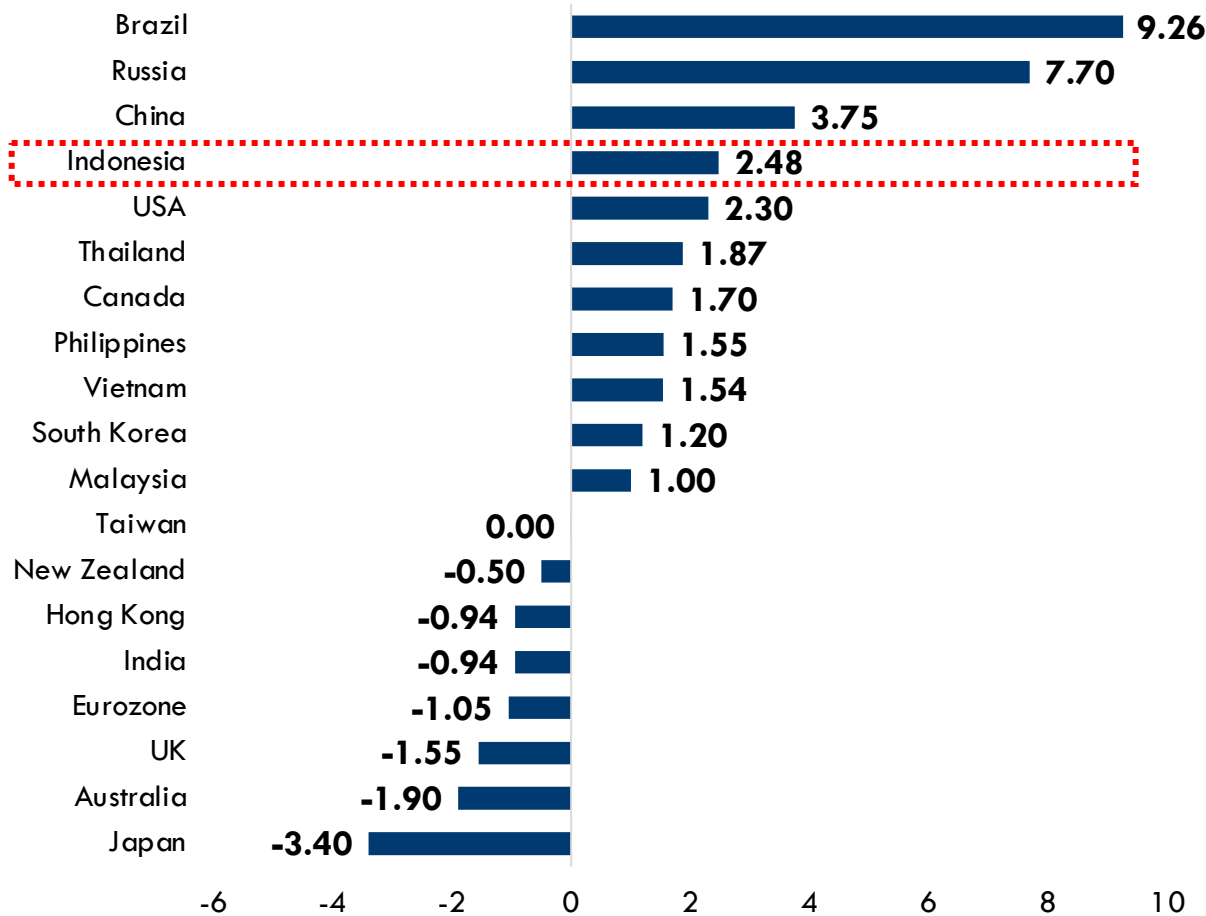
Expectation on Policy Rate Change in remainder of 2023 (bps)



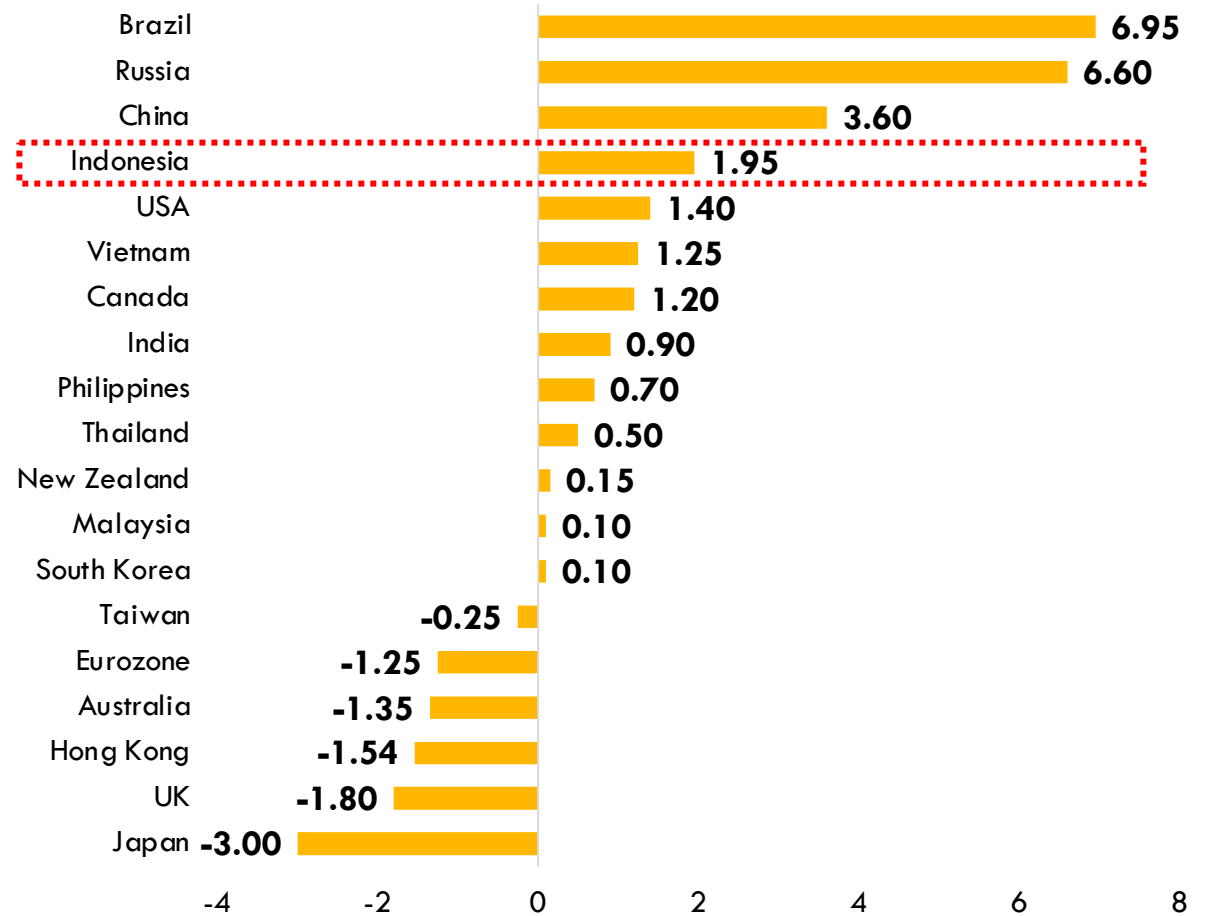
Real Policy Rate

Indonesia's real return rate in 2023 is projected to remain attractive

Real Policy Rate* (%)



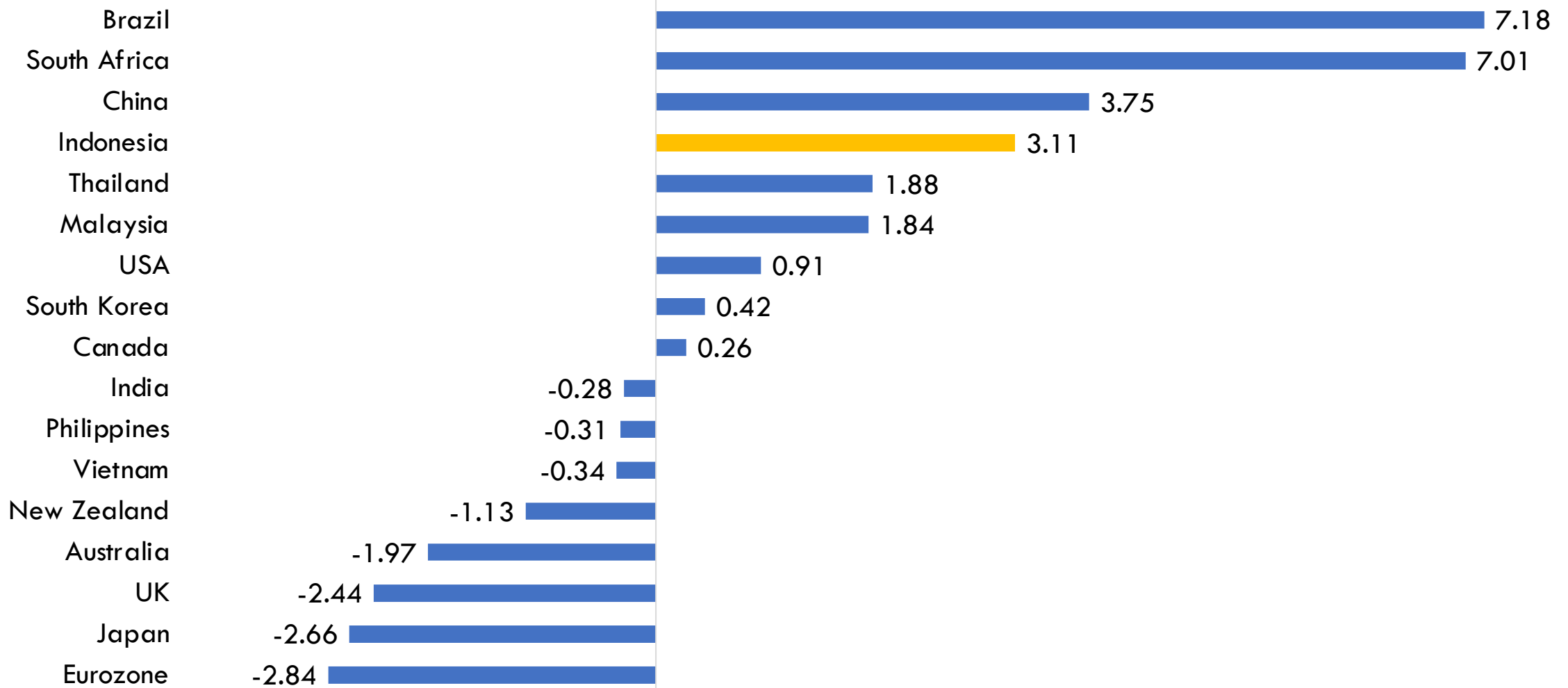
Expected Real Policy Rate** in 2023 (%)



Note: *) Current policy rate – current inflation; **) Expected policy rate – expected inflation in 2023

10Y Real Yield

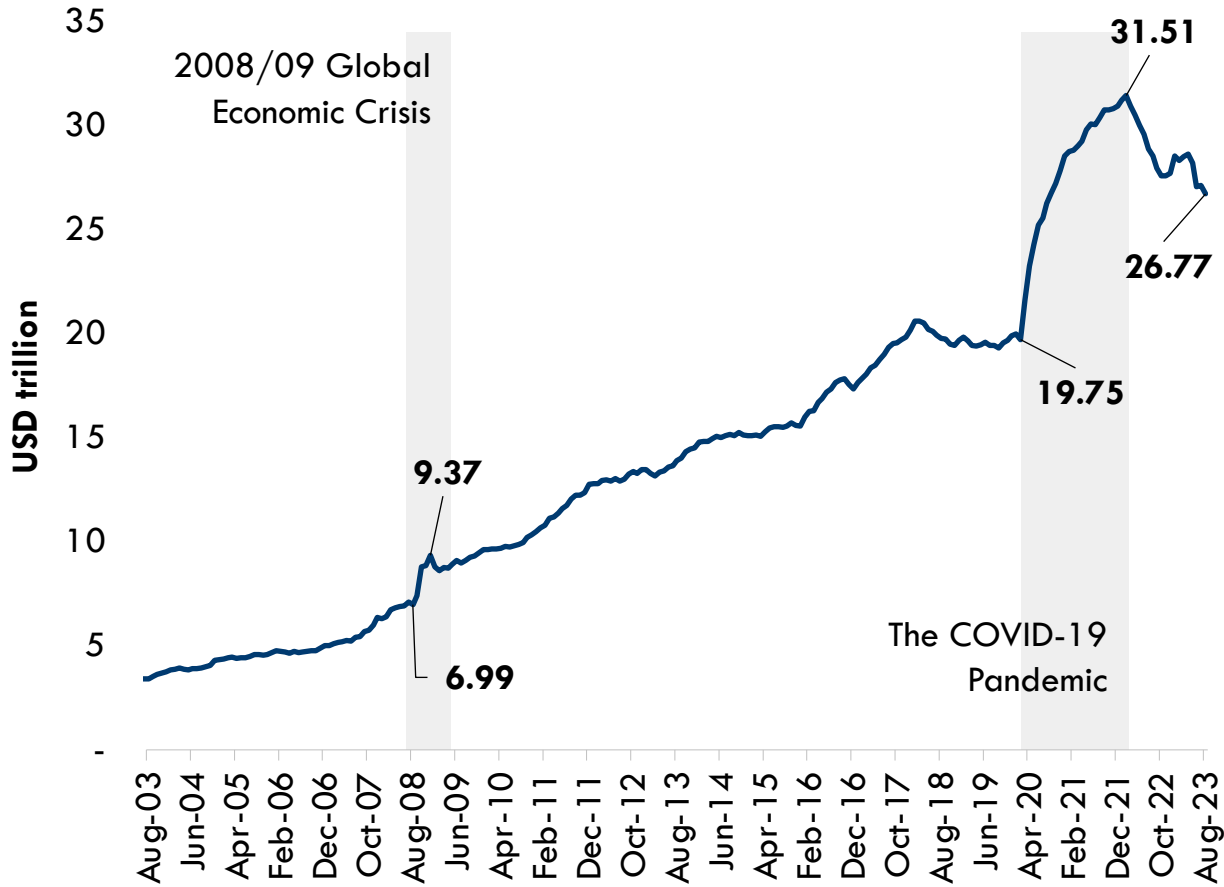
Indonesia's real yield is still one of the highest



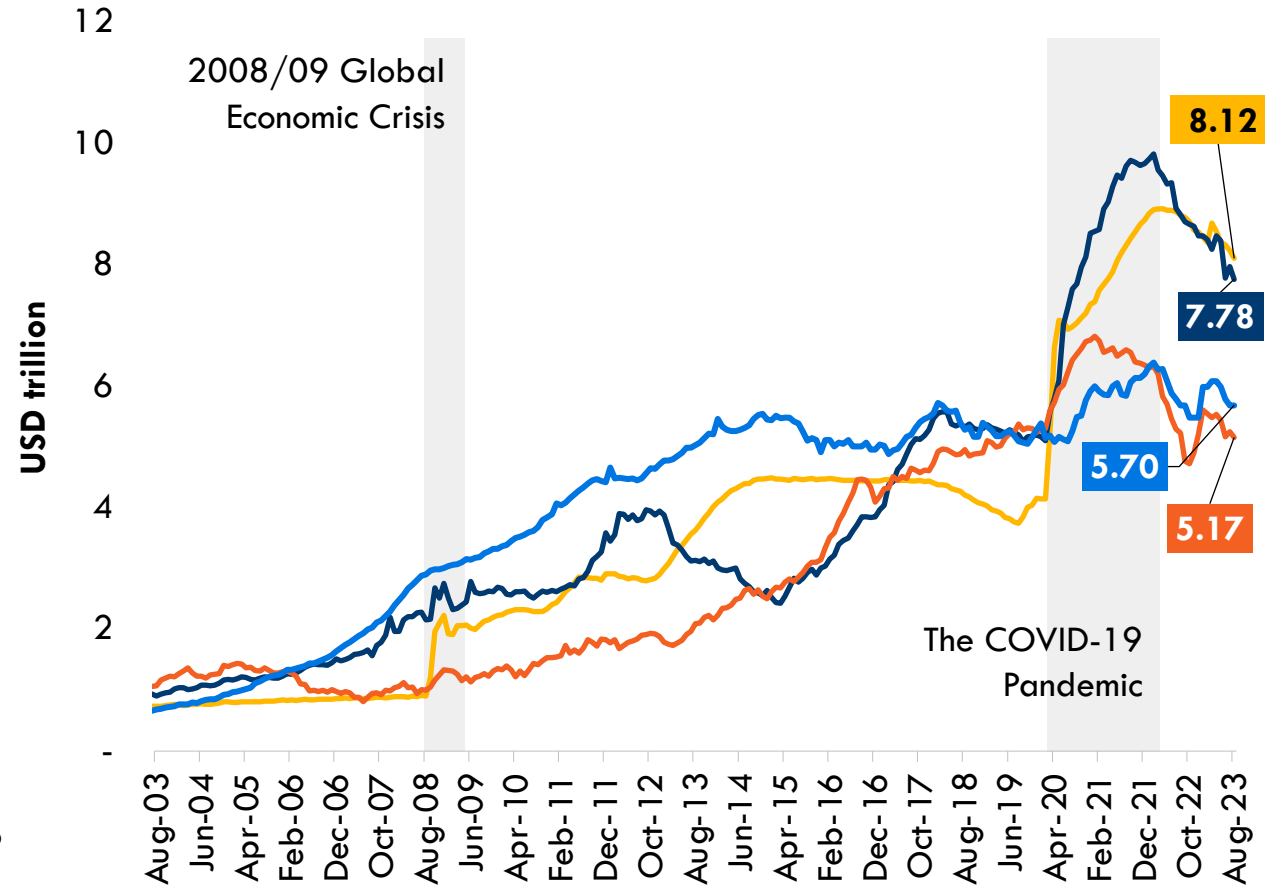
Balance Sheet of Major Central Banks

Global liquidity continued to shrink amid stubborn global inflation

G4 CB Total Assets



CB Total Assets

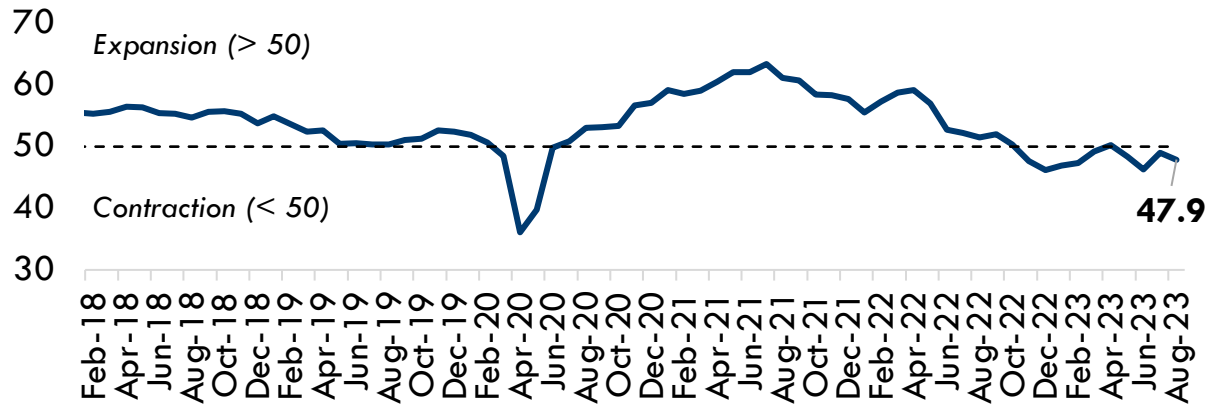


— The Fed — ECB — BoJ — PBoC

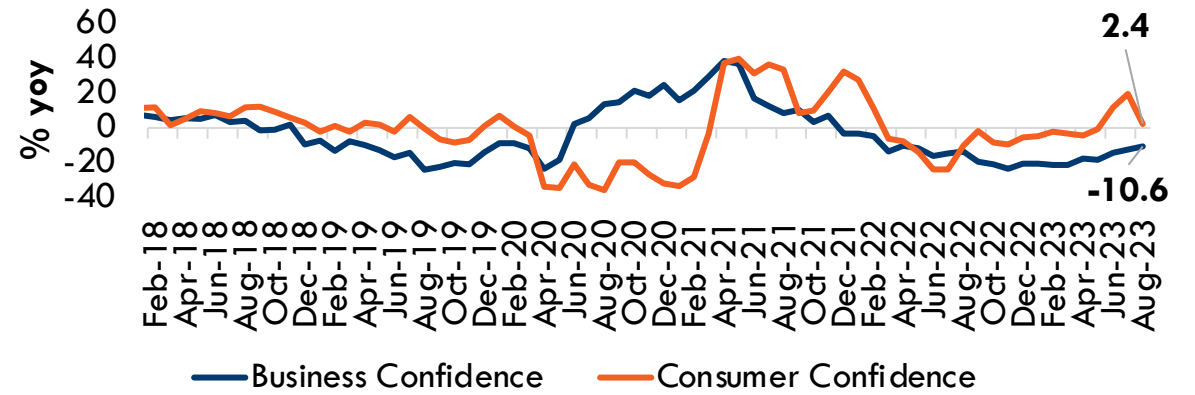
US Leading Economic Indicators

A relatively resilient US economy adds upside risk to stubborn inflation

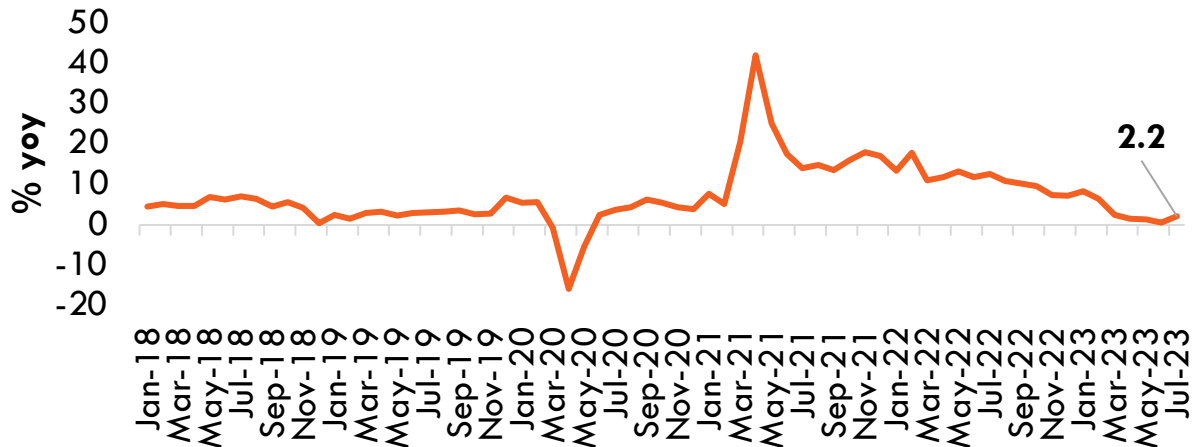
Manufacturing PMI



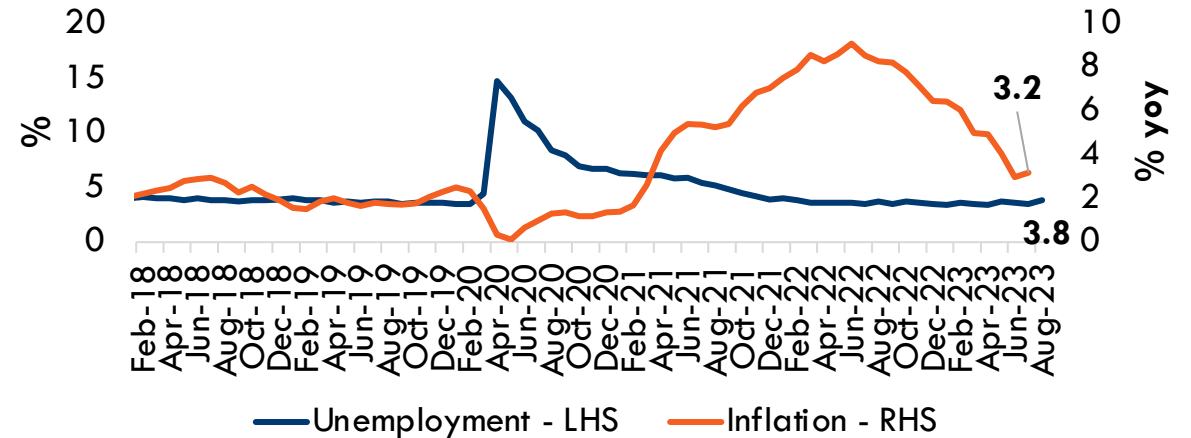
Confidence Index



Retail Sales Excl. Motor Vehicles



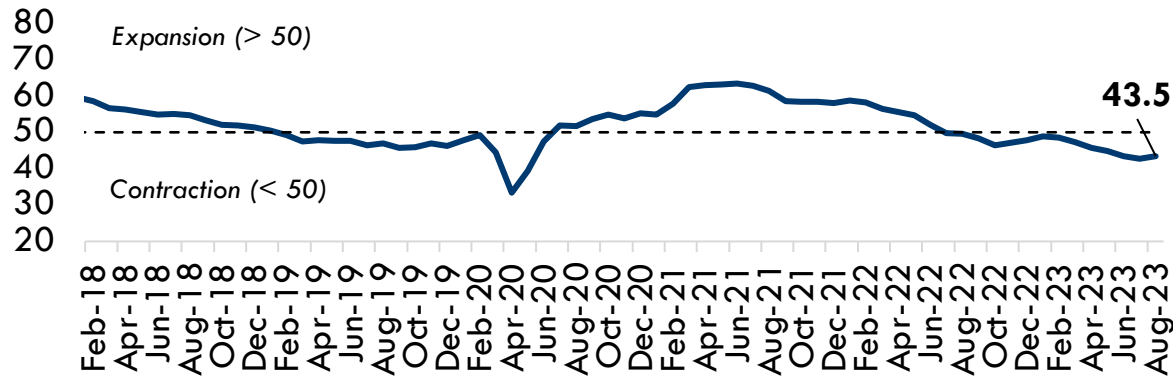
Unemployment & Inflation



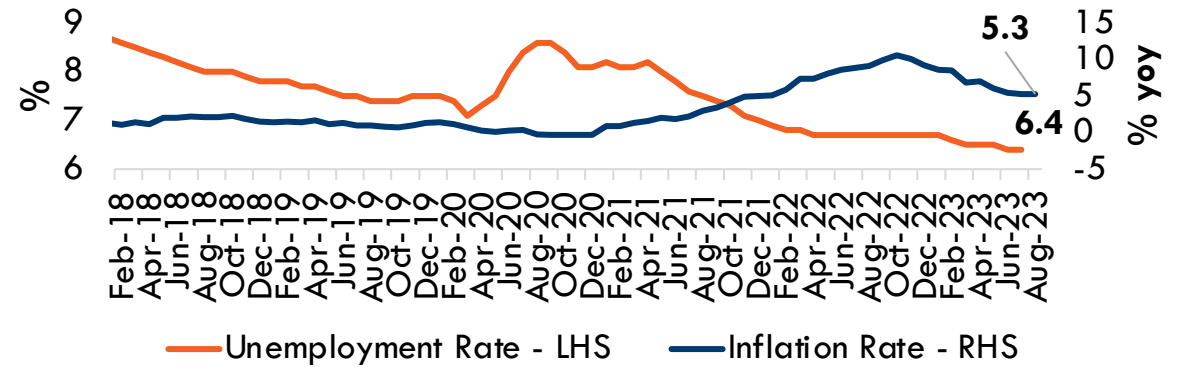
Eurozone's Leading Economic Indicators

The service sector, which is now in a contraction territory, deepens economic gloom

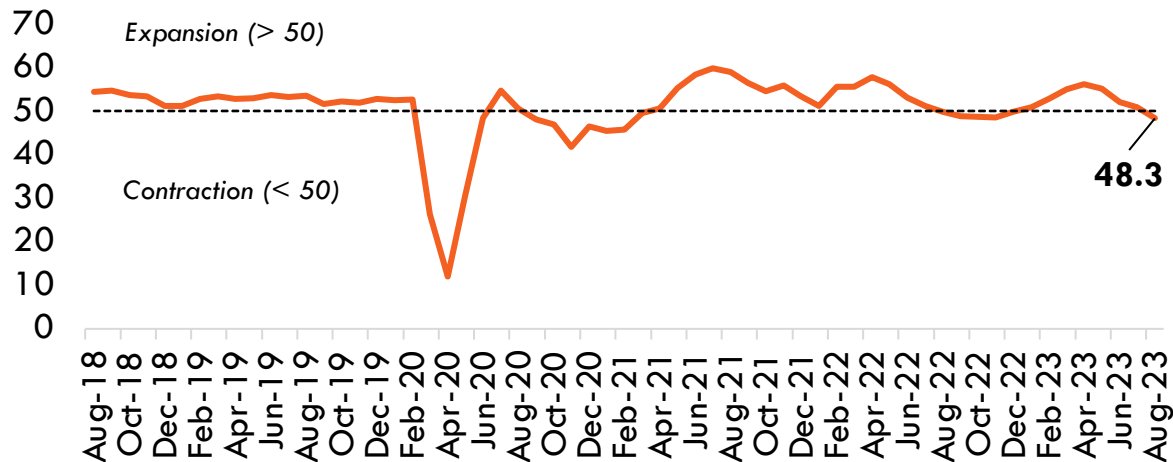
Manufacturing PMI



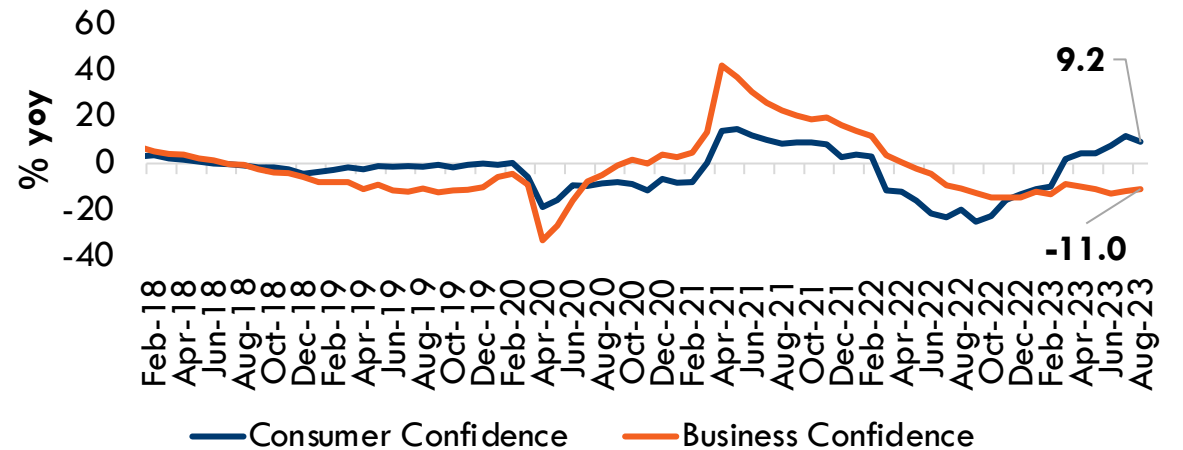
Unemployment & Inflation



Service PMI



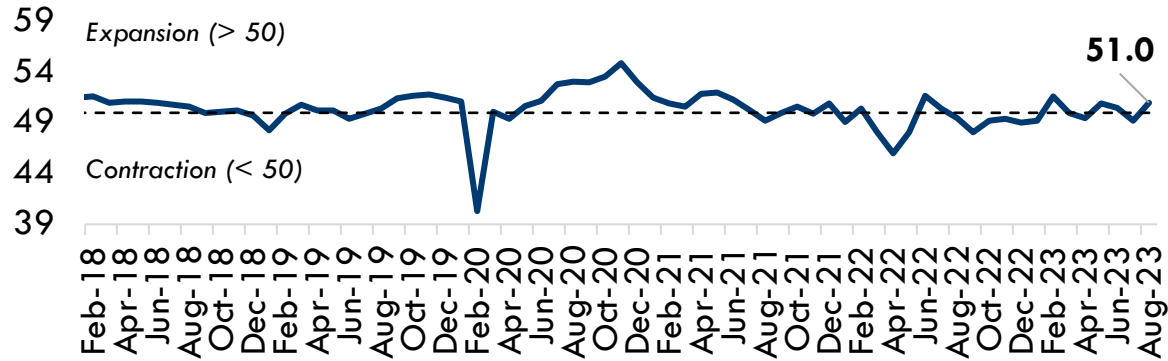
Confidence Index



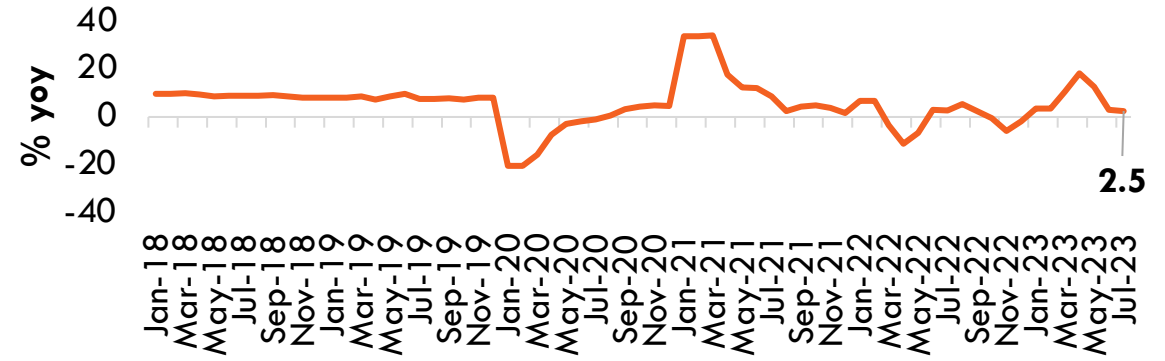
China's Leading Economic Indicators

The economy shows signs of stalling as the risk of real estate crisis arises

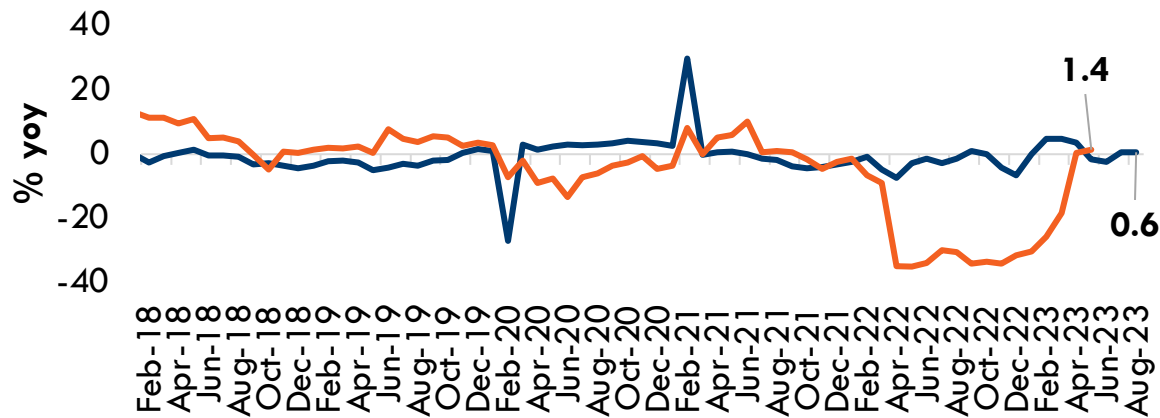
Manufacturing PMI



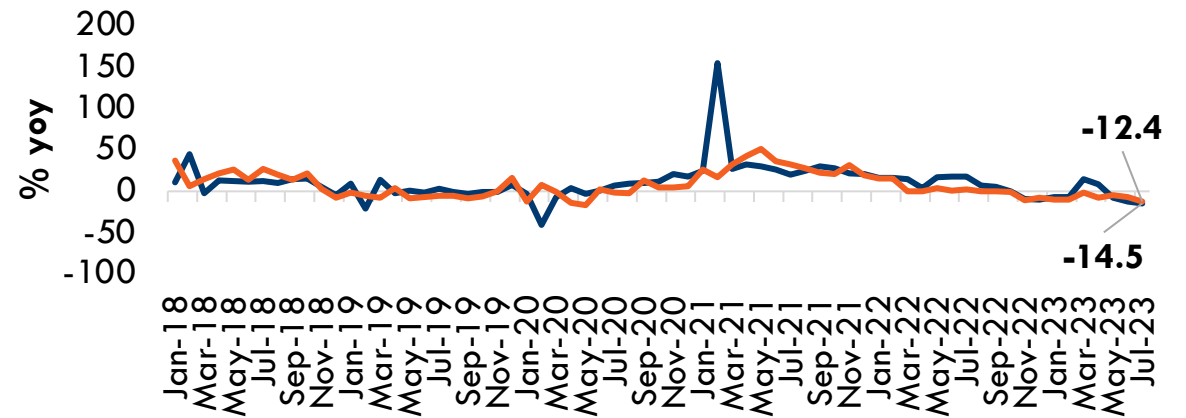
Retail Sales



Confidence Index



International Trade



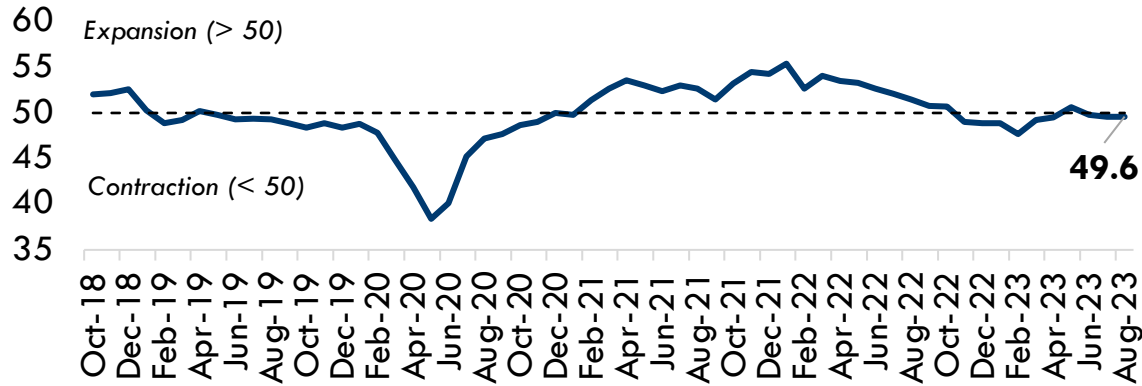
— Business Confidence — Consumer Confidence

— Export — Import

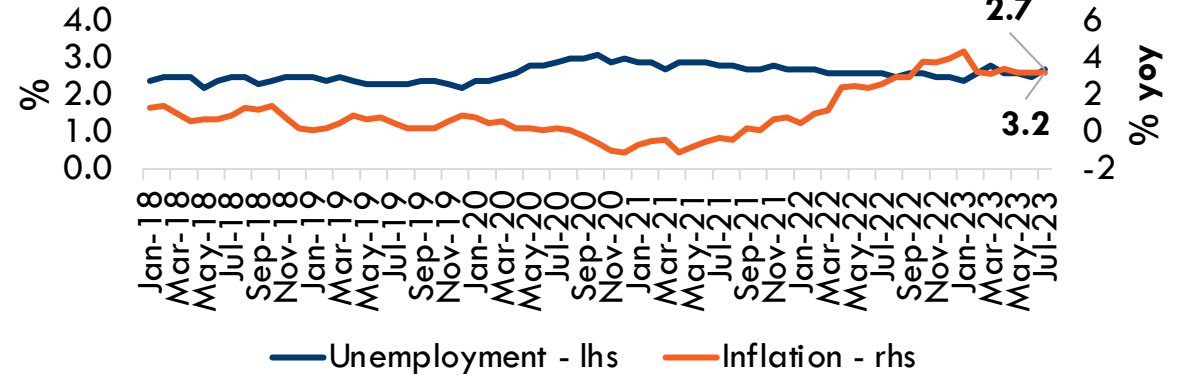
Japan's Leading Economic Indicators

Manufacturing sector contracted and export activity waned, underscoring weak foreign demand

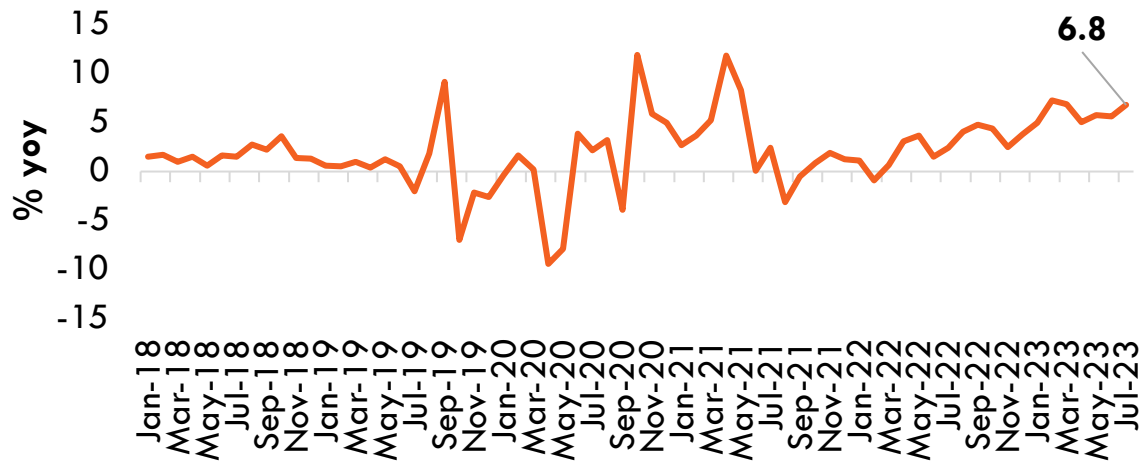
Manufacturing PMI



Unemployment & Inflation



Retail Trade



International Trade



Global Commodity Prices

Most commodity prices declined compared to last year

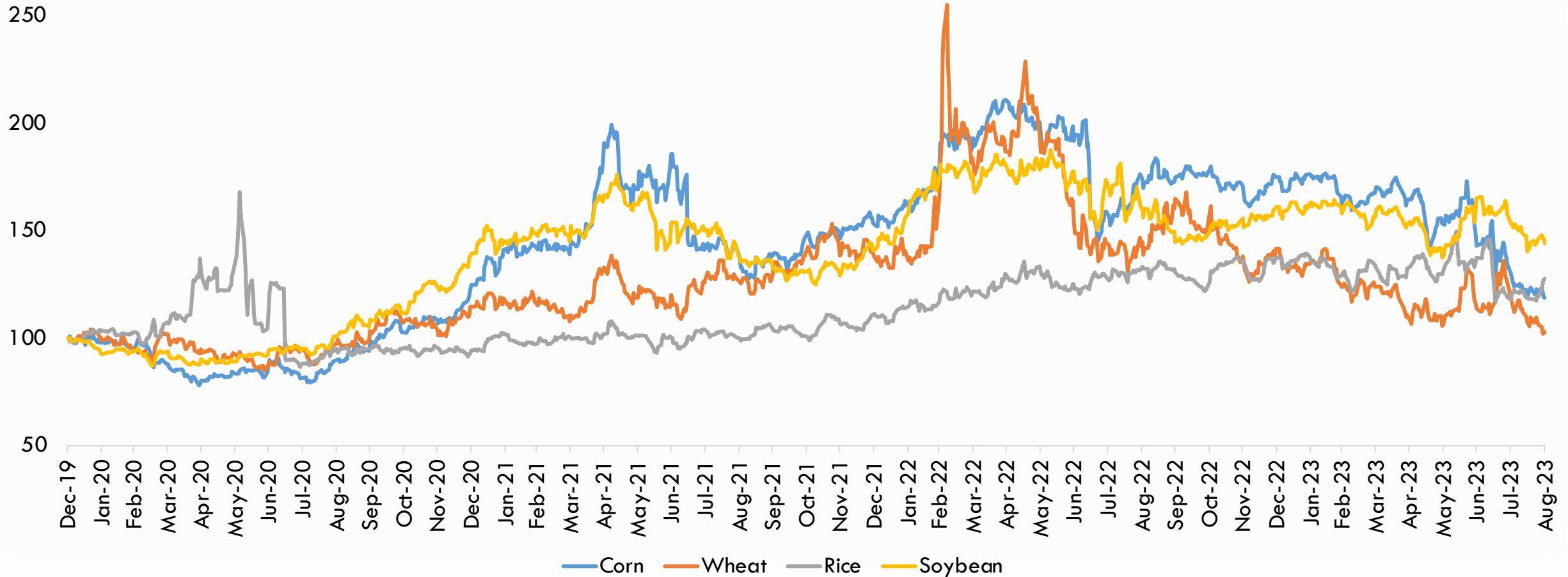
Commodity	Dec-20	Dec-21	Dec-22	Jul-23	Aug-23	% mtd	% ytd
Crude Oil (barrel)	51.8	77.8	85.9	85.6	86.9	1.52	1.11
Coal (metric ton)	80.5	169.6	404.2	137.3	156.0	13.62	-61.40
CPO (metric ton)	963.8	1,240.8	947.0	841.4	832.1	-1.10	-12.13
Gold (troy ounce)	1,894.4	1,829.2	1,824.0	1,965.1	1940.2	-1.27	6.37
Tin (metric ton)	20,290.0	39,100.0	24,900.0	28,825.0	25110.0	-12.89	0.84
Rubber (Kg)	1.5	1.78	1.30	1.31	1.4	3.13	3.69
Nickel (metric ton)	16,607.0	20,750.0	30,550.0	21,905.0	20350.0	-7.10	-33.39
Copper (metric ton)	7,766.0	9,720.5	8,372.0	8,831.5	8422.5	-4.63	0.60
Gas (MMBtu)	2.5	3.7	4.5	2.6	2.8	5.09	-38.15
Cocoa (metric ton)	2,413.0	2,450.1	2,515.6	3,497.7	3635.3	2.60	39.75
Wheat (bushel)	640.5	770.8	792.0	665.8	602.0	-12.97	-23.99

note: Price in USD

Source: Bloomberg, as of 31-Aug-23

Global Food's Price

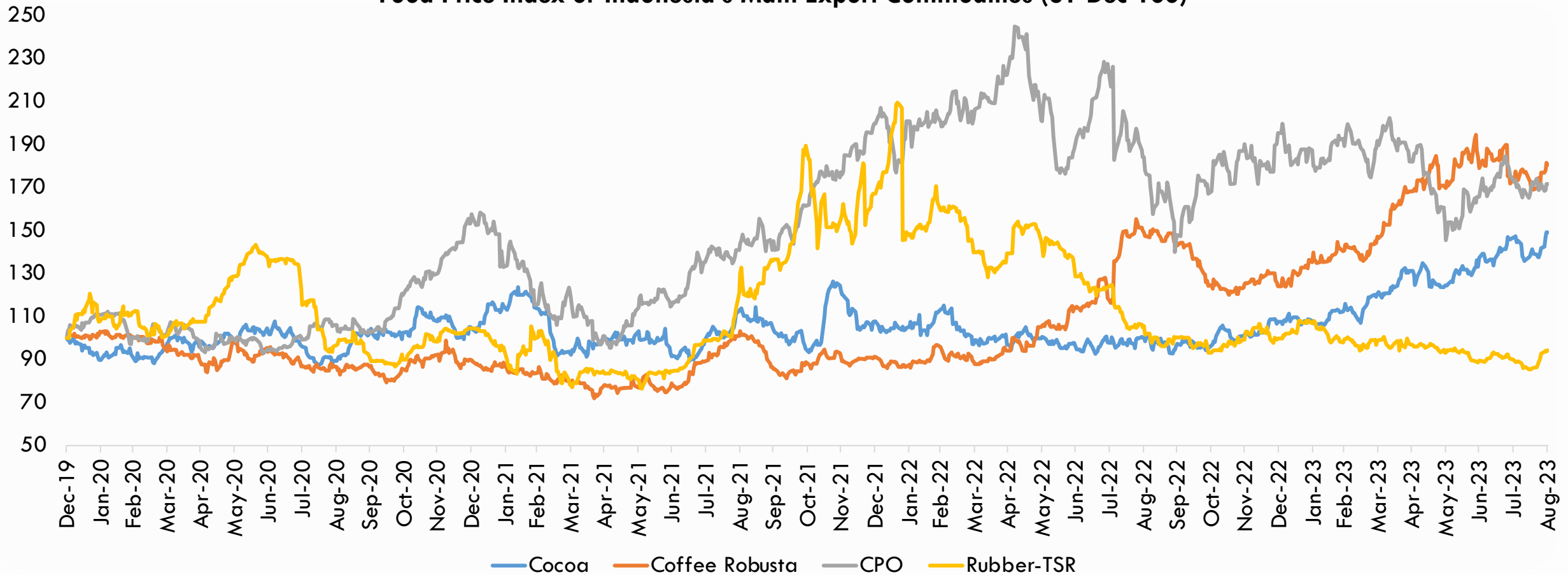
Corn, Wheat, and Soybean Decreased in Aug-23



Indonesia's Price Index

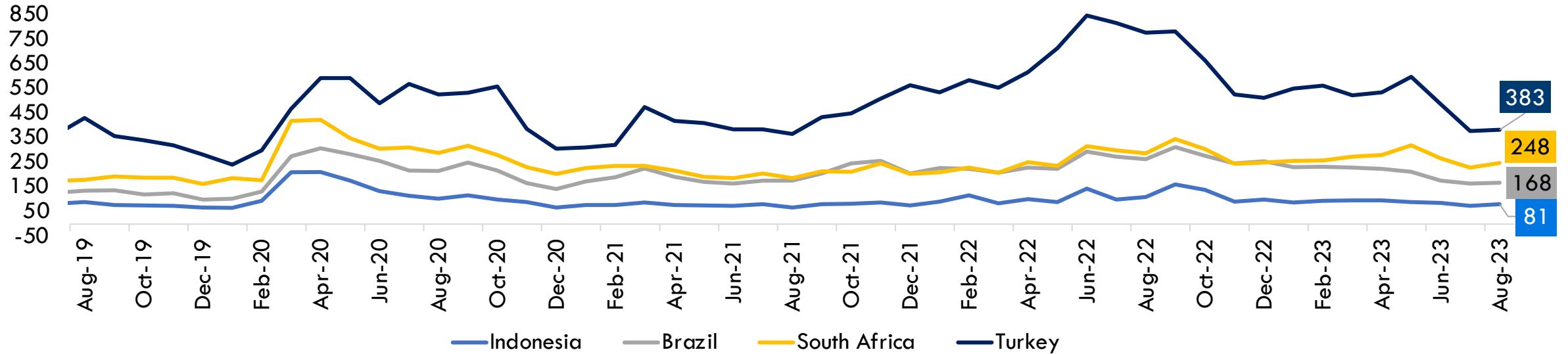
Most of the food prices still in increasing trend

Food Price Index of Indonesia's Main Export Commodities (31-Dec-100)



Risk Perception (CDS 5Y) in EM

CDS of most countries increased in Aug-23



No.	Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Aug-23	Δ mom	Δ ytd
1	Indonesia	231	157	229	157	85	137	68	68	75	100	81	8	18
2	Philippines	108	90	107	110	67	88	34	36	56	97	76	8	21
3	Thailand	124	102	134	80	45	44	25	37	27	61	52	9	9
4	China	80	86	108	118	50	67	31	28	40	73	76	23	-3
5	South Korea	66	54	55	44	52	39	24	22	19	53	32	6	21
6	Mexico	91	104	170	156	106	154	79	81	90	130	100	0	30
7	Brazil	193	201	494	281	226	207	99	143	205	254	168	3	86
8	South Africa	200	190	335	217	176	222	163	204	203	250	248	17	2
9	Turkey	253	183	273	273	266	361	282	306	564	512	383	6	130

Global Stock Indices

Global stock indices mostly lower amid global uncertainty

Stock Market	Dec-20	Dec-21	Dec-22	Aug-23	% mtd	% ytd
IDX – Indonesia	5,979	6,581	6,851	6,953	0.32	1.50
Nikkei 255 – Japan	27,444	28,792	26,095	32,619	-1.67	25.00
Hang Seng – Hong Kong	27,231	23,398	19,781	18,382	-8.45	-7.07
DJIA – US	30,606	36,338	33,147	34,722	-2.36	4.75
STI – Singapore	2,844	3,124	3,251	3,233	-4.17	-0.55
SET – Thailand	1,449	1,658	1,669	1,566	0.63	-6.16
KLCI – Malaysia	1,627	1,568	1,495	1,452	-0.51	-2.91
Shanghai – China	3,473	3,640	3,089	3,120	-5.20	0.99
FTSE – UK	6,461	7,385	7,452	7,475	-2.92	0.31
DAX – Germany	13,719	15,885	13,924	15,947	-3.04	14.53

10-year USD Bond Yields in Advanced and Emerging Economies

Yield for the developed countries mostly increased in Aug-23

Bond (%)	Rating (S&P)	Dec-20	Dec-21	Dec-22	Jul-23	Aug-23	mtd (bps)
US	AA+u	0.9	1.51	3.87	3.96	4.11	14.93
Japan	A+u	0.0	0.07	0.41	0.60	0.65	4.60
Australia	AAAu	1.0	1.67	4.02	4.06	4.03	-3.32
UK	AAu	0.2	0.97	3.66	4.31	4.36	5.17
Germany	AAAu	-0.6	-0.18	2.56	2.49	2.46	-2.70
Indonesia	BBB	2.0	2.2	4.8	4.90	5.43	53.1
Turkey	B+u	5.4	7.6	9.0	8.05	8.25	20.6
Brazil	BB-	3.2	4.5	6.2	6.13	6.39	2.00

Global Currencies

Global currencies mostly weakened against USD in Aug-23

Currency	Dec-20	Dec-21	Dec-22	Aug-23	% ytd	% mtd	(↑ / ↓)
EUR – European Union	1.22	1.14	1.07	1.08	1.29	-1.40	(↓)
GBP – UK	1.37	1.35	1.21	1.27	4.88	-1.26	(↓)
JPY – Japan	103.25	115.08	131.12	145.54	11.00	2.28	(↓)
AUD – Australia	0.77	0.73	0.68	0.65	-4.83	-3.47	(↓)
IDR – Indonesia	14,050.0	14,253.0	15,568.0	15,230.0	-2.17	0.99	(↓)
PHP – Philippines	48.0	51.0	55.7	56.6	1.56	3.09	(↓)
CNY – China	6.5	6.4	6.9	7.3	5.22	1.62	(↓)
BRL – Brazil	5.2	5.6	5.3	5.0	-6.16	4.85	(↓)
MXN – Mexico	19.9	20.5	19.5	17.0	-12.63	1.76	(↓)
TRY – Turkey	7.4	13.3	18.7	26.7	42.69	-0.88	(↑)
THB – Thailand	30.0	33.4	34.6	35.0	1.14	2.29	(↓)
SGD – Singapore	1.3	1.3	1.3	1.4	0.87	1.62	(↓)
MYR – Malaysia	4.0	4.2	4.4	4.6	5.32	2.92	(↓)
KRW – South Korea	1,086.4	1,188.9	1,265.5	1,322.7	4.52	3.77	(↓)
ZAR – South Africa	14.7	15.9	17.0	18.9	10.79	5.76	(↓)

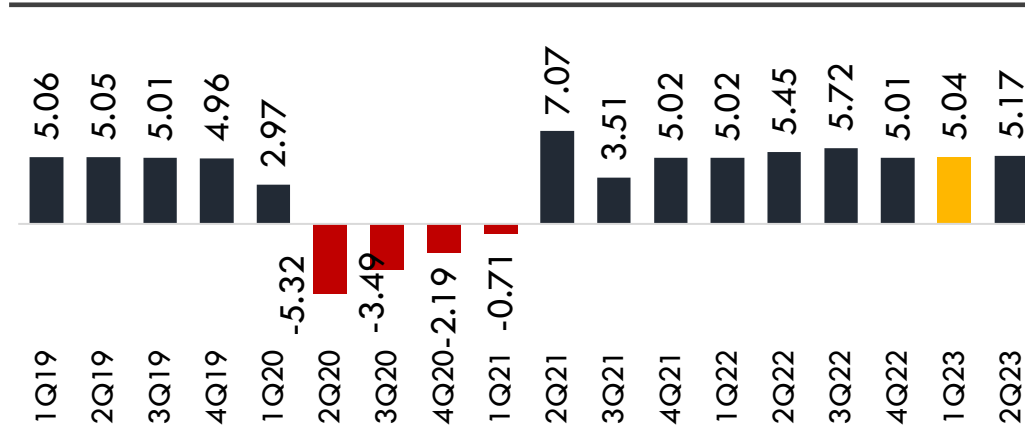
INDONESIA ECONOMIC UPDATE



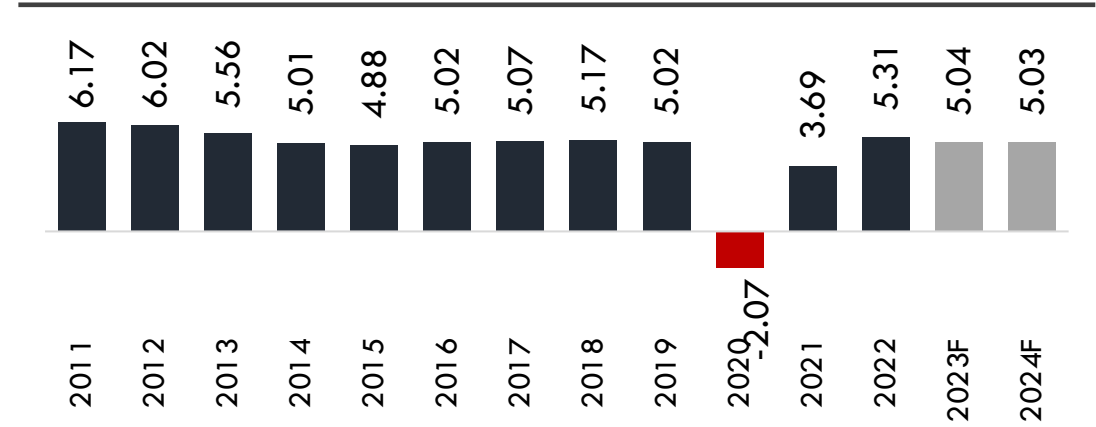
GDP Growth by Expenditure

Indonesia's economy continued to accelerate in 2023 driven by rising household consumption and Government Spending

Quarterly GDP Growth (% yoy)



Full-year GDP growth (%)



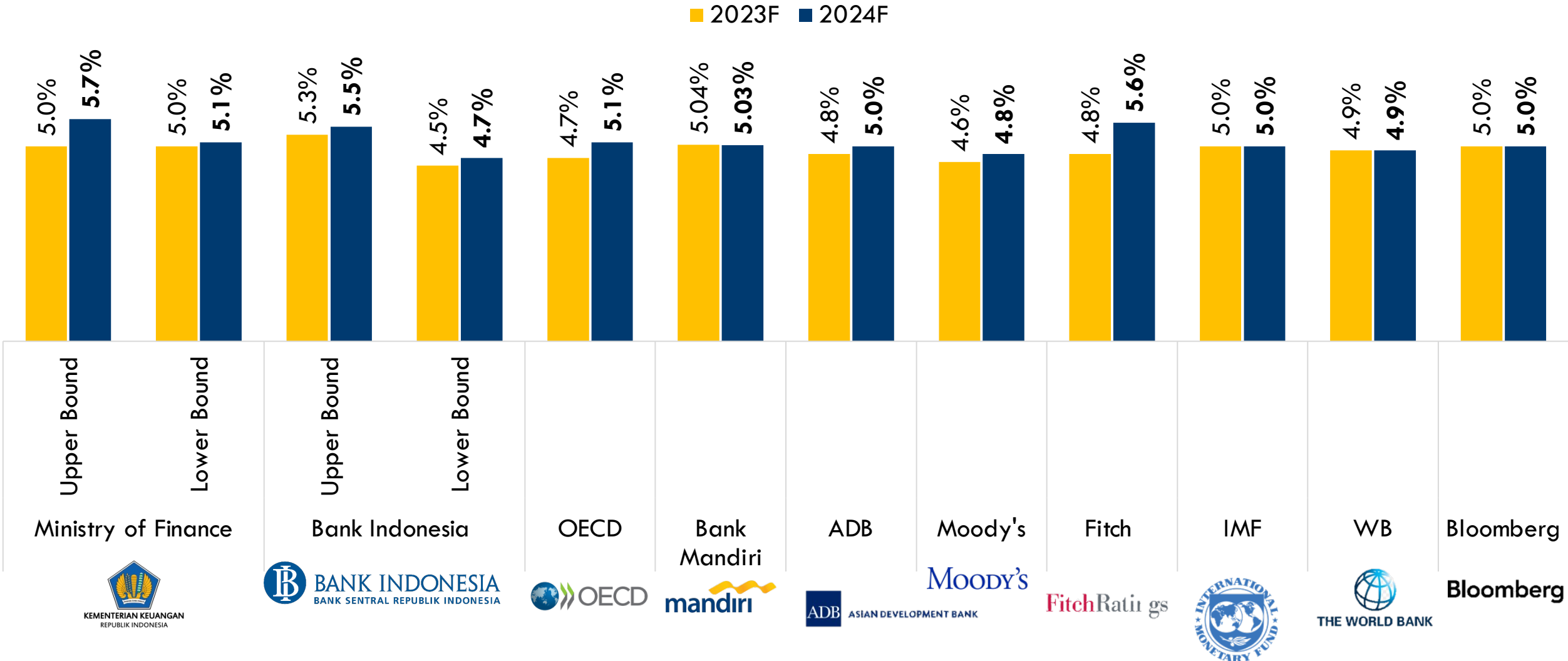
GDP growth by expenditure

Components	2022 (% yoy)				2023 (% yoy)		2020 (%)	2021 (%)	2022 (%)	Share 2020 (% of GDP)	Share 2021 (% of GDP)	Share 2022 (% of GDP)	Share 1Q23 (% of GDP)	Share 2Q23 (% of GDP)
	Q1	Q2	Q3	Q4	Q1	Q2								
GDP	5.02	5.45	5.72	5.01	5.04	5.13	-2.07	3.69	5.31	100	100	100	100	100
Household spending	4.34	5.51	5.39	4.48	4.54	5.23	-2.63	2.02	4.93	57.6	54.4	51.87	52.88	53.31
Non-profit Institutions	5.85	5.05	5.87	5.70	6.17	8.62	-4.21	1.62	5.64	1.3	1.2	1.2	1.2	1.2
Government expenditure	-6.94	-4.86	-2.55	-4.77	3.45	10.62	2.12	4.24	-4.51	9.7	9.3	7.7	5.3	7.5
Investment	4.09	3.07	4.98	3.33	2.11	4.63	-4.96	3.80	3.87	31.7	30.8	29.1	29.1	27.9
Exports	16.70	20.02	19.41	14.93	12.17	-2.75	-8.14	17.95	16.28	17.3	21.4	24.5	22.9	20.3
Imports	15.88	12.37	25.37	6.25	3.80	-3.08	-17.6	24.87	14.75	15.6	18.8	20.9	19.8	18.5

notes: excluding change in stock & statistic discrepancy

Source: BPS

Indonesia's 2023 Economic Growth Forecast



Economic Growth by Sector

Sector	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2Q22 (% yoy)	1Q23 (% yoy)	2Q23 (% yoy)	Share (% of GDP)
Agriculture, Forestry and Fisheries	3.87	3.91	3.61	1.77	1.87	2.25	1.37	0.43	2.02	13.35
Mining & Quarrying	0.66	2.16	1.22	-1.95	4.00	4.38	4.01	4.92	5.01	10.48
Manufacturing Industry	4.29	4.27	3.80	-2.93	3.39	4.89	4.01	4.43	4.88	18.25
Electricity & Gas Supply	1.54	5.47	4.04	-2.34	5.5	6.61	9.33	2.67	3.15	1.02
Water Supply, Sewerage, Waste & Recycle	4.60	5.46	6.83	4.94	4.97	3.23	4.44	5.69	4.78	0.06
Construction	6.80	6.09	5.76	-3.26	2.81	2.01	1.02	0.32	5.23	9.43
Wholesales and Retail Trade, Repair of Motor Vehicles and Motorcycles	4.46	4.97	4.60	-3.79	4.63	5.52	4.42	4.92	5.25	12.85
Transportation & Storage	8.49	7.01	6.38	-15.05	3.24	19.87	21.27	15.93	15.28	5.87
Accommodation & Food Beverages Activity	5.39	5.66	5.79	-10.26	3.89	11.97	9.76	11.55	9.89	2.48
Information & Communication	9.63	7.04	9.42	10.61	6.82	7.74	8.05	7.13	8.02	4.21
Financial & Insurance Activity	5.47	4.17	6.61	3.25	1.56	1.93	1.50	4.48	2.88	4.10
Real Estate	3.66	3.58	5.76	2.32	2.78	1.72	2.16	0.37	0.96	2.40
Business Services	8.44	8.64	10.25	-5.44	0.73	8.77	7.92	6.37	9.59	1.84
Gov't Administration, Defense & Compulsory Social Security	2.06	7.02	4.66	-0.03	-0.33	2.52	-1.73	2.09	8.15	3.30
Education Services	3.70	5.36	6.30	2.61	0.11	0.59	-1.15	1.02	5.43	2.90
Human Health & Social Services	6.84	7.13	8.66	11.56	10.46	2.74	6.45	4.77	8.27	1.20
Other Services	8.73	8.99	10.57	-4.10	2.12	9.47	9.25	8.90	11.89	1.90
Gross Domestic Product (GDP)	5.07	5.17	5.02	-2.07	3.69	5.31	5.44	5.04	5.17	100.00

Regional GDP

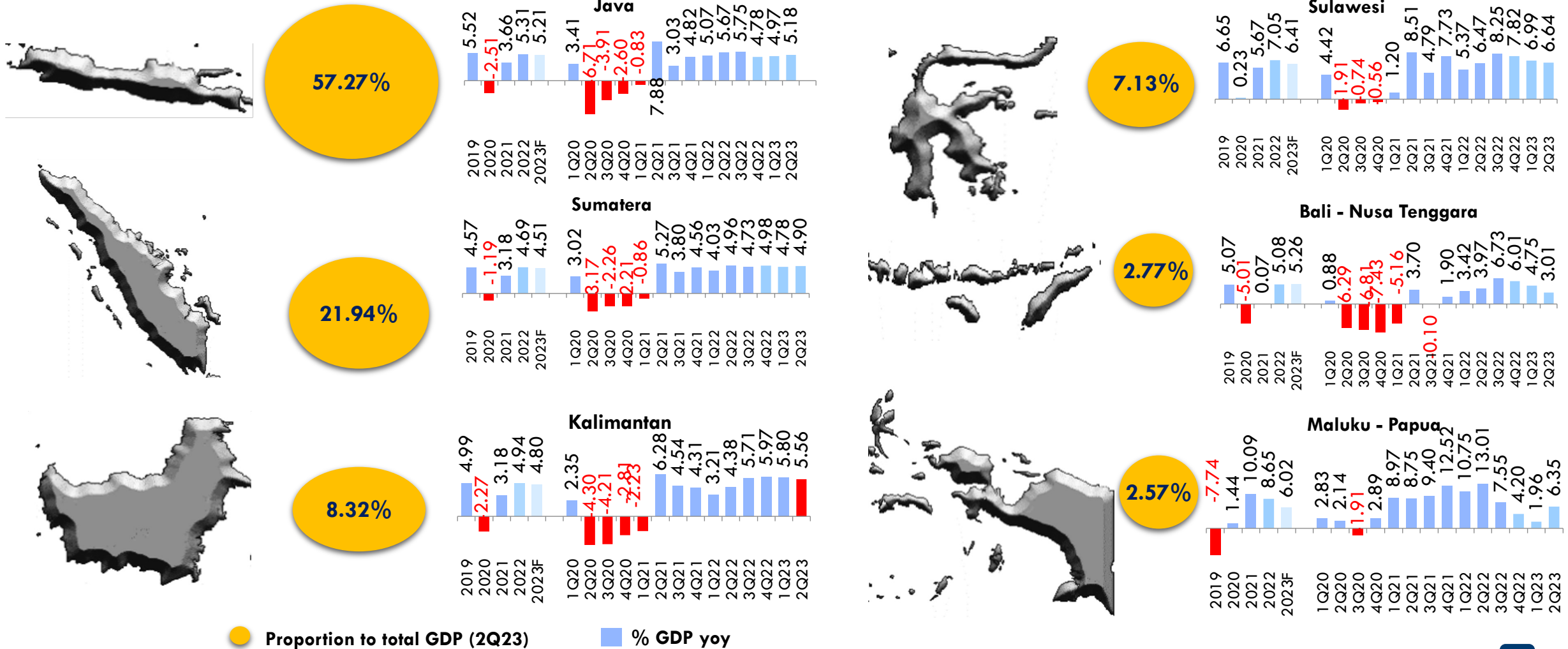
Most provinces recorded economic improvement in 2Q23

Province	2019	2020	2021	2022	1Q23	2Q23
NAD	4.14	-0.37	2.78	4.21	4.63	4.37
North Sumatra	5.22	-1.07	2.61	4.73	4.87	5.19
West Sumatra	4.99	-1.60	3.27	4.36	4.80	5.14
Riau	2.79	-1.12	3.35	4.55	3.88	4.88
Jambi	4.32	-0.46	3.66	5.13	5.00	4.86
South Sumatra	5.66	-0.11	3.57	5.23	5.11	5.24
Bengkulu	4.92	-0.02	3.24	4.31	4.09	4.18
Lampung	5.24	-1.67	2.79	4.28	4.94	4.00
Bangka Belitung	3.30	-2.30	5.04	4.40	4.39	5.13
Riau Island	4.73	-3.80	3.42	4.55	6.51	5.04
DKI Jakarta	5.75	-2.36	3.54	5.25	4.95	5.13
West Java	5.06	-2.44	3.61	5.45	5.01	5.25
Central Java	5.39	-2.65	3.28	5.31	5.05	5.23
D.I. Yogyakarta	6.59	-2.69	5.54	5.15	5.31	5.16
East Java	5.50	-2.39	3.64	5.34	4.96	5.24
Banten	5.24	-3.38	4.41	5.03	4.68	4.83
Bali	5.57	-9.31	-2.49	4.84	6.09	5.60

Province	2019	2020	2021	2022	1Q23	2Q23
West Nusa Tenggara	3.85	-0.64	2.32	6.95	3.55	-1.54
East Nusa Tenggara	5.22	-0.83	2.52	3.05	3.70	4.04
West Kalimantan	5.10	-1.82	4.78	5.07	4.65	4.00
Central Kalimantan	6.09	-1.40	3.37	6.45	3.22	2.96
South Kalimantan	4.71	-2.85	2.42	5.11	5.12	4.96
East Kalimantan	4.04	-1.81	3.47	4.48	6.95	6.84
North Kalimantan	6.20	-1.11	3.98	5.34	5.31	5.01
North Sulawesi	5.64	-0.99	4.16	5.42	5.26	6.28
Central Sulawesi	8.83	4.86	11.70	15.17	13.18	11.86
South Sulawesi	6.91	-0.70	4.63	5.09	5.29	5.00
Southeast Sulawesi	6.48	-0.65	4.10	5.53	6.48	4.85
Gorontalo	6.39	-0.02	2.42	4.04	4.23	4.25
West Sulawesi	5.68	-2.42	2.47	2.30	3.49	6.42
Maluku	5.37	-0.92	3.04	5.11	5.14	5.18
North Maluku	6.03	4.92	17.03	22.94	16.49	23.89
West Papua	2.66	-0.77	-0.49	2.01	3.13	2.90
Papua	-15.79	2.32	15.20	8.97	-2.39	3.81

Economic growth in Java is driven by a recovery in the manufacturing sector and consumer spending

Meanwhile, economic growth outside Java was driven by the commodity sector

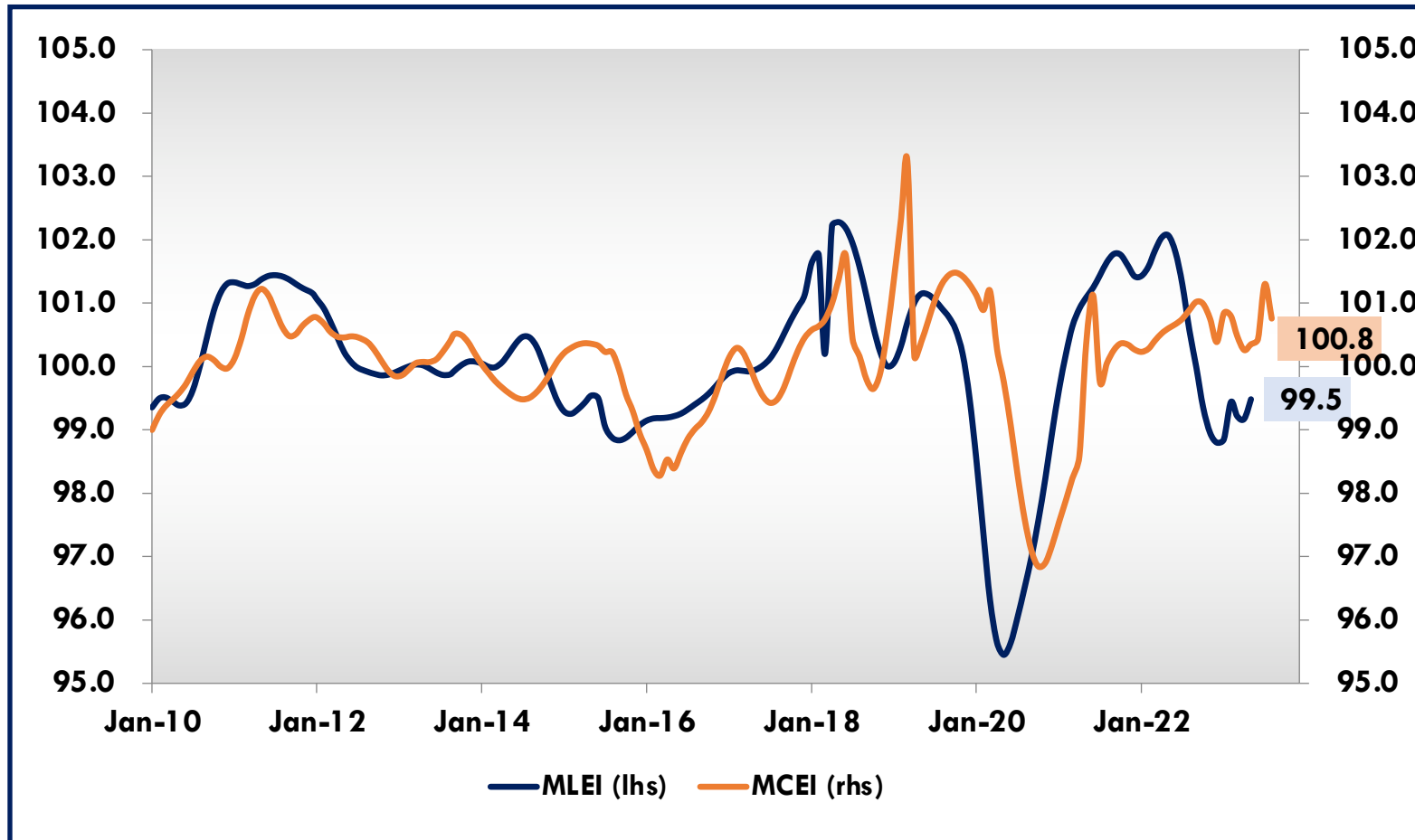


INDONESIA LEADING INDICATORS



Mandiri Leading Economic Index (MLEI)

Higher GDP growth in 2Q23 than in 1Q23 confirmed

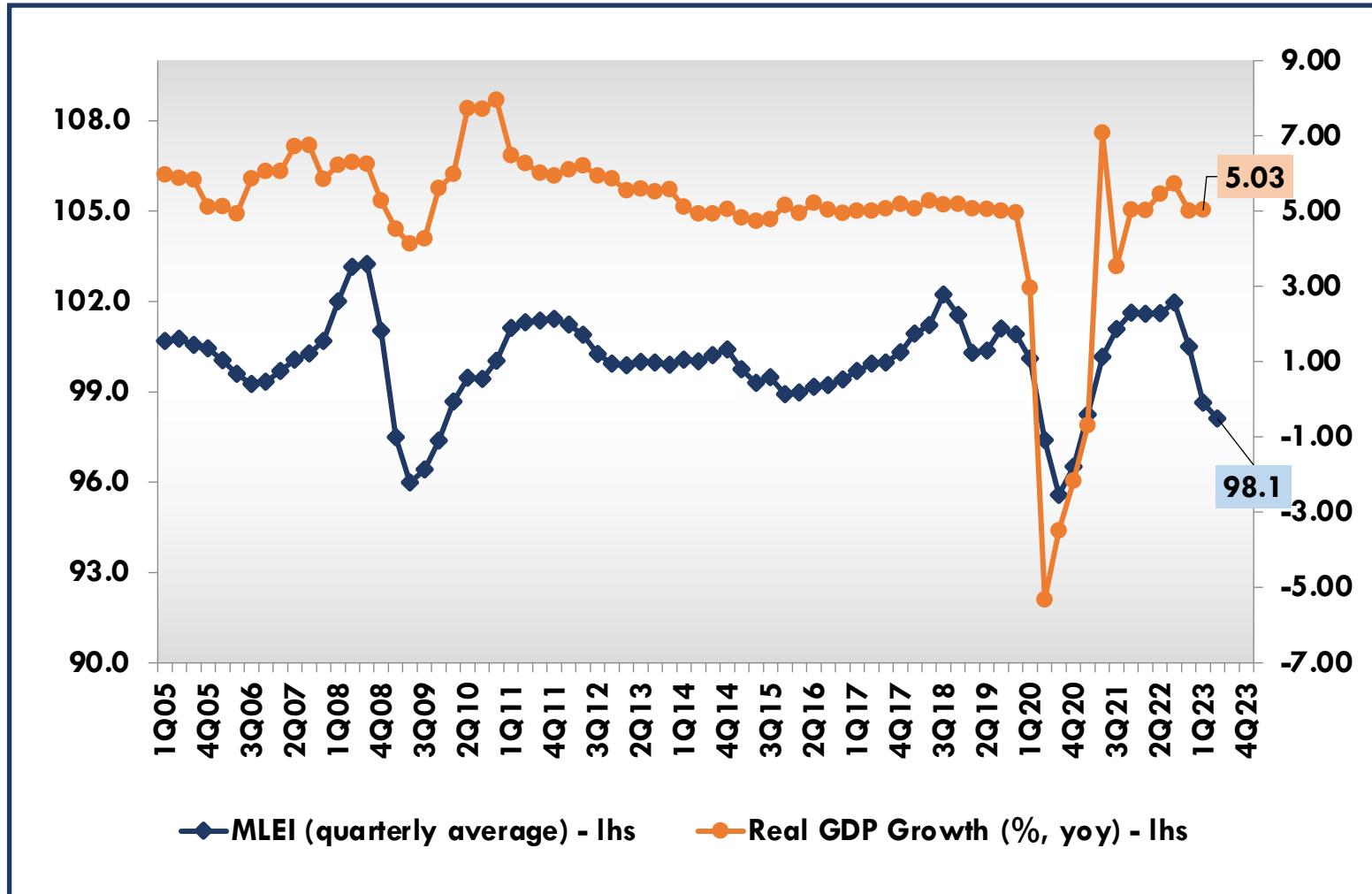


MLEI increased by 0.3% to 99.5 in May-23

- **The preliminary 2Q23 MLEI quarterly average was 99.2, relatively same as the 1Q23 MLEI of 99.2.** This value indicates that the economic growth will be around 5.17% in 3Q23 in line with the continued strength of domestic economic indicators amid persistently high global economic uncertainty.
- **Three out of five MLEI constituents showed a stable trend.** Only the consumer goods import increased in May-23. The export variable tends to decrease with the declining demand from major trading partners due to slower global economic growth and higher uncertainty.
- **The Indonesian economy is estimated to grow by 5% in 2023,** supported by solid domestic consumption, amidst weakening exports and escalating risks from the stifling of China's economic recovery.

MLEI indication was relatively in line with GDP growth realization

The economic growth remains solid



- **Indonesia's GDP growth improved by 5.17% (yoy) in 2Q23, higher than 5.04% (yoy) in 1Q23.** This realization was consistent with MLEI indications that the economic growth will be higher in 2Q23 than 1Q23.
- **Economic growth in Indonesia remains solid.** The economy supported by domestic demand as faster household and government consumption growth, coupled with increasing investment, despite declining export performance due to global economic headwinds and lower international commodity prices. Government consumption grew by 10.62% (yoy), followed by growth in LNPRT consumption expenditure by 8.62% (yoy), and household consumption expenditure by 5.23% (yoy). Meanwhile, the contraction of exports of goods and services by -2.75% (yoy) followed by weak global demand.
- **The economic growth in 2023 will improve supported by solid domestic business activity.** We see increased household consumption, export performance, and investment will support the economy. We predict that economic growth will reach 5.04% (yoy) in 2023.

MLEI Breakdown

Consumer Goods Import component grew higher in May-23

	2Q - 2022			3Q - 2022			4Q - 2022			1Q - 2023			2Q - 2023	
	Apr-22	May-22	Jun-22	Jul-22	Aug-22*	Sep-22*	Oct-22*	Nov-22*	Dec-22*	Jan-23*	Feb-23*	Mar-23*	Apr-23*	May-23*
Mandiri Leading Economic Index (MLEI)	102.1	102.1	101.9	101.4	100.7	100.0	99.4	99.0	98.8	98.9	99.4	99.2	99.2	99.5
Change (%MoM)	0.2	0.0	(0.2)	(0.5)	(0.7)	(0.7)	(0.6)	(0.4)	(0.2)	0.1	0.6	(0.2)	(0.0)	0.3
Average	102.0			100.7			99.0			99.2			99.2	

	2Q - 2022			3Q - 2022			4Q - 2022			1Q - 2023			2Q - 2023	
	Apr-22	May-22	Jun-22	Jul-22	Aug-22*	Sep-22*	Oct-22*	Nov-22*	Dec-22*	Jan-23*	Feb-23*	Mar-23*	Apr-23*	May-23*
Mandiri Leading Economic Index (MLEI)	102.1	102.1	101.9	101.4	100.7	100.0	99.4	99.0	98.8	98.9	99.4	99.2	99.2	99.1
Consumer Goods Import	99.9	100.0	100.0	99.7	99.2	98.5	97.8	97.5	97.7	98.4	99.9	100.8	101.2	101.9
Real US GDP Index	101.4	101.2	100.7	100.0	99.3	98.8	98.6	98.6	98.9	99.4	100.1	100.6	100.8	100.7
Import Index	103.4	103.5	103.2	102.5	101.4	100.3	99.4	98.8	98.5	98.4	98.6	98.3	98.3	98.3
Export Index	104.6	104.8	104.5	103.8	102.8	101.8	100.9	100.1	99.4	98.8	99.0	97.4	96.7	96.0
12-mth State Banks Real Time Dep. Rate	101.0	101.0	100.9	100.8	100.7	100.5	100.2	99.9	99.6	99.3	99.6	99.0	98.9	98.8

note : *) preliminary

Index > 100 and increasing indicates expansion

Index > 100 but decreasing indicates downturn

Index < 100 and decreasing indicates slowdown

Index < 100 but increasing indicates recovery

Changes in parentheses indicate negative numbers

MCEI Breakdown

Imports raw material index grew higher in Aug-23

	3Q - 2022			4Q - 2022			1Q - 2023			2Q - 2023			3Q - 2023	
	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22*	Jan-23*	Feb-23*	Mar-23*	Apr-23*	May-23*	Jun-23*	Jul-23*	Aug-23*
Mandiri Coincident Economic Index (MCEI)	100.8	100.9	101.0	101.0	100.8	100.4	100.8	100.8	100.5	100.3	100.4	100.4	100.5	100.8
Change (% , mom)	0.1	0.1	0.1	(0.0)	(0.2)	(0.4)	0.5	(0.0)	(0.3)	(0.2)	0.1	0.1	0.1	0.2
Average	100.9			100.7			100.7			100.3			100.6	

	3Q - 2022			4Q - 2022			1Q - 2023			2Q - 2023			3Q - 2023	
	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22*	Jan-23*	Feb-23*	Mar-23*	Apr-23*	May-23*	Jun-23*	Jul-23*	Aug-23*
Mandiri Coincident Economic Index (MCEI)	100.8	100.9	101.0	101.0	100.8	100.4	100.8	100.8	100.5	100.3	100.4	100.4	100.5	100.8
Imports: Raw Materials Index	103.0	102.4	101.3	99.9	98.5	97.2	100.0	100.3	100.0	100.1	101.7	102.8	104.2	105.5
Interbank Call Money Rate: USD: 1 Day Index	100.4	100.4	100.4	100.5	100.5	100.6	100.7	100.7	100.2	100.2	100.8	101.2	101.7	102.2
Equity Market Index: Month End: IDX	100.6	101.2	102.0	102.4	102.4	101.9	101.4	101.2	101.0	100.6	99.9	99.2	98.6	98.5
US Dollar: Spot: Mid: Monthly - eop Index	100.9	100.9	100.9	100.9	100.9	100.7	100.4	100.0	99.6	99.1	98.6	98.2	98.0	98.0
Business Activity: Expectation: (WNB) Index	99.0	99.6	100.5	101.2	101.5	101.5	101.6	101.7	101.7	101.3	100.8	100.8	100.1	99.5

note : *) preliminary

Index > 100 and increasing indicates expansion

Index > 100 but decreasing indicates downturn

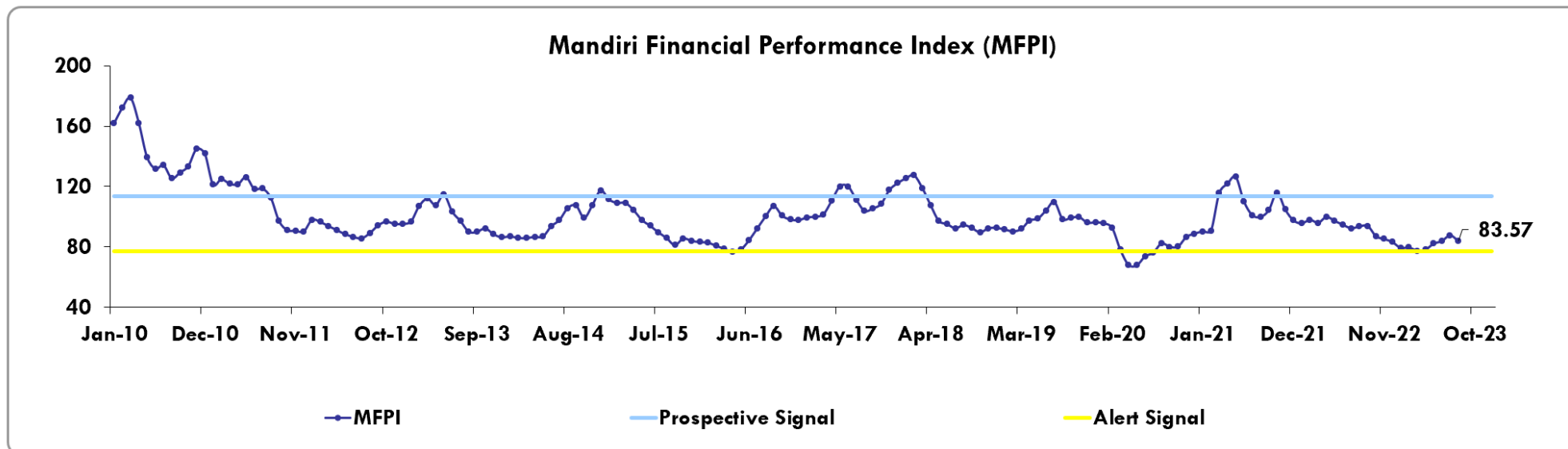
Index < 100 and decreasing indicates slowdown

Index < 100 but increasing indicates recovery

Changes in parentheses indicate negative numbers

Mandiri Financial Performance Index (MFPI)

Banking Sector Still in Normal Condition



Period	2016	2017	2018	2019	2020	2021	2022	2023
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Aug*
MFPI	97.54	122.11	92.43	96.08	88.59	97.38	82.98	83.57
Chg (%mom)	(0.43)	3.92	0.32	0.15	2.55	(6.88)	(2.42)	(4.51)

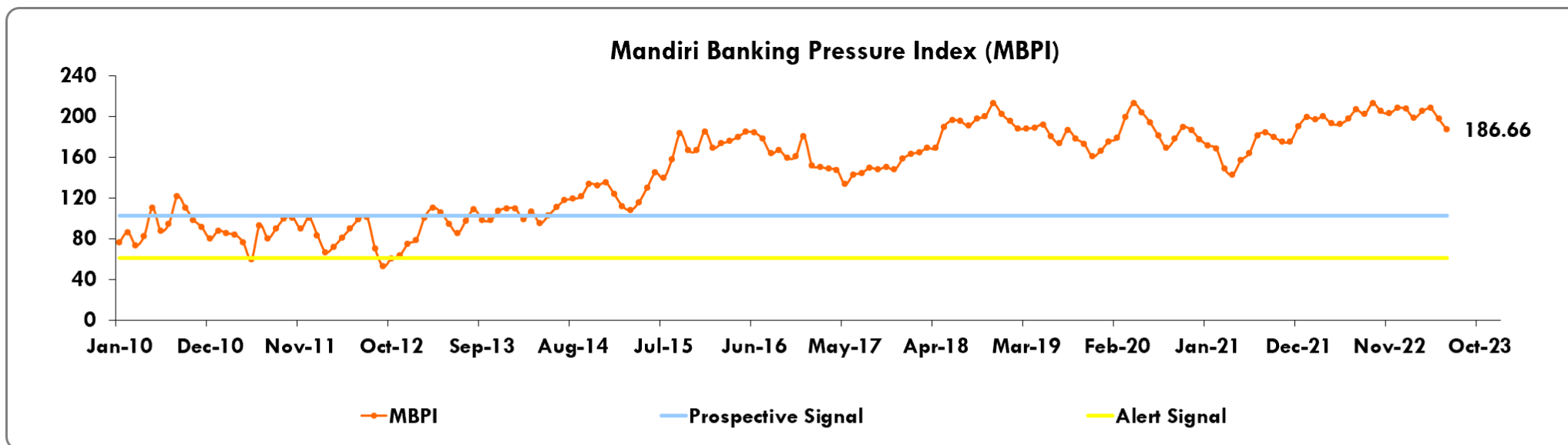
note: * preliminary

MFPI Threshold	
Prospective :	MFPI > 113
Normal :	77 < MFPI < 113
Alert :	MFPI < 77

MFPI in Aug-23 decelerated by 4.51% (mom) to 83.57 level. This position indicates that the Indonesian banking sector is in normal condition. In Jun-23, the Capital Adequacy Ratio (CAR) stood at 26.74%, while non-performing loans (NPL) reached 2.44% (gross) or 0.77% (netto). Bank Indonesia decided on 23 - 24 Aug-23 to hold the BI 7-Day Reverse Repo Rate (BI7DRRR) at 5.75%, the Deposit Facility interest rate at 5%, and the Lending Facility interest rate at 6.5%. The decision is consistent with the monetary policy stance to control inflation within the 2% - 4% target in the remainder of 2023 dan 1.5% - 3.5% in 2024.

Mandiri Banking Pressure Index (MBPI)

Maintain Prospective Outlook in Next 6-9 months



Period	2016	2017	2018	2019	2020	2021	2022	2023
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Jun*
MBPI	179.94	157.87	201.98	166.05	177.41	190.09	207.93	186.66
Chg (%mom)	12.27	7.20	(4.81)	3.53	(4.73)	8.57	2.62	(5.32)

note: * preliminary

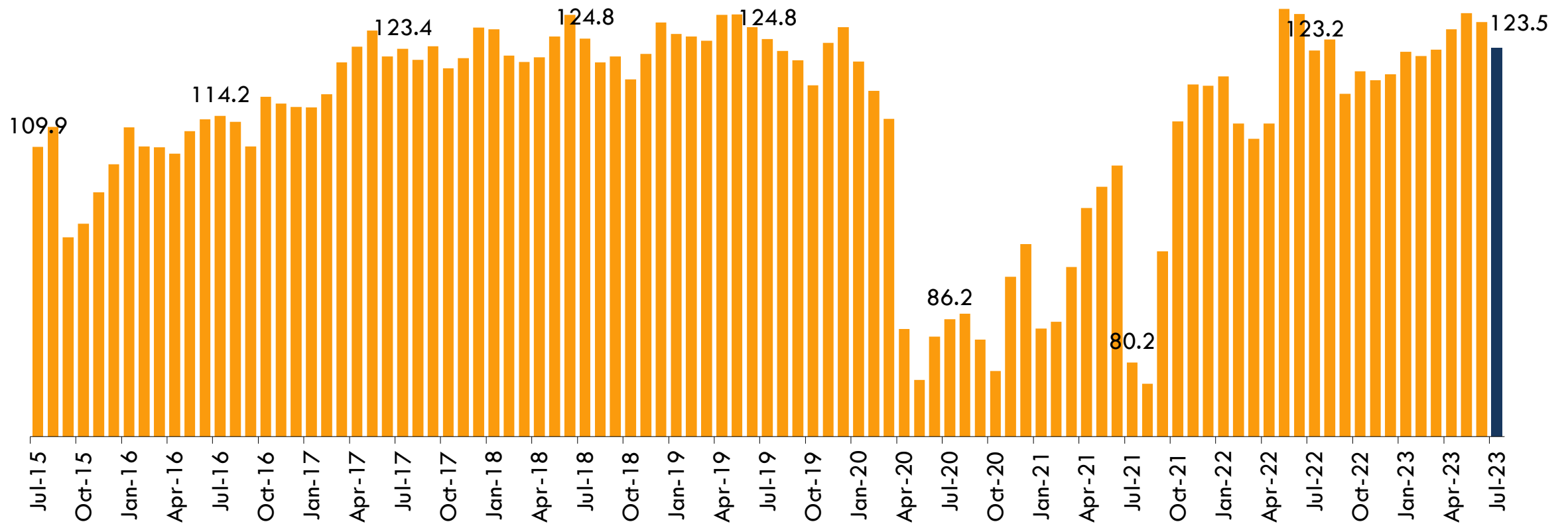
MBPI Threshold	
Prospective :	MBPI > 103
Normal :	61 < MBPI < 103
Alert :	MBPI < 61

Mandiri Banking Pressure Index (MBPI) is a leading indicator of the banking sector in Indonesia. It is an indicator that provides a predicted direction of MBPI's movement in the next 6-9 months. In Jun-23, MBPI increased 5.32% (mom) to 186.66 level. The position of MBPI was still above the 103 level, which means we still predicted the Indonesian banking sector to be in the prospective condition in the period from Dec-23 to Mar-24 as Bank Indonesia maintained policies to support economic growth and rupiah stabilization through triple intervention, twist operation, DHE policy implementation, and issuing Bank Indonesia Rupiah Securities (SRBI) as (contractionary) pro-market instruments.

Indonesian Consumer Confidence Index (CCI)

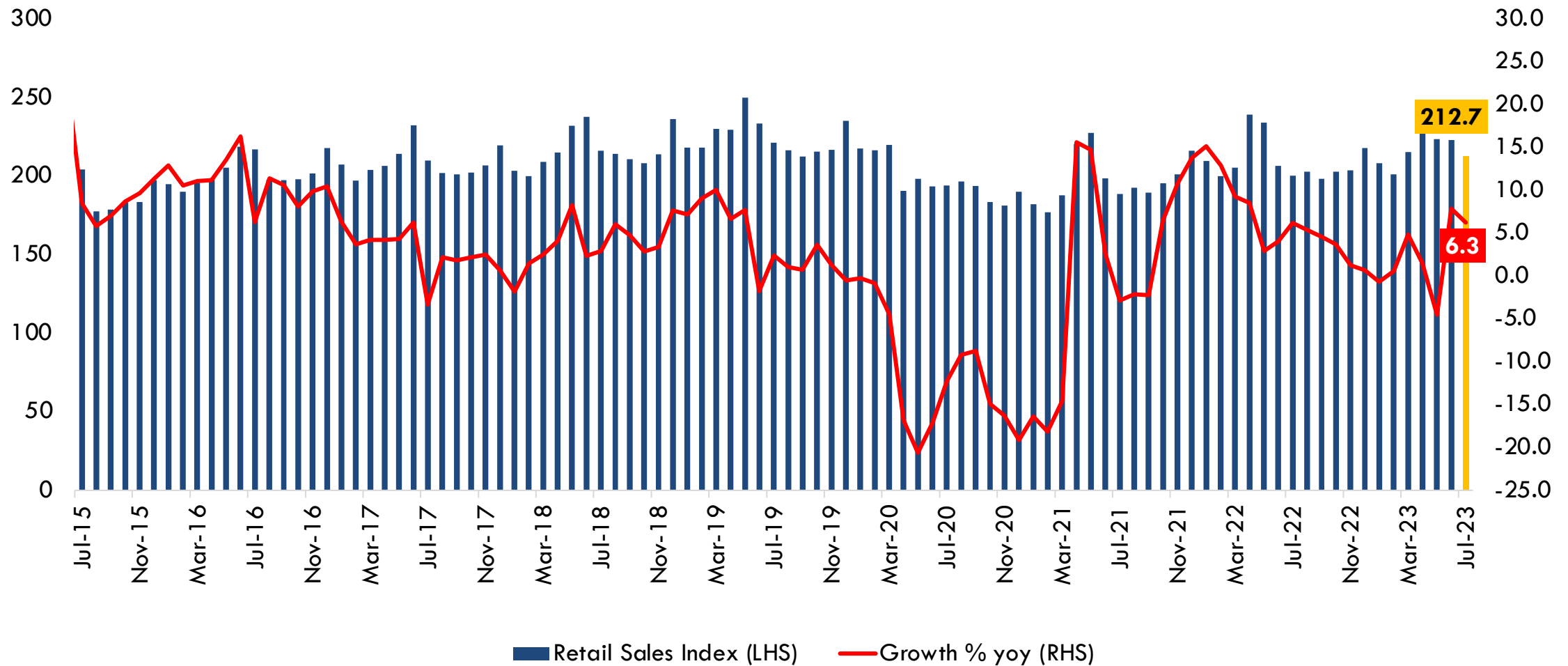
Consumer optimism remained solid in Jul-23

(Index)



Retail Sales Index (RSI)

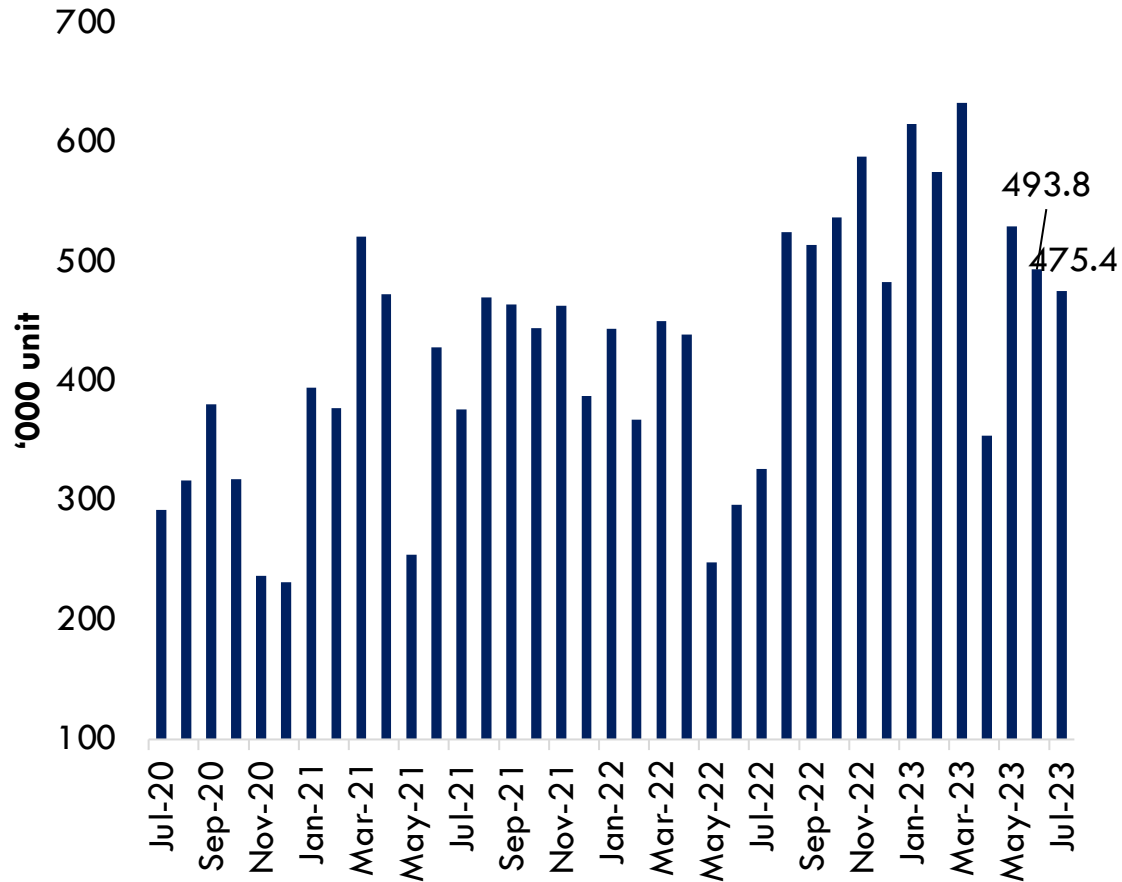
BI expects RSI to remain solid annual yet contractive monthly sales performance in Jul-23



Domestic Motorcycle Sales

Motorcycle sales grew by 42.9% in 7M23

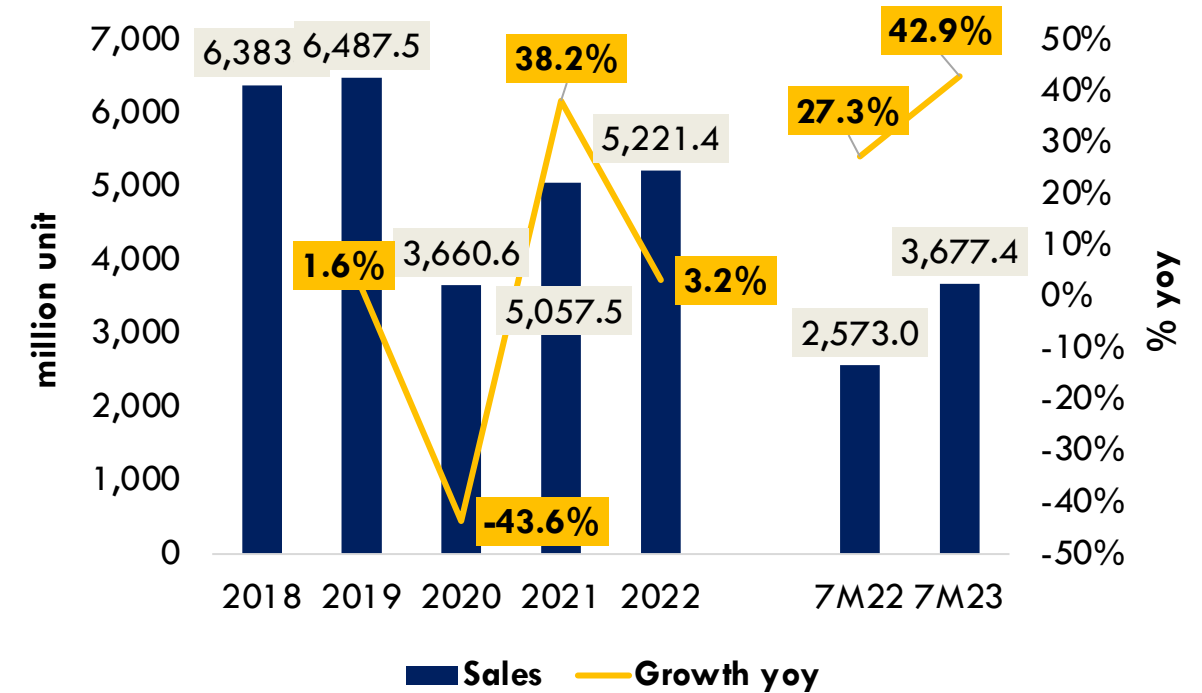
Motorcycle Sales Domestic ('000 unit)



*) Cumulative growth

Source: Astra

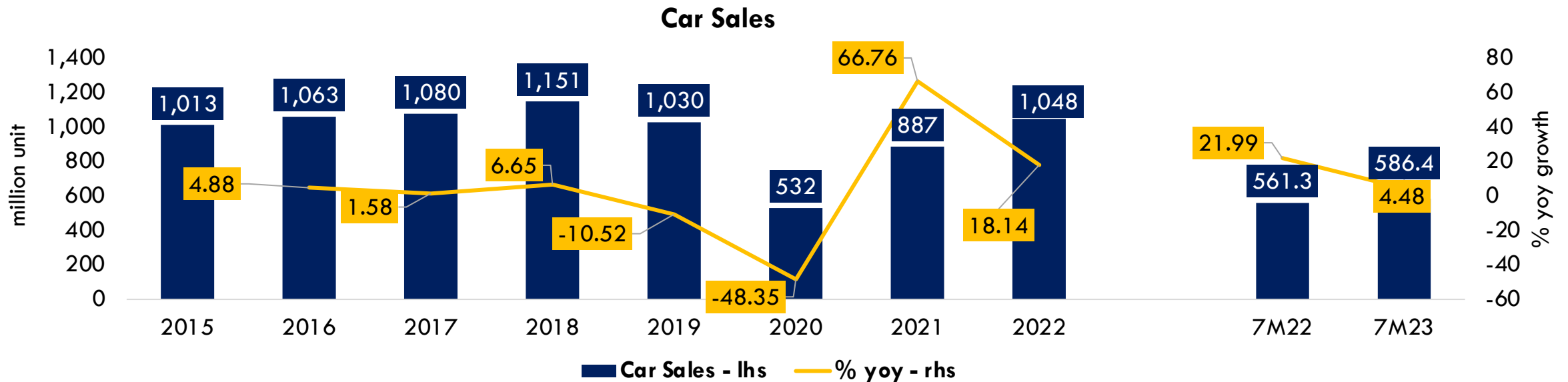
Annual Motorcycle Sales



	FY2022	% yoy*	Jul-23	% yoy
Sales ('000 units)	483.3	3.2	475.4	45.6

Domestic Car Sales

Strong car sales due to robust domestic economic activity



Segment	FY2020	%yoy	FY2021	%yoy	FY2022	%yoy	Jul-23	% mom	%yoy	7M23	%yoy
Passenger non LCGC	284,237	-50.0%	513,294	80.6	625,457	21.9	45,751	1.30	-1.01	327,052	-4.0
Commercial	143,141	-41.5%	227,383	58.9	264,477	16.3	17,056	-8.5	5.73	138,817	-1.4
LCGC	104,650	-51.9%	146,520	40.0	158,206	8.0	17,609	-6.27	19.92	120,532	51.0
Total Sales	532,028	-48.4%	887,197	66.8	1,048,140	18.1	80,416	-2.6	4.65	586,401	4.5

*) Cumulative growth

Source: Gaikindo

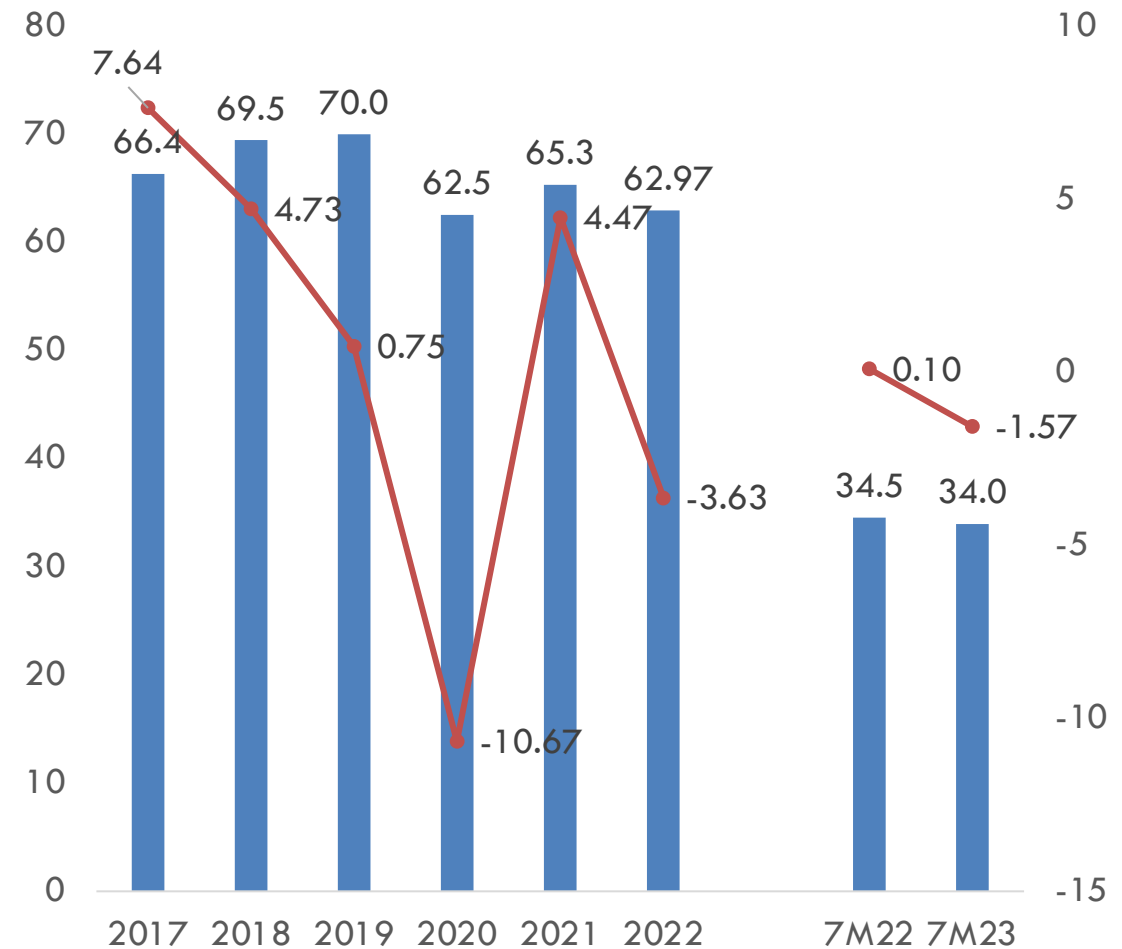
Indonesia Cement Consumption by Area

Cement consumption decreased in July-23 (yoy)

Cement Sales by Region (million mt)

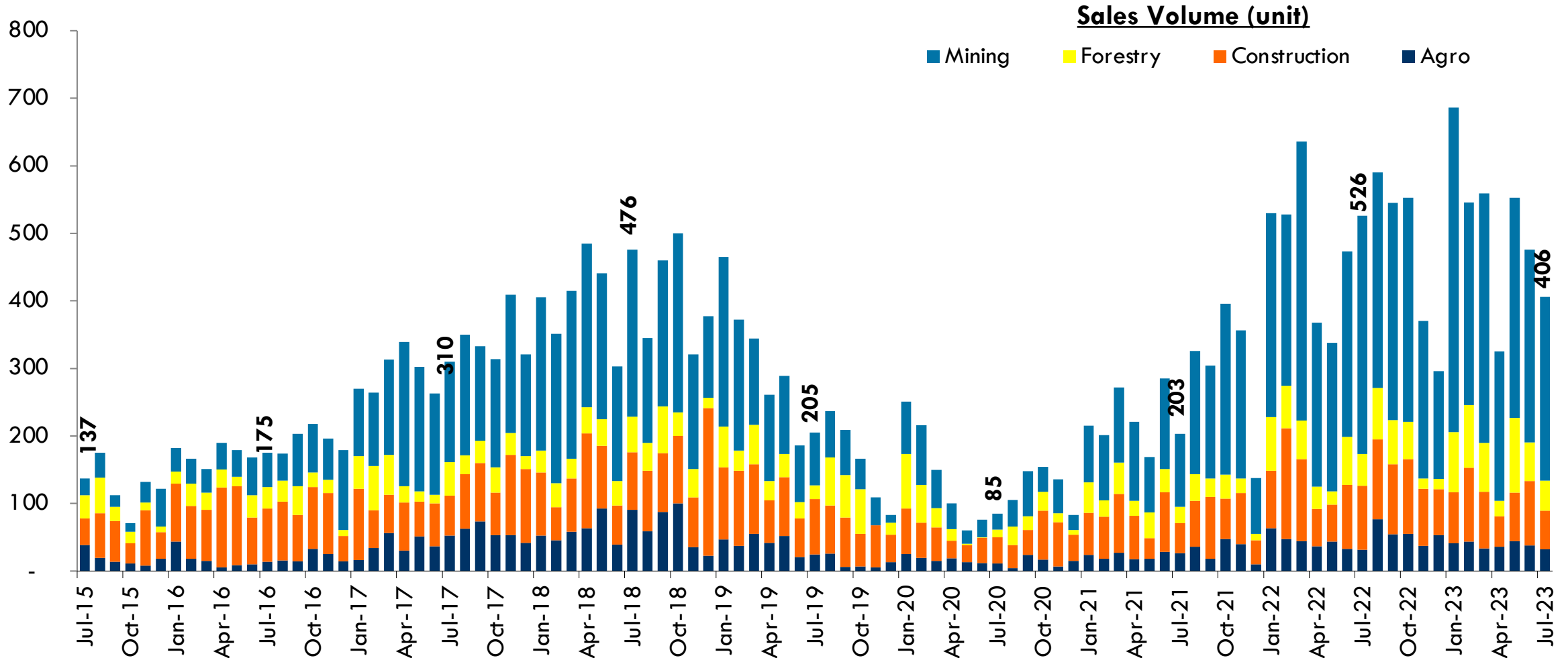
Region	2022	% yoy	Jul-23	% mtd	% yoy	7M23	% yoy
Jakarta	2.56	-0.68	0.24	2.53	12.03	1.39	-2.27
Banten	3.37	5.47	0.30	11.25	9.32	1.82	0.98
West Java	10.66	-3.41	1.00	7.70	6.15	5.72	0.04
Central Java	7.35	-17.69	0.69	14.87	7.32	3.70	-13.30
Yogyakarta	0.98	-17.58	0.10	9.58	12.22	0.57	4.05
East java	8.35	6.00	0.77	7.43	6.30	4.47	-2.30
Total Java	33.27	-4.41	3.11	9.13	7.37	17.68	-3.61
Sumatera	13.35	-5.81	1.32	12.78	17.22	7.41	0.29
Kalimantan	4.24	0.17	0.45	12.88	44.53	2.48	13.01
Sulawesi	6.42	-0.44	0.52	-0.66	7.83	3.25	-10.07
Bali-Nusa Tenggara	3.50	-2.23	0.37	15.92	16.20	2.01	12.41
Maluku and Irian	2.18	4.17	0.18	10.36	8.86	1.18	-3.51
Total Indonesia	62.97	-3.63	5.95	9.69	12.28	34.00	-1.57

Cement Sales



United Tractors Sales Volume

Sales volume decrease in Jul-23

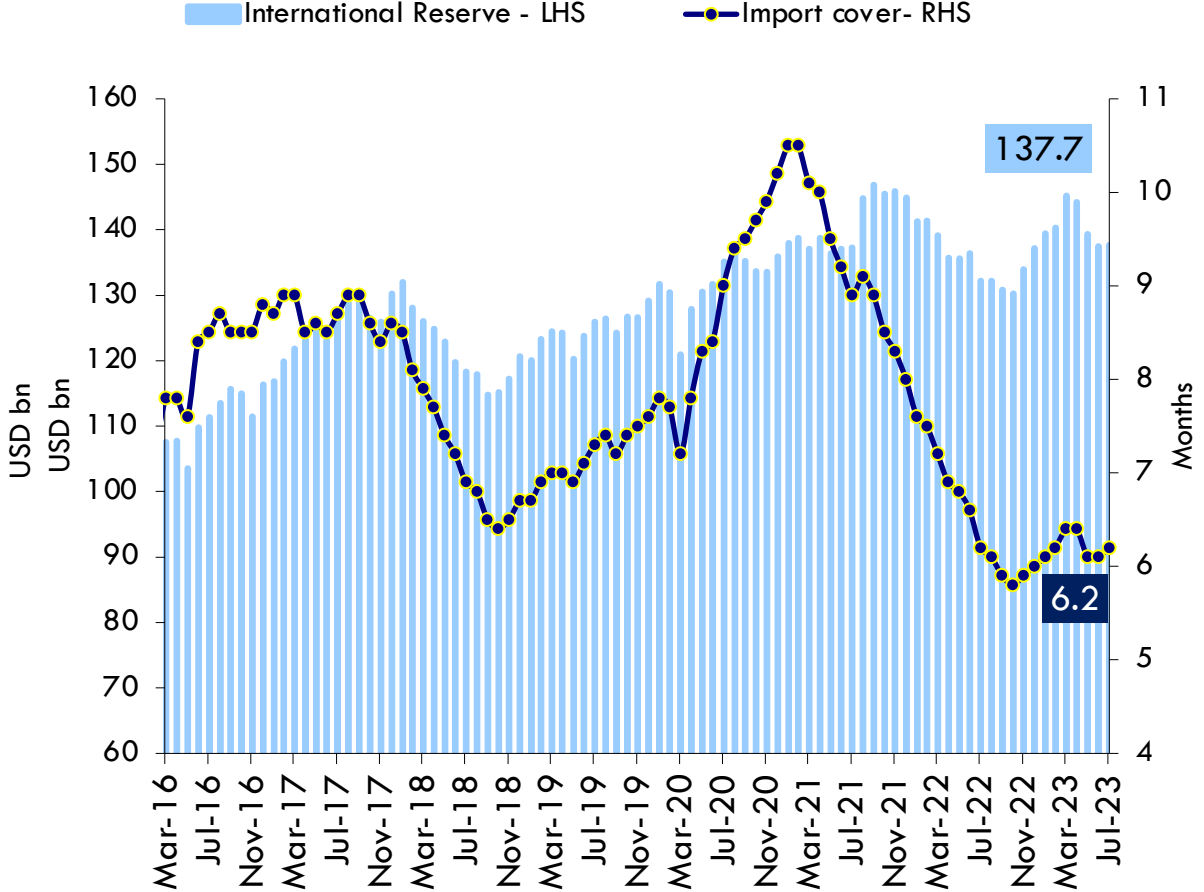
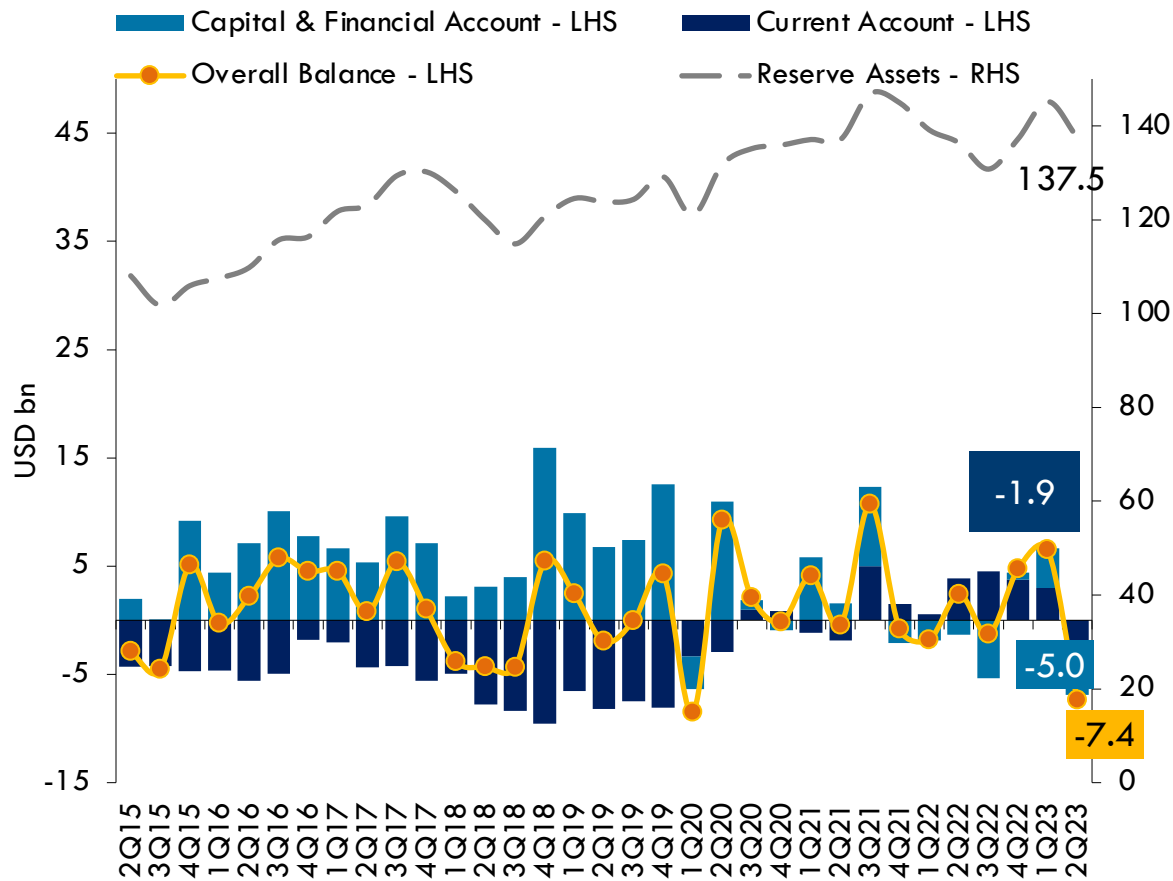


BALANCE OF PAYMENT AND EXTERNAL TRADE



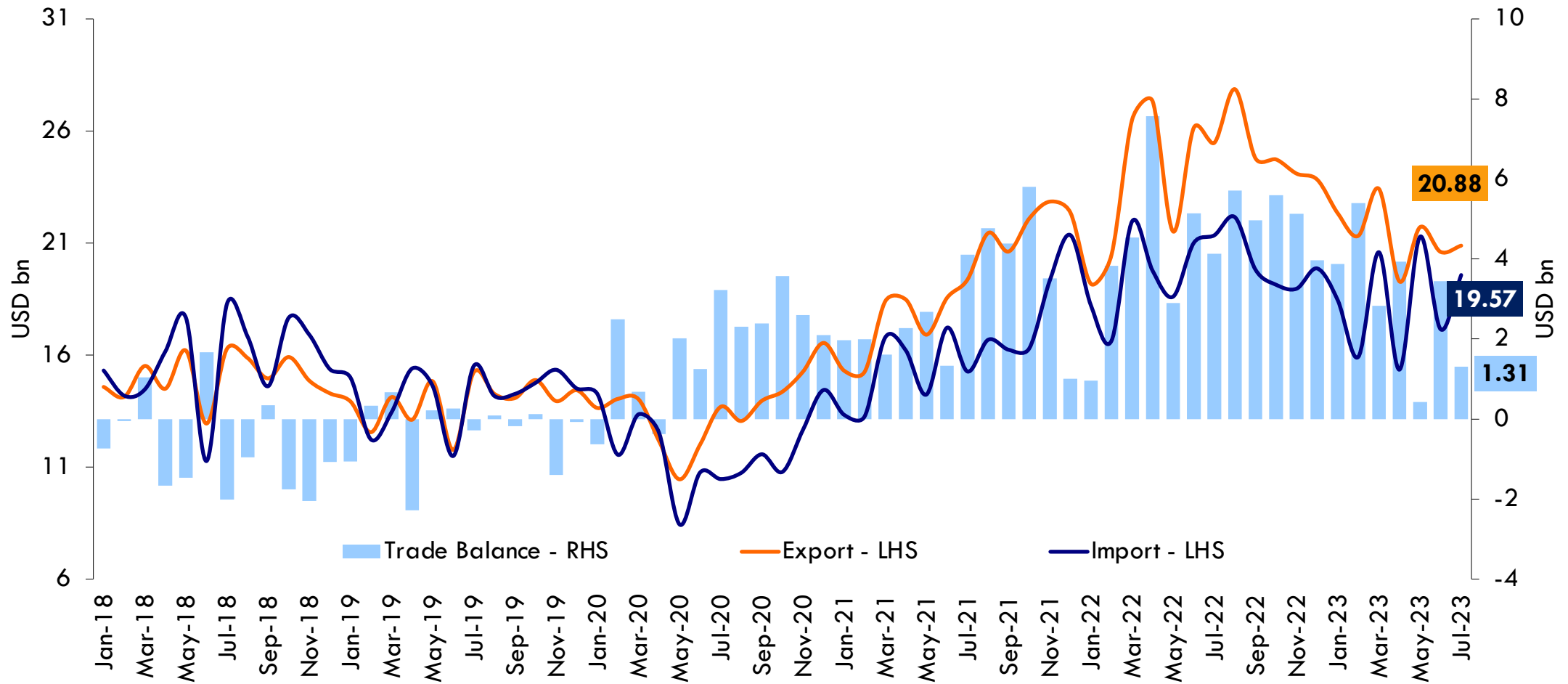
Indonesia's Balance of Payment and FX Reserves

The current account balance was back to record deficit in 2Q23; the FX reserve slightly increased in Jul-23 following consecutive decline in the previous 3 months



Indonesia's External Trade Balance

Indonesia's trade surplus narrow from USD3.45 billion in Jun-23 to USD1.31 billion in Jul-23



Indonesia's Trade Balance

Indonesia's trade surplus notably narrowed in Jul-23

Period	Export (USD bn)	% yoy*	Import (USD bn)	% yoy*	Trade Balance (USD bn)	
2011	203,497	28.9	177,436	30.8	26,061	
2012	190,032	-6.6	191,691	8.0	-1,659	
2013	182,552	-3.9	186,629	-2.6	-4,077	
2014	175,980	-3.6	178,179	-4.5	-2,199	
2015	150,366	-14.6	142,695	-19.9	7,671	
2016	145,186	-3.4	135,653	-4.9	9,533	
2017	168,828	16.3	156,986	15.7	11,843	
2018	180,013	6.6	188,711	20.2	-8,699	
2019	167,683	-6.8	171,276	-9.2	-3,593	
2020	163,192	-2.7	141,569	-17.3	21,623	
2021	231,522	41.9	196,190	38.6	35,332	
2022	291,880	26.0	237,447	21.0	54,433	
7M23	149,534	-10.2	128,296	-6.7	21,238	
		% mom	% yoy	% mom	% yoy	
Jan-23	22,324	-6.3	16.4	-7.1	1.3	3,881
Feb-23	21,321	-4.5	4.1	-13.7	-4.3	5,402
Mar-23	23,416	9.8	-11.6	29.3	-6.3	2,828
Apr-23	19,284	-17.6	-29.4	-25.5	-22.3	3,936
May-23	21,707	12.6	0.9	38.7	14.3	427
Jun-23	20,601	-5.1	-21.2	-19.4	-18.3	3,451
Jul-23	20,881	1.4	-18.0	14.1	-8.3	1,313

Notes: * Cumulative Growth
Source: BPS

Indonesia's Trade Balance

On an annual basis, both NOG export and import contracted in Jul-23

Period	Oil & Gas		Non-Oil & Gas		Oil & Gas		Non-Oil & Gas					
	Export (USD bn)	% yoy*	Export (USD bn)	% yoy*	Import (USD bn)	% yoy*	Import (USD bn)	% yoy*				
2011	41,477	47.9	162,020	24.8	40,702	48.5	136,734	26.3				
2012	36,977	-10.8	153,055	-5.5	42,564	4.6	149,127	9.1				
2013	32,633	-11.7	149,919	-2.0	45,266	6.3	141,362	-5.2				
2014	30,019	-8.0	145,961	-2.6	43,460	-4.0	134,719	-4.7				
2015	18,574	-38.1	131,792	-9.7	24,613	-43.4	118,082	-12.3				
2016	13,105	-29.4	132,081	0.2	18,739	-23.9	116,913	-1.0				
2017	15,744	20.1	153,084	15.9	24,316	29.8	132,669	13.5				
2018	17,237	9.5	162,776	6.3	29,869	22.8	158,842	19.7				
2019	11,789	-31.6	155,894	-4.2	21,885	-26.7	149,390	-6.0				
2020	8,251	-30.0	154,941	-0.6	14,257	-34.9	127,312	-14.8				
2021	12,275	48.8	219,247	41.5	25,529	79.1	170,660	34.0				
2022	15,942	30.1	275,938	25.8	40,416	58.3	197,031	15.5				
7M23	9,066	-0.04	140,528	-10.8	19,772	-17.3	108,524	-4.5				
		% mom	% yoy		% mom	% yoy		% mom	% yoy		% mom	% yoy
Jan-23	1,488	1.0	65.1	20,836	-6.8	14.0	2,906	-9.2	30.4	15,537	-6.8	-2.8
Feb-23	1,187	-20.3	19.3	20,195	-3.1	3.7	2,407	-17.2	-17.1	13,513	-13.0	-1.6
Mar-23	1,338	12.8	-4.8	22,078	9.3	-12.0	3,015	25.3	-13.7	17,573	30.1	-4.9
Apr-23	1,259	-5.9	-12.2	18,025	-18.4	-30.4	2,955	-2.0	-22.5	12,393	-29.5	-22.3
May-23	1,309	4.0	-12.5	20,398	13.2	1.9	3,135	6.1	-6.5	18,145	46.4	18.9
Jun-23	1,260	-3.7	-18.8	19,342	-5.2	-21.3	2,222	-29.1	-39.5	14,928	-17.7	-13.9
Jul-23	1,227	-2.6	-4.7	19,654	1.6	-18.7	3,132	40.9	-29.7	16,436	10.1	-2.7

Notes: * Cumulative Growth

Source: BPS

Indonesia's NOG Export and Import by Country

On a monthly basis, NOG export and import to the main trading partners increased in Jul-23

NON-OIL AND GAS (NOG) EXPORT BY COUNTRY OF DESTINATION

Country of Destination	Jul-23 (USD mn)	% mom	7M23 (USD mn)	% yoy*	Share* (%)
China	4,928	7.52	34,857	6.00	24.82
US	2,034	4.07	13,440	-22.12	9.57
Japan	1,435	-1.01	11,457	-11.73	8.16
India	1,824	9.42	11,228	-17.88	7.99
Malaysia	862	9.29	6,192	-24.96	4.41

NON-OIL AND GAS (NOG) IMPORT BY COUNTRY OF ORIGIN

Country of Origin	Jul-23 (USD mn)	% mom	7M23 (USD mn)	% yoy*	Share* (%)
China	5,549	14.34	35,534	-6.54	32.74
Japan	1,420	1.49	9,649	-2.01	8.89
Thailand	847	8.42	6,158	-9.17	5.68
South Korea	909	21.11	5,842	-0.34	5.38
US	886	15.60	5,534	6.72	5.10

Notes: * Cumulative Growth
Source: BPS

Top Five NOG Export - Import by Commodity

Main exported and imported commodities recorded mostly increase

NON-OIL AND GAS (NOG) EXPORT BY COMMODITY

Commodity (USD mn)	Jul-23	% mom	7M23	% yoy*	Share* (%)
Mineral fuels, mineral oils and products of their distillation	3,148	-6.9	27,146	-8.6	19.3
Animal or vegetable fats and oils and their cleavage products	2,721	-0.9	16,169	-13.4	11.5
Electrical machinery and equipment and parts thereof	1,238	6.7	8,651	8.0	6.2
Natural or cultured pearls, precious or semi-precious stones	378	12.3	4,290	6.1	3.1
Nickel and articles thereof	581	43.3	4,036	35.5	2.9

NON-OIL AND GAS (NOG) IMPORT BY COMMODITY

Commodity (USD mn)	Jul-23	% mom	7M23	% yoy*	Share* (%)
Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	2,916	13.0	18,020	3.3	16.6
Electrical machinery and equipment and parts thereof	2,314	17.3	15,321	1.0	14.1
Iron and steel	888	-9.6	6,771	-18.2	6.2
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	933	13.2	6,274	20.0	5.8
Plastics and articles thereof	826	11.3	5,391	-21.3	5.0

Notes: * Cumulative Growth
Source: BPS

Import by Category

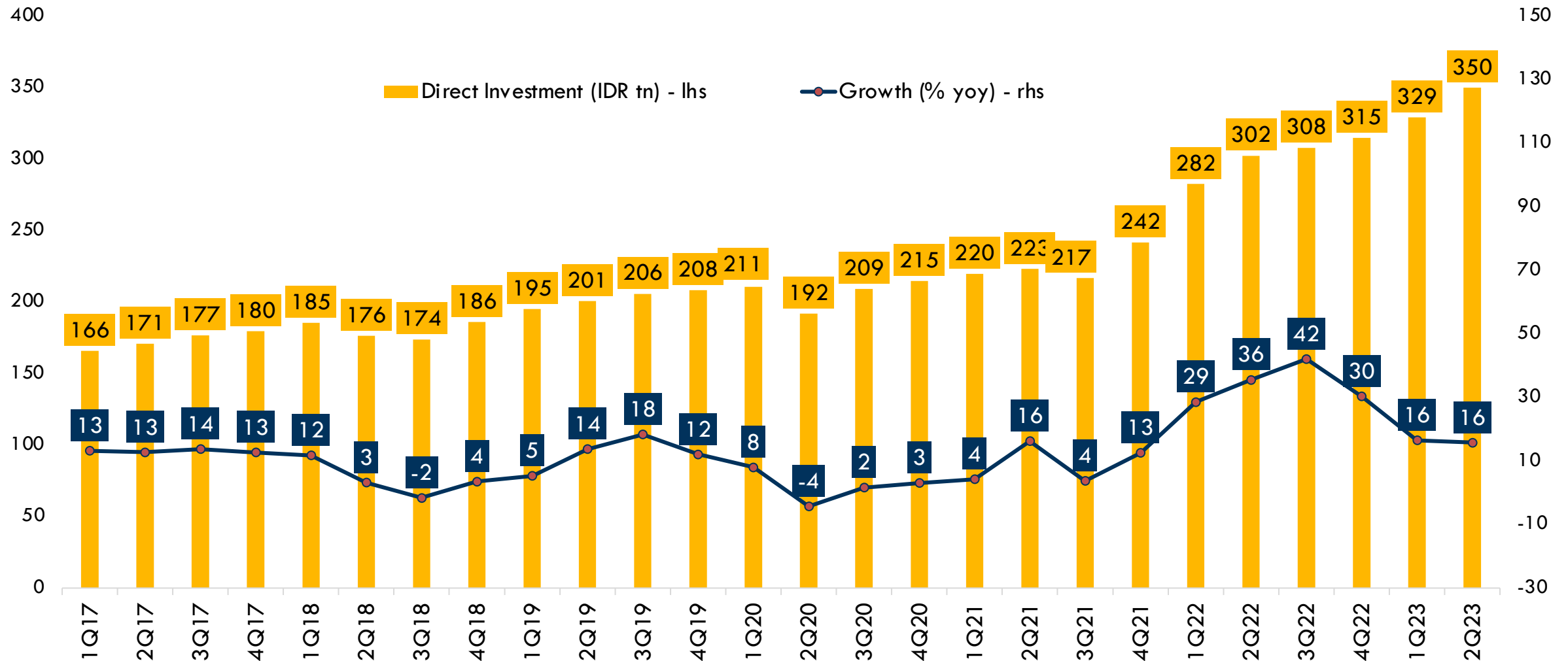
On a monthly basis, all import categories raise in Jul-23

Category	Jul-23 (USD mn)	% mom	7M23 (USD mn)	% yoy*	Share (%)
Consumer Goods	2,092	31.89	11,866	6.36	9.25
Raw Material	13,916	12.57	93,975	-12.00	73.25
Capital Goods	3,561	11.18	22,455	14.71	17.50
Total Import	19,568	14.10	128,296	-6.71	100.00

Notes: * Cumulative Growth
Source: BPS

Direct Investment Realization in Indonesia

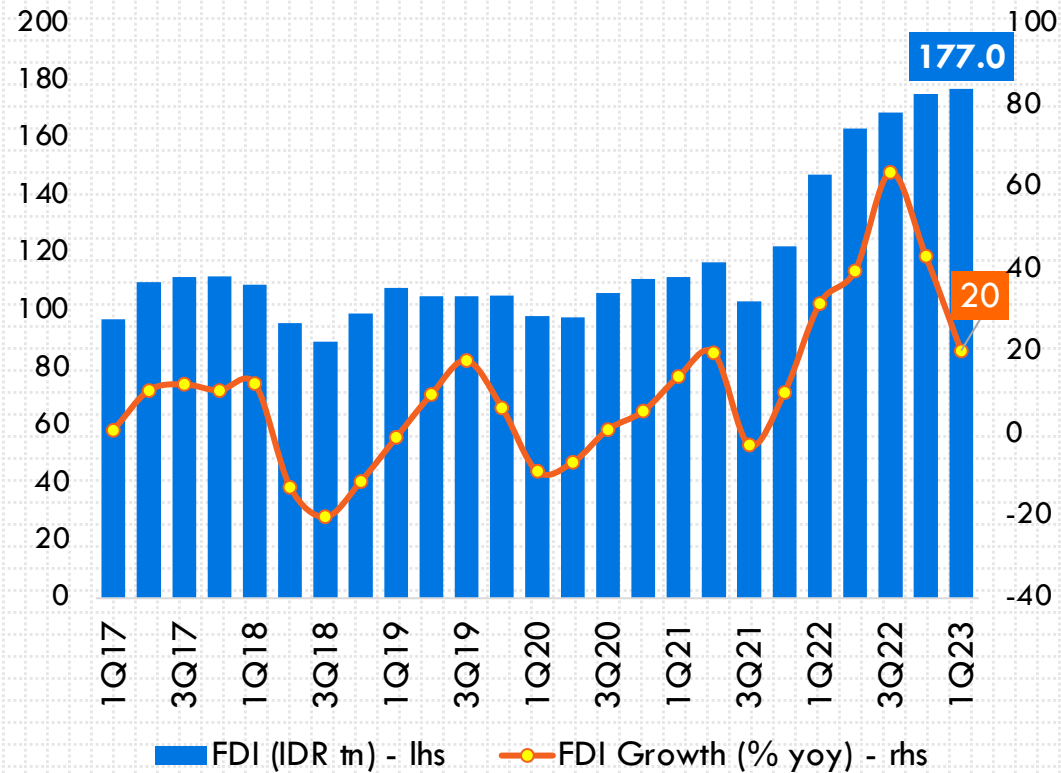
Direct investment reached the highest in 2Q23, boosted mostly by FDI



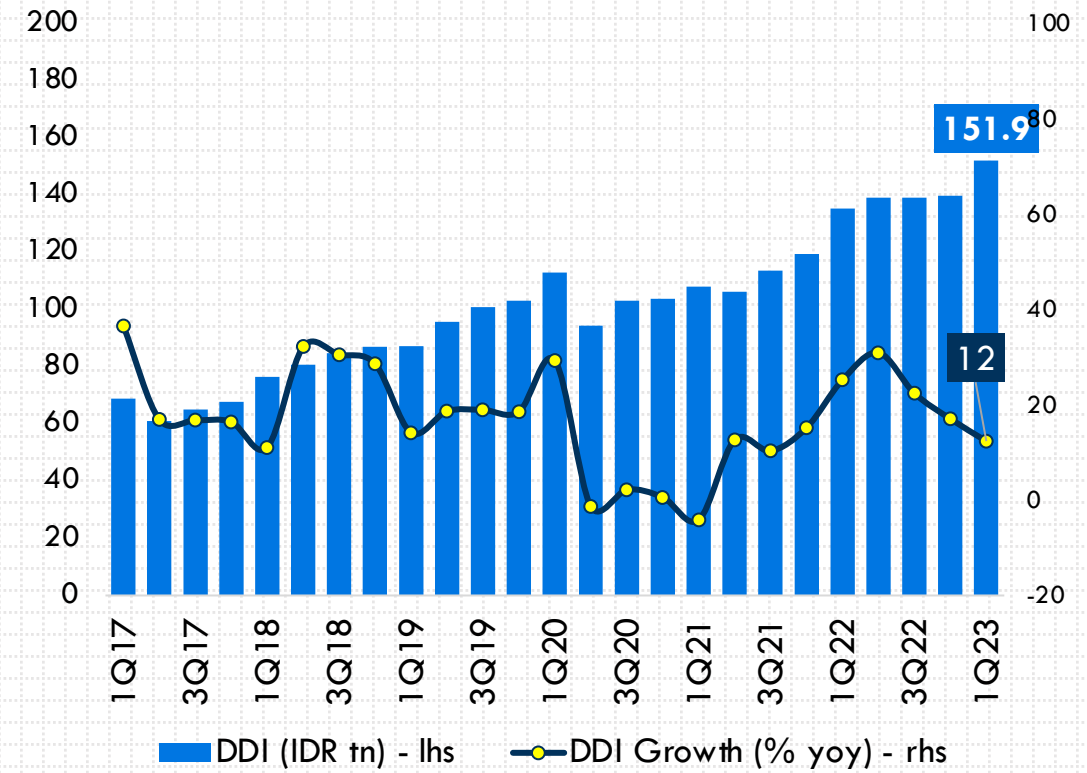
Foreign and Domestic Direct Investment in Indonesia

FDI and DDI both increased at a slower pace in 2Q23

Foreign Direct Investment (FDI)



Domestic Direct Investment (DDI)



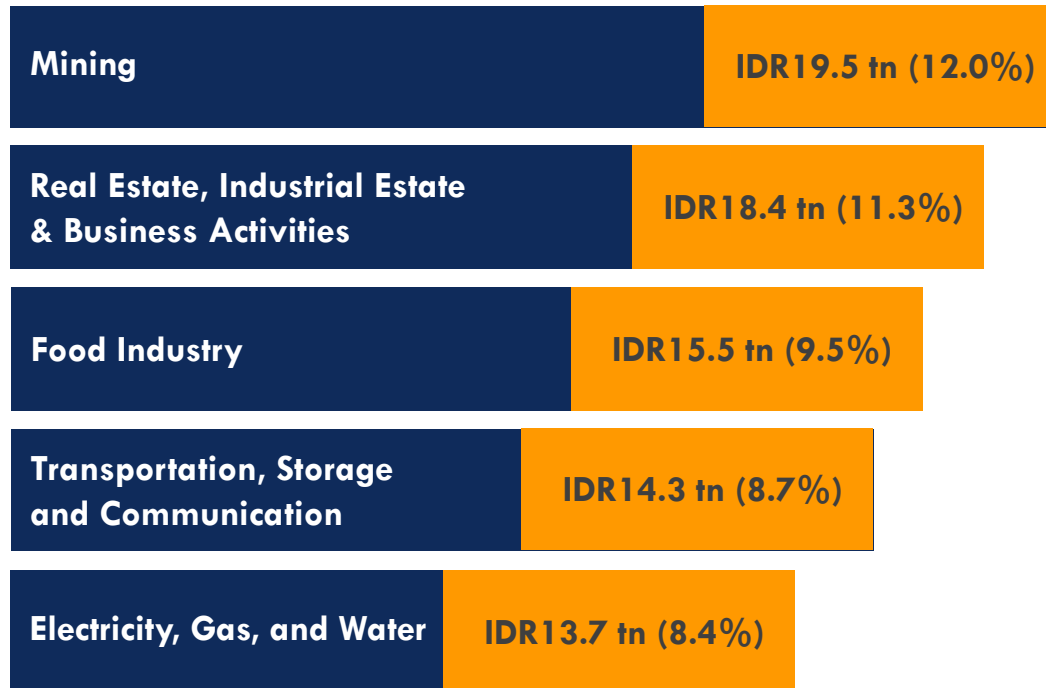
Domestic and Foreign Investment by Industry in 2023

Foreign investments favored Basic Metal Industry, Metal Goods, Non Machinery and Its Equipment

Domestic Direct Investment

Total IDR163.5 tn

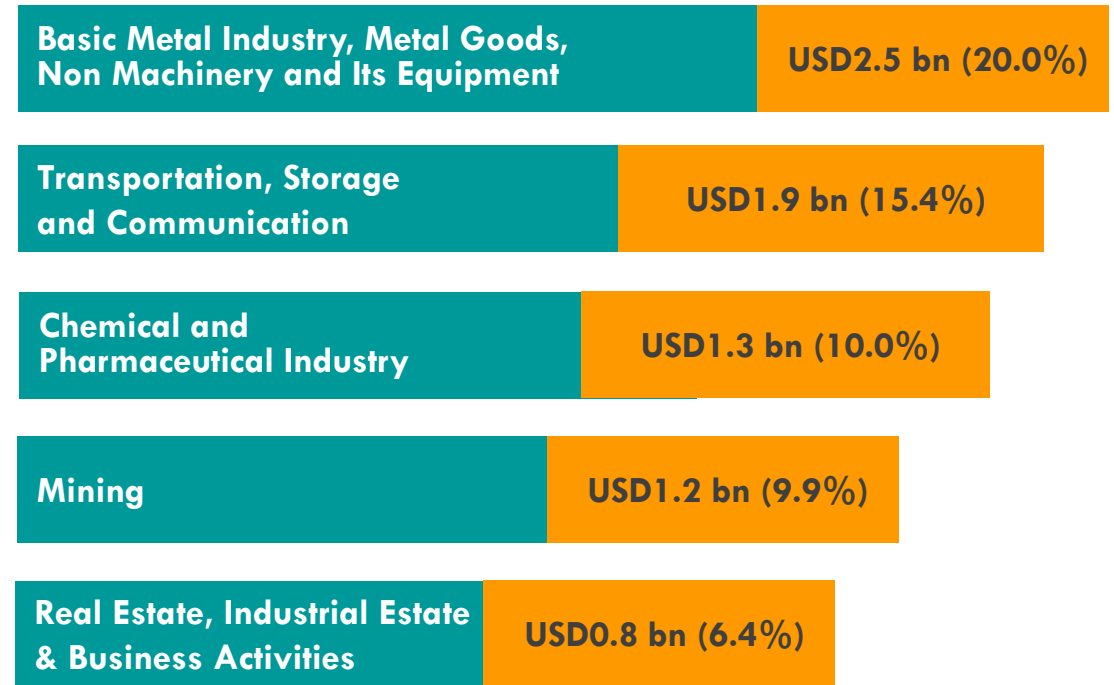
Value (Share of total DDI)



Foreign Direct Investment

Total USD12.6 bn

Value (Share of total FDI)



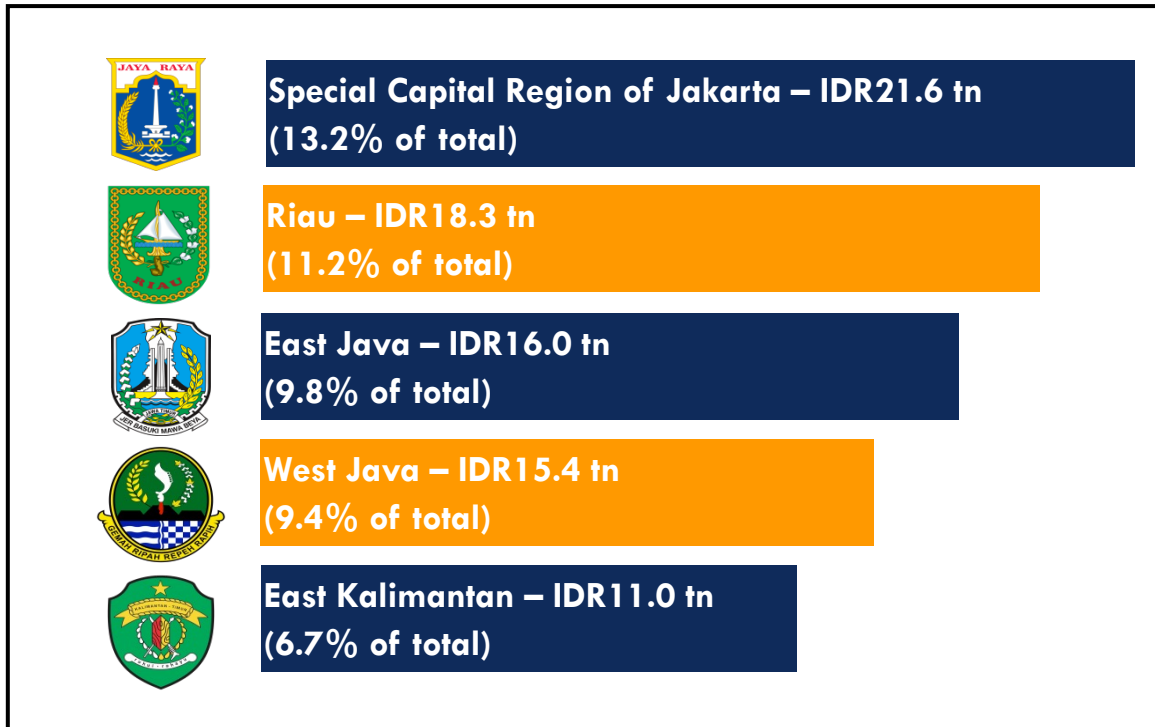
Investment Realization by Location in 2Q23

West Java received the most FDI

Domestic Direct Investment

Total IDR163.5 tn

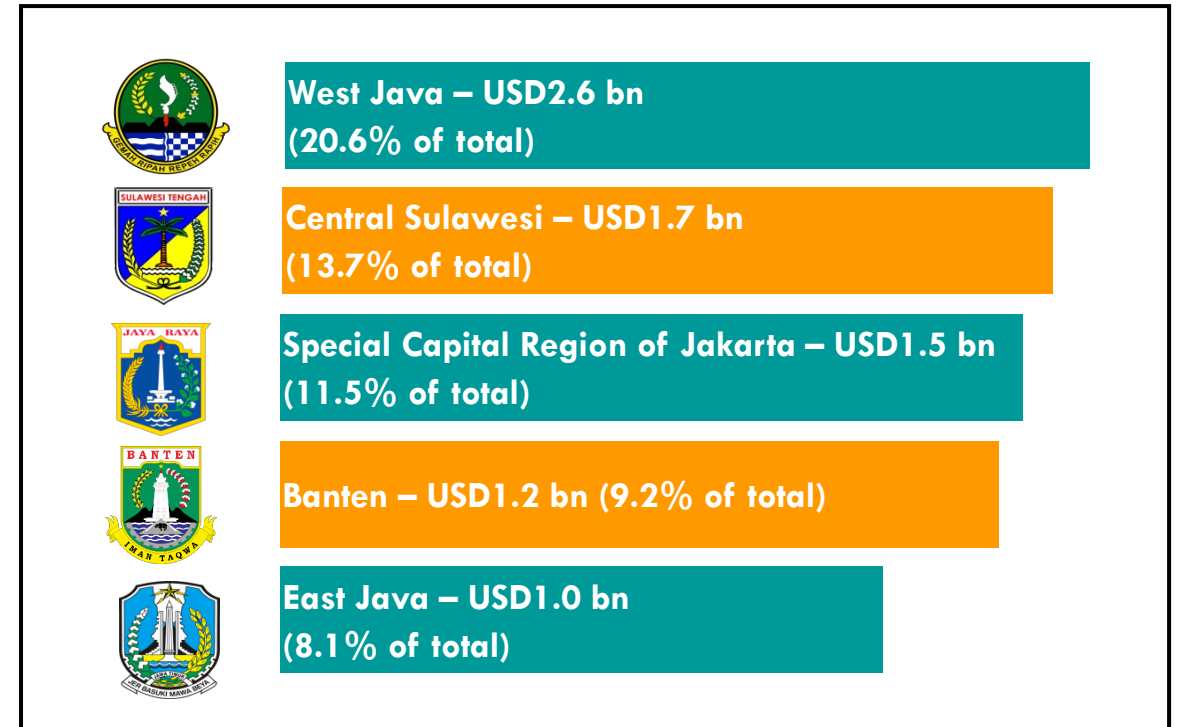
Value (Share of total DDI)



Foreign Direct Investment

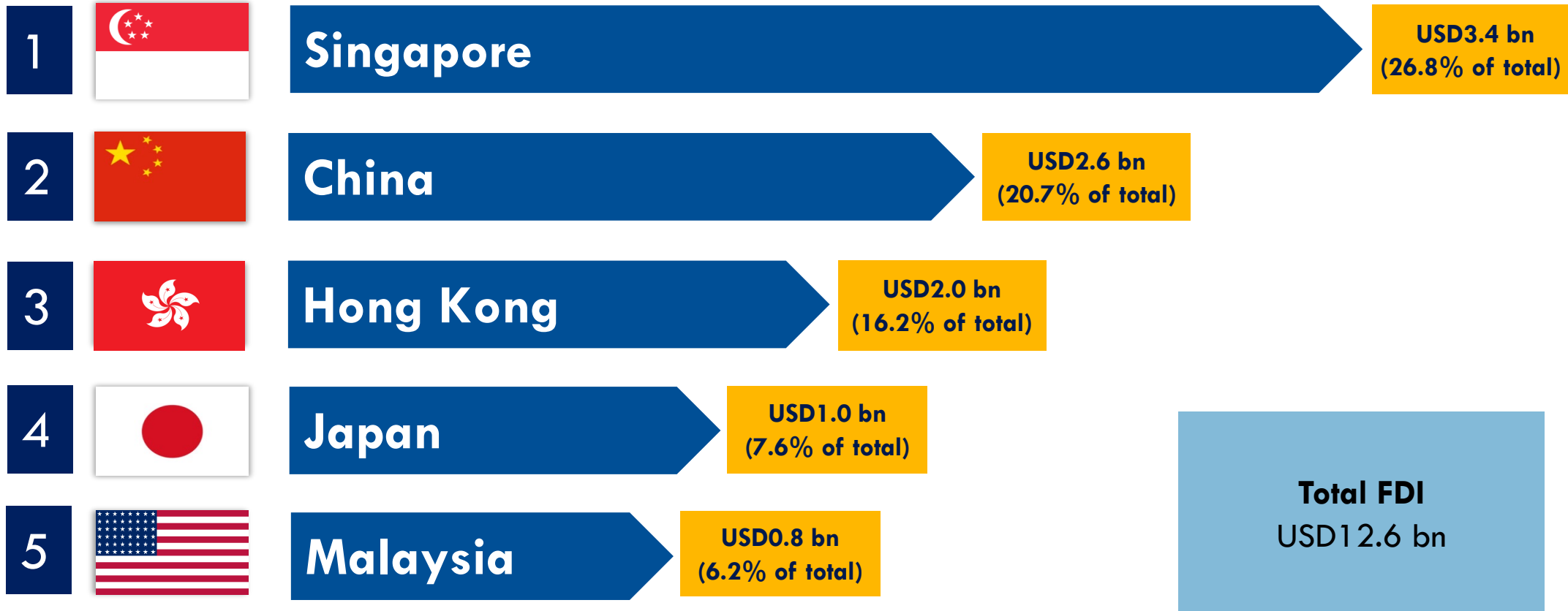
Total USD12.6 bn

Value (Share of total FDI)



Investment Realization by Country in 2Q23

Singapore remained to be the main investor of FDI



Investment Realization by Country

Value of FDI, Share of FDI

	2019	2020	2021	2022	1Q23	2Q23
1	Singapore (USD6.5 bn, 23.1%)	Singapore (USD9.8 bn, 34.1%)	Singapore (USD9.4 bn, 30.2%)	Singapore (USD13.3 bn, 29.2%)	Singapore (USD4.3 bn, 36.3%)	Singapore (USD3.4 bn, 26.8%)
2	China (USD4.7 bn, 16.8%)	China (USD4.8 bn, 16.7%)	Hong Kong (USD4.6 bn, 14.8%)	China (USD8.2 bn, 18.0%)	Hong Kong (USD1.5 bn, 12.2%)	China (USD2.6 bn, 20.7%)
3	Japan (USD4.3 bn, 15.3%)	Hong Kong (USD3.5 bn, 12.1%)	China (USD3.2 bn, 10.2%)	Hong Kong (USD5.5 bn, 12.1%)	China (USD1.2 bn, 10.1%)	Hong Kong (USD2.0 bn, 16.2%)
4	Hong Kong (USD2.9 bn, 10.2%)	Japan (USD2.6 bn, 9.1%)	USA (USD2.5 bn, 8.2%)	Japan (USD3.6 bn, 7.9%)	Japan (USD1.0 bn, 8.5%)	Japan (USD1.0 bn, 7.6%)
5	Netherlands (USD2.6 bn, 9.2%)	South Korea (USD1.8 bn, 6.3%)	Japan (USD2.3 bn, 7.3%)	Malaysia (USD3.3 bn, 7.2%)	United States (USD0.8 bn, 7.0%)	Malaysia (USD0.8 bn, 6.2%)

GOVERNMENT FINANCE



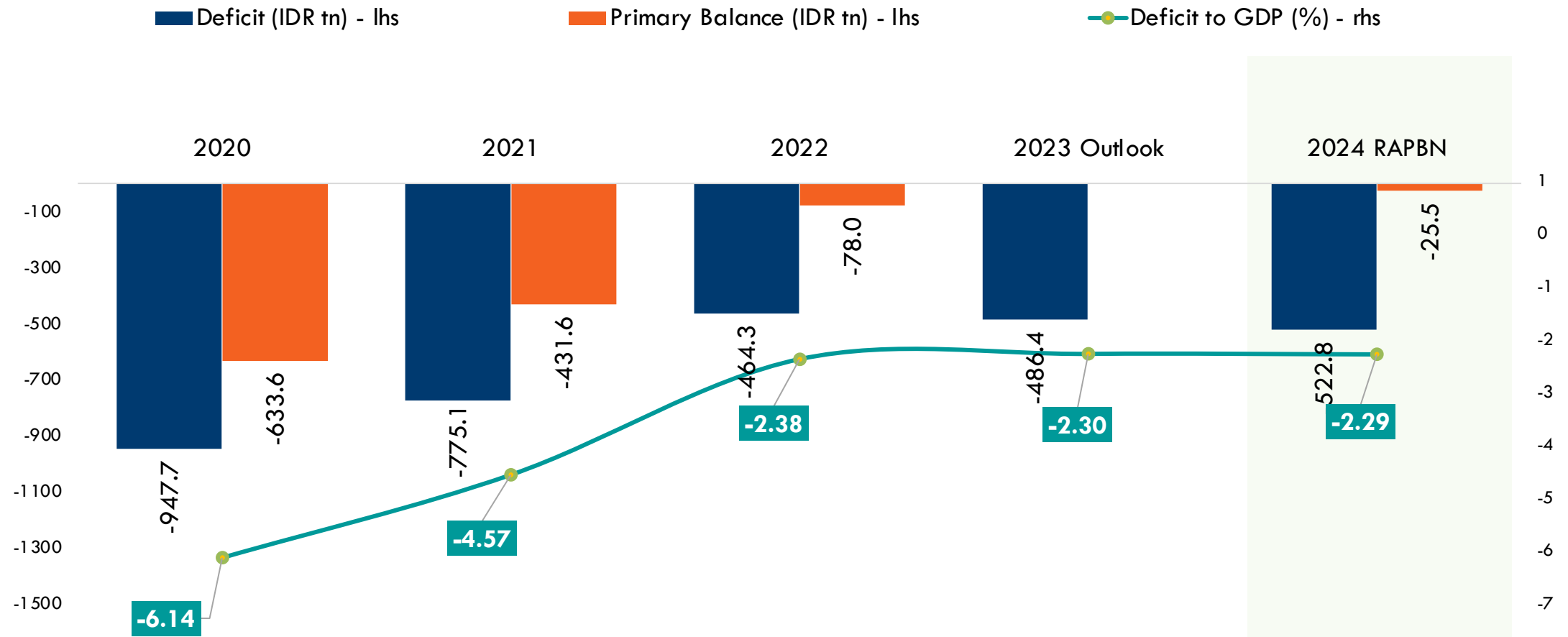
Macroeconomic Variables Assumptions

The government targets Indonesia's economy to expand by 5.2% in 2024

INDICATORS	2021		2022		2023 Outlook	2024 APBN	2025 APBN	2026 APBN	2027 APBN
	APBN	Realization	APBN	Realization					
Economic Growth (%)	5.0	3.69	5.2	5.3	5.1	5.2	5.5-6.0	5.6-6.3	5.7-6.4
Inflation (%)	3.0	1.87	3.0	5.51	3.1	2.8	1.5-3.5	1.5-3.5	1.5-3.5
Exchange Rate (IDR/USD)	14,600	14,312	14,350	14,871	15,100	15,000	14,900-15,300	14,900-15,300	14,900-15,300
ICP Price (USD/barrel)	45	68	63	97.09	78	80	70-90	70-90	70-90
Oil Lifting ('000 bpd)	705	662	703	615	614	625	606-684	625-732	618-756
Gas Lifting ('000 boepd)	1,007	982	1,036	953	985	1,033	1,064-1,151	1,188-1,318	1,160-1,349
Bond Yield (%)	7.29	6.35	6.80	7.05	6.8	6.7	6.3-7.5	6.3-7.5	6.3-7.5

State Budget Deficit

Fiscal deficit is set to be -2.29% of GDP in 2024



Composition of State Budget

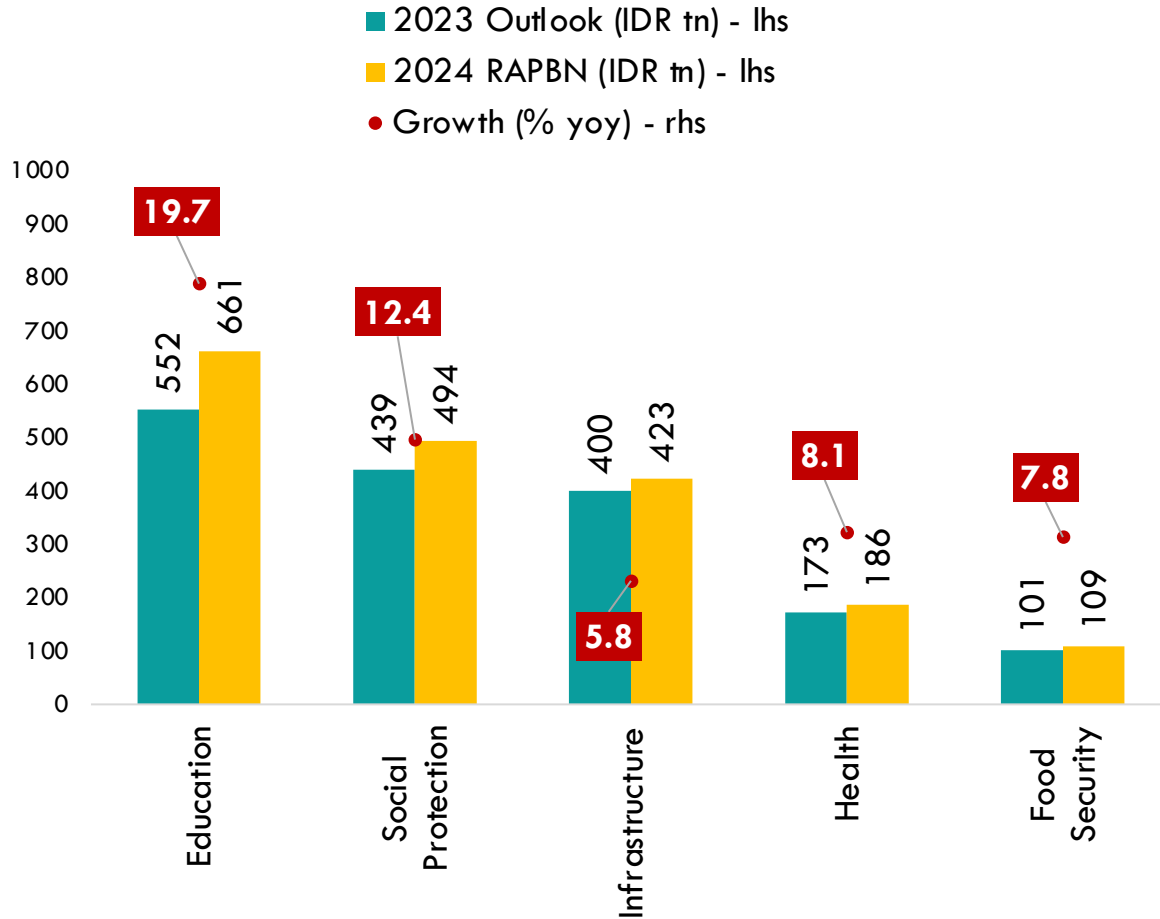
Fiscal deficit is set to be -2.29% of GDP in 2024

	IDR tn	2020 Realization	2021 Realization	2022 Realization	2023 Outlook	2023 Growth (%, vs 2022 Realization)	2024 RAPBN	2024 Growth (%,vs 2023 Outlook)
A	Government Revenue	1,647.8	2,011.3	2,626.4	2,637.2	0.4	2,781.3	5.5
	Tax and Excise Duties Revenue	1,285.1	1,547.8	2,034.5	2,118.3	4.1	2,307.9	9.0
	Non Tax Revenue	343.8	458.5	588.3	515.8	-12.3	473.0	-8.3
B	Total Spending	2,595.5	2,786.4	3,090.8	3,123.7	1.1	3,304.1	5.8
	Central Govt. Expenditure	1,833.0	2,000.7	2,274.5	2,298.2	1.0	2,446.5	6.5
	I. Spending K/L		1,190.8	1,079.3	1,085.5	0.6	1,077.2	-0.8
	II. Spending Non K/L		809.9	1,195.2	1,212.8	1.5	1,369.3	12.9
	Regional Transfer and Village Funds	762.5	785.7	816.2	825.4	1.1	857.6	3.9
C	Primary Balance		-431.6	-78.0	-49.0		-25.5	
D	Surplus/Deficit	-947.8	-775.1	-464.3	-486.4		-522.8	
	Surplus/Deficit (% to GDP)	-6.14	-4.57	-2.38	-2.30		-2.29	
E	Govt. Financing		871.7	583.5	486.4		522.8	7.5

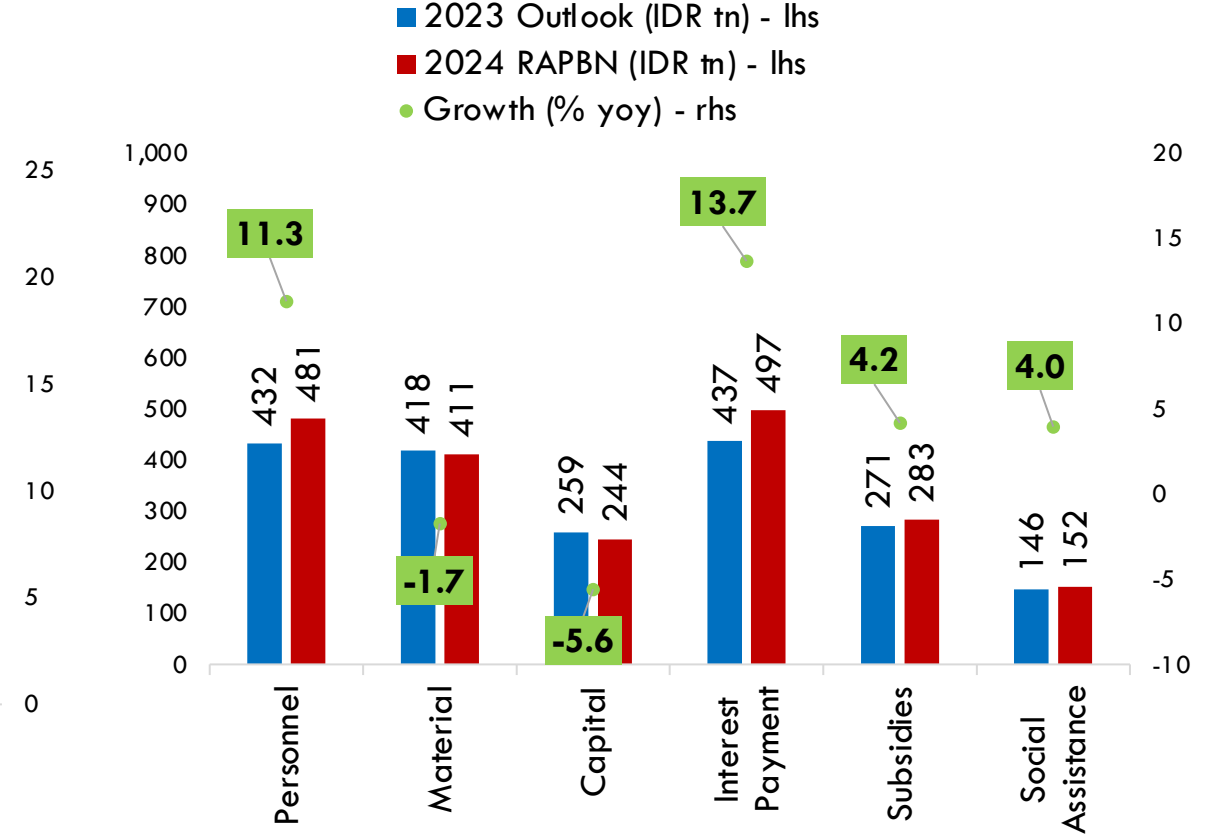
Government Spending by Functions and Types

Allocation of government spending for infrastructure grows by 5.8% yoy in 2024

Government Spending by Functions



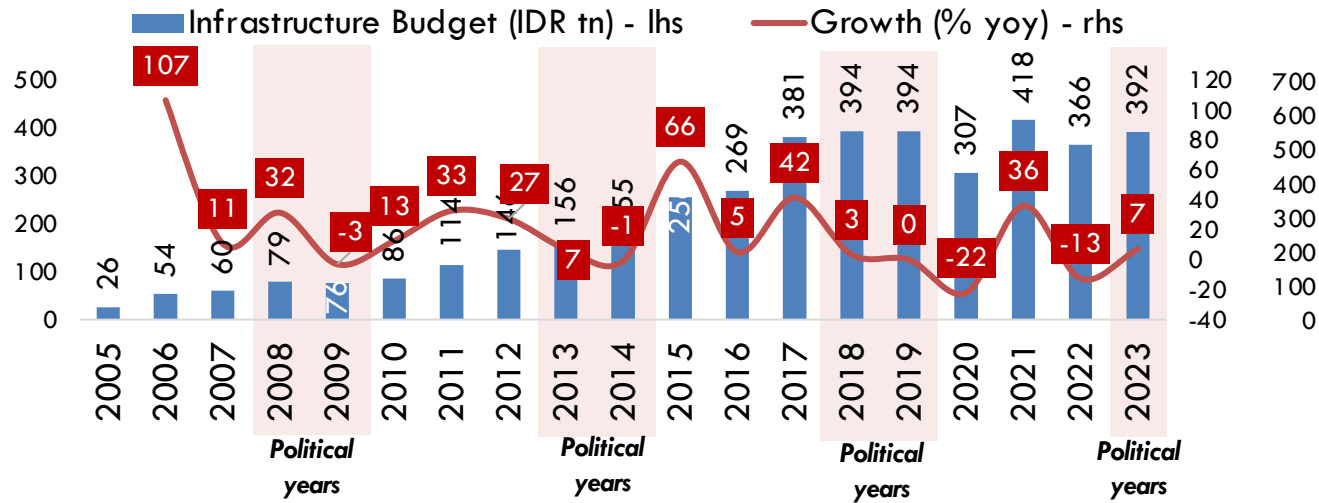
Government Spending by Types



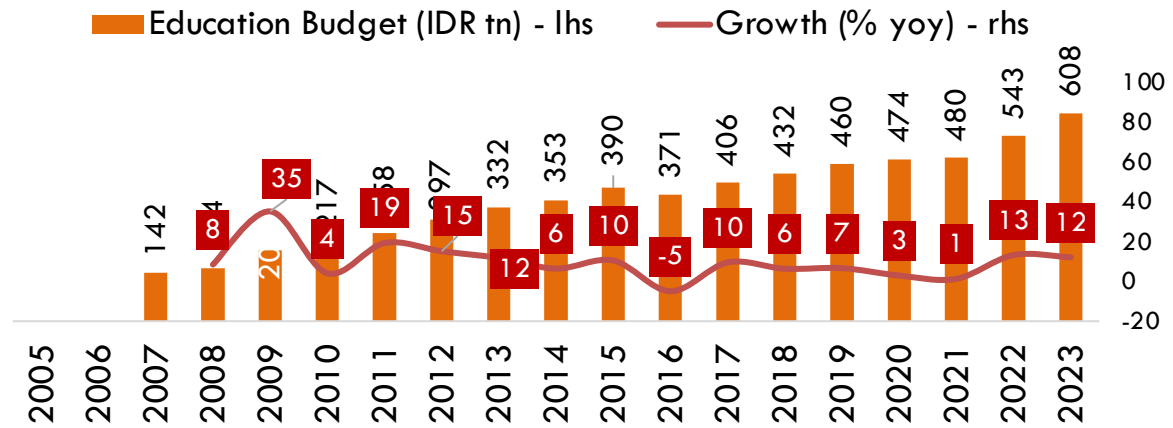
Government Spending by Categories

Allocation for infrastructure spending is higher this year

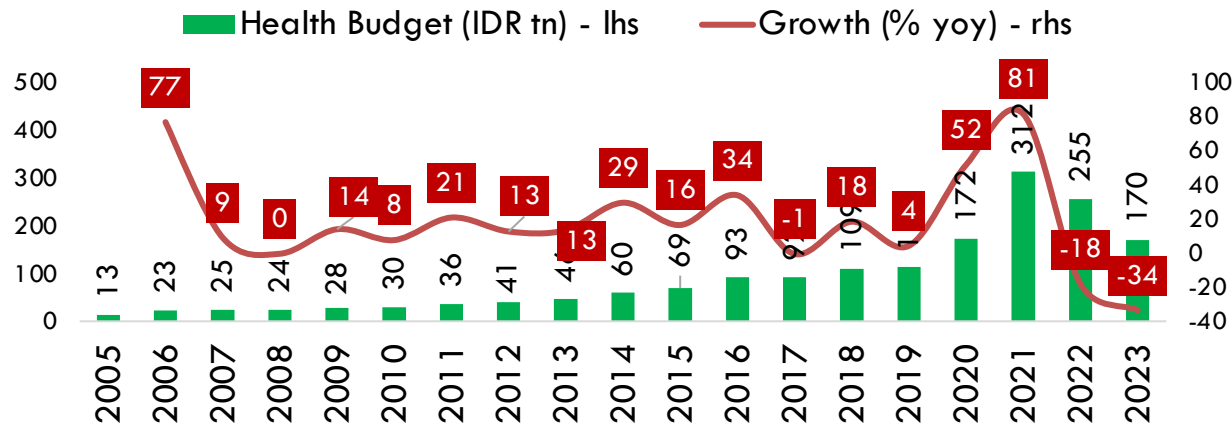
Government's Infrastructure Budget



Government's Education Budget



Government's Health Budget



Composition of Government Spending

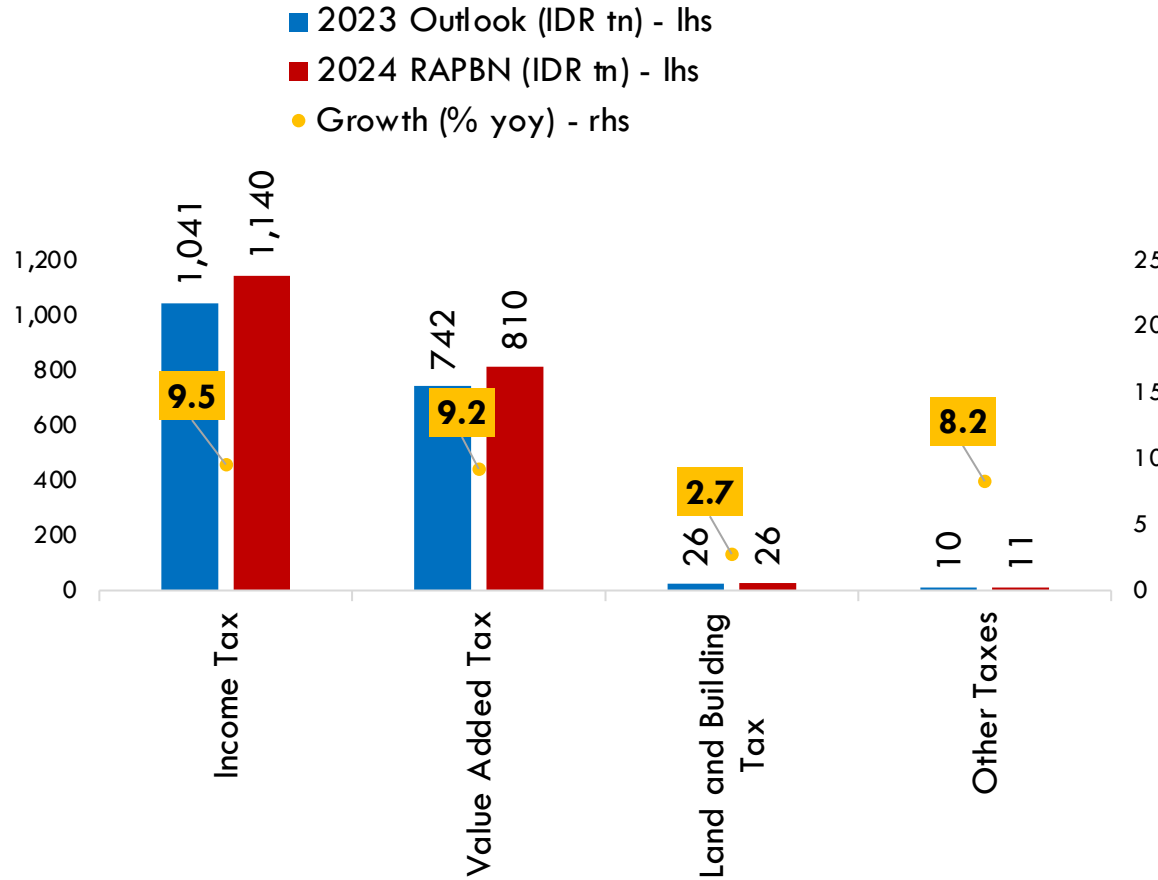
Personnel spending is expected to grow by 11.3% yoy in 2024

	IDR tn	2020 Realization	2021 Realization	2022 Realization	2023 Outlook	2023 Growth (%, vs 2022 Realization)	2024 RAPBN	2024 Growth (%, vs 2023 Outlook)
A	Personnel Spending	380.5	387.8	402.4	432.5	7.5	481.4	11.3
B	Material Spending	422.3	530.1	426.1	418.2	-1.9	410.9	-1.7
C	Capital Spending	190.9	239.6	240.6	258.9	7.6	244.4	-5.6
D	Interest Payment Spending	314.1	343.5	386.3	437.4	13.2	497.3	13.7
	a. Domestic	297.2	332.9	373.6	412.2	10.3	456.8	10.8
	b. Overseas	16.9	10.6	12.7	25.2	98.2	40.5	60.5
E	Subsidies	196.2	242.1	252.8	271.4	7.4	282.7	4.2
	a. Energy Subsidies	97.4	140.4	171.9	185.4	7.9	185.9	0.3
	b. Non Energy Subsidies	98.8	101.7	81.0	86.0	6.3	96.9	12.6
F	Grant	6.3	4.3	5.8	12.1	108.5	6.6	-45.5
G	Social Assistance	202.5	173.7	161.5	146.5	-9.3	152.3	4.0
H	Other Spending	120.0	79.7	404.4	333.4	-17.5	377.4	13.2
	TOTAL	1,833.0	2,000.7	2,280.0	2,298.2	0.8	2,446.5	6.5

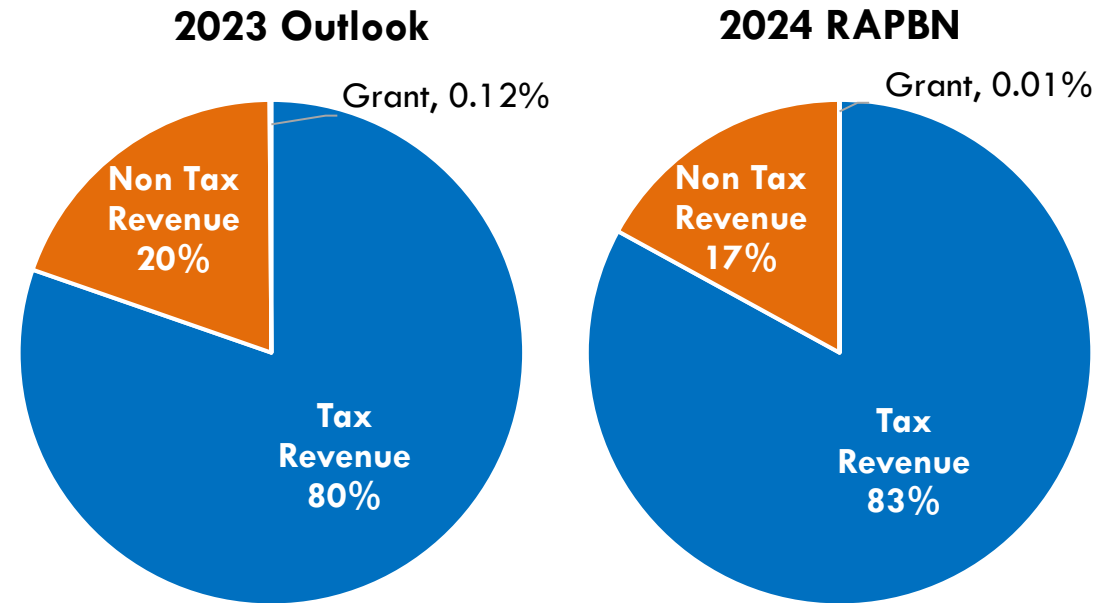
Government Revenue by Types

Income tax is expected to grow by 9.5% yoy in 2024

Government Revenue by Types

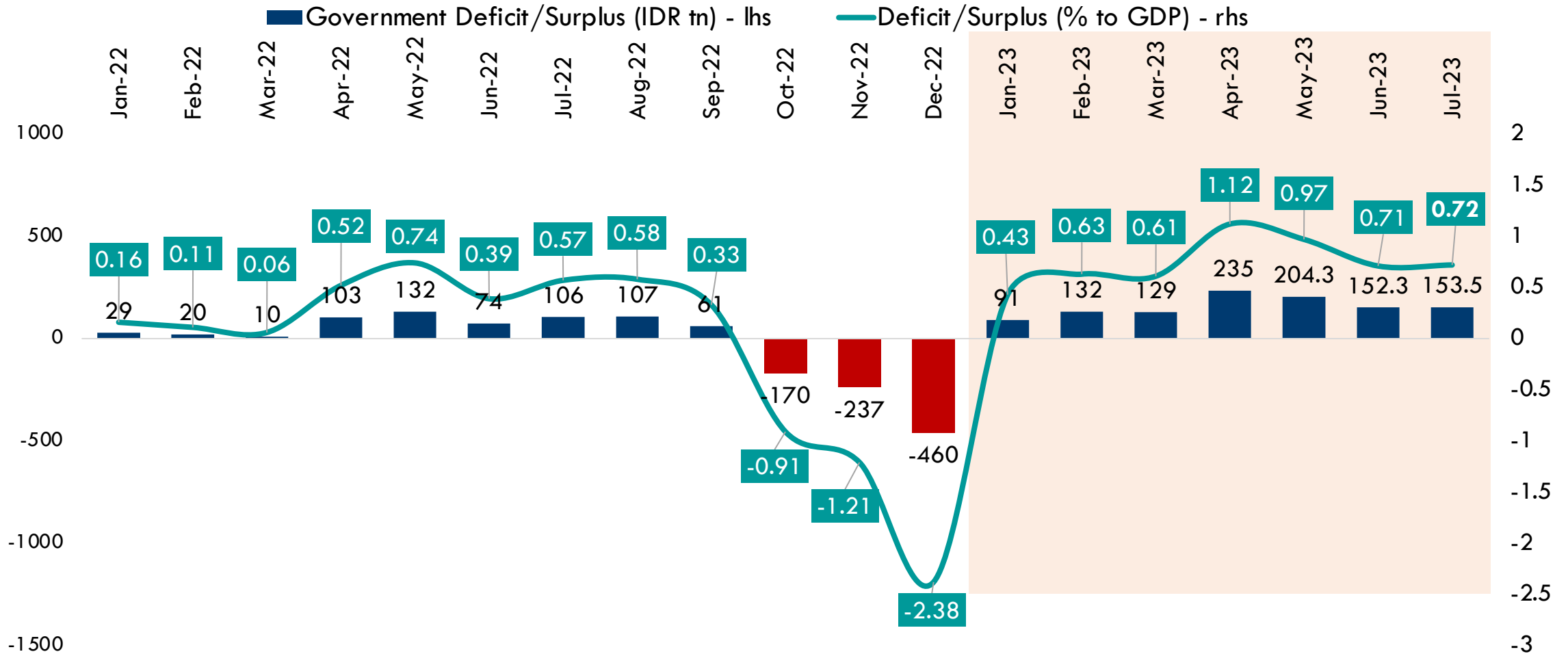


Structure of Government Revenue



Monthly State Budget (APBN) Deficit/Surplus

Government reached 0.72% budget surplus in Jul-23



Recent Indonesia's State Budget (APBN) Update

As Jul-23, the state budget recorded a fiscal surplus at 0.72% of GDP

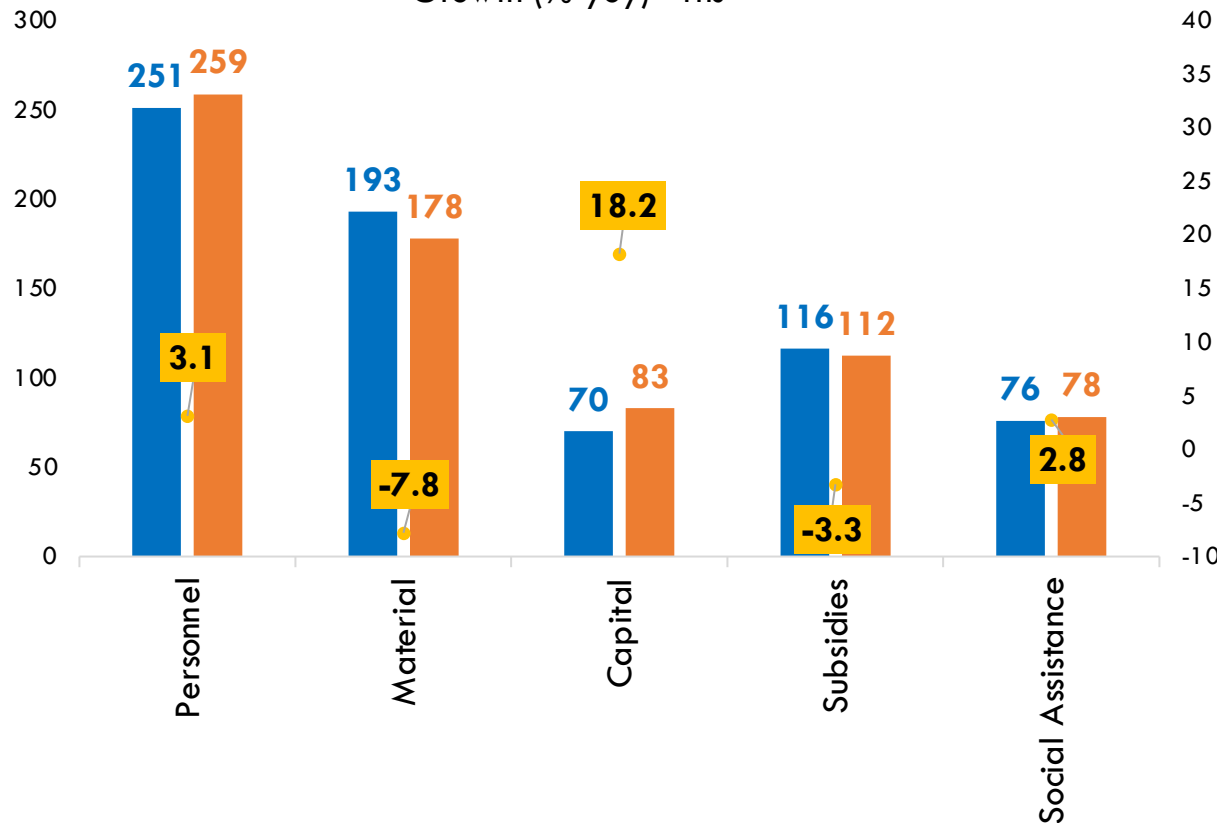
INDICATORS	2021 Realization	2022 Realization	2023 Outlook	Jul-22 Realization	Jul-22 Growth (% yoy)	Jul-23 Realization	Jul-23 Realization to APBN (%)	Jul-23 Growth (% yoy)
A Government Revenue	2,011.3	2,626.4	2,637.2	1,551.2	50.4	1,614.8	65.6	4.1
Tax and Excise Duties Revenue	1,547.8	2,034.5	2,118.3	1,213.6	53.8	1,258.9	62.3	3.7
I. Tax Revenue	1,278.6	1,716.8	515.8	1,028.5	58.8	1,109.1	64.6	7.8
II. Excises Duties	269.2	317.8	3,123.7	185.1	31.1	149.8	49.4	-19.1
Non Tax Revenue	458.5	588.3	2,298.2	337.3	39.2	355.5	80.6	5.4
B Total Spending	2,786.4	3,090.8	1,085.5	1,444.6	5.6	1,461.2	47.7	1.2
Central Govt. Expenditure	2,000.7	2,274.5	1,212.8	1,031.0	8.2	1,020.4	45.4	-1.0
I. Spending K/L	1190.8	1079.3	825.4	490.7	-10.7	493	49.3	0.5
II. Spending Non K/L	809.9	1195.2	-49.0	540.4	33.9	527.4	42.3	-2.4
Regional Transfer and Village Funds	785.7	816.2	-486.4	413.6	-0.5	440.9	54.1	6.6
C Primary Balance	-431.6	-78	-2.30	316.6	320.7	394.5	-251.7	24.6
D Surplus/Deficit	-775.1	-464.3	486.4	106.6	131.7	153.5	-25.7	44.0
% to GDP	-4.57	-2.38	-2.30	0.54		0.72		
E Govt. Financing	871.7	583.5	486.4	197.5	-56.0	163.9	27.4	-17.0
Excess of budget financing (SiLPA) - estimation	84.9	119.2						

Spending Realization by Components and Ministries

Spending for capital increased by 18.2% yoy in Jul-23

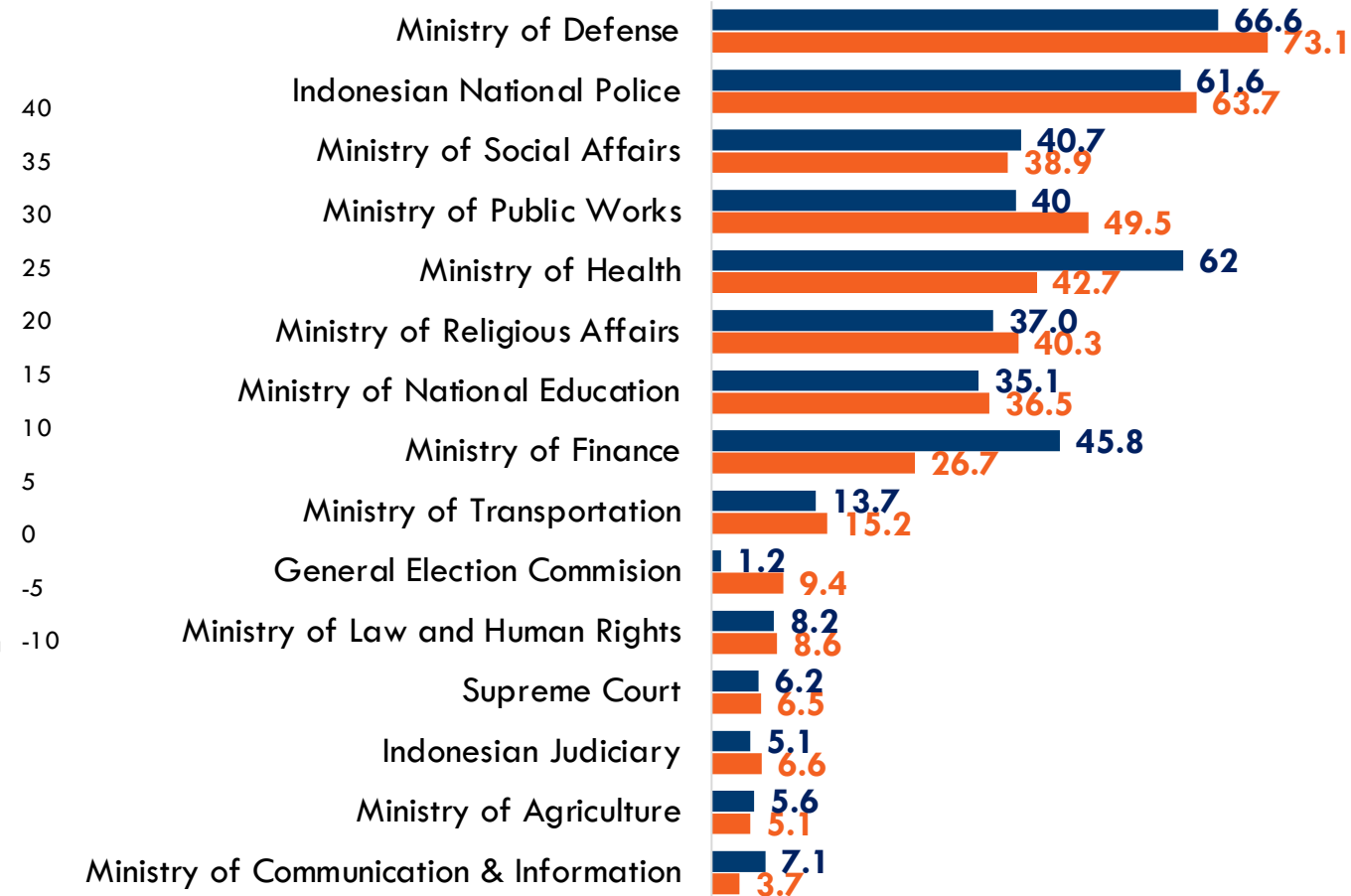
Spending Realization by Components

- Jul-22 Realization (IDR tn) - lhs
- Jul-23 Realization (IDR tn) - lhs
- Growth (% yoy) - rhs



Spending Realization by Ministries

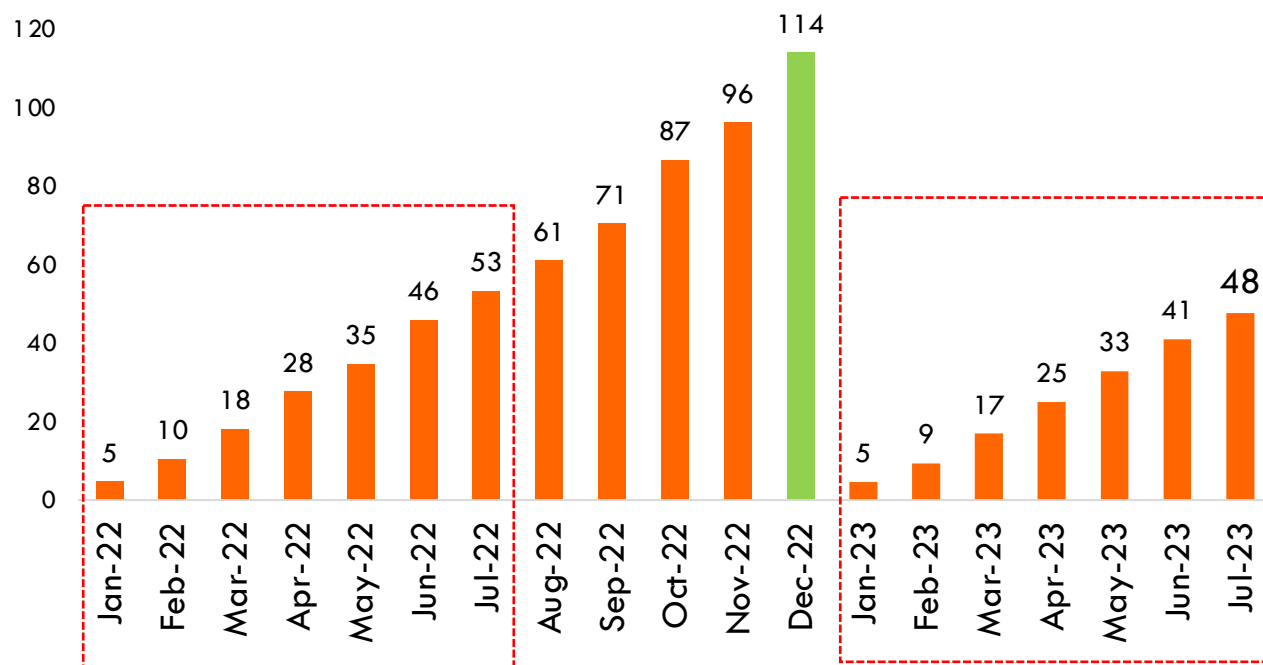
- Jul-22 (IDR tn)
- Jul-23 (IDR tn)



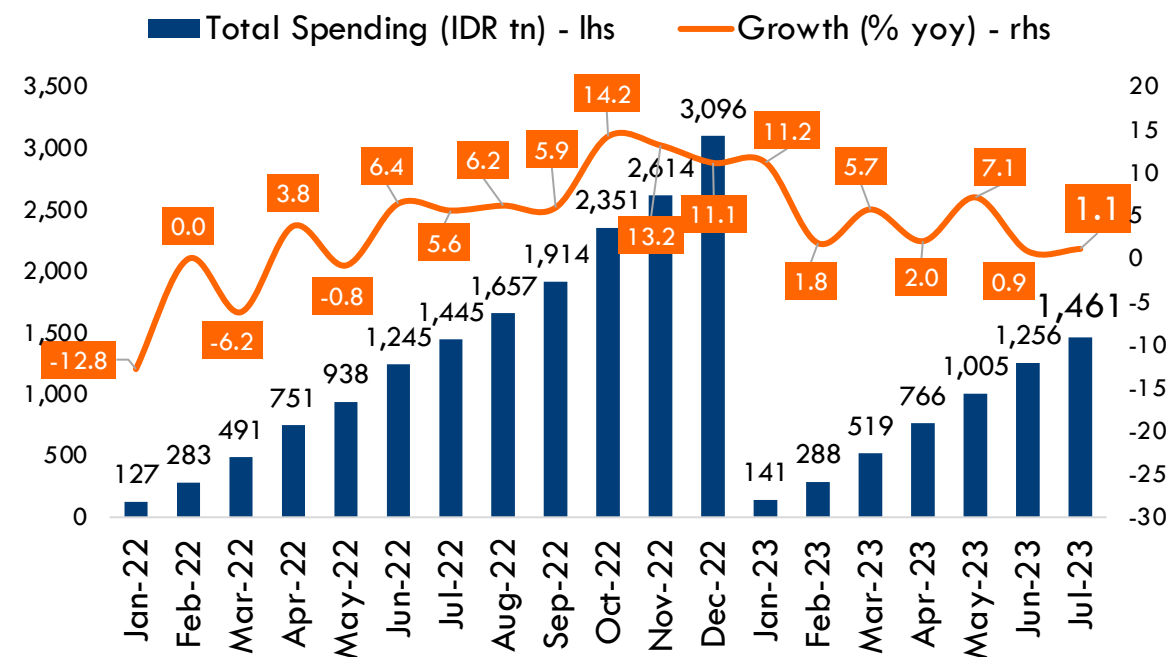
Spending Realization

State spending in Jul-23 has reached 48% of the 2023 target

Total Spending Realization to APBN (%)



Total Spending Realization

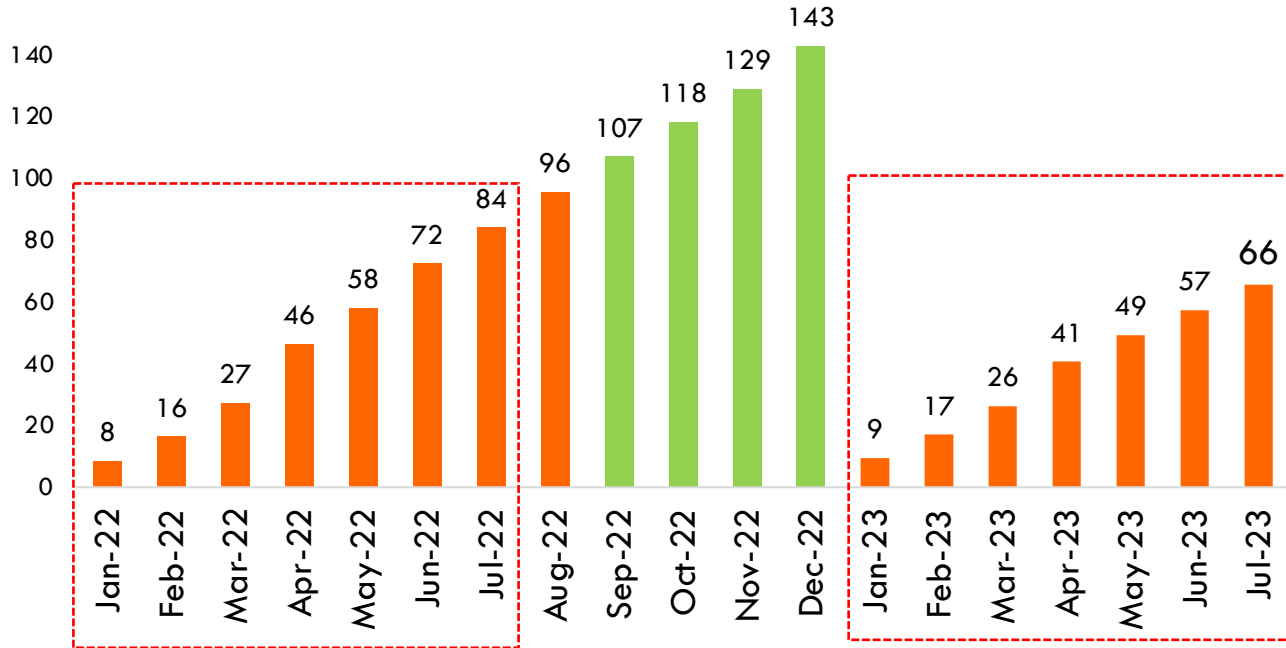


	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Total Spending (IDR tn)	127	283	491	751	938	1244	1445	1657	1914	2351	2614	3091	141	288	519	766	1005	1255	1461
Growth (% yoy)	-13%	0%	-6%	4%	-1%	6%	6%	6%	6%	14%	13%	11%	11%	2%	6%	2%	7%	1%	1%
Total Revenue Realization to APBN (%)	5%	10%	18%	28%	35%	46%	53%	61%	71%	87%	96%	114%	5%	9%	17%	25%	33%	41%	48%
State Budget (APBN)	2714	2714	2714	2714	2714	2714	2714	2714	2714	2714	2714	2714	3061	3061	3061	3061	3061	3061	3061

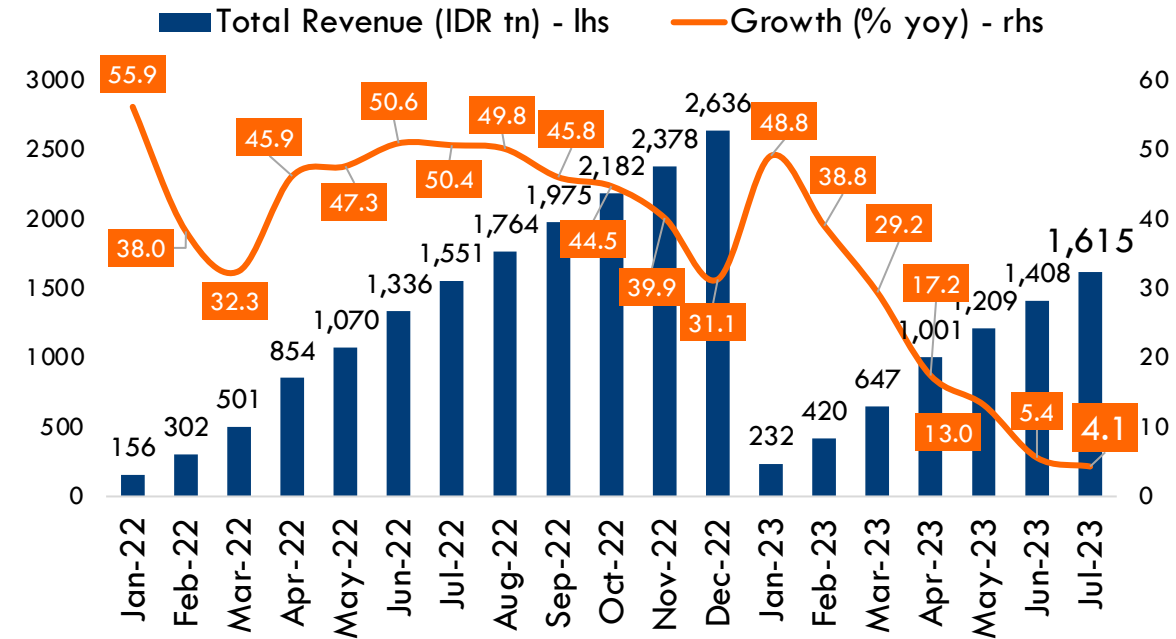
Revenue Realization

State revenue in Jul-23 has reached 66% of the 2023 target

Total Revenue Realization to APBN (%)



Total Revenue Realization

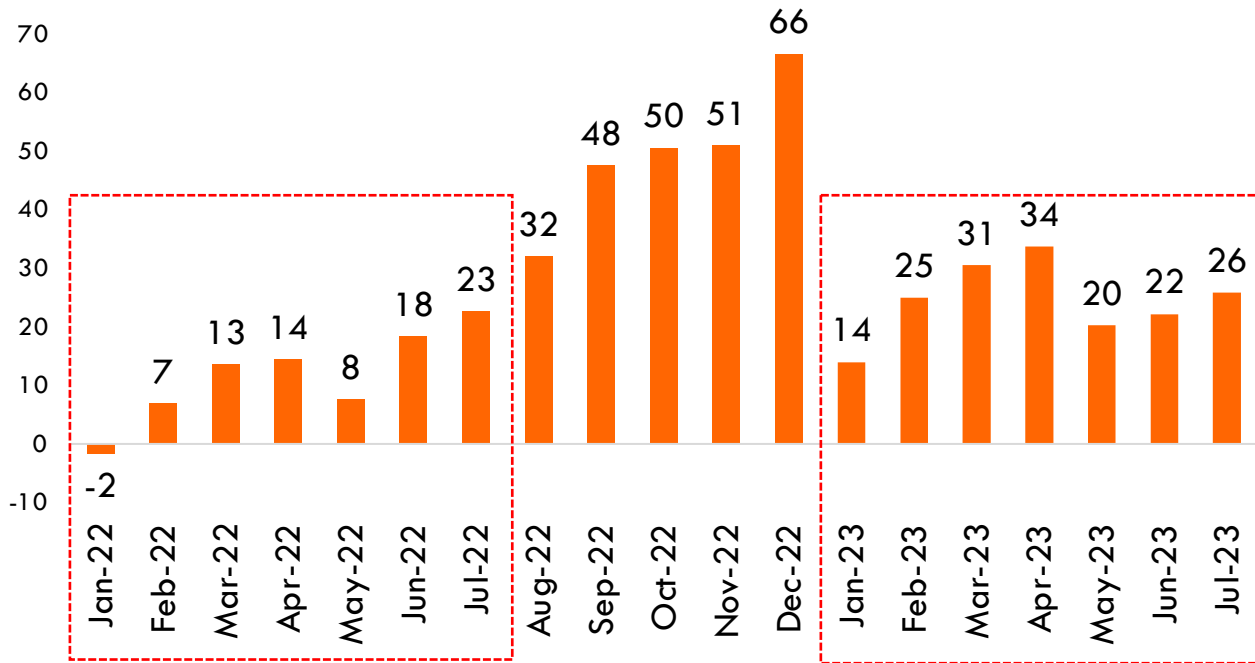


	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Total Revenue (IDR tn)	156	302	501	854	1070	1317	1551	1764	1975	2182	2378	2626	232	420	647	1001	1209	1408	1615
Growth (% yoy)	56%	38%	32%	46%	47%	49%	50%	50%	46%	44%	40%	31%	49%	39%	29%	17%	13%	7%	4%
Total Revenue Realization to APBN (%)	8%	16%	27%	46%	58%	71%	84%	96%	107%	118%	129%	142%	9%	17%	26%	41%	49%	57%	66%
State Budget (APBN)	1846	1846	1846	1846	1846	1846	1846	1846	1846	1846	1846	1846	2463	2463	2463	2463	2463	2463	2463

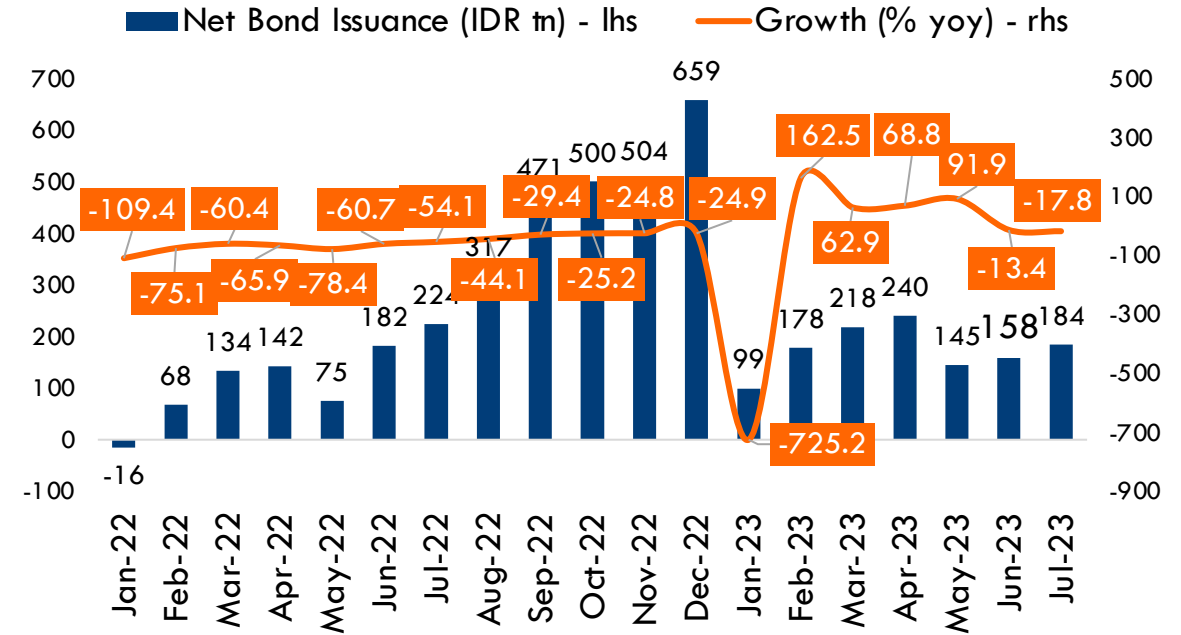
Net Bond Issuance Realization

Net bond issuance in Jul-23 only reached 26% of the 2023 target

Net Bond Issuance Realization to APBN (%)



Net Bond Issuance Realization

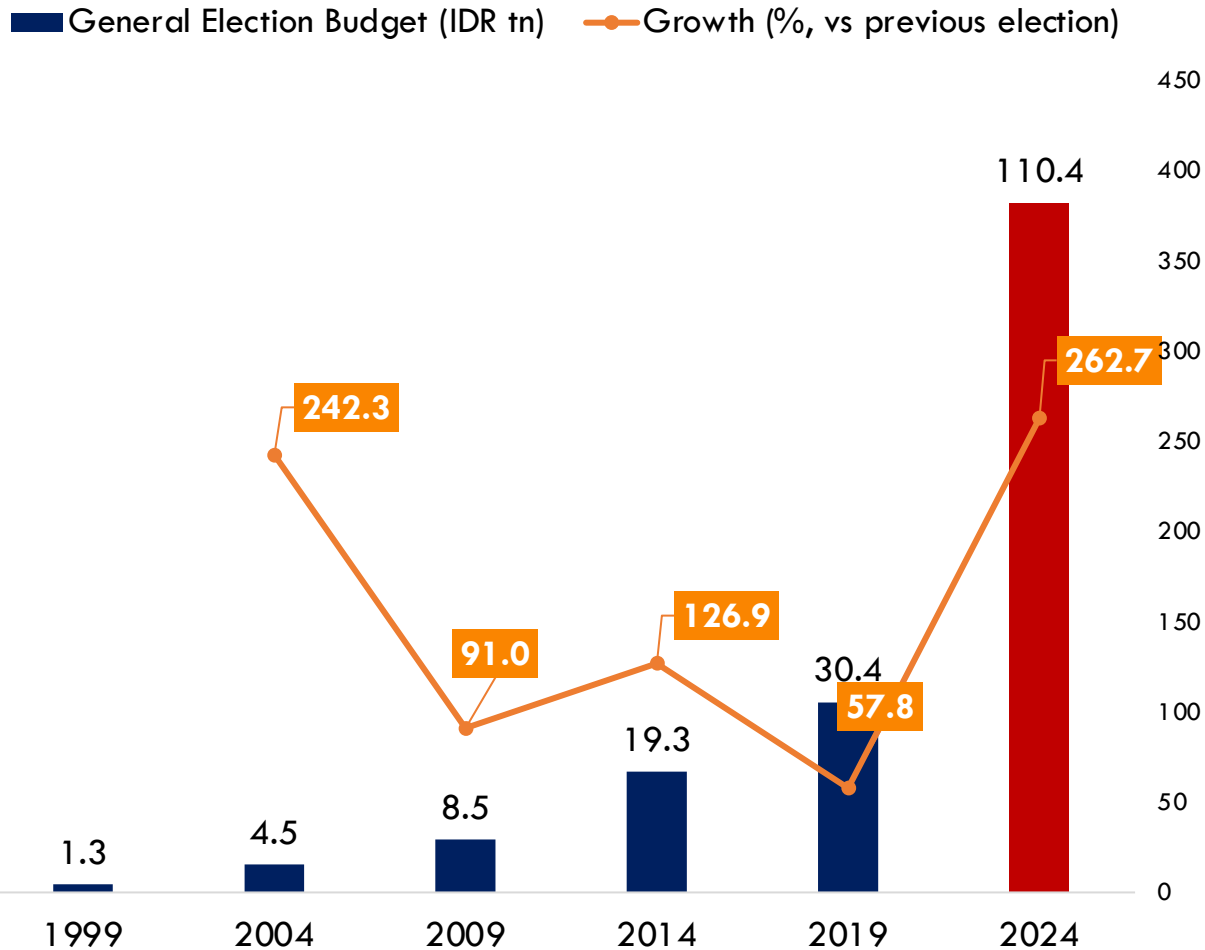


	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Bond Issuance (IDR tn)	-16	68	134	142	75	182	224	317	471	500	504	659	99	178	218	240	145	158	184
Growth (% yoy)	-109%	-75%	-60%	-66%	-78%	-61%	-54%	-44%	-29%	-25%	-25%	-25%	725%	162%	63%	69%	92%	-13%	-18%
Bond Issuance Realization to APBN (%)	-2%	7%	13%	14%	8%	18%	23%	32%	48%	50%	51%	66%	14%	25%	31%	34%	20%	22%	26%
State Budget (APBN)	991	991	991	991	991	991	991	991	991	991	991	991	713	713	713	713	713	713	713

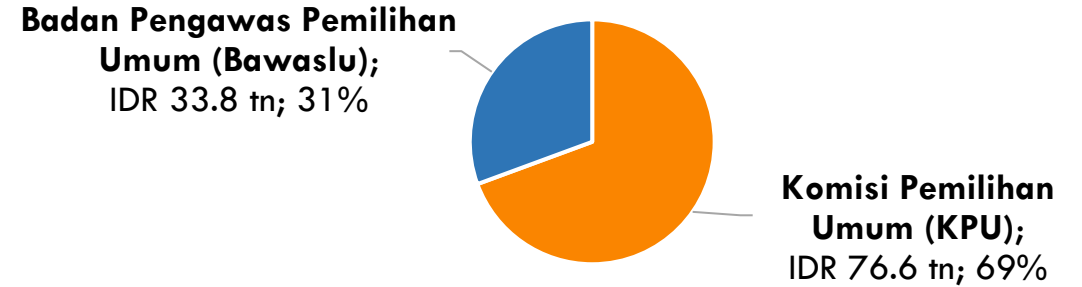
General Election Budget

Most election budget goes to Komisi Pemilihan Umum (KPU), 31.3% of it will be disbursed in 2023

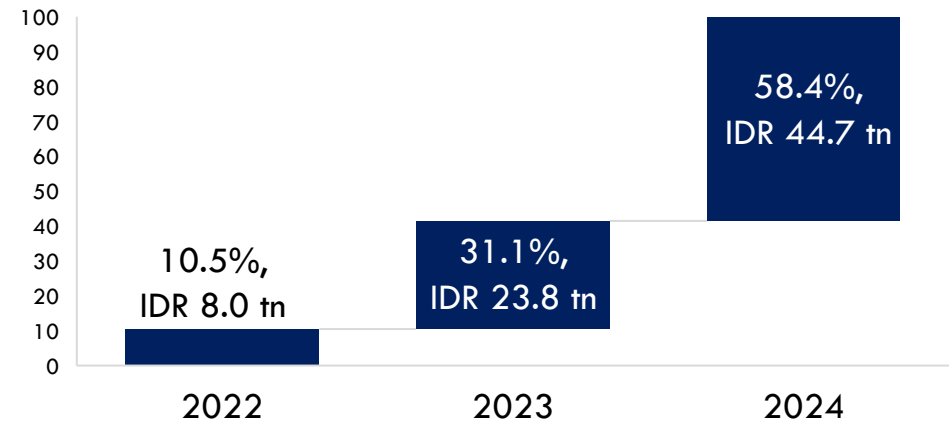
General Election Budget



General Election Budget Breakdown



Disbursement of General Election Budget for KPU (% , IDR tn)



Government Bond Gross Issuances

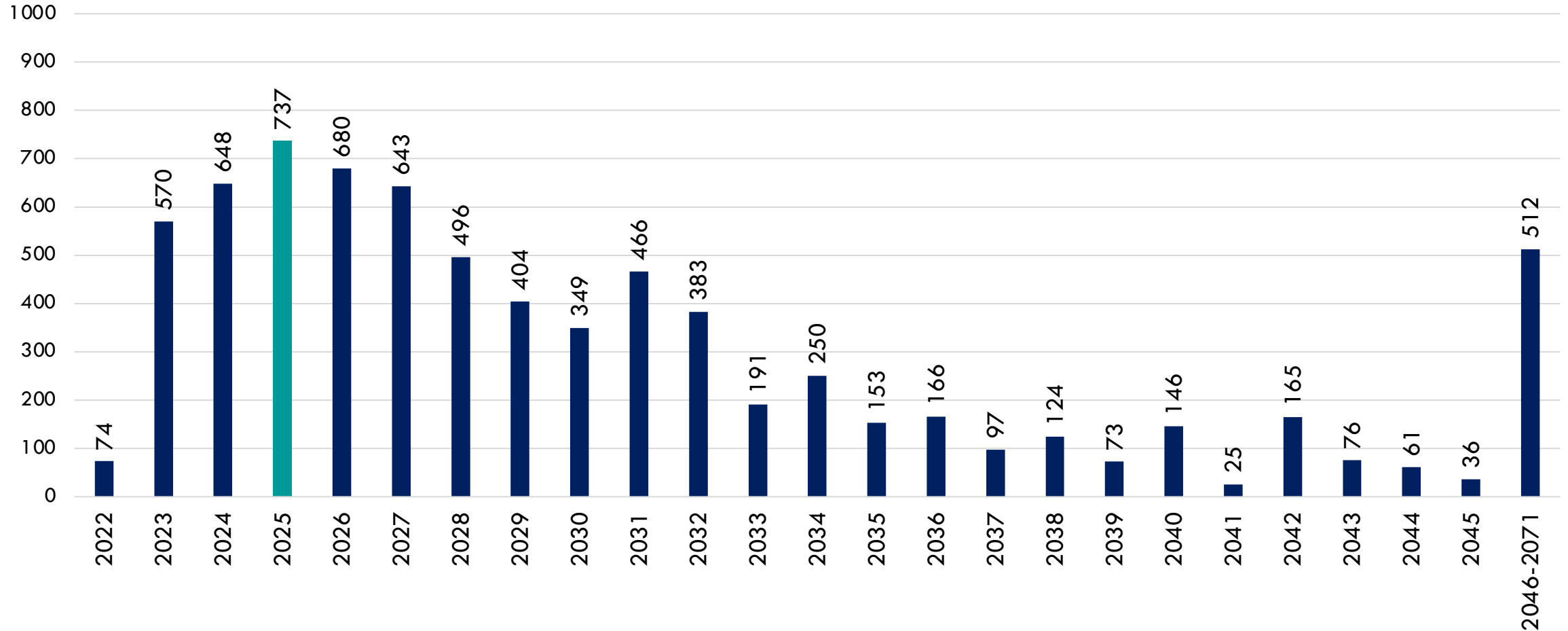
Government bond gross issuance amounted IDR562.9 tn or 47.2% of FY23 target

Government Budget Deficit Financing 2023 (IDR tn)		
Budget deficit % of GDP	-2.84	Budget 2023
Budget deficit (IDR tn)	-598.2	
Non-Debt Financing Nett	-114.7	
Government bond net issuances	712.9	
Government bond gross issuances	1,193.2	
Realized issuance as of 22-Aug-2023	562.9	Realization as of 22-Aug-23
Domestic bonds	504.0	
Auction conventional FR/VR and T-Bills/ZC	263.97	
Retail bonds (ORI & Sukuk)	87.6	
Domestic Sukuk	139.0	
Private placement (inc. Voluntary Disclosure Program)	13.4	
Global bonds	58.9	
USD & Euro Bonds	46.8	
Samurai Bonds	11.2	
Global Sukuk	0.0	
SDG bonds	0.0	
VDP FX	0.9	

Indonesia's Government Debt Maturity

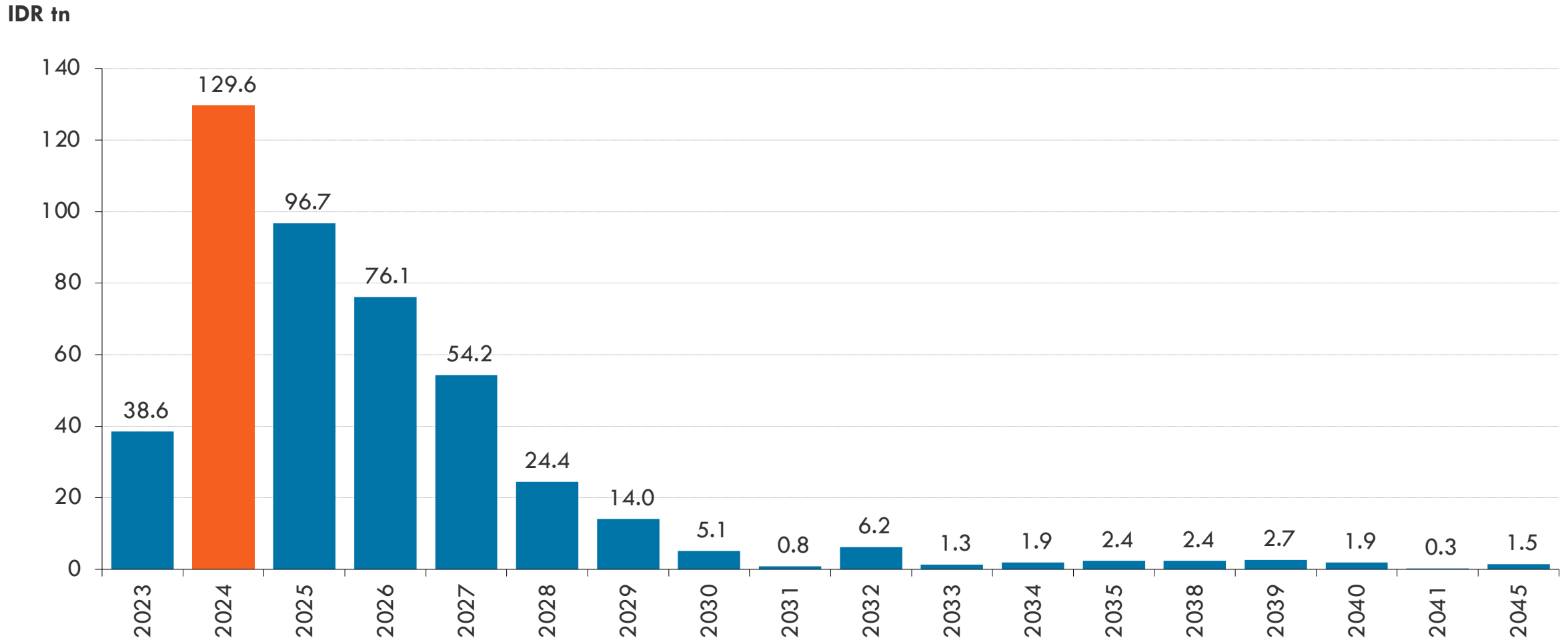
The highest maturity will be in 2025

Government's Debt Maturity by Year (IDR tn)



Corporate IDR Bonds Maturity

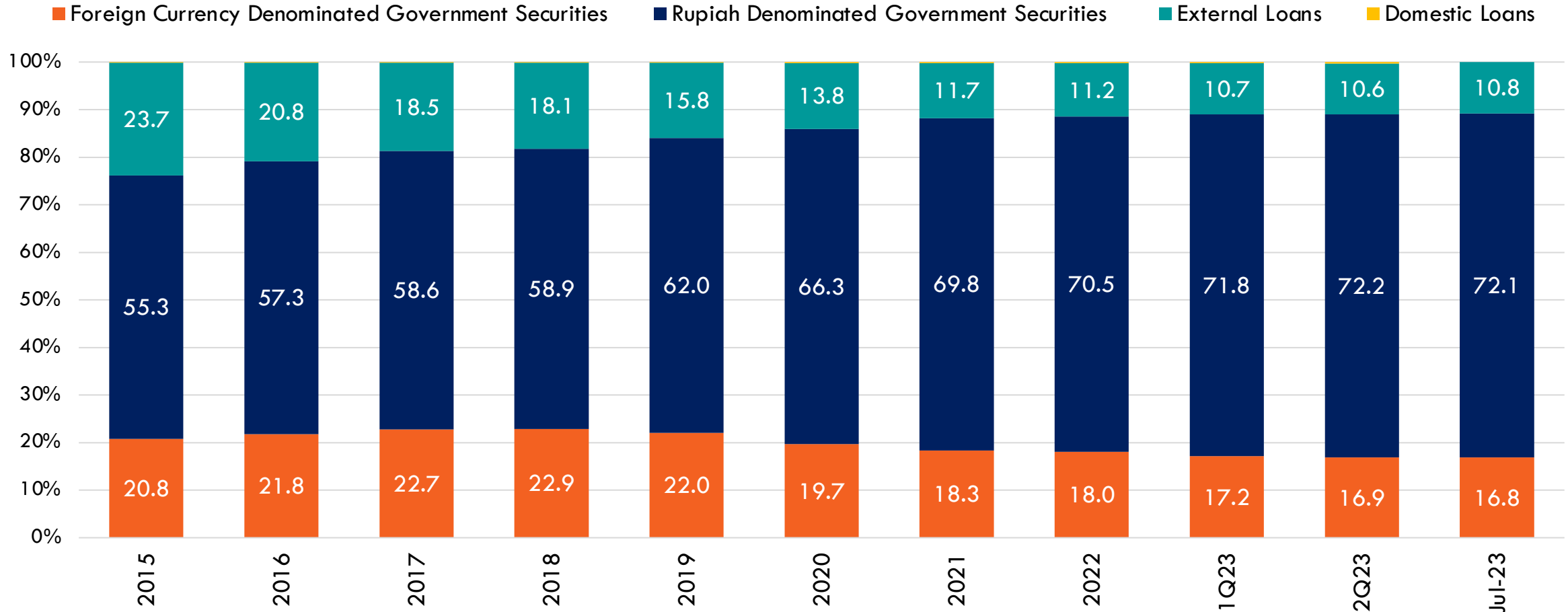
The highest maturity is in 2024



Indonesia's Government Debt by Currency

The portion of FX denominated Govt. Securities decreased in Jul-23

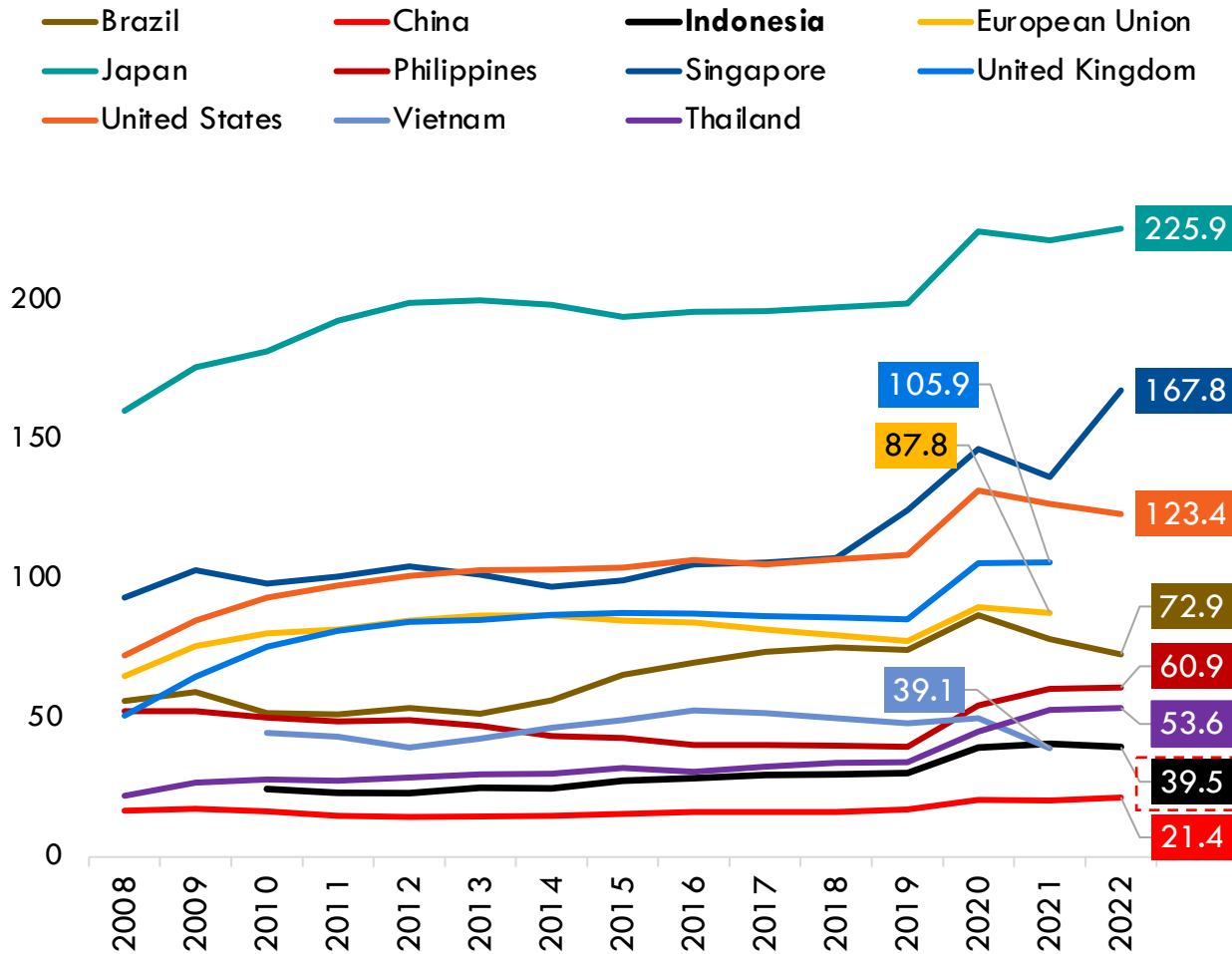
Government Debt Composition (%)



Government Debt to GDP Ratio in Several Countries

Indonesia's government debt to GDP is relatively lower than other countries

Government Debt to GDP (%)

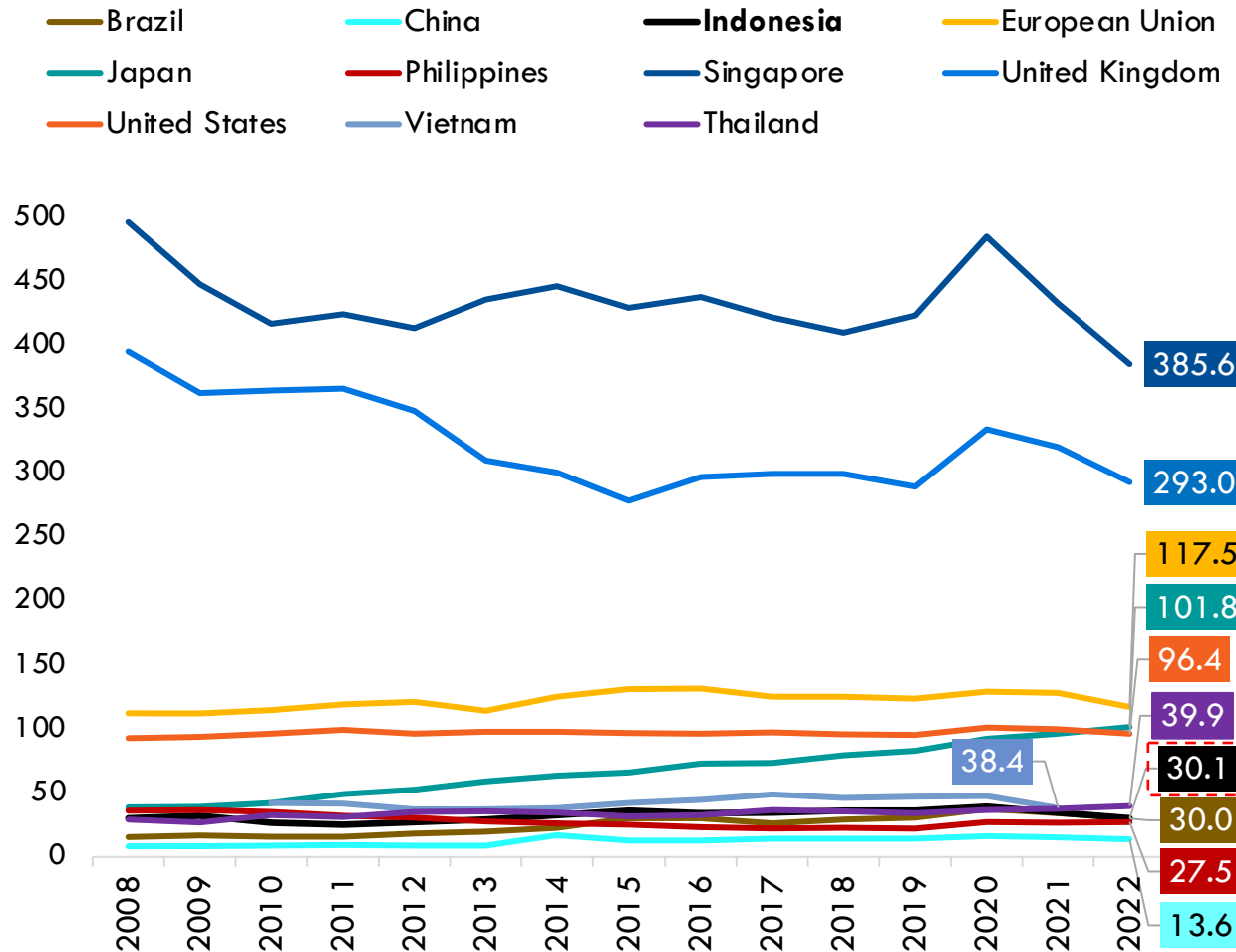


Year	United States	European Union	United Kingdom	Singapore	Japan	China	Brazil	Indonesia	Philippines	Vietnam	Thailand
2008	72.4	65.0	50.8	93.3	160.4	16.7	56.0		52.4		22.0
2009	85.0	75.8	64.8	103.2	176.1	17.3	59.2		52.4		26.8
2010	93.2	80.4	75.7	98.2	181.8	16.4	51.8	24.4	50.2	44.6	27.8
2011	97.6	81.8	81.3	100.8	192.7	14.8	51.3	23.1	48.8	43.2	27.3
2012	101.1	85.0	84.5	104.4	199.3	14.4	53.7	23.0	49.2	39.4	28.5
2013	103.0	86.8	85.3	101.4	200.1	14.6	51.5	24.9	47.1	42.6	29.6
2014	103.4	86.9	87.1	97.1	198.5	14.9	56.3	24.7	43.4	46.4	29.9
2015	103.9	85.1	87.7	99.5	194.2	15.5	65.5	27.5	42.7	49.2	32.1
2016	106.9	84.3	87.5	105.1	195.9	16.1	69.8	28.3	40.2	52.7	30.6
2017	105.2	81.7	86.6	105.9	196.3	16.2	73.7	29.4	40.2	51.7	32.5
2018	107.0	79.7	86.1	107.5	197.7	16.3	75.3	29.8	39.9	49.9	33.9
2019	108.5	77.5	85.5	124.7	199.1	17.0	74.4	30.2	39.6	48.0	34.0
2020	131.8	89.8	105.6	146.6	224.9	20.6	86.9	39.3	54.6	49.9	45.0
2021	127.0	87.8	105.9	136.6	221.8	20.2	78.3	40.7	60.4	39.1	52.8
2022	123.4			167.8	225.9	21.4	72.9	39.5	60.9		53.6

External Debt to GDP Ratio in Several Countries

Indonesia's external debt to GDP is relatively lower than other countries

External Debt to GDP (%)

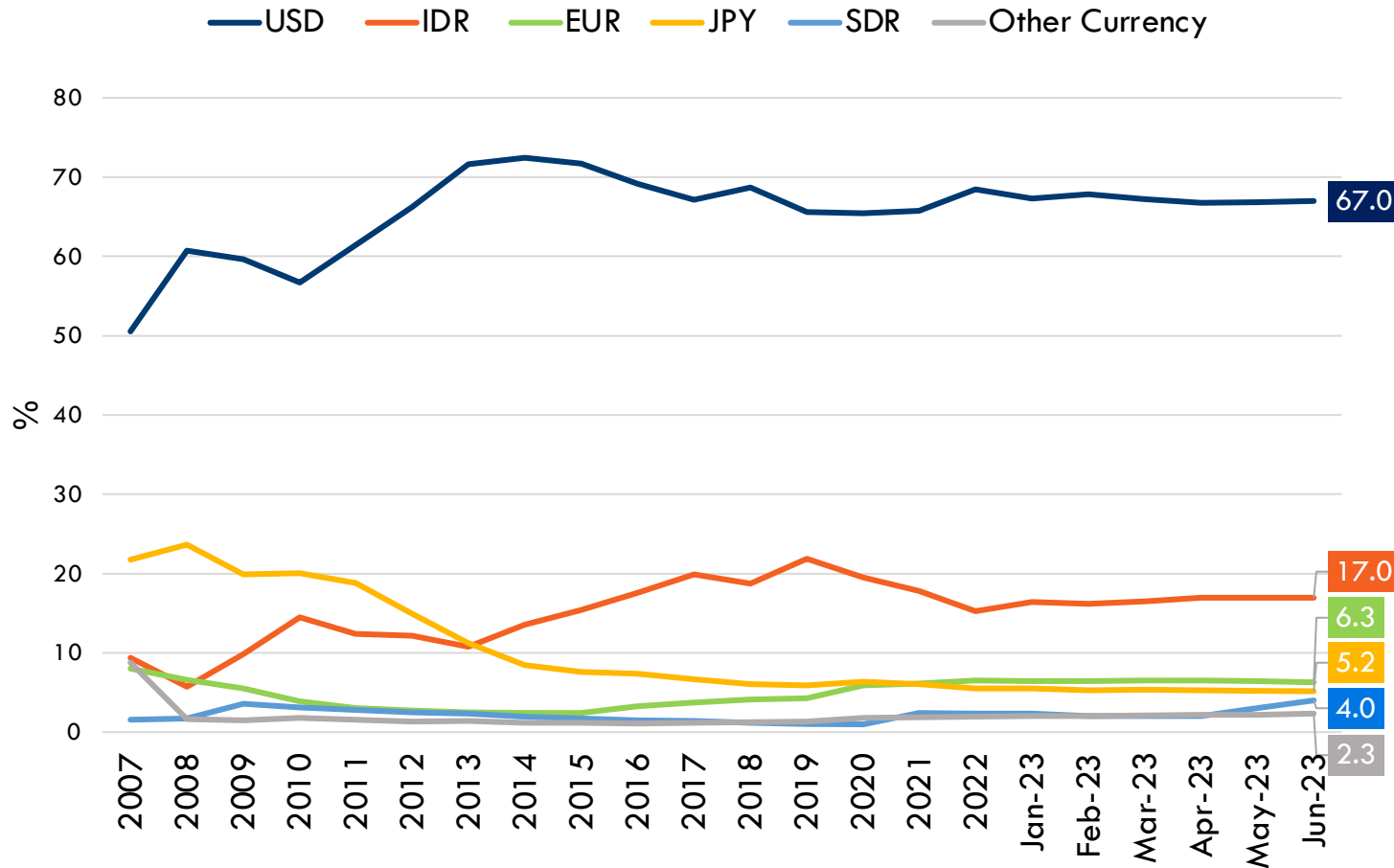


Year	United States	European Union	United Kingdom	Singapore	Japan	China	Brazil	Indonesia	Philippines	Vietnam	Thailand
2008	93.1	112.6	395.3	496.5	38.9	8.5	15.5	30.4	36.0		29.4
2009	94.4	112.5	362.9	447.9	39.2	8.4	16.6	32.1	36.8		27.0
2010	96.5	114.8	364.8	417.0	42.1	9.0	15.9	26.8	35.3	42.2	33.0
2011	99.4	119.7	366.3	424.3	49.3	9.2	15.9	25.3	32.3	41.5	31.5
2012	96.5	121.6	348.9	413.4	52.8	8.6	18.5	27.5	30.5	37.4	35.3
2013	97.9	114.8	310.1	436	59.0	8.9	19.7	29.2	27.6	37.3	35.8
2014	98.3	125.5	300.6	446.1	63.5	17.0	22.8	32.9	26.1	38.3	34.7
2015	97.3	131.5	278.6	429.1	66.3	12.6	30.1	36.1	25.3	42.0	32.0
2016	96.4	131.9	297.1	437.8	73.4	12.6	30.5	34.3	23.5	44.8	32.6
2017	97.6	125.3	299.5	422.0	73.5	14.3	26.4	34.7	22.3	49.0	36.8
2018	96.3	125.3	299.6	409.7	79.9	14.3	29.2	36.0	22.8	46.0	35.5
2019	95.5	124.0	289.6	423.1	83.0	14.5	30.6	36.1	22.2	47.1	34.2
2020	101.4	129.4	334.4	484.9	92.7	16.3	37.6	39.4	27.2	47.9	36.9
2021	100.2	128.5	320.7	432.8	96.4	15.4	34.4	34.9	27.0	38.4	38.0
2022	96.4	117.5	293	385.6	101.8	13.6	30.0	30.1	27.5		39.9

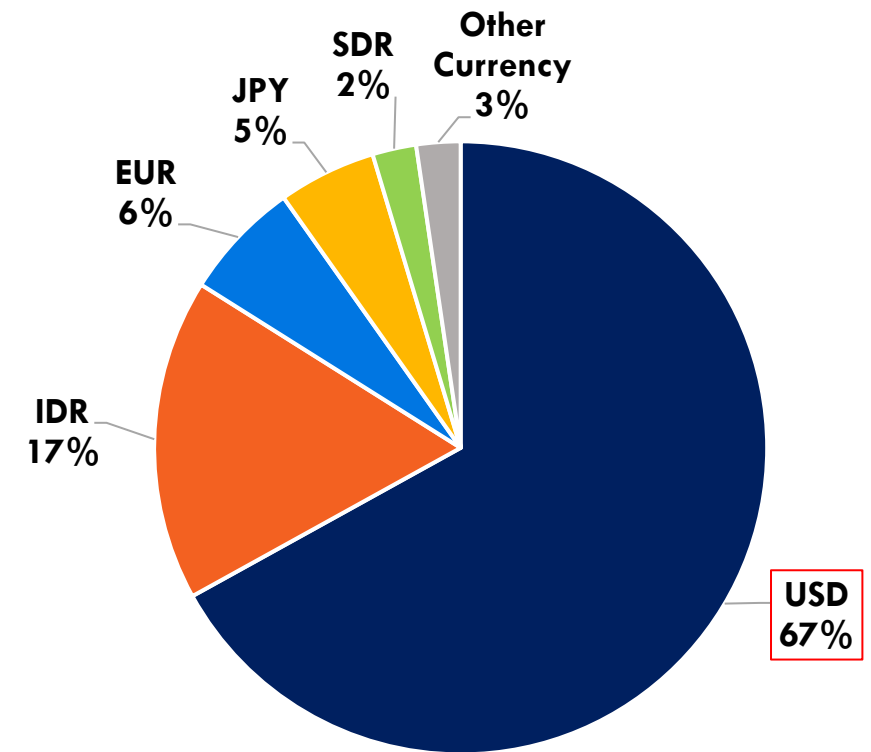
Indonesia's External Debt by Currency

USD denominated debt remains the largest portion

Proportion of External Debt by Currency (%)

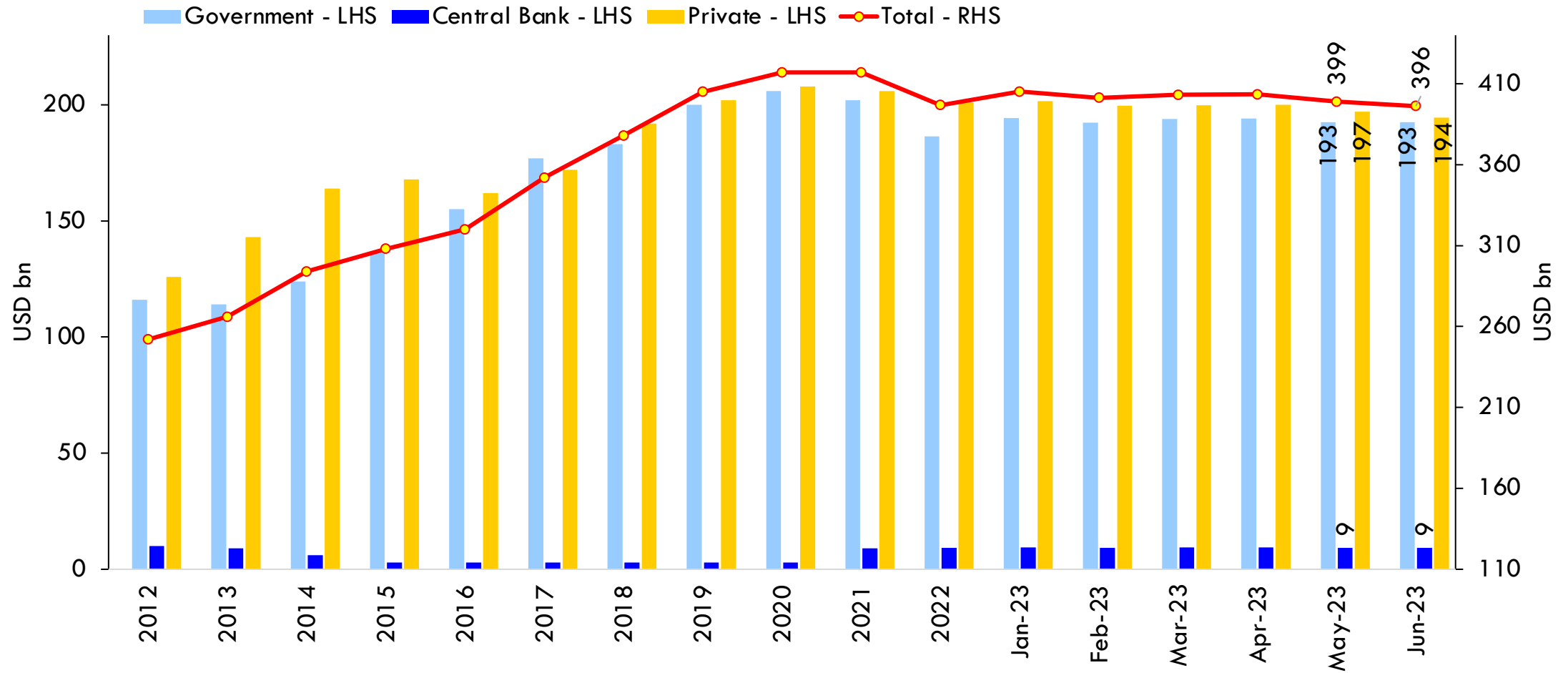


Proportion of External Debt by Currency (% , Jun-23)



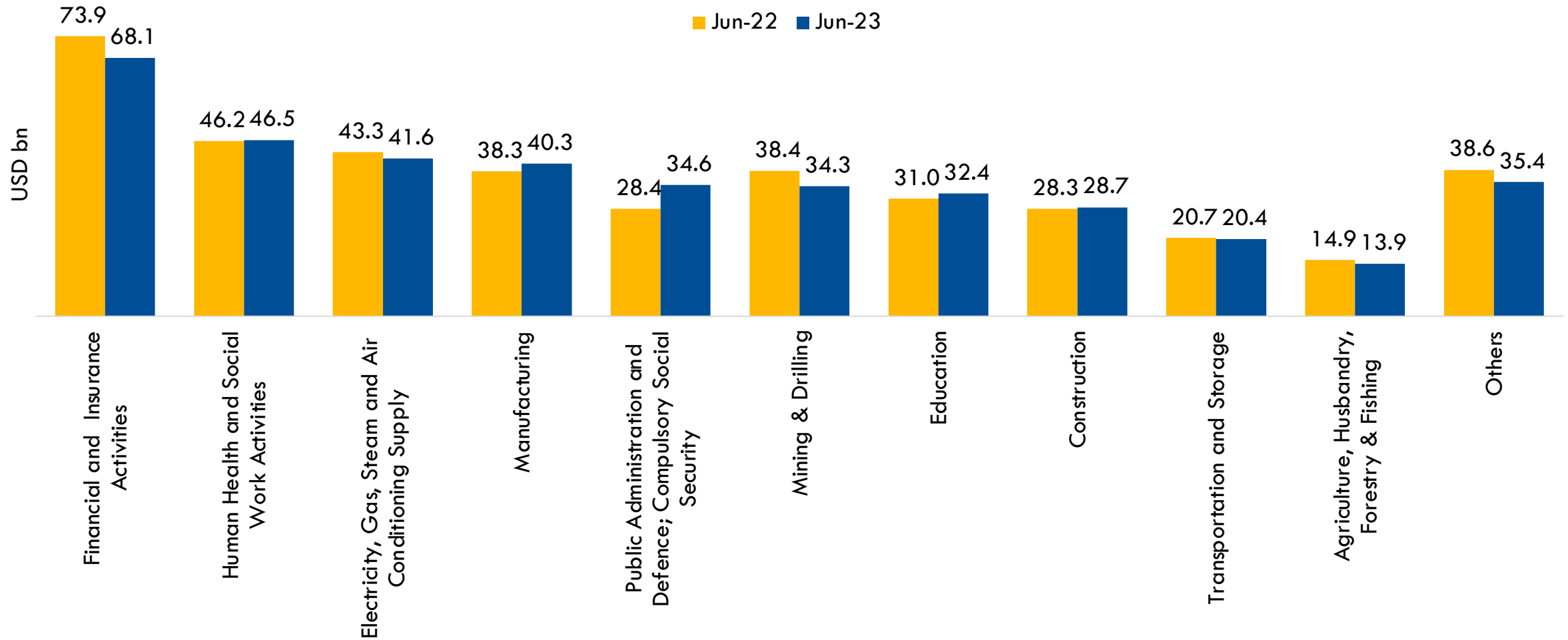
External Debt Position by Group of Borrower

External debt by private decreased in Jun-23



Private External Debt Position by Economic Sector

Financial & insurance activities remained to be the sector with the highest external debt



External Debt Position by Remaining Maturity

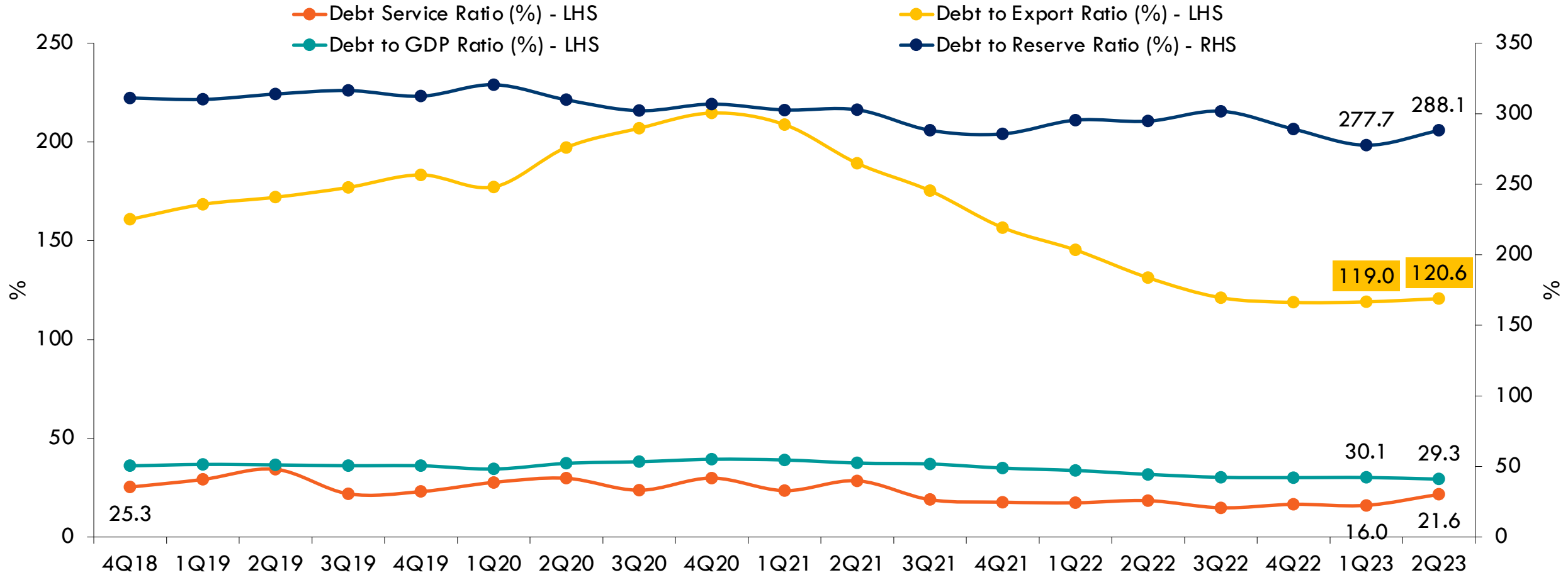
Share of government's short-term external debt decreased in Jun-23

(USD mn)

Term	Borrower	2019	2020	2021	2022	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	May-23 Share to Total (%)	Jun-23 Share to Total (%)
Short Term Debt	Government	10,968	14,111	12,690	14,310	15,233	14,668	15,337	13,419	13,812	11,967	7.2	6.2
	≤ 1 Year												
	Central Bank	283.0	21.0	27.0	871.9	880	961	974	970	941	941	10.2	10.1
	Private	52,063	51,121	46,713	51,458	51,105	52,426	50,997	50,451	49,643	49,946	25.2	25.7
Long Term Debt	Government	188,909	192,264	187,485	172,164	179,055	177,614	178,679	180,636	178,748	180,580	92.8	93.8
	≥ 1 Year												
	Central Bank	2,714	2,850	9,003	8,326	8,464	8,298	8,422	8,453	8,327	8,349	89.8	89.9
	Private	149,569	157,115	159,614	149,706	150,230	147,013	148,387	149,037	146,808	144,482	74.8	74.3
TOTAL	Government	199,876	206,375	200,175	186,474	194,288	192,282	194,016	194,055	192,560	192,548		
	Central Bank	2,996	2,871	9,030	9,198	9,344	9,259	9,396	9,423	9,268	9,289		
	Private	201,632	208,235	206,327	201,172	201,335	199,439	199,384	199,488	196,450	194,428		

External Debt Burden Indicators

Debt-to-GDP ratio in 2Q23 was 29.3%, lower than IMF's 60% safety level



Real Growth of Money Supply

Real growth of M1 and M2 accelerated in Jul-23

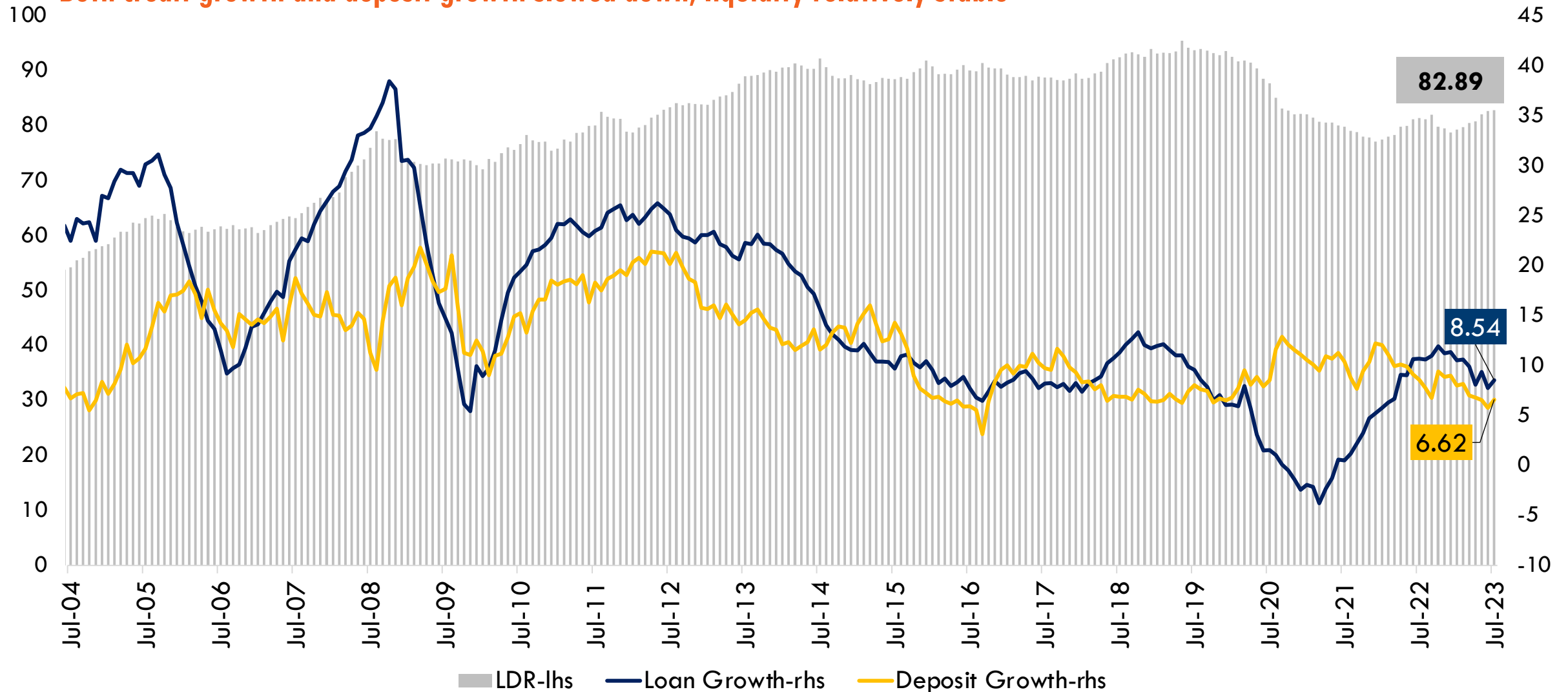
Period	MO (IDR tn)	MO Real Growth (% yoy)	M1 (IDR tn)	M1 Real Growth (% yoy)	M2 (IDR tn)	M2 Real Growth (% yoy)
2019	655	2.1	1565	4.8	6137	4.0
2020	760	14.4	1856	16.9	6906	10.8
2021	831	7.5	2282	21.1	7870	12.1
2022	898	2.5	2609	8.8	8528	2.8
Mar-22	793	11.8	2,255	20.8	7,811	10.7
Apr-22	896	18.8	2,327	22.2	7,911	10.1
May-22	820	6.7	2,303	20.1	7,854	8.5
Jun-22	815	6.0	2,339	17.8	7,891	6.4
Jul-22	822	3.4	2,296	13.9	7,846	4.7
Aug-22	805	2.6	2,279	12.9	7,898	4.8
Sep-22	808	1.9	2,321	11.9	7,963	3.1
Oct-22	809	-0.2	2,539	16.9	8,223	4.1
Nov-22	840	3.0	2,468	11.3	8,297	4.1
Dec-22	898	2.5	2,609	8.8	8,528	2.8
Jan-23	830	3.3	2,422	7.4	8,272	2.9
Feb-23	814	-3.2	2,404	4.0	8,301	2.5
Mar-23	833	0.1	2,409	1.9	8,294	1.2
Apr-23	896	-4.4	2,473	1.9	8,350	1.2
May-23	859	0.8	2,423	1.2	8,332	2.1
Jun-23	880	4.4	2,466	1.9	8,373	2.6
Jul-23	853	0.7	2,438	3.1	8,351	3.4

INDONESIA BANKING SECTOR



Loan Growth, Deposit Growth, and Liquidity

Both credit growth and deposit growth slowed down, liquidity relatively stable



Loan and Deposit Growth of Banking Sector

Credit and deposit growth rebound slightly

Year/Month	Deposit (IDR tn)	% yoy	% mom	Loan (IDR tn)	% yoy	% mom
2016	4,837	9.6		4,377	7.9	
2017	5,289	9.4		4,738	8.2	
2018	5,630	6.5		5,295	11.8	
2019	5,999	6.5	0.9	5,617	6.1	1.7
2020	6,665	11.1	0.5	5,482	-2.4	0.6
2021	7,478	12.2	2.0	5,767	5.2	1.0
2022	6,423	9.0	1.3	6,423	11.4	1.9
Jan-23	7,954	8.0	-2.5	6,310	10.5	-1.8
Feb-23	7,988	8.2	0.4	6,376	10.6	1.0
Mar-23	8,006	7.0	0.2	6,445	9.9	1.1
Apr-23	7,997	6.8	-0.1	6,465	8.1	0.3
May-23	8,008	6,6	0.1	6,572	9.3	1.7
Jun-23	8,042	5.8	0.4	6,656	7.8	1.2
Jul-23	8,064	6.6	0.3	6,685	8.5	0.4

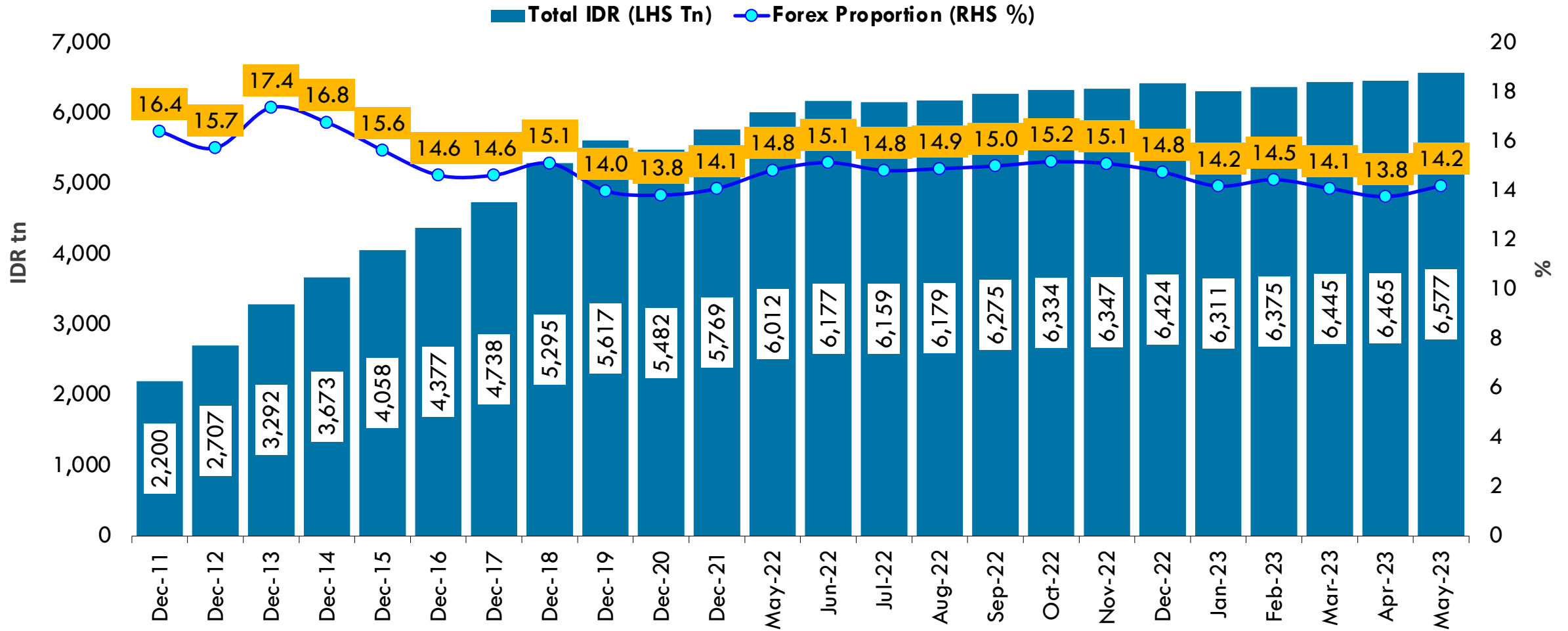
Loan Growth by Currencies

IDR Loans and FX Loans growth increase in May-23

Year/Month	IDR Loans (IDR tn)	% yoy	% mom	Forex Loans (IDR tn)	% yoy	% mom
2012	2,281	24.0		427	18.2	
2013	2,721	19.3		572	34.1	
2014	3,058	12.4		616	7.7	
2015	3,423	11.9		635	3.0	
2016	3,737	9.2		641	0.9	
2017	4,045	8.2		693	8.2	
2018	4,494	11.1		800	15.5	
2019	4,831	7.5	1.7	786	-1.8	1.8
2020	4,724	-2.2	0.7	758	-3.6	0.1
2021	4,956	4.9	1.3	813	7.3	0.0
2022	5,475	10.5	1.6	948	16.6	-1.1
Jan-23	5,415	10.6	-1.1	896	10.0	-5.6
Feb-23	5,454	10.3	0.7	921	12.8	2.9
Mar-23	5,537	10.3	1.5	909	8.0	-1.4
Apr-23	5,575	9.5	0.7	890	0.0	-2.1
May-23	5,643	10.2	1.2	934	4.8	5.0

Proportion of FX Loan to Total Loan

Proportion of foreign currency loans to total loans increased in May-23



Vehicle and Mortgage Loan

Motor vehicle loan growth increased in May-23 in line with the increasing sales trend

Year/Month	Vehicles Ownership Loan (IDR tn)	% yoy	% mom	% Share*	Mortgage Loan (IDR tn)	% yoy	% mom	% Share*
2012	99	-6.7			211	15.8		
2013	104	5.9			269	27.1		
2014	123	17.9			303	12.7		
2015	121	-2.1			326	7.7		
2016	118	-2.0			354	8.4		
2017	125	5.4			393	11.1		
2018	140	12.8			445	13.3		
2019	140	0.0	-0.1	2.5	480	7.8	0.9	8.5
2020	106	-24.7	-2.1	1.9	497	3.5	0.7	9.1
2021	99	-6.3	0.8	1.7	544	9.5	1.0	9.4
2022	116	17.0	1.3	1.8	587	7.8	0.9	9.1
Jan-23	117	14.9	1.2	1.9	587	7.7	0.2	9.3
Feb-23	118	14.9	0.6	1.9	591	7.8	0.7	9.3
Mar-23	120	15.4	1.3	1.9	597	7.3	0.9	9.3
Apr-23	123	16.3	2.6	1.9	600	6.8	0.4	9.3
May-23	124	18.1	1.0	1.9	605	7.7	0.9	9.2

*) Share to total loan
Source: OJK

Investment and Working Capital Loan

Investment loan increased in May-23

Year/Month	Investment Loan (IDR tn)	% yoy	% mom	% Share*	Working Capital Loan (IDR tn)	% yoy	% mom	% Share*
2012	591	27.4			1,317	23.2		
2013	798	35.0			1,586	20.4		
2014	903	13.2			1,757	10.8		
2015	1,036	14.7			1,916	9.0		
2016	1,125	8.6			2,049	6.9		
2017	1,180	4.8	1.8	24.9	2,223	8.5	3.9	46.9
2018	1,309	10.9	2.8	24.7	2,512	13.0	3.3	47.5
2019	1,481	13.2	2.3	26.4	2,576	2.5	1.7	45.9
2020	1,469	-0.8	0.9	26.8	2,465	-4.3	0.6	45.0
2021	1,528	4.0	0.6	26.5	2,621	6.3	1.5	45.4
2022	1,711	12.0	-0.5	26.6	2,940	12.2	2.2	45.8
Jan-23	1,713	12.6	0.1	27.1	2,828	10.0	-3.8	44.8
Feb-23	1,744	13.0	1.8	27.4	2,849	9.8	0.8	44.7
Mar-23	1,733	11.4	-0.6	26.9	2,915	9.5	2.3	45.2
Apr-23	1,731	10.1	-0.2	26.8	2,931	6.6	0.5	45.3
May-23	1,776	12.7	2.6	27.0	2,986	7.4	1.9	45.4

*) Share to total loan

Source: OJK

Percentage of Undisbursed Loan

Proportion of undisbursed loans to total loans slightly higher in May-23

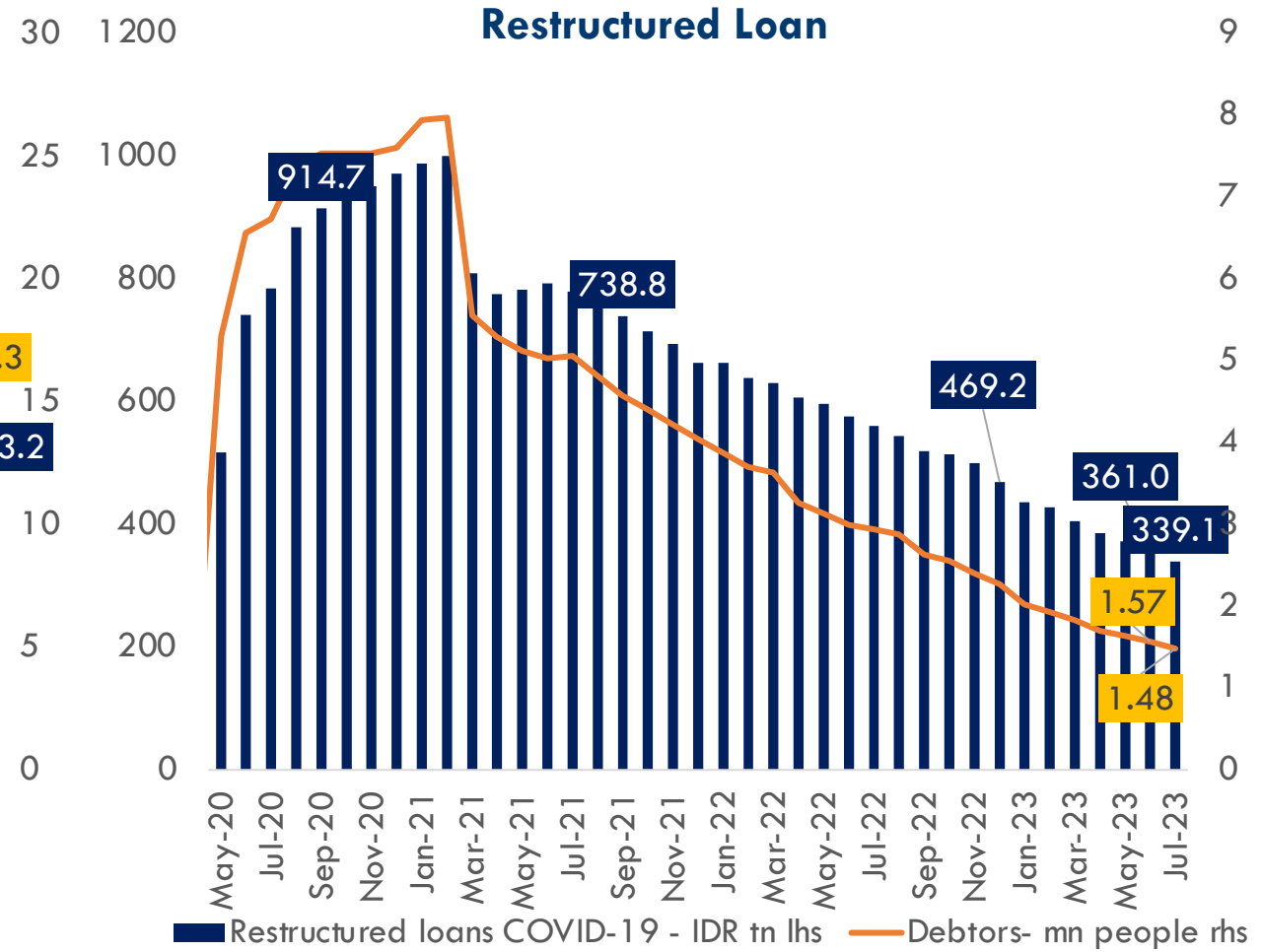
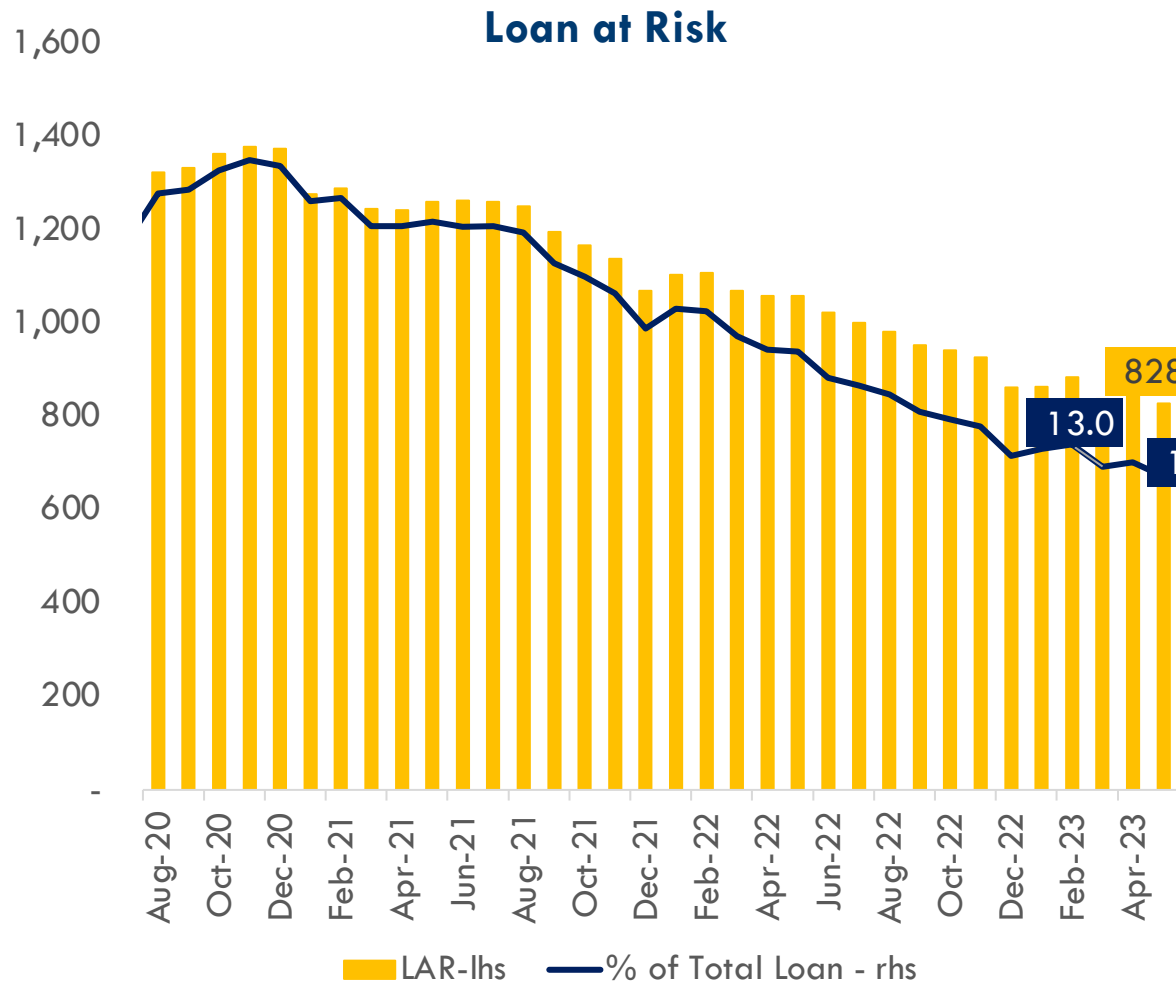
Year/Month	Undisbursed Loan (IDR tn)	% Total Loan	Total Credit (IDR tn)
2012	817	30.2	2,708
2013	1,013	30.8	3,293
2014	1,138	31.0	3,674
2015	1,220	30.1	4,058
2016	1,304	29.8	4,377
2017	1,408	29.7	4,738
2018	1,545	29.2	5,295
2019	1,603	28.5	5,617
2020	1,643	30.0	5,482
2021	1,705	29.6	5,769
2022	2,143	33.4	6,424
Jan-23	1,924	30.5	6,311
Feb-23	1,952	30.6	6,375
Mar-23	1,933	30.0	6,445
Apr-23	1,926	29.8	6,465
May-23	1,996	30.4	6,577

Loan by Sector

Loan By Industries	2019	2020	2021	2022	May-21	May-22	May-23	% yoy	% ytd	% Proportion to total loans
Agricultures, Hunting and Forestry	369.9	385.6	415.5	458.3	393.9	441.2	472.2	7.0	3.0	7.2
Fisher	14.1	16.0	18.7	19.7	16.8	19.3	20.0	3.3	1.3	0.3
Mining and Quarrying	134.3	124.6	153.8	237.4	128.7	187.4	256.4	36.8	8.0	3.9
Procesing	931.7	893.6	951.1	1067.0	891.0	1004.2	1051.7	4.7	-1.4	16.0
Electricity, Gas and Water	198.3	168.9	159.7	162.3	167.5	161.9	154.8	-4.3	-4.6	2.4
Construction	362.3	376.5	380.4	396.6	373.9	377.3	395.7	4.9	-0.2	6.0
Wholesale and Retail Trade	1006.1	942.2	974.4	1043.9	941.6	1029.9	1066.8	3.6	2.2	16.2
Provision of accomodation	109.8	116.2	120.7	123.6	118.2	121.0	122.4	1.1	-1.0	1.9
Transportation, Warehousing	246.9	266.2	306.2	313.1	283.4	308.1	334.3	8.5	6.8	5.1
Financial intermediaries	249.8	216.3	224.7	305.8	210.9	249.4	330.3	32.4	8.0	5.0
Real Estate, Business, Ownership	269.4	260.0	265.3	314.6	257.7	272.0	323.5	18.9	2.8	4.9
Government	28.9	30.9	34.3	43.8	31.3	34.3	44.2	28.9	1.0	0.7
Education Services	14.2	13.6	14.0	14.9	13.6	14.7	15.6	5.9	4.6	0.2
Health Services and Social Activities	33.6	28.3	28.5	31.5	27.3	28.4	33.8	19.1	7.3	0.5
Community, Sociocultural	82.5	89.5	95.7	114.7	93.3	103.4	136.4	31.8	18.9	2.1
Individual Services which Serve Households	3.4	3.0	3.9	4.0	3.1	4.0	4.0	0.6	0.3	0.1
International Agency	0.3	0.4	0.4	0.0	0.4	0.0	0.0	77.7	-1.9	0.0
Business Activities which are not clearly defined	2.0	2.5	0.7	0.0	2.9	0.0	0.0	n.a	n.a	0.0
Total Industries	4057.5	3934.1	4148.0	4651.2	3955.6	4356.7	4762.2	9.3	2.4	72.4
For Home Ownership	479.9	496.6	544.0	586.6	511.8	561.7	605.0	7.7	3.2	9.2
For Apartement Ownership	22.3	22.8	26.1	27.9	23.7	26.6	28.0	5.5	0.3	0.4
For Shop House Ownership	24.3	22.0	20.8	21.0	21.3	20.9	20.8	-0.3	-1.0	0.3
For Vehicles Ownership	140.4	105.8	99.1	116.0	100.1	104.9	123.9	18.1	6.8	1.9
Others	652.4	673.0	694.7	773.0	676.1	709.7	785.8	10.7	1.7	11.9
Non Industrial Origin Others	240.2	227.2	235.8	247.9	225.8	231.9	251.3	8.4	1.4	3.8
Total Non Industrial	1559.5	1547.5	1620.5	1772.3	1558.8	1655.6	1814.9	9.6	2.4	27.6
Total Loans	5617.0	5481.6	5768.6	6423.6	5514.4	6012.4	6577.1	9.4	2.4	100.0

Restructured Loan Decreased in Jul-23

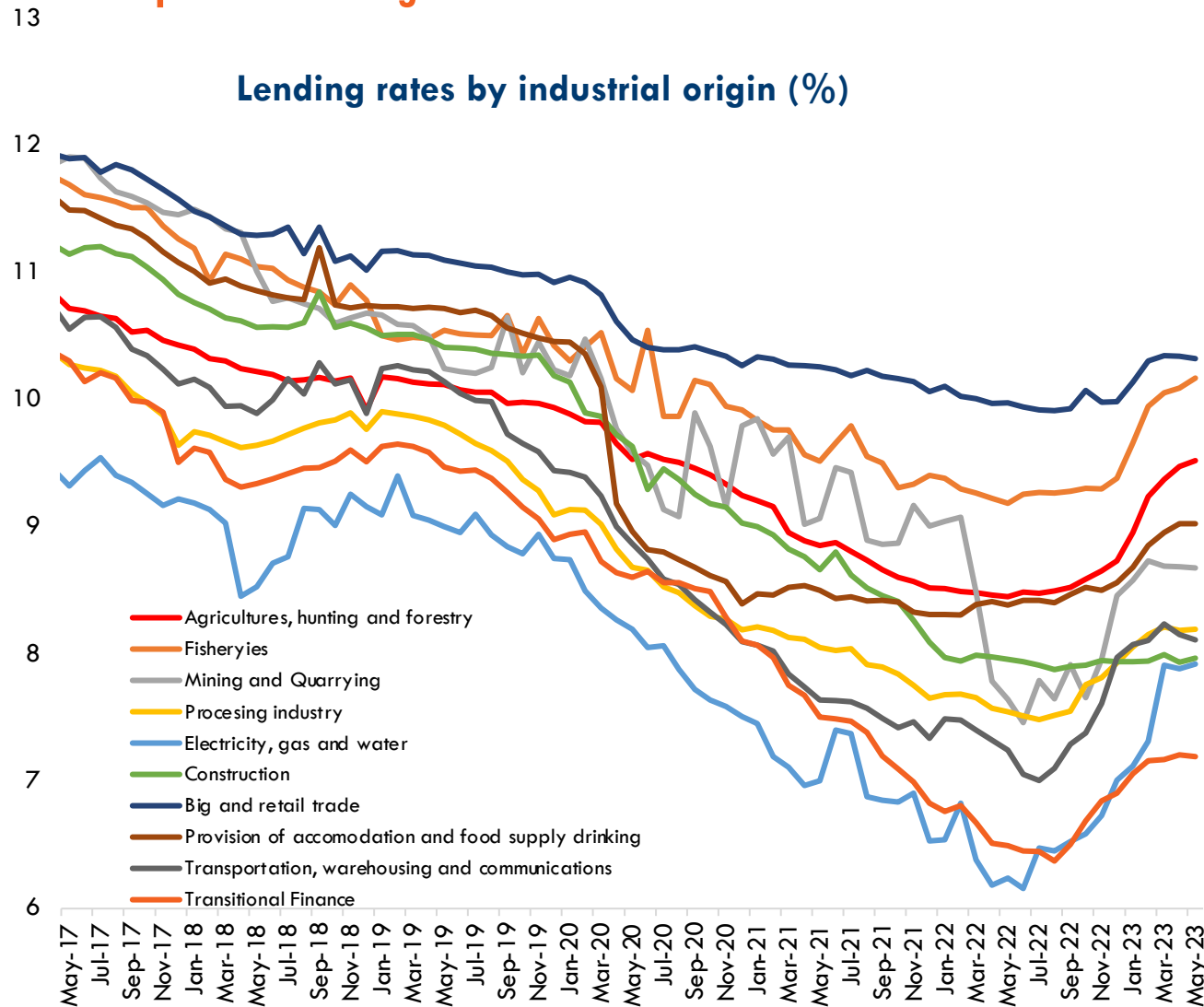
Restructured loans continue to decline as credit quality improves



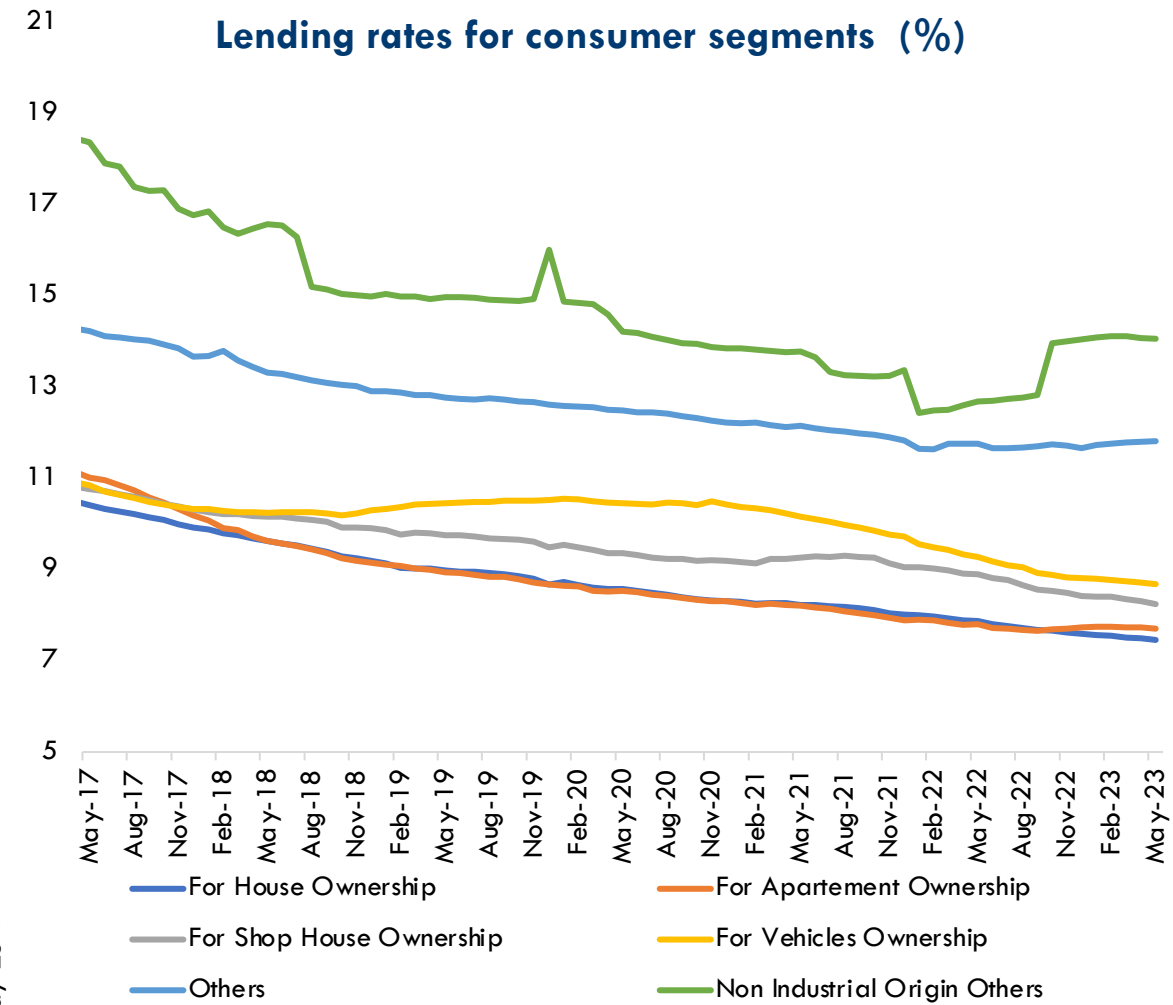
Lending Rate by Sector

The pace of lending rate hikes have moderated for most sectors

Lending rates by industrial origin (%)



Lending rates for consumer segments (%)



Third Party Fund by Currency

FX deposit growth moderated in Jun-23

IDR tn

Period	Total	DOC		Time Deposit		Demand Deposit		Time Deposit Certificate		Saving Account		Total TPF	
		IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex
2020	6,644.09	53.24	9.43	2,425.33	307.97	1,261.73	415.62	0.00	-	2,014.79	155.97	5,755.10	888.99
2021	7,460.64	52.78	8.56	2,534.48	303.57	1,590.42	541.29	0.24	-	2,263.87	165.42	6,441.80	1,018.85
2022	8,129.15	52.01	5.80	2,584.65	339.14	1,837.90	694.65	2.81	0.17	2,422.75	189.27	6,900.13	1,229.03
June-23	8,011.37	50.72	6.07	2,672.44	290.51	1,731.33	668.32	2.37	0.0	2,414.10	175.51	6,870.96	1,140.40

Growth % yoy

Period	Total % yoy	DOC		Time Deposit		Demand Deposit		Time Deposit Certificate		Saving Account		Total TPF	
		IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex
2020	11.07	16.10	-7.50	10.17	-4.89	14.81	16.00	-99.54	-	11.09	20.88	11.52	8.24
2021	12.29	-0.86	-9.26	4.50	-1.43	26.05	30.24	7814.74	-	12.36	6.06	11.93	14.61
2022	8.96	-1.47	-32.30	1.98	11.72	15.56	28.33	1092.66	-	7.02	14.41	7.11	20.63
June-23	5.63	34.10	98.35	6.06	0.09	3.59	22.34	321.23	-	3.77	-3.85	0.64	10.90

Source: LPS, as of Jun-23, notes % yoy

Office of Chief Economist

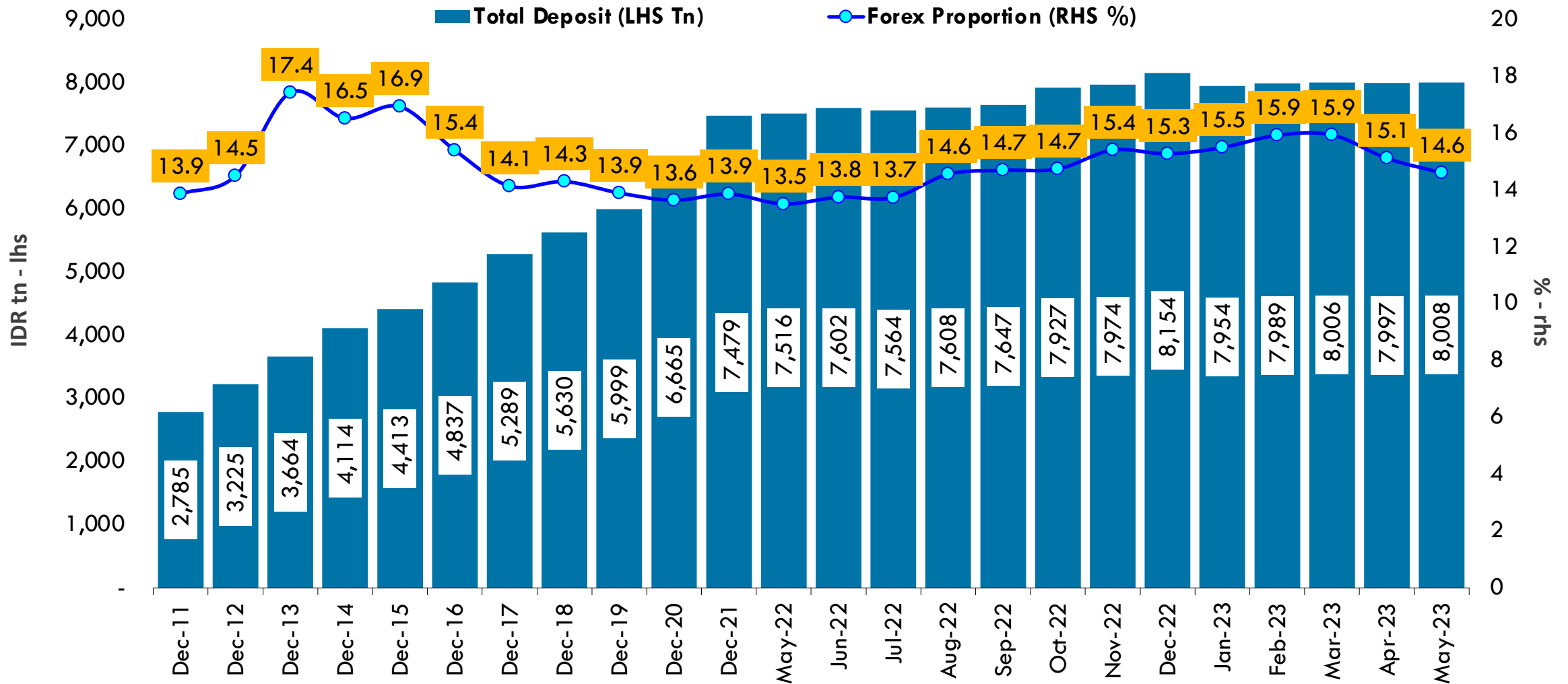
Third party fund growth by types

Demand deposit growth slowed down, while saving and time deposit accelerated in May-23

Year/Month	Demand Deposit (IDR tn)	% yoy	% mom	Saving Deposit (IDR tn)	% yoy	% mom	Time Deposit (IDR tn)	% yoy	% mom
2012	767	17.5		1,077	19.9		1,381	11.9	
2013	847	10.4		1,213	12.6		1,604	16.2	
2014	890	5.1		1,284	5.9		1,940	20.9	
2015	892	9.6		1,396	8.7		2,030	4.6	
2016	1,124	13.8		1,552	11.2		2,161	6.5	0.4
2017	1,223	9.7	1.0	1,701	9.6	5.5	2,355	9.0	-0.5
2018	1,315	6.6	-3.8	1,825	7.3	4.9	2,490	5.8	0.9
2019	1,466	11.5	0.5	1,945	6.6	4.2	2,588	3.9	-1.3
2020	1,687	15.1	-2.5	2,174	11.7	3.6	2,805	8.4	-0.1
2021	2,144	27.1	3.2	2,432	11.9	3.3	2,904	3.5	0.4
2022	2,546	18.8	3.8	2,615	7.5	2.8	2,992	3.0	0.6
Jan-23	2,418	16.9	-5.0	2,540	5.6	-2.9	2,996	3.7	0.1
Feb-23	2,440	16.2	0.9	2,532	5.2	-0.3	3,017	4.9	0.7
Mar-23	2,436	11.3	-0.2	2,541	4.4	0.4	3,029	5.9	0.4
Apr-23	2,401	13.6	-1.4	2,588	2.6	1.8	3,007	5.6	-0.7
May-23	2,363	8.3	-1.6	2,573	2.9	-0.6	3,072	8.4	2.2

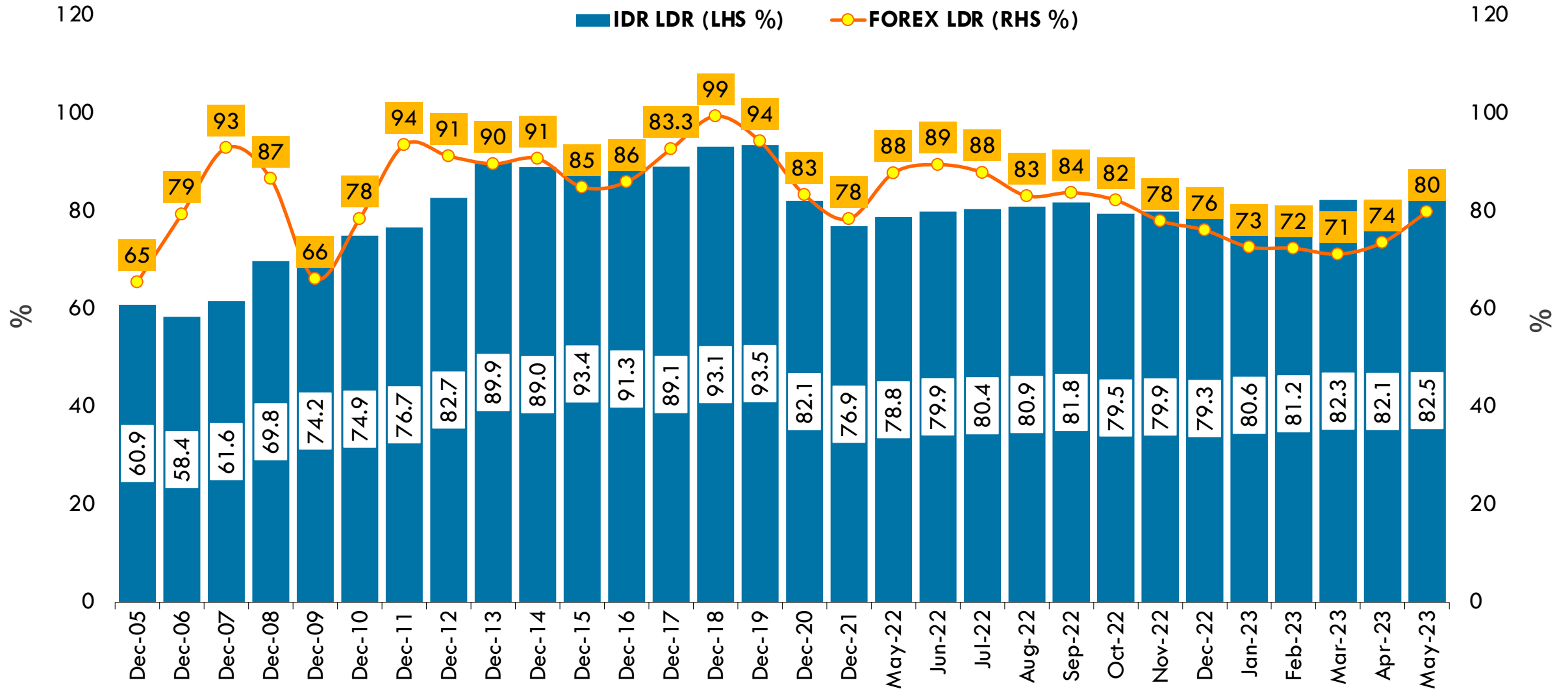
Proportion of FX Deposit to Total Deposit

Proportion of FX deposit to total deposit declined in May-23



LDR by Currencies

FX LDR rising, but still reflecting relatively ample liquidity



LDR by Bank Category

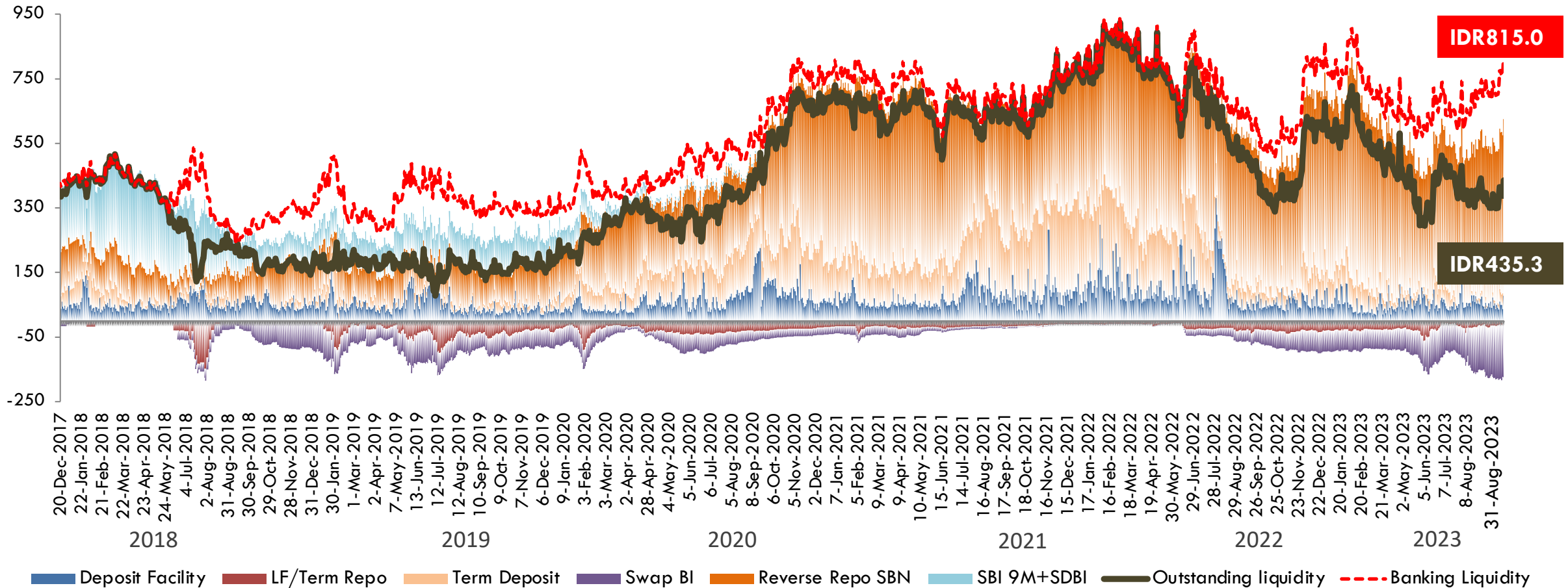
LDR for most banks increases, reflecting slightly tighter liquidity

Category	LDR (%)								
	2016	2017	2018	2019	2020	2021	2022	Apr-23	May-23
SOE Bank	88.7	88.7	92.8	94.2	85.1	82.5	80.8	86.5	87.4
Regional Dev't Bank	93.7	87.6	88.9	88.1	83.1	75.9	77.9	77.6	78.6
Domestic Private Bank	88.6	89.5	94.6	93.7	78.8	72.4	77.7	77.3	78.6
Foreign Bank	122.4	122.2	139	126.5	95.9	81.3	72.3	67.8	71.3
Banking Industry	90.7	90	94.8	94.4	82.5	77.5	79.0	81.1	82.4

Banks' Placement at BI Instruments

Banks' placement at BI's Open Market Operation instruments increased in Aug-23

Placement at BI instruments (IDR tn)



Source : Bank Indonesia, as of 31-Aug-23

Asset Growth of Commercial Banks

Banks' asset grew at a slower pace in May-23

Size of Banking Industry	May-22	Dec-22	May-23	% yoy
Total Asset (IDR tn)	10,181	11,113	10,889	7.0
Deposits (IDR tn)	7,516	8,154	8,008	6.5
- Demand Deposits	2,181	2,546	2,363	8.3
- Savings Accounts	2,500	2,615	2,573	2.9
- Time Deposit	2,835	2,992	3,072	8.4
Loans (IDR tn)	6,012	6,424	6,577	9.4

Banking Ratios	May-22	Dec-22	May-23	ppt change
Capital Adequacy Ratio (%)	24.7	25.6	26.1	1.4
NPL Gross (%)	3.0	2.4	2.5	-0.5
Return on Assets (%)	2.4	2.5	2.7	0.4
Net Interest Margin (%)	4.8	4.8	4.9	0.1
Ops, Expense/Ops, Income (%)	77.4	78.7	77.6	0.2
Loan to Deposit Ratio (%)	80.4	79.0	82.4	2.0
Number of Banks	107	106	105	

NPL by Industries

NPLs of most industries flat in May-23

Industries	NPL (%)												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Apr-23	May-23
Agriculture	1.9	1.5	1.8	1.9	2.2	1.4	1.3	1.7	2.1	1.7	1.6	1.7	2.1
Mining	1.2	1.5	2.5	4.1	7.2	6.2	4.4	3.7	7.1	4.6	2.7	2.6	2.5
Manufacturing	2.4	1.7	1.9	2.5	3.4	2.7	2.8	3.8	4.9	5.1	3.5	3.6	3.4
Utilities	0.4	0.7	1.9	2.3	1.6	1.1	2.3	3.4	4	4.6	3.3	3.5	3.3
Construction	3.6	4.1	4.6	4.1	3.9	3.7	2.5	2.6	2.8	2.9	2.7	2.8	2.8
Trade, Hotel and Restaurant	2.4	2.3	3	3.4	4.1	4.1	3.5	3.5	4.2	3.9	3.6	3.8	3.8
Transportation and Communication	2.1	2	3.2	3.8	4.8	3.7	3.8	3.7	4.5	4.3	3.8	3.9	3.9
Business Services	1	1.1	1.5	1.7	2	1.6	3.6	2.8	3.1	3.3	2.7	2.1	1.9
Social Services	2.6	1.8	2.3	2.5	2.1	1.9	1.9	1.1	1.4	1.7	1.2	0.9	0.9
Other	1.5	1.4	1.4	1.5	1.5	1.6	1.5	1.4	1.9	2.1	1.4	1.3	1.4

NPL by Loan Types

NPL for all loan types mostly stable in May-23

Loan Types	NPL (%)													Nominal (IDR tn) May-23
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Apr-23	May-23	
Working Capital	2.2	2.0	2.5	3.0	3.6	3.2	2.8	3.2	3.9	4.0	3.3	3.4	3.3	99.1
Investment	1.7	1.7	2.3	2.6	3.2	2.6	2.4	2.3	3.0	2.7	2.0	1.9	1.9	33.9
Consumption	1.5	1.4	1.4	1.5	1.5	1.6	1.5	1.6	1.8	1.7	1.5	1.7	1.8	32.8

CAR & NPL by Bank Category

CAR remained high, NPL mostly stable in May 23

CAR (%)

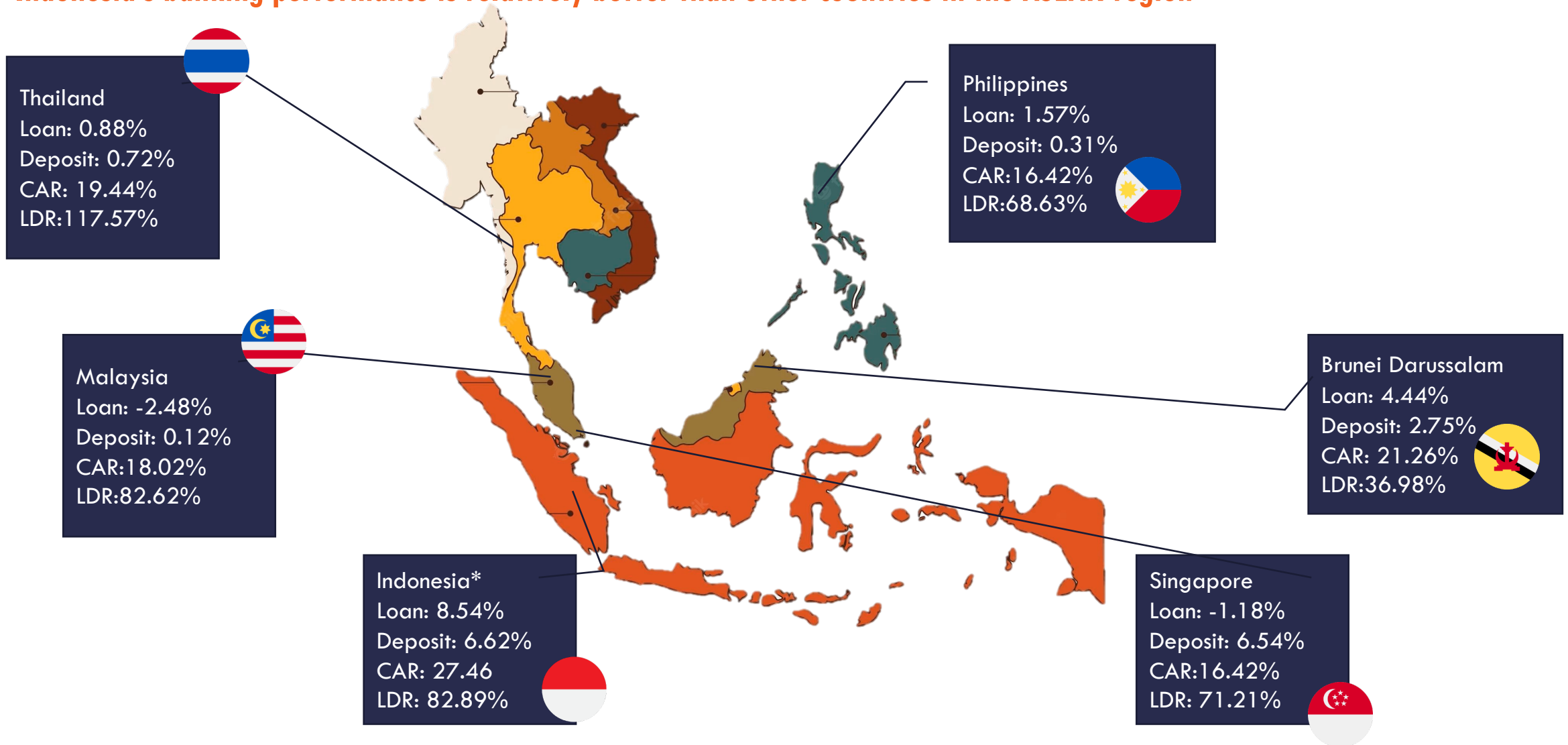
Category	2016	2017	2018	2019	2020	2021	2022	Mar-23	Apr-23	May-23
SOE Bank	21.5	21.1	20.9	21.2	18.8	21.4	21.2	19.5	19.2	20.9
Regional Dev't Bank	21.7	21.7	22.1	21.2	22.1	22.8	23.6	22.8	22.4	22.5
Domestic Private Bank	18.1	18.8	19.0	20.1	23.4	26.8	27.0	26.9	27.1	28.6
Foreign Bank	48.9	53.1	47.9	50.4	54.6	60.9	57.3	55.2	53.1	55.6
Banking Industry	22.9	23.2	23.0	23.4	23.9	25.7	25.6	24.8	24.5	26.1

NPL (%)

Category	2016	2017	2018	2019	2020	2021	2022	Mar-23	Apr-23	May-23
SOE Bank	2.86	2.50	2.27	2.56	3.47	3.20	2.54	2.60	2.65	2.66
Regional Dev't Bank	3.30	3.23	2.68	2.62	2.77	2.54	2.13	2.28	2.36	2.39
Domestic Private Bank	3.04	2.68	2.47	2.55	2.83	2.91	2.45	2.48	2.50	2.48
Foreign Bank	1.89	1.44	1.71	1.66	1.36	2.80	1.46	1.46	1.45	1.44
Banking Industry	2.93	2.59	2.37	2.53	3.06	3.00	2.44	2.49	2.53	2.52

ASEAN Banking Performance Ratio

Indonesia's banking performance is relatively better than other countries in the ASEAN region

















Islamic Banking: Recent Development

Islamic Banking Network	2014	2015	2016	2017	2018	2019	2020	2021	2022	Apr-23	May-23
Islamic Commercial Bank											
Number of Banks	12	12	13	13	14	14	14	12	13	13	13
Number of Offices	2,151	1,990	1,869	1,825	1,875	1,919	2,034	2,035	2,007	1,932	1,935
Islamic Business Unit											
Conventional Banks that have Islamic Business Unit	22	22	21	21	20	20	20	21	20	20	20
Number of Offices	320	311	322	344	354	381	392	444	438	453	453
Sharia Commercial Bank and Sharia Business Unit Operation											
Number of Banks	34	34	34	34	34	34	34	35	33	33	33
Number of Offices	2,471	2,301	3,259	2,169	2,229	2,300	2,426	2,479	2,445	2,385	2,388
Growth of Assets of Sharia Bank (IDR bn)											
Sharia Commercial Banks	204,961	213,423	254,184	288,027	316,691	350,364	397,073	441,789	531,860	538,039	533,863
Sharia Business Units	67,383	82,839	102,320	136,154	160,636	174,200	196,875	234,947	250,240	250,234	251,783
Earning Assets of Sharia Bank (IDR bn)											
Financing	249,560	270,735	324,034	382,697	438,338	484,059	550,949	629,062	707,008	719,254	719,306
a, Current	227,257	241,755	295,826	352,038	411,771	455,068	520,409	602,159	678,453	685,245	684,860
b, Special Mention	13,406	19,507	17,680	19,517	17,346	17,923	18,331	15,843	16,697	21,789	22,083
c, Sub-Standard	2,474	2,417	3,015	3,376	2,070	3,407	3,027	2,991	3,067	3,393	3,532
d, Doubtful	1,702	924	1,326	1,919	1,474	954	1,382	1,653	1,379	1,308	1,400
e, Lost	4,721	6,132	6,187	5,847	5,676	6,707	7,800	6,415	7,412	7,519	7,432
Non-Performing Financing (Nominal)	8,632	9,473	10,528	11,142	9,132	11,068	12,209	11,059	11,857	12,220	12,364
Ratio Non-Performing Financing (%)	4,95	4,84	4,42	4,77	2,85	3,11	3,08	2.57%	2.31%	2.31%	2.30%

Comparison of asset, market cap, loan and deposit of ASEAN banks

Singaporean banks were still dominating in terms of total asset, loan and deposit

As of Jun-23	Total asset	Market Cap	Loan	Deposit
1  DBS	560	60	313	391
2  OCBC Bank	425	41	217	271
3  UOB	377	35	236	279
4  Maybank	217	22	127	134
5  CIMB	158	12	89	94
6  Bangkok Bank	130	9	77	90
7  mandiri	127	32	83	93
8 	124	9	70	76
9  BANK BRI	122	55	81	84
10  PUBLIC BANK	113	16	82	87
11  KRUNGTHAI BANK	104	8	73	73
12  SCB	100	10	68	70
13  BCA	88	75	49	71
14  BANK OF AYUDHYA Public Company Limited	78	6	55	51

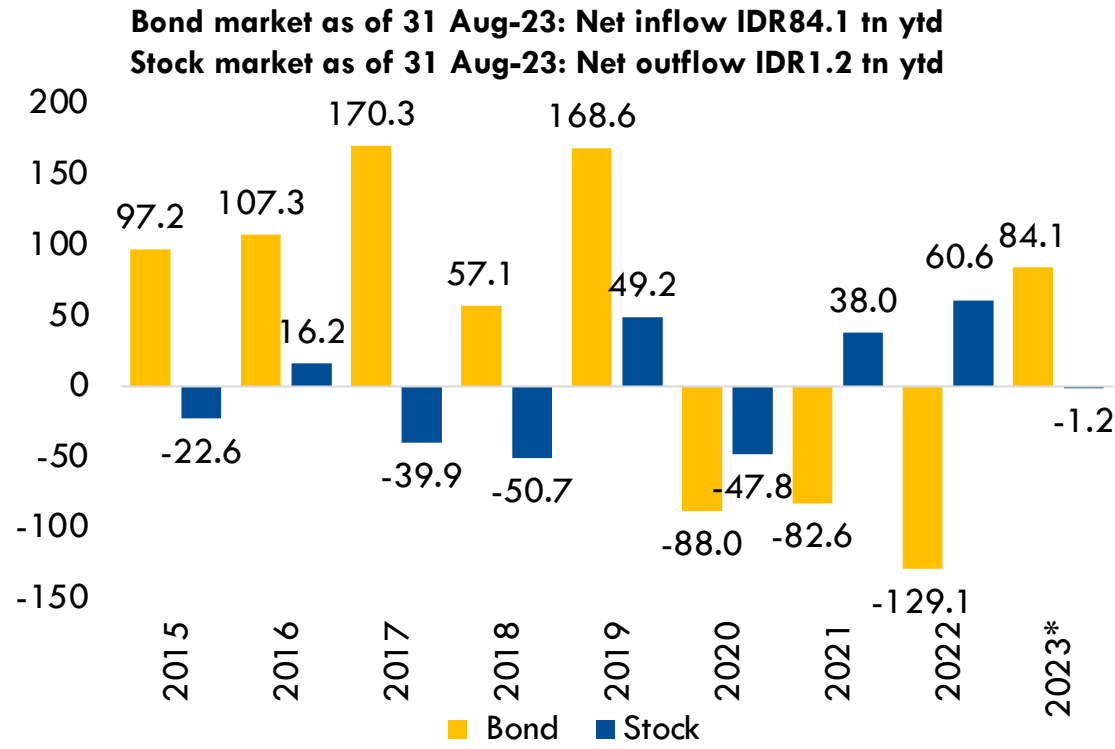
EQUITY AND BOND MARKET DEVELOPMENT



Foreign Capital Flows in Stock and Bond Market

Capital market posted net inflow of IDR82.9 tn in 2023 ytd

Yearly Net Capital Inflow/Outflow in Stock and Bond Markets (IDR tn)

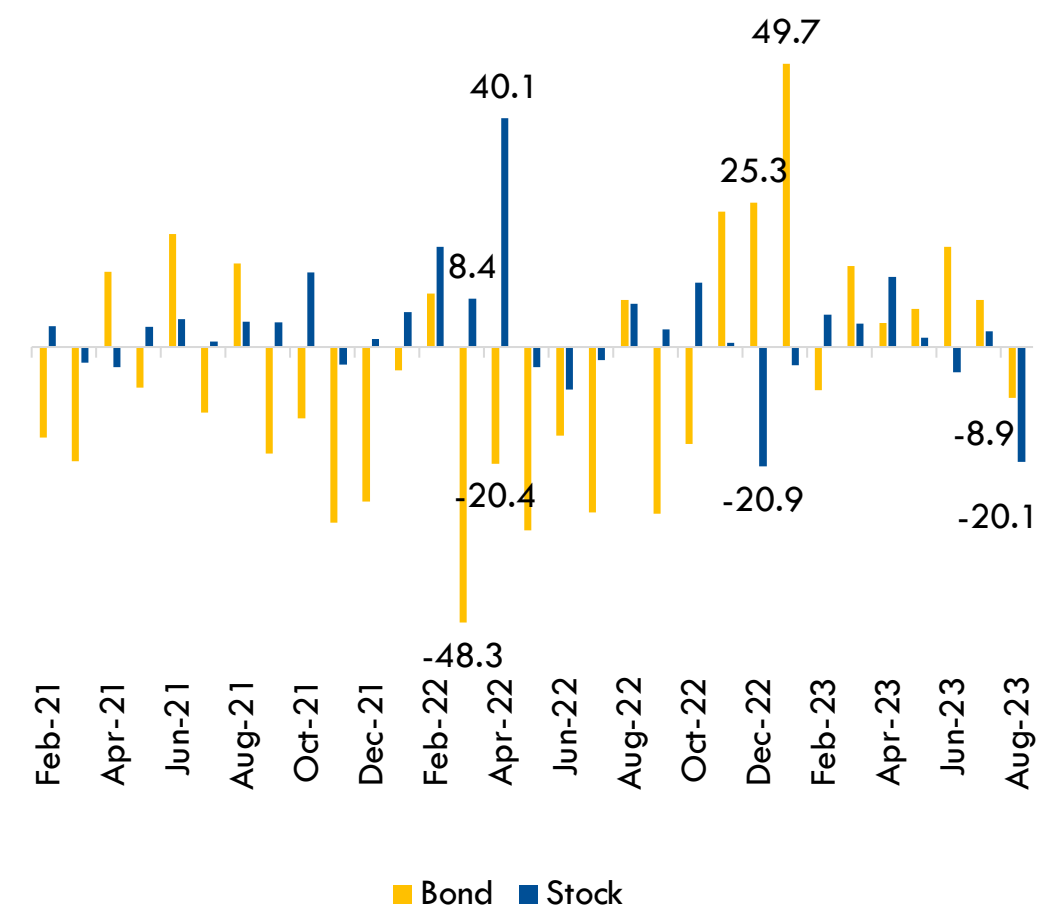


Bond market as of 31 Aug-23: Net inflow IDR84.1 tn ytd
 Stock market as of 31 Aug-23: Net outflow IDR1.2 tn ytd

2015: Net inflow of IDR74.6 tn
 2016: Net inflow of IDR123.5 tn
 2017: Net inflow of IDR130.5 tn
 2018: Net inflow of IDR6.4 tn

2019: Net inflow of IDR217.8 tn
 2020: Net outflow of IDR135.8 tn
 2021: Net outflow of IDR44.6 tn
 2022: Net outflow of IDR68.5 tn
 *2023: Net inflow of IDR82.9 tn

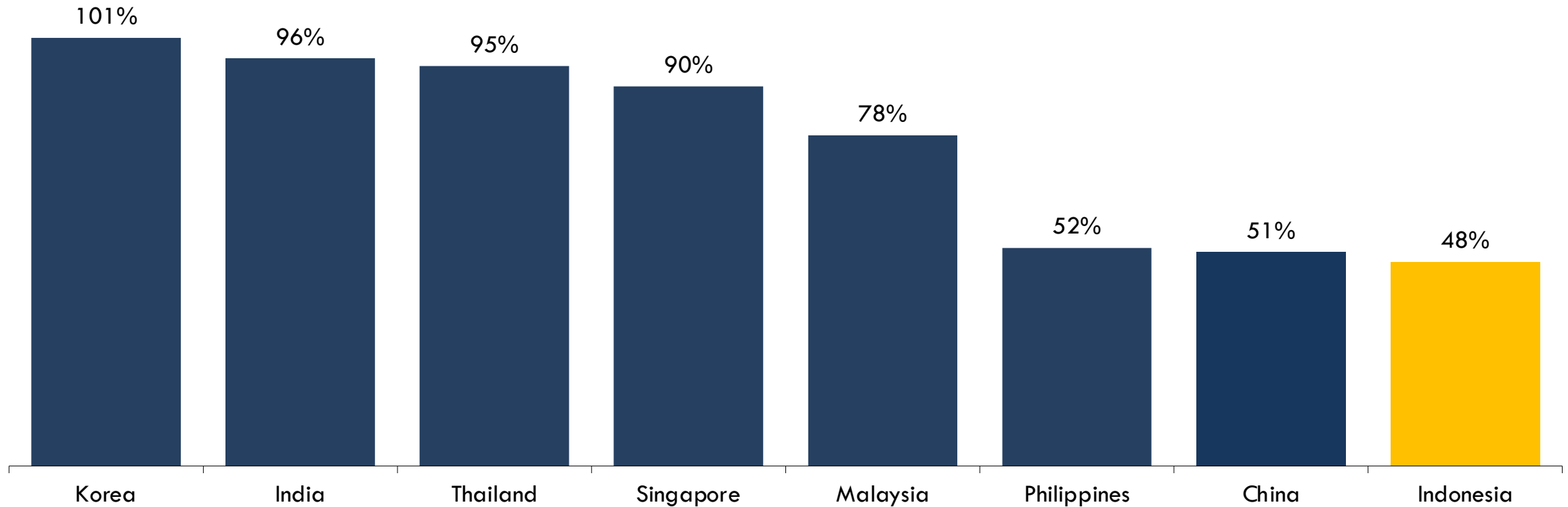
Monthly Net Capital In Outflow in Stock Market (IDR tn) mtd



■ Bond ■ Stock

Market Capitalization to GDP Comparison in Asia

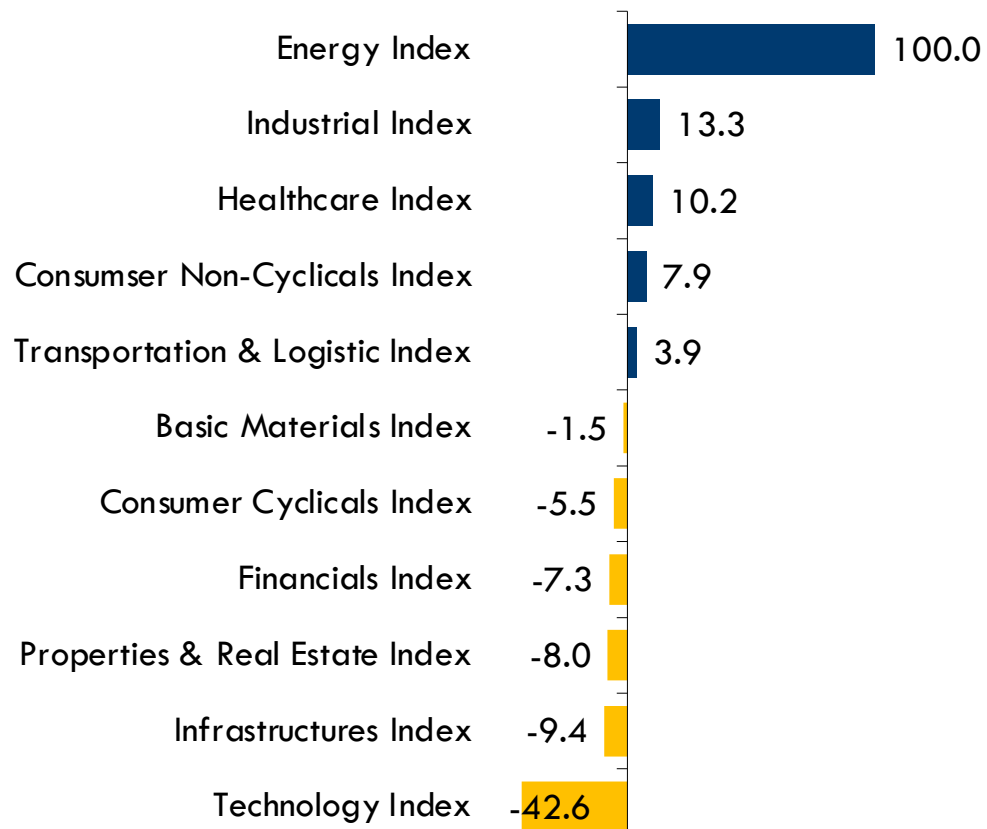
Indonesia has the lowest market cap to GDP ratio



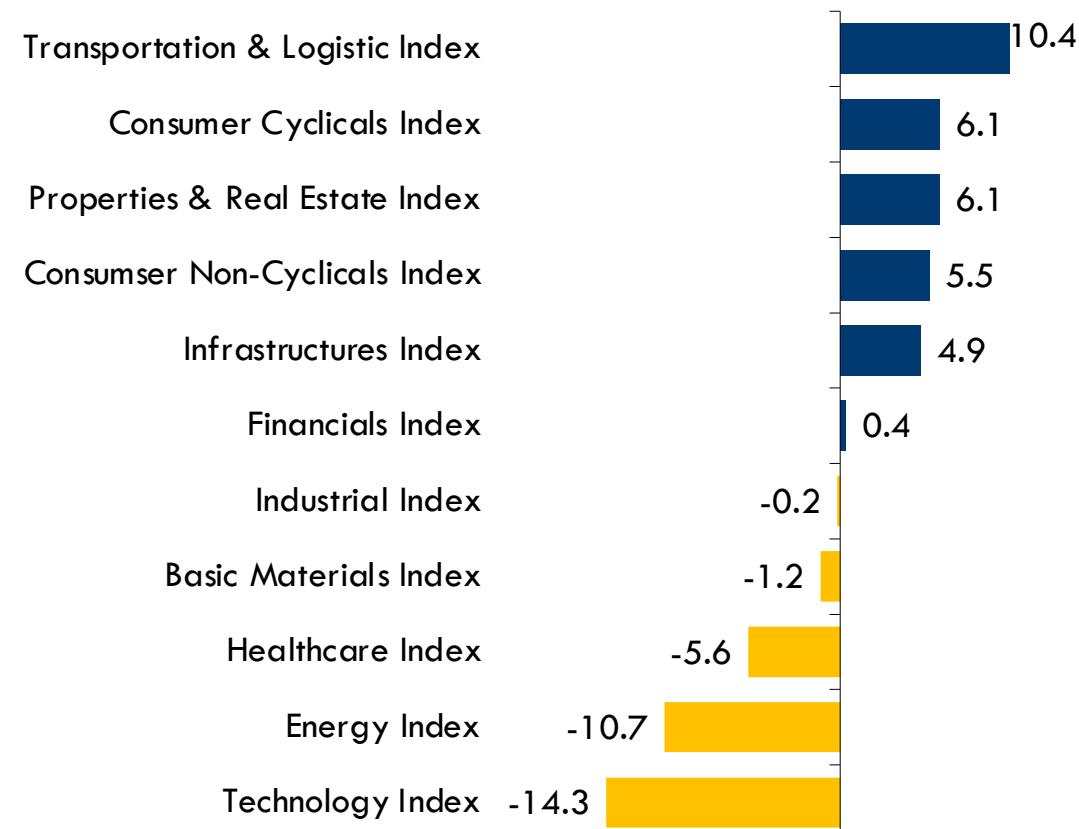
Sectoral Index in Indonesia Stock Exchange

Transportation & Logistic index improved the most in 8M23

Index Performance - 2022 (%)



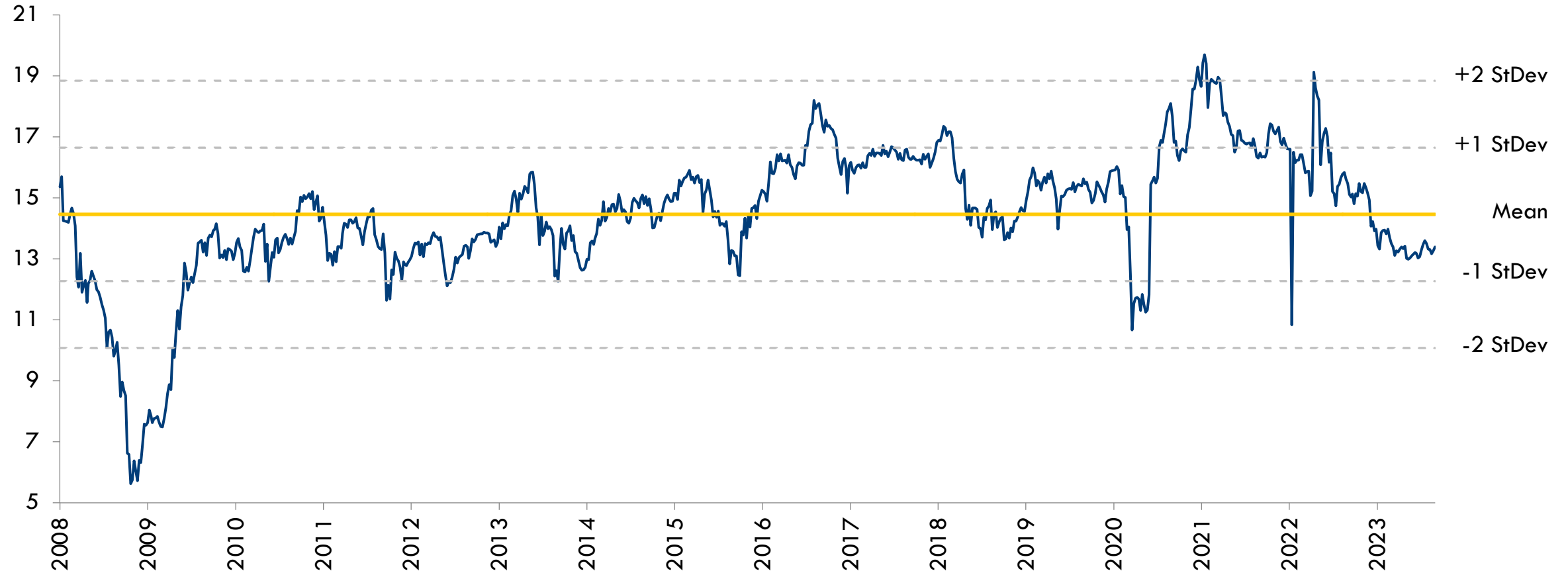
Index Performance - 8M23 (%)



JCI 12M Forward PER band is 13.4x, below the average of 14.4x

Jakarta Composite

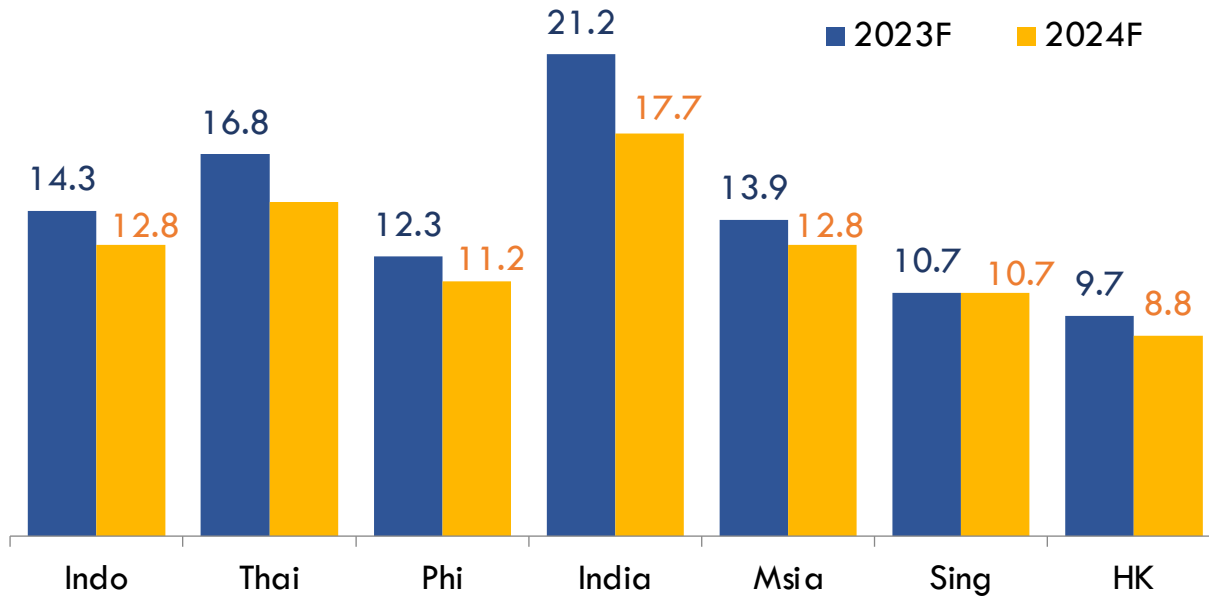
12M fwd PE



PE Ratio Comparison in Asia

At 14.3x PER23F, the JCI's valuation is relatively in-line with peers

PER comparison

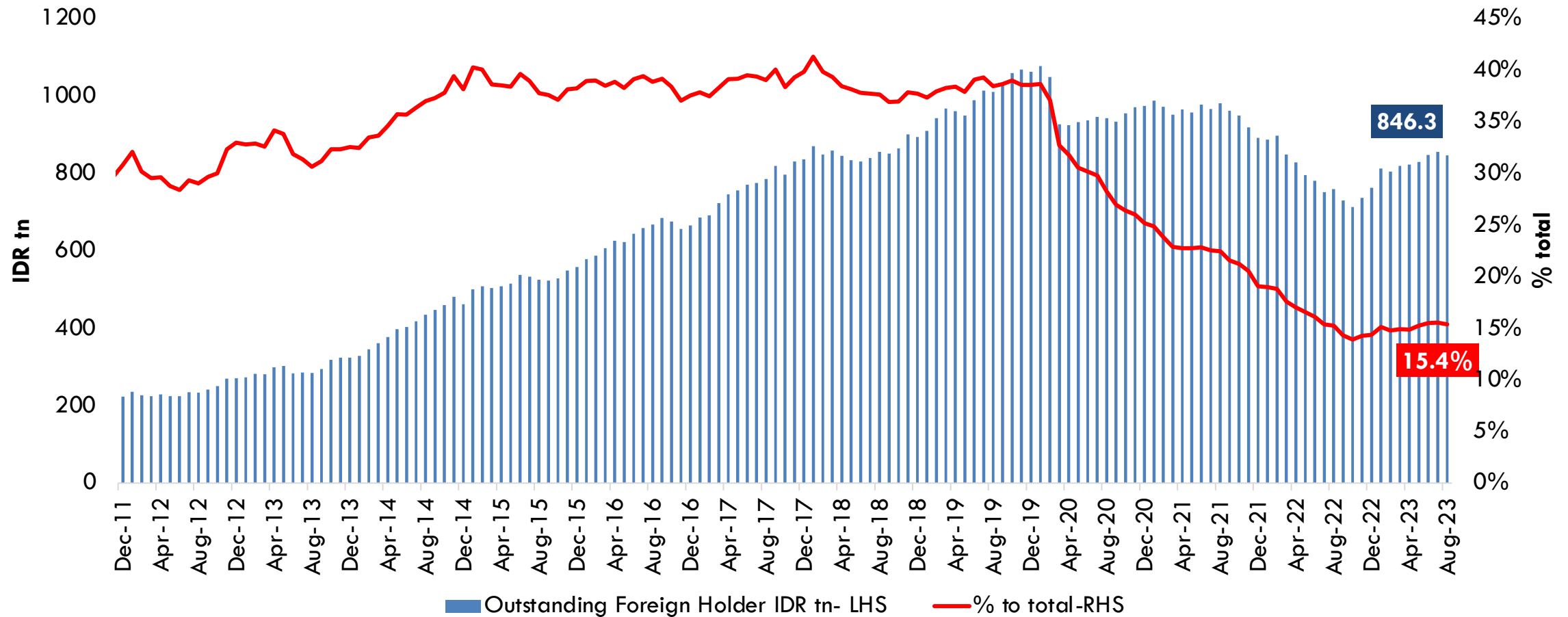


EPS Growth comparison

	EPS Growth	
	FY23	FY24
Hong Kong	-27.7%	9.9%
Indonesia	-5.2%	11.5%
India	19.2%	18.9%
Malaysia	8.8%	8.6%
Phillipines	24.1%	10.2%
Thailand	-20.6%	13.9%

Foreign Investor Activity in Government Bond

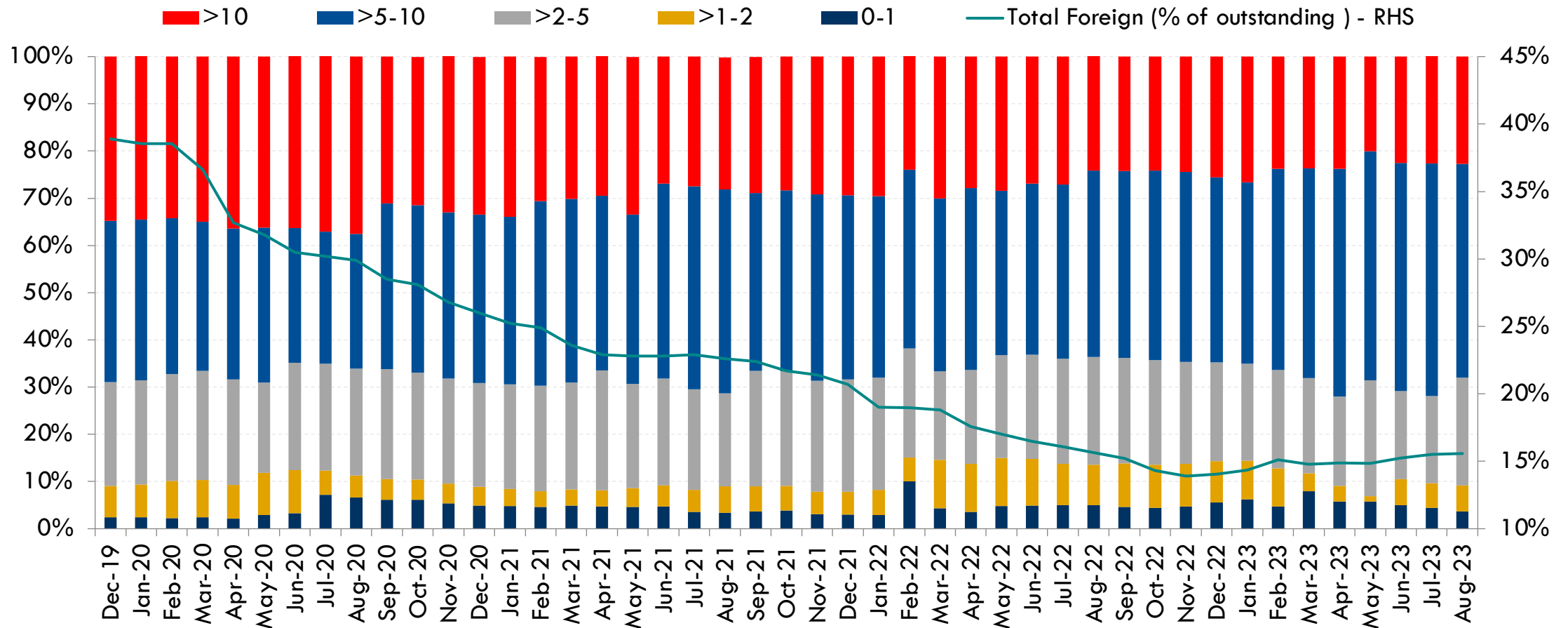
Foreign ownership in the government bond as of 31-Aug-23 was IDR846.3 tn (15.4% of total)



Foreign Bond Ownership: Portfolio Distribution by Tenor

Foreign investors accumulated longer term government bonds (>5 year)

Foreign ownership in SBN by tenor



Source: Ministry of Finance, as of 31-Aug-23

MACROECONOMIC FORECAST



Consensus Forecast: GDP Growth

Market expects Indonesia's economic growth to slow down in 2023

Country	1Q22	2Q22	3Q22	4Q22	1Q23F	2Q23F	3Q23F	4Q23F	2022	2023F	2024F
US	3.7	1.8	1.9	0.9	1.8	2.5	2.1	1.5	2.1	2.0	0.9
UK	10.5	3.8	2.0	0.6	0.2	0.4	0.4	0.3	4.3	0.3	0.5
Euro Zone	5.5	4.4	2.4	1.7	1.1	0.6	0.2	0.5	3.3	0.6	0.9
Australia	3.0	3.1	6.0	2.6	2.3	1.6	1.1	0.8	3.7	1.5	1.4
Japan	0.7	1.8	1.5	0.4	2.0	2.0	1.9	1.9	1.1	1.6	1.0
China	4.8	0.4	3.9	2.9	4.5	6.3	4.3	5.0	3.0	5.1	4.5
Indonesia	5.0	5.5	5.7	5.0	5.0	5.2	5.0	5.0	5.3	5.0	5.0
Brazil	2.4	3.7	3.6	1.9	4.0	3.4	1.7	1.8	2.9	2.3	1.5

Consensus Forecast: Inflation Rate

Indonesia's average inflation will remain relatively high in 2023

Country	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23F	3Q23F	4Q23F	2022	2023F	2024F
US	8.0	8.7	8.3	7.1	5.8	4.0	3.5	3.2	8.0	4.1	2.6
UK	6.2	9.2	10	10.8	10.2	8.4	6.8	4.5	9.1	7.4	3.0
Euro Zone	6.1	8.0	9.3	10.0	8.0	6.2	4.8	3.1	8.4	5.5	2.5
Australia	5.1	6.1	7.3	7.8	7.0	6.0	5.1	4.1	6.6	5.5	3.2
Japan	0.9	2.5	2.9	3.8	3.6	3.3	3.0	2.4	2.5	3.0	1.9
China	1.1	2.2	2.7	1.8	1.3	0.1	0.0	0.7	2.0	0.7	1.9
Indonesia	2.3	3.8	5.2	5.6	5.2	4.0	2.9	2.8	4.2	3.7	3.0
Brazil	11.3	11.9	8.7	6.1	5.3	3.8	4.9	5.1	9.3	4.8	4.0

Consensus Forecast: Exchange Rates

Rupiah exchange rate is expected to appreciate in 2023

Currency	1Q23	2Q23	3Q23F	4Q23F	2022	2023F	2024F	2025F
EUR/USD	1.08	1.09	1.09	1.10	1.07	1.10	1.15	1.16
GBP/USD	1.23	1.27	1.27	1.27	1.21	1.27	1.30	1.32
USD/JPY	132.86	144.31	142.00	139	131.12	139.00	128.00	120.00
AUD/USD	0.67	0.67	0.66	0.66	0.68	0.66	0.71	0.73
USD/IDR	14,996	15,066	15,200	15,025	15,573	15,025	14,400	14,600
USD/SGD	1.33	1.35	1.35	1.34	1.34	1.34	1.30	1.30
USD/CNY	6.87	7.25	7.20	7.11	6.90	7.11	6.80	6.70

Consensus Forecast: Central Bank Rates

Most central banks will continue to hike policy rates in 2023

Interest Rate	1Q22	2Q22	3Q22	4Q22	1Q23F	2Q23F	3Q23F	4Q23F	2022	2023F	2024F
US Fed Rate	0.50	1.75	3.25	4.50	5.00	5.25	5.50	5.50	4.50	5.50	4.20
JP BOJ Rate	0.00	0.00	-0.10	0.00	0.00	-0.10	0.00	0.00	0.00	0.00	0.00
ECB Refinancing Rate	0.00	0.00	1.25	2.50	3.50	4.00	4.25	4.25	2.50	4.25	3.75
UK BOE Bank Rate	0.75	1.25	2.25	3.50	4.25	5.00	5.50	5.60	3.50	5.60	4.65
AU RBA Cash Rate	0.10	0.85	2.35	3.10	3.60	4.10	4.10	4.25	3.10	4.25	3.60
CN PBoC Rate	3.70	3.70	3.65	3.65	3.65	3.55	4.30	4.30	3.65	4.30	
BI 7DRRR	3.50	3.50	4.25	5.5	5.75	5.75	5.75	5.65	5.50	5.65	4.90

Bank Mandiri's Macroeconomic Forecast

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023F
National Account											
Real GDP (% yoy)	5.56	5.01	4.88	5.03	5.07	5.17	5.02	-2.07	3.70	5.31	5.04
Real Consumption: Private (% yoy)	5.43	5.15	4.96	5.01	4.94	5.05	5.04	-2.63	2.02	4.93	5.06
Real Consumption: Government (% yoy)	6.75	1.16	5.31	-0.14	2.12	4.82	3.27	2.12	4.24	-4.51	9.94
Real Gross Fixed Capital Formation (% yoy)	5.01	4.45	5.01	4.47	6.15	6.68	4.45	-4.96	3.80	3.87	4.56
Real Exports (% yoy)	4.17	1.07	-2.12	-1.66	8.9	6.51	-0.48	-8.42	17.95	16.28	-0.12
Real Imports (% yoy)	1.86	2.12	-6.25	-2.41	8.07	12.14	-7.13	-17.60	24.87	14.75	-0.45
GDP (IDR tn) - nominal	9,546.13	10,569.71	11,526.33	12,401.73	13,589.83	14,838.76	15,832.66	15,443.35	16,976.69	19,588.45	21,503.18
GDP (USD bn) - nominal	912.59	890.56	860.85	931.85	1,015.62	1,042.19	1,119.10	1,059.04	1,186.36	1,319.10	1,432.17
GDP per capita (USD) - nominal	3,667.70	3,531.64	3,369.80	3,601.98	3,878.03	3,932.58	4,192.77	3,928.69	4,350.68	4,783.27	5,130.76
External Sector											
Goods Exports (% yoy)	-2.81	-3.73	-14.93	-3.12	16.90	7.01	-6.79	-3.00	42.49	25.64	2.20
Goods Imports (% yoy)	-1.35	-4.51	-19.75	-4.39	16.20	20.58	-8.85	-18.09	39.92	21.60	10.94
Goods Balance (USD bn)	5.83	6.98	14.05	15.32	18.81	-0.23	3.51	28.30	43.81	62.67	43.97
Current Account (% of GDP)	-3.19	-3.09	-2.04	-1.82	-1.59	-2.94	-2.71	-0.42	0.30	1.00	-0.65
Current Account (USD bn)	-29.11	-27.51	-17.52	-16.95	-16.20	-30.63	-30.28	-4.43	3.51	13.13	-9.34
IDR/USD (period average)	10,439	11,875	13,394	13,305	13,384	14,247	14,141	14,543	14,321	14,874	15,031
IDR/USD (year end)	12,170	12,385	13,788	13,473	13,568	14,390	13,866	14,050	14,253	15,568	14,864
Other											
BI rate (% year end)	7.50	7.75	7.50								
BI 7 days reverse repo rate (% year end)				4.75	4.25	6.00	5.00	3.75	3.50	5.50	5.75
Headline Inflation (% yoy, period average)	6.40	6.40	6.40	3.50	3.81	3.20	3.03	2.04	1.56	4.21	3.79
Headline Inflation (% yoy, year end)	8.08	8.36	3.35	3.00	3.61	3.13	2.72	1.68	1.87	5.51	3.00
S&P's Rating - FCY	BB+	BB+	BB+	BB+	BBB-	BBB-	BBB	BBB	BBB	BBB	BBB
S&P's Rating - LCY	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB	BBB	BBB	BBB	BBB

Note: F = forecast, Source: OCE BMRI



THANK YOU

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