

Republic of Indonesia successfully priced a US\$ 2.35 billion Global Sukuk

Jakarta, 25 June 2024 – The Republic of Indonesia (the “Republic”) made its annual return to the global Sukuk market and priced a US\$ 2.35 billion Sukuk offering comprising of US\$ 750 million 5-year, US\$ 1 billion 10-year, and US\$ 600 million 30-year (green) Reg S/144A Trust Certificates due 2029, 2034 and 2054 respectively (the “Global Sukuk”).

The Global Sukuk will be issued by the Republic through Perusahaan Penerbit SBSN Indonesia III (“PPSI-III”), a legal entity established by the Republic solely for the purpose of issuing Shari’a compliant securities in foreign currencies in the international markets.

The settlement of the Global Sukuk will be conducted on 2 July 2024 and will be listed on the Singapore Exchange and NASDAQ Dubai (dual listing). Each tranche is expected to be rated of Baa2 by Moody’s Investor Service, BBB by S&P Global Ratings Services and BBB by Fitch Ratings.

The Global Sukuk were subsequently priced at par and with a profit rate of 5.10% on the 5-year tranche, 5.20% on the 10-year tranche, and 5.50% on the 30-year tranche.

As evidence of the Republic’s dedication and long-term commitment to green and sustainable financing, and as part of its effort in combating climate change, the 30-year tranche was a green series, backed by the Republic’s significant pool of green assets.

The Global Sukuk is structured based on the Shari’a principle of Wakala and has obtained approval from DSN MUI as well as from the Shari’a Advisory Board of Citi Islamic Investment Bank E.C., the Internal Sharia Supervisory Committee (ISSC) of Dubai Islamic Bank PJSC, the HSBC Global Shariah Supervisory Committee, the Sharia Advisor of PT Mandiri Sekuritas and the Shariah Committee of MUFG Bank (Malaysia) Berhad.

The transaction is aligned with the Republic’s strategy to finance the state budget in 2024.

The transaction managed to attract interest from diverse investor types and geography, showcasing robust investment appetite and market confidence for Indonesia given the Republic’s strong following and economic fundamentals. Final order size of US\$4.5bn combined, or an oversubscription rate of more than 1.9x of the issuance, where peak order reached US\$8,2 billion before final price guidance.

The issuance with the 5-year tranche was distributed 15% to Asia ex Indonesia and Malaysia investors, 50% to Middle East and Malaysia, 10% to Indonesia, 16% to U.S and 9% to Europe. By investor type, the tranche is allocated 32% to asset managers/fund managers, 41% to financial institutions/banks, 23% to central banks, 3% to insurance/pension funds and 1% to private banks.

The 10-year tranche was distributed 11% to Asia ex Indonesia and Malaysia investors, 58% to Middle East and Malaysia, 11% to Indonesia, 8% to U.S and 12% to Europe. By investor type, the tranche is allocated 27% to asset managers/fund managers, 62% to financial institutions/banks, 1% to insurance/pension funds, 9% to central banks and 1% to private banks.

The 30-year tranche was distributed 34% to Asia ex Indonesia and Malaysia investors, 9% to Middle East and Malaysia, 1% to Indonesia, 27% to U.S and 29% to Europe. By investor type,

the tranche is allocated 53% to asset managers/fund managers, 6% to financial institutions/banks, 33% to insurance/pension funds, 6% to central banks and 2% to private banks.

Citigroup, Dubai Islamic Bank, HSBC, Mandiri Securities, and MUFG acted as Joint Lead Managers and Joint Bookrunners. HSBC and MUFG acted as Joint Green Structuring Advisors. PT BRI Danareksa Sekuritas and PT PT Trimegah Sekuritas Indonesia Tbk acted as Co-Managers for this transaction.

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