The Republic of Indonesia

Recent Economic Developments

August 2013

About Investor Relations Unit (IRU)

ABOUT THE REPUBLIC OF INDONESIA INVESTOR RELATIONS UNIT

The Republic of Indonesia Investor Relations Unit (IRU) has been established as the join effort between the Coordinating Ministry of Economic Affairs, Ministry of Finance and Bank Indonesia in 2005. The main objective of IRU is to actively communicating Indonesian economic policy and address concerns of investors, especially financial market investors. IRU is expected to serve as a single point of contact for the financial market participants.

As an important part of it communication measures IRU maintains a website under Bank Indonesia website which is being administrated by the International Department of Bank Indonesia. However, investor relations activities involve a coordinated efforts which are supported by all relevant government agencies, namely Bank Indonesia, the Ministry of Finance, the Coordinating Ministry for Economic Affairs, Investment Coordinating Board, Ministry of Trade, Ministry of Industry, State Ministry of State Owned Enterprises, Asset of State Management Company and the Central Bureau of Statistics.

IRU also hold an investor conference call on a quarterly basis, answers questions through email, telephone and may arrange direct visit of banks/financial institutions to Bank Indonesia and other relevant government offices.

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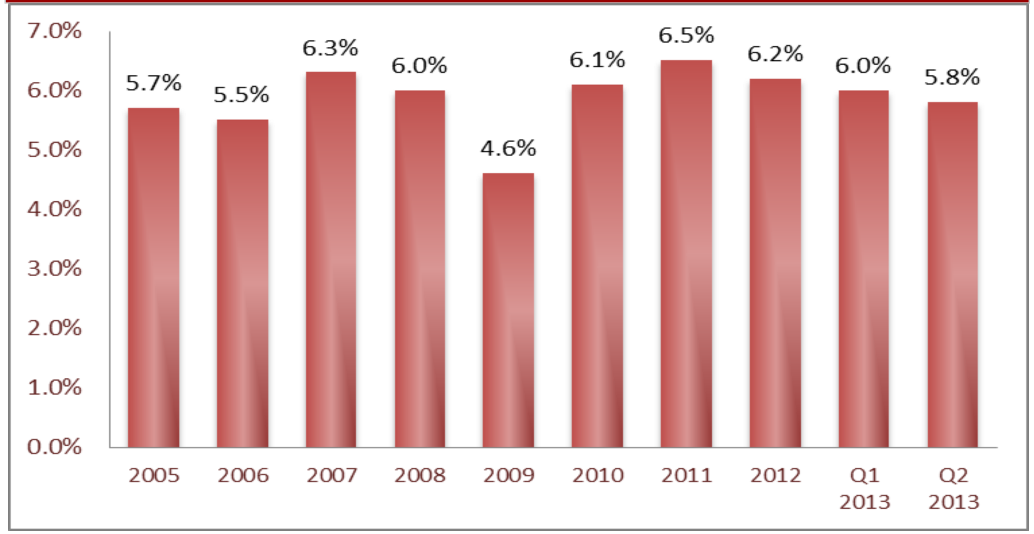
Executive Summary

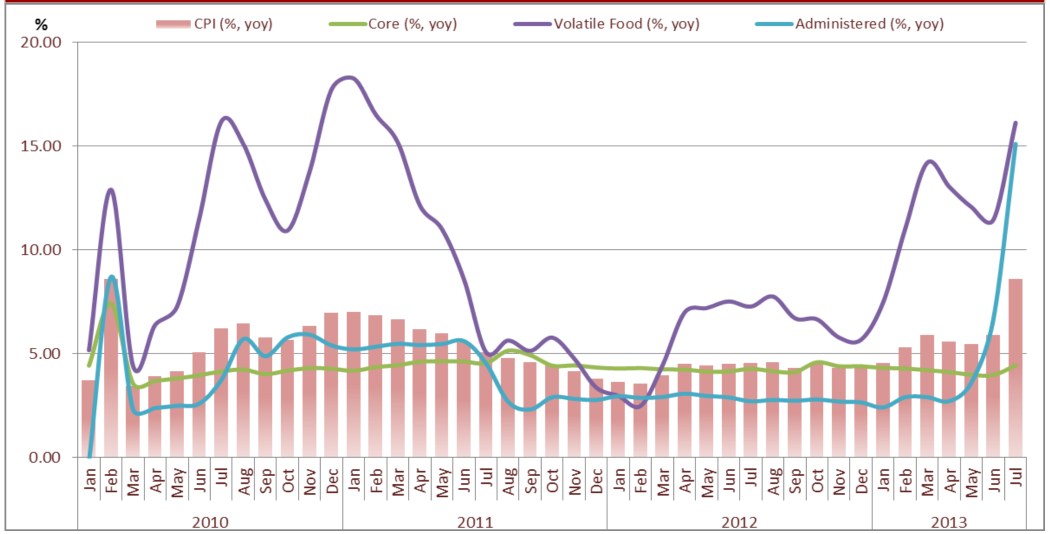
- **Indonesia's economy growth in Q2-2013 is slowing down to 5.8% as part of rebalancing the domestic economy with the global economic downturn and the impact of rising inflation.** Economic growth in 2013 is expected to decelerate to the lower limits in the range of 5.8%-6.2% and accelerate in the range of 6.4%-6.8% in 2014.
- **Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI) still experienced robust growth in Q2-2013, reflecting Indonesia's solid fundamentals and positive sentiment from investors part.** The distribution of investment activities outside Indonesia's most populous island (Java) was also increased, which create more added values of domestic goods/services in order to accelerate the quality of national economic growth.
- Bank Indonesia's policy mix, supported by the Government's fiscal financing policy, mitigated the negative impact of worsening global economic and financial conditions on Indonesia's balance of payments (BOP). **Indonesia's balance of payments (BOP) deficit in Q2-2013 narrowed from US$6.6 billion in the previous quarter to US$2.5 billion in Q2/2013 supported by the capital and financial account surplus.** On the other hand, following its seasonal pattern, the current account deficit widened compared to the previous quarter. International reserves at the end of July 2013 reached US$92.7 billion, equivalent to 5.1 months of imports and government's external debt services, above the adequacy level of international standard.
- **Consumer Price Index (CPI) in July 2013 reached 3.3% (mtm) or 8.6%(yoy) as a result of inflationary pressure from recent adjustment in subsidized fuel price and skyrocketing inflation of volatile food.** Supported by sufficient policy mix, together with strenghten cooperation and coordination with the Government, inflation is expected to be back within its target corridor of 4.5%±1% in 2014, as well as to buttress domestic economy adjustments toward a sound and balanced equilibrium.
- **On the fiscal front, Indonesia continues to perform prudent fiscal management in H1-2013** with strong commitment to fiscal consolidation, aiming on continue declining in debt-to-GDP ratio, diversifying government debt profile, and reducing funding reliance on international capital market. H1-2013 budget deficit realization is maintained at a safe level of 0.6% of GDP.
- **Financial system stability remained solid with improved intermediation function within prudential manner** as indicated by high capital adequacy ratio (CAR) which is well above the minimum level of 8% and gross non-performing loan (NPL) below 5%. As of June 2013, credit growth slowed down to 20.6% (yoy). Investment loan remained high at 33.3% (yoy), in line with the increase in investment.
- **In the Board of Governors' Meeting convened on August 15th, 2013, Bank Indonesia decided to maintained the BI rate at 6.50%.** Bank Indonesia will strengthen its policy mix by optimizing an array of monetary and macroprudential policy instruments to curb inflation and maintain a more sustainable balance of payments, as well as overall financial system stability, amid increasing uncertainty in global markets.

Executive Summary

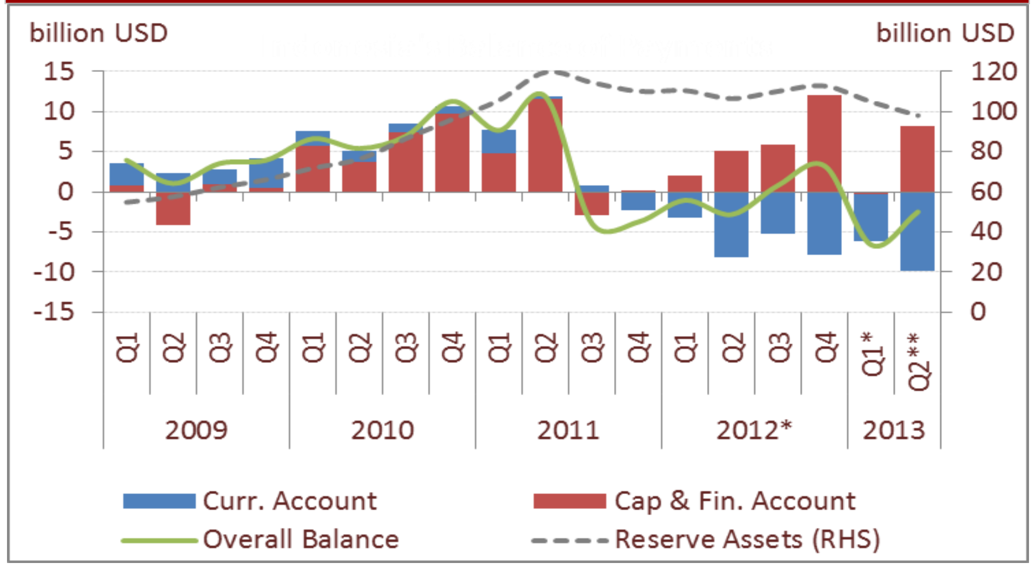
GDP Growth



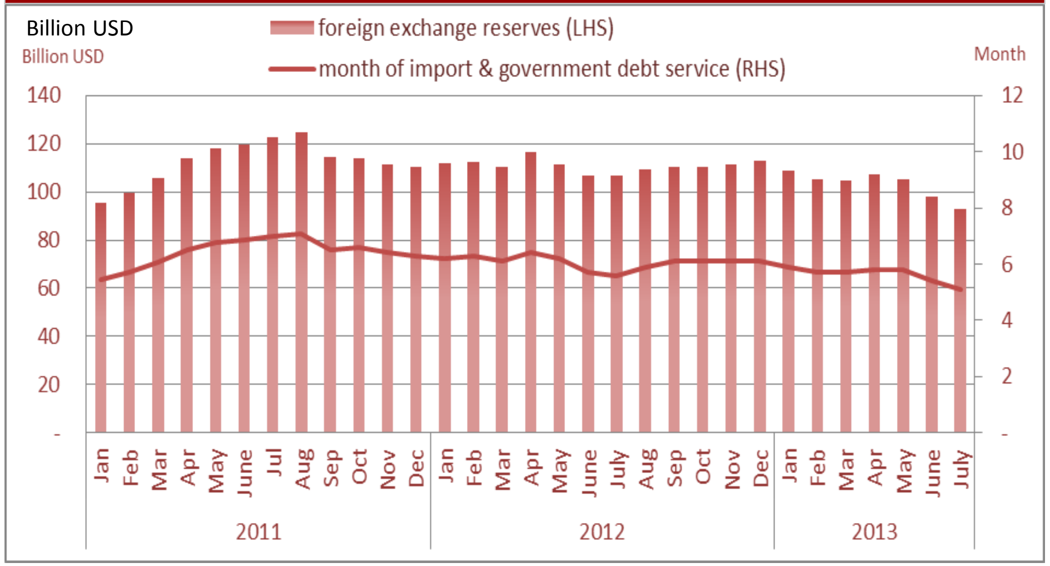
Inflation



Balance of Payments



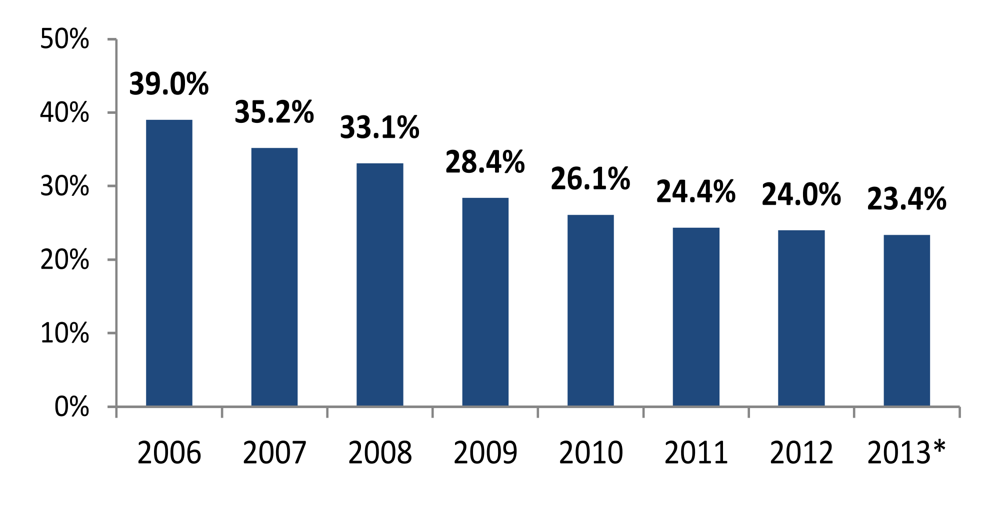
Foreign Exchange Reserves



Source: Bank Indonesia

Executive Summary

Debt to GDP Ratio (% of GDP)



Debt Composition

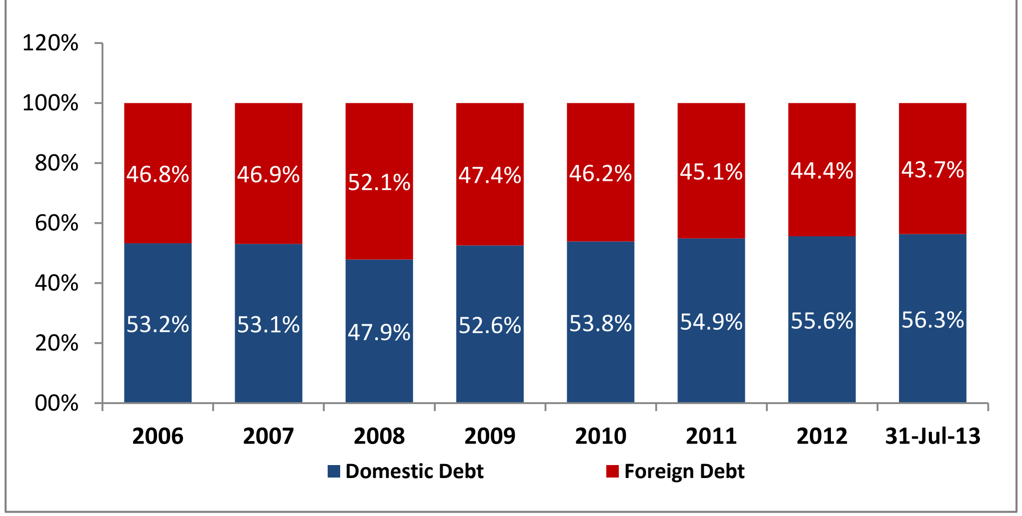


Table of Debt to GDP Ratio

	2006	2007	2008	2009	2010	2011	2012
GDP	**3,339,217.0**	**3,950,894.0**	**4,948,689.0**	**5,603,870.8**	**6,422,918.2**	**7,427,086.1**	**8,241,864.3**
Debt Outstanding (billion IDR)	**1,302,159.0**	**1,389,415.0**	**1,636,740.7**	**1,590,386.0**	**1,676,852.1**	**1,808,946.8**	**1,977,706.4**
- Domestic Debt (Loan+Securiti	693,118.0	737,125.5	783,855.1	836,318.0	902,599.8	993,038.2	1,097,993.2
- Foreign Debt (Loan+Securitie	609,041.0	652,289.5	852,885.6	754,068.0	774,252.4	815,908.6	879,713.2
Debt to GDP Ratio	39.0%	35.2%	33.1%	28.4%	26.1%	24.4%	24.0%
- Domestic Debt to GDP Ratio	20.8%	18.7%	15.8%	14.9%	14.1%	13.4%	13.3%
- Foreign Debt to GDP Ratio	18.2%	16.5%	17.2%	13.5%	12.1%	11.0%	10.7%

Source: Ministry of Finance

*: Revised Budget 2013

2013 Policy Summary

Government coordinates policy tools to maximize growth with macroeconomic management

Revenue and tax policy

- An Increase of non-taxable income threshold by 54%, from Rp15.8 million to Rp24.3 million.
- Extend and widen tax base through tax extensification.
- VAT tariff adjustment for a number of luxury goods.
- Improve monitoring and service in custom & excise.
- Excise tax extensification and intensification.
- Fiscal incentives provision for strategic economic activities i.e. Hybrid and low carbon emission motor vehicles.

Monetary policy

- Maintain the policy rate at 6.50% to support sustainable growth.
- Maintain IDR exchange rate stability
- Strengthen monetary policy by implementing monetary and macroprudential policy mix
- Deepening of the foreign exchange market

Expenditure policy

- Prioritize capital expenditure allocation to support infrastructure development.
- Reallocate consumptive spending to more productive activities.
- Increase infrastructure spending to support energy and food security, domestic connectivity, and tourism.
- Redesign subsidy policy from price subsidy to targeted subsidy.
- Improve budget disbursement

Financing and debt management policy

- Prioritize funding from domestic market and financial institutions
- Focus on financial inclusiveness of government securities, access to wider retail investors
- Debt instruments development
- Active government bonds portfolio management
- Selective external loan only for priority projects/needs
- Implementation of the Crisis Management Protocol and the establishment of Financial System Stability Coordination Forum (FKSSK)

Improved International Perception and Rising Investment

Improving International Perception: Acknowledged by Rating Agencies

Resilient economy, which impressively navigates through the global crisis and continued confidence in economic outlook, the Republic continued to receive good reviews.

- **Japan Credit Rating Agency, Ltd (July 22, 2013): affirmed Indonesia's foreign currency long-term senior debt at BBB- and local currency long term senior debt BBB with stable outlook.** JCR stated that key factors supporting the decision of affirmation the sovereign credit rating of Indonesia (1) the country's sustainable economic growth outlook underpinned by solid domestic demand, (2) low level of public debt burden brought by prudent fiscal management, (3) resilience to external shocks.

- **S&P (May 2, 2013): affirmed Indonesia's sovereign credit rating, at BB+ level for long-term and B level for short-term and revised its outlook to stable from positive.** S&P stated that stable outlook on Indonesia reflects the weakened policy environment and external pressures are fairly balanced against the country's strong growth prospects, conservative fiscal policy, and favorable debt trajectories.

- **Fitch Ratings (November 21, 2012): affirmed Indonesia's sovereign credit rating at BBB- level with stable outlook.** The key factors supporting the decision of affirming Indonesia's sovereign credit rating are the relatively high economic growth that is resilient to the declining global condition, high investment rate, low and declining public debt ratios and the strong overall macroeconomic policy framework.

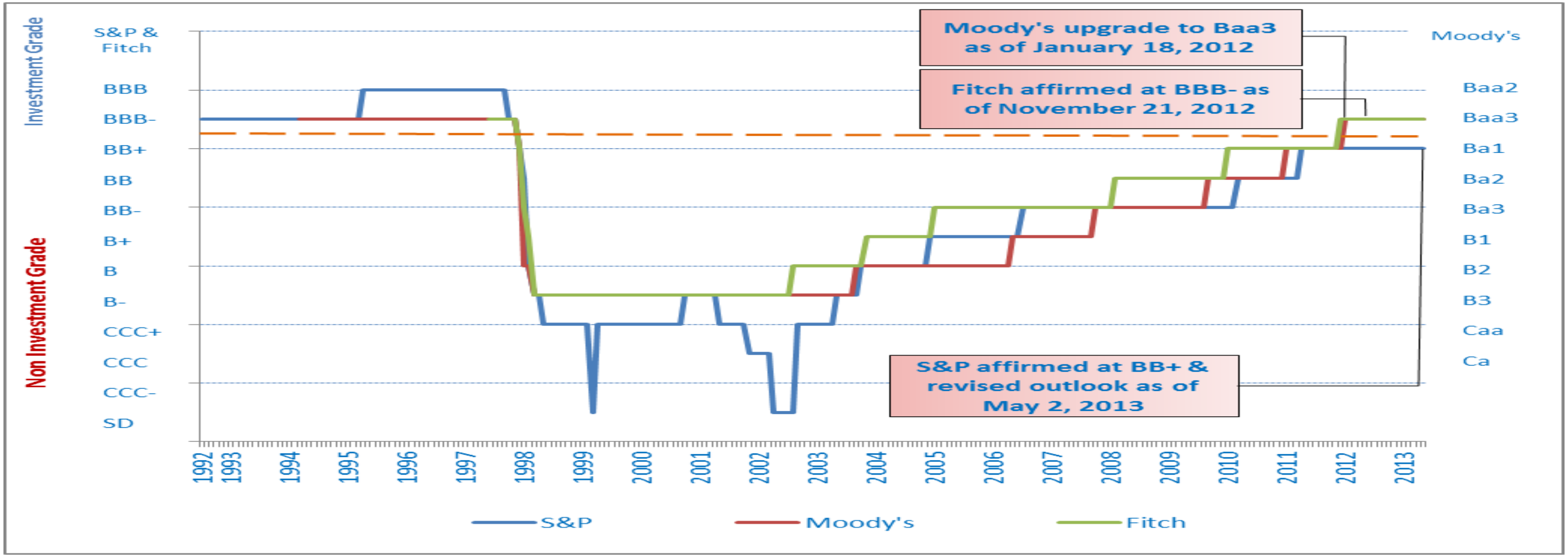
- **Rating and Investment Information, Inc (October 18, 2012): upgraded Sovereign Credit Rating of the Republic of Indonesia to BBB-/stable outlook.** R&I stated key factors supporting the decision of upgrading the sovereign credit rating of Indonesia:(1) Indonesian economic resilience in achieving high growth amid the global economic downturn (2) conservative fiscal management (3) Government's debt burden is kept low and (4) financial system has become more stable.

- **Moody's Investors Service (January 18, 2012): upgraded Republic of Indonesia's foreign and local-currency bond ratings to Baa3 with stable outlook.** Moody's stated the key factors supporting this action were (1) Moody's anticipation that government financial metrics will remain in line with Baa peers (2) The demonstrated resilience of Indonesia's economic growth to large external shocks (3) The presence of policy buffers and tools that address financial vulnerabilities and (4) A healthier banking system capable of withstanding stress.

Sovereign Rating History

Solid economic fundamentals supported the improvement of Indonesia's sovereign credit rating since 2001

Rating history



Rating agencies comments

Baa3/ Stable

Moody's – 18 January 2012

"Indonesia's cyclical resilience to large external shocks points to sustainably high trend growth over the medium term. A more favorable assessment of Indonesia's economic strength is underpinned by gains in investment spending, improved prospects for infrastructure development following key policy reforms, and a well-managed financial system."

BB+ / Stable

S&P – 2 May 2013

"The rating on Indonesia fairly balances institutional and external constraints with a strong growth prospects, conservative fiscal policy, and favorable debt trajectories. The revised outlook from positive to stable signals the diminished potential for an upgrade due to the stalling of reform momentum and a weaker external profile."

BBB- / Stable

Fitch – 21 November 2012

"The key factors supporting the decision of affirming Indonesia's sovereign credit rating are the relatively high economic growth that is resilient to the declining global condition, high investment rate, low and declining public debt ratios and the strong overall macroeconomic policy framework."

Positive Perceptions from International Institutions

- **McKinsey Report (The Archipelago Economy: Unleashing Indonesia's Potential), September 2012**
  - Indonesia will be the 7th largest economy in the world in 2030, and additional 90 million Indonesians could join the global consuming class (individuals with net income of more than US$ 3,600 per annum in PPP).
  - Over the past decade, compared with any advanced countries in OECD and BRIC plus South Africa, Indonesia has had the lowest volatility in economic growth, fallen debt to GDP ratio (5th lowest), and third strongest economic growth after China and India.
  - To achieve growth target, Indonesia needs to push labor productivity, address social gap issue and manage increasing demand.
- **IMF (Article IV Consultation), September 2012**
  - Indonesian economic growth will remain solid, at 6 percent in 2012, but strong domestic demand may push inflation to 5 percent by end year.
  - The main risks to the outlook stem from a sharper-than-envisaged slowdown in external demand and risk aversion spikes, stemming either from an intensification of the Euro area crisis or a hard landing in China.
  - Overall, though, the economy's strong fundamentals and ample fiscal and reserve buffers should enable Indonesia to manage these risks.
  - Fiscal reforms must become a priority by speed up budget implementation, and replace energy subsidies with direct cash assistance, to create infrastructure, health and education improvement.
- **OECD Economic Survey Indonesia, September 2012**
  - The real GDP is projected to grow at 6,0% in 2012 and 6,2% in 2013, while the current account is projected to contract 0,8% in 2012 due to the imports growth especially for capital goods.
  - The main risks to the short-term outlook are external. Increased global risk aversion, could reverse the capital inflows of the past few years, endangering the financing conditions for government and banks alike and cutting growth.
  - The key challenges to achieving growth targets is raising infrastructure fund, social spending and tax revenue, also lowering energy subsidies. Further institutional and policy reform would boost productivity growth and help the government reach its objective of becoming one of the 10 largest economies in the world by 2025.
- **World Bank Indonesia Economic Quarterly, March 2013**
  - Indonesia's economy continued to grow at a steady pace in the final quarter of 2012, taking full-year GDP growth to 6.2 percent, a resilient performance considering the weak global environment and unsettled financial market conditions which prevailed for much of the year.
  - Indonesia should be able to maintain a solid pace of growth, but there is no room for complacency, as a number of pressures are mounting which could move the economy off this trajectory.

Preserved Macroeconomic Stability

Robust and Stable Economy Continues to Chart Moderate Growth

- Indonesia's economy in 2013 is projected to arrive at the lower bound of 5.8%-6.2%.
- The economic growth is primarily driven by relatively strong household consumption and investment, which slightly contained due to deteriorating purchasing power triggered by rising inflation and unfavorable export due to persistently weak global economic demand.
- The economic slowdown is part of rebalancing the domestic economy with the global economic downturn and the impact of rising inflation.
- Economic growth is predicted to rebound in Q4-2013 and continue to accelerate in the range of 6.4%-6.8% in 2014.

Forecast of Economic Growth - Demand Side

Sector	2011	2012	2013			2013*	2014*
			I	II	III*		
Private Consumption	4.7	5.3	5.2	5.0	5.0	5.0 - 5.4	5.3 - 5.7
Government Consumption	3.2	1.2	0.4	2.1	8.0	4.2 - 4.6	5.2 - 5.6
Gross Fixed Capital Formation	8.8	9.8	5.8	4.7	5.8	6.3 - 6.7	8.5 - 8.9
Exports of Goods and Services	13.6	2.0	3.6	4.8	4.1	4.5 - 4.9	8.0 - 8.4
Imports of Goods and Services	13.3	6.6	(-0.1)	0.6	4.4	3.0 - 3.4	8.3 - 8.7
GDP	**6.5**	**6.2**	**6.0**	**5.8**	**5.9**	**5.8 - 6.2**	**6.4 - 6.8**

Forecast of Economic Growth - Supply Side

Sector	2011	2012	2013			2013*	2014*
			I	II	III*		
Agriculture	3.4	4.0	3.6	3.2	3.1	3.3 - 3.7	3.3 - 3.7
Mining and Quarrying	1.4	1.5	(-0.2)	(-1.2)	0.1	(-0.2) - 0.2	1.0 - 1.4
Manufacturing	6.1	5.7	5.9	5.8	5.7	5.5 - 5.9	6.0 - 6.4
Electricity, Gas, and Water Supply	4.8	6.4	6.6	6.6	6.7	6.5 - 6.9	6.5 - 6.9
Construction	6.6	7.5	7.0	6.9	7.2	7.0 - 7.4	7.1 - 7.5
Trade, Hotels, and Restaurant	9.2	8.1	6.5	6.5	6.7	6.4 - 6.8	7.9 - 8.3
Transportation and Communication	10.7	10.0	10.0	11.5	9.8	9.7 - 10.1	9.8 - 10.2
Financial, Rental, and Business Services	6.8	7.1	8.4	8.1	8.2	8.1 - 8.5	8.4 - 8.8
Services	6.7	5.2	6.5	4.5	6.2	6.1 - 6.5	6.1 - 6.5
GDP	**6.5**	**6.2**	**6.0**	**5.8**	**5.9**	**5.8 - 6.2**	**6.4 - 6.8**

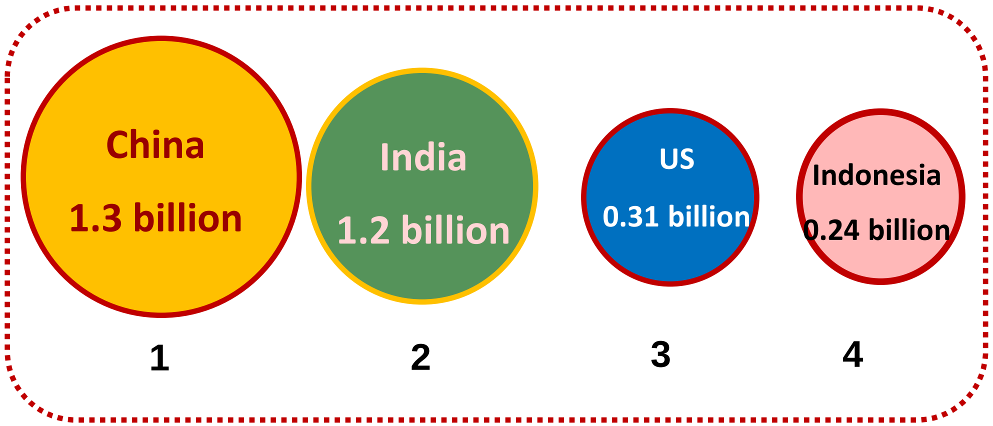
Source: BPS

* Bank Indonesia Projection

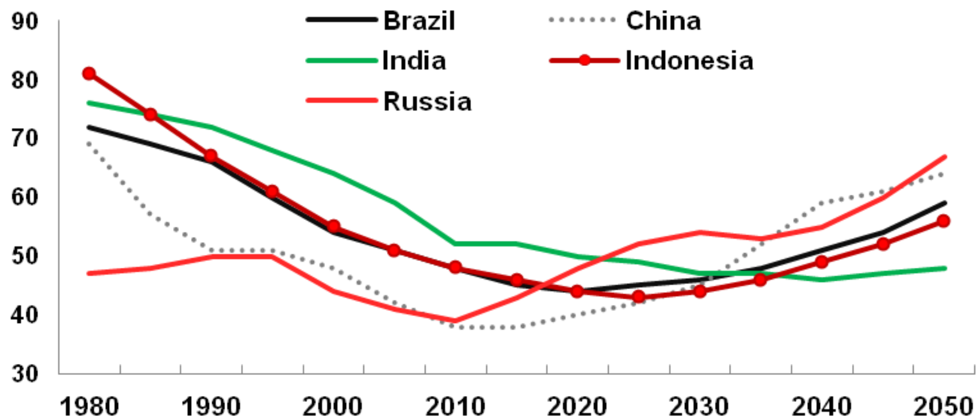
Young and Dynamic Population

- Rising young and dynamic population marked by decreasing dependency ratio that will continue on until 2025.
- Rising income per capita and growing ranks of the ‘middle income class.
- Labor force participation rate is nearly 70% and open unemployment rate only 5.9% (February 2013), -6.8% yoy.

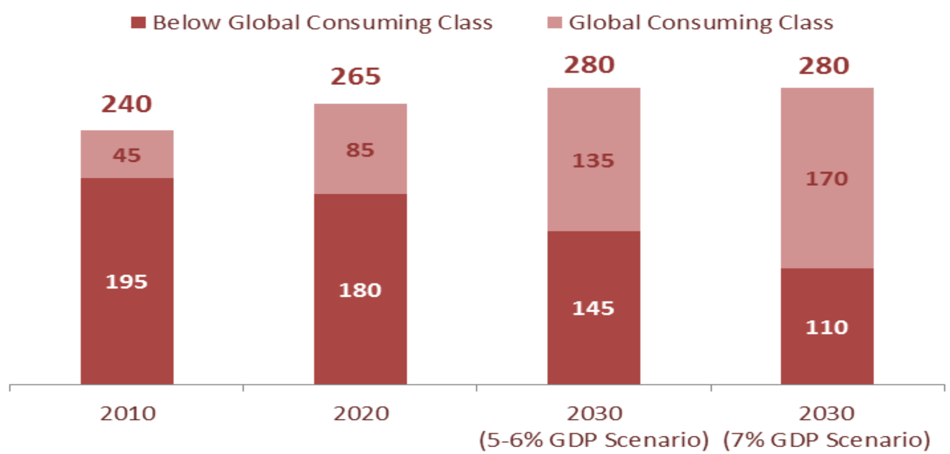
Fourth Largest Population in the World



Dependency Ratio Keeps Falling Until 2025

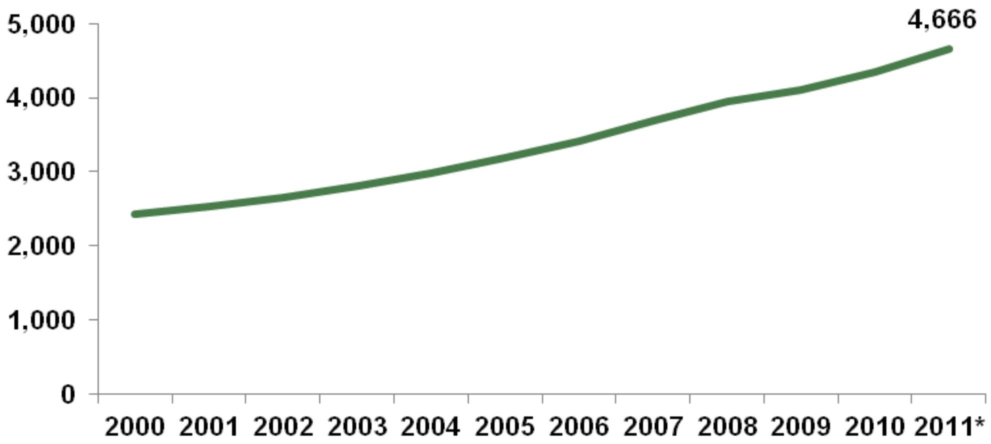


Increasing Middle Income Class Population



Source: BPS, Bappenas, UNPP, McKinsey

Rising GDP per capita (USD)

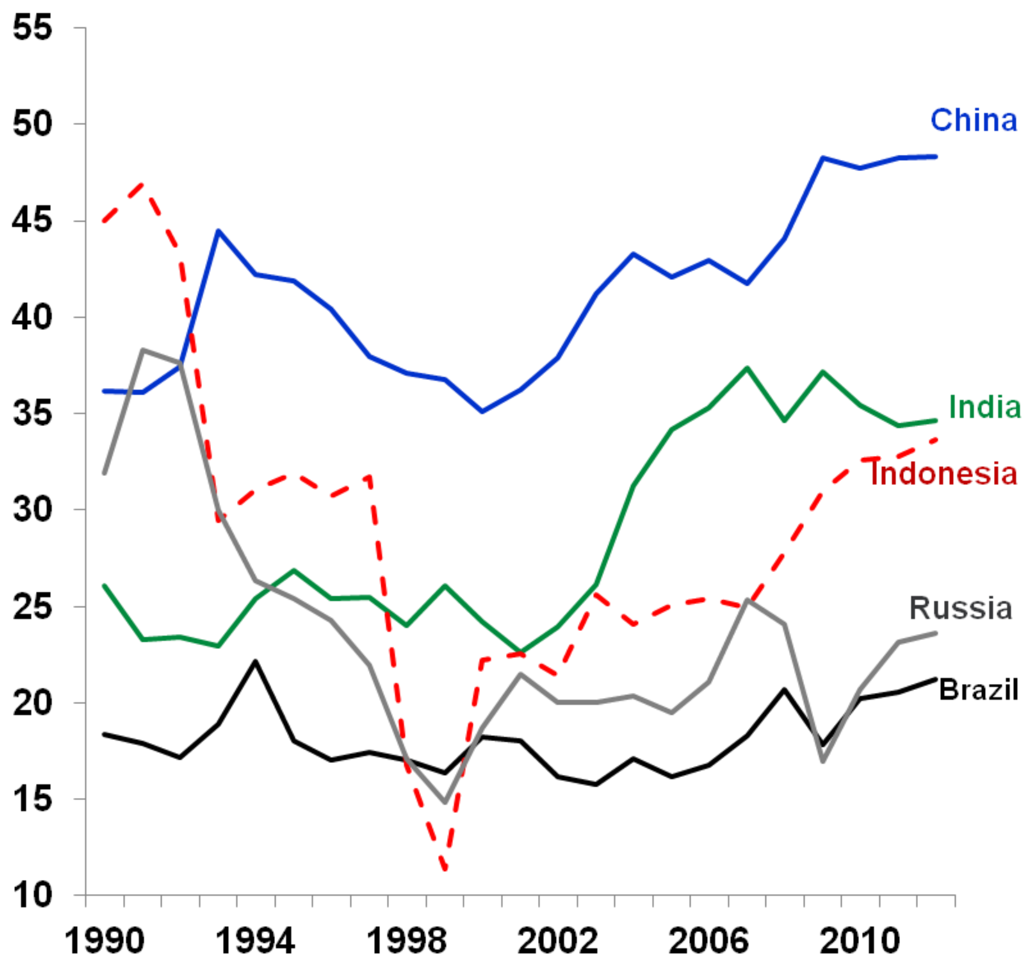


Notes: Based on purchasing power parity per capita GDP, * Estimate

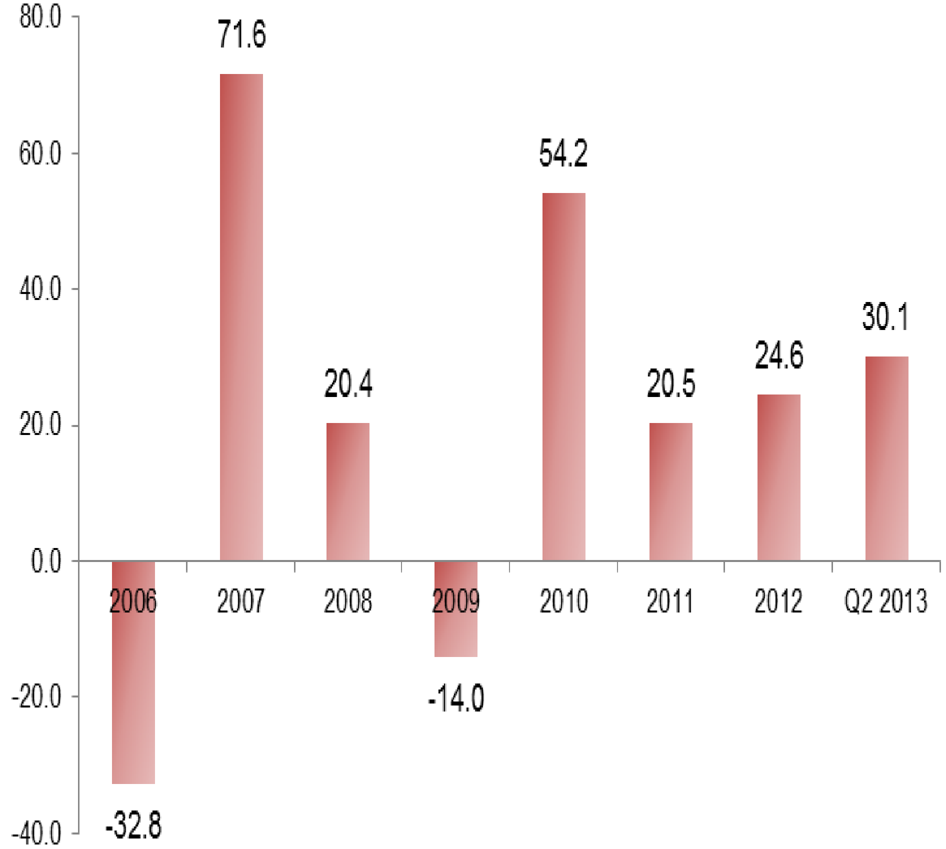
Investment is Becoming the New Engine of Growth

Investment both by domestic and foreign direct investors continues on the expanding trend, supporting economic growth at a time of slowing down exports

Investment of GDP (%)



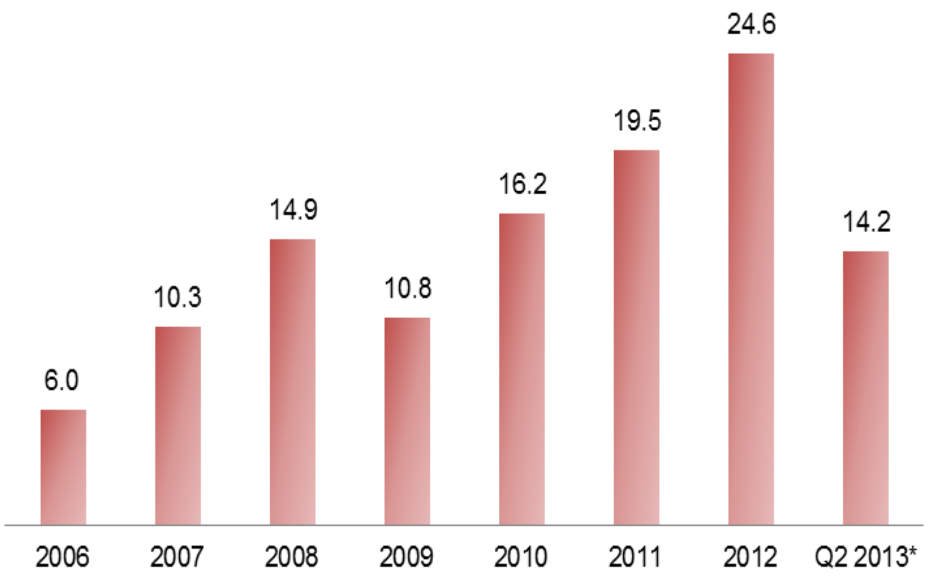
Direct investment growth (%, yoy)



Strong Investment Underpinned by Competitiveness and Stability

- The investment realization as at Q2-2013 is Rp 192.8 trillion consisted of Rp 60.6 trillion of Domestic Direct Investment (DDI) and Rp 132.2 trillion of Foreign Direct Investment (FDI). It increases 30.1% compared to the same period in 2012 (Rp 148.1 trillion).
- The distribution of project location from January to June 2013 outside of Java is Rp 83.3 trillion or 43.2% from total investment realization. Compared to the same period in 2012 it increases around 22.0%.

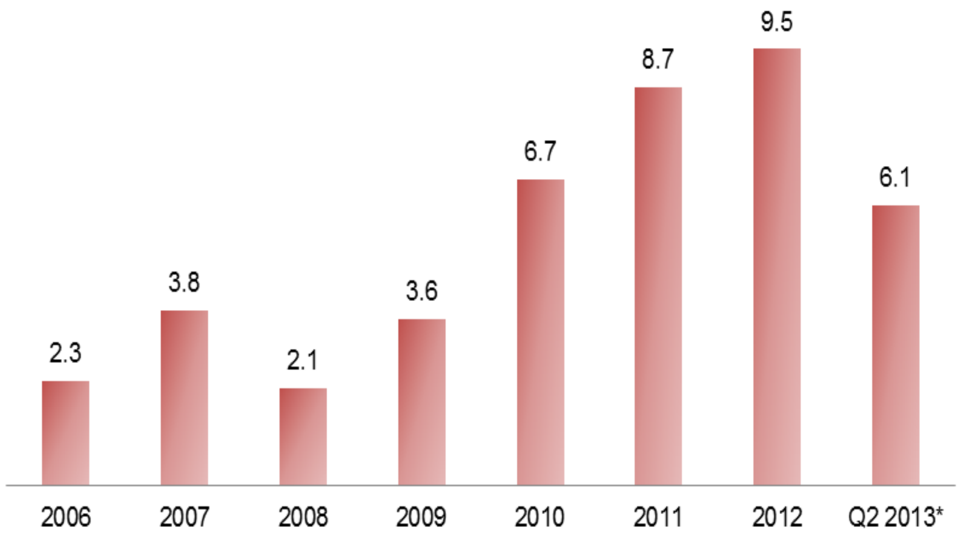
Realized Foreign Direct Investment (Billion USD)



*: cumulative

Source: BKPM

Realized Domestic Direct Investment (Billion USD)

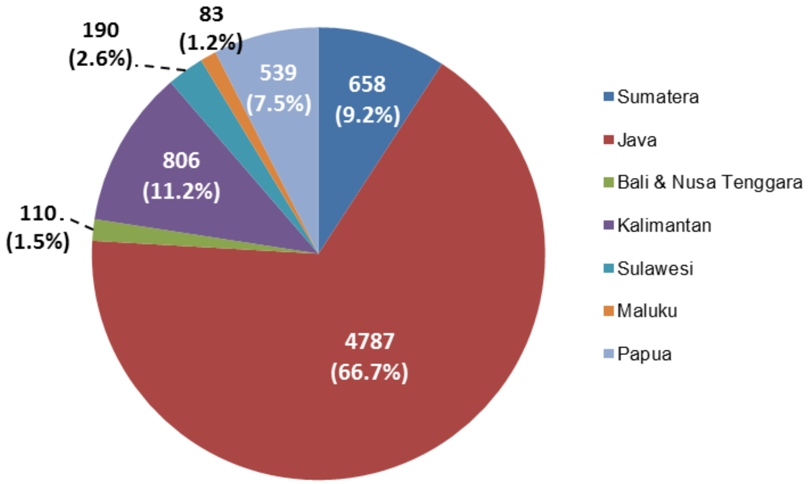


*: cumulative

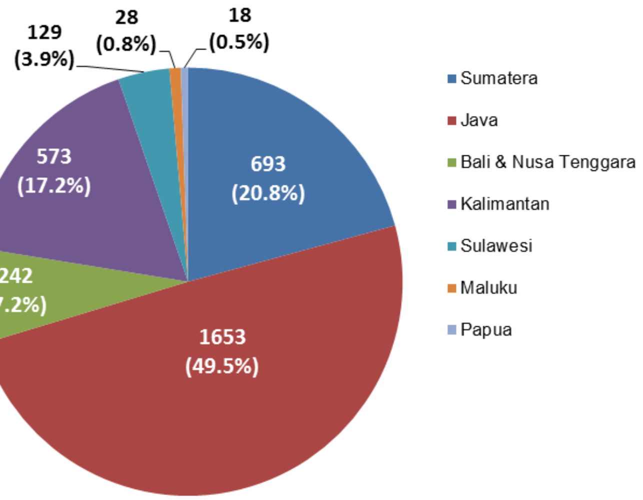
Source: BKPM

Strong Investment Underpinned by Competitiveness and Stability

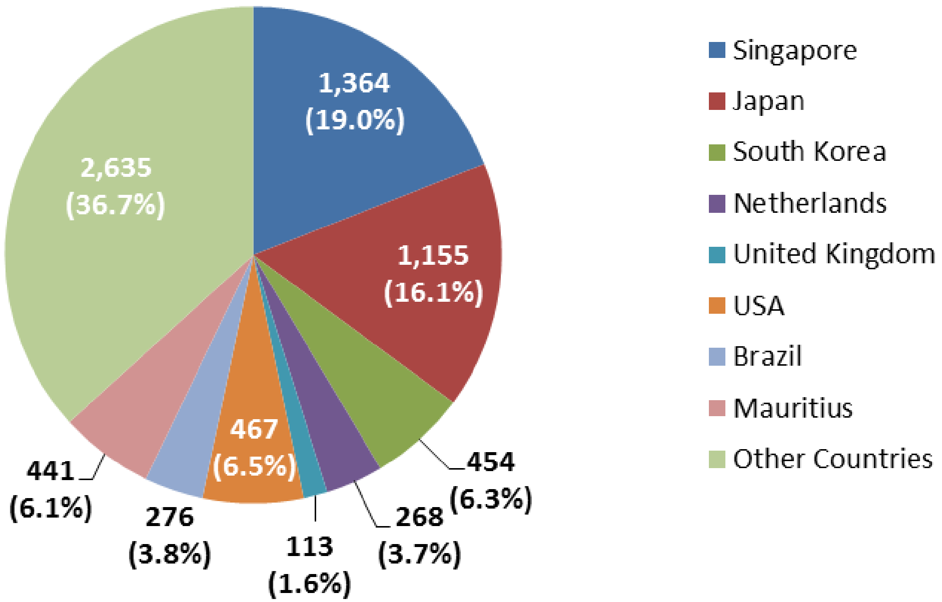
FDI Realization by Location Q2 2013 (Million USD)



DDI Realization by Location Q2 2013 (Million USD)



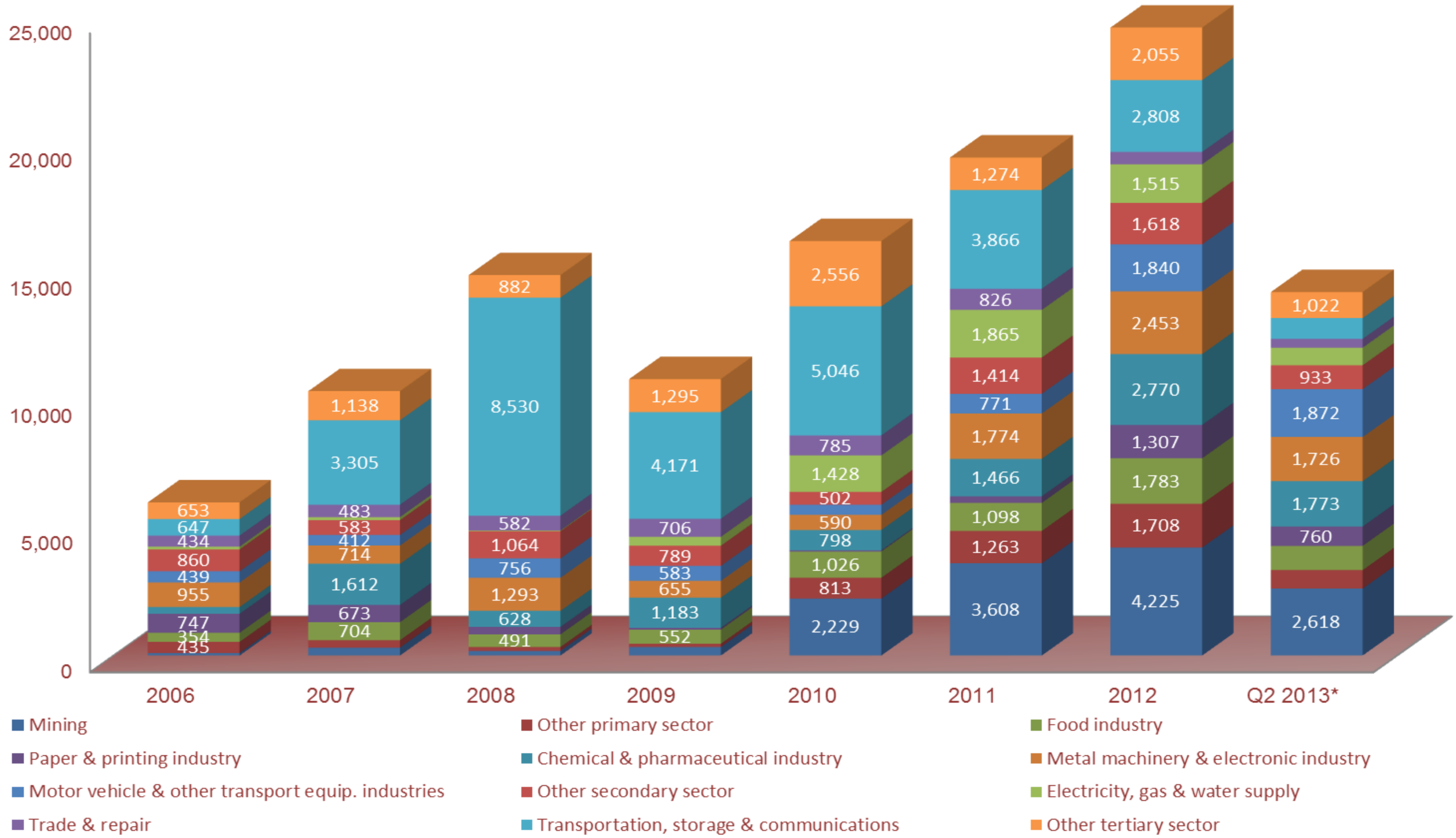
FDI by Countries Q2 2013 (Million USD)



Source: BKPM

Strong Investment Underpinned by Competitiveness and Stability

FDI – By Sector (Million USD)



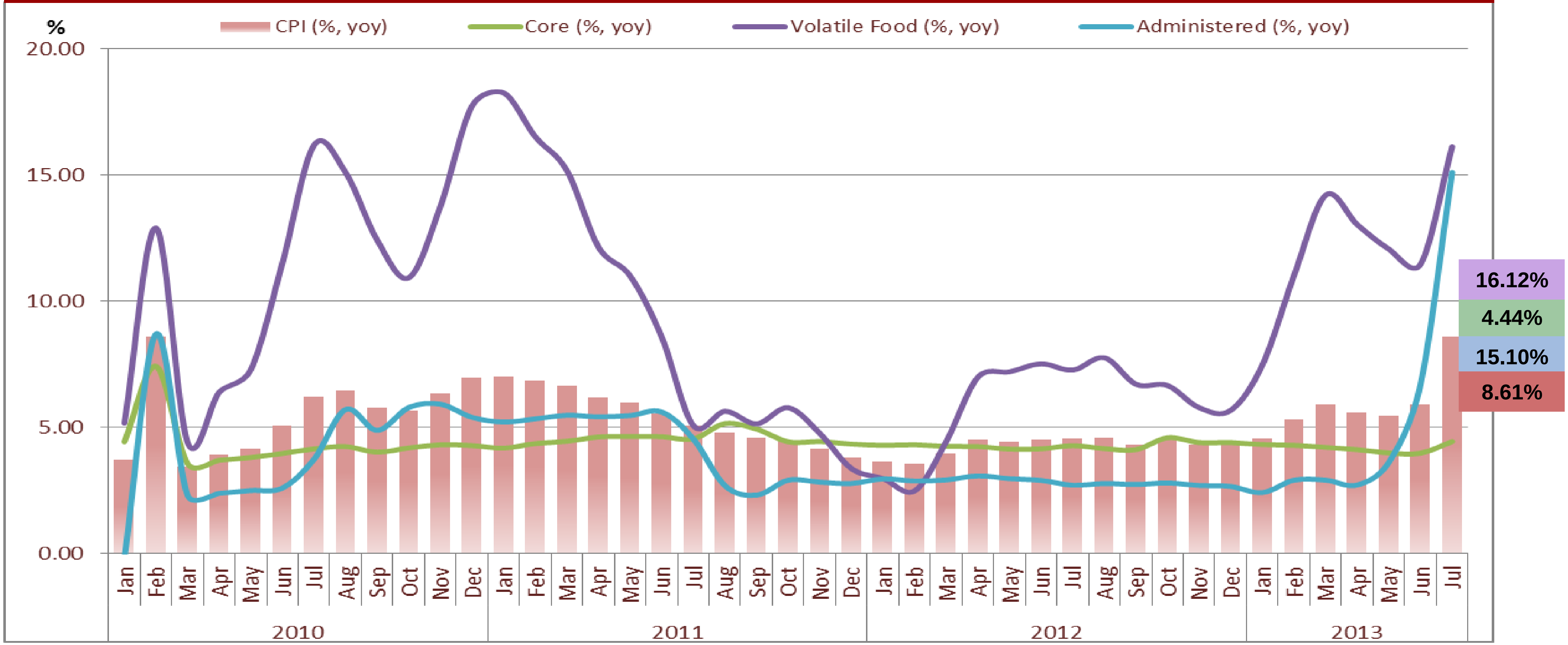
*: cumulative

Source: BKPM

The Moderating Inflation Still Under Control

- Inflation has fallen sharply, reaching a single digit in last decade.
- Core inflation has been fairly stable in the last 3 years and remains under control at around 4%, while administered prices and volatile food recorded a significant surge of inflation recently. The surging inflation in administered prices was in harmony with Bank Indonesia projections.
- Inflationary pressures are expected to ease after the holy fasting month of Ramadan as well as due to slower domestic economic growth.
- In addition to enhancing its policy mix, Bank Indonesia will continuously strengthen good cooperation and coordination with the government to address rising inflation expectation to ensure inflation in 2014 remain controlled within its target corridor.

Inflation – by component



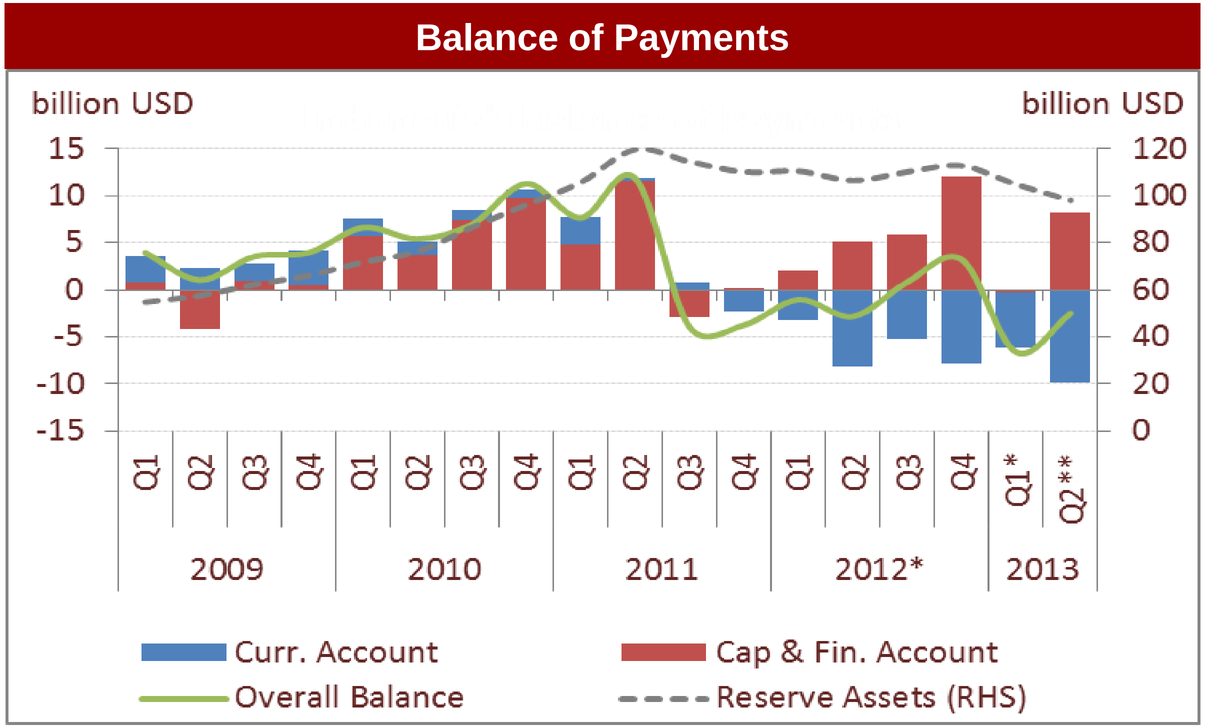
Source: Bank Indonesia

Balance of Payments QII-2013

Bank Indonesia's policy mix, supported by the Government's fiscal financing policy, mitigated the negative impact of worsening global economic and financial conditions on Indonesia's balance of payments (BOP). BOP deficit narrowed from US$6.6 billion in the previous quarter to US$2.5 billion in Q2/2013.

This improvement was supported by the capital and financial account that had returned to surplus after recording a substantial deficit in the previous quarter. On the other hand, following its seasonal pattern, the current account deficit widened compared to the previous quarter.

In line with the balance of payments deficit, international reserves at the end of July 2013 fell to U.S.$92.7 billion. Nevertheless, this level of international reserves was sufficient to finance import payments and servicing of government external debt for 5.1 months, hence remain above the international standards of adequacy.



Source: Bank Indonesia
* Provisional figures

Balance of Payments QII-2013

Seasonal factors and declining export commodity prices led to larger current account deficit. Current account deficit increased from U.S.$5.8 billion (2.6% of GDP) in the previous quarter to U.S.$9.8 billion (4.4% of GDP) in Q2/2013 due to shrinking non-oil & gas trade surplus and widening services and income deficits. Meanwhile, oil and gas trade deficit eased compared to the previous quarter.

In other developments, in the midst of global financial market turmoil, Bank Indonesia's policy responses and Government's fiscal financing strategy helped restore the capital and financial account surplus. After a deficit of US$0.3 billion in the previous quarter, capital and financial account regained surplus of US$8.2 billion in Q2/2013 on the back of relatively stable FDI inflows, issuance of Government global bonds, and domestic banks' withdrawal of their deposits held abroad.

	I T E M S	2012*					2013	
		Q1	Q2	Q3	Q4	TOTAL	Q1*	Q2**
I.	**Current Account**	**-3,164**	**-8,176**	**-5,264**	**-7,827**	**-24,431**	**-5,819**	**-9,848**
	A. Goods [1]	**3,810**	**818**	**3,190**	**801**	**8,618**	**1,602**	**-601**
	- Exports	*48,353*	*47,538*	*45,549*	*47,056*	*188,496*	*45,231*	*45,670*
	- Imports	*-44,543*	*-46,720*	*-42,360*	*-46,255*	*-179,878*	*-43,629*	*-46,272*
	1. Non Oil & Gas	**4,694**	**1,974**	**3,968**	**3,221**	**13,857**	**4,457**	**1,662**
	2. Oil	**-5,278**	**-5,331**	**-4,222**	**-5,605**	**-20,436**	**-6,356**	**-5,262**
	3. Gas	**4,394**	**4,176**	**3,443**	**3,185**	**15,197**	**3,501**	**2,998**
	B. Services	**-1,983**	**-2,790**	**-2,359**	**-3,198**	**-10,331**	**-2,480**	**-3,070**
	C. Income	**-6,048**	**-7,101**	**-6,955**	**-6,643**	**-26,748**	**-6,044**	**-7,140**
	D. Current transfers	**1,058**	**898**	**861**	**1,213**	**4,029**	**1,102**	**962**
II.	**Capital & Financial Account**	**2,096**	**5,087**	**5,885**	**12,080**	**25,148**	**-328**	**8,199**
	A. Capital Account	**5**	**3**	**8**	**22**	**37**	**1**	**2**
	B. Financial Account [2]	**2,091**	**5,085**	**5,878**	**12,058**	**25,111**	**-329**	**8,196**
	1. Direct Investment	**1,550**	**3,747**	**4,539**	**4,146**	**13,982**	**3,876**	**3,324**
	2. Portfolio Investment	**2,628**	**3,873**	**2,516**	**190**	**9,206**	**2,760**	**2,529**
	3. Other Investment	**-2,087**	**-2,535**	**-1,177**	**7,722**	**1,922**	**-6,966**	**2,343**
III.	**Total (I + II)**	**-1,068**	**-3,088**	**621**	**4,252**	**717**	**-6,147**	**-1,650**
IV.	**Net Errors & Omissions**	**34**	**277**	**213**	**-1,027**	**-503**	**-468**	**-827**
V.	**Overall Balance (III + IV)**	**-1,034**	**-2,811**	**834**	**3,225**	**215**	**-6,615**	**-2,477**
Memorandum:								
	Reserve Asset Position	110,493	106,502	110,172	112,781	112,781	104,800	98,095
	In Months of Imports & Official Debt Repayment	6.2	5.8	6.1	6.1	6.1	5.7	5.4
	Current Account (% GDP)	-1.45	-3.70	-2.35	-3.59	-2.77	-2.62	-4.35
	Debt Service Ratio (%)	30.3	35.0	35.2	39.4	34.9	34.8	41.4
	o/w. Government & Monetary Authority DSR (%)	2.1	4.2	2.1	4.3	3.2	2.1	4.0

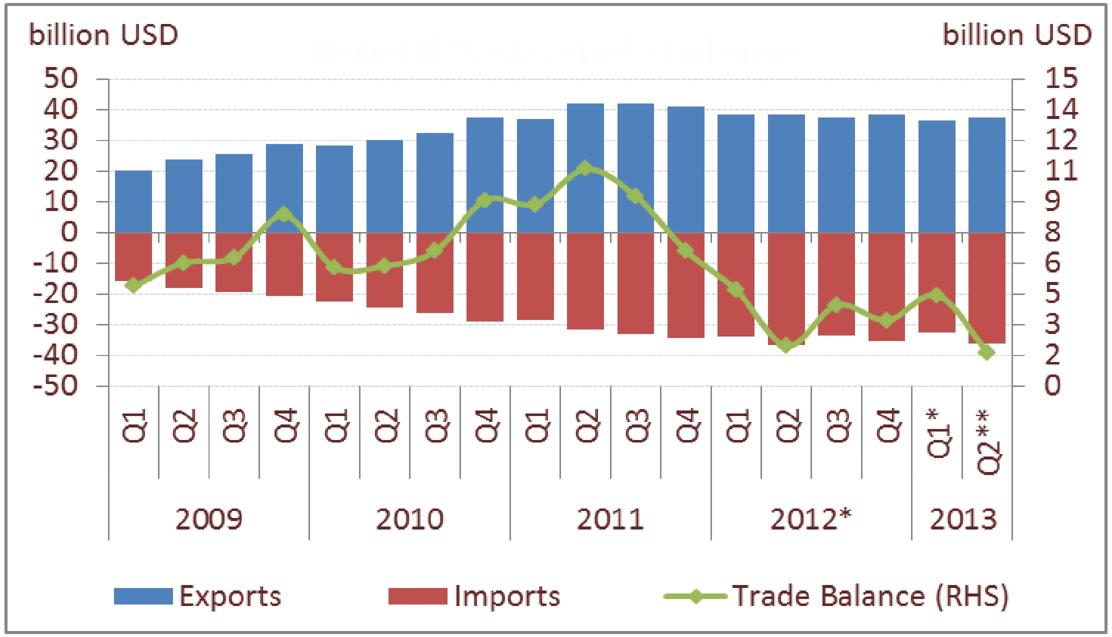
Source: Bank Indonesia

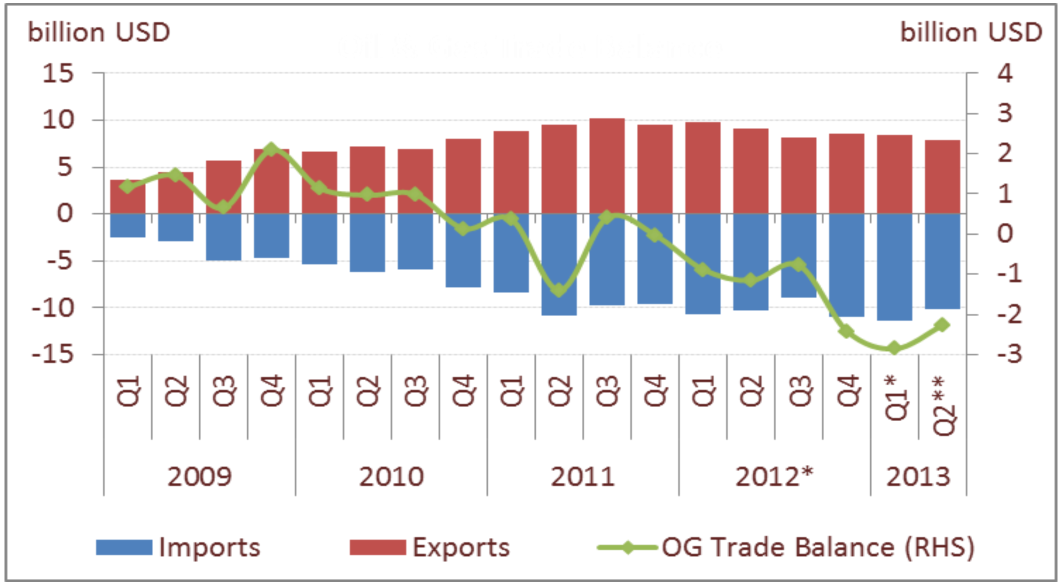
Balance of Payments QII-2013: Current Account

Trade Balance: Non-Oil & Gas

Non-oil & gas trade surplus narrowed from US$4.5 billion in Q1/2013 to US$1.7 billion in Q2/2013, as imports, especially imports of raw materials and consumption goods, increased in relation to Q2 domestic consumption that historically always higher than Q1. On the contrary, improvement in non-oil & gas exports was hampered by declining commodity prices in the international market due to China economic slowdown.

Non-oil and gas exports in real terms charted renewed gains, following the higher growth in world trade volume, but in nominal terms continued to chart negative growth (-1.8% y.o.y). Meanwhile, non-oil & gas import (c.i.f) registered a year-on-year growth of -1.4%.





Trade Balance: Oil & Gas

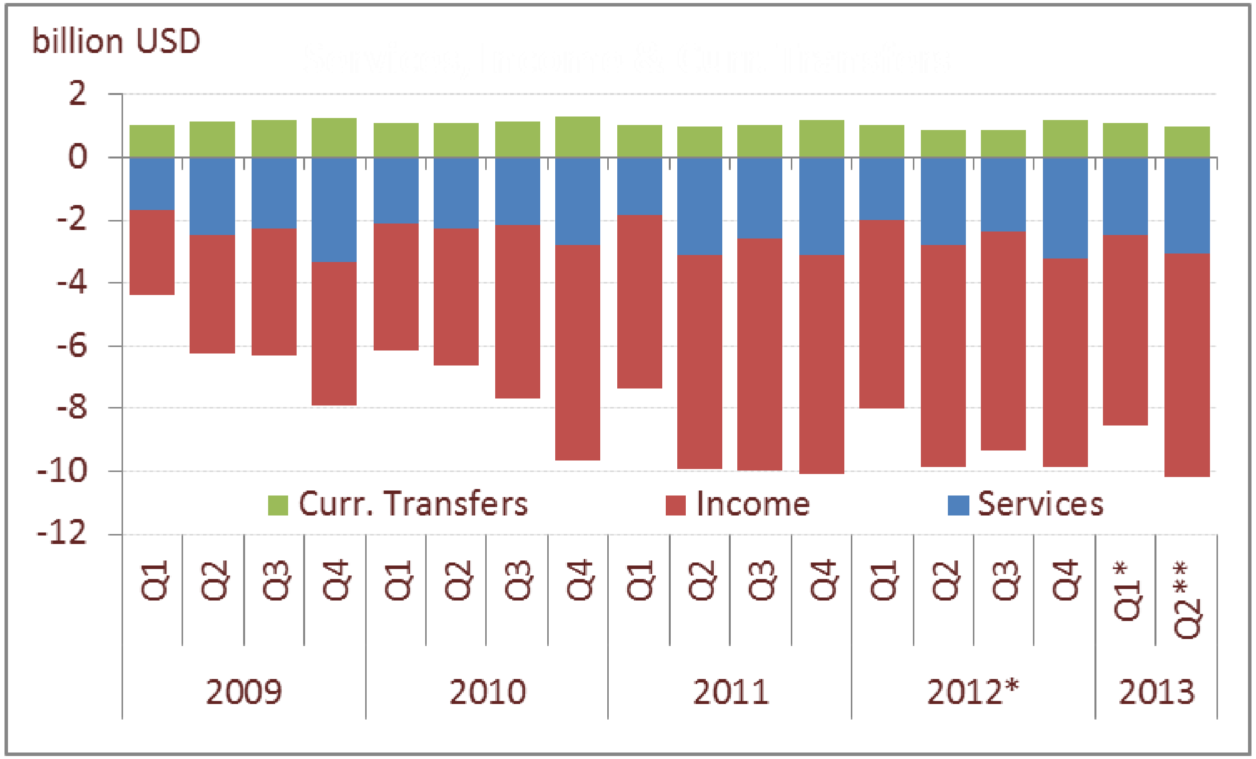
The oil and gas trade deficit decreased on the back of lower volume of oil imports amidst a plunge in oil price. The oil and gas trade deficit in Q2/2013 registered at US$2.3 billion, lower than a USD$2.9 billion deficit in the previous quarter. In reporting period, oil and gas imports dropped 10.2% (q.t.q), while oil and gas exports fell 6.6% (q.t.q).

Source: Bank Indonesia

Balance of Payments QII-2013: Current Account

Services, Income, and Current Transfers

- **The services account deficit widened** due to increased payments for transportation of goods in line with the increase in imports and increase in residents traveling abroad during the school holidays.
- In the same period, **the income account deficit also widened** following the schedule of foreign debt interest payments and profit transfers to foreign investors.
- Meanwhile, **current transfers posted a lower surplus** on account of lower net current transfer (including workers' remittances) received by other sectors

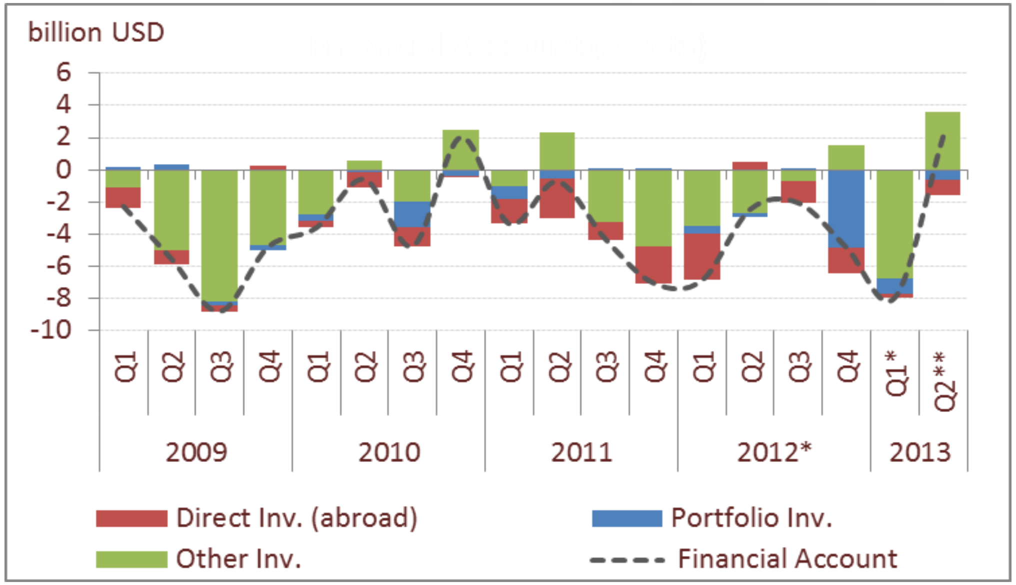


Source: Bank Indonesia

Balance of Payments QII-2013: Capital & Financial Account

Financial Account: Assets

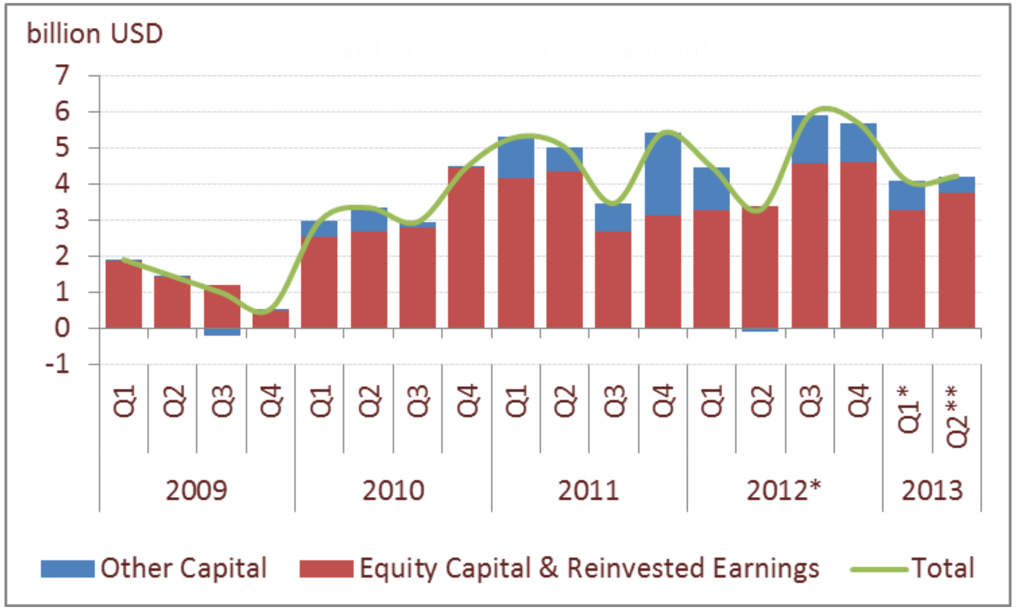
Indonesian investment abroad (the asset side of financial account) decreased in Q2/2013, mainly explained by withdrawal on domestic banks' deposits overseas. Banks withdrew part of their deposits abroad to meet their customers' needs and also to benefit from Bank Indonesia's deposit facility in the form of foreign exchange term deposit instruments and hedging facility in the form of foreign currency swap instruments.



Financial Account Liabilities: Foreign Direct Investment (FDI)

Despite moderate domestic investment growth in Q2/2013, inflows of direct investment in Indonesia (FDI) slightly increased. Net FDI inflows during Q2/2013 reached US$4.2 billion, a year-on-year rise of 28.3%. This improvement indicates the continued strength of investor confidence in the fundamentals and future prospects of the Indonesian economy.

Sectors attracting highest FDI inflows during Q2/2013 were manufacturing, mining, financial, and agriculture. Meanwhile, investment from ASEAN region, Japan, and other emerging Asian countries dominated FDI inflows in reporting quarter.

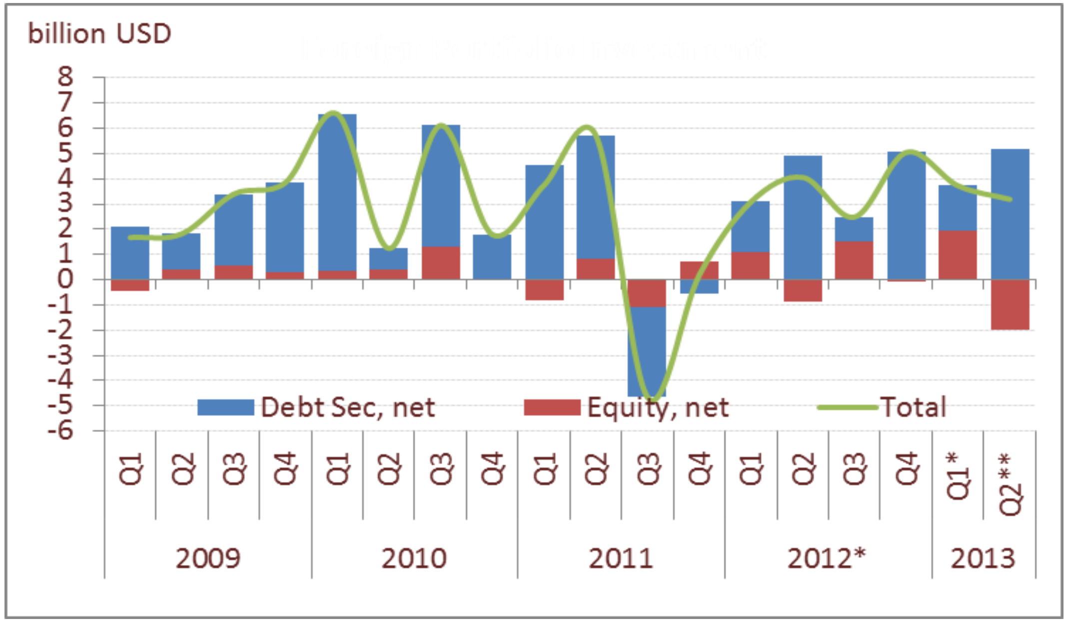


Source: Bank Indonesia

Balance of Payments QII-2013: Capital & Financial Account

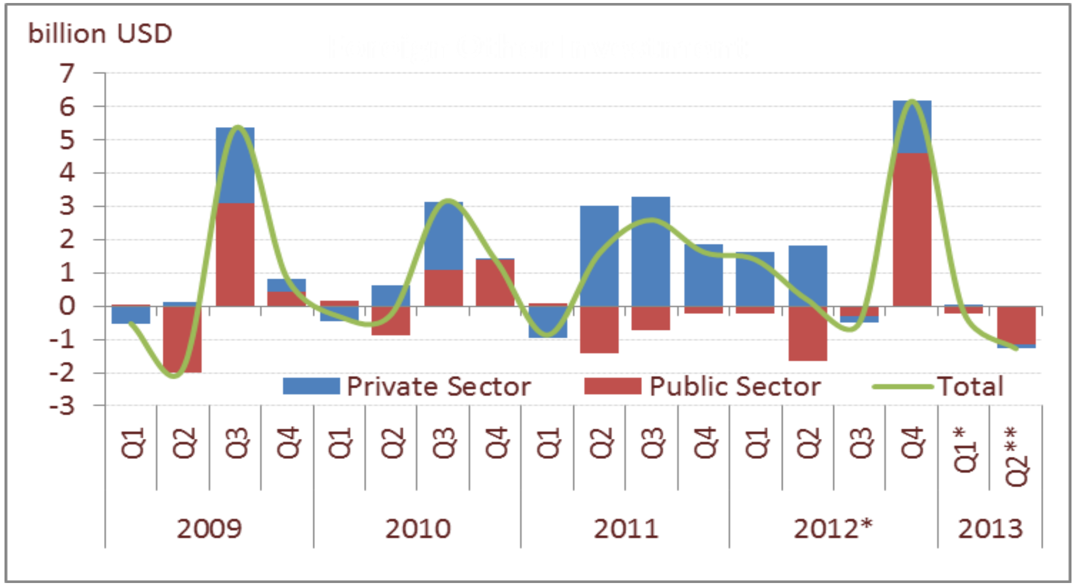
Financial Account Liabilities: Foreign Portfolio Investment

Foreign portfolio investment still recorded a significant surplus of US$3.2 billion in Q2/2013 amid a substantial outflow in June 2013 unleashed by the US Fed's plan to end its loose monetary policy. This improvement was supported by pre-emptive measures taken by Bank Indonesia against rising inflation expectations through increased FASBI and BI rate, the Government's decision to issue foreign currency bonds as a source of fiscal deficit financing, and increased corporate global bond emissions.



Financial Account Liabilities: Foreign Other Investment

Foreign other investment in Q2/2013 registered a US$1.3 billion deficit, larger than a US$0.2 billion deficit in the previous period. This deficit was mainly due to higher debt repayments following seasonal pattern.

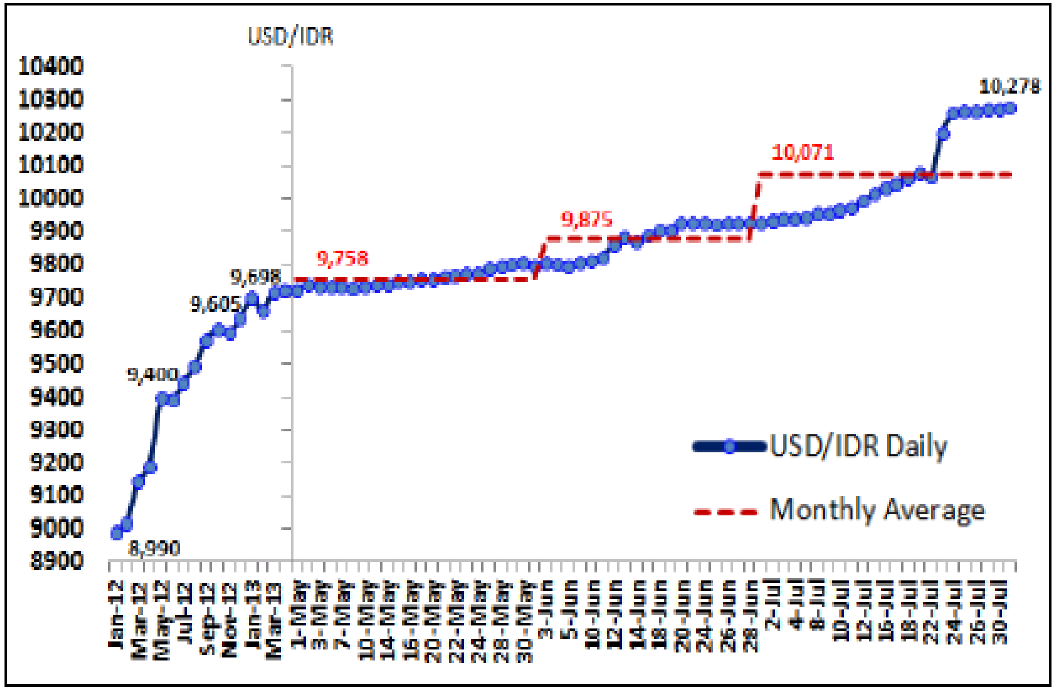


Source: Bank Indonesia

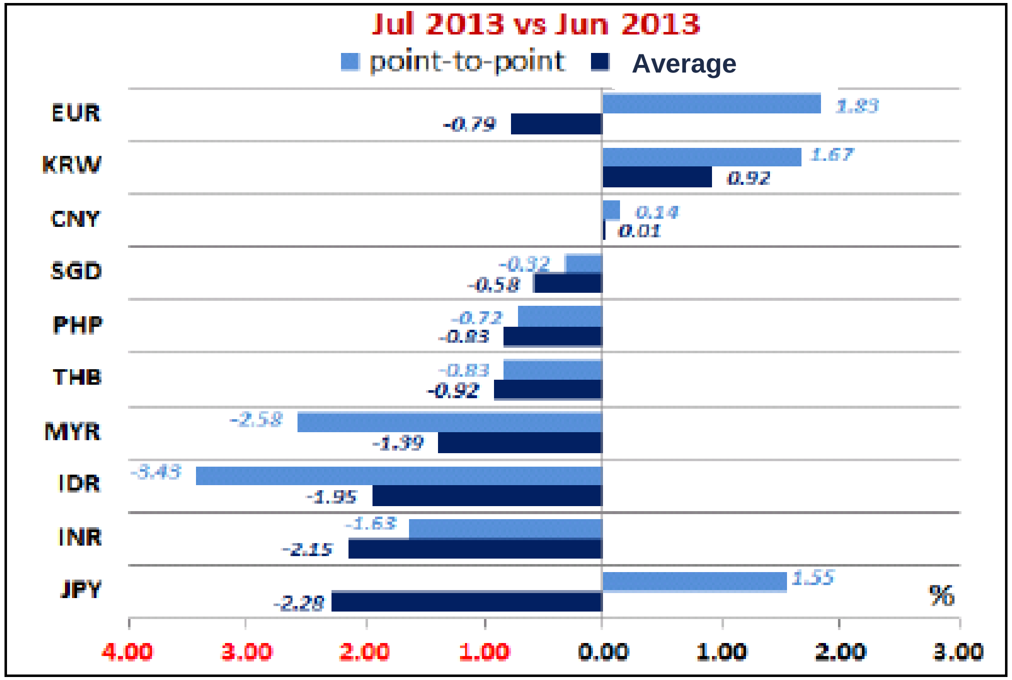
Exchange Rate

- In July 2013, by average Rupiah depreciated by 1.95% (mtm) to Rp10.071 per USD from the previous month which was recorded at Rp.9.875 per USD.
- The movement of Rupiah is in the same direction with other regional currencies as a result of downward pressure from global sentiment.
- In the future, Bank Indonesia will continue to maintain the stability of Rupiah exchange rate consistent with its economic fundamentals which will accelerate external rebalancing and catalyzing healthier economic growth.

Rupiah Exchange Rate



Monthly Appreciation/Depreciation of Regional Currency & Euro

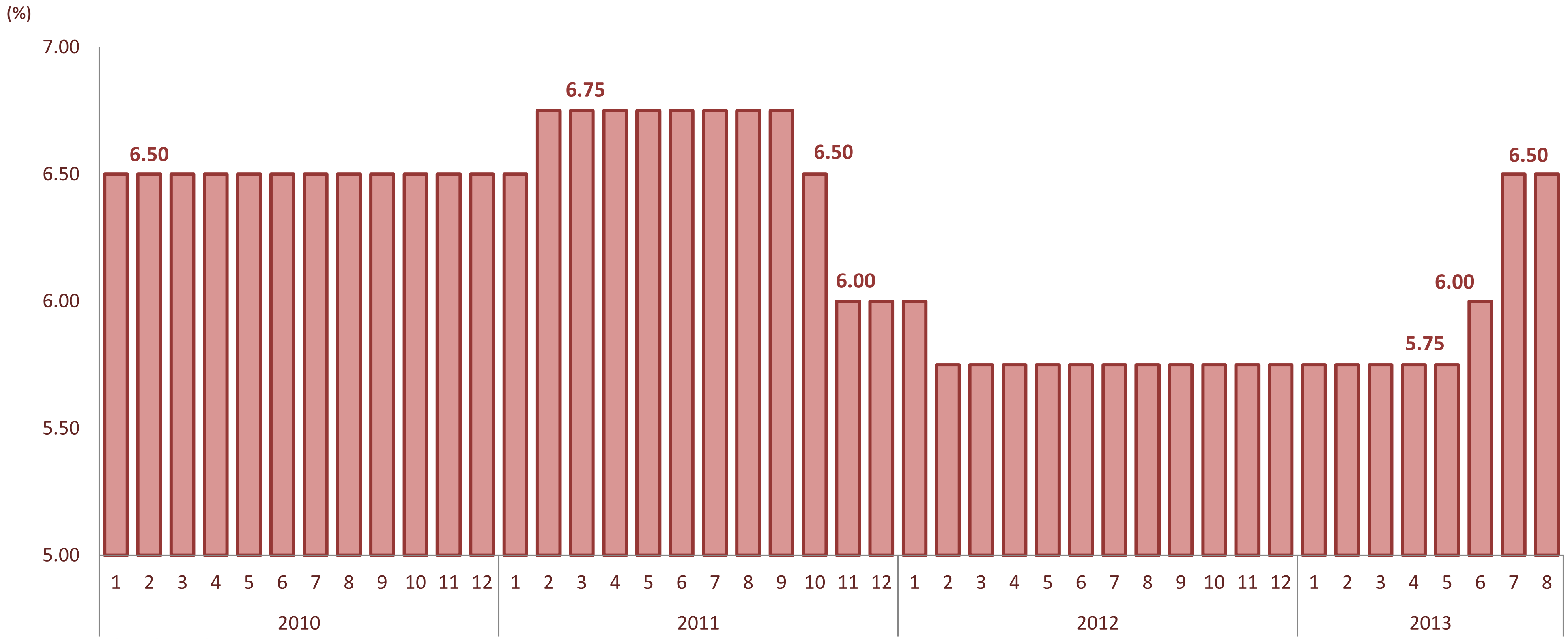


Source: Bank Indonesia

Monetary Policy Stance

- In the Board of Governors' Meeting convened on August 15th, 2013, Bank Indonesia decided to maintained the BI rate at 6.50%.
- Going forward, Bank Indonesia remains vigilant on some risk factors from the global economy, and will strengthen its policy mix by optimizing an array of monetary and macroprudential policy instruments to curb inflation and maintain a more sustainable balance of payments, as well as overall financial system stability
- BI strongly believes the policy mix will be sufficient to direct the 2014 inflation to its target path within the range of 4.5% + 1%, as well as to buttress domestic economy adjustments toward a sound and balanced equilibrium.

BI Rate

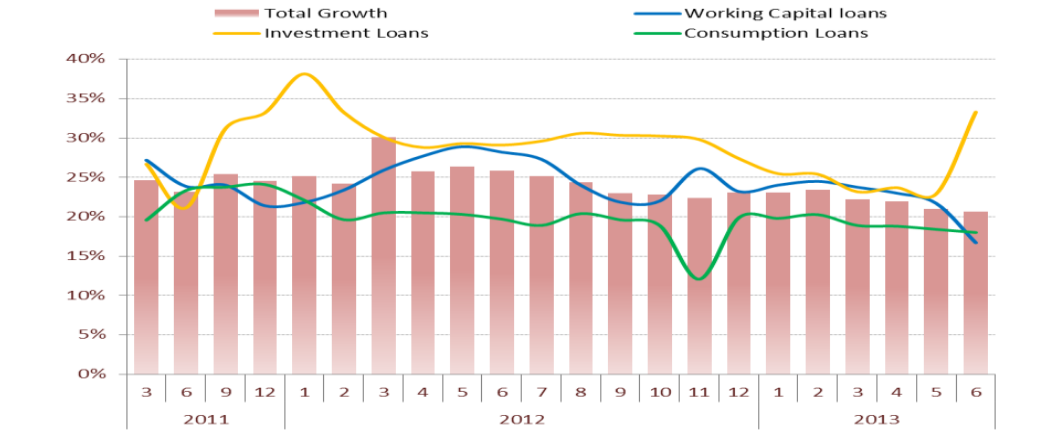


Source: Bank Indonesia

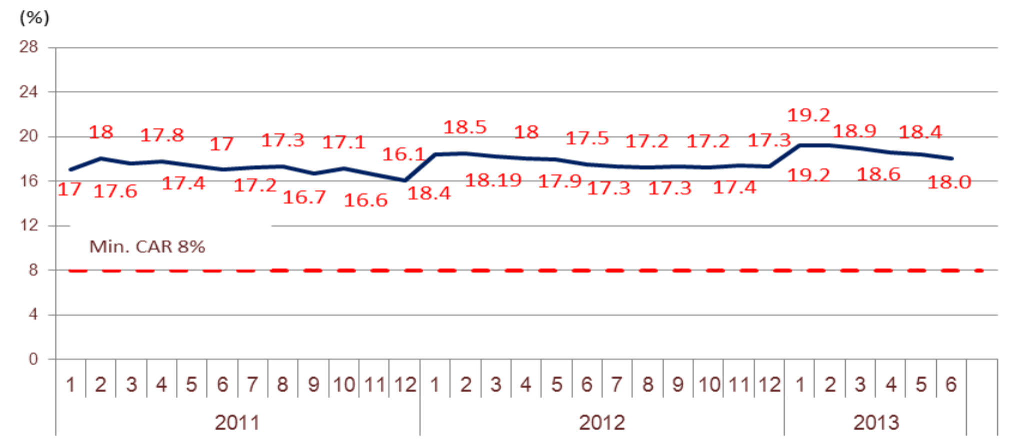
Sound Financial Sector

- Supported by various policies implemented by Bank Indonesia, banking industry resilience remained solid, as indicated by secure level of CAR above the minimum level of 8% (18.0% at the end of June 2013) and gross NPLs managed at comfortably safe level below 5% (1.9% at the end of June 2013).
- Further improvement in banking intermediation is also reflected in progressively improving credit growth, recorded in June 2013 at 20.6% (yoy), in which investment credit, working capital credit, and consumption credit grew by 33.3% (yoy), 16.7% (yoy), and 18.0% (yoy), respectively.

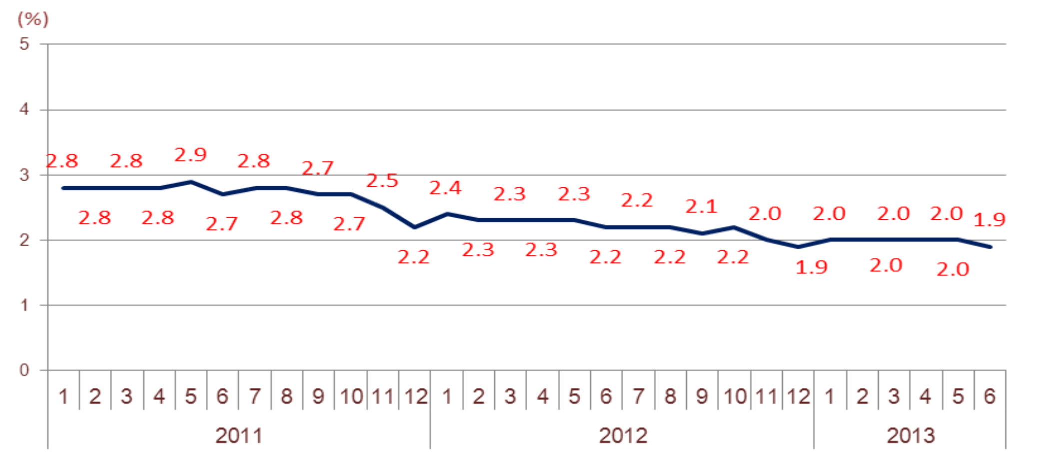
Steady Loan Growth



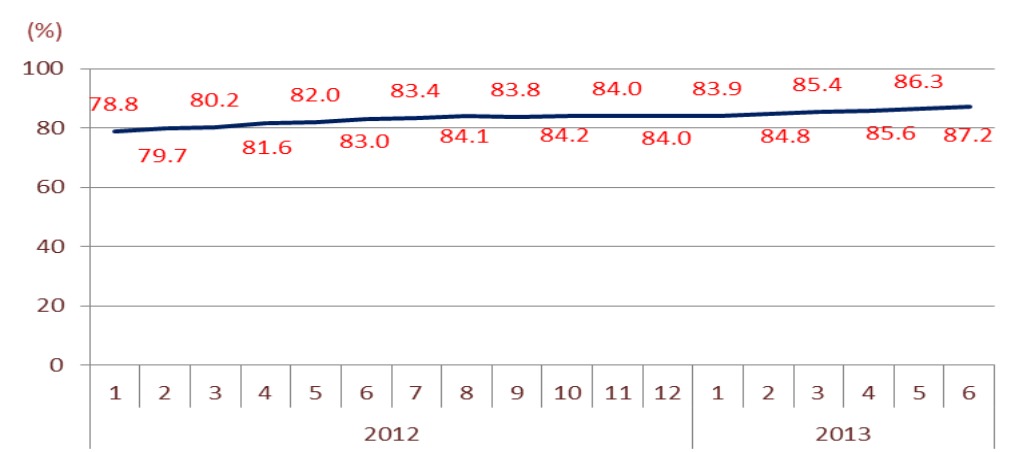
Capital Adequacy Ratio (CAR) Comfortably High



NPL (gross) Historically Low



Steady Loan-to-Deposit Ratio



Source: Bank Indonesia

Prudent Fiscal Management

Fiscal Policy Directions 2013

2013 Government Work Plan (RKP) Theme

Strengthening Domestic Economy for Social Welfare Improvement and Extension

4 Pillars of Development

- *Pro Growth*
- *Pro Job*
- *Pro Poor*
- *Pro Environment*

Fiscal Policy Direction

Encouraging Sustainable Economic Growth through Fiscal Restructuring

- Optimize State Revenue
- Improve spending quality
- Control budget deficit
- Reduce Debt Ratio to GDP

2013 Revised Budget

2012 – 2013 Budget Comparison

Items	2012 Audited Budget			2013 Original Budget			2013 Revised Budget		
	IDR tn	US$ bn	% of GDP	IDR tn	US$ bn	% of GDP	IDR tn	US$ bn	% of GDP
A. State revenue and grants	**1,338.1**	**142.6**	**16.3%**	**1,529.7**	**163.0**	**16.5%**	**1,502.0**	**156.5**	**16.5%**
I. Domestic revenue	1,332.3	142.0	16.2%	1,525.2	162.5	16.5%	1,497.5	156.0	15.9%
1. Tax revenue	980.5	104.5	11.9%	1,193.0	127.1	12.9%	1,148.4	119.6	12.2%
2. Non tax revenue	351.8	37.5	4.3%	332.2	35.4	3.6%	349.2	36.4	3.7%
II. Grants	5.8	0.6	0.1%	4.5	0.5	0.0%	4.5	0.5	0.0%
B. State expenditure	**1,491.4**	**158.9**	**18.1%**	**1,683.0**	**179.3**	**18.2%**	**1,726.2**	**179.8**	**18.4%**
I. Central gov. expenditure	1,010.6	107.7	12.3%	1,154.4	123.0	12.5%	1,196.8	124.7	12.7%
1. Personnel and material	338.8	35.7	4.1%	442.3	43.5	4.8%	435.6	45.4	4.7%
2. Capital	145.1	14.9	1.7%	184.4	23.0	2.0%	188.3	19.6	2.0%
3. Interest payments	100.5	10.7	1.2%	113.2	12.1	1.2%	112.5	11.7	1.2%
4. Subsidies	346.4	36.9	4.2%	317.2	33.8	3.4%	348.1	36.3	3.7%
5. Grants	0.1	0.0	0.0%	3.6	0.4	0.0%	2.3	0.2	0.0%
6. Social expenditure	75.6	8.0	0.9%	73.6	6.8	0.8%	80.6	8.4	0.9%
7. Other expenditure	4.1	0.4	0.0%	20.0	2.1	0.2%	29.3	3.1	0.3%
II. Transfer to region	480.6	51.2	5.8%	528.6	56.3	5.7%	529.4	55.1	5.6%
C. Primary balance	**(52.8)**	**(5.6)**	**(0.6%)**	**(40.1)**	**(4.3)**	**(0.4%)**	**(111.7)**	**(11.6)**	**(1.2%)**
D. Overall balance (A - B)	**(153.3)**	**(16.3)**	**(1.9%)**	**(153.3)**	**(16.3)**	**(1.7%)**	**(224.2)**	**(23.4)**	**(2.4%)**
E. Financing	**175.2**	**18.7**	**2.1%**	**153.3**	**16.3**	**1.7%**	**224.2**	**23.4**	**2.4%**
I. Domestic financing	198.6	21.2	2.4%	172.8	18.4	1.9%	241.1	25.1	2.6%
II. Foreign financing	(23.5)	(2.5)	(0.3%)	(19.5)	(2.1)	(0.2%)	(16.9)	(1.8)	(0.2%)
Surplus/(deficit) financing	**21.9**	**2.3**	**0.3%**	**0.0**	**0.0**	**0.0%**	**0.0**	**0.0**	**0.0%**

Source: Ministry of Finance
Note: IDR/US exchange rate of 9,600 which is the rate used under the 2013 Revised Budget. USD values are for convenience only

2013 Revised Macroeconomic Assumptions

	2013 Revised
Gross Domestic Product (Rp trn)	10,366
Economic growth rate (%)	6.4
Inflation rate (%)	4,5
Interest rate of SPN 3 Month (%)	5.5
Exchange rate (Rp/US$)	9,750
Oil price (US$/ barrel)	106
Oil production (MBCD)	0.87
Gas Production (MBOEPD)	1.24

Key Revisions

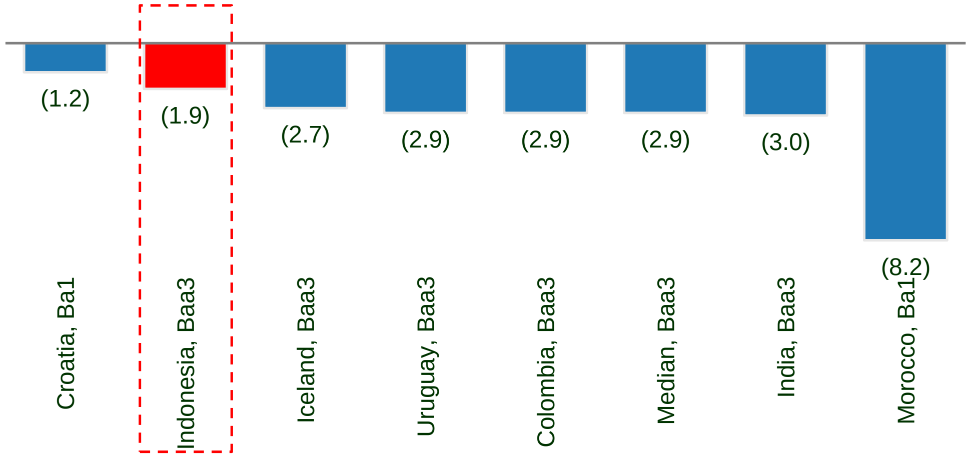
- Various macroeconomic assumptions revisions
- Fiscal policy revisions:
  - Revenue target (especially tax revenue) decline
  - Energy subsidy change (due to fuel price increase and parameter change)
  - Additional budget for social protection and infrastructure:
    - Conditional Cash Transfer (PKH) Rp0.7Tn
    - Poor Students Aids (BSM) Rp7.5 Tn
    - Additional allocation for Rice for the poor (Raskin) Rp4.3 Tn
    - Unconditional Cash Transfer (BLSM) Rp9.3 Tn
    - Basic infrastructure development Rp7.2 Tn
  - Efficiencies in Line Ministries spending
  - Deficit widen
- Accumulated cash surplus utilization (SAL) to cover widening deficit

Summary of Budget Realization - 1st Semester 2013

ITEMS	2012			2013		
	Revised Budget (APBNP)	1st Semester	% of APBNP	Revised Budget (APBNP)	1st Semester	% of APBNP
A. STATE REVENUE	1358.2	593.3	43.7%	1502.0	623.2	41.5%
I. DOMESTIC REVENUE	1357.4	592.6	43.7%	1497.5	622.4	41.6%
1. Tax Revenue	1016.2	456.8	45.0%	1148.4	485.4	42.3%
2. Non Tax Revenue	341.1	135.8	39.8%	349.2	137.1	39.3%
II. GRANT	0.8	0.8	100.0%	4.5	0.8	17.8%
B. STATE EXPENDITURE	1548.3	629.4	40.7%	1726.2	677.7	39.3%
I. CENTRAL GOVT EXPENDITURE	1069.5	393.9	36.8%	1196.8	421.1	35.2%
A. Line Ministries	547.9	164.3	30.0%	622.0	163.0	26.2%
B. Non Line Ministries	521.6	229.6	44.0%	574.8	258.1	44.9%
II. TRANSFER to REGIONS	478.8	235.5	49.2%	529.4	256.6	48.5%
C. PRIMARY BALANCE	(72.3)	13.5	-18.7%	(111.7)	(1.7)	1.5%
D. SURPLUS/(DEFICIT) of BUDGET (A-B)	(190.1)	(36.1)	19.0%	(224.2)	(54.5)	24.3%
% deficit of GDP	*(2.2)*	*(0.4)*	*19.7%*	*(2.38)*	*(0.58)*	*24.4%*
E. FINANCING (I+II)	190.1	101.6	53.4%	224.2	82.1	36.6%
I. DOMESTIC FINANCING	194.5	120.9	62.2%	241.1	103.0	42.7%
II. FOREIGN FINANCING	(4.4)	(19.2)	436.4%	(16.9)	(20.8)	123.1%
SURPLUS/(DEFICIT) of FINANCING	-	65.5	-	-	27.7	-

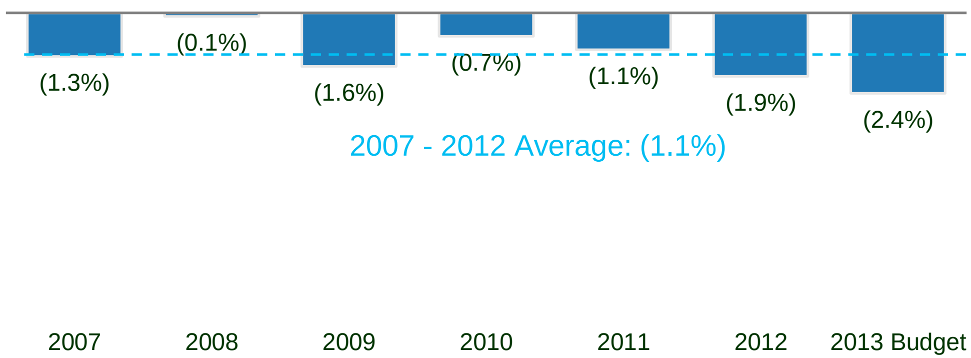
Favorable Current Macro Conditions is Supported by Prudent Fiscal Management

2012 Fiscal Balance (% of GDP)



Source: Ministry of Finance and S&P Sovereign Risk Indicators as of July 2013

Indonesia Fiscal Deficit



Source: Ministry of Finance

- Indonesia's low budget deficit compared to developing Asia and developed economies are beneficial as buffers against potential vulnerabilities.
- Between 2007-2012, Indonesia budget deficit averaged at 1.1%.

Indonesia's Fiscal Policy in Mitigating Global Crisis

- Extremely prudent with fiscal deficits and debt ratios among lowest in the world
- Addresses growth and social needs through capital spending and subsidies while lowering debt to GDP
- Aims for quality spending with capital expenditures increasing
- Crisis mitigation measures in place

Crisis Prevention & Mitigation:

1. Coordination Forum for Financial System Stability
2. Crisis Management Protocol
3. Bond Stabilization Framework
4. Flexibility in State Budget Law for Crisis Mitigation Action
5. Deferred Drawdown Option
6. Chiang Mai Initiatives Multilateralization/CMI-M

2014 Proposed Budget

On 16 August 2013, The Government has submitted the 2014 proposed budget (RAPBN) to the Parliament

ITEMS	2014 PROPOSED
A. STATE REVENUE	**1.662,5**
I. DOMESTIC REVENUE	**1.661,1**
1. TAX REVENUE	1.310,2
2. NON TAX REVENUE	350,9
II. GRANT	**1,4**
B. STATE EXPENDITURE	**1.816,7**
I CENTRAL GOVERNMENT EXPENDITURE	**1.230,3**
1. Line Ministries	612,7
2. Non Line Ministries	617,7
II. TRANSFER TO REGION	**586,4**
Education Budget	**371,2**
Education Budget to GDP ratio (%)	**20,43**
C. PRIMARY BALANCE	**(34,7)**
D. SURPLUS/(DEFICIT) (A - B)	**(154,2)**
% Deficit to GDP	***(1,49)***
E. FINANCING (I + II)	**154,2**
I. DOMESTIC FINANCING	**173,2**
II. FOREIGN FINANCING (netto)	**(19,0)**

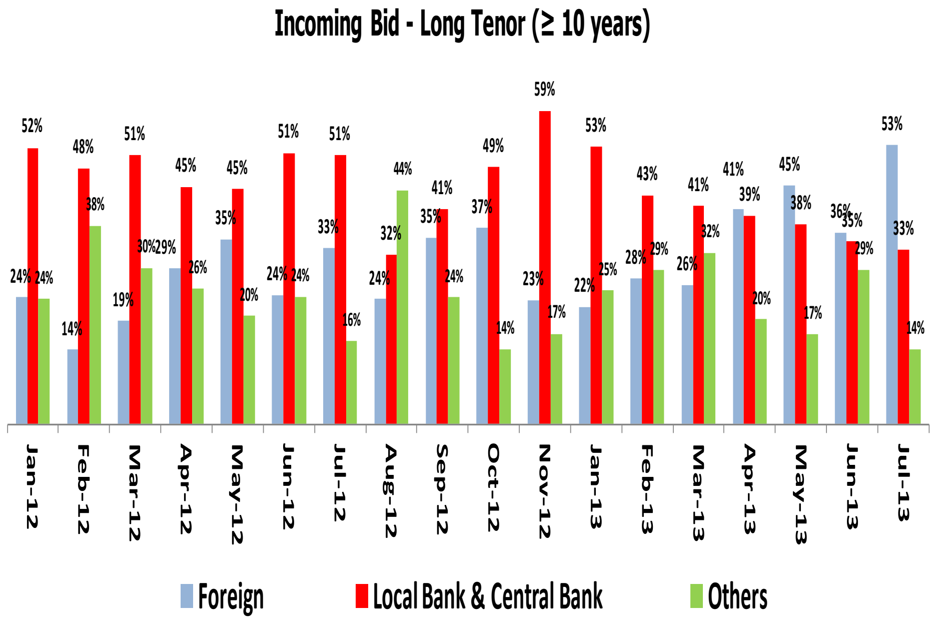
2014 proposed macroeconomic assumptions

Gross Domestic Product (Rp trn)	10,366
Economic growth rate (%)	6.4
Inflation rate (%)	4,5
Interest rate of SPN 3 Month (%)	5.5
Exchange rate (Rp/US$)	9,750
Oil price (US$/ barrel)	106
Oil production (MBCD)	0.87
Gas Production (MBOEPD)	1.24

Improved Government Debt Position

Domestic Market is Arising

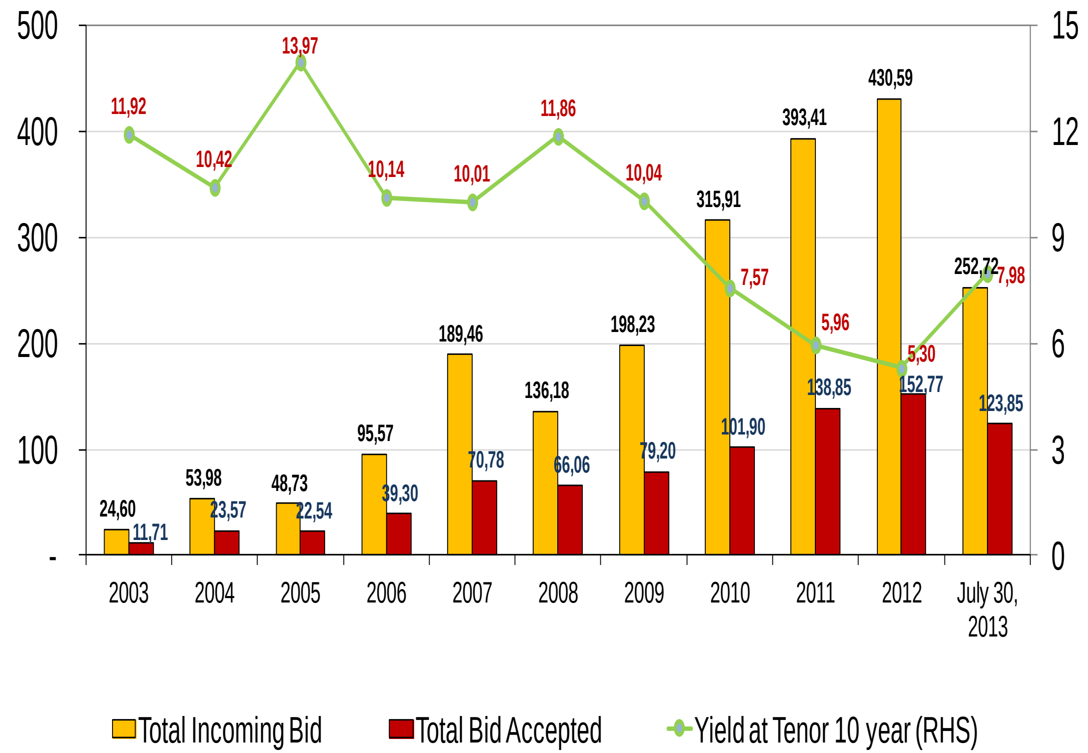
The amount of incoming bids for long tenor bonds from local banks remains high in recent auctions



Others* :

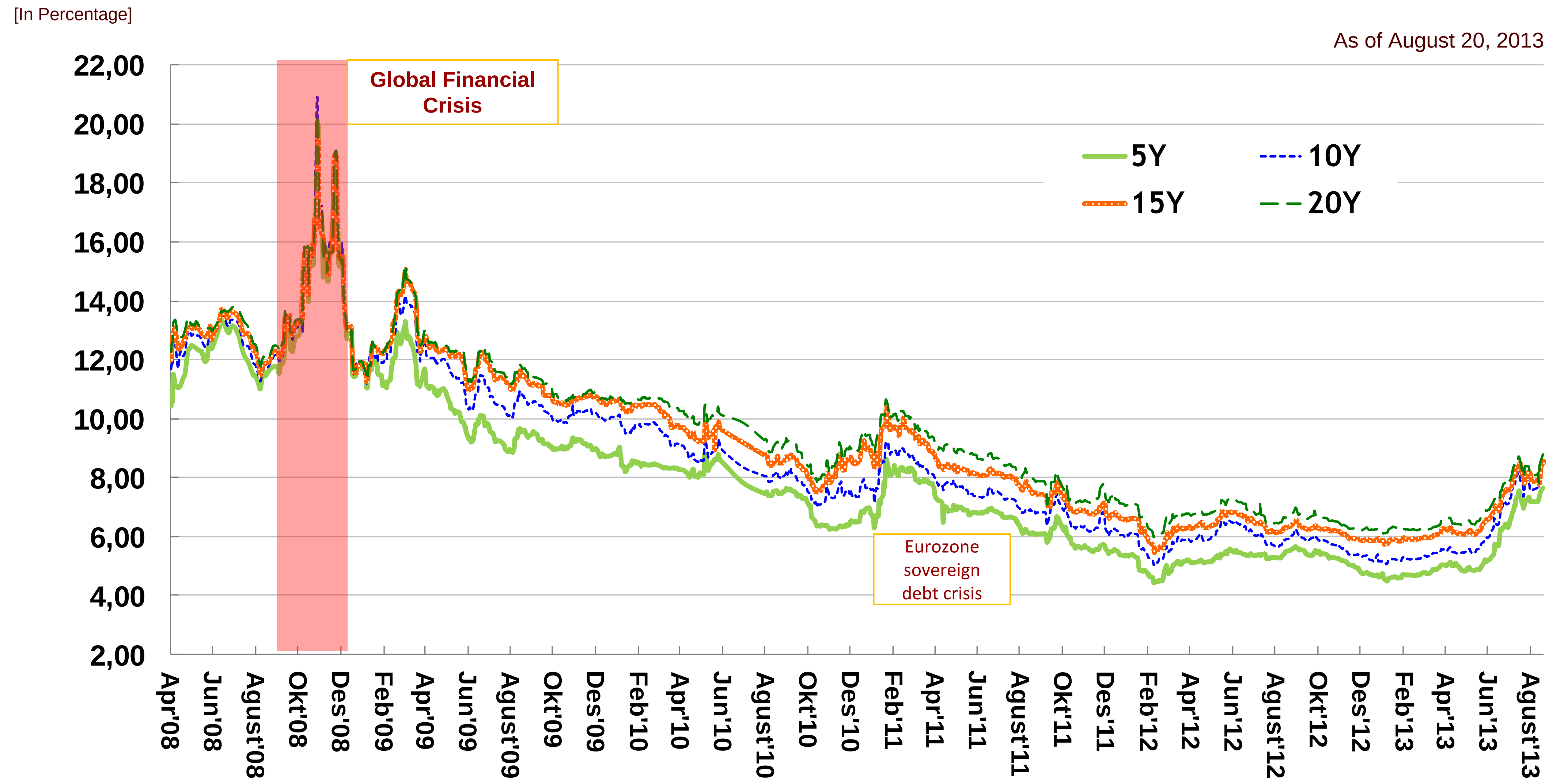
Domestic pension funds, insurance companies and mutual funds

Increasing demand in domestic primary market align with downward trend in borrowing cost



Secondary Market Performance of Government Bonds

Yield of Benchmark Series



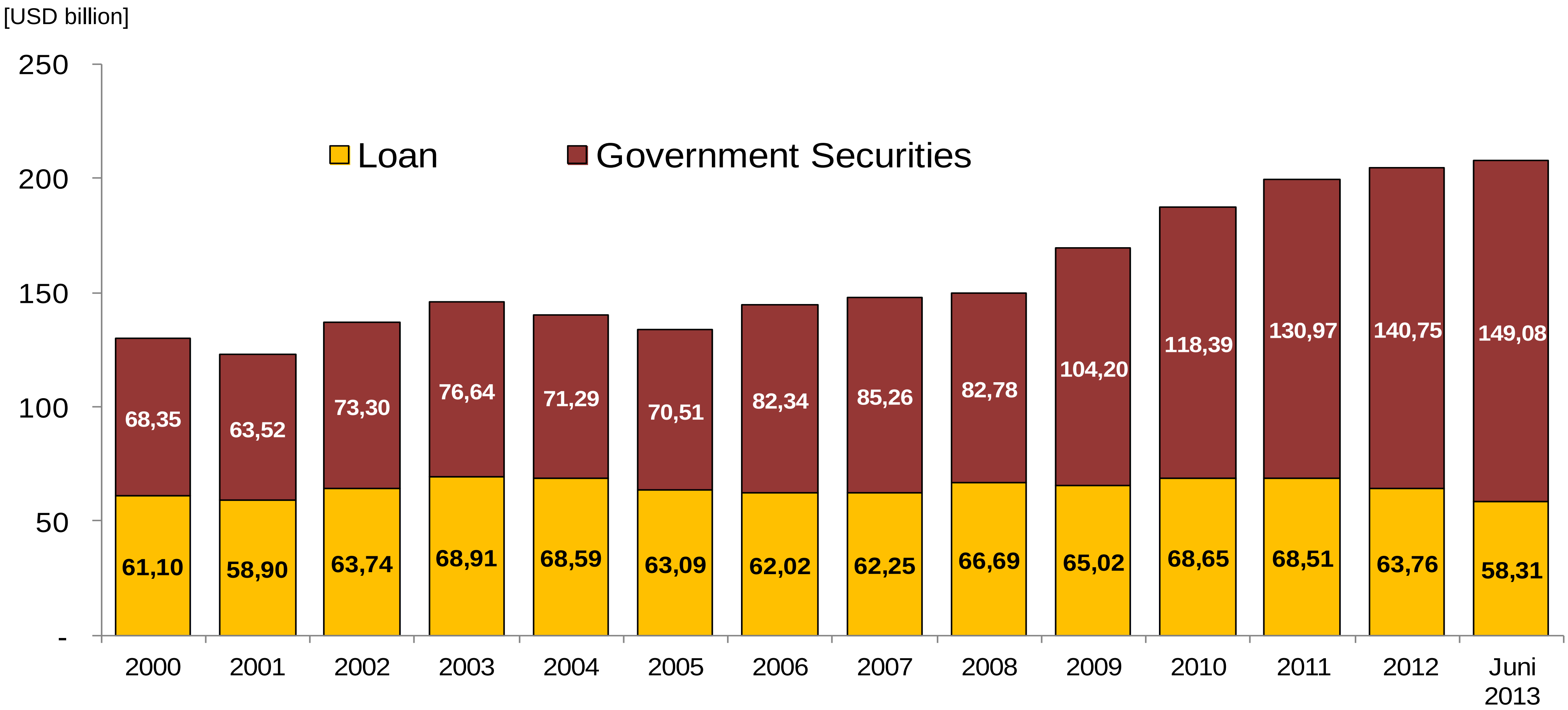
Government Securities Realization

(Million IDR)

	Budget 2013	Revised Budget 2013	Realization (ao August 20, 2013)	% Realization to Revised Budget 2013
Government Securities Maturing in 2013	**96.980.835**	**96.980.835**	**59.956.924**	**61,82%**
Government Securities Net	180.439.900	231.800.000	125.905.566	**54,32%**
Buyback	3.000.000	3.000.000	1.551.385	**51,71%**
Issuance Need 2013*	**280.420.735**	**331.780.835**	**195.226.875**	**58,84%**
Government Debt Securities (GDS)			**163.078.000**	
Domestic GDS			**123.850.000**	
- Coupon GDS (Auction, Private Placement)			94.650.000	
- Conventional T-Bills (Auction, Private Placement)			29.200.000	
International Bonds			**39.228.000**	
- USD Global Bonds			39.228.000	
Government Islamic Debt Securities			**32.148.875**	
Domestic Government Islamic Debt Securities			**32.148.875**	
Global Sukuk			**-**	

*Adjusted by changes in Cash Management & Debt Switch

Outstanding of Total Central Government Debt



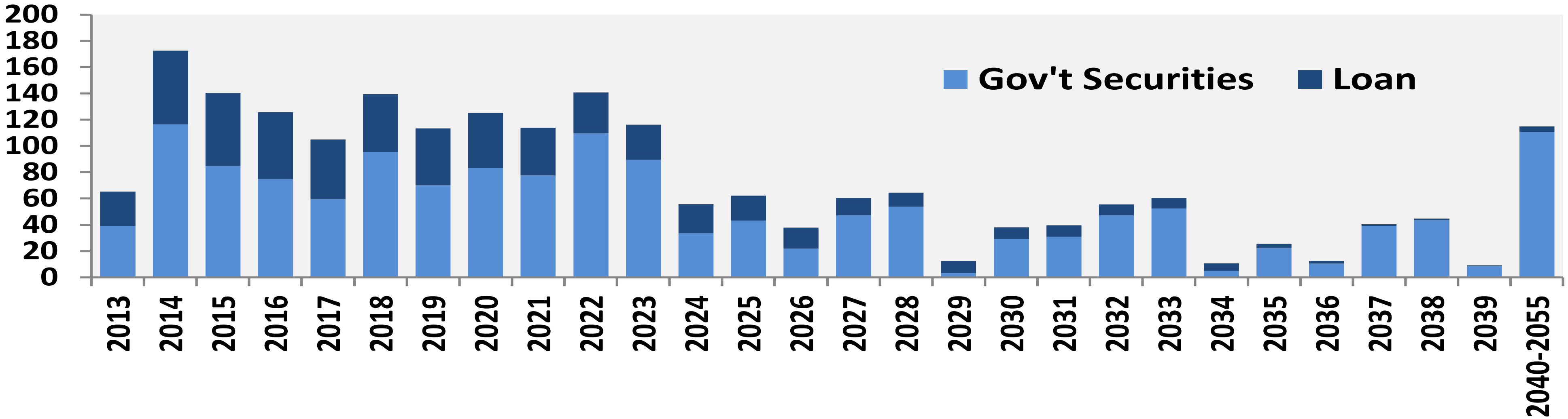
[in percentage]

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Juni 2013
Loan	47%	48%	47%	47%	49%	47%	43%	42%	45%	38%	37%	37%	31%	28%
Government Securities	53%	52%	53%	53%	51%	53%	57%	58%	55%	62%	63%	63%	69%	72%

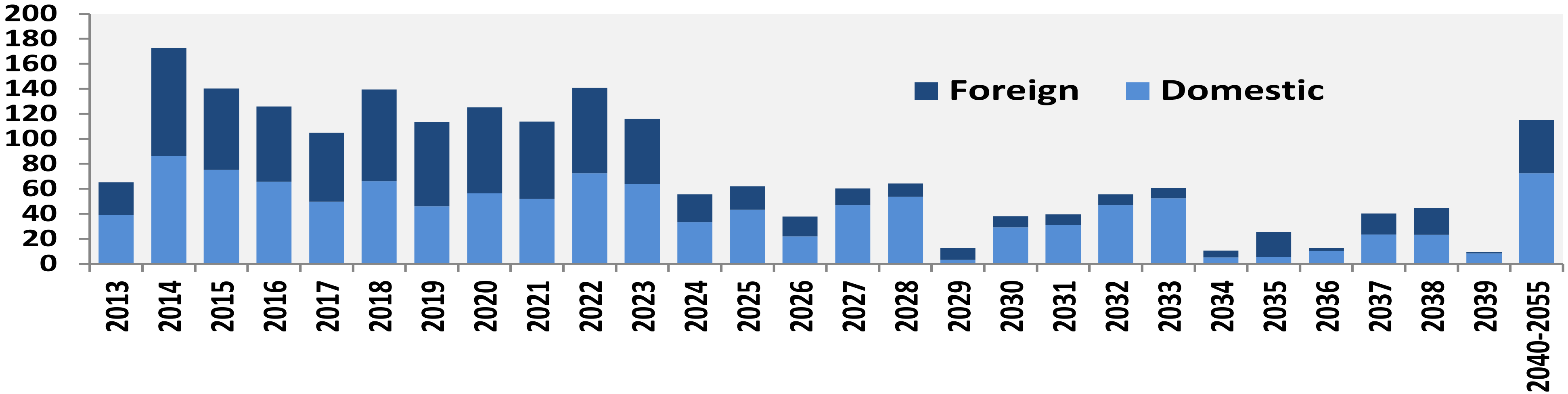
Source: Ministry of Finance

Total Debt Maturity Profile as of July 2013

Maturity Profile of Central Government by Instruments (in trillion IDR)



Maturity Profile of Central Government by Currencies (in trillion IDR)



Government Debt Securities Issuance Plan 2013

Item	2013 - Budget (trillion IDR)	% of GDP	2013-Revised Budget (trillion IDR)	% of Revised GDP
Total Revenue & Grants	**1.529,7**	**16,5%**	**1.502,0**	**16,0%**
of which Tax Revenue	*1.192,99*	*12,9%*	*1.148,36*	*12,2%*
Non Tax Revenue	*332,20*	*3,6%*	*349,16*	*3,7%*
Expenditure	**1.683,0**	**18,2%**	**1.726,2**	**18,4%**
of which Penerimaan Perpajakan	*113,2*	*1,2%*	*112,5*	*1,2%*
Subsidy	*317,2*	*3,4%*	*348,1*	*3,7%*
Primary Balance	**(40,1)**	**-0,4%**	**(111,7)**	**-1,2%**
Overall Balance (deficit)	**(153,3)**	**-1,7%**	**(224,2)**	**-2,4%**
Financing	***153,3***	***1,7%***	***224,2***	***2,4%***
Non Debt (Net)	**(8,1)**	***-0,1%***	**(8,8)**	***-0,1%***
Debt	**161,5**	***1,7%***	**225,0**	***2,4%***
Govt Securities (Net)	**180,4**	*1,9%*	**231,8**	*2,5%*
Domestic Official Borrowing	**0,5**	***0,0%***	**0,5**	***0,0%***
External Official Borrowing (Net)	**(19,5)**	***-0,2%***	**(16,9)**	***-0,2%***
Disbursement	*45,9*	***0,5%***	*49,0*	***0,5%***
Program Loan	*6,5*	***0,1%***	*11,1*	***0,1%***
Project Loan (Bruto)	*39,4*	***0,4%***	*37,9*	***0,4%***
On lending	*(7,0)*	***-0,1%***	*(6,7)*	***-0,1%***
Repayment	**(58,4)**	***-0,6%***	**59,2**	***0,6%***
Assumptions:				
GDP (trillion)	*9.269,6*		*9.404,7*	
Growth (%)	*6,8*		*6,3*	
Inflation (%)	*4,9*		*7,2*	
3-months SPN (% avg)	*5,0*		*5,0*	
Rp / USD (avg)	*9.300,0*		*9.600,0*	
Oil Price (USD/barrel)	*100,0*		*108,0*	
Oil Lifting (MBCD)	*900,0*		*840,0*	

Source: Ministry of Finance

Gov't Debt Operation – Policy Combination

- Domestic market issuance will be prioritized
- Issuance in benchmark tenor, Benchmark Series for 2013:
  - ✓ FR 66 – 5 Y
  - ✓ FR 63 – 10 Y
  - ✓ FR 64 – 15 Y
  - ✓ FR 65 – 20 Y
- Issuance in global market
- Maximum non-IDR govt securities issuance approximately 18%-20% from total gov't debt securities issuance
- Buyback, debt switching, direct transaction
- Initiatives strategic :USD securities issuance in domestic market & sukuk project financing

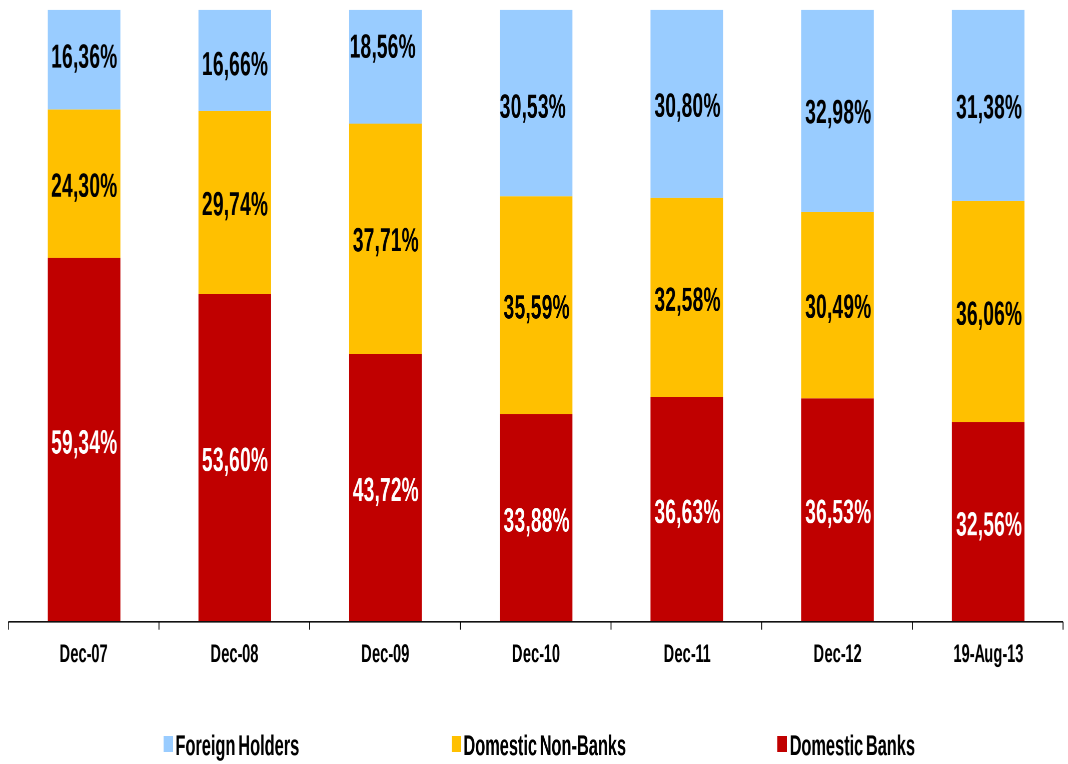
Primary Dealers

1. Citibank N.A
2. Deutsche Bank AG
3. HSBC
4. PT. Bank Central Asia, Tbk
5. PT. Bank Danamon Indonesia, Tbk.
6. PT. Bank Internasional Indonesia, Tbk
7. PT. Bank Mandiri (Persero), Tbk
8. PT. Bank Negara Indonesia (Persero), Tbk
9. PT. Bank OCBC NISP, Tbk
10. PT. Bank Panin, Tbk
11. PT. Bank Rakyat Indonesia, Tbk
12. PT. Bank Permata, Tbk
13. PT. Bank CIMB Niaga, Tbk
14. Standard Chartered Bank
15. JPMorgan Chase Bank NA.
16. PT. Bahana Securities
17. PT. Danareksa Sekuritas
18. PT. Mandiri Sekuritas
19. PT. Trimegah Securities, Tbk

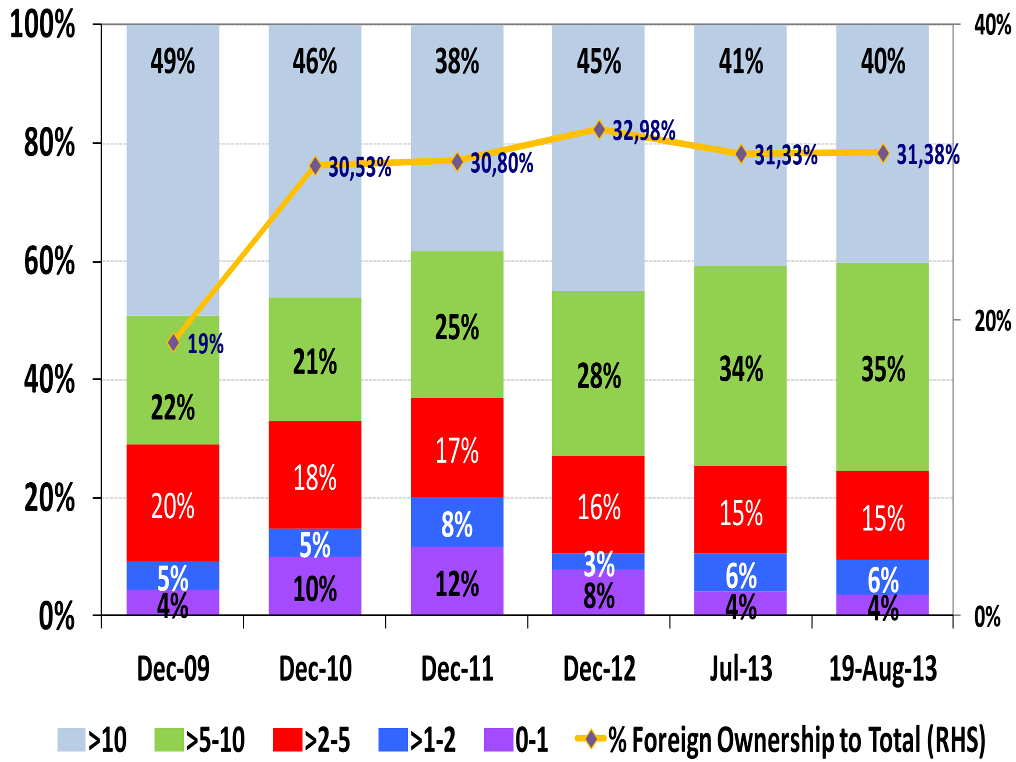
Holders of Tradable Government Securities

Continued Increasing proportion of foreign ownership of Indonesian Government securities.

Holders of Tradable Domestic Government Securities



Foreign Ownership of Gov't Domestic Debt Securities



Source: Ministry of Finance

Profile of Government Debt Securities

GOVERNMENT DEBT SECURITIES (GDS)	Dec-09	Dec-10	Dec-11	Dec-12	May-13	Jul-13	15-Aug-13
1. Domestic Tradable GDS	IDR 570.215	IDR 615.498	IDR 684.618	IDR 757.231	IDR 817.613	IDR 826.614	IDR 828.811
a. Zero Coupon	IDR 33.386	IDR 32.307	IDR 32.412	IDR 24.083	IDR 22.470	IDR 28.590	IDR 29.100
1. Government Treasury Bills	IDR 24.700	IDR 29.795	IDR 29.900	IDR 22.820	IDR 22.470	IDR 28.590	IDR 29.099
2. Zero Coupon Bond	IDR 8.686	IDR 2.512	IDR 2.512	IDR 1.263	IDR -	IDR -	IDR 1
b. Government Domestic Bonds	IDR 536.829	IDR 583.191	IDR 652.206	IDR 733.148	IDR 795.143	IDR 798.024	IDR 799.711
1. Fixed Rate *) +)	IDR 393.543	IDR 440.396	IDR 517.142	IDR 610.393	IDR 672.388	IDR 675.269	IDR 676.956
2. Variable Rate *)	IDR 143.286	IDR 142.795	IDR 135.063	IDR 122.755	IDR 122.755	IDR 122.755	IDR 122.755
2. Promissory Notes to Bank Indonesia **) ***)	IDR 251.875	IDR 248.432	IDR 244.636	IDR 240.144	IDR 238.528	IDR 237.571	IDR 236.272
3. Total GDS (2+3)	IDR 822.090	IDR 863.930	IDR 929.254	IDR 997.376	IDR 1.056.141	IDR 1.064.185	IDR 1.065.083
4. Total Government International Bonds *)	USD 14.200	USD 16.200	USD 18.700	USD 22.950	USD 25.950	USD 26.950	USD 26.950
	¥ 35.000	¥ 95.000	¥ 95.000	¥ 155.000	¥ 155.000	¥ 155.000	¥ 155.000
5. TOTAL GOV'T DEBT SECURITIES (3+(4*Exchange Rate Assumption))	IDR 959.130	IDR 1.020.062	IDR 1.109.922	IDR 1.236.658	IDR 1.325.616	IDR 1.357.431	IDR 1.359.509
GOVERNMENT ISLAMIC DEBT SECURITIES (GIDS)							
6. Domestic Tradable GIDS	IDR 11.533	IDR 25.717	IDR 38.988	IDR 63.035	IDR 78.160	IDR 85.415	IDR 84.715
a. Fixed Rate *)++)	IDR 11.533	IDR 25.717	IDR 37.668	IDR 62.840	IDR 76.130	IDR 76.765	IDR 76.765
b. Zero Coupon			IDR 1.320	IDR 195	IDR 2.030	IDR 8.650	IDR 7.950
7. Domestic Non Tradable GIDS							
	IDR 2.686	IDR 12.783	IDR 23.783	IDR 35.783	IDR 31.533	IDR 31.533	IDR 31.533
8. Government International Islamic Bonds							
1. Fixed Rate *)	USD 650	USD 650	USD 1.650	USD 2.650	USD 2.650	USD 2.650	USD 2.650
9. TOTAL GOV'T DEBT SECURITIES (6+(8*Exchange Rate Assumption))	IDR 17.643	IDR 31.561	IDR 53.950	IDR 88.660	IDR 104.135	IDR 112.651	IDR 112.057
10. TOTAL GOVERNMENT SECURITIES	IDR 979.458	IDR 1.064.406	IDR 1.187.655	IDR 1.361.101	IDR 1.461.284	IDR 1.501.615	IDR 1.503.100

Notes:

- Nominal in billion rupiah (domestic bonds), million USD & million JPY (international bonds)
- *) Tradable
- **) Non-Tradable

	Dec-09	Dec-10	Dec-11	Dec-12	May-13	Jul-13	15-Aug-13
- +) Including ORI (IDR Billion))	IDR 40.149	IDR 40.672	IDR 42.616	IDR 34.153	IDR 34.153	IDR 34.153	IDR 26.340
- ++) Including Sukuk Ritel/SR (IDR Billion)	IDR 5.556	IDR 13.590	IDR 20.931	IDR 28.989	IDR 35.924	IDR 35.924	IDR 35.924
- Exchange Rate Assumption (IDR/USD1)	IDR 9.400	IDR 8.991	IDR 9.068	IDR 9.670	IDR 9.802	IDR 10.278	IDR 10.318
- Exchange Rate Assumption (IDR/JPY1)	IDR 101,70	IDR 110,29	IDR 116,80	IDR 111,97	IDR 97,50	IDR 104,86	IDR 105,52

- Since October 2006, Government and Central Bank committed to replace interest payment of Promissory Notes to Bank Indonesia (SU-002 & SU-004) with new bond (SU-007) and omitted indexation of SU-002 & SU-004

Source: Ministry of Finance

Debt Switch & Cash Buyback Program

Debt Switch Program [in billion IDR]

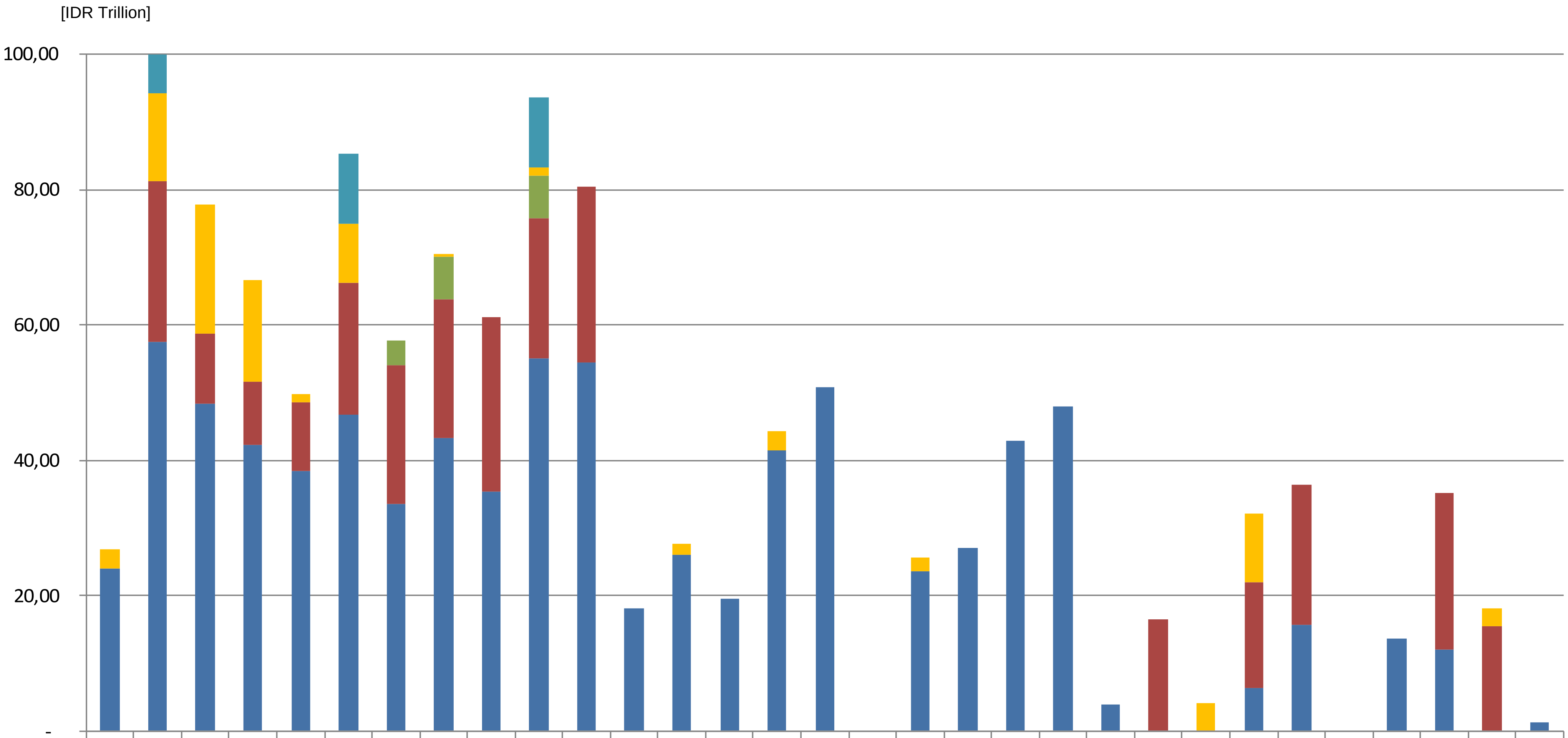
Auction Date	Auction Frequency	Source Bonds Tenor Series	Offer Received	Offer Awarded
2005	1	9 series	7.721	5.673
2006	12	7 up to 21 series	54.177	31.179
2007	9	12 up to 21 series	30.681	15.782
2008	2	21 up to 31 series	7.490	4.571
2009	6	24 up to 28 series	8.663	2.938
2010	6	11 up to 28 series	8.349	3.920
2011	4	22 up to 27 series	3.080	664
2012	4	10 up to 20 series	23.126	11.859
2013	3	7 up to 13 series	5.628	1.426
Total			**148.915**	**78.012**

Buyback Program

Year	Frequencies		Volume (IDR billion)
	Auctions	Direct Transactions	
2003	2	-	8.127
2004	1	-	1.962
2005	4	-	5.158
2007	2	-	2.859
2008	3	-	2.375
2009	1	1	8.528
2010	10	3	3.201
2011	2	8	3.500
2012	-	6	1.138
2013	-	5	1.551
GRAND TOTAL			**38.399**

Maturity Profile of Tradable Government securities

as of August 15, 2013



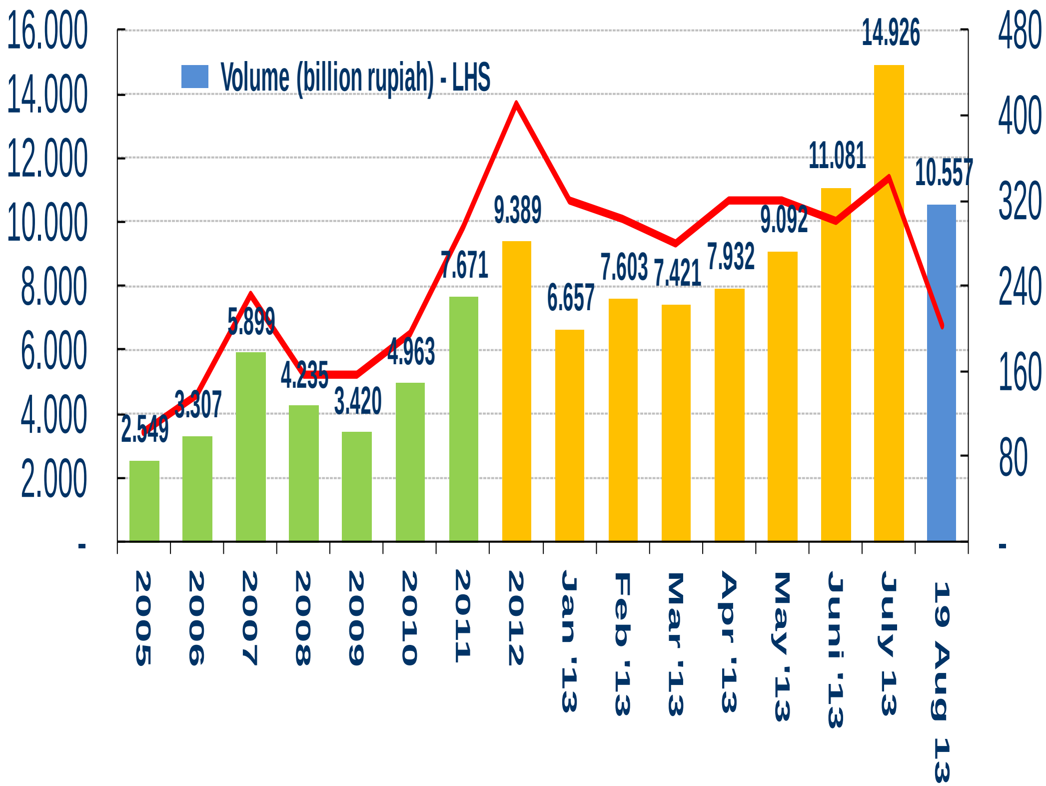
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
TOTAL	26,8	100,	77,7	66,6	49,8	85,2	57,7	70,4	61,1	93,6	80,3	18,0	27,5	19,6	44,3
SUKUK USD	-	6,71	-	-	-	10,3	-	-	-	10,3	-	-	-	-	-
SUKUK IDR	2,87	12,9	18,9	14,9	1,17	8,71	-	0,25	-	1,22	-	-	1,55	-	2,93
SUN JPY	-	-	-	-	-	-	3,69	6,33	-	6,33	-	-	-	-	-
SUN USD	-	23,7	10,3	9,29	10,3	19,6	20,6	20,6	25,8	20,6	25,8	-	-	-	-
SUN IDR	23,9	57,5	48,4	42,3	38,3	46,6	33,4	43,2	35,3	55,1	54,5	18,0	26,0	19,6	41,4

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2041	2042	2043	2044
TOTAL	50,7	-	25,6	27,1	42,8	47,8	3,95	16,5	4,11	32,0	36,3	-	13,5	35,2	18,1	1,25
SUKUK USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUKUK IDR	-	-	2,18	-	-	-	-	-	4,11	10,1	-	-	-	-	2,68	-
SUN JPY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUN USD	-	-	-	-	-	-	-	16,5	-	15,4	20,6	-	-	23,2	15,4	-
SUN IDR	50,7	-	23,5	27,1	42,8	47,8	3,95	-	-	6,40	15,6	-	13,5	12,0	-	1,25

Source: Ministry of Finance

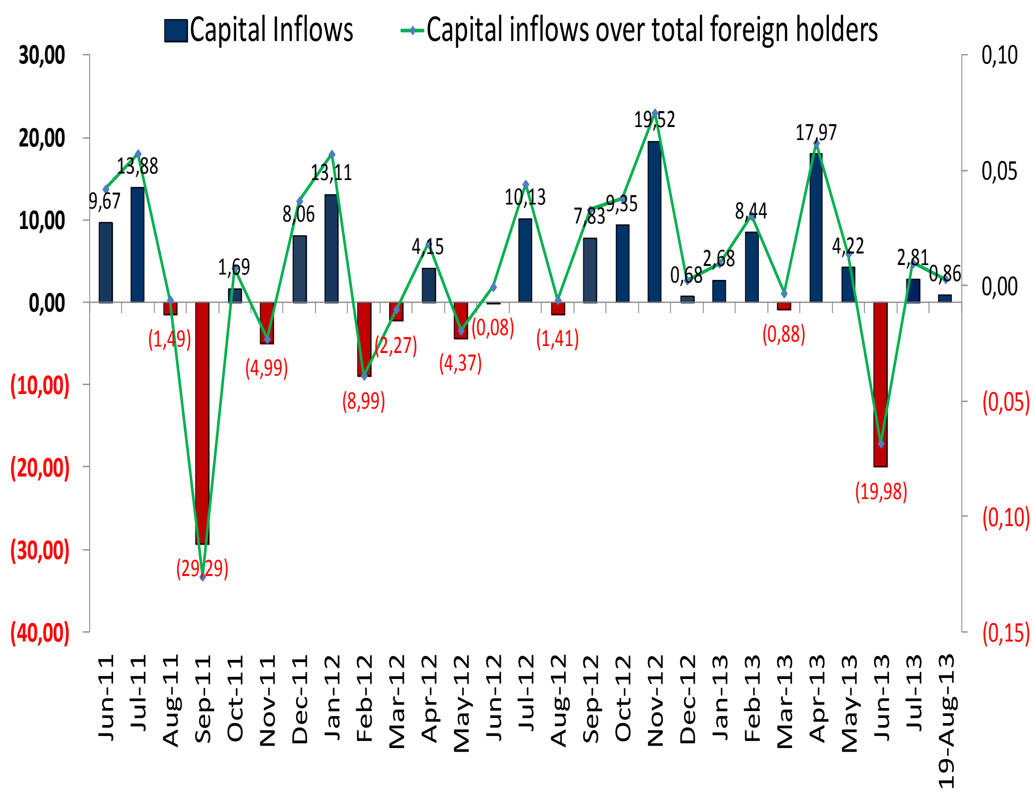
Daily Transaction & Offshore Ownership

Average Daily transaction Govt' Bonds



Net Buyer (Seller) Non Resident

[Trillion IDR]



Source: Ministry of Finance

Ownership of IDR Tradable Government Securities

(IDR Trillion)

	Dec-09		Dec-10		Dec-11		Dec-12		May-13		Jun-13		Jul-13		19-Aug-13	
Banks	254,36	43,72%	217,27	33,88%	265,03	36,63%	299,66	36,73%	306,26	34,19%	314,34	35,38%	291,93	32,01%	297,44	32,56%
Govt Institutions	22,50	3,87%	17,42	2,72%	7,84	1,08%	3,07	0,37%	22,81	2,55%	29,13	3,28%	66,95	7,34%	62,68	6,86%
Non-Banks	304,89	52,41%	406,53	63,40%	450,75	62,29%	517,53	63,09%	566,71	63,26%	545,05	61,34%	553,14	60,65%	553,41	60,58%
Mutual Funds	45,22	7,77%	51,16	7,98%	47,22	6,53%	43,19	5,27%	41,45	4,63%	39,61	4,46%	40,02	4,39%	39,58	4,33%
Insurance Company	72,58	12,48%	79,30	12,37%	93,09	12,86%	83,42	10,17%	127,17	14,20%	126,38	14,22%	125,09	13,72%	125,66	13,76%
Foreign Holders	108,00	18,56%	195,76	30,53%	222,86	30,80%	270,52	32,98%	302,94	33,82%	282,96	31,85%	285,77	31,33%	286,63	31,38%
Pension Fund	37,50	6,45%	36,75	5,73%	34,39	4,75%	56,46	6,88%	28,46	3,18%	29,11	3,28%	33,71	3,70%	34,02	3,72%
Securities Company	0,46	0,08%	0,13	0,02%	0,14	0,02%	0,30	0,04%	0,92	0,10%	0,99	0,11%	1,14	0,12%	1,02	0,11%
Individual									25,29	2,82%	25,02	2,82%	25,17	2,76%	23,09	2,53%
Others	41,12	7,07%	43,43	6,77%	53,05	7,33%	63,64	7,76%	40,48	4,52%	40,97	4,61%	42,24	4,63%	43,41	4,75%
Total	581,75	100%	641,21	100%	723,61	100%	820,27	100%	895,77	100%	888,51	100%	912,03	100%	913,53	100%

Source: Ministry of Finance

Notes:

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