Assessment of Policy Rate Transmission to Prime Lending Rates in the Banking Industry

June 2021

BANK INDONESIA

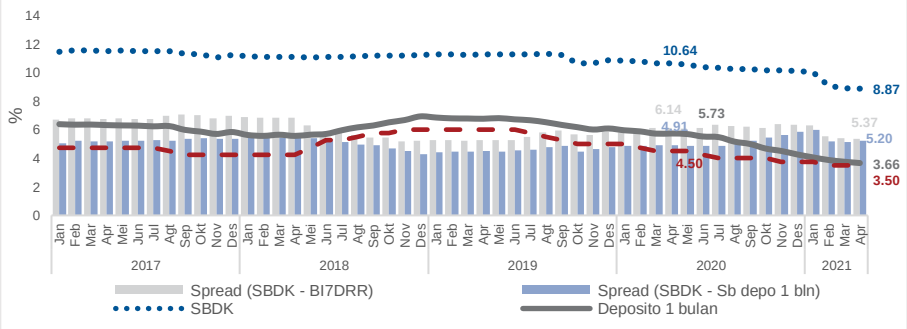
Lending Rates on New Loans Starting to Track Upward Trend Despite Lower Deposit Rates

- **The banking industry has continued to lower prime lending rates (PLR), although the magnitude of reductions has slowed. The cost of loanable funds (CoLF) is still edging prime lending rates down, yet higher profit margins have offset further reductions.**
- **The risk premium in the banking industry is trending upwards, pointing to a higher risk perception of the corporate sector. Consequently, state-owned banks, national private commercial banks and regional government banks raised lending rates on new loans in April 2021.**

Response of Prime Lending Rates[1] and Deposit Rates to BI7DRR[2]

The banking industry has continued to lower prime lending rates (PLR) in response to the BI policy rate, although the magnitude of reductions has slowed. In April 2021, prime lending rates recorded further declines, yet the pace has decelerated in line with Bank Indonesia's BI7DRR stance that has been held since March 2021. On average, PLR decreased 3bps (mtm) in April 2021 compared with 15bps (mtm) in March 2021 and 98bps (mtm) in February 2021. In the period from April 2020 to April 2021, however, PLR fell by 177bps (yoy) compared with a 100bps reduction recorded in the BI7DRR over the same period, thereby narrowing the spread between the PLR and BI7DRR from 6.14% in April 2020 to 5.37% in April 2021 (decreasing 77bps). On the other hand, deposit rates remained more responsive, retreating 207bps (yoy) and widening the spread between the PLR and 1-month term deposit (TD) rate from 4.91% to 5.20% (increasing 29bps) in the same period (Graph 1).

Graph 1 Prime Lending Rate, BI7DRR and 1-Month Term Deposit Rate Performance



Source: Financial Services Authority (OJK) and Commercial Bank Reports, processed

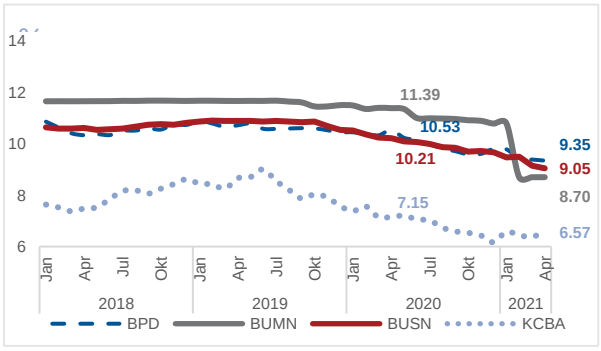
By bank group, state-owned banks were the main driver of lower PLR in the banking industry. The PLR published by state-owned banks experienced the deepest decline of all bank groups, namely 269bps (yoy) during the period from April 2020 to April 2021, prompted by a significant reduction in February 2021. Meanwhile, the prime lending rates offered by regional government banks, national private commercial banks and foreign bank branches decreased respectively by 118bps (yoy), 116bps (yoy) and 58bps (yoy). Compared with conditions the month earlier, however, only national private commercial banks and regional government banks

[1] The Prime Lending Rate (PLR) is published by banks in accordance with OJK Regulation (POJK) No. 37/POJK.03/2019, dated 19th December 2019, concerning Bank Report Transparency and Publication. The PLR is used as a base for setting the interest rate charged by the bank to debtors but does not consider the individual borrower's risk premium component. Therefore, the interest rate that is charged to debtors is not necessarily equal to the PLR.

[2] Using data available at end of March 2021.

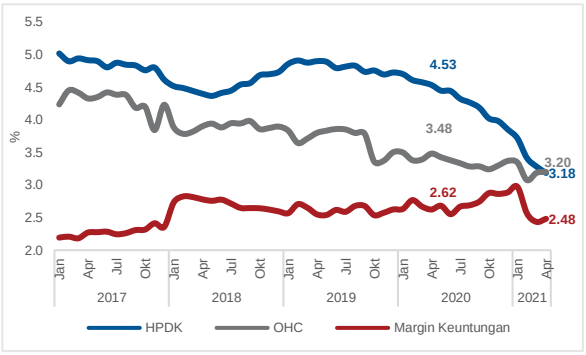
continued to lower prime lending rates, by 4bps and 9bps (mtm) respectively, contrasting the 19bps (mtm) PLR hike recorded at foreign bank branches (Graph 2).

Graph 2. Prime Lending Rates by Bank Group



Source: Financial Services Authority (OJK), processed

Graph 3. Prime Lending Rate Performance by Component

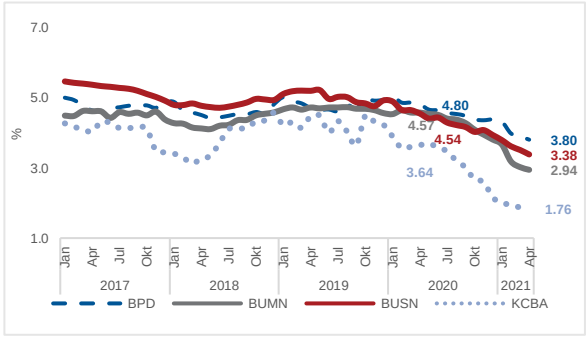


Source: Financial Services Authority (OJK), processed

Prime Lending Rate by Component

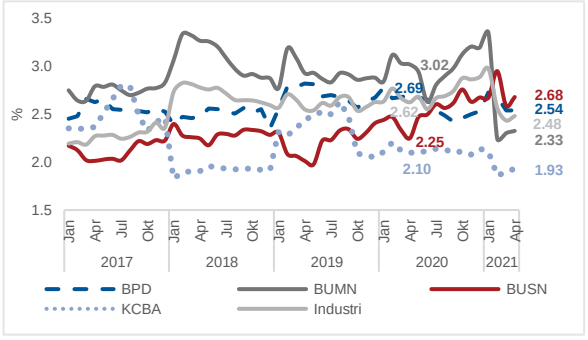
By component[3], the cost of loanable funds (CoLF) remained the main contributor to lower PLR. The CoLF recorded a 129bps (yoy) decrease between April 2020 and April 2021, while OHC and profit margin posted respective declines of 28bps and 14bps (yoy) (Graph 3). During the reporting period, all bank groups reported a lower CoLF in line with loose liquidity conditions in the banking system (Graph 4). The CoLF at foreign bank branches and state-owned banks recorded the deepest declines of 188bps (yoy) and 163bps (yoy) respectively from April 2020 to April 2021, compared with just 100bps (yoy) at regional government banks.

Graph 4 CoLF Components by Bank Group



Source: Financial Services Authority (OJK), processed

Graph 5 Profit Margin by Bank Group



Source: Financial Services Authority (OJK), processed

[3] Pursuant to OJK Regulation (POJK) No. 37/POJK.03/2019 concerning Bank Report Transparency and Publication, the PLR consists of three components, namely; (i) the cost of loanable funds (CoLF), including the cost of funds, cost of services, regulatory costs and other costs; (ii) overhead costs (OHC), including labour costs, education and training costs, research and development costs, rental costs, promotion and marketing costs, maintenance and repair costs, fixed asset and inventory depreciation costs as well as other overhead costs; and (iii) profit margin, which is determined by the respective bank for lending activity.

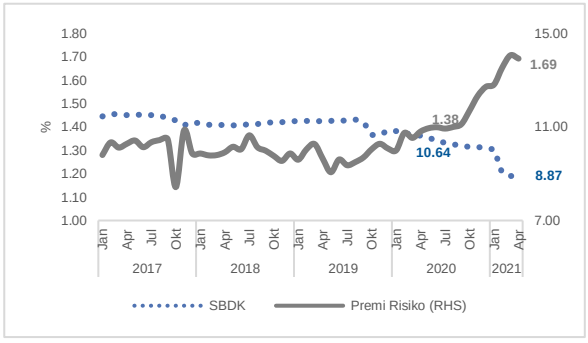
In general, profit margins in 2021 have decreased compared with conditions in 2020, excluding national private commercial banks. During the period from April 2020 to April 2021, state-owned banks, foreign bank branches and regional government banks narrowed profit margins by 69bps, 17bps and 15bps (yoy) respectively. Conversely, profit margins at national private commercial banks increased 43bps (yoy) over the same period (Graph 5).

In the near term, the dynamics of PLR components are characterised predominantly by higher profit margins in the banking industry amidst a lower cost of loanable funds (CoLF). Compared with conditions one month earlier, the CoLR component fell 10bps (mtm) in April 2021 (Graph 3). The deepest CoLF decline was recorded by national private commercial banks at 13bps (mtm), contrasting the modest 8bps (mtm) decrease at state-owned banks. On the other hand, the profit margin component increased 5bps (mtm) in April 2021 (Graph 5), with all bank groups reporting gains, except regional government banks, led by national private commercial banks at 9bps (mtm), followed by foreign bank branches and state-owned banks at 3bps (mtm) each.

Risk Premium

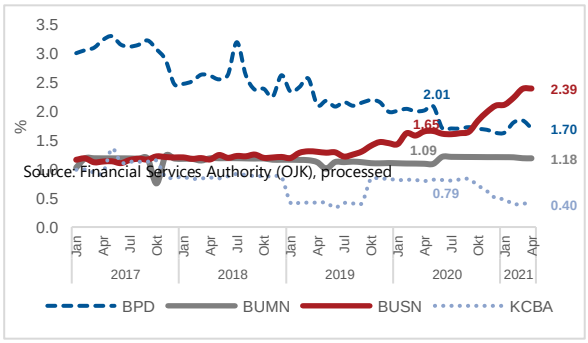
The banking industry has raised the risk premium, particularly at national private commercial banks. From April 2020 to April 2021, the risk premium in the banking industry increased 33bps (yoy) (Graph 7), dominated by national private commercial banks at 74bps (yoy) and state-owned banks at 9bps (yoy). In contrast, the risk premium at foreign bank branches and regional government banks fell respectively by 39bps (yoy) and 31bps (yoy) in the reporting period (Graph 8). The higher risk premium at national private commercial banks and state-owned banks was influenced by high-risk perception in response to the elevated loans at risk (LaR)[4] indicator at both bank groups in April 2021 (Graph 9).

Graph 7. Risk Premium



Source: Financial Services Authority (OJK), processed

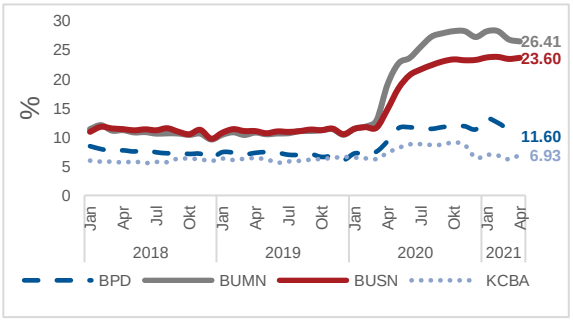
Graph 8. Risk Premium by Bank Group



Source: Financial Services Authority (OJK), processed

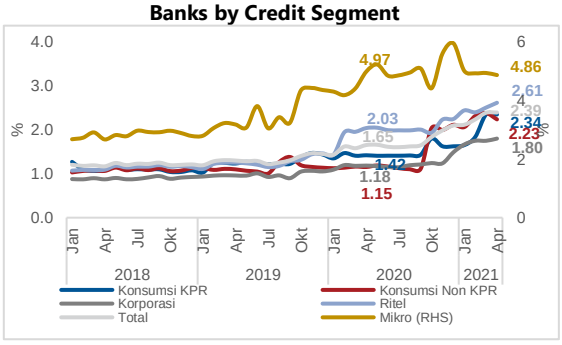
Source: Financial Services Authority (OJK), processed

Graph 9. Loans at Risk (LaR)



Source: Commercial Bank Reports, processed

Graph 10. Risk Premium at National Private Commercial Banks by Credit Segment



Source: Financial Services Authority (OJK), processed

[4] Loans at Risk (LaR) include restructured outstanding loans with a collectability score of 1, outstanding loans with a collectability score of 2 as well as non-performing loans (NPL).

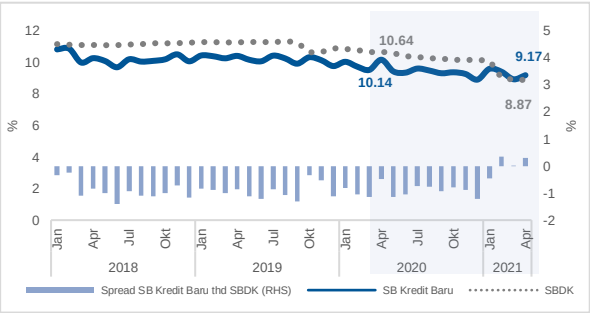
By segment, the higher risk premium at national private commercial banks was driven by corporate and retail loans. In the period from April 2020 to April 2021, the risk premium at national private commercial banks experienced broad increases across all credit segments, excluding microloans. Dominating 80% of total credit, the risk premium at national private commercial banks was driven upwards by retail loans and corporate loans, climbing respectively by 57bps (yoy) and 61bps (yoy) in April 2021 (Graph 10). On the other hand, the risk premium on housing consumer loans and non-housing consumer loans increased by 93bps (yoy) and 108bps (yoy) in the same period. Bucking the upward trend, however, the risk premium on microloans fell 11bps (yoy) in response to government guarantee programs targeting microloans.

Prime Lending Rates and Lending Rates on New Loans

Lending rates on new loans have not experienced a commensurate decline compared with prime lending rates. PLR fell 177bps in the period from April 2020 to April 2021, contrasting the modest 97bps decrease in lending rates on new loans (Graph 11). A high-risk perception in the banking industry is the main contributing factor of moderate reductions in lending rates on new loans.

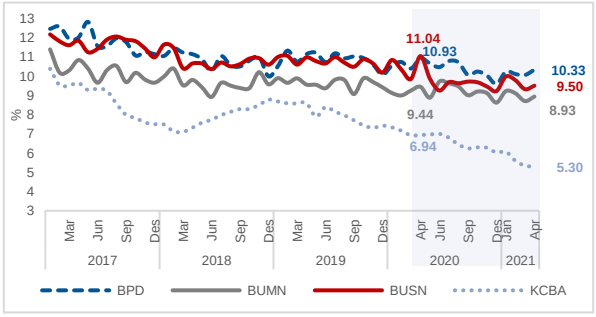
Lending rates on new loans have begun to trend upwards. In April 2021, the banking industry raised lending rates on new loans by 26bps (mtm), reversing the 48bps (mtm) reduction one month earlier (Graph 12). Regional government banks raised lending rates on new loans most significantly, namely 28bps (mtm), followed by state-owned banks and national private commercial banks at 23bps (mtm) and 18bps (mtm) respectively (Graph 12). The banking industry has raised lending rates on new loans amidst a lower cost of loanable funds and relatively stable risk premium compared with conditions one month earlier. Therefore, the lending rate of new loans published by regional government banks was highest at 10.33%, followed by national private commercial banks at 9.50%, state-owned banks at 8.93% and foreign bank branches at 5.30% (Graph 12).

Graph 11. Prime Lending Rates and Lending Rates on New Loans



Source : Commercial Bank Reports and Financial Services Authority (OJK), processed

Graph 12. Lending Rates on New Loans by Bank Group



Source: Commercial Bank Reports, processed

Appendix 1 – List of PRL with Spread (PRL-BI7DRR) per Loan Segment

Segmen Korporasi			
No	Nama Bank	SBDK	Spread
1	BANK SAMPOERNA	14.50	11.00
2	BANK JAGO	13.85	10.35
3	BPD NTT	13.49	9.99
4	BANK NEO COMMERCE	12.97	9.47
5	PRIMA MASTER BANK	11.65	8.15
6	MNC BANK	11.61	8.11
7	BANK INDIA INDONESIA	11.50	8.00
8	SBI INDONESIA	11.25	7.75
9	BANK GANESHA	11.00	7.50
10	BANK AMAR	11.00	7.50
11	J-TRUST BANK	10.55	7.05
12	BPD PAPUA	10.55	7.05
13	BANK VICTORIA	10.53	7.03
14	SINARMAS	10.50	7.00
15	BANK INDEX	10.25	6.75
16	BPD KALSEL	10.22	6.72
17	BPD KALTENG	10.20	6.70
18	ARTHA GRAHA	9.93	6.43
19	BPD SUMSEL BABEL	9.85	6.35
20	MEGA	9.81	6.31
21	BPD LAMPUNG	9.68	6.18
22	UOB INDONESIA	9.50	6.00
23	QNB INDONESIA	9.50	6.00
24	CTBC INDONESIA	9.50	6.00
25	BPD KALBAR	9.33	5.83
26	DANAMON	9.25	5.75
27	PERMATA	9.25	5.75
28	CIMB NIAGA	9.25	5.75
29	OCBC NISP	9.25	5.75
30	BPD DKI	9.25	5.75
31	BANK MAYORA	9.17	5.67
32	BPD JATENG	9.14	5.64
33	BPD SUMUT	9.03	5.53
34	PAN INDONESIA	9.00	5.50
35	BPD SUMBAR	9.00	5.50
36	BANK DINAR	9.00	5.50
37	SEABANK	8.78	5.28
38	MESTIKA DHARMA	8.74	5.24
39	BANK BUMI ARTHA	8.72	5.22
40	BPD KALTIM KALTARA	8.67	5.17
41	BANK MASPION	8.65	5.15
42	MAYBANK INDONESIA	8.50	5.00
43	BPD JAMBI	8.49	4.99
44	BPD SULTRA	8.41	4.91
45	BANK INA PERDANA	8.37	4.87
46	JASA JAKARTA	8.35	4.85
47	BPD SULTARA	8.29	4.79
48	BANK HARDA	8.24	4.74
49	BPD BALI	8.14	4.64
50	MULTIARTA SENTOSA	8.10	4.60
51	BRI AGRO	8.02	4.52
52	BRI	8.00	4.50
53	MANDIRI	8.00	4.50
54	BNI	8.00	4.50
55	BCA	8.00	4.50
56	BTN	8.00	4.50
57	WOORI SAUDARA	8.00	4.50
58	ICBC INDONESIA	7.95	4.45
59	BANK SULSELBAR	7.76	4.26
60	ANZ INDONESIA	7.62	4.12
61	STANCHART	7.56	4.06
62	BNP INDONESIA	7.51	4.01
63	MUFG	7.50	4.00
64	CHINA CONSTRUCTION BANK	7.31	3.81
65	HSBC INDONESIA	7.00	3.50
66	HANA BANK	7.00	3.50
67	BPD BENGKULU	6.99	3.49
68	BJB	6.95	3.45
69	RESONA PERDANIA	6.90	3.40
70	BPD MALUKU	6.86	3.36
71	SHINHAN INDONESIA	6.57	3.07
72	BPD YOGYAKARTA	6.55	3.05
73	BANK FAMA INTERNASIONAL	6.26	2.76
74	IBK (D/H Agris)	6.25	2.75
75	BPD RIAU	6.17	2.67
76	BTPN	6.08	2.58
77	BOA	6.00	2.50
78	BPD JATIM	5.95	2.45
79	BPD SULTENG	5.91	2.41
80	BANK OF CHINA	5.90	2.40
81	CITIBANK	5.75	2.25
82	DEUTSCHE BANK	5.75	2.25
83	DBS INDONESIA	5.00	1.50
84	MIZUHO INDONESIA	4.65	1.15
85	JP MORGAN	3.56	0.06
86	BANK CAPITAL	-	-
87	MAYAPADA	-	-
88	BPD BANTEN	-	-
89	BUKOPIN	-	-
90	BANGKOK BANK	-	-
91	BANK BISNIS	-	-
92	BANK DIGITAL BCA	-	-
93	NOBU BANK	-	-
94	MANDIRI TASPEN	-	-
95	COMMONWEALTH	-	-

Segmen Ritel			
No	Nama Bank	SBDK	Spread
1	BANK JAGO	15.88	12.38
2	BANK SAMPOERNA	14.75	11.25
3	BPD NTT	13.49	9.99
4	BANK NEO COMMERCE	13.47	9.97
5	SBI INDONESIA	13.25	9.75
6	BANK GANESHA	13.00	9.50
7	BANK DINAR	12.50	9.00
8	PRIMA MASTER BANK	11.90	8.40
9	MANDIRI TASPEN	11.88	8.38
10	MNC BANK	11.61	8.11
11	BANK INDIA INDONESIA	11.50	8.00
12	SINARMAS	11.50	8.00
13	WOORI SAUDARA	11.50	8.00
14	BANK VICTORIA	11.46	7.96
15	J-TRUST BANK	11.05	7.55
16	NOBU BANK	11.00	7.50
17	BANK AMAR	11.00	7.50
18	MEGA	10.93	7.43
19	BANK BISNIS	10.79	7.29
20	BANK INDEX	10.75	7.25
21	BPD PAPUA	10.67	7.17
22	BPD KALSEL	10.59	7.09
23	QNB INDONESIA	10.50	7.00
24	CTBC INDONESIA	10.50	7.00
25	BPD SUMSEL BABEL	10.40	6.90
26	BPD JATENG	10.39	6.89
27	ARTHA GRAHA	10.17	6.67
28	COMMONWEALTH	10.00	6.50
29	BANK MAYORA	9.83	6.33
30	PERMATA	9.75	6.25
31	MAYBANK INDONESIA	9.75	6.25
32	UOB INDONESIA	9.75	6.25
33	BPD KALBAR	9.74	6.24
34	BPD BALI	9.74	6.24
35	BPD LAMPUNG	9.68	6.18
36	BANK MASPION	9.66	6.16
37	BTPN	9.65	6.15
38	BPD SUMUT	9.51	6.01
39	DANAMON	9.50	6.00
40	CIMB NIAGA	9.50	6.00
41	OCBC NISP	9.50	6.00
42	HSBC INDONESIA	9.50	6.00
43	BPD SUMBAR	9.50	6.00
44	BRI AGRO	9.48	5.98
45	SEABANK	9.28	5.78
46	BPD DKI	9.25	5.75
47	MESTIKA DHARMA	9.04	5.54
48	MULTIARTA SENTOSA	9.00	5.50
49	BANK BUMI ARTHA	8.97	5.47
50	ICBC INDONESIA	8.88	5.38
51	BJB	8.69	5.19
52	BPD SULTARA	8.59	5.09
53	PAN INDONESIA	8.50	5.00
54	BPD SULTRA	8.42	4.92
55	BPD KALTIM KALTARA	8.37	4.87
56	BANK INA PERDANA	8.37	4.87
57	JASA JAKARTA	8.35	4.85
58	BPD JAMBI	8.32	4.82
59	BRI	8.25	4.75
60	MANDIRI	8.25	4.75
61	BNI	8.25	4.75
62	BCA	8.25	4.75
63	BTN	8.25	4.75
64	BANK HARDA	8.24	4.74
65	HANA BANK	7.75	4.25
66	BANK SULSELBAR	7.72	4.22
67	BPD KALTENG	7.62	4.12
68	CHINA CONSTRUCTION BANK	7.31	3.81
69	DBS INDONESIA	7.01	3.51
70	BPD BENGKULU	6.99	3.49
71	BPD JATIM	6.88	3.38
72	BPD MALUKU	6.86	3.36
73	IBK (D/H Agris)	6.75	3.25
74	SHINHAN INDONESIA	6.57	3.07
75	BPD YOGYAKARTA	6.44	2.94
76	BPD RIAU	6.33	2.83
77	BANK FAMA INTERNASIONAL	6.26	2.76
78	BPD SULTENG	5.91	2.41
79	BANK OF CHINA	5.90	2.40
80	BANK CAPITAL	-	-
81	MAYAPADA	-	-
82	BUKOPIN	-	-
83	BPD BANTEN	-	-
84	CITIBANK	-	-
85	JP MORGAN	-	-
86	BOA	-	-
87	BANGKOK BANK	-	-
88	MUFG	-	-
89	RESONA PERDANIA	-	-
90	MIZUHO INDONESIA	-	-
91	STANCHART	-	-
92	BNP INDONESIA	-	-
93	ANZ INDONESIA	-	-
94	DEUTSCHE BANK	-	-
95	BANK DIGITAL BCA	-	-

Segmen Mikro			
No	Nama Bank	SBDK	Spread
1	J-TRUST BANK	26.00	22.50
2	BANK SAMPOERNA	17.00	13.50
3	BANK AMAR	17.00	13.50
4	ARTHA GRAHA	15.14	11.64
5	SINARMAS	15.00	11.50
6	BANK GANESHA	15.00	11.50
7	BTPN	14.99	11.49
8	PAN INDONESIA	14.90	11.40
9	MANDIRI TASPEN	14.46	10.96
10	BPD KALSEL	14.43	10.93
11	BPD KALTENG	14.29	10.79
12	BRI	14.00	10.50
13	NOBU BANK	13.99	10.49
14	BANK BUMI ARTHA	13.92	10.42
15	BANK DINAR	13.50	10.00
16	BPD NTT	13.49	9.99
17	BANK NEO COMMERCE	13.47	9.97
18	BPD JATENG	13.12	9.62
19	BPD SUMSEL BABEL	12.75	9.25
20	BPD SUMUT	12.45	8.95
21	PRIMA MASTER BANK	12.40	8.90
22	BJB	12.27	8.77
23	BPD SUMBAR	11.50	8.00
24	BANK INDIA INDONESIA	11.50	8.00
25	MANDIRI	11.25	7.75
26	BANK INDEX	11.25	7.75
27	BPD JATIM	11.10	7.60
28	BPD KALBAR	11.04	7.54
29	BPD DKI	11.00	7.50
30	BANK MAYORA	10.83	7.33
31	BPD PAPUA	10.80	7.30
32	BANK INA PERDANA	10.37	6.87
33	SEABANK	9.78	6.28
34	BPD LAMPUNG	9.68	6.18
35	BPD BALI	9.25	5.75
36	MESTIKA DHARMA	9.04	5.54
37	IBK (D/H Agris)	8.75	5.25
38	BPD SULTARA	8.59	5.09
39	HANA BANK	8.50	5.00
40	BPD KALTIM KALTARA	8.37	4.87
41	BANK HARDA	8.24	4.74
42	BPD SULTRA	8.19	4.69
43	BPD JAMBI	7.91	4.41
44	BANK SULSELBAR	7.63	4.13
45	BANK FAMA INTERNASIONAL	7.26	3.76
46	SHINHAN INDONESIA	7.21	3.71
47	BPD BENGKULU	6.99	3.49
48	BPD MALUKU	6.86	3.36
49	BPD RIAU	6.32	2.82
50	BPD YOGYAKARTA	6.06	2.56
51	BPD SULTENG	5.90	2.40
52	BPD BANTEN	-	-
53	MAYAPADA	-	-
54	BANK CAPITAL	-	-
55	BUKOPIN	-	-
56	BNI	-	-
57	DANAMON	-	-
58	PERMATA	-	-
59	BCA	-	-
60	MAYBANK INDONESIA	-	-
61	CIMB NIAGA	-	-
62	UOB INDONESIA	-	-
63	OCBC NISP	-	-
64	CITIBANK	-	-
65	JP MORGAN	-	-
66	BOA	-	-
67	CHINA CONSTRUCTION BANK	-	-
68	BANGKOK BANK	-	-
69	MUFG	-	-
70	DBS INDONESIA	-	-
71	RESONA PERDANIA	-	-
72	MIZUHO INDONESIA	-	-
73	STANCHART	-	-
74	BNP INDONESIA	-	-
75	ANZ INDONESIA	-	-
76	DEUTSCHE BANK	-	-
77	BANK OF CHINA	-	-
78	HSBC INDONESIA	-	-
79	BANK MASPION	-	-
80	ICBC INDONESIA	-	-
81	QNB INDONESIA	-	-
82	BTN	-	-
83	WOORI SAUDARA	-	-
84	MEGA	-	-
85	BANK BISNIS	-	-
86	JASA JAKARTA	-	-
87	MNC BANK	-	-
88	BRI AGRO	-	-
89	SBI INDONESIA	-	-
90	BANK DIGITAL BCA	-	-
91	BANK JAGO	-	-
92	MULTIARTA SENTOSA	-	-
93	BANK VICTORIA	-	-
94	CTBC INDONESIA	-	-
95	COMMONWEALTH	-	-

Segmen KPR			
No	Nama Bank	SBDK	Spread
1	BANK SAMPOERNA	16.50	13.00
2	BPD NTT	13.49	9.99
3	BANK AMAR	13.00	9.50
4	BANK NEO COMMERCE	12.97	9.47
5	J-TRUST BANK	12.05	8.55
6	BANK GANESHA	12.00	8.50
7	PRIMA MASTER BANK	11.75	8.25
8	MNC BANK	11.67	8.17
9	BANK INDIA INDONESIA	11.50	8.00
10	BANK VICTORIA	11.28	7.78
11	MEGA	10.88	7.38
12	BPD KALSEL	10.67	7.17
13	BPD JATENG	10.57	7.07
14	BPD KALTENG	10.52	7.02
15	BPD PAPUA	10.50	7.00
16	QNB INDONESIA	10.50	7.00
17	BANK DINAR	10.50	7.00
18	CTBC INDONESIA	10.50	7.00
19	BPD KALBAR	10.41	6.91
20	WOORI SAUDARA	10.25	6.75
21	BANK INDEX	10.25	6.75
22	BANK MASPION	10.10	6.60
23	BPD SUMBAR	10.00	6.50
24	COMMONWEALTH	10.00	6.50
25	BPD SUMSEL BABEL	9.87	6.37
26	SEABANK	9.78	6.28
27	PERMATA	9.75	6.25
28	BPD LAMPUNG	9.68	6.18
29	BPD SUMUT	9.41	5.91
30	BPD MALUKU	9.41	5.91
31	BANK MAYORA	9.33	5.83
32	BANK BISNIS	9.26	5.76
33	DANAMON	9.25	5.75
34	NOBU BANK	9.25	5.75
35	MAYBANK INDONESIA	9.00	5.50
36	HSBC INDONESIA	9.00	5.50
37	ARTHA GRAHA	8.94	5.44
38	MESTIKA DHARMA	8.89	5.39
39	MULTIARTA SENTOSA	8.85	5.35
40	UOB INDONESIA	8.80	5.30
41	OCBC NISP	8.80	5.30
42	BJB	8.76	5.26
43	BPD DKI	8.75	5.25
44	ICBC INDONESIA	8.69	5.19
45	BPD KALTIM KALTARA	8.67	5.17
46	BANK BUMI ARTHA	8.39	4.89
47	BANK INA PERDANA	8.37	4.87
48	BPD SULTARA	8.29	4.79
49	BPD SULTRA	8.26	4.76
50	PAN INDONESIA	8.25	4.75
51	BANK HARDA	8.24	4.74
52	JASA JAKARTA	8.10	4.60
53	DBS INDONESIA	7.87	4.37
54	BPD JAMBI	7.84	4.34
55	BRI AGRO	7.80	4.30
56	BPD BALI	7.74	4.24
57	STANCHART	7.63	4.13
58	BANK SULSELBAR	7.62	4.12
59	CHINA CONSTRUCTION BANK	7.31	3.81
60	BRI	7.25	3.75
61	MANDIRI	7.25	3.75
62	BNI	7.25	3.75
63	BCA	7.25	3.75
64	CIMB NIAGA	7.25	3.75
65	BTN	7.25	3.75
66	HANA BANK	7.25	3.75
67	BPD BENGKULU	6.99	3.49
68	BPD JATIM	6.97	3.47
69	SHINHAN INDONESIA	6.57	3.07
70	BANK FAMA INTERNASIONAL	6.26	2.76
71	IBK (D/H Agris)	6.25	2.75
72	BPD YOGYAKARTA	6.04	2.54
73	BPD SULTENG	5.91	2.41
74	BPD RIAU	5.58	2.08
75	BANK CAPITAL	-	-
76	MAYAPADA	-	-
77	BUKOPIN	-	-
78	BPD BANTEN	-	-
79	CITIBANK	-	-
80	JP MORGAN	-	-
81	BOA	-	-
82	BANGKOK BANK	-	-
83	MUFG	-	-
84	RESONA PERDANIA	-	-
85	MIZUHO INDONESIA	-	-
86	BNP INDONESIA	-	-
87	ANZ INDONESIA	-	-
88	DEUTSCHE BANK	-	-
89	BANK OF CHINA	-	-
90	SINARMAS	-	-
91	BTPN	-	-
92	SBI INDONESIA	-	-
93	BANK DIGITAL BCA	-	-
94	BANK JAGO	-	-
95	MANDIRI TASPEN	-	-

Segmen Non KPR			
No	Nama Bank	SBDK	Spread
1	BANK JAGO	16.04	12.54
2	BANK SAMPOERNA	15.75	12.25
3	ARTHA GRAHA	15.00	11.50
4	BANK NEO COMMERCE	14.22	10.72
5	BANK GANESHA	13.50	10.00
6	BPD NTT	13.49	9.99
7	BANK BUMI ARTHA	13.31	9.81
8	BANK AMAR	13.00	9.50
9	BANK VICTORIA	12.78	9.28
10	BPD JATENG	12.76	9.26
11	BRI AGRO	12.74	9.24
12	MANDIRI TASPEN	12.59	9.09
13	BANK DINAR	12.50	9.00
14	MNC BANK	12.35	8.85
15	PRIMA MASTER BANK	12.15	8.65
16	BPD KALSEL	12.05	8.55
17	BPD SUMSEL BABEL	11.75	8.25
18	BANK INDIA INDONESIA	11.50	8.00
19	BPD BALI	11.38	7.88
20	WOORI SAUDARA	11.25	7.75
21	J-TRUST BANK	11.05	7.55
22	BPD SUMUT	10.98	7.48
23	BPD KALTENG	10.85	7.35
24	BANK INDEX	10.75	7.25
25	BPD PAPUA	10.59	7.09
26	SINARMAS	10.50	7.00
27	QNB INDONESIA	10.50	7.00
28	COMMONWEALTH	10.50	7.00
29	BTPN	10.28	6.78
30	BANK BISNIS	10.23	6.73
31	BPD KALBAR	10.14	6.64
32	BANK MASPION	10.10	6.60
33	DANAMON	10.06	6.56
34	BPD SUMBAR	10.00	6.50
35	HANA BANK	10.00	6.50
36	BANK SULSELBAR	9.88	6.38
37	BANK INA PERDANA	9.87	6.37
38	OCBC NISP	9.80	6.30
39	SEABANK	9.78	6.28
40	MEGA	9.77	6.27
41	PERMATA	9.75	6.25
42	BPD LAMPUNG	9.68	6.18
43	MAYBANK INDONESIA	9.50	6.00
44	BPD DKI	9.50	6.00
45	BPD MALUKU	9.41	5.91
46	BANK MAYORA	9.33	5.83
47	PAN INDONESIA	9.09	5.59
48	MESTIKA DHARMA	8.94	5.44
49	MULTIARTA SENTOSA	8.85	5.35
50	BRI	8.75	5.25
51	MANDIRI	8.75	5.25
52	BNI	8.75	5.25
53	BTN	8.75	5.25
54	BJB	8.67	5.17
55	BPD SULTARA	8.59	5.09
56	CIMB NIAGA	8.50	5.00
57	BPD JATIM	8.49	4.99
58	BPD SULTRA	8.32	4.82
59	BANK HARDA	8.24	4.74
60	BPD JAMBI	8.22	4.72
61	JASA JAKARTA	8.10	4.60
62	BPD KALTIM KALTARA	8.07	4.57
63	CHINA CONSTRUCTION BANK	7.31	3.81
64	BPD BENGKULU	6.99	3.49
65	BPD YOGYAKARTA	6.97	3.47
66	SHINHAN INDONESIA	6.57	3.07
67	BANK FAMA INTERNASIONAL	6.26	2.76
68	IBK (D/H Agris)	6.25	2.75
69	BCA	6.01	2.51
70	BPD RIAU	6.00	2.50
71	BPD SULTENG	5.98	2.48
72	BPD BANTEN	-	-
73	BANK CAPITAL	-	-
74	MAYAPADA	-	-
75	BUKOPIN	-	-
76	UOB INDONESIA	-	-
77	CITIBANK	-	-
78	JP MORGAN	-	-
79	BOA	-	-
80	BANGKOK BANK	-	-
81	MUFG	-	-
82	DBS INDONESIA	-	-
83	RESONA PERDANIA	-	-
84	MIZUHO INDONESIA	-	-
85	STANCHART	-	-
86	BNP INDONESIA	-	-
87	ANZ INDONESIA	-	-
88	DEUTSCHE BANK	-	-
89	BANK OF CHINA	-	-
90	HSBC INDONESIA	-	-
91	ICBC INDONESIA	-	-
92	SBI INDONESIA	-	-
93	BANK DIGITAL BCA	-	-
94	NOBU BANK	-	-
95	CTBC INDONESIA	-	-

Box **Background of Prime Lending Rate Transparency Policy in the Banking Industry**

The goal of publishing prime lending rates and this assessment is to strengthen and accelerate monetary and macroprudential policy transmission from Bank Indonesia. Since June 2019, Bank Indonesia has lowered the reference rate by 225bps and relaxed macroprudential policy, yet prime lending rates remain rigid. Therefore, Bank Indonesia acknowledges the opportunity for the banking industry to implement further PLR reductions in line with the policy rate. Through transparency, the public and corporate sector can compare the PLR published by different banks. Faster policy rate transmission to interest rates in the banking industry in the form of commensurate lending rates is expected to revive demand for loans and help drive the economic recovery.

As a preliminary measure, Bank Indonesia is publishing the Assessment of Policy Rate Transmission to Prime Lending Rates in the Banking Industry. Several factors influence PLR setting that are specific to each respective bank, namely the cost of loanable funds, overhead costs and profit margin. Although the determinants are quite diverse, this publication aims to expand public understanding of prime lending rates in the banking industry in Indonesia, including statistical information concerning the distribution of prime lending rates. In addition to expediting more effective monetary policy transmission, Bank Indonesia also strives to increase the dissemination of information to corporate and household borrowers through this publication. Furthermore, this assessment aims to increase governance, market discipline and competition when setting prime lending rates in the banking industry to ensure more competitive rates, revive demand for loans and accelerate the economic recovery.

Similar publications are a common international practice. Other central banks in Malaysia, India and China, amongst others, also promote PLR transparency through publications such as the External Benchmark Rate, Loan Prime Rate and Base Rate. Moreover, the International Monetary Fund (IMF) also requests of its members to submit a Reference Lending Rate and Reference Deposit Rate for publication as a reference spread between lending rates and deposit rates as one of the Financial Soundness Indicators (FSI).