

BI-Rate Held at 6.25%

Strengthening Stability and Maintaining Growth from Impact of Global Spillovers

Deposit Facility 5.50%

Lending Facility 7.00%

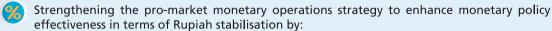
This decision is consistent with the pro-stability focus of monetary policy, to further strengthen the stabilization of the Rupiah exchange rate as well as a pre-emptive and forward-looking measure to ensure inflation within the 2.5%±1% target corridor in 2024 and 2025.

Bank Indonesia will maintain pro-growth macroprudential and payment system policies to foster sustainable economic growth.

Bank Indonesia will hold an accommodative macroprudential policy stance to revive bank lending/financing to businesses and households.

Payment system policy is directed towards bolstering reliable infrastructure and reinforcing the structure of the payment system industry, while expanding acceptance of payment system digitalisation.

Policy Mix



- a. Strengthening the interest rate structure of the Rupiah money market to maintain attractive yields and increase portfolio inflows to domestic financial assets for
- b. Optimising Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Foreign Exchange Securities (SVBI) and Bank Indonesia Foreign Exchange Sukuk (SUVBI).
- Stabilising the Rupiah through foreign exchange market intervention with a focus on spot and Domestic Non-Deliverable Forward (DNDF) transactions, as well as government securities (SBN) in the secondary market.
- to maintain adequate liquidity in the banking industry. Strengthening prime lending rate (PLR) transparency policy with a focus on interest rates by

Strengthening the competitive SBN term-repo and FX swap transaction strategies

priority economic sector based on Macroprudential Liquidity Incentive policy (KLM).

Implementing the Indonesia Payment System Blueprint (BSPI) 2030, which is focused on aspects of infrastructure development and industry structure consolidation.

- Increasing acceptance of digital payment services by expanding Quick Response Code Indonesia Standard (QRIS) and the Indonesia Credit Card (KKI) for the government segment.
- Expanding international financial cooperation and central bank cooperation, including structured bilateral cooperation, while promoting trade and investment in priority sectors in synergy with relevant institutions.
- Strengthening policy coordination with the (central and regional) Government through the National Movement for Food Inflation Control (GNPIP) in various regions within the Central Government and Regional Government Inflation Control Teams (TPIP and TPID), and also strengthening the Financial System Stability Committee (KSSK) to maintain financial system stability and revive bank lending/financing to businesses.

2024 Outlook **Economic Growth**

Current Account Deficit

Credit Growth

In the 4.7% - 5.5% range | Low deficit in the range 0.1% - 0.9% of GDP | In the 2.5% \pm 1% range | In the 10% - 12% range

Assessment

Global financial market uncertainty has shown early signs of easing yet the risks remain high.



Economic Growth Projection 2024

Is forecast to begin slowing in the second semester of 2024 in response to weaker domestic demand, and has impacted on:

- heightened unemployment
- · accelerated the disinflation process towards the long-term inflation target of 2%

This has stoked expectations of earlier and larger Federal Funds Rate (FFR) reductions than previously forecast.

Remains sluggish influenced by the continued weakening of consumption and construction performance.

Is experiencing economic improvements supported by private consumption.

Global financial market uncertainty has also begun to lessen, prompting an influx of foreign capital inflows and strengthening currencies in emerging market economies (EMEs), including

⋄ 2. Domestic Economy

At home, economic growth in Indonesia remains solid, underpinned by domestic demand and exports.



Economic Growth in

- Primarily supported by household consumption and investment.
- Exports increased on higher demand in key trading partners, coupled with higher services exports.

→ 3. Indonesia's Balance of Payment (BOP)

BOP remains sound, thereby supporting external resilience.



Trade Balance

USD 0.5 July 2024 **Portfolio Investment**



As of 19th August 2024 (qtd) **Reserve Assets**

USD145.4 Billion End of July 2024

Equivalent to 6.5 months of imports or 6.3 months of imports and servicing government external debt, which is well above the international adequacy standard of around 3 months of imports.

⋄ 4. Exchange Rate

The Rupiah continues tracking an appreciatory trend in response to the monetary policy mix instituted by Bank Indonesia, an influx of foreign capital inflows and early signs that global financial market uncertainty is subsiding.

Rupiah strengthening:

5.34%

Rupiah appreciation has outperformed other regional currencies such as:



Japanese (mtd)

Philippine 3.20%

3.04%

(mtd) As of 20th August 2024



Moving forward, the Rupiah exchange rate is projected to continue strengthening in line with attractive yields, low inflation and solid economic growth in Indonesia, as well as Bank Indonesia's firm policy commitments.

5. Inflation

Inflation is falling and remains within the target corridor.



Core Inflation 1.95% (yoy)

www.bi.go.id

3.63% (yoy)

1.47% (yoy)

July 2024

Bank Indonesia will continue strengthening its pro-stability monetary policy stance and bolstering policy synergy with the (central and regional) Government to maintain inflation

BankIndonesiaChannel



Administered Prices Inflation

X bank_indonesia

QRIS transactions are growing rapidly **Cash Transaction**

524.89 Million 207.55% (yoy)











frontier, outermost and remote regions.

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BICARA: 131

Inflation

Bank Indonesia continues optimising various pro-market monetary instruments, namely SRBI, SVBI and SUVBI, to strengthen Rupiah stability and achieve the inflation target.

Instrument Position Bank Indonesia Rupiah **Bank Indonesia Forex**

Monetary policy transmission remains effective.

Securities (SRBI)

Rp899.50

→ 7. Policy Rate Transmission

Credit growth remained strength.

Liquid Assets to Third-party | Capital Adequacy

⋄ 6. Pro-market Monetary Operation

USD1.73

Securities (SVBI)

Million

USD168 Rp243.27

Sukuk Valas Bank Non-resident holdings

of SRBI

As of 19th August 2024

Indonesia (SUVBI)

The IndONIA money market SRBI issuances have attracted portfolio inflows. reference rate is still moving 6-Month Term

9-Month Term 7.14%

12-Month Term 7.20%

16th August 2024

Credit Growth

Liquidity remains

25.56%

Funds (LA/TPF)

adequate.

6.39%

within the BI-Rate range.

The banking industry maintained competitive. 1-Month Term Deposit Rate **4.73**%

Third-Party Funds

solid.

20th August 2024

7.05%

Lending Rate 9.23%

8. Financial System Stability

Sharia Financing 12.40% (yoy) 7.72% (yoy)

5.16% (yoy) 11.75% (yoy)

Financial system resilience remains solid.

Capital remains Credit risk maintained. 2.26%/0.78%

Economic financing through capital markets.

Rp121.47 Non-performing Loan (NPL)

MSMEs Credit

Efficiency and Profitability maintained.

78.77% BOPO Efficiency Ratio Net Interest Margin (NIM)

26.09%

Ratio (CAR)

remains solid. 2.20 Corporate Interest Coverage Ratio (ICR)

June 2024 *non-financial corporations listed on the IDX

Volume of BI-FAST Transaction

65.08% (yoy) 301.41 Million

Volume of Digital Banking Transaction

30.50% (yoy) 1,845.27 Million

Volume of Credit Card Transaction

15.35% (yoy) 39.83 Million

→ 9. Payment System

Digital economic and financial transactions remained solid, supported by secure, seamless and reliable payment systems.

Non-cash Transaction

Nominal of BI-RTGS Transaction 15.36%(yoy) Rp15,450 Trillion

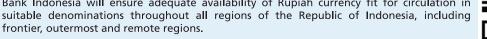
22.61% (yoy) | 1,272.35 Million Volume of Debit Card Transaction

Volume of Electronic Money Transaction

-9.57% (yoy) 584.95 Million **Volume Transaction**

//// Number of Merchant

Rp1,041.02 Trillion



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Bank Indonesia

July 2024

June 2024 Corporate performance*

Q-II 2024 data projection

Trillion (gross)