

REPORT INDONESIA FINANCIAL SECTOR DEVELOPMENT

Q1 2023

ENVIRONMENT

SOCIAL

GOVERNANCE

About This Report

The Quarterly Report on Indonesia Financial Sector Development is published by the Investor Relations Unit of the Indonesia Financial Services Authority (IRU-OJK) to provide general views on the development of the global and Indonesian economy as well as the financial services sector.

This report consists of 4 (four) main sections, namely:

1. Recent Economic and Financial Development;
2. Special Topics;
3. Policy Update; and
4. Projects Undertaken by the International Department.

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In This Edition

ECONOMIC UPDATES

Indonesia's GDP maintained its favorable growth at 5.03% (yoy) in the first quarter of 2023. Monetary indicators were also relatively steady, while domestic inflation continued to increase.

SPECIAL TOPICS OF THIS QUARTER

This quarterly report raises various topics, including Indonesia's Strategy for FOLU Net Sink 2030 and Global and Domestic Carbon Market Development.

FINANCIAL DEVELOPMENT UPDATES

The stability of the financial system remained well maintained with positive intermediation function, supported by ample liquidity and sufficient capital.



BI7DRR
5.75%



GDP
5.03% yoy



IHSG
-2.83% YTD



GLOBAL PMI
51.9



NPL GROSS
2.49%



BANKING CAR
24.69%



GENERAL INSURANCE RBC
315.79%

*compared to previous quarter

CHAPTER 01

Recent Economic and Financial Development

Although the global economy is expected to recover in a slower pace due to heightened inflation and higher interest rates, geopolitical risks were monitored to cool down along with moderated commodity prices.

Meanwhile, the domestic economy showed robust growth along with a trade balance surplus as well as expanding manufacturing activities and private consumption. Indonesia's economy remained resilient despite the dynamics in the global economy.

Likewise, the financial services industry recorded positive growth in intermediation, supported by sufficient liquidity, substantial capital, and a manageable risk profile.



GLOBAL ECONOMIC UPDATES

In 2023, the global economy is expected to grow at a slower pace due to heightened inflation and increased interest rates.

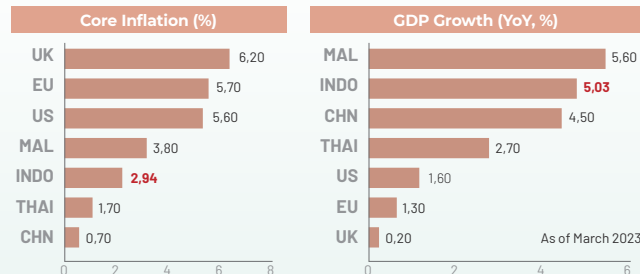
Decelerated Economic Growth and Persistent Inflation

	Global Economic Projection*			Δ from prev.**		
	2022F	2023F	2024F	2022F	2023F	2024F
GDP, % yoy						
IMF	3.4	2.8	3.0	0.0	-0.1	-0.1
World Bank	2.9	1.7	2.7	0.0	-1.3	-0.3
OECD	3.2	2.6	2.9	-0.1	0.4	0.2
Inflation, % yoy						
IMF	8.7	7.0	4.9	-0.1	0.5	0.6
OECD	7.6	6.3	5.3	3.2	2.5	n/a

+ Recent updates: IMF (Apr-23); World Bank (Jan-23); OECD (Mar-23)

** For The World Bank, the differences are from Oct-22 projections while for IMF and OECD are from Jan-23 and Nov-22, respectively.

Inflation pressures persist in most countries, but inflation is easing in the US and Europe.



Rising Policy Rates

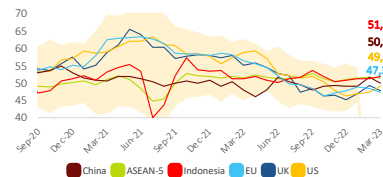
	Policy Rate (%)		Total Change (bps)
	Sep-21	Mar-23	
	0.25	5.00	▲ 475
	0.10	4.25	▲ 415
	-0.50	3.00	▲ 350
	3.50	5.75	▲ 225
	0.50	1.75	▲ 125
	1.75	2.75	▲ 100
	2.95	2.75	▼ -20

Declining commodity prices

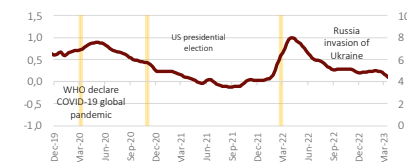
CRUDE OIL WTI	-13.71%
NICKEL	-22.14%
COAL	-43.63%
GOLD	8.38%
LNG	-50.48%
CORN	-5.23%
CPO	-10.07%
SOYBEAN	-5.99%
WHEAT	-13.07%

YTD (March 2023)

PMI Manufacturing is Improving



Geopolitical Risk Starts to Cool Down

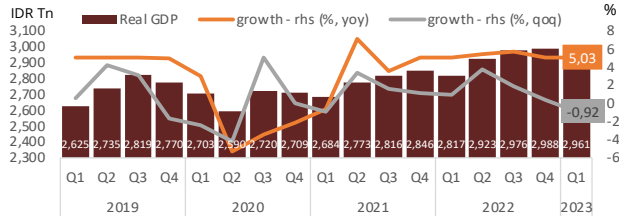


Source: BlackRock

DOMESTIC ECONOMIC UPDATES

Indonesia's economic growth in Q1 2023 continued at the 5% level. However, there are potential external headwinds and inflationary pressures.

Indonesian economy has continued to improve and surpassed its pre-pandemic level

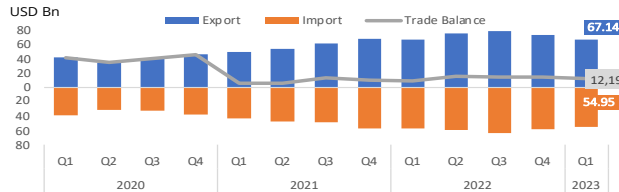


In the first quarter of 2023, the manufacturing industry contributed the highest share to the growth followed by the wholesale and retail trade at 18.57% and 12.95%, respectively. Meanwhile, four other sectors experienced an increase in the share of growth compared to Q4-2022.

Sector	Q1-23		Q4-22	
	share	%yoy	share	%yoy
Manufacturing industry	18.57%	4.43	21.6%	5.64
Wholesale and retail trade	12.95%	4.89	13.7%	6.55
Mining	▲ 11.85%	4.92	7.8%	6.46
Agriculture, forestry, and fishery	▲ 11.77%	0.34	11.4%	4.51
Construction	9.88%	0.32	10.2%	1.61
Warehouse and transportation	▲ 5.56%	15.93	4.5%	16.99
Financial services and insurance	▲ 4.31%	4.48	4.1%	3.76
Information and communication	4.19%	7.19	6.8%	8.75

▲ : % share increase compared to previous quarter

Trade performance maintained stable growth supported by the growth of export



Export



1.6%
(Q1-2023, yoy)



11.33%
(Mar-23, yoy)



9.89%
(Mar-23, mtm)

Import



3.28%
(Q1-2023, yoy)



6.26%
(Mar-23, yoy)



29.33%
(Mar-23, mtm)

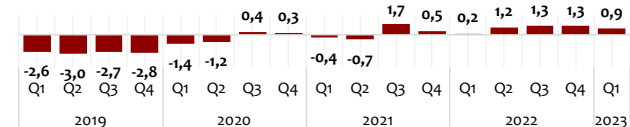
Trade Balance (March 2023)

Non Oil & Gas **+** 4.58 USD Billion | Oil & Gas **-** 1.67 USD Billion | **Surplus 2.91** USD Billion

In Q1-2023, trade balance grew by 30.68% (yoy). Moreover, Indonesia's trade balance has been recording a surplus for 35 consecutive months since May 2020.

Current Account (% per GDP)

Current Account charted surplus, supported mainly by the positive performance of trade balance. Though lower than the previous quarter, the record was higher than pre-pandemic level.

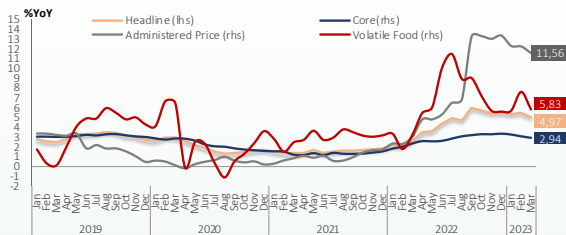


Source: Bank Indonesia, BPS, Coordinating Ministry of Economic Affairs

Source: Bank Indonesia, BPS, Coordinating Ministry of Economic Affairs

DOMESTIC ECONOMIC UPDATES

Inflation



INFLATION
Mar-23
(Headline)

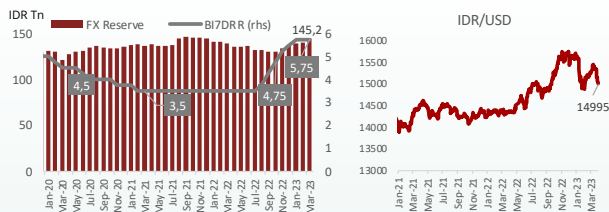
0.18%
(mtm)

4.97%
(yoy)

0.68%
(ytd)

The inflation rate in March, mainly driven by core inflation, began to decline and was under control due to the government's anticipatory steps in entering the Ramadan period.

Monetary Indicators



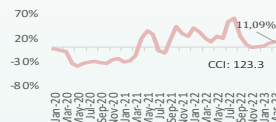
By the end of March 2023, monetary indicators were stable with adequate foreign currency reserves and BI7DRR set higher to 5.75%. Moreover, the exchange rate was also strengthened despite relatively fluctuating since the beginning of the year.

Manufacturing and Business activities

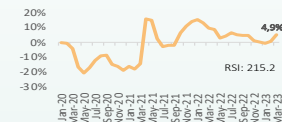
PMI Manufacturing



Consumer Confidence Index (%yoy)



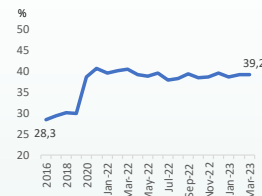
Retail Sales Index (%yoy)



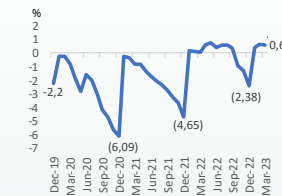
Business activities showed strong performance reflected by the increase in consumer confidence, sales index, and PMI Manufacturing.

Fiscal Soundness

Government Debt (%GDP)



Fiscal Deficit Realization (%GDP)



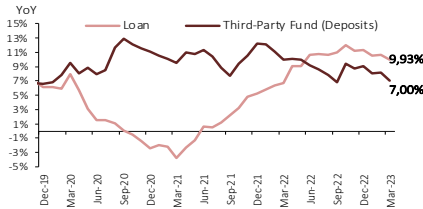
Fiscal condition remained sound as government debt to GDP ratio was consistently well-maintained (below the maximum limit of 60%) and budget deficit realization was recorded below the initial estimation in 2022.

FINANCIAL INDUSTRY STAYS RESILIENT AMIDST PANDEMIC

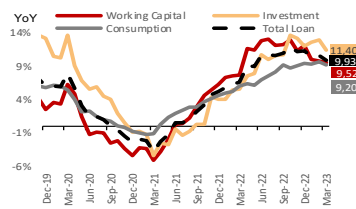
Banking Industry

Banking Industry remained solid with strong intermediation growth, mainly driven by investment loans. Mining sector experienced the highest growth in line with the trend of commodity export. The banking industry was also supported with ample liquidity and substantial capital.

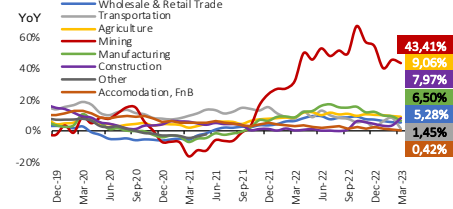
Intermediation



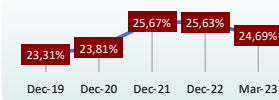
Loan Growth by Use



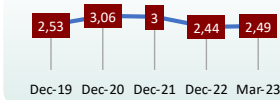
Loan Growth by Sectors



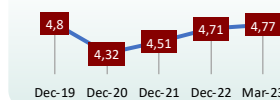
CAR



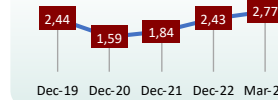
NPL



NIM



ROA

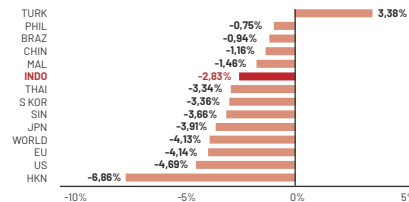


Capital Market

Despite the fall in the global stock market, the domestic capital market continued to perform well with positive capital netflow, growing fundraising, and rising number of investors.

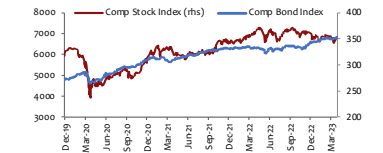
Stock Index Performance as of 31st Mar 2023

(compared to 30 Dec'22)

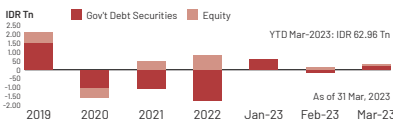


Source: OJK

Stock and Bond Index



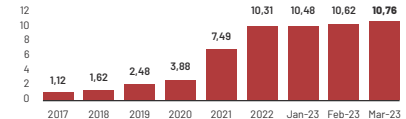
Capital Netflow



Public Offering

TYPE	As of 31st Mar 2023		PIPELINE	
	No. of Issuers	Nom(IDR T)	No. of Issuers	Nom(IDR T)
IPO	22	12.00	67	62.22
Rights Issue	8	15.17	9	20.60
Corp Bonds / Sukuk	24	27.08	31	41.02
TOTAL	54	54.24	107	123.83

Total Investor (in million)

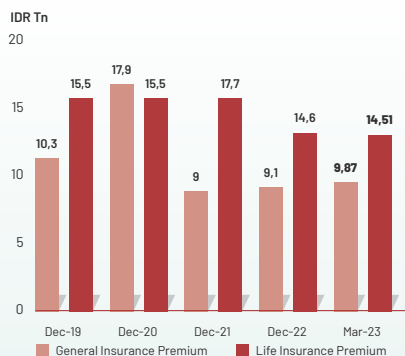


FINANCIAL INDUSTRY STAYS RESILIENT AMIDST PANDEMIC

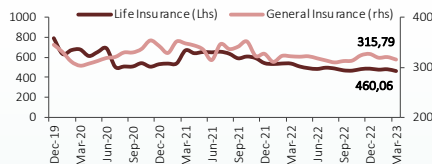
Insurance

Risk-based capital of general and life insurance remained well above the thresholds with relatively small added insurance premiums.

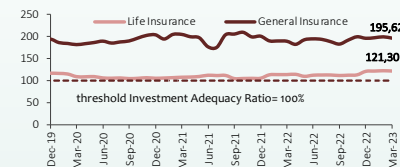
Added Insurance Premium



Risk Based Capital (%)



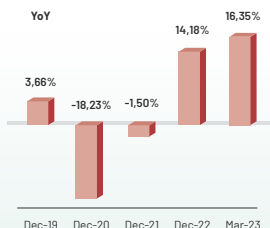
Investment Adequacy Ratio (%)



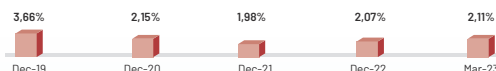
Multifinance

In the first quarter of 2023, financing intermediation has continued to grow while the gearing ratio and NPF remained steady below the threshold.

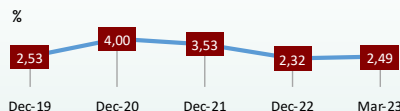
Intermediation Growth



Gearing Ratio



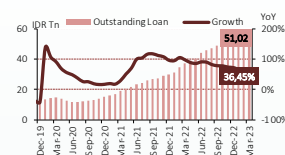
NPF



Fintech

P2PL Fintech intermediation grows with a manageable NPL ratio and SCF Fundraising continues to rise.

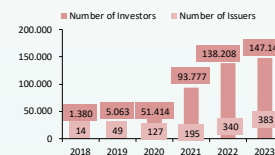
P2PL Outstanding Loan



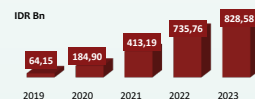
P2PL NPL



SCF Issuers and Investors



SCF Fundraising*



*YTD/accumulated numbers

Source: OJK

CHAPTER 02

Special Topics of This Quarter

1. Indonesia's Strategy for FOLU Net Sink 2030

Indonesia has set the target to achieve FOLU Net Sink in 2030 as one of the ways to lower national emissions and address the detrimental impacts of climate change.

How will FOLU Net Sink 2030 advance Indonesia towards Net Zero Emission (NZE) and what is its relation with the development of the domestic carbon market?

2. Global and Domestic Carbon Market Development

As many countries around the world have pledged to mitigate and address the impacts of climate change, many are looking at carbon markets as part of the answer to finance the climate targets.

What is the current development of the global carbon market and how will carbon exchange scale up Indonesia's carbon ecosystem?



INDONESIA'S FOLU NET SINK 2030

As a country vulnerable to the negative impacts of climate change and contributing to global greenhouse gas (GHG) emissions, Indonesia is strongly committed to reducing national emissions. Therefore, it is necessary to strengthen the work in Indonesia's FOLU Net Sink 2030 Program. **What is FOLU Net Sink 2030, and how does it help Indonesia progress towards Net Zero Emission (NZE)?**

Overview

Indonesia's Net Zero Emission Program

RAN GRK & RAN API

Emission reduction programs from the energy, industry, transportation, agriculture and land management sectors.

RPJMN 2020-2024

Medium-term development plans in various sectors

FOLU Net Sink 2030

Sustainable management in the agricultural sector.



Low Carbon Development Plan

Development of strategies to reduce GHG emissions economically, socially, and environmentally.

National Energy General Plan (RUEN)

Long-term strategic plan for the energy sector in Indonesia.

Electricity Supply Business Plan (RUPTL)

Regulates the development and supply of sustainable electrical energy.

What is it?

The FOLU Net Sink 2030 is a commitment made by the Indonesian government to **reduce GHG emissions from deforestation and forest degradation**, while promoting sustainable land use practices and forest conservation.

What is the target?

Global Target:

To achieve greenhouse gas emissions levels at:

- -140 million tons of CO₂e by 2030
- -304 million tons of CO₂e by 2050

for all activities carried out in the environment and forestry sector, resulting in a net national emission level of 540 million tons of CO₂e (1.6 tons of CO₂ per capita) by 2050.

National Target:

In September 2022, Indonesia submitted the Enhanced NDC to the UNFCCC that stated to reduce GHG emissions by:

- 31.89% without international support
- 43.20% with international support

compared to business-as-usual (BAU) levels

What are the strategies?

The program uses three working strategies:

- Sustainable Forest Management,
- Environmental Governance,
- Carbon Governance.

Timeline of FOLU Net Sink 2030 Development

2016

- Regulation No.16 of 2016
- Submission of the first NDC*

2019

Submission of the NDC roadmap

2021

- Submission of Updated NDC
- Presidential Decree No. 98 of 2021
- Submission of LTS-LCCR**

2022

Indonesia's FOLU Net Sink 2030

*Nationally Determined Contribution

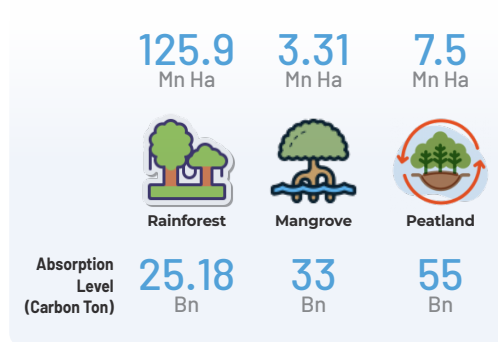
**LTS-LCCR: Long-Term Strategy for Low Carbon and Climate Resilience

CARBON CREDITS: UNLOCKING THE PATH TO FOLU NET SINK

In achieving Indonesia's ambitious commitment to reducing GHG emissions by 29% in 2030, Carbon Market is essential in supporting the FOLU Net Sink target by providing a financial mechanism that incentivizes and rewards sustainable land use practices and carbon sequestration efforts.

Indonesia's FOLU Potential

Being one of the largest rainforests globally, Indonesia has all the potential to generate carbon credit, especially to reduce GHG emissions through the 3 Scope of FOLU Net Sink

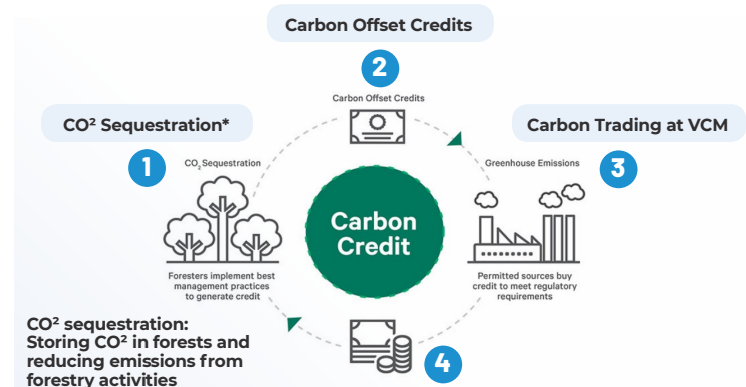


To reach the FOLU Net Sink target, Ministry of Environment and Forestry has published its work plan

Emission Reduction	Expanding Carbon Stock	Maintaining Carbon Stock
<ul style="list-style-type: none"> Reducing Degradation and Deforestation Rate of Mineral Land and Peatland 	<ul style="list-style-type: none"> Plantation Forest Development Sustainable Forest Management Rehabilitation With Rotation Non-Rotation Rehabilitation 	<ul style="list-style-type: none"> Peat Restoration Improvement of Peat Water System Biodiversity Conservation Social forest

How could FOLU generate Carbon Credit?

FOLU could generate carbon credit through the carbon trading mechanism at Voluntary Carbon Market (VCM), where parties, companies and government have the opportunity to buy and sell carbon credits.



How could FOLU generate Carbon Credit?

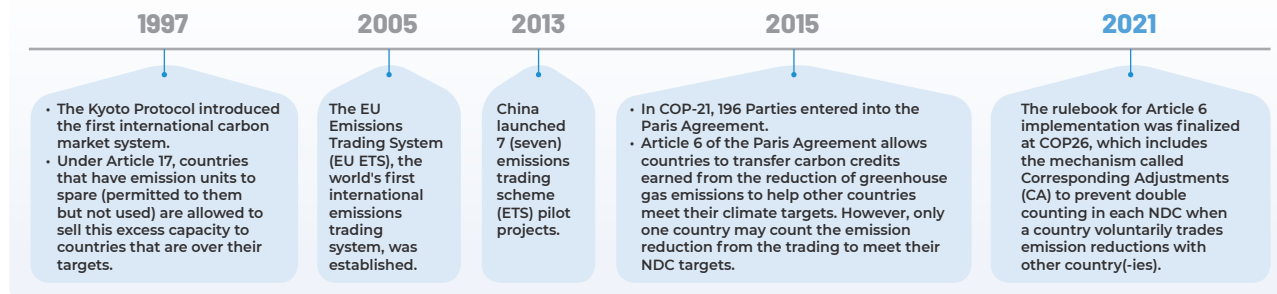
According to Katadata (2022), not every forest area is eligible for carbon projects; there are at least three basic principles that must be met:

- Permanency**: Carbon projects must be long-term (minimum 20 years)
- Additionality**: The forest area that is used for the project must be one that is threatened by deforestation
- No Leakage**: One area's emission reduction must not lead to increased emissions elsewhere



A GLOBAL PHENOMENON OF CARBON MARKET

Selected Timeline of Global Carbon Market Development



Types of Carbon Markets

Aspect	Compliance Carbon Market	Non-Compliance Carbon Market
Market Function	<ul style="list-style-type: none"> Uses a 'Cap and Trade' system, or also known as the 'Emissions Trading System', such as EU ETS, UK ETS, etc. Regulated entities can buy and sell carbon credits to comply with the greenhouse gas limits (or the 'Cap' set by the government) they are allowed to emit. The Cap will be gradually reduced to achieve decarbonization. 	<ul style="list-style-type: none"> Also known as Voluntary Carbon Market (VCM). Allow participants to purchase carbon offsets to mitigate their emissions. The number of carbon offsets is not limited.
Market Participants	Regulated entities that have to comply with ETS and financial players	Businesses, investors, NGOs, etc
Market Regulation	Created and regulated by mandatory national, regional, or international carbon reduction schemes	Function outside of compliance markets and are largely unregulated
Issuer of Credits	National governments/agencies	Independent certification bodies such as VERRA and Gold Standard

Facts and Figures

28 Emission Trading Systems (ETS)

As of January 23, there were 28 ETS in force and 8 under development (including Indonesia, Vietnam, and Colombia).

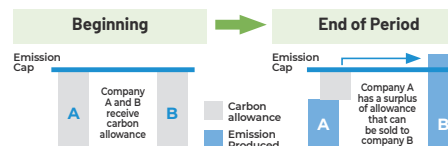
Covering Eight Sectors

Sectors covered by ETS are agriculture, forestry, waste, aviation, transport, buildings, industry, and power.

Global GHG Emissions Covered Tripled

The share of global greenhouse gas (GHG) emissions covered by emissions trading increased from 5% in 2005 to 17% in 2023 due to the addition of new sectors and trading systems.

Simplified Illustration – ETS (Cap and Trade)



LEARNING FROM THE EUROPEAN UNION AND CHINA

EU Emissions Trading System (ETS)

- EU ETS is the oldest ETS in force. It is a cornerstone of the EU's climate policy, which aims to reduce emissions by pricing greenhouse gas (GHG) pollution.
- EU ETS covers over 10,400 industrial and power installations and approximately 350 airlines, across the 27 EU member states, Iceland, Norway and Liechtenstein.

Aspect	Details
Start of Operation	2005
Sectoral Coverage	1. Domestic aviation 2. Energy-intensive industry, e.g. oil refineries, steelworks, and producers of iron, aluminum, cement, paper, and glass. 3. Electricity sector
GHG Reduction Targets	<ul style="list-style-type: none"> • By 2030: at least 55% below year 1990's levels • By 2050: climate neutrality*

Source: International Carbon Action Partnership (ICAP)

*see Glossary

Lessons Learned from the EU ETS

Secure and Trusted Registries

- During its early development, there was a hacking to some registries and carbon credits were stolen in some countries, such as Hungary. As the carbon market was so liquid, it was hard to track who bought and sold the stolen carbon credits.
- Measures have been taken to create more secure registries, including creating a single Union registry.

Cap and Allocation of Free Allowances

- Previously, the EU cap was set by summing up the separate national caps set by each member state, which were called National Allocation Plans (NAPs). However, the resulting EU cap was so large and the number of allowances exceeded the emissions of the covered sectors, leading to an oversupply that caused the prices of allowances to drop.
- During Phase 3 (2013-2020), a single EU-wide cap on emissions was established instead of the previous system of national caps. Auctioning became the default method for allocating emission allowances to companies participating in the EU ETS. The free allocation also decreases each year.

Source: Life ETS, 2021

China National Emissions Trading System (ETS)

China's national ETS is the world's largest by volume, covering annual emissions close to 4.5 billion tons of CO₂ per year, or around 40% of China's total emissions.

China's national ETS has a multi-level governance structure that involves central and provincial government bodies with their respective authorities.

Aspect	Provincial Pilot Projects ETS**	National ETS
Start of Operation	2013	2021
Sectoral Coverage	Industrial (power sector is in transition to national ETS), non-industrial, buildings, manufacturing	<ul style="list-style-type: none"> • Current: Power sector • Plan: petrochemical, chemical, building materials, iron and steel, nonferrous metals, paper, and domestic aviation.
GHG Reduction Targets	<ul style="list-style-type: none"> • By 2025: reduction in emission intensity of 18% compared to year 2020's levels • By 2060: carbon neutrality 	

**Operating in (8) eight regions, namely Beijing, Chongqing, Fujian, Guangdong, Hubei, Shanghai, Shenzhen, and Tianjin.

Main Challenges

Market Data

There is a lack of a unified methodology for measuring greenhouse gas emissions that led to low data quality and comparability among regions and entities.

Human Capital

There is a lack of experience among third-party certification bodies and inadequate MRV (Monitoring, Reporting, and Verification) training for stakeholders.

To address the challenges, China's Ministry of Ecology and Environment plans to improve statistics and accounting of carbon emissions, tighten the monitoring and administration of carbon data verification companies, as well as standardize their consulting, verification, and testing practices.

Source: ICAP Emissions Trading Worldwide 2023 Status Report, Refinitiv Eikon (2023)

THE DEVELOPMENT OF CARBON TRADING IN INDONESIA

Carbon Trading through a Carbon Exchange

Establishing a Carbon Exchange will help Indonesia scale up its carbon ecosystem in meeting NDC targets. Below are regulations concerning carbon exchanges, among others:

Regulation	Details
Law No. 16/2016 concerning the Ratification of Paris Agreement	Indonesia set a carbon emission reduction target in a Nationally Determined Contribution (NDC) in 2030. There are 5 (five) main sectors to achieve the NDC target, which are Forestry, Energy, Agriculture, Industrial Processes and Product Use (IPPU), and Waste Management.
Presidential Decree No. 98/2021 concerning Carbon Economic Values	Article 54 Paragraph (1): Carbon trading domestically and/or abroad is carried out through: 1. A carbon market mechanism through a Carbon Exchange; and/or 2. Direct trading.
Minister of Environment and Forestry Regulation No. 21/2022 concerning Procedures for Implementing Carbon Economic Values	Article 27 Paragrah (2): A Carbon Exchange is a stock exchange or trading operator that has obtained a business license from OJK
Act No. 4/2023 (PPSK Act)	<ul style="list-style-type: none"> Carbon units are securities. A Carbon Exchange can only be held by a market operator who has obtained a business license from the OJK.

Carbon Trading Ecosystem

Primary Market



Supervisor

Related ministries, such as the Ministry of Environment and Forestry, the Ministry of Energy and Mineral Resources, etc.

Aspects regulated, among others

- Setting the Cap (*Batas Atas Emisi* or BAE)
- Allocation of Carbon Allowance (*Persetujuan Teknis Batas Atas Emisi Pelaku Usaha* or PTBAE-PU)
- Managing the National Registry Sistem (*Sistem Registri Nasional Pengendalian Perubahan Iklim* or SRN PPI)
- Certification bodies

Secondary Market



Supervisor

OJK

Aspects regulated, among others

- Secondary trading
- Carbon Exchange operator

OJK is currently drafting an OJK Regulation concerning carbon trading in consultation with the Parliament.

CHAPTER 03

Policy Update

OJK plays a crucial role in supporting and maintaining economic recovery and stability through effective policy transmission, adequate supervision, and a supportive regulatory framework.

During the first quarter of 2023, OJK issued 4 Regulations and 9 Circular Letters.

This section highlights OJK policies to maintain financial stability and resilience. There is a highlight of an OJK Regulation regarding financial literacy. In addition, this section also provides information regarding the Act No. 4/2023 on the Developing and Strengthening of the Financial Sector (PPSK Act).



OJK POLICY DIRECTIONS IN THE FIRST QUARTER OF 2023

OJK implemented policies to maintain the stability of the financial services sector and address future challenges while keeping the national economic growth.

Maintaining Financial System Stability

- OJK required banks to anticipate the downside risks from the dynamics in the global economy through:
 - Strengthening governance, risk management, and prudential principles;
 - Conducting periodical stress test exercises;
 - Monitoring asset and liabilities portfolio, including credit concentration risk;
 - Maintaining capital adequacy ratio and availability of high-quality liquid assets; and
 - Avoiding excessive risk-taking behavior in the form of speculative practices.
- Requiring insurance companies to carry out the underwriting process, establish technical reserves, and manage investments prudently.
- Ensuring that financial institutions have established and evaluated adequate reserves.
- Closely monitoring the sufficiency of banking liquidity, particularly the availability and composition of the securities portfolio classified as High-Quality Liquid Asset (HQLA).

Strengthening the Financial Sector and Market Infrastructure

- Supporting the implementation of the Natural Resources Export Proceeds (DHE SDA) policy.
- Seeking to develop the Islamic banking industry by strengthening, accelerating, and improving the conversion of conventional banks into Islamic banks.
- Launching the Sharia Securities Information System (SIDES) in March 2023.
- Supporting enhanced supervision of the Indonesian Export Financing Institution (LPEI).
- Completing the development of an application called PRIME (Securities Information and Monitoring Portal for NBFIs).
- Consulting with the relevant stakeholders to establish a regulatory framework for compulsory insurance products.
- Reviewing the optimal capital requirements for insurance companies.
- Supporting sustainable development activities and investments through an active role as the principal representative in the ASEAN Taxonomy Board to voice out the importance of support for gradual energy transition and ensures, at the same time, that social and economic developments are not sidelined.

Handling Financial Institutions under Special Mention

- Regularly coordinating with other institutions and law enforcement agencies to build a credible criminal justice system. OJK investigators completed a total of 101 cases between 2014 and the first quarter of 2023:

79 cases in the banking sector

5 cases in the capital market sector

17 cases in the non-bank sector

- OJK imposed a sanction of canceling the registration of Public Accountants (AP) and Public Accounting Firm (KAP) that were implicated in the case of PT WAL.
- OJK imposed administrative sanctions, restrictions of business companies, and suspension of business activities to some companies.

Strengthening OJK's Governance

- Encouraging stronger integrity of OJK personnel and increasing the commitment of the leaders in OJK Work Units to make sure that the code of ethics is implemented along with the application of Know Your Employee (KYE).
- Strengthening the Quality Assurance Quality Control (QAQC) mechanism and advancing the effectiveness of internal control.
- Ensuring that the transformation process continues and encouraging that integrated governance, risk, and compliance (GRC) is established.
- Proactively collaborating with professional associations in the governance aspect to strengthen the governance of the financial services industry.
- Carrying out internal transformation both in terms of business processes and governance as an effort to improve public service and supervision in the financial services sector.

Financial Literacy, Inclusion, and Consumer Protection

- Encouraging support from the financial services industry to strengthen the Alternative Dispute Resolution Agency (LAPS).
- Issuing OJK Regulation (POJK) No. 3 of 2023 on Financial Inclusion and Literacy Enhancement in the Financial Services Sector for Consumers and the Public to increase financial inclusion and literacy.

OJK REGULATION NUMBER 03/2023 CONCERNING FINANCIAL INCLUSION AND LITERACY ENHANCEMENT IN THE FINANCIAL SERVICES SECTOR FOR CONSUMERS AND THE PUBLIC

Background

This regulation was enacted to strengthen the commitment, awareness, and responsibility of financial services providers (PUJK) to improve financial literacy and inclusion of consumers and the public. The regulation was also enacted to amend OJK Regulation 76/2016 as well as support the dynamic and rapid development of information technology and the government's target of achieving a financial inclusion index of 90% in 2024.

Financial Literacy	Financial Inclusion
<ul style="list-style-type: none"> Financial services providers (PUJK) must conduct activities to enhance the financial literacy of consumers and/or the public through an annual program. These activities must be recorded and conducted at least once every semester. PUJK must have a written guideline on activities to improve financial literacy. Activities to increase financial literacy include: <ul style="list-style-type: none"> Financial Education Developing infrastructure to support financial literacy PUJK is allowed to cooperate with other parties to perform activities to enhance financial literacy. When conducting a Financial Education program, PUJK must distribute materials, which cover at least: <ul style="list-style-type: none"> Characteristics of the financial services sector Characteristics of products services, including digital products/ services Financial management Taxation related to products and/or services Financial Education can be delivered through socialization activities, workshops, mentoring, community training, outreach programs, and/or games. Activities to develop infrastructure to support financial literacy include: <ol style="list-style-type: none"> The development of infrastructure and media to access Financial Education materials; Providing Financial Education materials; and/or Providing human resources training. PUJK must not charge fees to consumers and/or the public in conducting activities to improve Financial Literacy. 	<ul style="list-style-type: none"> PUJK must conduct activities to increase financial inclusion for consumers and/or the public as an annual program. These activities must be recorded and conducted at least once every semester. Activities to increase financial inclusion can be done in an in-person or digital method, which include: <ul style="list-style-type: none"> Expansion of access to institutions, products, and/or services to targeted consumers by providing infrastructure Provision of products and/or services, including by creating new or enhancing products and/or services according to the public's needs and capability A sustainable access to institutions, products, and/or services to be used by consumers and the public PUJK must have a written guideline on activities to improve financial inclusion.
Infrastructure	Miscellaneous Provisions
<ul style="list-style-type: none"> PUJK must have a function or unit to implement the provisions regarding financial literacy and inclusion. The Board of Directors is responsible for the implementation of compliance with this regulation and PUJK must have a reporting mechanism to the Board of Directors regarding compliance with the provisions of this regulation. 	<ul style="list-style-type: none"> OJK can request information and/or data regarding activities to improve financial literacy and inclusion from PUJK. PUJK may request for an exemption from the obligation to conduct activities to enhance financial literacy and education under the criteria: <ol style="list-style-type: none"> There are risks that impact the sustainability and ability of the PUJK to fulfill their obligations; and If the PUJK has experienced losses for 2 (two) consecutive years. <p>This exemption is applicable for 1 (one) year. PUJK can apply for an extended period of the exemption and OJK can accept or reject the request.</p>
Report	
<ul style="list-style-type: none"> PUJK must prepare and submit reports about financial literacy and inclusion to OJK. These reports are part of the business plans and the realization report of such business plans. PUJK may publicize the activities conducted to increase financial literacy and inclusion in the annual report. 	
Strategy and Program by OJK	
<p>OJK sets strategies and/or programs to increase financial literacy and inclusion, and PUJK plays an active role in implementing such strategies/programs.</p>	<ul style="list-style-type: none"> This regulation is exempted for: <ol style="list-style-type: none"> Microfinance Institutions Infrastructure Financing Companies Reinsurance Companies Employer Pension Funds

ACT NO. 4 YEAR 2023 CONCERNING THE DEVELOPING AND STRENGTHENING OF THE FINANCIAL SECTOR

Background

FUNDAMENTAL ISSUES

- Short-term financing is still dominated by Banks
- Small non-bank asset portion should be enlarged to finance development
- Limited financial instruments – huge potential for market deepening
- Digital assets: high risk and complex financial instruments
- Weak governance and law enforcement in the financial sector

EXTERNAL CHALLENGES

- Technology disruptions
- New financial risks from climate change and current geopolitical situation

Financial Sector Reform

OBJECTIVES, among others:

1. Optimizing financial intermediation and financing portfolio for productive sectors;
2. Improving financial access, inclusion and literacy, and consumer protection;
3. Expanding long-term financing resources;
4. Enhancing competitiveness and efficiency of the financial sector;
5. Strengthening financial system stability;
6. Developing the financial sector's ecosystem;
7. Strengthening authorities and responsibilities of financial regulators; and
8. Increasing people's competitiveness.

Substances

Act No. 4/2023 modifies, removes, and/or establishes new provisions for 17 existing laws in the financial sector and repeals one law. The Act also introduces new provisions regarding a) Financing Service Business, b) Consumer Protection in the Financial Sector, c) Technological Innovation in the Financial Sector, d) Human Resources, e) Financial Reporting, and f) Mutual Insurance.

CHAPTER I	General Provisions	CHAPTER XI	Bullion Business Activity	CHAPTER XIX	Access to Micro, Small, and Medium Financing
CHAPTER II	Principles, Purposes, Objectives and Scope	CHAPTER XII	Pension Fund, Old Age Protection Program, and Pension Program	CHAPTER XX	Human Resources
CHAPTER III	Institutional Aspect	CHAPTER XIII	Cooperative in the Financial Services Sector	CHAPTER XXI	Financial System Stability
CHAPTER IV	Bank	CHAPTER XIV	Microfinance Institution	CHAPTER XXII	Indonesia's Export Financing Institutions
CHAPTER V	Capital Market, Money Market and Foreign Exchange Market	CHAPTER XV	Financial Conglomerate	CHAPTER XXIII	Administrative Sanction
CHAPTER VI	Insurance	CHAPTER XVI	Financial Sector Technology Innovation	CHAPTER XXIV	Criminal Provisions
CHAPTER VII	Mutual Insurance	CHAPTER XVII	Sustainable Finance Implementation	CHAPTER XXV	Other Provisions
CHAPTER VIII	Policy Guarantee Program	CHAPTER XVIII	Financial Literacy, Financial Inclusion and Consumer Protection	CHAPTER XXVI	Transition Provisions
CHAPTER IX	Guarantee Agencies			CHAPTER XXVII	Closing Provisions
CHAPTER X	Financing Service Business				

SOME HIGHLIGHTS OF THE ACT NO. 4 YEAR 2023

Banking Sector

**Accelerating banking consolidation**

- Conventional commercial banks (BUK) owning Islamic business units (UUS) must conduct spin-off after fulfilling requirements set by OJK.
- Provisions on spin-off, consolidation, and sanctions will be regulated under a POJK, after being consulted with the Parliament.

Strengthening provisions on digital banks and the use of technology

- Commercial banks can operate as digital banks. Provisions on digital banks will be regulated under a POJK, after being consulted with the Parliament.
- Commercial banks, rural banks, and Islamic business units can use IT in their operations.

Strengthening the role of rural banks in supporting regional economy

- Commercial banks can operate with rural banks to disburse loans/financing for SME players.
- Provisions on such cooperation will be regulated under a POJK.

Expanding Islamic banking's business activities to support the national economy

Islamic banks and Islamic business units can manage wakaf.

Strengthening law enforcement in the banking sector

There are new provisions on:

1. criminal acts of corporations/business entities in the form of legal or illegal entities or other entities (including principal and additional crimes)
2. banking crimes committed by parties other than Members of the Board of Commissioners, Directors or Bank employees, including fraudsters

Law enforcement (Restorative Justice)

- OJK will stop an investigation process if the agreement has been fully achieved, including the payment of compensation.
- Compensation becomes the right of the aggrieved party and does not constitute OJK's revenues.

SOME HIGHLIGHTS OF THE ACT NO. 4 YEAR 2023

Capital Market



Expansion of investment portfolio other than mutual funds and alternative problem solving of mutual funds problems other than cash settlement

- Purchase of mutual fund participation units by other mutual funds (fund to fund)
- Investment portfolio expansion other than mutual funds
- Alternative problem solving of mutual funds apart from cash settlement

Strengthening securities crowdfunding as an alternative source of funding

OJK regulates the collection of public funds through securities offerings using the securities crowdfunding system.

Supporting the implementation of carbon exchange trading in the capital market

OJK and the Carbon Exchange are given the authority to develop products and activities related to carbon trading, including carbon derivative instruments.

Developing the capacity and competitiveness of Stock Exchange

- A Stock Exchange can provide other services based on the requirements or the approval by OJK. This is to support market interoperability and increase the effectiveness and efficiency of transactions on financial markets.
- Demutualization: Besides Securities Companies, other parties can own shares of the Stock Exchange. This will be regulated under a Government Regulation after obtaining an approval from the Parliament.

Improving the effectiveness of law enforcement and capital market integrity: Una Via principle and disgorgement fund

An addition of provisions that allow part of the funds obtained from administrative sanctions in the form of fines accompanying a written order for Return of Unauthorized Profits (PKTS) can be used to increase the amount of funds in the disgorgement fund apart from funds from the PKTS.

SOME HIGHLIGHTS OF THE ACT NO. 4 YEAR 2023

Non-Bank Sector

Insurance

Expanding business scope of insurance companies

The business scope of insurance companies can be expanded based on the needs of the public. The business expansion includes:

1. Provision of benefits related to credit/financing activities (including credit insurance activities with a more general formulation); and
2. Suretyship.

Strengthening insurance companies' business

- Obligations to implement good governance.
- Additional provisions for shareholders, Board of Directors, Board of Commissioners, employees and affiliated parties regarding the prohibition of making or causing false records.

Additional provisions for brokers, agents, and other parties

- Brokers and agents must be registered with the OJK, but the monitoring and supervision of brokers and agents are conducted by the company.
- Other Parties can receive premium payments if regulated in a cooperation agreement between the other party and the insurance company.
- Other Parties who cooperate with the insurance company are prohibited from embezzling Premiums or Contributions.

Adding OJK's authority to apply for Postponement of Debt Payment Obligations (PKPU) to insurance companies

An application for a declaration of bankruptcy or postponement of debt payment obligations (PKPU) to an insurance or reinsurance company can only be submitted by OJK.

Policy Guarantee

- The Policy Guarantee Program is carried out by the Indonesia Deposit Insurance Corporation (LPS).
- The Policy Guarantee Program comes into effect 5 years after the promulgation of this Act.
- Every insurance company is required to be a participant in the program, with the obligation to meet certain health level requirements.

Cooperative in the Financial Sector

- Cooperatives can carry out activities in the financial services sector, including collecting funds, disbursing loans, etc.
- Licensing, regulation, and supervision of cooperatives operating in the financial services sector are carried out by OJK.

Pension Funds

Improving Old Age Protection for Workers

- Pension Funds can provide other benefits in addition to the pension program.
- Implementation of the Pension Programs and other benefits can be given tax incentives.

Microfinance Institutions

Strengthening mentoring and supervision

- Mentoring and supervision of small-scale multi-finance institutions are carried out by regional governments.
- Mentoring and supervision of medium and large scale multi-finance institutions are carried out by OJK.

Bullion Activities

- Financial institutions conducting bullion business activities must obtain a license from OJK.
- Further aspects regarding bullion activities will be regulated under a POJK.

Improving confidence of the public

Certain investment activities must be carried out using the fair market as evidenced by the results of an independent assessment.

SOME HIGHLIGHTS OF THE ACT NO. 4 YEAR 2023

Financial Literacy and Inclusion and Consumer Protection

Improving Financial Literacy and Inclusion

- Coordination between the Government, BI and OJK to improve Financial Literacy and Financial Inclusion as well as to formulate strategies and evaluate the implementation of sustainable Financial Literacy and Financial Inclusion strategies.
- Financial services providers carry out activities to increase Financial Literacy and Financial Inclusion for consumers and the community.
- Formation of a national committee to coordinate the improvement of Financial Literacy and Financial Inclusion.

Strengthening the authority of financial sector authorities in giving orders or requiring financial services providers to take certain actions

- In the context of Consumer Protection, the financial sector authority has the authority to issue orders or require financial services providers to take certain actions.
- Provisions regarding the exercise of this authority are regulated by regulations of the financial sector authority.

Strengthening efforts to resolve disputes and establish LAPS SK

- Financial services providers own and implement a consumer complaint handling mechanism.
- The P2SK Law became the legal basis for the establishment of an Alternative Financial Sector Dispute Settlement Institution (LAPS SK) as an institution that settles disputes at PUSK through outside the court.

Principles of consumer protection, regulation and market conduct supervision

- Financial services providers apply the principles of Consumer Protection: (a) adequate education; (b) product and/or service information disclosure and transparency; (c) fair treatment and responsible business conduct; (d) protection of assets, privacy and consumer data; (e) effective and efficient complaint handling and dispute resolution; (f) compliance enforcement; and (g) fair competition.
- Affirming the authority of the financial sector authorities in regulating and supervising market conduct in the context of consumer and public protection.

Improving consumer data protection

- Financial services providers maintain the security of consumer information.
- Financial services providers can exchange Consumer data and/or information with other parties and adhere to the provisions of laws and regulations regarding the protection of personal data and other laws and regulations stipulated by the financial sector authorities.

Strengthening the prohibition of carrying out financial business activities without a permit

Prohibiting everyone from carrying out financial business activities other than those regulated in statutory provisions and based on statutory regulations is required to have a permit from the financial sector authority.

SOME HIGHLIGHTS OF THE ACT NO. 4 YEAR 2023

OJK's Institutional Aspects

Reaffirming OJK's status as an independent state institution

Strengthening the Board of Commissioners

OJK Supervision Body

An OJK Supervision Body will be established to increase the transparency, accountability, and credibility of OJK in performing its functions.

Addition of OJK duties and authorities, among others:

1. Financial derivatives and carbon exchange;
2. Bullion business activities;
3. Cooperative in the financial sector;
4. Affirming market conduct supervision; and
5. Financial sector technology innovation

Other Aspects

Financial Conglomerates

- OJK determines 1 (one) significant financial institution that is in 1 (one) group due to ownership and/or control linkages as a Financial Conglomerate.
- OJK has the authority to request data and information including conducting examinations of related parties in the Financial Conglomerate and/or other parties related to the Financial Conglomerate.

Financial Sector Technology Innovation (ITSK)

Scope

- ITSK is defined as a technology-based innovation that has an impact on products, activities, services and business models in the digital financial ecosystem.
- ITSK includes: (a) payment systems, (b) settlement of securities transactions, (c) capital raising, (d) investment management, (e) risk management, (f) funds raising/distribution, (g) market support, (h) activities related to financial assets (including crypto assets), and (i) other digital financial services activities.

Sustainable Finance

Strengthening the support of the Government and financial sector authorities in developing Sustainable Finance

- The Ministry of Finance, OJK and BI carry out: (a) coordination in preparing and establishing strategies, policies and programs for Sustainable Finance; (b) optimizing support for fiscal, microprudential, monetary, payment system and macroprudential policies; (c) development of databases and supporting infrastructure for the implementation of Sustainable Finance; and (d) coordination in developing a sustainable taxonomy.
- The Ministry of Finance, OJK and BI form a Sustainable Finance committee, with the Minister of Finance as the coordinator.

Legal entity

- ITSK Operators are in the form of a limited liability company (PT) or other legal entities in accordance with laws and regulations.
- ITSK Operators are required to comply with licensing requirements regulated by BI or OJK in accordance with their respective authorities.

Strengthening regulatory coordination and supervision for market efficiency

- OJK and BI can coordinate in terms of regulation, supervision and operation of ITSK.
- In the context of regulation, supervision, and operation of ITSK, OJK and BI can coordinate with other ministries, institutions, and parties.

Strengthening the role of associations to support oversight by authorities

- ITSK association conducts mentoring and monitoring of each ITSK Operator registered as an association member.
- Arrangements related to coordination between OJK and BI and associations are regulated by OJK and BI in accordance with their respective authorities.

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CHAPTER 04

Projects Undertaken by International Department

OJK, through the International Department, is actively engaged in numerous bilateral discussions and international forums discussing reforms in the financial services sector, among others.

In synergy with relevant ministries and institutions, OJK consistently disseminates information to maintain a positive perception of the Indonesian economy and the financial services sector. In addition, OJK also performs active communication regarding Technical Assistance programs.

During the first quarter of 2023, OJK held meetings and events to support Indonesia's Chairmanship in ASEAN as well as prepared for the Financial Sector Assessment Program (FSAP) 2023/2024.



INVESTOR RELATIONS UNIT

As part of the national Investor Relations Unit (IRU), IRU OJK closely coordinates and communicates with relevant government bodies and stakeholders to maintain investors' confidence in Indonesia's economy and the financial services sector, through:

Facilitating meetings with credit rating agencies and foreign investors/stakeholders

Meetings

Global Rating Agency

1. Moody's Investors Service

OJK Chairman led OJK delegates during a meeting with representatives from Moody's as part of Indonesia's sovereign credit annual assessment. The topics discussed were:

Financial Sector's Performance

Banking Credit Growth

Covid-19 Restructured Credit Trend and Policy

Digital Banks and Cyber Risks

P2SK Law Implementation

Other Foreign Stakeholders

2. American Chamber of Commerce (AmCham) in Indonesia

A meeting was held between OJK Chairman and AmCham Indonesia to discuss several issues, such as updates on the financial services sector, reforms in the insurance and reinsurance industry, as well as efforts to enhance financial literacy. Lending industry

3. Glasgow Financial Alliance for Net Zero (GFANZ)

OJK Vice Chairman met with representatives from GFANZ to discuss issues related to energy transition in Indonesia as well as partnership to accelerate the transition.

4. US Treasury Attaché

The topics discussed were Indonesia's macroeconomic condition and outlook of the financial services sector in 2023.

In addition, OJK also received meeting requests from Sands Capital and several securities companies to exchange views on digital transformation in the financial sector, OJK key policies, as well as the implementation of the P2SK Law.

Providing the latest information on the performance of financial institutions and OJK policies/regulations

Information Dissemination

IRU OJK uses several means of communication to disseminate updated information on the financial services sector's performance and OJK policies/regulations:

Republic of Indonesia Presentation Book

IRU OJK contributed to drafting the Republic of Indonesia Presentation Book, published monthly by the national IRU to provide information on the development of Indonesia's economy.

IRU Newsletter

Email blast about OJK's recent policies/regulations and critical issues in the financial sector to around 75 institutions/organizations.

OJK International Information Hub (OJK IIH)

An information hub for foreign investors/stakeholders to get updated information on the financial services sector's data, OJK policies, summaries of some OJK Regulations, publications, and etc.

OJK IIH can be accessed through <https://ojk.go.id/iru>

Non-Deal Roadshow in Singapore

- OJK took the initiative to meet with equity, fixed income, and private equity investors to provide the latest information about the financial services sector, OJK's future policy direction and reforms, as well as the implementation of the PPSK Act.
- As part of the roadshow, OJK Vice Chairman also met with the Monetary Authority of Singapore to strengthen the existing and future cooperation of both regulators.
- During another meeting, credit rating agencies expressed their optimism about Indonesia's economic recovery and highlighted several issues related to the insurance industry, consumer protection, energy transition, and illegal financial activities in Indonesia.

BILATERAL AND REGIONAL AFFAIRS

International Trade Agreement

Regional

1. ASEAN-Canada Free Trade Agreement (ACAFTA)

Together with relevant ministries/institutions, OJK has been preparing for the third round of ACAFTA negotiation in May 2023.

For the negotiation, OJK participated in several working groups such as Working-Group Trade in Services/Cross Border Trade In Services, as well as the second Meeting of the ACAFTA Sub-Working Group on Financial Services (SWG-Fin) in February 2023.

Bilateral

1. Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA)

Between January and March 2023, OJK together with relevant ministries/institutions participated in preparing and attending the 13th round of IEU-CEPA negotiation.

OJK participated in the Working Group on Investment and Working Group on Trade in Services negotiation and also attended the Digital Trade/E-Commerce intercession meeting.

2. Indonesia-Canada Comprehensive Economic Partnership Agreement (ICA-CEPA)

OJK carried out various internal and external coordination to prepare positions and participated in the fourth round of ICAEPA negotiation in February 2023.

A Comprehensive Economic Partnership Agreement or CEPA is related to tariff reduction, market access, capacity building and trade facilitation, as well as investment. The objectives of each regulation are to eliminate tariffs and deal with non-tariff barriers, maintain market access and ensure conducive conditions for service product providers, as well as protect and encourage investment.

Others

1. Indo-Pacific Economic Framework for Prosperity (IPEF)

OJK is involved in Pillar I (Trade) negotiation, particularly in relation to several clusters relating to the financial services sector such as the Digital Economy and Services Domestic Regulation (SDR), as well as in Pillar IV (Fair Economy).

2. Completion of Anti-Subsidy of Fatty Acid Verification from EU Authority

OJK contributed to the preparation of written responses to fatty acids anti-subsidy investigations, which were carried out by the EU Authority (European Commission).

On March 27th, 2023, the Directorate General of Foreign Trade of the Ministry of Trade of the Republic of Indonesia informed related ministries and institutions that EU Authority stopped the anti-subsidy investigation.

International Institutional Cooperation

MoU Implementation

1. High-Level Bilateral Meeting between OJK Chairman, Financial Services Commission Korea (FSC) Chairman, and Financial Supervisory Services Korea (FSS) Governor

To develop a closer partnership between the Republic of Korea and Indonesia through enhanced financial cooperation, OJK Chairman had bilateral meetings with the FSC Chairman and the FSS Governor in Seoul on 20-21 February 2023.

2. Courtesy Visit of Japan Financial Services Agency (JFSA)

As the inception of a cooperation program in 2023, the JFSA paid a courtesy visit to OJK to discuss ways of promoting supervision in the financial sector of both Japan and Indonesia through capacity-building programs for employees of both authorities.

Others

1. Study Visit of Bank of Uganda

The purpose of the visit was to exchange OJK and Bank of Uganda's best practices concerning the following:

- SupTech & Regtech in the financial sector,
- International cooperation and arrangement,
- The development of data collection, synthesis, analysis, and reporting in the financial sector.

ASEAN CHAIRMANSHIP 2023

1. Side Events of ASEAN Chairmanship 2023

On 29th -30th March 2023, OJK and the Ministry of Finance of the Republic of Indonesia held 2 (two) ASEAN Finance Ministers and Central Bank Governors' Meeting (AFMGM) side events in Bali, which were the High Level Dialogue on Promoting Digital Financial Inclusion and Literacy for MSMEs (international seminar and workshop) as well as the Seminar on Financing Transition in ASEAN.

High-Level Dialogue on Promoting Digital Financial Inclusion and Literacy for MSMEs

During her closing remarks, OJK Chief Executive of Market Conduct Supervision, Education, and Consumer Protection conveyed the institution's continuous support to build a healthy ecosystem for digital financial innovation as well as simplify and provide financing alternatives for MSMEs by digitalizing various financial activities.

OJK also presented as a speaker at the High-Level Dialogue on the

topic of Strengthening Financial Services Consumer Protection for MSMEs. During the Workshop, OJK also delivered a visionary speech and acted as a speaker on the topic of Utilizing Digital Tools to Enhance MSMEs' Access to Finance.



Seminar on Financing Transition in ASEAN



During the press conference, OJK Chairman conveyed that OJK is committed to encouraging the implementation of the renewable energy transition in ASEAN, in particular the phase-out of coal-fired power plants and simultaneously ensuring that ASEAN's social and economic growth is taken into account.

2. OJK as the Chair of ASEAN Capital Market Forum (ACMF) 2023

Indonesia, represented by the OJK, is the Chair of ACMF in 2023. There are 2 (two) chair meetings and 2 (two) deputies meetings, in addition to working group meetings.

OJK held ACMF Deputies Meeting in Jakarta on February 14 and ACMF Chair Meeting in Yogyakarta on March 20. The next meeting will be held around September or October 2023.



3. OJK as Co-Chairs of Working Committee on ASEAN Banking Integration Framework (WC-ABIF) 2022-2024

Indonesia (OJK and Bank Indonesia) and Vietnam (State Bank of Vietnam) are co-chairs of the WC-ABIF for the 2022-2024 period.

OJK held and chaired the 13th WC-ABIF meeting in Bali on February 9, 2023.



INTERNATIONAL COOPERATION

OJK is actively engaged in several international fora and standard-setting bodies to support the global financial sector reform. Cooperation has been established with international organizations through Technical Assistance to escalate the effective implementation of OJK's programs and initiatives.

Global Financial Sector Reform

Financial Stability Board



FSB Standing Committee on Supervisory and Regulatory Cooperation (SRC) Virtual Meeting on 17th March 2023, discussing the following agenda:

1. Updates on Silicon Valley Bank
2. Climate-related financial risks
3. Cyber-incident reporting
4. Enhancing the resilience of non-bank financial intermediation – Open ended funds
5. Finalizing the crypto-asset and stablecoin recommendations and scope for DeFi work

International Monetary Fund



2023 Article IV Consultation, alongside Bank Indonesia.

Under Article IV of its Articles of Agreement, the IMF has the mandate to exercise surveillance over the economic, financial, and exchange rate policies of its members.

During the 2023 Article IV, IMF focused on the outlook of financial reforms and the implementation of the PPSK Law, among others.

Islamic Financial Services Board



1. Survey - Macroprudential Tools in Islamic Banking
2. Implementation Project Officer Secondment to the IFSB
3. Data Publication on the Prudential and Statistical Islamic Financial Indicators (PSIFIs)

Cooperation in Technical Assistance

In the first quarter of 2023, there were several Technical Assistance (TA) programs in accordance with 6 (six) OJK TA's area priorities with the following details:

- 1. Indonesia Financial Sector Reform Development Financing Loan (DPL-3).** As one of the implementing agencies of the World Bank Development Policy Loan (WB DPL), OJK received assistance in areas such as market conduct.
- 2. TA on Capital Market**
- 3. PROSPERA Assistance for Project Management Office (PMO).** PROSPERA opened the path to holding sharing knowledge session to further support OJK's reformation effort in simplifying the current OJK's business process.
- 4. TA on Consumer Education and Protection**

Highlights

As of 28th March 2023, the World Bank approved the disbursement of the Third Financial Sector Development Policy Loan (DPL).

FINANCIAL SECTOR ASSESSMENT PROGRAM (FSAP) INDONESIA 2023/2024

As a G20 member and a systemically important financial sector, Indonesia must undergo the Financial Sector Assessment Program (also known as the FSAP).

What is FSAP?

- The FSAP is a joint program of the IMF and World Bank launched in 1999 in the wake of the Asian financial crisis.
- The FSAP provides a comprehensive framework through which assessors and authorities in participating countries can identify financial system vulnerabilities and develop appropriate policy responses.

Source: World Bank, IMF

- The FSAP follows a three-pronged approach when looking at the country's financial sector:

1. The soundness of a financial system versus its vulnerabilities and risks that increase the likelihood or potential severity of financial sector crises;

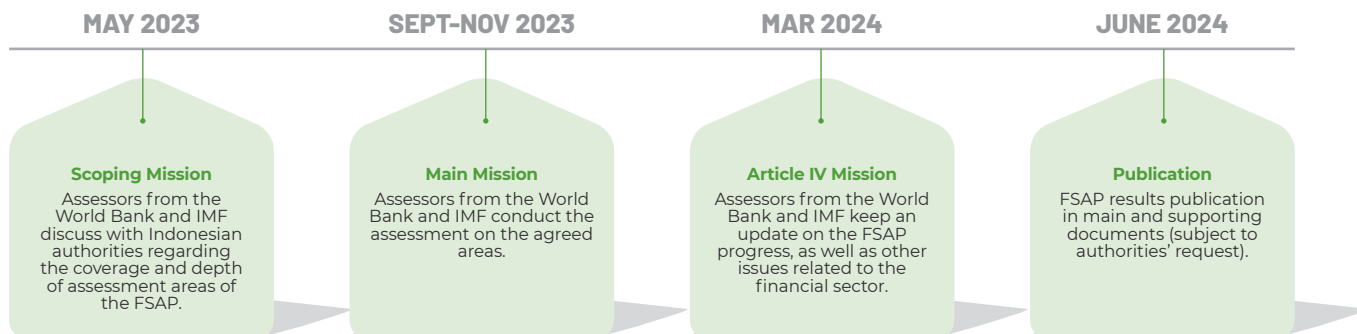
2. A country's developmental needs in terms of infrastructure, institutions and markets; and

3. A country's compliance with the observance of selected financial sector standards and codes.

What about Indonesia?

- Indonesia had already undergone an FSAP review twice in 2009/2010 and 2016/2017.
- In the FSAP 2023/2024, Bank Indonesia and OJK act as Co-Chair, supported by the Ministry of Finance and Indonesia Deposit Insurance Corporation as members. In addition to Indonesian authorities, assessors will also discuss with industry players and other relevant stakeholders on issues related to the financial sector.

Timeline*



*subject to future changes

CHAPTER 05

Appendix



LIST OF NEW REGULATIONS IN Q1-2023

No	Regulation	Concerning	Effective Date
1	OJK Regulation Number 01/2023	Amendment to OJK Regulation Number 5/POJK.05/2013 concerning Supervision of Social Security Administrative Body (Badan Penyelenggara Jaminan Sosial) by the Financial Services Authority	13 February 2023
2	OJK Regulation Number 02/2023	Amendment to OJK Regulation Number 10/POJK.04/2018 concerning Governance Implementation for Investment Managers	21 February 2023
3	OJK Regulation Number 03/2023	Improving Financial Literacy and Inclusion in the Financial Services Sector for Consumers and the Public	28 February 2023
4	OJK Regulation Number 04/2023	Second Amendment to OJK Regulation Number 23/POJK.04/2016 concerning Mutual Funds in the Form of Collective Investment Contracts	31 March 2023

LIST OF NEW CIRCULAR LETTERS IN Q1-2023

No	Circular Letter	Concerning	Effective Date
1.	Circular Letter Number 01/SEOJK.05/2023	Monthly Reports of Guarantee Companies, Sharia Guarantee Companies, and Sharia Business Units	06 January 2023
2.	Circular Letter Number 02/SEOJK.04/2023	Guidelines for the Preparation of Adjusted Net Working Capital Forms and Submission and Validation of Adjusted Net Working Capital Reports	10 January 2023
3.	Circular Letter Number 03/SEOJK.03/2023	Monthly Reports of Shariah Rural Banks	12 January 2023
4.	Circular Letter Number 04/SEOJK.05/2023	Monthly Reports of the Indonesian Export Financing Institutions	1 June 2023
5.	Circular Letter Number 05/SEOJK.05/2023	Minimum Capital Requirement of Indonesian Export Financing Institution	21 February 2023
6.	Circular Letter Number 06/SEOJK.03/2023	Business Activities Conversion of Conventional Commercial Banks into Sharia Commercial Banks	21 February 2023
7.	Circular Letter Number 07/SEOJK.03/2023	Business Activities Conversion of Rural Banks into Sharia Rural Banks	21 February 2023
8.	Circular Letter Number 08/SEOJK.04/2022	Submission of Information by Issuers and Public Companies in the Context of Preparing the Islamic Securities List	02 March 2023
9.	Circular Letter Number 09/SEOJK.04/2022	Amendment to OJK Circular Letter Number 19/POJK.04/2018 regarding Reports on Governance Implementation for Investment Managers	15 March 2023

HIGHLIGHTS OF THE CAPITAL MARKET SECTOR

IHSG/JCI

(31 MAR'23)

6,805.28 ▼ 0.66% (YTD)

(30 DEC '22)

6,850.62 ▲ 4.09% (YTD)

ICBI

(31 MAR'23)

353.19 ▲ 2.44% (YTD)

(30 DEC '22)

344.78 ▲ 3.60% (YTD)

CAPITAL INFLOW/OUTFLOW

	2019	2020	2021	2022	Mar-23
Equity (IDR T)	49.20	-47.81	37.97	60.58	6.62
Government Bond (IDR T)	168.61	-87.95	-82.57	-128.98	54.11

LOCAL INVESTOR DEVELOPMENT

	2019	2020	2021	2022	Mar-23
No. of Capital Market Investor (Mn)	2.48	3.9	7.5	10.31	10.76
Growth (% yoy)	53	56.21	92.99	37.68	28.25
Local % of Equity Ownership	46.88	50.79	54.15	54.4	53.05

SECURITIES CROWD FUNDING (SCF)*

	2019	2020	2021	2022	Mar-23
No. of Issuer	49	127	195	304	376
No. of Investors	5,063	51,414	93,777	127,810	145,908
Fundraising (IDR Bn)	64.14	184.89	413.18	640.57	817.68

*Cumulative since 2018. There were 16 SCF Providers as of March 2023

PUBLIC OFFERING

TYPE	2019	2020	2021		2022		2023**	
	Nom (IDR T)	Nom (IDR T)	No. of Issuers	Nom (IDR T)	No. of Issuers	Nom (IDR T)	No. of Issuers	Nom (IDR T)
IPO	14.7	6.1	52	61.66	65	33.03	22	12.00
Rights Issue	29.17	20.3	44	197.27	45	78.37	8	15.17
Corp Bonds /Sukuk	122.98	92.3	96	104.4	123	156.33	24	27.08
TOTAL	166.85	118.7	192	363.29	233	267.73	54	54.24

*Data as of 31st March 2023

HIGHLIGHTS OF THE BANKING SECTOR

INTERMEDIATION

	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23
Loan (IDR T)	5,617	5,482	5,769	6,423	6,446
Mtm (%)	1.68	0.63	1.02	1.20	1.10
Yoy (%)	6.08	-2.41	5.24	11.35	9.93
Ytd (%)	8.3	-2.41	5.24	11.35	0.34
Deposits (IDR T)	5,999	6,665	7,479	8,153	8,006
Mtm (%)	0.85	0.46	2.03	2.25	0.21
Yoy (%)	6.54	11.11	12.21	9.01	7.00
Ytd (%)	6.54	11.11	12.21	9.01	-1.82
LDR	93.64	82.24	77.13	78.78	80.51

PROFITABILITY

	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23
NIM (%)	4.8	4.32	4.51	4.71	4.77
ROA (%)	2.33	1.59	1.84	2.43	2.77

RISK PROFILE

	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23
Credit Risk					
Gross NPL (%)	2.53	3.06	3	2.44	2.49
Net NPL (%)	1.18	0.98	0.88	0.71	0.72
Loan at Risk (%)	9.93	23.38	19.48	14.05	13.94
Market Risk					
NOP (%)	1.63	1.58	1.23	1.23	1.44
Liquidity Risk					
Liquid Asset (IDR T)	1,251	2,111	2,627	2,543	2,314
LA/Deposits (%)	20.86	31.67	35.12	31.20	28.91
LA/NCD (%)	97.61	146.7	157.9	137.67	128.87
LCR (%)	209.16	267.91	257.79	242.58	244.28
NSFR (%)	128.65	140.57	142.50	140.42	137.36

CAPITAL

	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23
CAR (%)	23.31	23.81	25.67	25.63	24.69

HIGHLIGHTS OF THE NON-BANKING SECTOR

INSURANCE

	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23
Insurance Premium Income (IDR T)	281.2	293.29	308.11	311.48	78.5**
RBC Gen. Insurance (%)	345.3	343.47	327.3	326.99	315.79
RBC Life Insurance (%)	789.4	528.59	539.8	484.22	460.06
Investment Adequacy Ratio Gen. Insurance (%)	203.3	200.15	195.29	195.29	195.62
Investment Adequacy Ratio Life Insurance (%)	105.7	105.7	120.64	120.64	121.3

PENSION FUND

	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23
Investment Value (IDR T)	277.34	307.74	316.86	333.49	339.13
Asset Value (IDR T)	291.65	314.67	329.55	342.64	350.08

MULTI-FINANCE COMPANY

	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23
Financing (IDR T)	452.2	369.76	364.23	415.8	435.5
Growth Yoy (%)	3.66	-18.23	-1.49	14.18	16.35
Gross NPF (%)	2.4	4.01	3.53	2.32	2.37
Gearing Ratio (x)	2.61	2.15	1.98	2.07	2.11

FINTECH P2P LENDING

	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23
Outstanding Loan (IDR T)	13.16	15.32	29.88	51.12	51.02
Growth Yoy (%)	-41.95	16.43	95.05	71.1	36.45
P2P NPL (%)	3.65	4.78	2.29	2.78	2.81

* : Including General Insurance, Life Insurance and Reinsurance

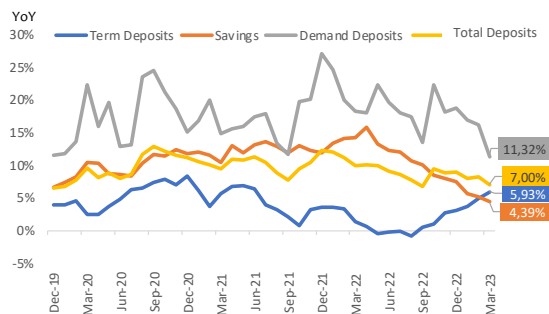
** : Accumulated yearly

*** : Default rate for loan payment ≥ 90 days

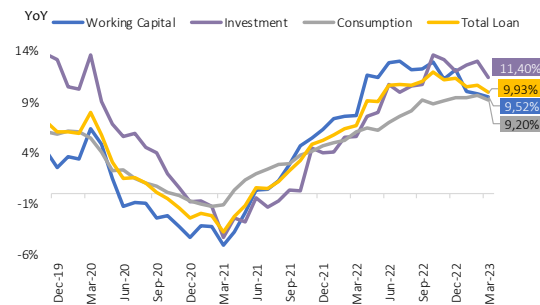
Thresholds of RBC (120%) and Investment Adequacy Ratio (100%)

OTHER BANKING INDUSTRY INDICATORS

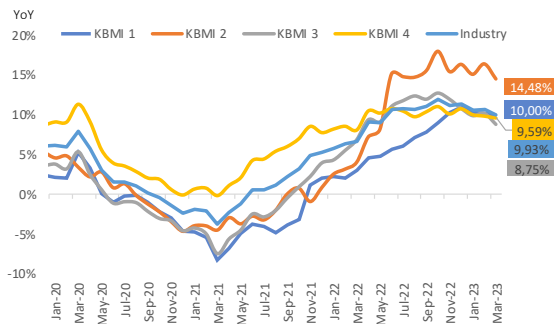
Total Deposits Growth



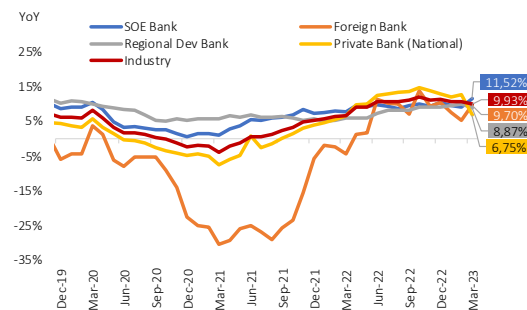
Credit Growth by Type



Credit Growth by KBMI



Credit Growth by Ownership

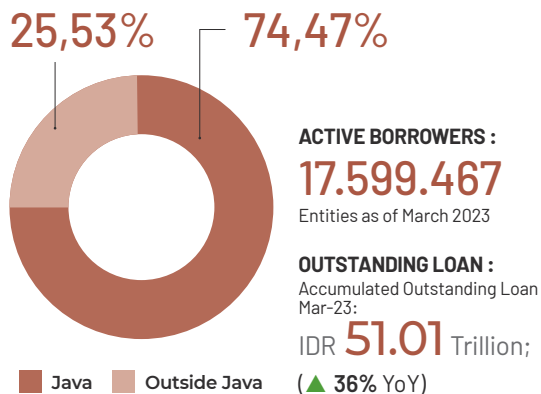


DEVELOPMENT OF FINTECH LENDING

REGISTERED/ LICENSED COMPANIES

Total:	Conventional:	Sharia:
102	95	7 (As of March 2023)

ACTIVE BORROWERS

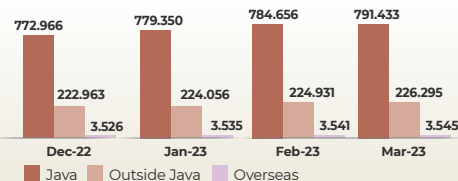


Success rate for ≤ 90 days loan payment (TKB90):

Mar-22	Mar-23
(97.68%)	(97.19%)

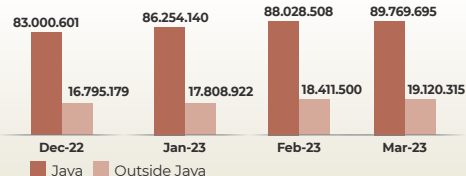
LENDER ACCOUNT

TOTAL ACCOUNT
ACCUMULATION:
1,021,273
entities (Mar-23)
(▲ 18.62% YoY)



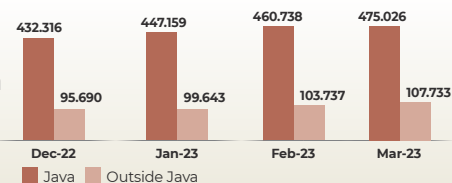
BORROWER ACCOUNT

TOTAL ACCOUNT
ACCUMULATION:
108,890,010
entities (Mar-23)
(▲ 38.61% YoY)



LENDING DISTRIBUTION

TOTAL LOAN
ACCUMULATION:
IDR **583** Trillion
(Mar-23)
(▲ 18.62% YoY)



HISTORY OF INDONESIA SOVEREIGN CREDIT RATINGS

STANDARD & POOR'S		MOODY'S		FITCH		RATING AND INVESTMENT		JAPAN CREDIT RATING AGENCY	
July 7, 1992	BBB-	March 14, 1994	Baa3	June 1, 1997	BBB-	May 14, 1998	B	October 25, 2002	B
April 18, 1995	BBB	December 21, 1997	Ba1	December 23, 1997	BB+	September 28, 1999	B-	May 26, 2004	B+
October 10, 1997	BBB-	January 9, 1998	B2	January 8, 1998	BB-	June 8, 2004	B	September 21, 2006	BB-
December 31, 1997	BB+	March 20, 1998	B3	January 21, 1998	B+	July 22, 2005	BB-	September 7, 2007	BB
January 9, 1998	BB	September 30, 2003	B2	March 16, 1998	B-	October 12, 2006	BB-	September 25, 2008	BB*
January 27, 1998	B	May 19, 2006	B1	August 1, 2002	B	October 31, 2007	BB+	February 5, 2009	BB**
March 11, 1998	B-	October 22, 2007	Ba3	November 20, 2003	B+	January, 2009	BB+*	July 7, 2009	BB+
May 15, 1998	CCC+	December 23, 2008	Ba3*	January 27, 2005	BB-	October 7, 2009	BB+*	July 13, 2010	BBB-
March 29, 1999	SD	June 11, 2009	Ba3***	February 14, 2008	BB	October 14, 2010	BB+***	August 24, 2011	BBB-*
March 30, 1999	CCC+	September 16, 2009	Ba2	January 21, 2009	BB*	November 14, 2011	BB+*	November 13, 2012	BBB-*
September 12, 1999	CCC+	June 21, 2010	Ba2***	January 25, 2010	BB+	October 18, 2012	BBB-	July 22, 2013	BBB-*
October 2, 2000	B-	January 17, 2011	Ba1	February 24, 2011	BB+***	October 11, 2013	BBB-*	October 22, 2014	BBB-*
May 21, 2001	CCC+	January 18, 2012	Baa3	December 15, 2011	BBB-	March 18, 2015	BBB-*	February 1, 2016	BBB-*
November 2, 2001	CCC	January 28, 2016	Baa3*	November 22, 2012	BBB-*	April 4, 2016	BBB-*	March 7, 2017	BBB-***
April 23, 2002	SD	February 8, 2017	Baa3***	November 15, 2013	BBB-*	April 5, 2017	BBB-***	February 8, 2018	BBB
September 5, 2002	CCC+	April 13, 2018	Baa2	November 13, 2014	BBB-*	March 7, 2018	BBB	April 26, 2019	BBB***
May 12, 2003	B-	February 10, 2020	Baa2*	November 6, 2015	BBB-*	April 26, 2019	BBB*	January 31, 2020	BBB+
October 8, 2003	B	February 10, 2022	Baa2*	May 23, 2016	BBB-*	March 17, 2020	BBB+	December 22, 2020	BBB+*
December 22, 2004	B+			December 21, 2016	BBB-***	April 22, 2021	BBB+*	July 27, 2022	BBB+*
July 26, 2006	BB-			July 19, 2017	BBB-*	July 4, 2022	BBB+*		
November 7, 2008	BB-*			December 20, 2017	BBB				
October 23, 2009	BB-***			September 2, 2018	BBB*				
March 12, 2010	BB			March 14, 2019	BBB*				
April 8, 2011	BB+			January 24, 2020	BBB*				
April 23, 2012	BB+*			March 22, 2021	BBB*				
May 2, 2013	BB+**			November 23, 2021	BBB*				
April 28, 2014	BB+*			June 28, 2022	BBB*				
May 21, 2015	BB+***			December 14, 2022	BBB*				
June 1, 2016	BB+*								
May 19, 2017	BBB-								
May 31, 2018	BBB-*								
May 31, 2019	BBB								
April 17, 2020	BBB****								
April 22, 2021	BBB*								
April 27, 2022	BBB*****								

* rating affirmation
 ** outlook revised from positive to stable
 *** outlook revised from stable to positive
 **** outlook revised from stable to negative
 ***** outlook revised from negative to stable
 Note: Foreign Currency Long Term Debt

MACROECONOMIC INDICATORS (GDP)

	04-2019	04-2020	04-2021	01-2022	02-2022	03-2022	04-2022	01-2023
GDP Growth (YoY, %)								
Indonesia	4.97	-2.19	5.02	5.01	5.44	5.72	5.01	5.03
Philippines	6.6	-8.2	7.8	8.2	7.4	7.6	7.2	6.4
Malaysia	3.6	-3.4	3.6	5	8.9	14.2	7	5.6
Thailand	1.3	-4.2	1.8	2.3	2.5	4.5	1.4	2.7
India	3.2	0.7	5.4	4.1	13.5	6.3	4.4	6.1
Japan	-1.7	-0.9	0.5	0.5	1.7	1.5	0.6	1.3
China	5.8	6.5	4	4.8	0.4	3.9	2.9	4.5
US	2.6	-2.3	5.5	3.7	1.8	1.9	1	1.6
European Union	1.4	-4	4.9	5.6	4.4	2.5	1.8	1.3
Global*	2.6	-3.3	5.8	2.9				1.7
Indonesia GDP Growth by Expenditure (YoY, %)								
Non Household Consumption	3.53	-2.14	3.29	5.85	5.05	6.09	5.7	6.17
Gov't Expenditure	0.48	1.76	5.25	-7.74	-5.24	-4.67	-4.77	3.99
Imports	-8.05	-13.52	29.6	15.03	12.34	22.98	6.25	2.7
Exports	-0.39	-7.21	29.83	16.22	19.74	21.64	14.93	11.68
Investment	4.06	-6.15	4.49	4.09	3.07	4.96	5.64	2.11
Household Consumption	4.97	3.61	3.55	4.34	5.51	5.39	4.48	4.54
Indonesia GDP Growth by Sector (YoY, %)								
Agriculture, Forestry, and Fishing	4.26	2.59	2.28	1.19	1.38	1.65	4.51	0.34
Mining and Quarrying	0.94	-1.2	5.15	3.82	4.01	3.22	6.46	4.92
Manufacturing	3.66	-3.14	4.92	5.07	4.01	4.83	5.64	4.43
Electricity and Gas	6.01	-5.01	7.81	7.04	9.33	8.05	2.31	2.67
Water, Sewage, and Waste Management	5.41	4.14	4.14	1.29	4.44	4.25	2.84	5.69
Construction	5.79	-5.67	3.91	4.83	1.02	0.63	1.61	0.32
Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	4.24	-3.66	5.56	5.71	4.42	5.35	6.55	4.89
Transportation and Storage	7.55	-13.42	7.93	15.79	21.27	25.81	16.99	15.93
Accommodation and Food & Beverages	6.41	-8.88	4.95	6.56	9.76	17.83	13.81	11.55
Information and Communication	9.71	10.91	6.21	7.16	8.05	6.88	8.75	7.19
Financial Serbices and Insurance	8.49	2.37	-2.59	1.64	1.5	0.87	3.76	4.48
Real Estate	5.85	1.25	3.94	3.78	2.16	0.63	0.39	0.37
Business Activities	10.49	-7.02	0.89	5.96	7.92	10.79	10.42	6.37
Public Administration, Public Defense and Social Security	2.06	-1.55	0.98	-1.45	-1.73	12.42	1.78	2.09
Education	5.46	1.36	0.7	-1.7	-1.15	4.46	0.42	1.02
Health and Social Work Activities	7.82	16.54	12.16	4.38	6.45	-1.74	2.47	4.77
Other services activities	10.78	-4.84	3.35	8.24	9.25	9.13	11.14	8.9
Balance of Payment (Bn USD)	4.28	0.16	-0.84	-1.82	2.39	-1.69	4.73	6.51

*Annual projection by World Bank

OTHER MACROECONOMIC INDICATORS

	Dec-19	Dec-20	Dec-21	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
FX Reserves (Bn USD)	129.18	135.9	144.9	130.2	134	137.2	139.4	140.3	145.2
BI7DDR (%)	5	3.75	3.5	4.75	5.25	5.5	5.75	5.75	5.75
Exchange Rate (USD/IDR)	13901	14105	14278	15596	15742	15592	14992	15240	14977
Trade Balance (Bn USD)	-0.08	2.10	1.01	5.67	5.13	3.96	3.88	5.48	2.91
Oil and Gas (Bn USD)	-1	-0.46	-2.31	-2.07	-1.69	-1.72	-1.41	-1.22	-1.67
Non Oil and Gas (Bn USD)	0.92	2.56	3.32	7.66	6.82	5.61	5.29	6.68	4.5
Consumer Confidence Index (%)	126.37	96.5	118.3	120.3	119.1	119.9	123	122.4	123.3
Retail Sales Index (%)	235.1	190.06	216.3	202.7	203.5	217.8	208.2	201.2	215.3
Inflation (% YoY)									
Headline	2.72	1.68	1.87	5.71	5.42	5.51	5.28	5.47	4.97
Core	3.02	1.6	1.56	3.31	3.3	3.36	3.27	3.09	2.94
Administered Price	0.51	0.25	1.79	13.28	13.01	13.34	12.28	12.24	11.56
Volatile Food	4.3	3.62	3.2	7.19	5.7	5.61	5.71	7.62	5.83
	Feb-19	Aug-19	Feb-20	Aug-20	Feb-21	Aug-21	Feb-22	Aug-22	Feb-23
Unemployment Rate (%)	4.98	5.23	4.94	7.07	6.26	6.49	5.83	5.86	5.45

GLOSSARY

ACAFTA	ASEAN-Canada Free Trade Agreement
ACMF	ASEAN Capital Market Forum
AMCHAM	American Chamber of Commerce
AP	Akuntan Publik (Public Accountants)
ASEAN	Association of Southeast Asian Nations
BAU	Business-As-Usual
BI7DRR	Bank Indonesia-7 Days Reverse Repo Rate
BUK	Bank Umum Konvensional (Conventional Commercial Banks)
CAR	Capital Adequacy Ratio
CPO	Crude Palm Oil
Climate Neutrality	When the same amount of CO ₂ is released into the atmosphere as is removed by various means, leaving a zero balance
DHE SDA	Devisa Hasil Ekspor Sumber Daya Alam (Natural Resources Export Proceeds)
ETS	Emission Trading System
EU	European Union
FOLU	Forestry and Other Land-Use
FSB	Financial Stability Board
FX Reserves	Foreign currency reserves
GDP	Gross Domestic Product
GFANZ	Glasgow Financial Alliance for Net Zero
GHG	Greenhouse Gas
GRC	Governance, Risk, and Compliance
HQLA	High-Quality Liquid Asset
ICBI	Indonesia Composite Bond Index
IEU-CEPA	Indonesia-European Union Comprehensive Economic Partnership Agreement
IFSB	Islamic Financial Services Board
IHSG	Indeks Harga Saham Gabungan (Jakarta Composite Index)
IMF	International Monetary Fund

IPEF	Indo-Pacific Economic Framework for Prosperity
IPO	Initial Public Offering
ITSK	Inovasi Teknologi Sektor Keuangan (Financial Sector Technology Innovation)
JCI	Jakarta Composite Index
JFSA	Japan Financial Services Agency
KAP	Kantor Akuntan Publik (Public Accounting Firm)
KBMI	Kelompok Bank berdasarkan Modal Inti (Bank Group based on Core Capital)
KYE	Know Your Employee
LAPS SJK	Lembaga Alternatif Penyelesaian Sengketa Sektor Jasa Keuangan (Alternative Financial Sector Dispute Settlement Institution)
LNG	Liquefied natural gas
LPEI	Lembaga Pembiayaan Ekspor Indonesia (Indonesian Export Financing Institution)
LTS-LCCR	Long-term Strategy on Low Carbon and Climate Resilience
LTV/FTV	Loan/Financing-to-Value
MTM	Month to month
NDC	Nationally Determined Contribution
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organization
NIM	Net Interest Margin
NOP	Net Open Position
NPF	Non-performing financing
NPL	Non-performing loans
NZE	Net Zero Emission
OECD	Organization for Economic Cooperation and Development
P2PL	Peer-to-peer Lending
PKPU	Penundaan Kewajiban Pembayaran Utang (Postponement of Debt Payment Obligations)

PKTS	Pengembalian Keuntungan Tidak Sah (Return of Unauthorized Profits)
PMI Manufacturing	Purchasing Managers' Index Manufacturing
POJK	Peraturan Otoritas Jasa Keuangan (OJK Regulation)
PRIME	Securities Information and Monitoring Portal for NBFIs
PUJK	Pelaku Usaha Jasa Keuangan (Financial Services Providers)
QAQC	Quality Assurance Quality Control
RAN API	Rencana Adaptasi Perubahan Iklim (National Plan for Climate Change Adaptation)
RAN GRK	Rencana Aksi Nasional Penurunan Emisi Gas Rumah Kaca (National Action Plan for Greenhouse Gas Emission Reduction)
RBC	Risk-based Capital
ROA	Return On Assets
RPJMN	Rencana Pembangunan Jangka Menengah Nasional (National Medium-Term Development Plan)
RUEN	Rencana Umum Energi Nasional (National Energy General Plan)
RUPTL	Rencana Usaha Penyediaan Tenaga Listrik (Electricity Supply Business Plan)
SCF	Securities Crowdfunding
SIDES	Sistem Informasi Daftar Efek Syariah (Sharia Securities Information System)
SME	Small Medium Enterprise
TA	Technical Assistance
UNFCCC	United Nations Framework Convention on Climate Change
UUS	Unit Usaha Syariah (Islamic Business Units)
VCM	Voluntary Carbon Market
WTI	West Texas Intermediate
YOY	Year on year

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