

EXPERIMENTAL ESTIMATION OF ISLAMIC FISIM IN INDONESIA

*Webinar series on the 2025 System of National Accounts
(2025 SNA) Implementation*



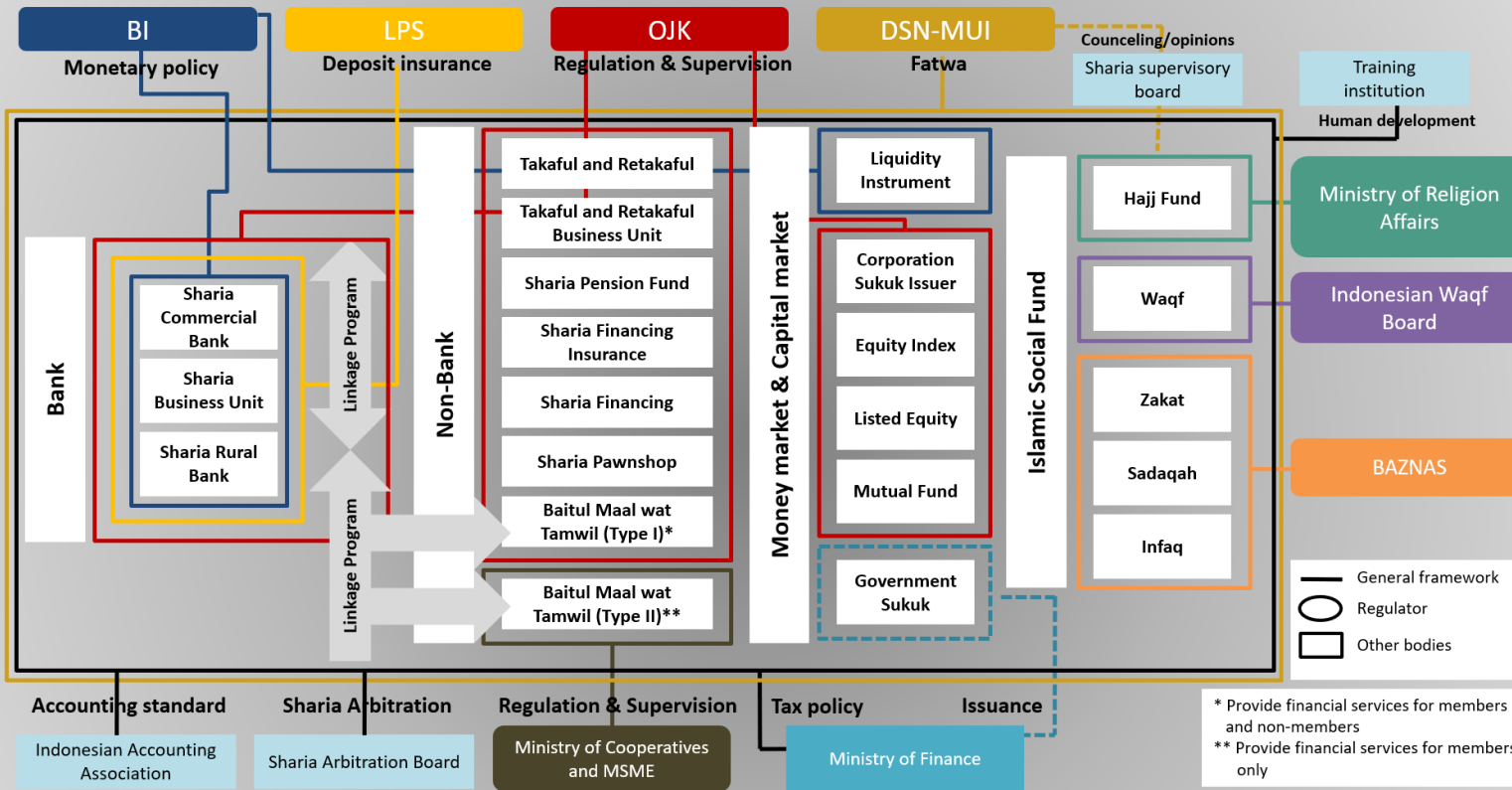
BPS-Statistics Indonesia

1st July 2025



INDONESIAN ISLAMIC FINANCE AT A GLANCE

INSTITUTIONAL ARRANGEMENT



Islamic economy is an economic system based on the principles of Sharia (Islamic law), include prohibitions on Riba (usually translated as interest), Gharar or uncertainty (sometimes translated as “excessive uncertainty”), Maysir (gambling) as well as short sales or financing activities that are considered harmful to society

STATISTICS



ISLAMIC BANKING

- Market share: 7.18% of total national banking assets (as 2024)
- Assets: IDR 980 trillion (2024)
- 14 full-fledged Islamic commercial banks (including Bank Syariah Indonesia (BSI))
- 19 Sharia Business Units (UUS)



ISLAMIC CAPITAL MARKET

- Government Sukuk Outstanding: IDR 1,627 triliion (as 2024)
- Corporate Sukuk: IDR 55 trillion (as 2024)
- Sharia Stock Index (ISSI) Market Capitalization: 55%



GLOBAL RANKING

- Indonesia ranks 4th in Global Islamic Economy Indicator (DinarStandard)

* Provide financial services for members and non-members
** Provide financial services for members only

Milestones



AKAD (CONTRACT/AGREEMENT) IN SHARIA FINANCE



MURABAHA

Murabaha is a type of sale contract where the seller discloses:

- The original cost of the item to the buyer
- Adds an agreed-upon profit margin

The buyer pays the total amount (cost + profit), usually through deferred payments (installments), but no interest (riba) is involved.



MUDARABA

Mudaraba is a partnership where:

- One party provides the capital (*Rabb al-Mal*),
- The other provides the entrepreneurship or management (*Mudarib*).

The profits are shared based on a pre-agreed ratio, while losses are borne only by the capital provider, unless there is proven negligence or misconduct by the manager.



MUSHARAKA

Musharaka is a joint partnership contract in which:

- All partners invest capital.
- Profits are shared based on a pre-agreed ratio.
- Losses are shared in proportion to each partner's capital contribution.



IJARAH

Ijarah is a leasing agreement where:

- The lessor (owner) allows the lessee to use a specified asset for an agreed rent and time period.
- Ownership remains with the lessor.
- The asset must be halal and usable as described in the contract.



SALAM

Salam (also called Bai Salam) is a forward sale contract in which full payment is made in advance, but the delivery of goods is deferred to a future date. It is used mainly in agriculture and commodity trading, in a Sharia-compliant way. The goods must be clearly described (type, quantity, quality, delivery date, place).



ISTISNA'

Istisna' is a contract of sale of goods to be manufactured or constructed, allowing:

- Deferred delivery of the final product.
- Flexible payment: in advance, in installments, or at completion.

It is used when the goods do not exist at the time of contract and need to be built, produced, or assembled.

“ The current focus of Islamic Finance calculation in Indonesia is on banking sector. The other sectors have not been calculated yet.



Equivalent rate of return for credit

Equivalent rate of return for credit by type of loan

Reference rate

Mid rate

Stock of deposit

- iB Wadia (saving, demand deposit)
- Non-profit sharing investment fund (saving, demand deposit, time deposit)
- Profit sharing investment fund (saving, demand deposit, time deposit)

$$\text{FISIM} = (r_L - r_r) Y_L + (r_r - r_D) Y_D$$

Stock of loan

- Murabaha, qardh, istisna'
- Mudaraba, musharaka, and other profit-sharing financing
- Ijarah including leasing receivables
- Salam and multi-purpose financing

Equivalent rate of return for deposit

Equivalent rate of return for third-party funds by type of deposit



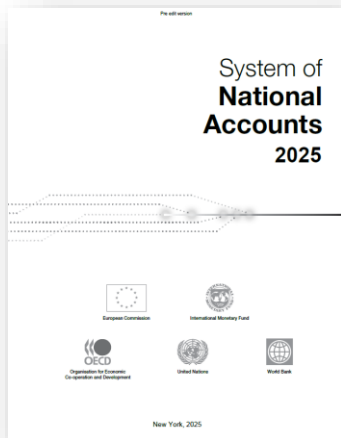
Methodology and Sources of Data



This presentation merely shows the results of Islamic FISIM calculation using single reference rate. From our exercise, single and separated reference rate has a similar pattern and insignificant difference in total FISIM. This could be happened because sharia banking still contributes for small portion in Indonesia.

““ Recommendation of SNA 2025 regarding the reference rate for Islamic FISIM

“...while the principles of Islamic finance prohibit the payment of interest, the nature of financial intermediation services of conventional and Islamic deposit-taking and lending seems to be broadly similar. Accordingly, it is recommended that only one reference rate be used to calculate implicit financial services on loans and deposits denominated in the same currency, unless there is evidence that a different reference rate should be used to calculate implicit financial services on Islamic deposits and loans (SNA 2025: 26.37)



STEP-BY-STEP COMPILATION APPROACH

- ✓ For each type of currency, combine the conventional deposits and Islamic deposits.
- ✓ For each type of currency, combine the conventional loans and Islamic loans.
- ✓ For each type of currency, calculate the single reference rate using the current method the compiling agency is using. This presentation using mid rate.
- ✓ Calculate the nominal value of FISIM on conventional deposits and Islamic deposits.
- ✓ Calculate the nominal value of FISIM on conventional loans and Islamic loans.
- ✓ Calculate the total nominal value of FISIM as the sum of fourth and fifth step.

SOURCES OF DATA

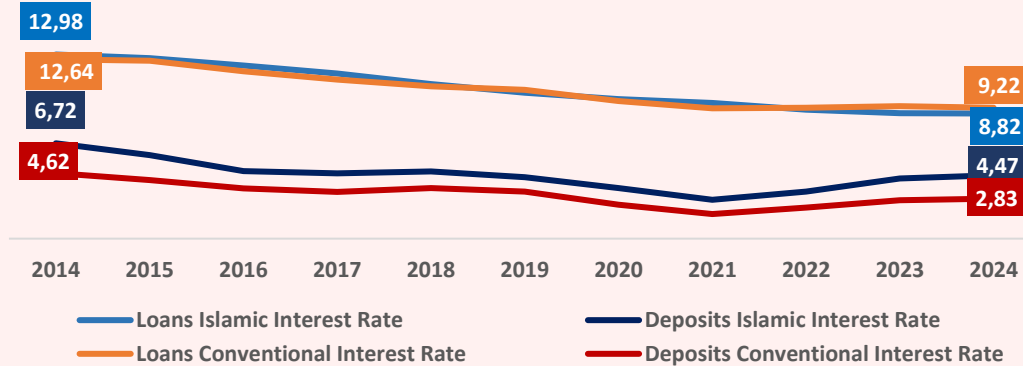
- ✓ Indonesian Banking Statistics (Financial Services Authority)
- ✓ Sharia Banking Statistics (Financial Services Authority)

PRELIMINARY ESTIMATES (1)



Using Single Reference Rate Method, the estimates show a significant difference between Islamic and Conventional FISIM, but not in their growth rates.

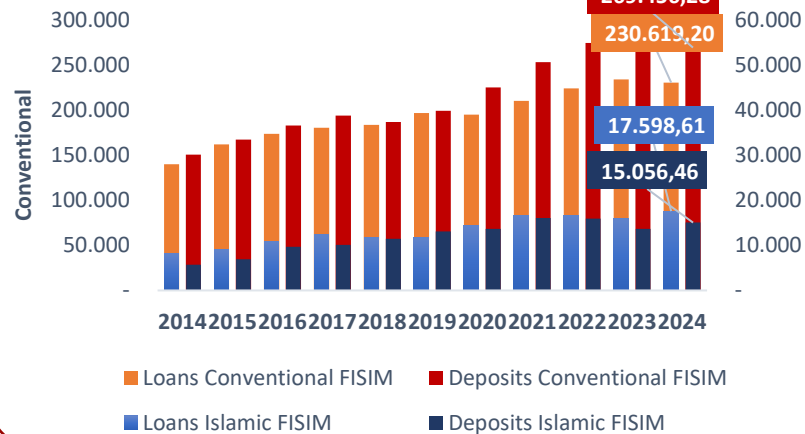
Graph 1. Interest Rate of Conventional and Islamic Banks (percent)



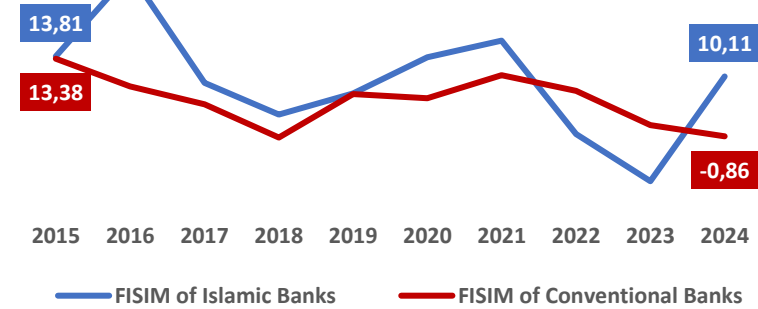
The highest interest rates for both Islamic Banks and Conventional Banks occurred in 2014, while the lowest were recorded in 2021, except Loans interest rate of Islamic Banks in 2024.

The value of FISIM on Loans is consistently higher than FISIM on Deposits. But, in 2019 FISIM on Deposits of Islamic Banks is higher than their FISIM on Loans.

Graph 2. FISIM of Conventional and Islamic Banks (Billion IDR)



Graph 3. Growth of Islamic and Conventional FISIM (percent)



Note : FISIM include Deposits and Loans

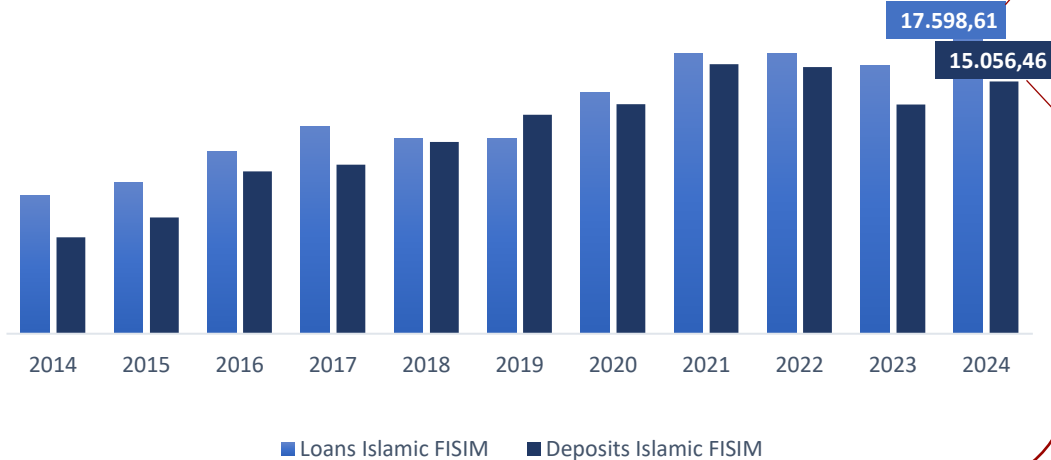
The growth of FISIM in Islamic Banks was consistently higher than FISIM in Conventional Banks, but this trend reversed in 2022 and 2023.

PRELIMINARY ESTIMATES (2)



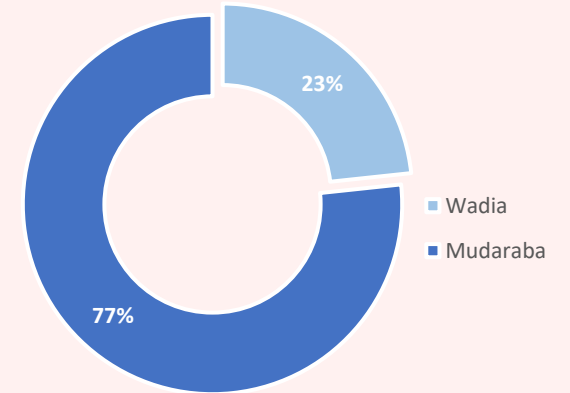
Islamic FISIM in Indonesia consist of various Types. There are Wadia and Mudharaba in FISIM on Deposits. In contrast, FISIM on loans encompasses a broader range of accounts, including Mudharaba, Musyaraka, Istisna', Ijarah, and others, such as Salam.

Graph 4. FISIM of Islamic Banks (Billion IDR)



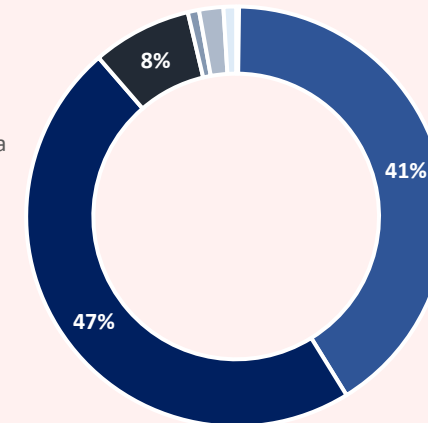
Graph 5. FISIM on Deposits of Islamic Banks by Type

FISIM on deposits of Islamic banks is dominated by Mudaraba accounts, which contribute 77% to the total.



Graph 6. FISIM on Loans of Islamic Banks by Type

- Mudaraba
- Musharaka
- Murabaha
- Qardh
- Istisna'
- Ijarah
- Others



FISIM on loans of Islamic banks is dominated by Murabaha and Musharaka accounts, which contribute 47% and 41% to the total, respectively.



Coverage of the Data

The data is not yet available at the provincial and district/city levels.

The published data does not provide detailed information regarding its users, leading to challenges in disaggregating FISIM data by industry and institutional sector.

Data Lag for Quarterly GDP

The published data of Islamic Commercial Banks and Islamic Business Units have not yet been able to meet the GDP release schedule.

As an example, although the GDP for Q1/2025 was released in early May 2025, the source data were not fully available until the end of May 2025.

The production, analysis, and dissemination of official statistics should be undertaken in a *transparent* and *accessible* way.

Statistical communication is about providing factual explanations of the data in an easily understood and interesting fashion; and encouraging journalists and other users to consider how statistics might aid their analyses.



In cases when the country intends to **revise the method or expand the coverage** of FISIM estimation (such as by modifying the calculation method for Islamic FISIM or including Islamic finance), it is recommended that such revisions be **announced in advance** and accompanied by **explanations** for such revisions, along with **an assessment of their possible impact on the available data.**

Communication with Users

WHAT

1. Currents data vs Historical Data
2. Metadata
3. Explanations to understanding the data movements.

HOW

1. Printed format vs Electronic format, or available in both forms.
2. Internet release
3. Video release, blogs, podcasts, presentations, live streaming, etc.
4. Databases, table charts, animation, etc.
5. Social Media
6. Seminars, webinars, workshop, and conferences involving different groups of users
7. Providing training and education of macroeconomic statistics for users
8. User satisfaction surveys

Communication with Data Suppliers

1. **Statistical producer should help suppliers understand why their participation is important.**
 - Promote cooperation by explaining the essential value of the required data
 - Minimizing the reporting burden as far as is reasonably practicable
 - Assuring data suppliers that proper standards of security and confidentiality are applied
 - Acting on their feedback
2. **Consider the way to communicate with data suppliers.**
 - The use of the concepts, term and definitions that suppliers can understand.
3. **Data collectors could provide feedback to data suppliers on the quality, including accuracy and reliability of the data they provide.**

Thank You



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