



REPUBLIC OF INDONESIA

Recent Economic Developments

April, 2010

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Executive Summary

- Indonesia was one of among the three countries which successfully posted a positive growth rate in 2009, navigating through the global financial turmoil and economic slowdown. The economy charted fairly vigorous **growth** at 4.5%(yoy) higher than expected (4.3%) .
- Economic data up to end of the first quarter 2010 supported us to believe that our economy, in line with the development in the global economy, is moving toward better development than we previously expected on the beginning of this year. The optimism also supported by development in the perception indicators such as yield spread, sovereign rating, CDS, CRC, OECD, etc. On the backdrops, bank Indonesia revised economic growth outlook for 2010 and 2011 to be consecutively within the range of 5.5-6.0% and 6.0-6.5%.
- The latest Board of Governors Meeting convened in April 2010 decided to keep the **BI rate** at 6.5% after concluding the present level of BI Rate is consistent with achievement of the 2010 inflation target, set at 5%±1%. In the balance of risk, the probability of renewed inflationary pressure is low and BI Rate also seen as favorable to boost economic recovery, maintain financial system stability and promote the banking intermediation function.
- Up until March 2010, inflationary pressure reduced largely on account of strong rupiah exchange rate, adequate supply side response to demand and minimum administered price policy., During March, inflation fell by 0.14% bringing annual CPI inflation in March 2010 to 3.43% (yoy). Weaker inflationary pressure is expected to continue in 2010 to increase possibility that inflation will at the lower level of the targeted range.
- **Banking** industry remains solid with high level of CAR (19.3%) and comfortably safe level of NPL (gross) at a 4.0% (as of February 2010). As economic actors gain more confidence in the economic outlook, lending growth were recorded at about 10.94% (yoy).

Executive Summary

- By the end of Q4-2009, Indonesia's **overall balance of payments** recorded a surplus of US\$4.0 billion resulted from surpluses in both the current account as well as the capital and financial account.
- **International reserves** reached to USD 71.8 billion as of end of March 2010, equivalent to about 5.8 months of imports and official external debt payment.
- In 2010, **Rupiah** maintained at an appreciating trend in keeping with improvement in economic fundamentals and lower investment risk. The average value of the rupiah in Q1-2010 strengthened by 2.2% as a result of a more robust balance of payments, declining risk perceptions and attractive yields. Rupiah continues to strengthen at the level of IDR 9,100 against USD as of end March 2010.
- On the **fiscal side**, in 2010 Government continues to maintain the balancing act to support the recovery and to anticipate the global growth momentum going forward by improving public infrastructure and energy. In the medium term, fiscal policy is directed toward maintaining fiscal consolidation while at the same time sustaining fiscal stimulus.
- Currently, the government's **proposal to revise the 2010 budget** is still in an ongoing discussion at the parliament and expected to be approved around early May 2010. The revision is perceived as a necessary measure to adjust the current economic conditions especially changes in the macroeconomic assumptions. The proposed budget adjustment would increased deficit from 1.6 to 2.1%, in order to contain increasing subsidies figures due to rising commodity prices mainly from oil, and lower tax revenue in line with addition in tax incentives program.

Indonesia Story: as Acknowledged by Rating Agencies

Impressively navigates through the global crisis and as growing confidence in economic outlook , the Republic continued to receive good review, especially from Rating agencies

- **Moody's Investors Service (September 16, 2009): upgraded Indonesia's foreign and local-currency sovereign debt ratings to Ba2 with stable outlook.** The upgrade was prompted by the Indonesian economy's relatively strong resilience to the global recession as well as its healthy medium-term growth prospects.
- **S & P (March 12, 2010): upgraded Indonesia's long-term foreign currency rating to BB from BB- with positive outlook** which indicates that Indonesia has big possibility to be upgraded in one year. The main factor supporting this decision is steadily improving debt metrics and growing foreign currency reserves which reduced vulnerability to shock with continued cautious fiscal management.
- **Fitch Ratings upgraded the Republic of Indonesia's sovereign rating in January 25, 2010 to 'BB+' from 'BB' with stable outlook.** The rating action reflects Indonesia's relative resilience to the severe global financial stress test of 2008-2009 which has been underpinned by continued improvements in the country's public finances.
- **On April 2, 2010, the OECD due also up graded Indonesia's Credit Risk Classification or the CRC from category 5 to 4.** This upgrade was a timely acknowledgement by the developed economies of the consistent economic improvement. This upgrade would significantly improve Indonesia's credit standing in front of the creditor countries especially the credit exports creditor countries which eventually would decrease the debt burden.



Positive Macroeconomic Developments

Real Sector: Indonesia Development Policy

Indonesia Development Policy is based on a 'Triple Track Strategy'

1st

Pro-Growth:
Increase Growth by prioritizing export and investment

2nd

Pro-Job :
Boost up the real sector in order to create jobs

3rd

Pro-Poor:
Revitalize agriculture, forestry, maritime, and rural economy to reduce poverty

Overview of Fiscal Policy for 2009 and 2010

Fiscal Stimulus Policies

- Continue an effective fiscal stimulus 2009 (1.4% GDP), 2010 (1.6% GDP)
- Reduce debt to GDP ratio: 2009 (28%), 2010 (27%).
- Actual fiscal deficit 1.6% of GDP, lower than 2.4% of GDP target deficit projected in 2009 Revised Budget
- Target fiscal deficit 1.6% of GDP in 2010 Budget (budget adjustments is in ongoing discussion with the parliament) .

Tax and Administrative Reforms

- Continue tax policy and administration reform, reduce rate for companies, certainty of tax policy for oil companies
- Implement the 1st batch of Performance Based Budget (PBB), Civil Service Reform and Remuneration (11 ministries) and multi-years projects

New Feature of Fiscal Policy

- Provide fiscal space for the new government to implement additional priority programs (0.4% of GDP or equal to USD 2.5 billion)
- Sufficient fiscal risk for oil and commodity prices, El-Nino, provide guarantee on land acquisition for infrastructure projects, secure financing for power (PLN) and restructuring water services (PDAM), domestic oil price adjustment if necessary
- Export promotion (additional capital for Indonesian Exim Bank) and incentives for real sector, climate change projects (geothermal, bio-premium, green funds)

Maintain Social Welfare

- Continue welfare programs (PNPM, BOS, Jamkesmas, Raskin) and provide budget for education sector

Fiscal Policy to Promote Economic Recovery

The fiscal policy aims to promote economic recovery by providing tax incentives to various sectors and businesses which further promotes private consumption and investment spending

Incentives on General Taxation

- Reduce income tax rate for corporations from 28% to 25%
- Reduce income tax rate by 5% for listed companies with 40% public ownership
- Provide income tax facilities for businesses in specific industries or areas
- Free VAT for primary agriculture products
- Eliminate many luxury tax items
- Provide tax and custom Incentive for special areas in accordance with law on tax and custom
- Eliminate non tax revenue for export and import documentation

Energy Incentives

- Provide incentive for geothermal energy through income tax and VAT
- Provide tax incentive on imports (both income tax and VAT on imports) for the oil and gas exploration sector
- Provide incentive for green energy through for VAT and subsidy

Incentives for Industry

- Provide custom incentives for select industries
- Provide custom incentives for imported capital goods and capex

Fiscal Policy to Enhance Competitiveness

The Indonesian government continues to support the development of infrastructure and enhance the social welfare through the effective fiscal policy and incentives for specific sectors

Infrastructure Development and Social Welfare

- Guarantee for 10,000 MW electricity program and IPP
- Additional funds for land clearing for toll road building
- Guarantee obligation for State Water Company and subsidy on interest for clean water, and interest credit for State Water Company, business in Aceh / Nias, and KKPE
- Subsidy and VAT for people's housing (low income housing)

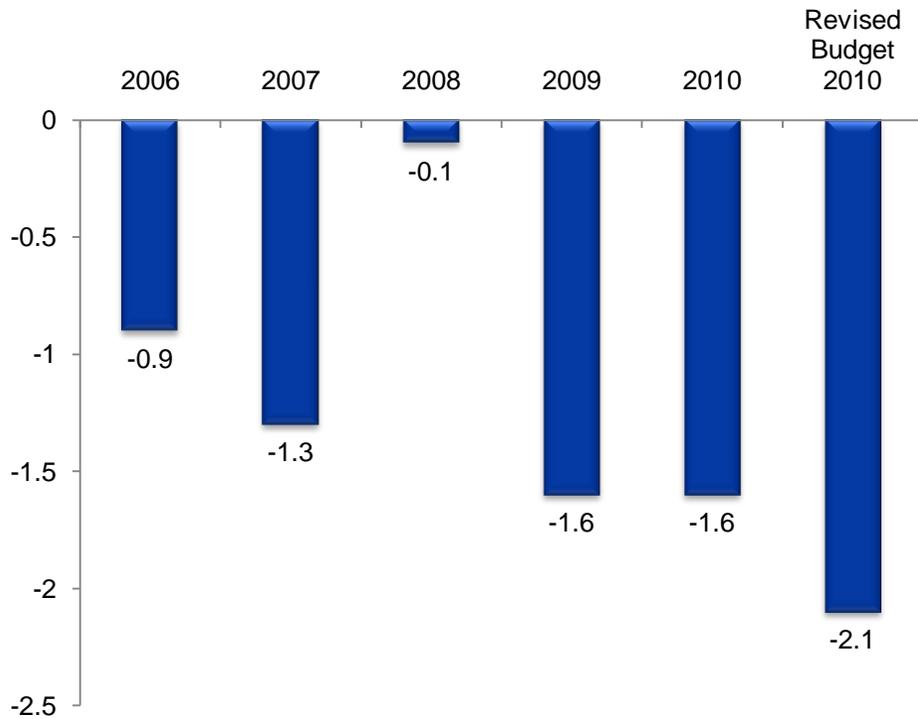
Assistance to Support Specific Sectors

- Credit for green fuel development
- Credit for farming and cow growers
- Subsidy for fertilizers, seeds and inventory
- Direct assistance for seeds at competitive pricing in order to revitalize plantation, cocoa and sugar industry
- Additional capital for LPEI (Indonesian Exim Bank) to finance export related activities, including for SMEs
- Provide incentives for high performance regions (e.g. performance on financial, economics and social welfare)
- Resolution for troubled asset at SOEs and SMEs loan

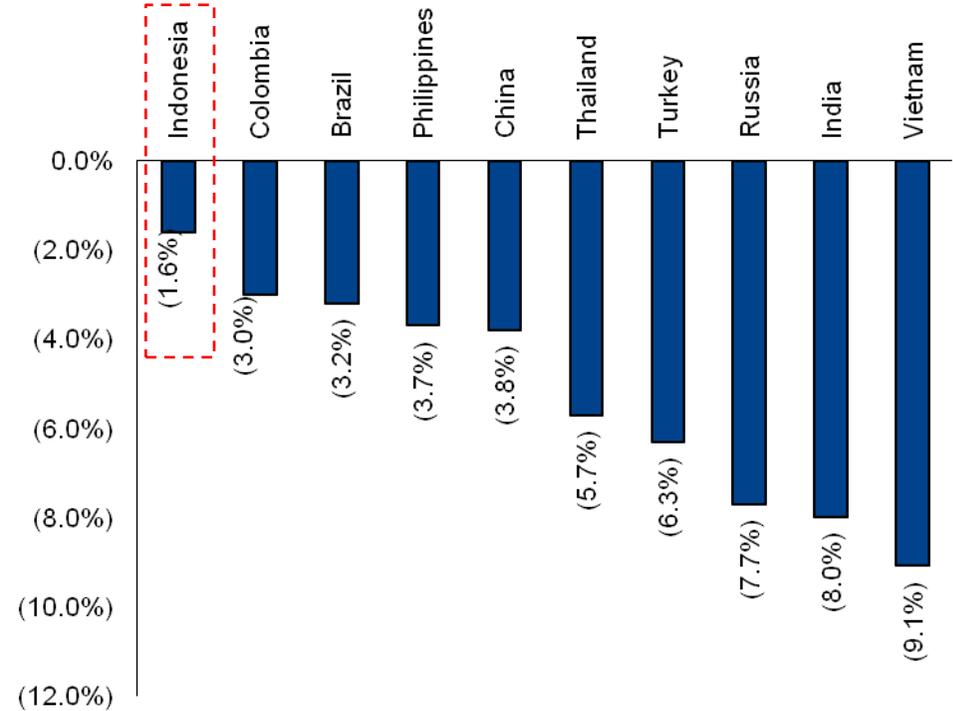
Budget Deficit to GDP

Public Finances is a fundamental strength of the Indonesian economy; most of Indonesian ratios are strong or stronger than its peers; Fiscal Budget deficit has traditionally been limited and remained contained in 2009. Fiscal Stimulus did not impact much on fiscal deficit in 2009

Budget Deficit / GDP (%)



Budget Deficit / GDP 2009* vs. Emerging Markets Countries



Recent Enhancement of Monetary Operation: Extending SBI Maturity Profile

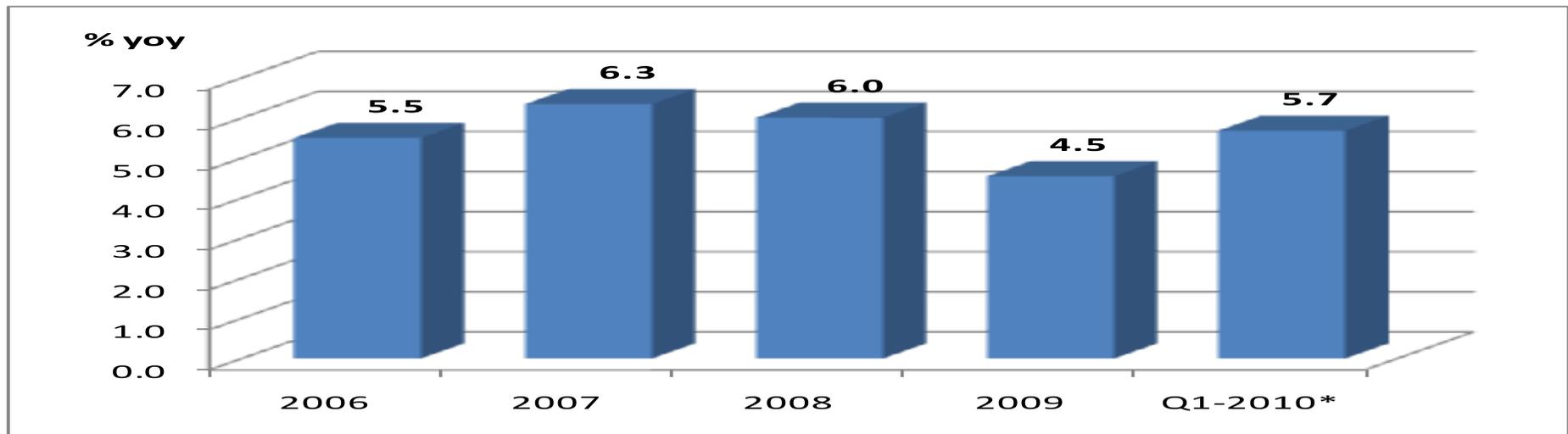
- Under a framework of improving monetary operations, Bank Indonesia will extend the maturity profile of Bank Indonesia Certificates (SBI). SBI auctions that were previously held weekly will be changed to monthly. Additionally, 3-month and 6-month SBI will be prioritized in order to absorb excess rupiah liquidity.
- The change from weekly to monthly auctions is **expected to bolster bank liquidity management over a longer time horizon**. Furthermore, the absorption of excess liquidity through the prioritization of 3-month and 6-month SBI will foster more active transactions on the money market and ensure more effective monetary operations.
- **The implementation of improved monetary operations will commence in June 2010, with a 3-month transition period beginning in March 2010.**
- In order to maintain adequate liquidity and interest rate stability BI will continue to optimize other monetary operations, namely FASBI, Repo O/N and Fine Tune Operations (Fine Tune Contraction and Expansion). Therefore, there is no adjustment to the structure of existing monetary operation instruments. Meanwhile, sharia SBI (SBIS) auctions will follow the shortest SBI auction schedule and tenure.

Economic Growth Sustained

The growth is quite strong compared globally.

- **During 2007 - 2008**, the economy performed steadily at 6,2% on average, which was the highest GDP growth after Asian crisis. However, in Q4-2008, Indonesia's economic performance began to moderate as an impact of the global economic downturn.
- **Furthermore, GDP growth in Q1-2009 and Q2-2009** slid to 4,5% and 4,1% (yoy). The softening GDP growth was largely the result of plunging export, commensurate with the deterioration in global economic condition. Despite this, economic activity fuelled by the national election activities has been able to keep domestic economy from further decline.
- **Entering the Q3-2009**, global economic development showed a sign of improvement, faster than expected. Household consumption remains strong, primarily supported by maintained household confidence to domestic economic performance. As a result, the Indonesian economy in Q3-2009 charted a 4,2% growth (yoy) and will continue to trend upward.
- **GDP in Q4-2009** showed a significant improvement charted a 5.4% growth (yoy). and as the result, Indonesia's economic growth for the whole 2009 reached 4,5% (yoy), better than expected. The major improvement was a result from increase in exports, investment, and government consumption.
- **Going forward in 2010**, the Indonesian economy is forecasted to grow by 5.7% in Q1-2010 and within the range of 5.5%-6.0% by the end of 2010. In 2011, the economic growth predicted to climb to 6.0%-6.5%. This improving growth trend is predicted alongside recovery in the world economy, strong domestic demand, and improvement in financial and banking sector.

Sustainable Economic Growth

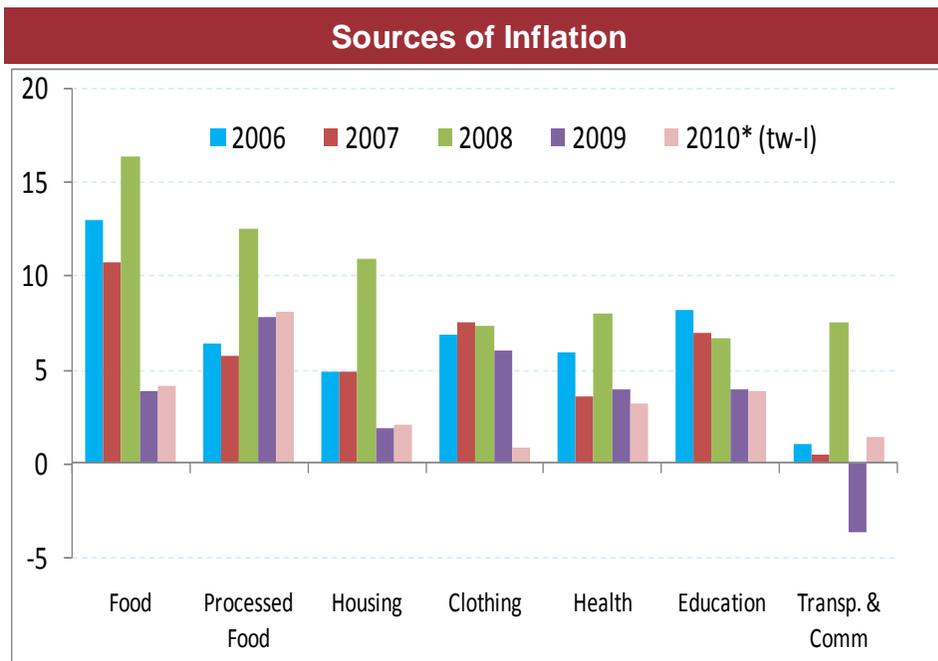
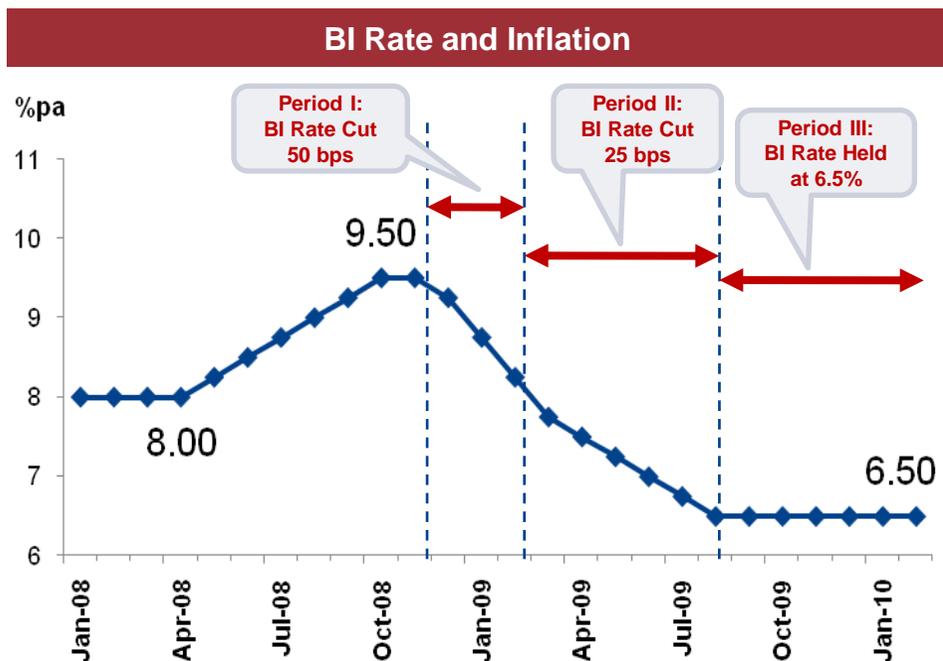


(*): Preliminary

Source: Ministry of Finance, BPS.

Flexible monetary policy to support growth objectives

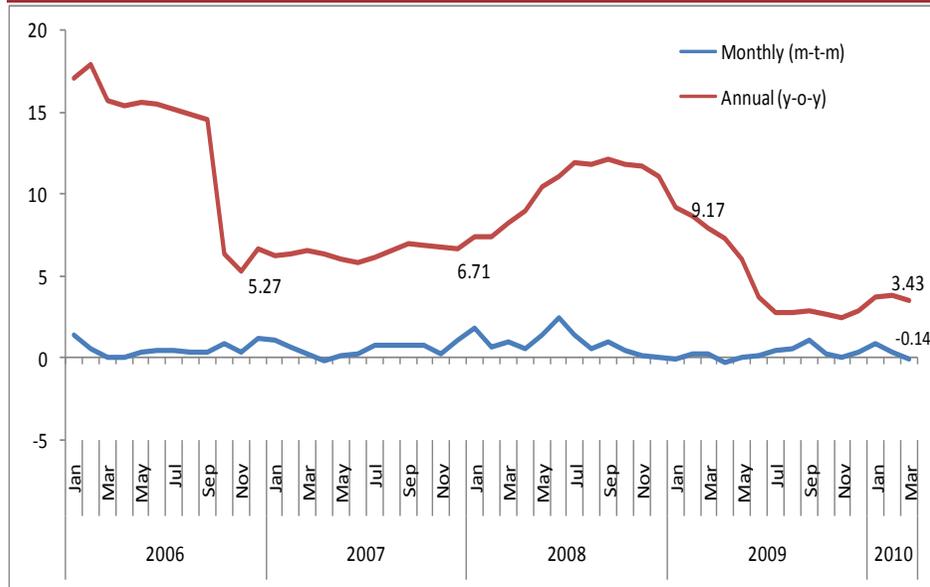
The monetary policy stance is directed towards maintaining consistently low inflation while making adequate provision for measures to strengthen economic recovery.



- The monetary relaxation during 2009 with BI Rate lowered 300 bps to 6.50% has provided ample support for the economic recovery and bank intermediation processes.
- Indonesian economy in 2009 has charted remarkably low inflation. In 2009, the CPI recorded annual inflation at 2.78% (yoy), the lowest inflation in 10 years.
- Inflationary pressure has eased in response to the government decision to lower fuel price at the beginning of the year, external factors of lower trading partner inflation, appreciation in the exchange rate and softening public expectations of inflation.

Inflation

Inflation



Inflation Expectation – Consensus Forecast

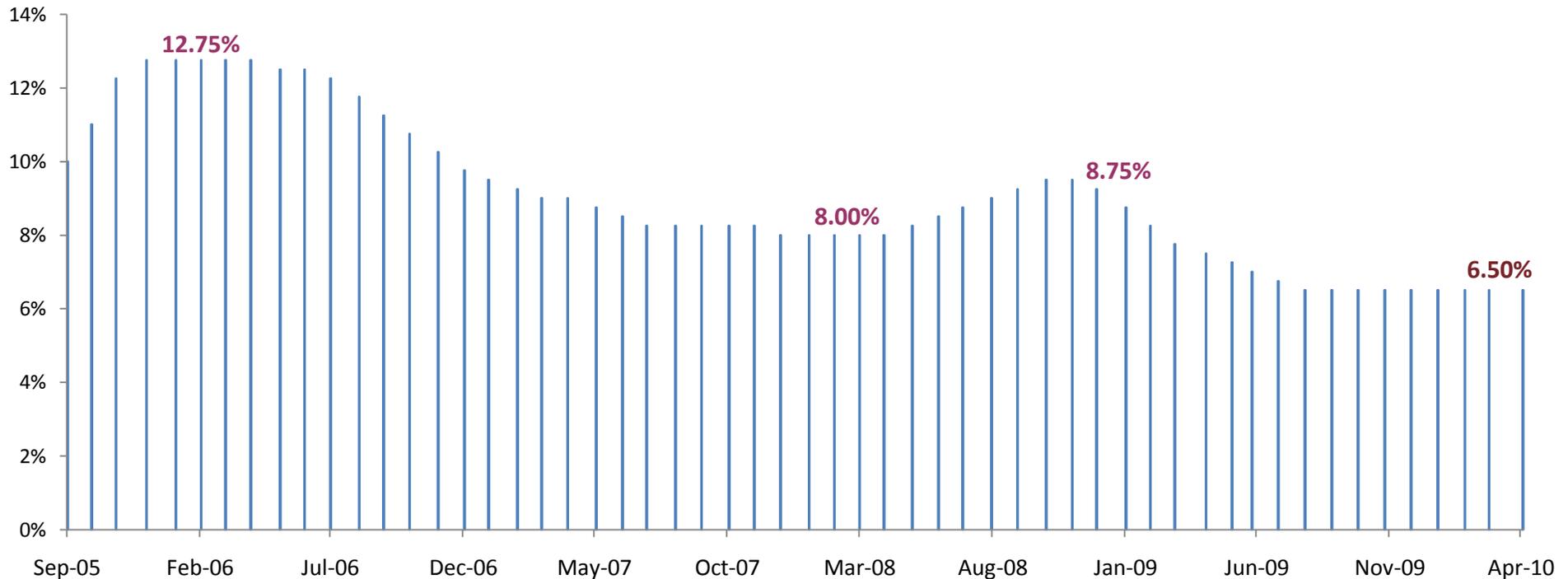


- **Inflation in 2009** came to 2.78% (yoy), fell below the inflation target and the lowest inflation in 10 years. The low inflation was closely linked to plunging external demand and a series of policy actions instituted by the government. The global economic contraction sent world commodity prices tumbling in 2009, a development that also slowed activity in the domestic economy
- Stable rupiah is expected to damp pressure from higher commodity prices and pave the way for better **inflation expectation**. From domestic side, in addition to administered price, subtle inflationary pressure would also be the result from higher demand along with higher economic growth as production capacity remain adequate to respond to higher demand. Those conditions is projected to be reflected in inflation rate at 5.1% in 2010.
- Up to March 2010, inflationary pressure remained low along with waning inflationary pressure from volatile food, minimum inflationary pressures from administered prices, and modest inflation expectations, led to a deflation at -0.14% (mtm), or at 3.43% (yoy).

Monetary Policy Stance

- Since December 2008, BI has slashed BI Rate by 300 bps. The monetary relaxation has offered ample support for the economic recovery process and bank intermediation.
- In the last Board of Governors' Meeting in **April 2010, Bank Indonesia has decided to keep the BI Rate unchanged at 6.5%.** The Board of Governors believes that the monetary relaxation brought about by the 300 bps decline in the BI Rate offers ample support for the economic recovery process and bank intermediation. At 6.50%, the BI Rate is also deemed consistent with achievement of the inflation target for 2010, set at 5% 1%.

BI Rate

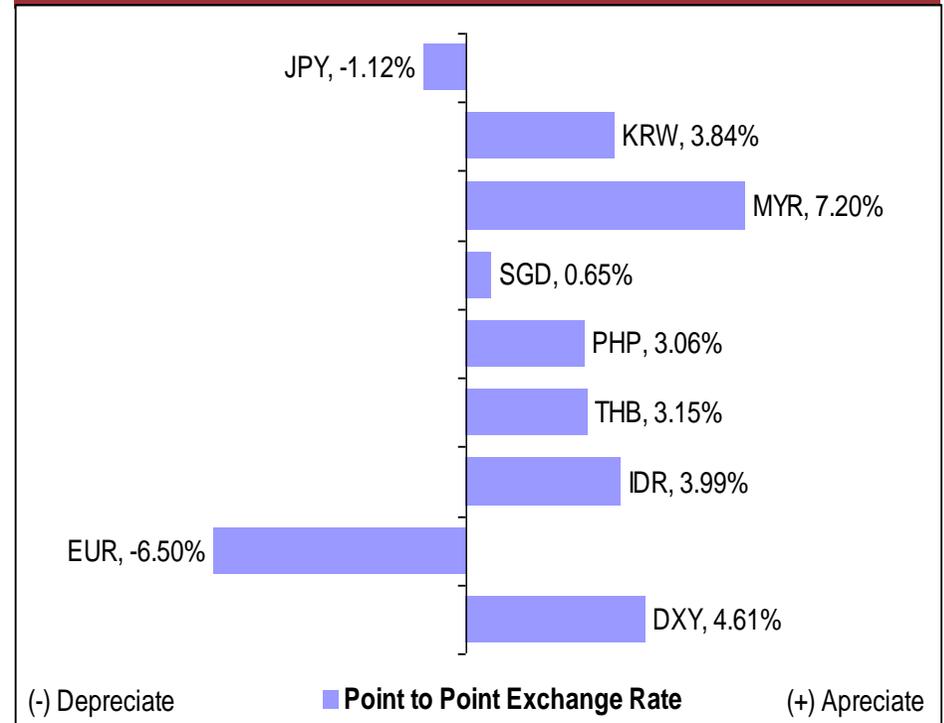


Rupiah appreciating trend continues

Rupiah Exchange Rate – Against USD



Exchange Rate Movement – Indonesia Compared to Regional

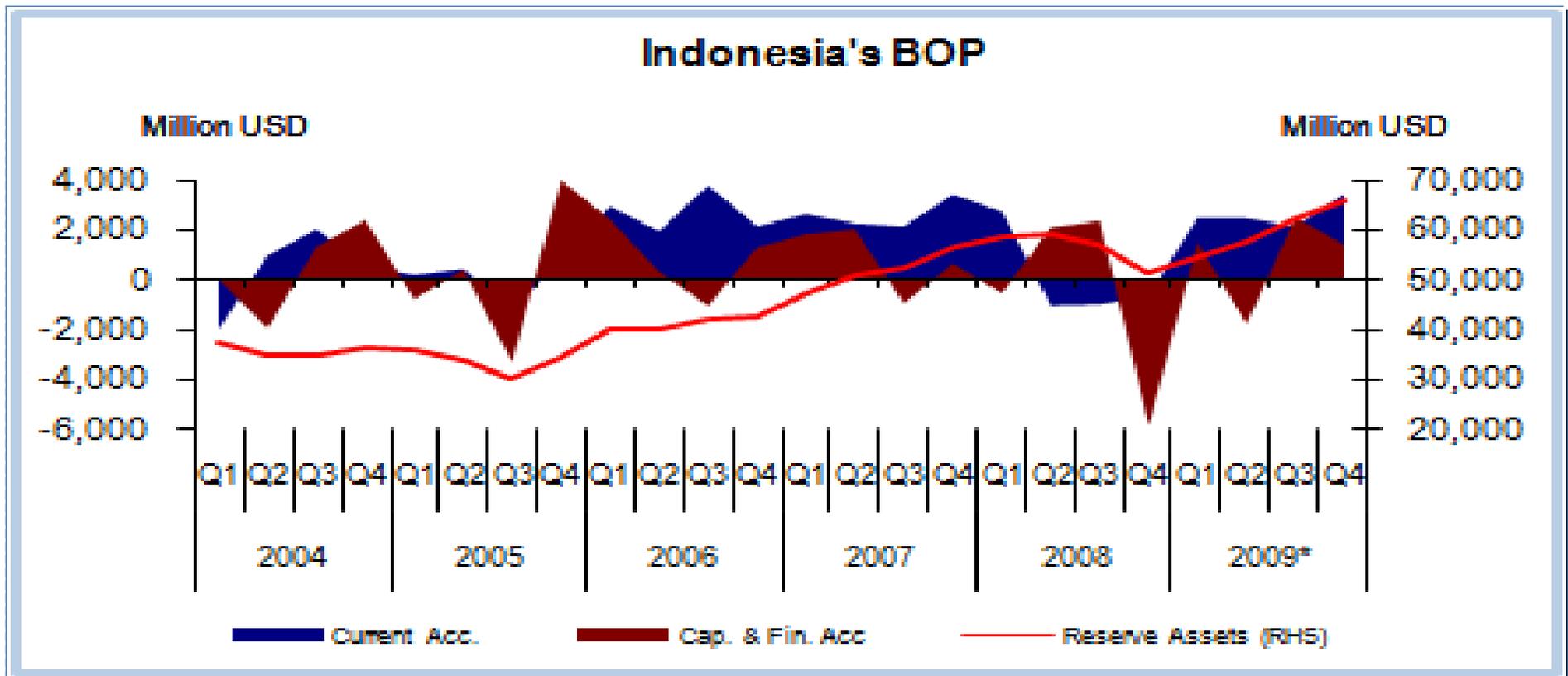


- The rupiah exchange rate maintained an appreciating trend in keeping with improvement in economic fundamentals and lower investment risk. These positive developments results in a **strengthened average value of the rupiah in Q1-2010 by 2.2%**.
- Foreign investors purchased Rupiah assets such as SBI, government bonds (SUN) and stocks due to sound fundamental economy and attractive yield of Indonesia's assets.
- Rupiah recorded to strengthened from IDR 9,404 per USD as on December 31,2009 to IDR 9,100 per USD in March 2010. **Further, Rupiah is expected to keep stable along with favorable economic condition.**

Balance of Payments Q4-2009

- Indonesia's balance of payments in **Q4-2009 posted a surplus of US\$4.0 billion** (Q3-2009: US\$3.5 billion), This surplus is encouraged by the performance of both the current account and the capital and financial account.
- In response, international reserves at the end of Q4-2009 mounted to US\$66.1 billion, equivalent to 6.5 months of imports and official external debt service payments. By end of March 2010, foreign exchange reserves was recorded at US\$ 71.8 billion.

Balance of Payments



Balance of Payments 2009

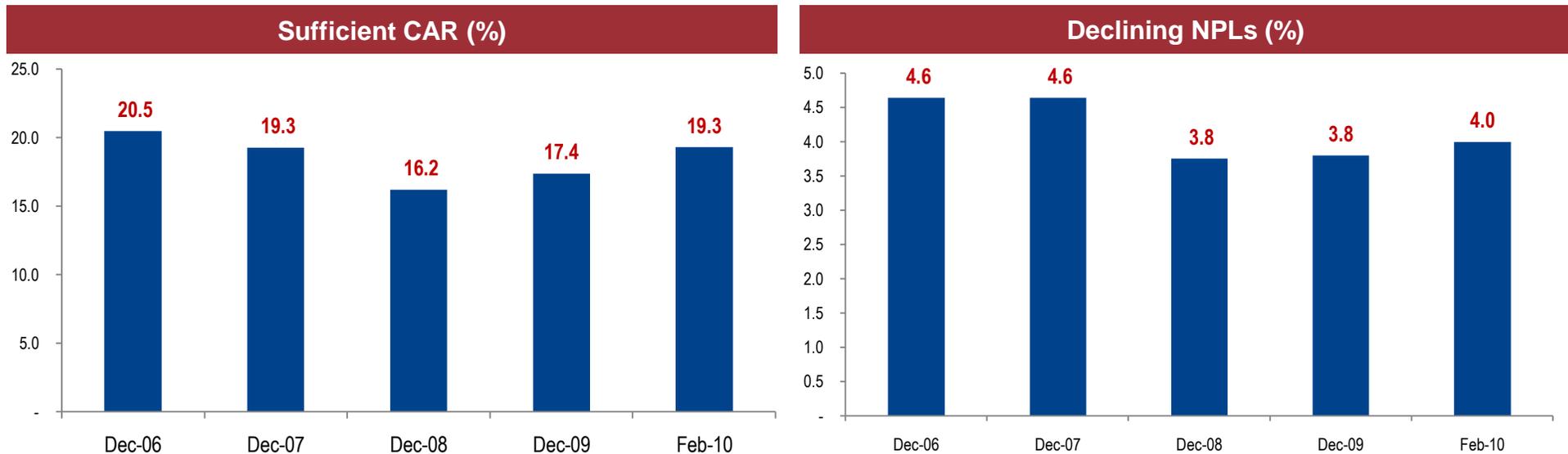
For the whole 2009, BoP recorded a good performance with a surplus of USD12.5 billion (as compared to an almost USD2 billion deficit in the previous year) contributed by surpluses in both current account as well as in the capital and financial account.

ITEMS	2008	2009 ¹⁾				Total
		Q1	Q2	Q3	Q4	
I. CURRENT ACCOUNT	126	2,509	2,481	2,150	3,442	10,582
A. Goods, net	22,916	6,886	8,367	8,491	11,454	35,198
1. Non-Oil & Gas, net	15,130	5,335	6,436	6,647	8,442	26,860
2. Oil & Gas, net	7,786	1,551	1,931	1,844	3,012	8,338
B. Services, net	-12,998	-2,743	-3,310	-3,517	-4,585	-14,155
C. Income, net	-15,155	-2,742	-3,776	-4,072	-4,742	-15,332
D. Current Transfers, net	5,364	1,109	1,200	1,247	1,315	4,871
II. CAPITAL & FINANCIAL ACCOUNT	-1,876	1,502	-1,757	2,523	1,405	3,673
A. Capital Account	294	19	29	34	14	96
B. Financial Account	-2,170	1,483	-1,785	2,489	1,390	3,577
1. Direct Investment	3,418	453	400	472	988	2,313
a. Abroad	-5,900	-1,451	-1,047	-515	26	-2,987
b. in Indonesia	9,318	1,904	1,447	987	962	5,300
2. Portfolio Investment	1,721	1,859	1,959	2,988	3,298	10,104
a. Assets	-1,294	133	362	-331	-403	-239
b. Liabilities	3,015	1,726	1,597	3,319	3,701	10,343
3. Other Investment	-7,309	-829	-4,144	-970	-2,896	-8,839
a. Assets	-10,755	-307	-2,271	-6,325	-3,729	-12,632
b. Liabilities	3,446	-522	-1,873	5,355	833	3,793
III. TOTAL (I+II)	-1,750	4,011	724	4,673	4,847	14,255
IV. NET ERRORS & OMISSIONS	-195	-56	328	-1,127	-893	-1,748
V. OVERALL BALANCE (III+IV)	-1,945	3,955	1,052	3,546	3,954	12,507

¹⁾ Provisional figures

Sound Banking Sector

Protected by prudential guidelines and conservative practices, the Banking Sector has weathered the global financial turmoil and posted good performance : strong solvency, contained risk exposure and profitability



The industry's resilience and maintained positive performance is owed to prudent measures and policies:

- Banks kept away from trouble and remained free from toxic assets
- Banks were not dependent on international funding
- Enhanced risk-based supervision & risk management, including licensing for Structured Products
- Swap has been extended from 7 days to 1 month
- Bank Indonesia renewed provision of short-term liquidity facility to provide access for all banks in the event of severe liquidity constraints. Collateral requirements are also extended. The new policies allow banks to also include performing loans as collaterals from previously only high quality

2010 Funding Strategy on Track

The Government's funding plans are well on-track with realized financing at **41.35%** of gross issuance required in the 2010 Budget

Net Issuance Realization as of April 6, 2010

2010 Issuance Program	IDR tr
Original 2010 Budget	
Government Securities Net Financing:	104.4
Redemption + Buyback ⁽¹⁾	(70.54)
Net Realization (April 6, 2010)	37.96
Gross Issuance:	72.34
<i>Coupon GDS</i> ⁽²⁾	26.50
<i>Retail bonds</i>	-
<i>Retail Sukuk</i>	8.03
<i>Zero coupon GDS</i> ⁽²⁾	13.35
<i>T'bill for Local Govt</i>	-
<i>Domestic Sukuk</i>	5.90
<i>International Sukuk</i>	-
<i>International bonds</i>	18.55
Redemption + Buyback	(34.38)

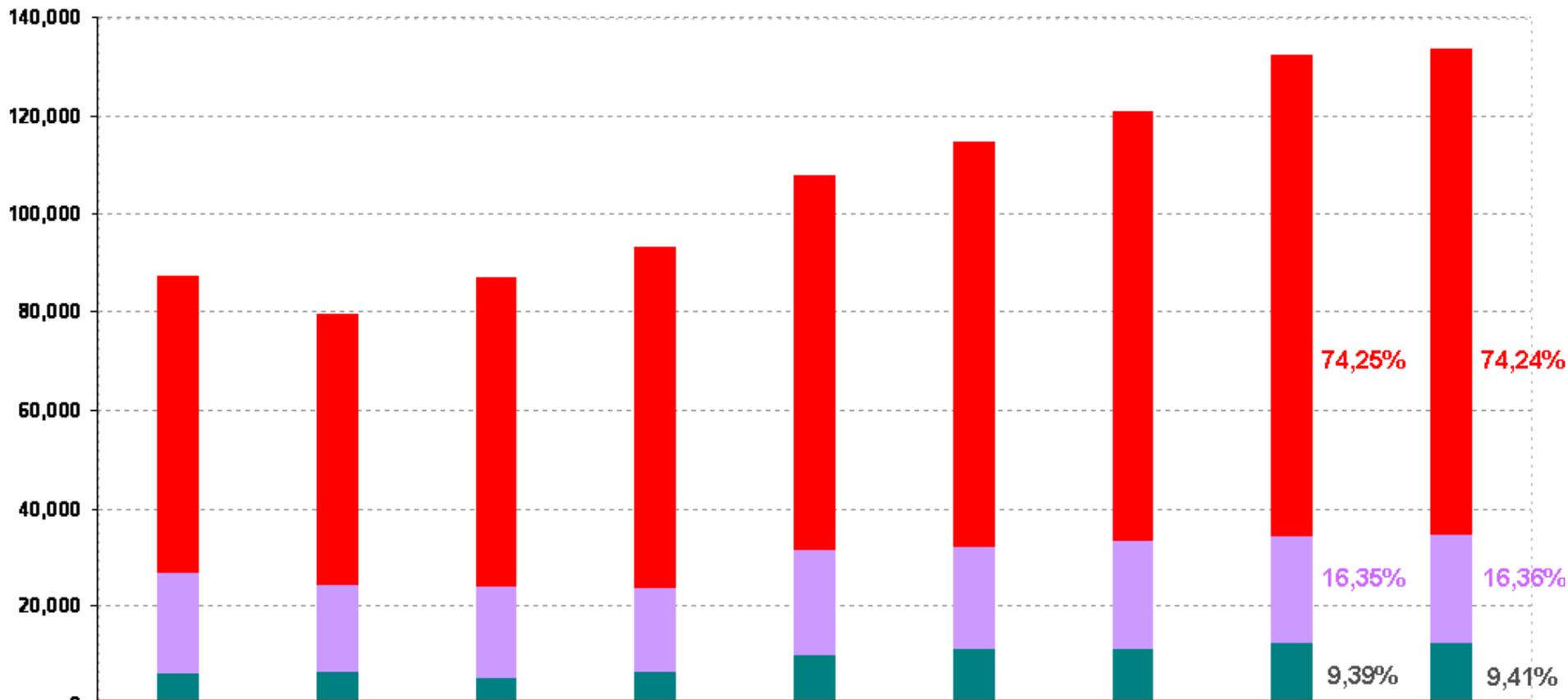
Source: Ministry of Finance

1. Redemption and buyback amount subject to change
2. GDS stands for Government Debt Securities (SUN)

- ◆ Issuance in the domestic market will be prioritized
- ◆ Issuance of a variety of domestic government securities
 - Fixed-rate
 - Variable rate
 - T-Bills
 - Zero coupon
 - Retail bonds
 - Syariah securities – Sukuk and Retail Sukuk
- ◆ International bonds
 - Indo GMTN
 - Samurai Bond

Foreign Ownership of Government Securities

IDR Billion



	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Jan-10	Feb-10	Mar-10	5-Apr-10
Total	87,606	79,834	87,153	93,225	107,997	115,019	120,809	132,459	133,710
>5	61,055	55,326	62,930	69,456	76,702	82,922	87,632	98,355	99,262
2-5	20,374	18,012	18,999	17,050	21,361	20,792	21,847	21,660	21,871
0-2	6,178	6,496	5,223	6,719	9,935	11,304	11,331	12,444	12,578

Latest Macroeconomic Indicators

Indicators	Unit	2007	2008	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2009	2010 Q1
Gross Domestic Product	%y-o-y	6.3	6.0	4.5	4.1	4.2	5.4	4.5	5.7
Private Consumption	%y-o-y	5.0	5.3	6.0	4.8	4.7	4.0	4.9	3.4
Government Consumption	%y-o-y	3.9	10.4	19.2	17.0	10.3	17.0	15.7	12.3
Investment	%y-o-y	9.3	11.9	3.5	2.4	3.2	4.2	3.3	6.9
Exports of Goods & Services	%y-o-y	8.5	9.5	-18.7	-15.5	-7.8	3.7	-9.7	19.0
Imports of Goods & Services	%y-o-y	9.1	10.0	-24.4	-21.0	-14.7	1.6	-15.0	21.1
Balance of Payments									
Current Account	%GDP	2.4	0.1	2.4	2.2	1.2	2.2	1.9	n.a
Capital & Financial Account	%GDP	0.8	-0.3	1.5	-1.8	2.1	0.0	0.4	n.a
Overall Balance	%GDP	2.9	-0.4	3.5	0.8	2.4	2.6	2.3	n.a
International Reserve	USD billion	56.9	51.6	54.8	57.6	62.3	66.1	66.1	71.8
Fiscal									
Budget Surplus/Deficit	%GDP	-1.3	-0.1	0.1	-0.2	-0.5	1.0	-1.6	0.2
Rupiah Exchange Rate (Average)	IDR/USD	9,140	9,666	11,578	10,527	9,973	9,459	10,374	9,254
CPI Inflation	%y-o-y	6.6	11.1	7.9	3.7	2.6	2.8	2.8	3.4
BI Rate	%pa	8.00	9.25	7.75	7.00	6.50	6.50	6.50	6.50
Credit Growth*	%y-o-y	25.5	29.5	24.3	15.0	8.7	8.7	8.7	9.4
Stock Price Composite Index	1983=100	2,746	1,355	1,434	2,027	2,468	2,534	2,534	2,777

* including channeling credit, Feb'10

In 2010, the Indonesian economy is positioned to grow higher

2010 Forecast

GDP Growth
is forecasted at about
5.5%-6.0%

Export
is expected to chart
higher growth

**Private
Consumption**
will remain strong

Inflation
is estimated to be on
target at range of
5.0% 1%

Main Factors Behind The Forecast

- Better exports performance along with global economic recovery and rising commodity prices
- Strong household consumption growth on the back of strong consumer confidence and increasing income from exports revenue
- Responding to strong demand from domestic and external, investment is also expected to pick up
- Global economic recovery will produce renewed acceleration in exports. The global economy is predicted to enter an expansionary phase in 2010. Renewed momentum is predicted in the economies of Indonesia's major trading partners, such as China. This strengthened performance will position exports as one of the main engines of economic growth in 2010.
- Indonesian exports characteristics which is based on primary commodities has also supported export growth acceleration.
- Household consumption is forecasted to remain strong. The strengthening global economic outlook for 2010 will given added momentum to Indonesia's exports, which in turn will produce an overall increase in private incomes.
- Higher investment will also contribute to rising incomes, thus paving the way for stronger public purchasing power.
- Stable rupiah is expected to damp pressure from higher commodity prices
- From domestic side, in addition to administered price, benign inflationary pressure will also come from higher demand along with higher economic growth as production capacity remain adequate to respond to higher demand
- Volatile food inflation is estimated to remain low as production and distribution of food will remain favorable.



REPUBLIC OF INDONESIA

Recent Economic Developments

Annexes
April, 2010

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- I. Bank Indonesia Banking Policy
- II. Debt Management and Debt Profile



Bank Indonesia Banking Policy

Banking Stability

The Indonesian banking sector continues to maintain financial stability and show positive performance
(as of February 2010)

Indicators	Dec-07	Dec-08	Jul-09	Aug-09	Sep-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
Total Asset (T Rp)	1,986.5	2,310.6	2,331.4	2,384.6	2,388.6	2,388.6	2,392.7	2,439.7	2,517.0	2,501.8	2,517.0
Deposits (T Rp)	1,510.7	1,753.3	1,806.6	1,847.0	1,857.3	1,857.3	1,863.5	1,897.0	1,973.0	1,948.5	1,931.6
- Demand Deposits	405.5	430.0	437.1	467.1	460.4	460.4	448.3	464.4	465.9	464.6	449.3
- Savings Accounts	438.5	498.6	515.4	518.9	536.2	536.2	539.4	554.5	605.4	585.4	575.9
- Time Deposit	666.7	824.7	854.1	861.0	860.7	860.7	875.8	878.0	901.7	898.5	906.4
Earning Assets (T Rp)	1,792.0	2,170.9	2,207.1	2,259.0	2,241.3	2,241.3	2,267.7	2,303.0	2,385.0	2,347.9	2,368.3
- Loans (T Rp)	1,045.7	1,353.6	1,370.2	1,400.4	1,399.9	1,399.9	1,410.4	1,430.9	1,470.8	1,435.7	1,459.7
- Bank Indonesia Certificates (T Rp)	203.9	166.5	194.4	193.2	182.4	182.4	189.7	199.4	212.1	241.1	237.4
- Overnight Placements at BI (T Rp)	46.8	71.9	50.3	56.6	44.8	44.8	70.6	50.6	84.4	77.7	57.1
- Securities	350.2	358.5	363.4	363.2	351.7	351.7	346.1	349.5	346.2	338.5	347.5
- Inter-bank Placements	139.8	213.8	220.0	236.3	252.9	252.9	241.1	262.6	261.5	244.5	255.9
- Equity Investments	5.6	6.6	8.9	9.4	9.6	9.6	9.8	9.9	10.0	10.4	10.7
Net Interest Income (Cummulated)	96.4	113.1	74.1	84.9	94.6	94.6	106.3	117.4	129.3	12.7	24.1
Capital Adequacy Ratio (%)	19.3	16.2	17.0	17.0	17.7	17.7	17.6	17.0	17.4	19.2	19.3
Loans/Earning Assets (%)	58.4	62.4	62.1	62.0	62.5	62.5	62.2	62.1	61.7	61.1	61.6
Gross Non Performing Loans (%)	4.6	3.8	4.6	4.5	4.3	4.3	4.3	4.4	3.8	3.9	4.0
Net Non Performing Loans (%)	1.9	1.5	1.7	1.5	1.3	1.3	1.2	1.4	0.9	1.1	1.0
Return on Assets (%)	2.8	2.3	2.7	2.7	2.6	2.6	2.7	2.6	2.6	3.1	2.9
Net Interest Margin (%)	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5
Ops. Expense/Ops. Income (%)	78.8	84.1	81.9	81.8	82.0	82.0	81.7	81.7	81.6	86.3	82.9
Loan to Deposit Ratio (%)	69.2	77.2	75.8	75.8	75.4	75.4	75.7	75.4	74.5	73.7	75.6
No. of Banks	130	124	122	122	121	121	121	121	121	121	*
No. of Bank Office Network	9,680	10,936	12,571	12,616	12,652	12,652	12,763	12,795	12,971	13,004	*

Overview: Financial Stability Index – Where does Indonesia Stand?

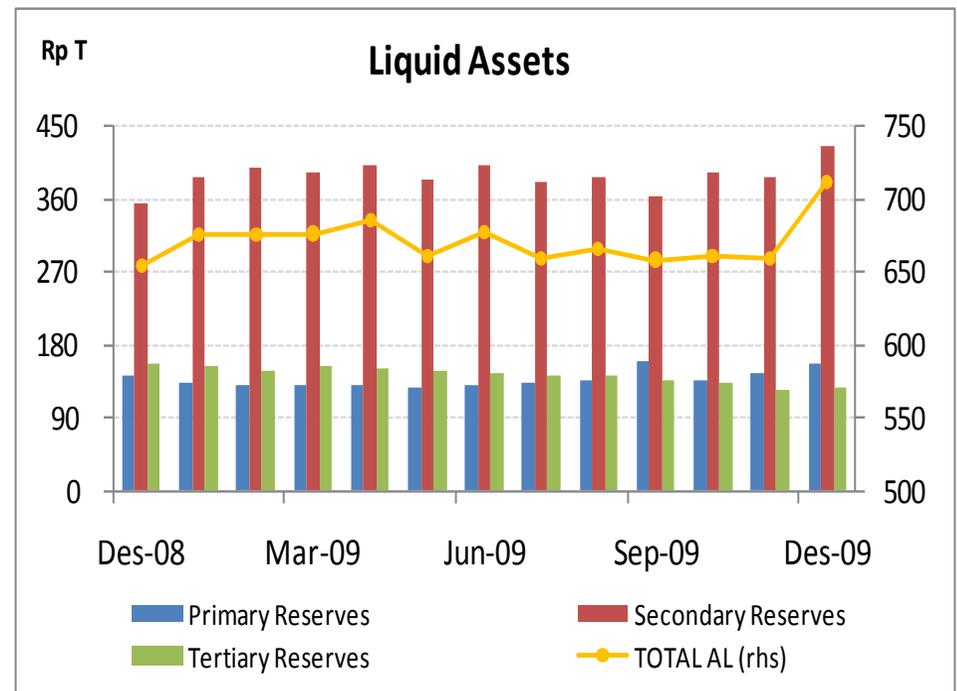
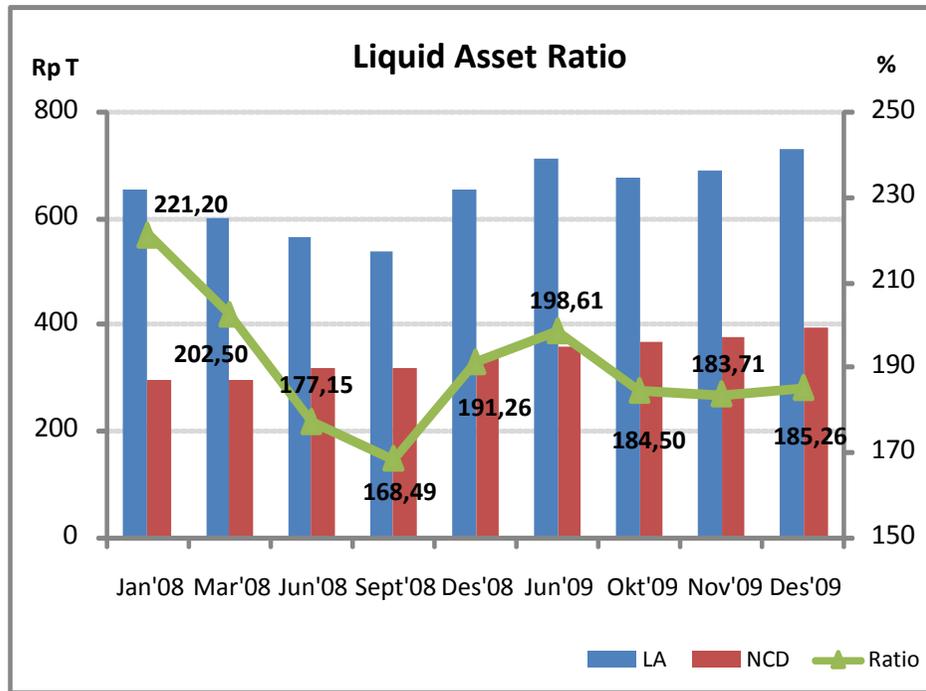
Indonesia is fairly insulated from global spill-over

- The Indonesian financial sector stays resilient amidst the recent crisis
- Strong governance structure and prudential principles: the invaluable lessons learned from the 1997/1998 Asian crisis lead the banking industry to put in place strong governance structures and apply balanced prudential principles.

Financial Stability Index 1996-2009



Liquidity Risk

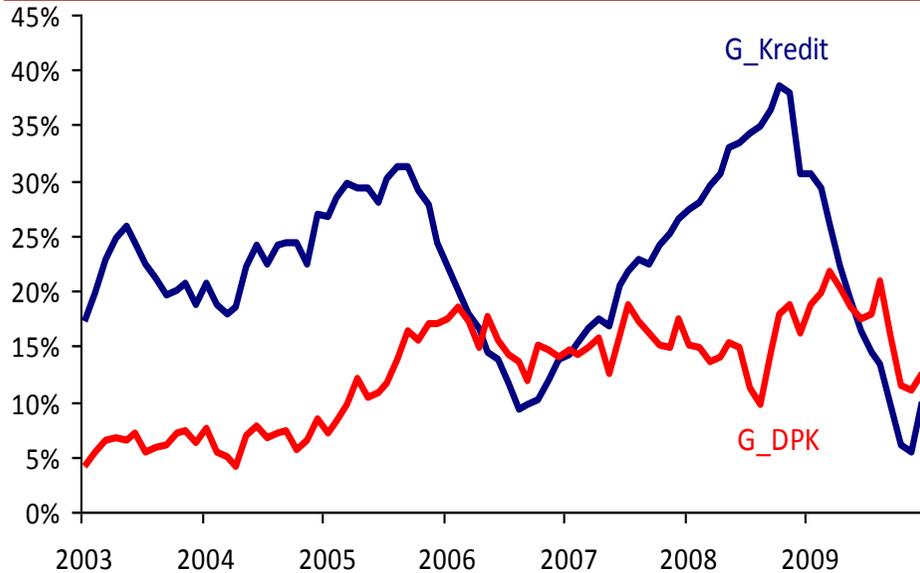


- a. Liquid Assets (LA): Cash, Demand Deposits/Giro at BI, SBI, Fasbi, Gov Bonds, net Inter Bank Assets
- b. NCD: 30% Demand Deposit/giro + 30% savings + 10% Time Deposits up to 3 months

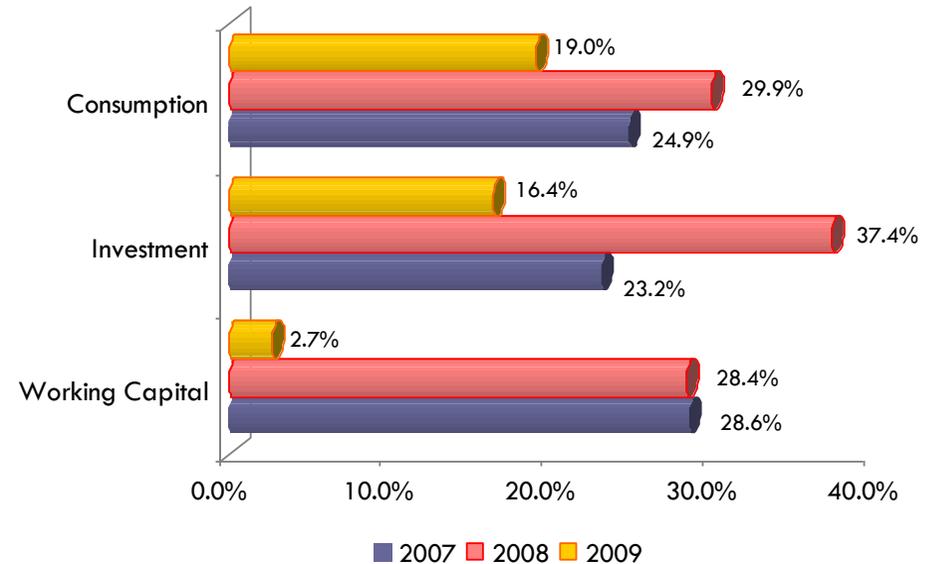
- The banking industry's liquidity risk is under control. It has adequate liquid assets to cover short term liquidity needs.
- Such is reflected by the Liquid Asset to Non Core Deposits (NCD) ratio of 185.26% (as of December 2009), much higher than the 100% threshold .
- Individually, the majority of banks have adequate Liquid Assets ratios > 100%.

Lending Growth

Loan Growth and Third Party Fund

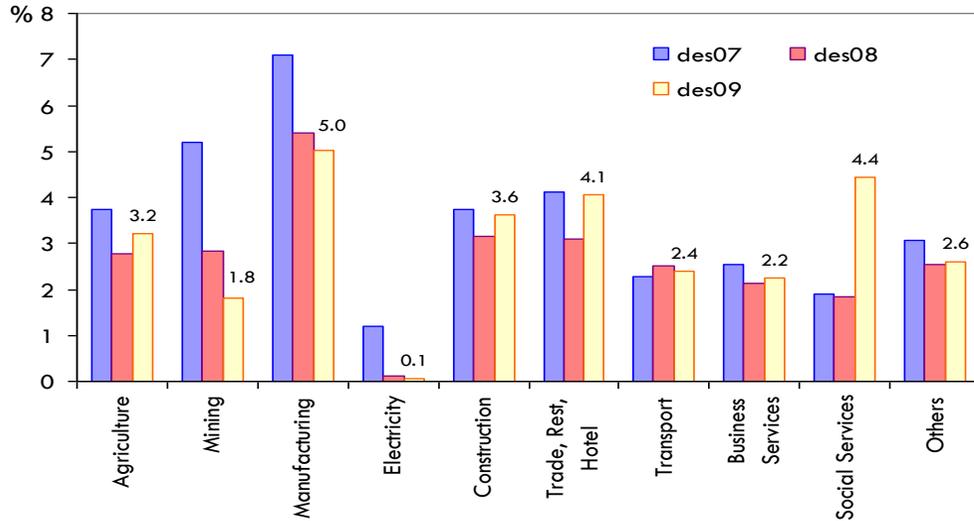


Loan Growth – by Sectors

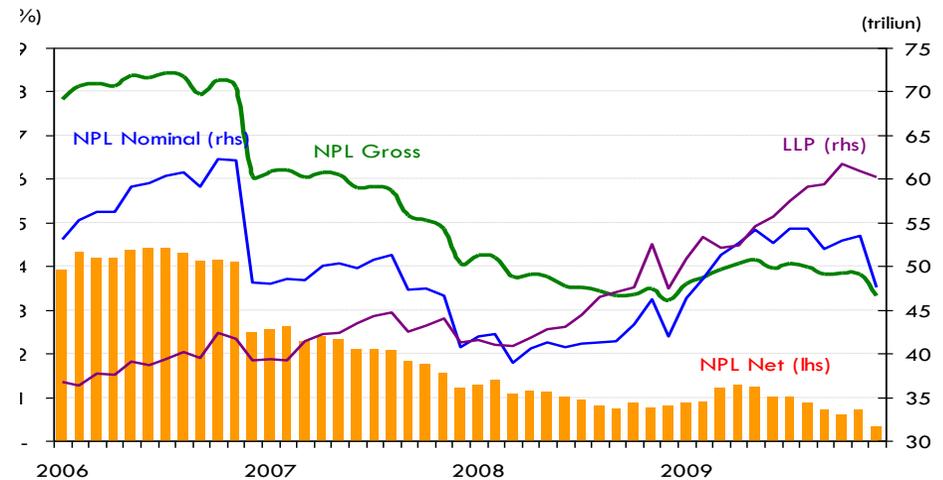
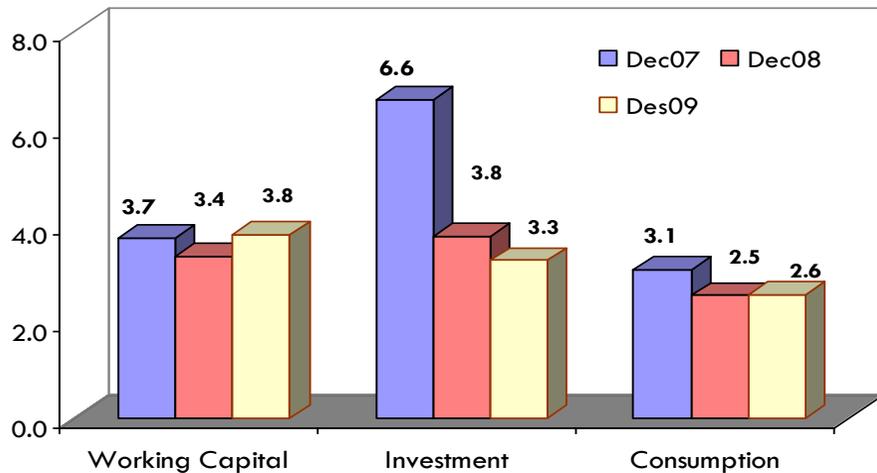


- Loans grew at a rapid pace in 2008 but slowed down following the global crisis.
- Banks confront uncertainties in the aftermath of financial meltdown.
- During 2009 loans grew by **10,0%** (without credit channeling), especially financed by deposit (growing 12,5% yoy).
- Loans in IDR grew by 16,5%, but loans in foreign currency dropped by 17,4% due to slowdown in the global economy.
- Group of banks with the highest loan growth during 2009: Regional Development Banks and State Owned Banks.
- Working Capital, Investment and Consumption Loans experienced the lowest growth in the last three years.
- During 2009, highest loan growth was experienced by Consumption (19%), followed by Investment and Working Capital Loans.

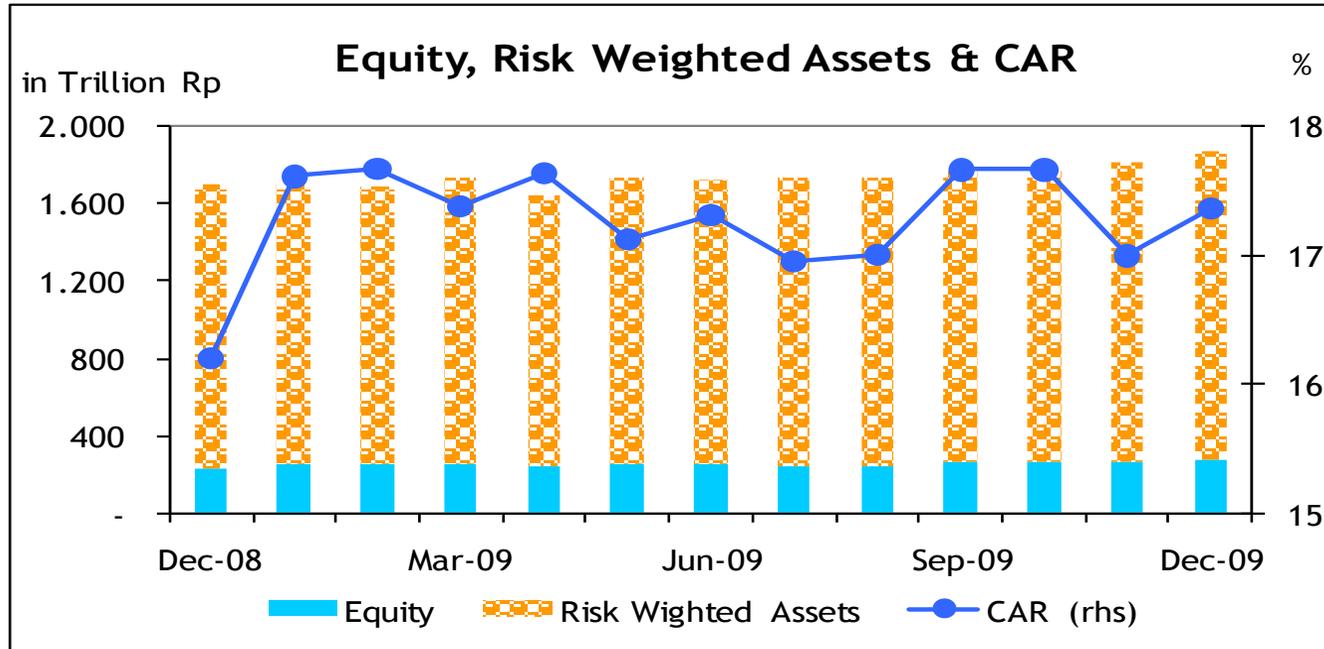
Credit Risk



- In 2009, credit risk increased but remained at limited levels. NPL growth (yoy) peaked in July 2009 but has been on a downhill trend ever since.
- Banks increased provisions as a step to mitigate credit risk. In 2009, provisions increased by IDR12,7 trillion resulting in a relatively low net NPL ratio.
- Working Capital loan has the highest NPL ratio by usage.
- Manufacturing has the highest NPL ratio by sectors but with a decreasing trend in 3 years.



Source: Bank Indonesia



- The banking industry was able to adequately maintain its capital. The average CAR level throughout 2009 was 17,4%.
- During 2009, there was an increase in bank capital of Rp42,3 T, particularly in the form of Tier I capital (increasing by Rp38,8 T).
- Caution must be put to capital-eroding risk potentials, such as domestic or global economic instabilities which can trigger drops in credit quality leading to drop of debtor repayment capacity and increasing bank potential exposure to market risk.
- The implementation of operational risk RWA also potentially lower banking capital. However, based on stress tests, the current capital ratio is adequate to absorb various risks.

Implementation of Basel II (1)

Basel II Implementation in Indonesia is expected to be enhanced in the year 2010-2011 in line with the completion of several activities in Pillar 1, Pillar 2 and Pillar 3.

Pillar I

Bank Indonesia has prepared several provisions relating to the calculation of bank capital, namely:

- Circullar Letter No.9/31/DPNP and Circullar Letter No.9/33/DPNP – The use of standard method and internal method for calculating The Minimum Capital Requirement of Market Risk.
- BI Regulation No.10/15/PBI/2008 - The Minimum Capital Requirement of Commercial Banks that has adopted Basel II.
- Circullar Letter No.11/3/DPNP - The use of basic indicator method for calculating the minimum capital requirement of operational risk. Bank Indonesia provides transition period for implementation the obligations to calculate operational risk capital charge that is equal to 5% of average positive annual gross income during the last three years for the period January 1, 2010 until June 30, 2010; 10% for the period July 1, 2010 until December 31, 2010; and 15% since January 1, 2011.

Pillar II

- Pillar 2 framework development: ICAAP - SREP is associated with a Risk-Based System to assist supervisors to review the adequacy of bank capital based on risk. Several consultative papers (CP)-related aspects of capital to cover risks in Pillar 2 are not covered in Pillar 1 has been completed. CP include (1) CP liquidity risk, (2) CP Concentration of Credit Risk, and (3) CP Pillar 2 - Supervisory Review Process.

Pillar III

- Currently, CP Pillar 3 which are prepared to review the identification of gaps between existing transparency obligations with the standards set out in Pillar 3, and a variety of international best practice such as IAS, IFRS and will lead to the improvement of transparency of regulations related to the financial condition of banks and financial publications of commercial banks



Debt Management and Debt Profile

Debt To GDP

[Outstanding as of February, 2010]

	End of Year						Feb' 10***
	2004	2005	2006	2007	2008*	2009**	
GDP	2,295,826.20	2,774,281.00	3,339,480.00	3,949,321.40	4,954,028.90	5,613,441.74	5,981,373.10
Debt Outstanding (billion IDR)	1,299,504.02	1,313,294.73	1,302,158.97	1,389,415.00	1,636,740.72	1,589,780.96	1,619,963.50
- Domestic Debt (Securities)	653,032.15	658,670.86	693,117.95	737,125.54	783,855.10	836,308.91	851,698.19
- Foreign Debt (Loan+Securities)	646,471.87	654,623.87	609,041.02	652,289.46	852,885.62	753,472.05	768,265.31
Debt to GDP Ratio	56.60%	47.34%	38.99%	35.18%	33.04%	28.32%	27.08%
- Domestic Debt to GDP Ratio	28.44%	23.74%	20.76%	18.66%	15.82%	14.90%	14.24%
- Foreign Debt to GDP Ratio	28.16%	23.60%	18.24%	16.52%	17.22%	13.42%	12.84%

Notes:

* = Preliminary

** = Very Preliminary

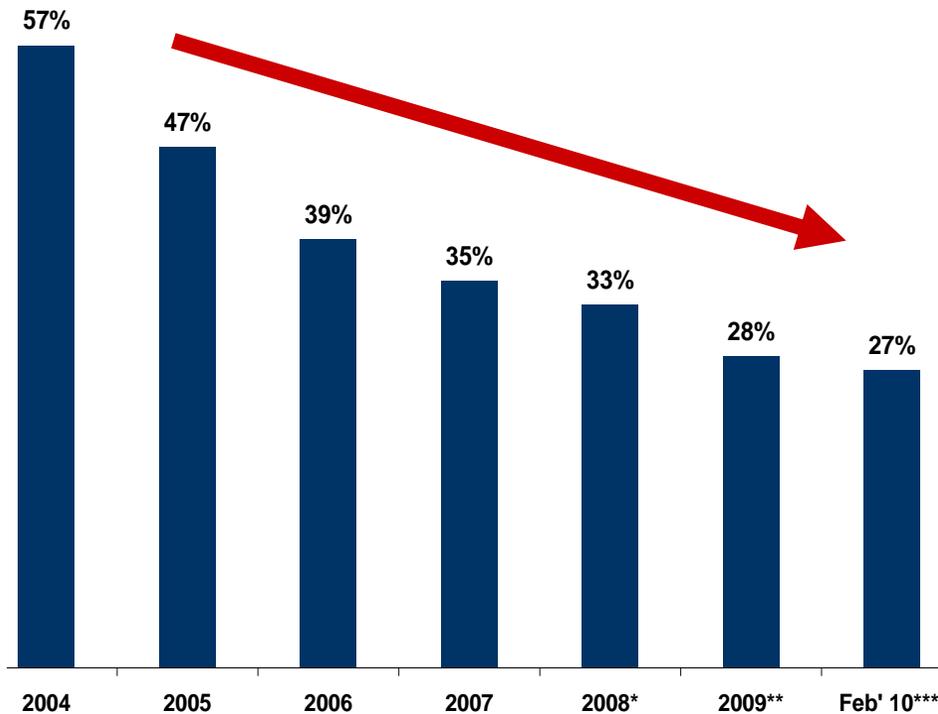
*** = Very Very Preliminary, GDP number based on Budget 2010 Assumption

Debt Figure, 2004 – 2010

Per Law Number 17/2003 concerning State Budget, stipulated that the growth of debt should not exceed Indonesia economic growth with the following key measures:

- Overall Balance (deficit) should be less than 3% of GDP, and
- Total Debt to GDP ratio should be less than 60%

Debt to GDP Ratio



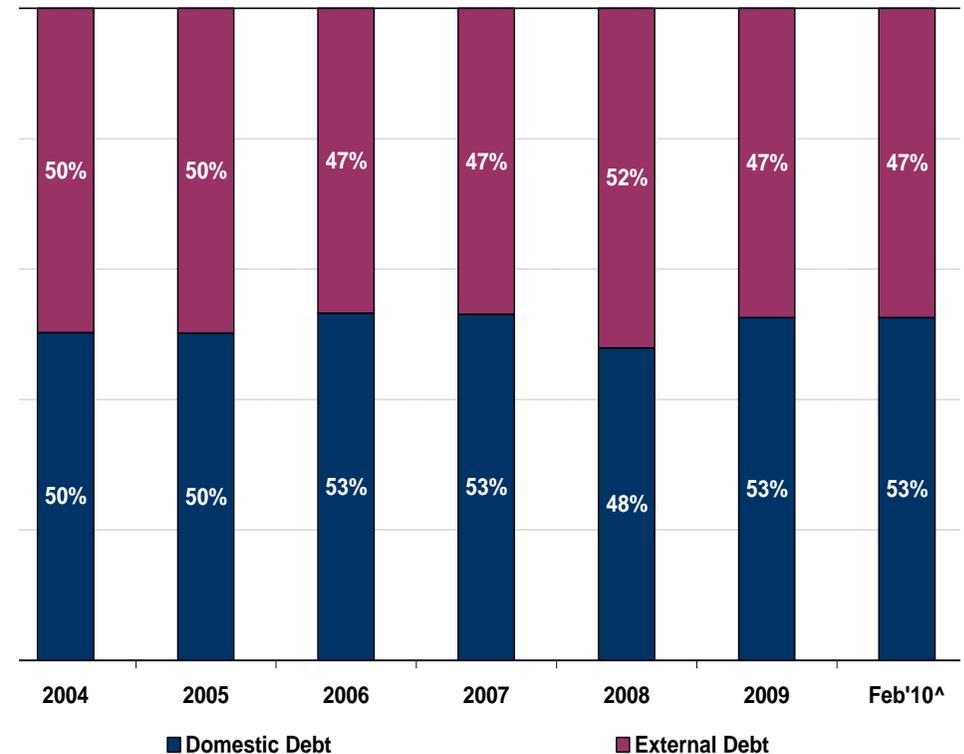
Notes:

* = Preliminary

** = Very Preliminary

*** = Very Very Preliminary, GDP Number Based on Budget 2010 Assumption

Debt Composition

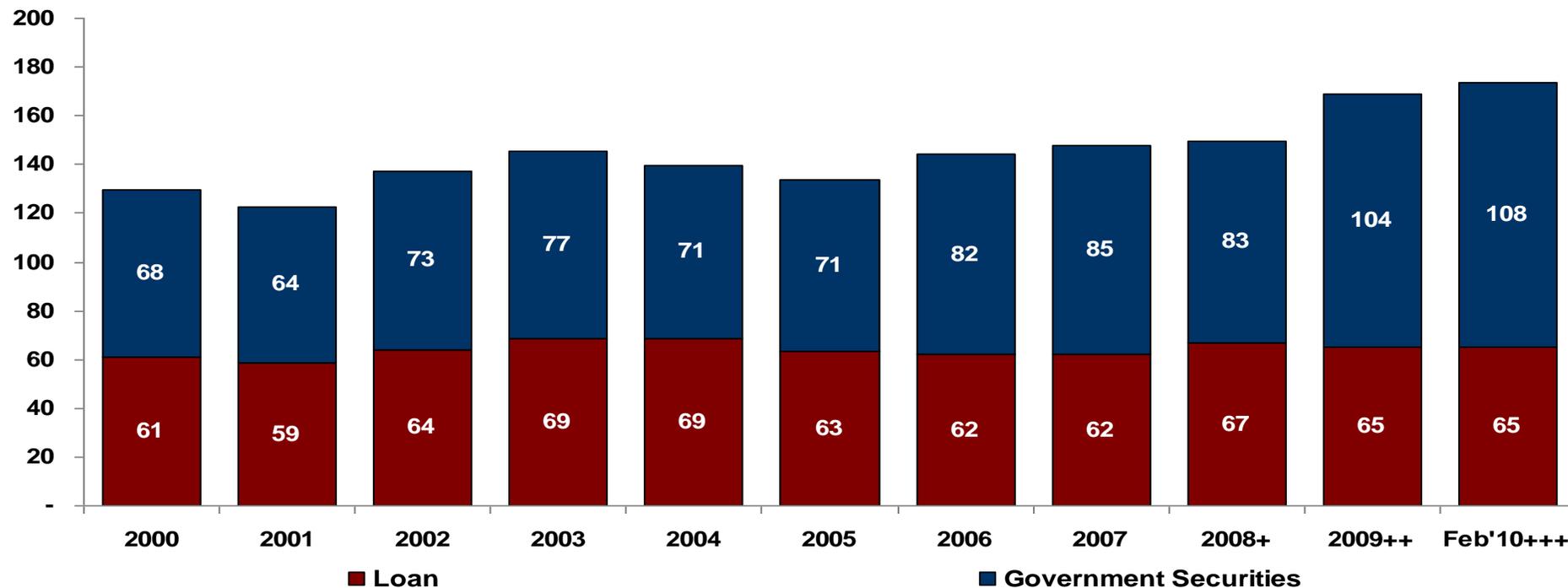


Notes:

^ = Based on debt outstanding as of February 2010

Outstanding of Total Central Government Debt

[Billion USD]



Year	2000	2001	2002	2003	2004	2005	2006	2007	2008+	2009++	Feb'10+++
Loan	47%	48%	47%	47%	49%	47%	43%	42%	45%	38%	37%
Government Securities	53%	52%	53%	53%	51%	53%	57%	58%	55%	62%	63%
Total Central Government Debt	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

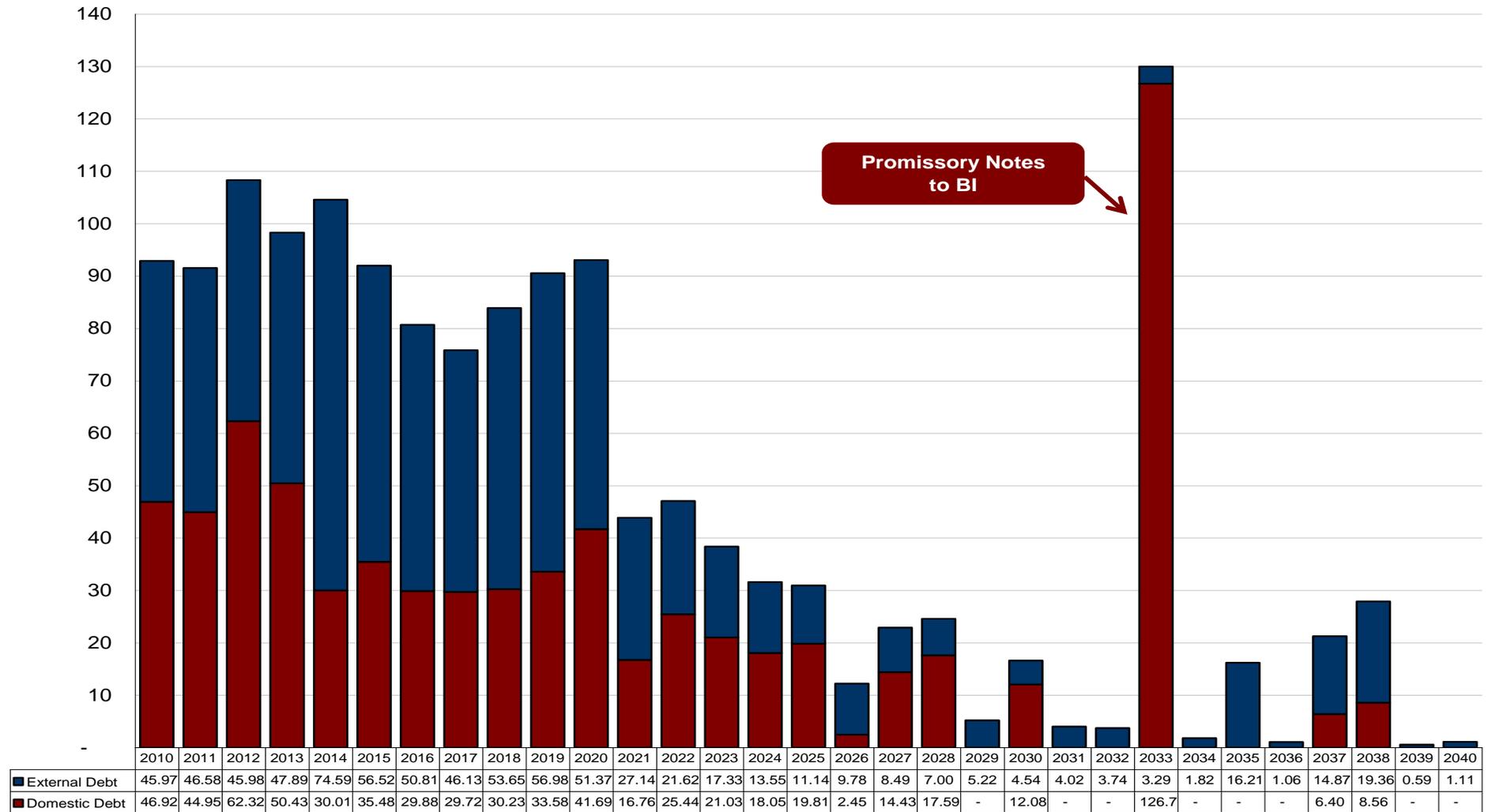
+ Preliminary numbers

++ Very preliminary numbers

+++ Very very preliminary numbers, as of December, 2009

Total Debt Maturity Profile

[Trillion IDR]



Notes:

- Preliminary, as of February, 2010
- Excluding amortization of Non Tradable Securities (SUN-002, SU-004, and SU-007)

State Budget Financing 2010

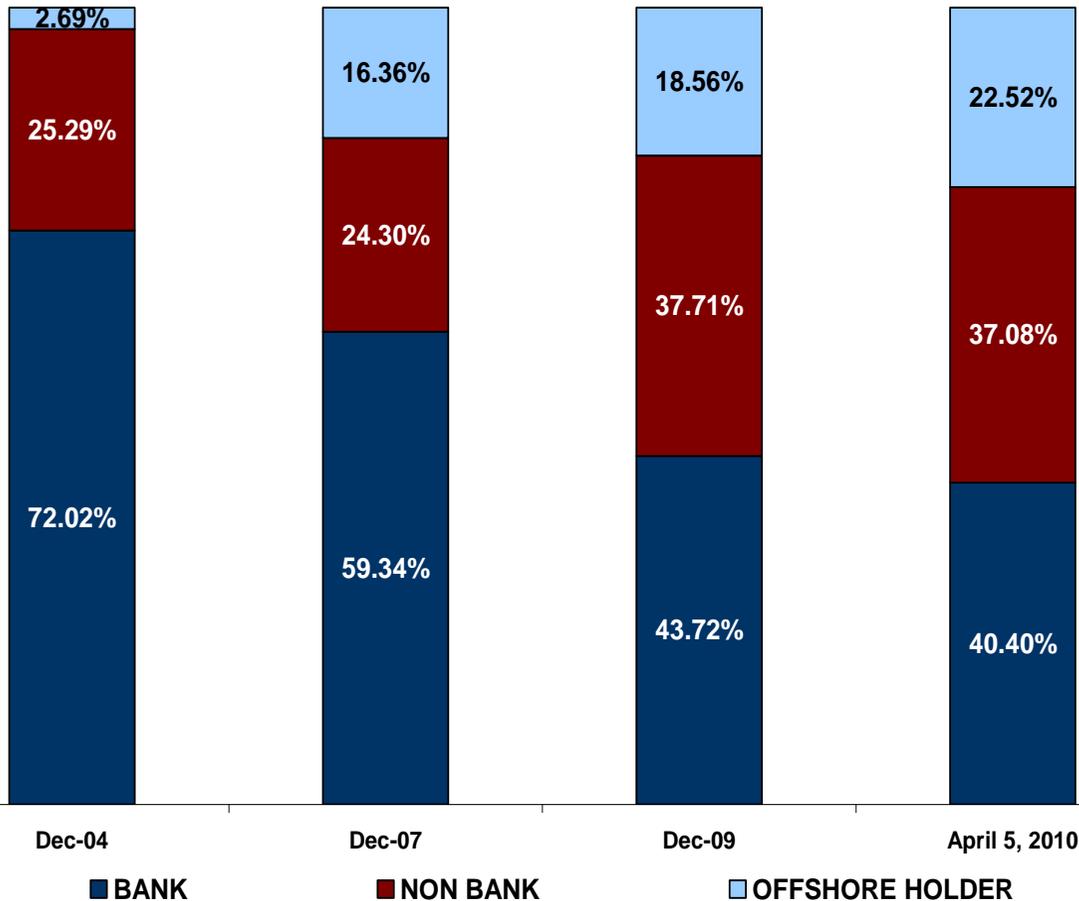
in trillion IDR

	2010- Budget	% of GDP
Total Revenue & Grants	949.7	15.7%
of which Tax Revenue	742.7	12.3%
Non Tax Revenue	207.0	3.4%
Expenditure	1,047.7	17.3%
of which Interest payment	115.6	1.9%
Domestic	77.4	1.3%
Foreign	38.2	0.6%
Subsidy	154.9	2.6%
Primary Balance	17.6	0.0
Overall Balance (deficit)	(98.0)	-1.6%
Financing	98.0	1.6%
Non Debt	2.4	0.0%
Debt	95.6	1.6%
Govt Securities (Net)	104.4	1.7%
Domestic Official Borrowing	1.00	0.0%
External Official Borrowing (Net)	(9.8)	-0.2%
Disbursement	57.6	1.0%
Program Loan	24.4	0.4%
Project Loan	33.2	0.5%
On lending	(8.6)	-0.1%
Repayment	(58.8)	-1.0%
Assumptions:		
GDP (trillion)	6,050.1	
Growth (%)	5.5	
Inflation (%)	5.0	
3-mo SBI (% avg)	6.5	
Rp / USD (avg)	10,000.0	
Oil Price (USD/barrel)	65.0	
Oil Lifting (MBCD)	0.965	

Holders of Tradable Government Securities

There is an increasing proportion of foreign and non-bank holders of Indonesian Government securities.

Holders of Tradable Domestic Government Securities



Developments in the Domestic Market

- Yearly issuance schedule publicly available
- Established primary dealership infrastructure
- Established benchmark series
- Active communication with market participants
- Variety of domestic securities available
 - T-Bills, fixed rate, floating rate, variable rate, zero coupon, retail bonds and Sukuk (1)

Profile of Government Debt Securities

GOVERNMENT DEBT SECURITIES (GDS)	Dec '07	Jun '08	Sep '08	Dec '08	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	05-Apr-10
1. Zero Coupon	IDR 14,669	IDR 24,273	IDR 27,280	IDR 21,503	IDR 33,003	IDR 31,673	IDR 34,263	IDR 36,263	IDR 33,501	IDR 33,475	IDR 32,186	IDR 33,386	IDR 33,386	IDR 33,386	IDR 30,036	IDR 24,649	IDR 26,549	IDR 26,549
1. Government Treasury Bills	IDR 4,169	IDR 5,250	IDR 10,012	IDR 10,012	IDR 21,512	IDR 20,212	IDR 22,812	IDR 24,812	IDR 22,050	IDR 22,050	IDR 23,500	IDR 24,700	IDR 24,700	IDR 24,700	IDR 21,350	IDR 21,850	IDR 23,750	IDR 23,750
2. Zero Coupon Bond	IDR 10,500	IDR 19,023	IDR 17,268	IDR 11,491	IDR 11,491	IDR 11,461	IDR 11,451	IDR 11,451	IDR 11,451	IDR 11,425	IDR 8,686	IDR 2,799	IDR 2,799	IDR 2,799				
Government Domestic Bonds																		
1. Fixed Rate *) +)	IDR 294,453	IDR 330,338	IDR 354,948	IDR 353,558	IDR 357,468	IDR 362,998	IDR 371,031	IDR 361,625	IDR 366,561	IDR 377,763	IDR 381,639	IDR 387,839	IDR 393,553	IDR 393,543	IDR 404,343	IDR 409,368	IDR 408,007	IDR 408,007
2. Variable Rate *)	IDR 168,625	IDR 165,617	IDR 154,772	IDR 145,934	IDR 145,931	IDR 145,931	IDR 145,083	IDR 145,083	IDR 143,286	IDR 143,286	IDR 143,286	IDR 143,286						
2. Sub Total Tradable GDS	IDR 477,747	IDR 520,228	IDR 537,000	IDR 520,995	IDR 536,402	IDR 540,602	IDR 550,377	IDR 542,971	IDR 543,348	IDR 554,524	IDR 557,111	IDR 564,511	IDR 570,225	IDR 570,215	IDR 577,665	IDR 577,303	IDR 577,842	IDR 577,842
3. Promissory Notes to Bank Indonesia **) ***)	IDR 259,404	IDR 258,208	IDR 258,208	IDR 258,160	IDR 257,480	IDR 256,980	IDR 256,980	IDR 253,724	IDR 253,724	IDR 252,484	IDR 252,484	IDR 252,484	IDR 252,484	IDR 251,875	IDR 251,875	IDR 251,192	IDR 251,192	IDR 250,909
4. Total GDS (2+3)	IDR 737,151	IDR 778,436	IDR 795,209	IDR 779,155	IDR 793,882	IDR 797,582	IDR 807,357	IDR 796,695	IDR 797,072	IDR 807,008	IDR 809,595	IDR 816,995	IDR 822,709	IDR 822,090	IDR 829,540	IDR 828,495	IDR 829,034	IDR 828,751
5. Total Government International Bonds *)	USD 7,000	USD 11,200	USD 11,200	USD 11,200	USD 14,200	USD 16,200	USD 16,200	USD 16,200	USD 16,200									
									¥ 35,000	¥ 35,000	¥ 35,000	¥ 35,000	¥ 35,000	¥ 35,000	¥ 35,000	¥ 35,000	¥ 35,000	¥ 35,000
6. TOTAL GOVT DEBT SECURITIES (4+5*Exchange Rate Assumption))	IDR 803,084	IDR 881,756	IDR 900,242	IDR 901,795	IDR 958,247	IDR 949,707	IDR 949,911	IDR 941,890	IDR 941,580	IDR 953,658	IDR 950,838	IDR 956,193	IDR 961,152	IDR 959,130	IDR 984,897	IDR 983,011	IDR 980,117	IDR 978,799
GOVERNMENT ISLAMIC DEBT SECURITIES (GIDS)																		
Government Domestic Islamic Bonds																		
1. Fixed Rate *)**)	IDR -	IDR -	IDR 4,700	IDR 4,900	IDR 5,977	IDR 5,977	IDR 6,927	IDR 6,927	IDR 7,926	IDR 8,546								
Government International Islamic Bonds																		
1. Fixed Rate *)							USD 650	USD 650	USD 650	USD 650								
7. Total Tradable GIDS	IDR -	IDR -	IDR 4,700	IDR 4,700	IDR 4,700	IDR 11,663	IDR 11,225	IDR 11,346	IDR 11,148	IDR 11,239	IDR 10,992	IDR 11,104	IDR 12,139	IDR 12,087	IDR 13,014	IDR 12,980	IDR 13,850	IDR 14,431
8. TOTAL GOVERNMENT SECURITIES +***)	IDR 803,084	IDR 881,756	IDR 904,942	IDR 906,495	IDR 968,503	IDR 966,926	IDR 966,692	IDR 961,478	IDR 960,970	IDR 973,138	IDR 970,072	IDR 975,539	IDR 981,532	IDR 979,458	IDR 1,006,153	IDR 1,012,267	IDR 1,007,392	IDR 1,006,655
Notes:																		
- Nominal in billion rupiah (domestic bonds), million USD & million JPY (international bonds)																		
- *) Tradable																		
- **) Non-Tradable																		
- +) Including ORI (IDR Billion)	IDR 18,885	IDR 32,070	IDR 34,699	IDR 40,175	IDR 40,149	IDR 40,149	IDR 33,956	IDR 33,956										
- ++) Including Sukuk Ritel/SR (IDR Billion)					IDR 5,556	IDR 5,556	IDR 13,590	IDR 13,590										
- +++) Including Non Tradable Sukuk/ SDHI (IDR Billion)								IDR 2,686	IDR 2,686	IDR 6,028	IDR 6,028							
	(e.o Dec 2007)	(30 Jun '08)	(26 Sep '08)	(31 Dec '08)	(31 Mar '09)	(30 Apr '09)	(31 May '09)	(30 Jun '09)	(31 Jul '09)	(31 Aug '09)	(30 Sep '09)	(31 Oct '09)	(30 Nov '09)	(31 Dec '09)	(3 Jan '10)	(28 Feb '10)	(31 Mar '10)	(5 Apr '10)
- Exchange Rate Assumption (IDR/USD1)	IDR 9,419	IDR 9,225	IDR 9,378	IDR 10,950	IDR 11,575	IDR 10,713	IDR 10,039	IDR 10,225	IDR 9,920	IDR 10,060	IDR 9,681	IDR 9,545	IDR 9,480	IDR 9,400	IDR 9,365	IDR 9,313	IDR 9,115	IDR 9,055
- Exchange Rate Assumption (IDR/JPY1)									IDR 104.12	IDR 108.50	IDR 107.79	IDR 104.54	IDR 109.33	IDR 101.70	IDR 104.11	IDR 104.14	IDR 97.70	IDR 95.91

Domestic Issuance

- Until April 6, 2010 the Government has issued government securities domestically amounting to IDR53,794,860,000,000.00

IDR million

Auction Date	Series	Settlement Date	Maturity	Coupon	WAY/WAP	Target	Total Bids	Total Accepted	Bids to Accepted
Total 2006						26,875,000	98,850,550	42,578,650	2.32
Total 2007						47,000,000	205,057,495	86,379,695	2.37
Total 2008						58,000,000	160,028,440	86,931,640	1.84
Total 2009						64,190,000	227,140,120	97,756,020	2.32
12-Jan-10	SPN20110113		13-Jan-11	-	6.81%		3,805,000	1,100,000	3.46
	FR0027	14-Jan-10	15-Jun-15	9.50%	8.19%	5,000,000	3,781,000	1,450,000	2.61
	FR0028		15-Jul-17	10.00%	8.68%		4,222,000	2,700,000	1.56
	FR0052		15-Aug-30	10.50%	10.55%		3,067,700	2,250,000	1.36
19-Jan-10	IFR0003		15-Sep-15	9.25%	8.70%		313,000	55,000	5.69
	IFR0005	21-Jan-10	15-Jan-17	9.00%	9.20%	1,000,000	178,000	105,000	1.70
	IFR0006		-	-	-		116,000	-	-
	IFR0007		15-Jan-25	10.25%	10.52%		1,261,000	790,000	1.60
26-Jan-10	SPN20110113		13-Jan-11	-	6.86%		1,868,000	950,000	1.97
	FR0031	28-Jan-10	15-Nov-20	11.00%	9.76%	5,000,000	2,295,000	1,050,000	2.19
	FR0040		15-Sep-25	11.00%	10.50%		4,163,000	1,900,000	2.19
	FR0050		15-Jul-38	10.50%	10.87%		2,866,000	1,050,000	2.73
8-Feb-10	SR-002	10-Feb-10	10-Feb-13	8.70%	-	5,000,000	1,552,000	1,450,000	1.07
9-Feb-10	SPN20110210		10-Feb-11	-	6.90%	3,000,000	10,876,000	5,450,000	2.00
	FR0031	11-Feb-10	15-Nov-20	11.00%	9.85%	4,000,000	8,033,860	8,033,860	1.00
	FR0040		15-Sep-25	11.00%	10.58%		3,000,000	8,033,860	1.00
	FR0052		15-Aug-30	10.50%	10.77%		3,565,000	1,750,000	2.04
23-Feb-10	SPN20110210		10-Feb-11	-	6.90%	4,000,000	2,620,000	950,000	2.76
	FR0031	25-Feb-10	15-Nov-20	11.00%	9.88%	4,000,000	2,601,000	750,000	3.47
	FR0052		15-Aug-30	10.50%	10.77%		2,601,000	750,000	3.47
	FR0050		15-Jul-38	10.50%	10.87%		1,448,000	750,000	1.93
2-Mar-10	SPN20110303		3-Mar-11	-	6.89%	4,000,000	10,234,000	4,200,000	2.44
	FR0027	4-Mar-10	15-Jun-15	9.50%	8.47%	4,000,000	3,897,000	1,850,000	2.11
	FR0052		15-Aug-30	10.50%	10.72%		4,579,000	350,000	13.08
3-Mar-10	SDHI 2012A	3-Mar-10	3-Mar-12	7.61%	-	4,000,000	2,075,000	1,025,000	2.02
9-Mar-10	IFR0003		15-Sep-15	9.25%	8.52%	1,000,000	1,792,000	1,200,000	1.49
	IFR0005	11-Mar-10	15-Jan-17	9.00%	9.05%		12,343,000	4,425,000	2.79
	IFR0006		-	-	-		5,160,000	1,850,000	2.79
	IFR0007		15-Jan-25	10.25%	10.42%		3,142,000	1,250,000	2.51
23-Mar-10	SPN20110303		3-Mar-11	-	6.88%	4,000,000	4,711,000	2,700,000	1.74
	FR0040	25-Mar-10	15-Sep-25	11.00%	9.80%	5,000,000	13,013,000	5,800,000	2.24
	FR0052		15-Aug-30	10.50%	10.41%		3,342,000	3,342,000	1.00
	FR0050		15-Jul-38	10.50%	10.60%		3,342,000	3,342,000	1.00
30-Mar-10	IFR0003		15-Sep-15	9.25%	8.52%	1,000,000	1,021,000	525,000	1.94
	IFR0005	1-Apr-10	15-Jan-17	9.00%	-		86,000	14,000	6.14
	IFR0006		15-Mar-30	10.25%	10.53%		56,000	-	-
	IFR0007		15-Jan-25	10.25%	-		711,000	460,000	1.55
6-Apr-10	SPN20110407		7-Apr-11	-	6.87%	1,000,000	1,874,000	999,000	1.88
	FR0028	8-Apr-10	15-Jul-17	10.00%	8.70%	4,000,000	1,874,000	620,000	2.72
	FR0031		15-Nov-20	11.00%	9.11%		9,290,000	2,800,000	3.32
	FR0042		15-Jul-27	10.25%	10.08%		2,847,000	300,000	9.49
TOTAL						40,342,000	117,813,560	53,794,860	2.19

Note: IFR: Islamic Fixed Rate (Sukuk); SDHI: Sukuk Dana Haji Indonesia

Source: Ministry of Finance

Debt Switching Program

- In 2006 GOI switched Rp31.2 trillion of bonds consist of Rp9.9 trillion which matured in 2007, Rp11.4 trillion matured in 2008, Rp6.1 trillion matured in 2009, Rp1.5 trillion matured in 2010 and Rp2.3 trillion matured in 2011
- In 2007 GOI switched Rp15.8 trillion bond maturing between 2007-2012 into long dated bonds maturing 2022-2027
- In 2008 GOI switched Rp4.6 trillion bond maturing between 2009-2013 into long dated bonds maturing 2022-2023
- In 2009 GOI switched Rp2.634 trillion bond maturing between 2009-2013 into long dated bonds maturing 2016 - 2024

Auction Date	Settlement Date	Source Bonds				Destination Bonds		
		Series	Maturity Date	Offer Received 1)	Offer Awarded 1)	Series	Maturity Date	WAY
		Total 2005	2006 - 2009	7,721	5,673	FR0031	15-Nov-20	14.46523%
		Total 2006	13 Auction	54,177	31,179			
		Total 2007	9 Auctions	30,681	15,782			
		Total 2008	2 Auctions	7,490	4,571			
		Total 2008	2009 - 2013	7,490	4,571			
		Total 2009	6 Auctions	8,663	2,938			

Notes:

1. Volume in billion rupiah
2. WAY=Weighted Average Yield

Cash Buyback Program

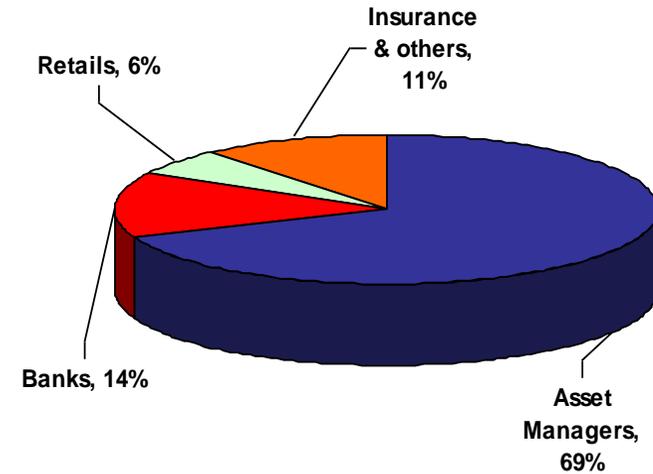
- In 2006, the government did not use cash to purchase or redeem any government bonds.
- In 2007, the government resumed the purchase of government bonds, purchasing Rp 1.7 trillion in August and Rp1.2 trillion in December.
- In 2008, the government resumed the purchase of government bonds, purchasing Rp 2.0 trillion in April and Rp 41 bio in October and Rp 327 bio In November
- In 2009, the government resumed the purchase of government bonds, purchasing Rp 8.518 trillion in March

NO.	YEAR	AUCTIONS	VOLUME (in IDR Million)
TOTAL	2003	2 Auctions	8,127,000
TOTAL	2004	1 Auction	1,962,000
TOTAL	2005	4 Auctions	5,158,000
TOTAL	2007	2 Auctions	2,859,000
TOTAL	2008	3 Auctions	2,375,000
TOTAL	2009	1 Auction	8,518,000
GRAND TOTAL			28,999,000

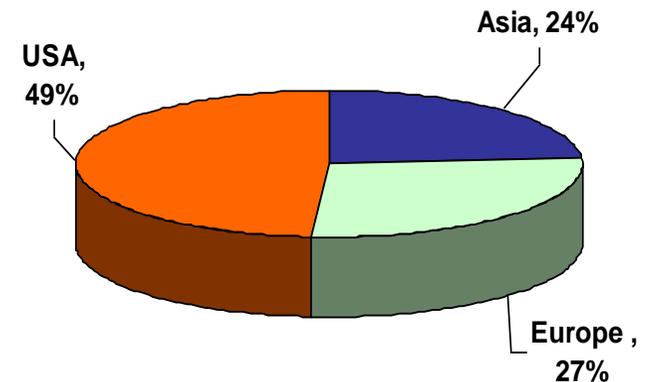
International Issuance (Global Bond 2010)

		INDO-20 GMTN
1	Rating (S&P Moody's Fitch)	BB- Ba2 BB
2	Size	USD 2,000,000,000
3	Coupon	5.875%
4	Pricing Date	January 12, 2010
5	Settlement Date	January 19, 2010
6	Maturity Date	March 13, 2020
7	Issue Format	Rule 144A/Reg S
8	Yield when Issued	6.00%
9	Price when Issued	99.044%
10	Spread over US Treasury	227.9 bps
11	US Treasury Yield	3.721%

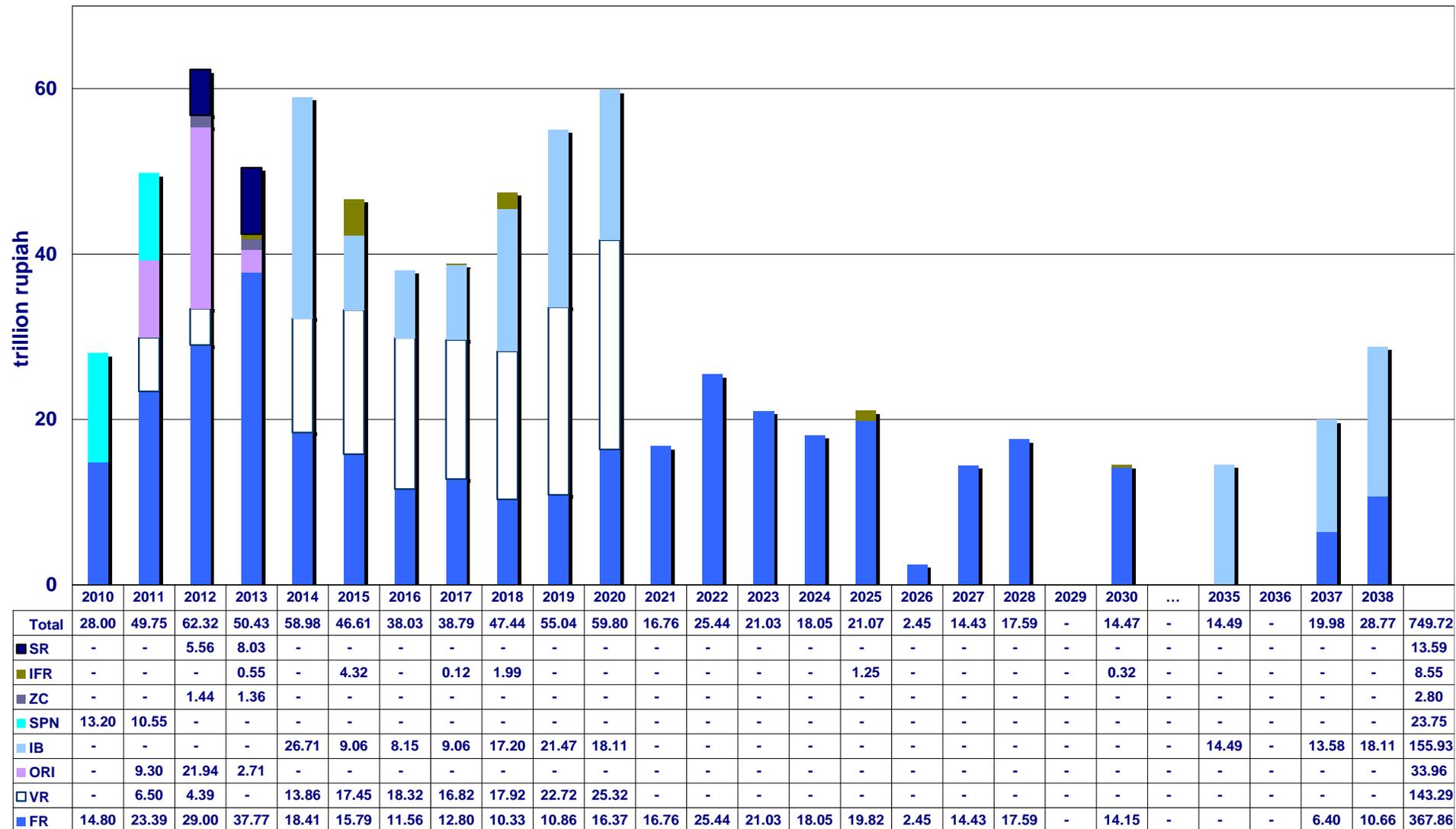
By Investors Type



By Region



Maturity Profile of Tradable Government securities as of April 5, 2010



ZCB : Zero Coupon bond
 IB : International Bond
 VR : Variable Rate Bond

SPN : T-bills
 ORI : Retail Bond
 FR : Fixed Rate Bond

IFR : Islamic Fixed Rate Bond
 SR : Retail Sukuk

Ownership of IDR Tradable Government Securities (percentage and nominal)

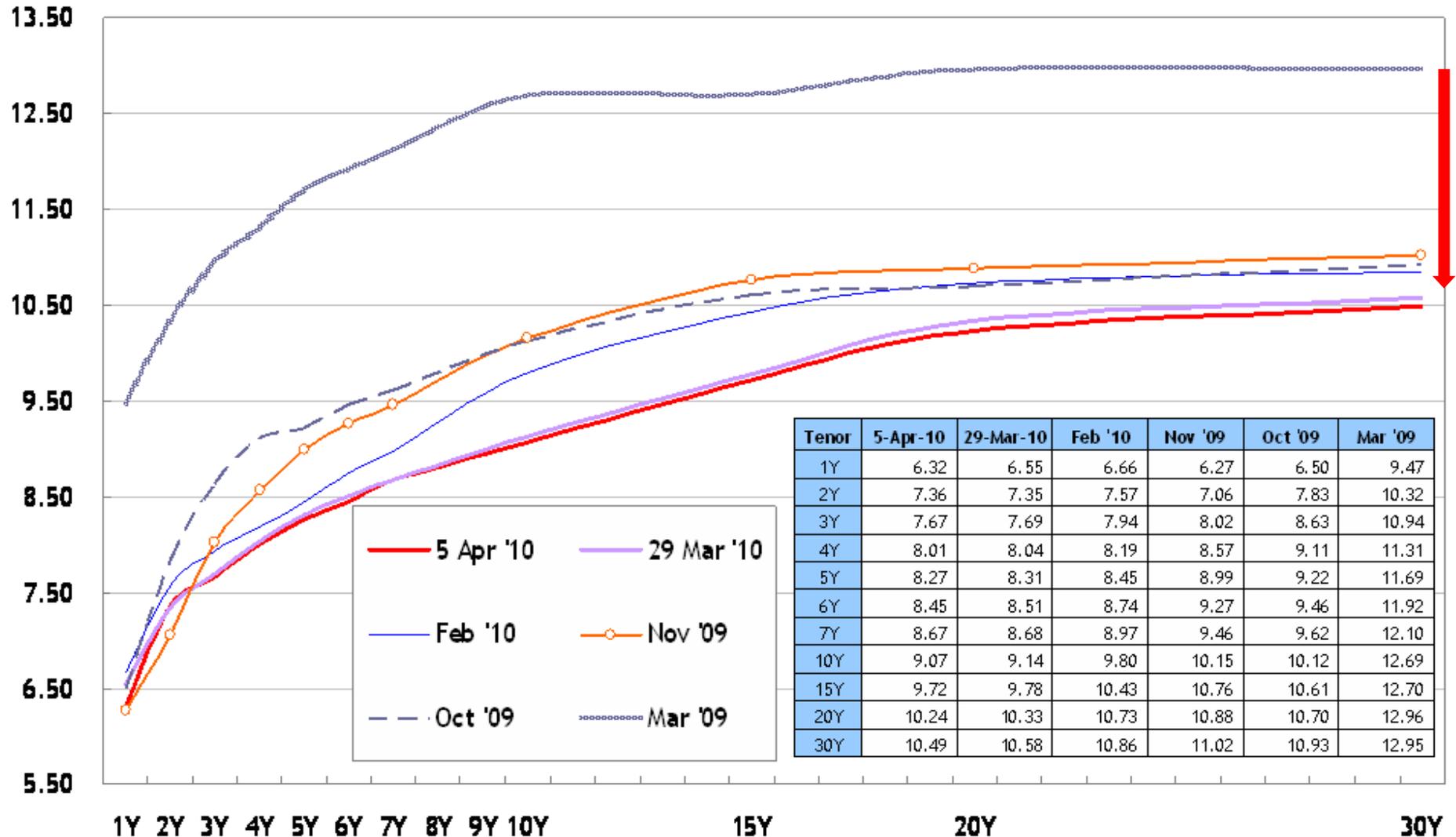
	Dec-07		Dec-08		Mar-09		October-09		December-09		January-10		February-10		31-Mar-10		5-Apr-10	
Banks	268.65	56.2%	258.75	49.2%	279.12	51.1%	255.20	44.38%	254.36	43.72%	251.54	42.62%	248.45	41.56%	237.74	40.08%	239.87	40.40%
State Banks - Recap	154.67	32.4%	144.72	27.5%	154.08	28.2%	141.50	24.61%	144.19	24.79%	142.39	24.13%	143.24	23.96%				
Private Banks - Recap	72.63	15.2%	61.67	11.7%	66.45	12.2%	59.80	10.40%	59.98	10.31%	59.10	10.01%	58.73	9.82%				
Non Recap Banks	35.37	7.4%	45.17	8.6%	49.36	9.0%	46.94	8.16%	42.40	7.29%	43.54	7.38%	40.12	6.71%				
Regional Banks	5.97	1.3%	6.50	1.2%	8.45	1.5%	6.05	1.05%	6.02	1.03%	4.69	0.79%	4.40	0.74%				
Shariah Banks	-	0.0%	0.69	0.1%	0.77	0.1%	0.90	0.16%	1.77	0.30%	1.82	0.31%	1.95	0.33%	1.99	0.34%	1.99	0.34%
Govt Institutions	14.86	3.1%	23.01	4.4%	21.32	3.9%	24.15	4.20%	22.50	3.87%	22.09	3.74%	18.77	3.14%	18.71	3.15%	16.34	2.75%
Bank Indonesia	14.86	3.1%	23.01	4.4%	21.32	3.9%	24.15	4.20%	22.50	3.87%	22.09	3.74%	18.77	3.14%	18.71	3.15%	16.34	2.75%
Ministry of Finance	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.00%	-	0.00%
Non-Banks	194.24	40.7%	243.93	46.4%	246.22	45.0%	295.62	51.42%	304.89	52.41%	316.51	53.63%	330.61	55.30%	336.71	56.77%	337.58	56.85%
Mutual Funds	26.33	5.5%	33.11	6.3%	35.19	6.4%	44.21	7.69%	45.22	7.77%	46.96	7.96%	47.33	7.92%	44.18	7.45%	44.13	7.43%
Insurance Company	43.47	9.1%	55.83	10.6%	60.25	11.0%	70.51	12.26%	72.58	12.48%	75.68	12.82%	77.59	12.98%	78.04	13.16%	77.65	13.08%
Foreign Holders	78.16	16.4%	87.61	16.7%	79.83	14.6%	101.42	17.64%	108.00	18.56%	115.02	19.49%	120.81	20.21%	132.46	22.33%	133.71	22.52%
Pension Fund	25.50	5.3%	32.98	6.3%	34.52	6.3%	37.60	6.54%	37.50	6.45%	37.62	6.37%	38.09	6.37%	37.24	6.28%	37.11	6.25%
Securities Company	0.28	0.1%	0.53	0.1%	0.53	0.1%	0.65	0.11%	0.46	0.08%	0.51	0.09%	0.38	0.06%	0.42	0.07%	0.39	0.07%
Others	20.50	4.3%	33.87	6.4%	35.89	6.6%	41.23	7.17%	41.12	7.07%	40.73	6.90%	46.41	7.76%	44.37	7.48%	44.58	7.51%
Total	477.75	100.0%	525.69	100.0%	546.66	100.0%	574.97	100.00%	581.75	100.00%	590.15	100.00%	597.82	100%	593.16	100%	593.78	100%

Notes:

- Foreign Holders (offshore) are non-resident Private Banking, Fund/Asset Mgmt, Securities Co, Insurance, Pension Fund, etc
- Others are Corporate, Individuals, Foundations, etc.
- Private Banks – Recap and Non Recap Banks include foreign banks branches and subsidiaries

IDR Government Bonds : Yield Curve (IDMA)

[in percentage]



Outstanding Public External Debt (incl. Bank Indonesia)

Thousand of USD rate at end of period

	2005	2006	2007	2008	2009												2010 Jan*
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1. Pemerintah / Government	69,273	73,055	76,920	85,136	83,752	79,941	83,465	84,846	86,417	85,499	86,557	87,184	89,408	90,624	92,583	90,853	93,859
-Bilateral	32,323	31,833	32,141	35,751	35,256	32,915	33,241	33,218	33,655	33,103	33,285	33,908	35,104	34,404	35,684	33,715	34,016
-Multilateral	18,779	18,837	19,055	20,337	20,202	19,950	19,977	19,849	19,880	19,807	19,649	19,688	19,999	20,781	20,842	21,529	21,434
-Fasilitas kredit ekspor / <i>Export credit facility</i>	11,626	11,220	10,983	10,553	10,225	9,831	9,939	9,951	10,112	9,871	9,825	9,951	10,085	10,067	10,247	9,508	9,473
-Komersial / <i>Commercial</i>	64	62	58	45	45	45	43	48	207	230	234	233	236	400	422	268	440
-Leasing	135	70	16	2	2	2	2	2	1	1	1	1	1	1	-	-	-
-Obligasi / <i>Bond</i>	3,182	4,945	6,370	10,446	10,446	10,446	13,366	13,964	13,964	13,964	14,331	14,341	14,354	14,347	14,368	14,343	16,213
- Surat Berharga Negara domestik yg dimiliki bukan penduduk / <i>Domestic Government Securities owned by non-resident</i>	3,163	6,089	8,298	8,001	7,576	6,753	6,897	7,814	8,598	8,523	9,232	9,061	9,630	10,625	11,020	11,489	12,282
2. Bank Sentral / Central Bank	10,911	2,765	3,695	1,465	1,620	1,336	2,055	2,055	2,867	2,647	4,273	3,041	7,533	8,235	8,697	8,412	8,984
-Bilateral	5	5	5	4	4	4	4	4	4	4	4	4	4	4	4	4	4
-Multilateral (<i>IMF</i>) ¹	7,806	-	-	-	-	-	-	-	-	-	-	-	3,124	3,143	3,189	3,093	3,083
-Komersial / <i>Commercial</i>	1,280	750	713	678	679	665	619	620	622	615	616	620	621	618	626	606	610
-Obligasi / <i>Bond</i>	233	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Surat berharga domestik yg dimiliki bukan penduduk ² / <i>Domestic securities owned by non-resident</i>	1,503	2,002	2,971	772	927	664	1,428	1,425	2,239	2,025	3,652	2,416	3,772	4,458	4,866	4,700	5,280
-Kas dan Simpanan / <i>Currency and Deposits</i>	4	3	4	10	8	2	2	5	2	2	1	1	12	11	12	7	5
-Kewajiban Lain / <i>Other Liabilities</i>	80	4	2	1	1	1	1	0	0	0	0	0	0	0	0	1	1
TOTAL (1+2)	80,184	75,820	80,615	86,600	85,371	81,277	85,520	86,901	89,284	88,146	90,831	90,225	96,941	98,859	101,280	99,265	102,842

1. On September 2009 IMF-SDR were recorded in the amount of SDR1,98 billion (equivalent to USD3,1 billion), due to changes of IMF International Statistical Guideline.

2. Bank Indonesia Certificates owned by non-resident

The table has been updated accordingly to the new metadata since February 2010 publication (data as of November 2009). The new metadata include Currency and Deposits, & Other Liabilities for External Debt Position.

Outstanding of Private External Debt

Thousand of USD rate at end of period

	2005	2006	2007	2008	2009												2010 Jan*
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*	
1. Bank	7,797	8,459	9,934	11,583	9,585	9,159	8,228	7,850	7,871	8,366	8,660	8,817	9,446	9,292	9,874	9,530	10,716
·BUMN / State bank	1,676	1,872	485	1,395	1,219	1,232	1,267	874	859	876	1,115	1,088	1,292	1,227	1,278	1,720	1,475
·Swasta asing / Foreign bank	467	554	1,123	1,027	1,220	1,153	1,125	1,120	1,118	1,123	1,103	1,114	1,604	1,637	1,633	1,644	1,560
·Swasta campuran / Joint venture bank	1,419	1,226	1,380	2,935	2,746	2,657	2,457	2,380	2,295	2,513	2,542	2,541	2,406	2,390	2,411	2,246	2,312
·Swasta nasional / Private national bank	4,236	4,807	6,947	6,227	4,399	4,117	3,379	3,477	3,599	3,855	3,899	4,073	4,144	4,038	4,552	3,920	5,368
2. Bukan Bank / Nonbank	46,523	48,354	50,631	56,897	56,501	56,850	57,217	57,263	57,300	57,229	57,527	59,480	61,603	62,635	64,340	64,075	64,483
·BUMN / State company	2,649	2,902	3,458	3,023	3,010	3,242	3,426	3,448	3,499	3,452	3,482	4,618	4,706	4,878	6,511	6,441	6,446
·Swasta asing / Foreign company ¹	4,112	5,760	7,035	6,200	6,274	6,433	6,533	6,511	6,538	6,514	6,696	6,794	6,898	6,827	7,020	7,191	7,395
·Swasta campuran / Joint venture company ¹	17,969	16,333	16,849	22,647	22,745	22,830	22,687	23,016	23,135	23,266	23,236	24,067	25,587	26,659	26,738	25,816	25,997
·Swasta nasional / Private national company	21,794	23,359	23,289	25,026	24,472	24,345	24,570	24,289	24,129	23,996	24,114	24,001	24,412	24,270	24,071	24,627	24,645
2.1 LKBB / Nonbank Financial Corporations	2,329	2,017	2,114	3,891	3,764	3,778	3,836	3,750	3,695	3,641	3,559	3,503	2,937	2,897	3,688	3,066	3,174
- BUMN / State company	-	-	-	1	1	1	1	1	1	1	1	1	143	143	143	143	163
- Swasta asing / Foreign company	66	36	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Swasta campuran / Joint venture company	1,576	1,264	1,192	1,900	1,878	2,051	2,074	2,011	1,998	1,988	1,943	1,918	1,979	1,954	2,020	1,985	2,064
- Swasta nasional / Private national company	687	717	889	1,990	1,885	1,726	1,761	1,738	1,696	1,651	1,615	1,584	816	800	1,526	938	947
2.2 Perusahaan Bukan Lembaga Keuangan / Nonfinancial Corporations	44,194	46,337	48,517	53,005	52,737	53,072	53,380	53,513	53,605	53,588	53,968	55,977	58,666	59,738	60,651	61,009	61,310
- BUMN / State company	2,649	2,902	3,458	3,022	3,009	3,241	3,425	3,447	3,498	3,451	3,481	4,617	4,563	4,736	6,368	6,299	6,283
- Swasta asing / Foreign company	4,046	5,724	7,003	6,200	6,274	6,433	6,533	6,511	6,538	6,514	6,696	6,794	6,898	6,827	7,019	7,191	7,395
- Swasta campuran / Joint venture company	16,392	15,068	15,656	20,747	20,867	20,779	20,613	21,004	21,137	21,278	21,293	22,149	23,609	24,705	24,718	23,831	23,933
- Swasta nasional / Private national company	21,106	22,643	22,399	23,036	22,587	22,620	22,809	22,551	22,433	22,344	22,499	22,416	23,596	23,470	22,545	23,689	23,698
TOTAL (1+2)	54,321	56,813	60,565	68,480	66,086	66,009	65,445	65,113	65,171	65,595	66,187	68,297	71,048	71,926	74,214	73,606	75,199

1. In 2005, some of non bank corporation had been revised and recorded as joint venture company instead of foreign company.

The table has been updated accordingly to the new metadata since February 2010 publication (data as of November 2009). The new metadata include Currency and Deposits, & Other Liabilities for External Debt Position.

External Debt Service Principal Payment Paid

In millions of USD

	2005	2006	2007	2008	2009												2010						
					Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	Oct	Nov	Dec*	Q4*	Total*	Jan*	Total*
1. Pemerintah dan Bank Sentral / Government and Central Bank	9,803	17,079	10,007	9,215	576	474	512	1,562	792	656	1,640	3,088	612	418	609	1,639	877	462	1,883	3,221	9,510	604	604
- Pokok / Principal	7,024	14,130	6,367	6,405	302	340	356	999	523	480	1,295	2,298	341	323	341	1,004	599	305	1,537	2,441	6,742	341	341
- Bunga / Interest	2,779	2,949	3,640	2,810	274	133	155	563	270	176	345	790	271	95	268	634	278	157	345	781	2,768	264	264
1.1. Pemerintah / Government	7,787	8,349	9,925	9,114	576	474	462	1,512	792	656	1,629	3,077	612	418	602	1,632	876	462	1,870	3,209	9,430	604	604
- Pokok / Principal	5,385	5,761	6,322	6,334	302	340	311	954	523	480	1,288	2,291	341	323	336	1,000	598	305	1,527	2,430	6,674	341	341
- Bunga / Interest	2,402	2,588	3,603	2,780	274	133	151	558	269	176	341	787	271	95	266	632	278	157	343	779	2,755	264	264
1.2. Bank Sentral / Central Bank	2,016	8,730	82	101	-	-	50	50	0	-	10	11	-	-	7	7	0	-	13	13	80	-	-
- Pokok / Principal	1,639	8,369	45	71	-	-	45	45	0	-	7	7	-	-	5	5	0	-	11	11	68	-	-
- Bunga / Interest	377	361	37	30	-	-	4	4	0	-	3	3	-	-	2	2	0	-	2	2	12	-	-
2. Swasta / Private	17,130	22,681	27,463	35,710	2,702	2,106	2,706	7,514	2,448	2,246	2,483	7,177	2,197	2,205	3,049	7,451	2,739	3,074	3,915	9,728	31,869	2,754	2,754
- Pokok / Principal	15,722	21,271	25,082	33,781	2,568	2,039	2,593	7,199	2,312	2,129	2,306	6,747	2,114	2,126	2,918	7,159	2,549	2,951	3,640	9,140	30,245	2,616	2,616
- Bunga / Interest	1,407	1,410	2,381	1,929	134	67	114	314	137	117	177	430	83	78	131	292	190	122	275	587	1,624	137	137
2.1. Bank	7,812	9,004	9,673	15,196	968	630	1,094	2,691	992	717	810	2,518	885	748	919	2,552	971	804	840	2,615	10,377	1,316	1,316
- Pokok / Principal	7,591	8,912	9,574	15,090	964	628	1,076	2,668	986	705	796	2,487	884	745	914	2,543	961	795	832	2,587	10,286	1,315	1,315
- Bunga / Interest	221	92	99	106	4	2	18	23	6	12	14	32	1	3	5	9	10	9	8	27	91	1	1
2.2. Bukan Bank / Non Bank	9,317	13,677	17,790	20,514	1,734	1,476	1,612	4,822	1,456	1,529	1,673	4,658	1,312	1,457	2,130	4,899	1,768	2,270	3,075	7,113	21,493	1,437	1,437
- Pokok / Principal	8,131	12,359	15,508	18,691	1,604	1,410	1,516	4,531	1,326	1,424	1,510	4,260	1,230	1,382	2,004	4,615	1,589	2,157	2,808	6,553	19,960	1,301	1,301
- Bunga / Interest	1,186	1,319	2,282	1,823	130	65	96	291	131	105	163	398	82	76	126	284	180	113	267	560	1,533	136	136
2.2.1 LKBB / Nonbank Financial Corporations	749	1,399	1,642	1,743	266	181	170	617	165	159	140	465	197	170	200	567	147	91	185	423	2,071	110	110
- Pokok / Principal	716	1,304	1,531	1,639	257	175	159	591	159	152	130	440	191	165	189	545	141	86	176	403	1,979	105	105
- Bunga / Interest	33	95	111	104	9	6	10	26	7	7	11	25	6	5	10	22	6	5	9	19	92	6	6
2.2.2 Perusahaan Bukan Lembaga Keuangan / Non Financial Corp.	8,568	12,279	16,148	18,771	1,468	1,294	1,443	4,205	1,291	1,370	1,533	4,193	1,114	1,287	1,931	4,332	1,622	2,178	2,890	6,690	19,421	1,327	1,327
- Pokok / Principal	7,415	11,055	13,977	17,052	1,347	1,236	1,357	3,940	1,167	1,272	1,381	3,820	1,039	1,217	1,815	4,070	1,448	2,070	2,632	6,150	17,980	1,196	1,196
- Bunga / Interest	1,153	1,224	2,171	1,719	121	59	86	265	124	98	152	373	76	70	116	262	174	108	258	540	1,441	131	131
TOTAL (1+2)	26,933	39,759	37,471	44,925	3,278	2,579	3,218	9,076	3,241	2,902	4,122	10,265	2,808	2,623	3,658	9,090	3,616	3,536	5,798	12,949	41,379	3,358	3,358
- Pokok / Principal	22,747	35,400	31,450	40,187	2,870	2,379	2,949	8,199	2,835	2,609	3,601	9,045	2,454	2,450	3,259	8,163	3,148	3,256	5,177	11,581	36,988	2,957	2,957
- Bunga / Interest	4,187	4,359	6,021	4,739	408	200	269	877	406	292	521	1,220	354	173	399	927	468	280	620	1,368	4,391	401	401

Excluding domestic securities, currency & deposit owned by non-resident, and other liabilities to non resident.