



Indonesia Country Report

by

Association of Indonesian Securities Companies

Beijing, September 2010



Economic Performance

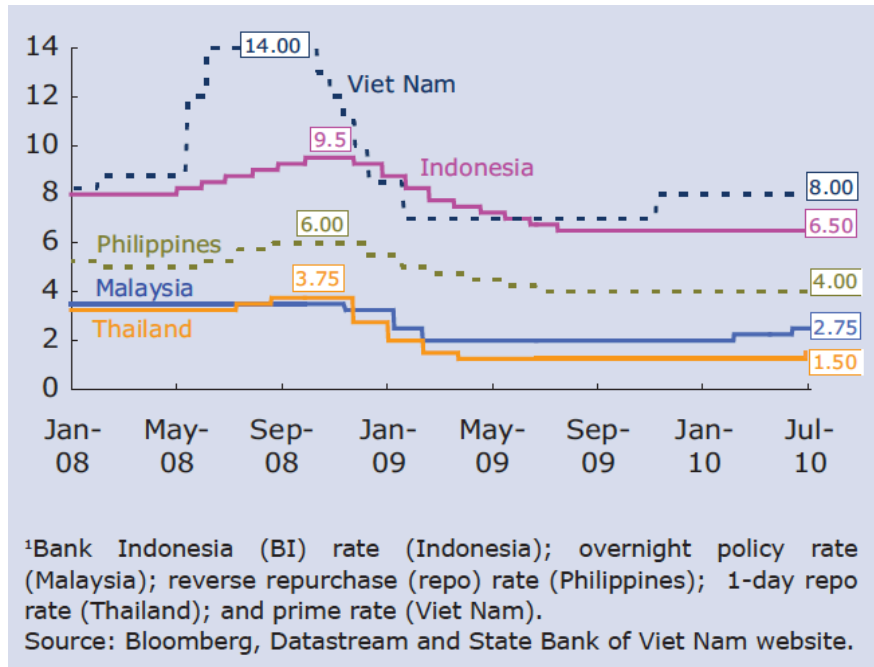
- n Projected economic growth 2010 - 6.0%
 - n 1Q10 – 5.7% (YoY) and 2Q10 – 6,2% (YoY) (mainly contributed by the improvement in export and private consumptions)
 - n Balance of payment – solid: current transactions 1Q10 - surplus of USD 1.8 billion due to the increase in export; capital and financial transactions - surplus
 - n Reserve end of 1Q10 - USD 71.8 billion (= 5.8 months import and Government foreign debt repayment)
 - n Debt to GDP ratio declining steadily from 35% end of 2007 to 26% end of Jul-10
 - n Exchange rate strengthened from Rp9,425/USD (end of 2009) to Rp9,090/USD (end of 1Q10) and Rp8,938/USD (end of Jul-10)
 - n The Central Bank (BI) rate Jul-10 – maintained at 6.50%; target inflation 5+/-1% in 2010 and 2011
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Economic Performance

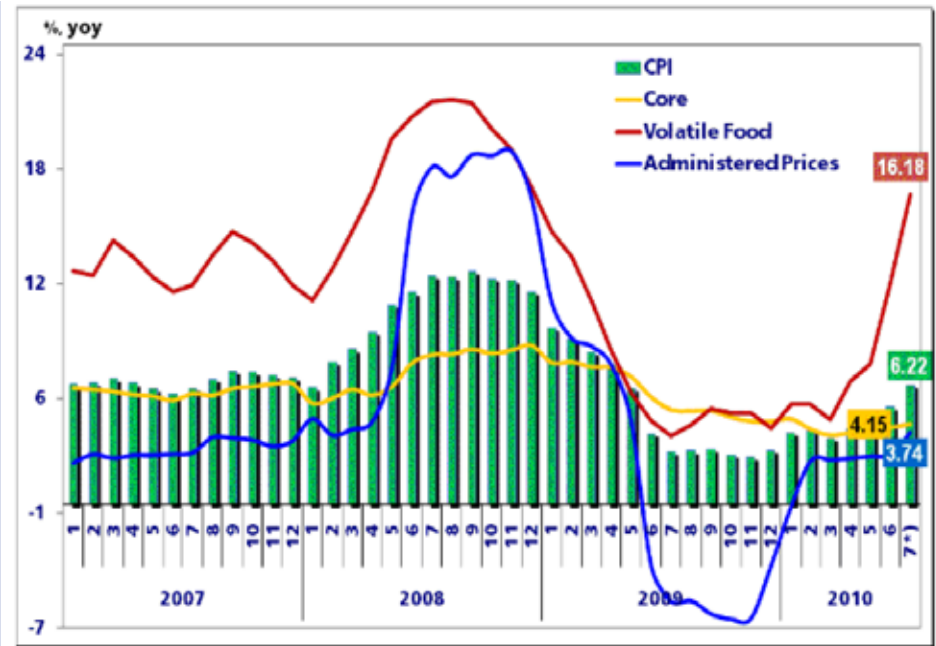
Indicator	2007	2008	2009	1Q-10
Population (million)	224.0	229.03	231.83	237.6
GDP based on current price (IDR trillion)	3,949.32	4,954.03	5,613.44	6,253.79*
GDP Growth Rate (% YoY)	6.3	6.0	4.5	5.7
Export (USD million)	114,100.9	137,020.4	116,510.0	12,774.4
Import (USD million)	74,473.4	129,197.3	96,829.2	10,972.6
Surplus (USD million)	39,627.5	7,823.1	19,680.8	1,801.7
Exchange Rate-end period (IDR/USD)	9,419	10,950	9,425	9,090
Foreign Exchange Reserve (USD million)	56,920	51,639	66,105	71,823
Debt to GDP Ratio	35%	33%	28%	26%*
Unemployment Rate (%)	11.1	8.39	7.87	7.41

Economic Performance

Interest Rates

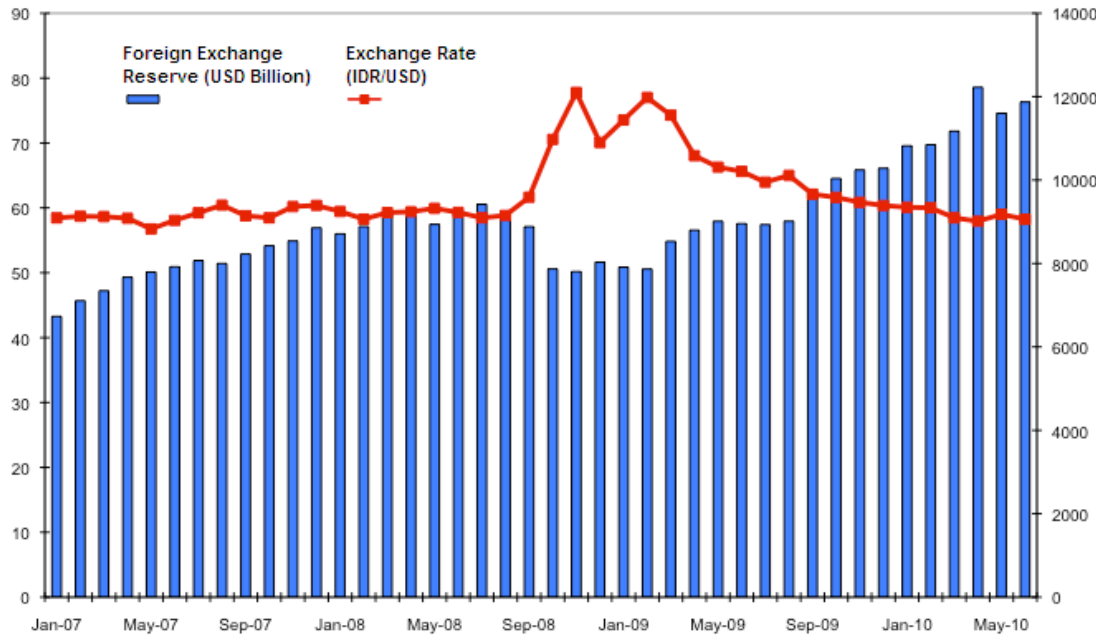


Inflation



Economic Performance

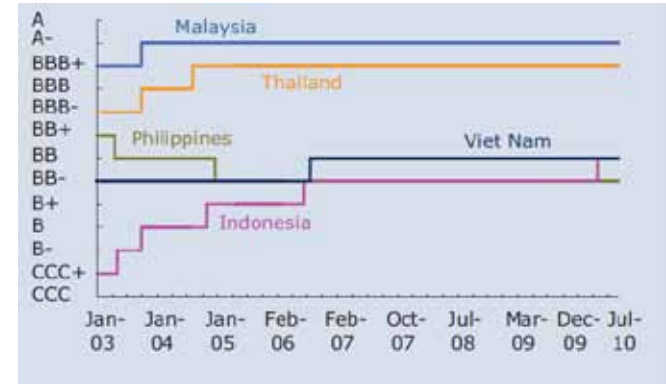
Exchange Rate vs Foreign Exchange Reserve (Jan 2007 - Jun 2010)



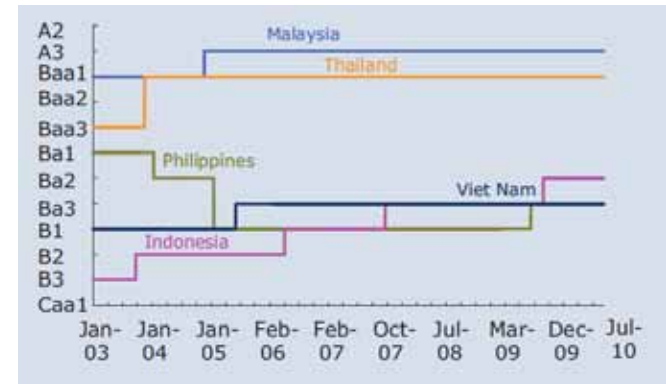
Capital inflow to Indonesia has strengthened Exchange Rate and increased Foreign Exchange Reserve.

Indonesian Rating has been upgraded by S&P and Moody's, due to solid economic performance.

S&P Rating



Moody's Rating



Capital Market Performance

n Stock Market

- q Increase in composite index (22%), market capitalization (27%), and average trading value (compared to 2009)
- q JCI - beginning 2009 1,332.67; 2009 closed at 2,534.36; record high above 3,000 on 21-Jul-10 3,013.40; new record high on 17-Sep-10 of 3,384.65

	2008	2009	Aug-10
Total Trading Value (IDR billion)	1,064,528	975,135	694,386
Average Trading Value per Day (IDR billion)	4,436	4,046	4,183
Composite Index			
High	2,830.26	2,534.36	3,145.13
Low	1,111.39	1,256.11	2,475.57
Close	1,355.41	2,534.36	3,081.89
Listed Issuers	396	398	409
Market Capitalization (IDR billion)	1,076,491	2,019,375	2,571,471



Capital Market Performance

n Stock Market

- q Implementation of online/DMA trading facilities.
 - Out of 120 members: 33 using online trading and 7 using DMA.
 - 14 members are in the technical testing for online trading and 3 members for DMA.
 - q In the 1H10, aggregate net profit of the issuers increased by 36.94% from IDR 39.36 trillion to IDR 53.90 trillion.
 - q March 2010 financial statements:
 - Average PER was 12.24 and Weighted Average PER was 11.65
 - Average PBV was 2.20 and Weighted Average PBV was 2.02
 - q Up to August 2010: 11 new listed companies on the IDX, versus targeted 25 new listed companies in 2010.
 - q Total funds raised through IPO in the 1H10 reached IDR 2.86 trillion, increase 1,806% compared to 1H09 which was IDR 150.75 billion.
 - q Total funds raised through IPO and Rights Issues in the 1H10 reached IDR 18.93 trillion, increase 352% compared to 1H09 which was IDR 4.18 trillion.
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Capital Market Performance

n Stock Market

q Financial Ratios – Financial Statements March 2010

Industry Groups	PER	PBV	DER	Annualized			
	(x)	(x)	(x)	ROA (x)	ROE (x)	NPM (x)	OPM (x)
Agriculture	18.60	1.88	-1.59	3.9	89.7	28.6	36.4
Mining	11.33	2.51	1.12	6.6	13.7	-0.3	30.1
Basic Industry and Chemicals	6.77	1.28	1.23	8.2	12.3	-25.6	-37.1
Miscellaneous Industry	4.02	1.32	2.84	71.9	8.9	5.4	-3.3
Consumer Goods	14.69	3.60	1.18	14.3	26.2	31.8	40.6
Property, Real Estate & Building Construction	20.56	1.36	1.10	2.9	7.4	-23.2	19.2
Infrastructure, Utilities & Transportation	16.29	2.82	1.52	2.5	7.3	-7.8	2.5
Finance	17.44	2.76	5.09	4.6	14.0	428.1	56.5
Trade, Services & Investment	8.40	2.60	1.72	4.4	1.9	47.0	17.8

Source: IDX

Capital Market Performance

n Bond Market

- q The outstanding value and total transactions of bonds increased significantly.

Corporate Bond, Syariah Bond, Corporate Sukuk & ETF via CTP-PLTE

Period	2008	2009	June 2010
Issuers	178	183	185
Outstanding Value (IDR billion)	73,010	88,897	93,476
Outstanding Value (USD million)	100	-	-
Trading Value reported to IDX (IDR billion)	53,181	38,861	43,394
Trading Value reported to IDX (USD million)	18	-	-
Average Trading Value (IDR billion)	217	160	353
Average Trading Value (USD million)	0.0735	-	-

Source: Bapepam-LK, BEI

Capital Market Performance

n Bond Market

Government Securities via CTP-PLTE

Period	2008	2009	June 2010
Outstanding Value (IDR billion)	34,633	581,748	621,226
Trading Value reported to IDX (IDR billion)	51,511	799,894	746,386
Average Trading Value (IDR billion)	210	3,305	6,068

Note: Data includes Government Bond, ORI, SPN, SBSN and Retail Sukuk

Foreign Ownership in SUN (IDR Trillion) - 2010

Date	30/4	3/5	14/6	15/6	18/6
Foreign Ownership	148.13	147.67	148.13	149.32	151.68
Outstanding SUN	603.28	603.28	614.03	614.03	614.5
Foreign Ownership (%)	24.55	24.53	24.12	24.31	24.68

Note: Data includes Government Bond, ORI, SPN, SBSN and Retail Sukuk

Capital Market Performance

n Mutual Fund

- q The Mutual Fund also experienced significant development.

Performance of Mutual Fund

Period	2007	2008	2009	April 2010
Total Mutual Funds	473	567	610	614
Total Investors	325,224	352,429	357,192	351,465
NAV (IDR billion)	92,190.6	74,065.8	112,983.3	121,628.2
Total Investment Managers	95	94	99	99

Source : Bapepam-LK, BEI

Net Asset Value of Mutual Fund up to April 2010 (IDR billion)

Stock	Money Market	Mixed	Fixed Income	Protected	Index	ETF Stock	ETF Fixed Income	Syariah	Total
38,229	7,678	15,442	20,548	35,279	208	40	415	3,789	121,628

Source: Bapepam-LK, BEI



Regulatory Developments

- n Establishment of Financial Services Authority (OJK)
 - n Convergence of Accounting Standards (PSAK) to IFRS
 - n Continuous Settlement
 - n Single Investor ID and Straight Through Processing
 - n Change in Rule regarding Adjusted Net Working Capital (ANWC)
 - n AKSes for Securities Monitoring by Investor
 - n Investor Protection Fund
 - n Issuance of SPEI
 - n Brokerage and Underwriting Fees
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Prospect for Securities Industry

- n Indonesia politically relative stable.
 - n Indonesia economic growth 6% in 2010, accelerating to 6.5% - 7.5% in 2014.
 - n Online trading and DMA facilities will increase trading value and number of investors.
 - n Continuous settlement, Single Investor ID and Straight-Through-Processing will enhance trading and settlement efficiency.
 - n The Regulator's focus on client asset protection will continue to strengthen the confidence of the investors.
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Thank You

