

SAMPLE CALCULATION OF  
HAIR CUT ON GOVERNMENT DEBT SECURITIES (SUN)

Type and Series	SUN Price	Hair Cut	Repo Price
(1)	(2)	(3)	(4) = (2) – (3)
VR 0010	99.95%	3.00%	96.95%
FR 0008	107.00%	2.00%	105.00%

SAMPLE CONTRACTIONARY FINE TUNE (FTK) TRANSACTION  
USING FIXED RATE AUCTION METHOD

Transaction Plan

Indicative Target : Rp 6 trillion  
 Auction method: Fixed Rate  
 Discount rate: 6.5%  
 Time period : 5 days  
 Window time : 09.00 WIB-09.30 WIB  
 Settlement : Until 13.00 WIB

Table 1 - Illustration of entered bids for FTK auction

(in billion rupiahs)

Bank	Bid Quantity	Cummulated Bid	Discount Rate (%)
(1)	(2)	(3)	(4)
Bank A	1,000	1,000	6.50
Bank B	500	1,500	6.50
Bank C	750	2,250	6.50
Bank D	800	3,050	6.50
Bank E	1,150	4,200	6.50
Bank F	300	4,500	6.50
Bank G	1,200	5,700	6.50
Bank H	300	6,000	6.50
Bank I	800	6,800	6.50

Determination of FTK auction

Bid Quantity accepted Rp 3 trillion

Determination of quantities for auction winners is calculated proportionally

Table 2 - Illustration of Auction Winners

(in billion rupiahs)

Bank	Bid Quantity	Cummulated Bid	Discount Rate (%)	Cash Value
(1)	(2)	(3)	(4)	(5)
Bank A	441,18	441,18	6.50	440,78
Bank B	220,59	661,76	6.50	220,39
Bank C	330,88	992,65	6.50	330,58
Bank D	352,94	1,345,59	6.50	352,62
Bank E	507,35	1,852,94	6.50	506,89
Bank F	132,35	1,985,29	6.50	132,23
Bank G	529,41	2,514,71	6.50	528,93
Bank H	132,35	2,647,06	6.50	132,23
Bank I	352,94	3,000	6.50	352,62

SAMPLE CONTRACTIONARY FINE TUNE TRANSACTION (FTK)  
USING VARIABLE RATE AUCTION METHOD

Transaction Plan

Indicative Target : Rp 5 trillion  
Auction method: Variable Rate  
Time period : 14 days  
Window time : 15.00 WIB-16.00 WIB  
Settlement : Until cut off warning of the BI-RTGS System

Table 1 – Illustration of entered bids for auction

(in billion rupiahs)

Bank (1)	Bid Quantity (2)	Cummulated Bid (3)	Discount Rate (%) (4)
Bank A	300	300	4.75
Bank B	800	1,100	4.75
Bank C	925	2,025	4.90
Bank D	1,200	3,225	4.95
Bank E	1,100	4,325	5.00
Bank F	700	5,025	5.10
Bank G	680	5,705	5.10
Bank H	300	6,005	5.10
Bank I	800	6,805	6.00

## Determination of Auction

Quantity bid accepted : Rp5 trillion  
Highest discount rate accepted : 5.10%  
Bids from Bank A to Bank E accepted 100%  
Bids from Bank F to Bank H accepted proportionally

Table 2 - Illustration of auction winners

(in billion rupiahs)

Bank (1)	Quantity bid (2)	Cummulated Bid (3)	Discount Rate (%) (4)	Cash Value (5)
Bank A	300	300	4.75	299,45
Bank B	800	1,100	4.75	798,52
Bank C	925	2,025	4.90	923,24
Bank D	1,200	3,225	4.95	1,197.69
Bank E	1,100	4,325	5.00	1,097.86
Bank F *)	281.25	4,606.25	5.10	280,69
Bank G *)	273.21	4,879.46	5.10	272,67
Bank H *)	120.54	5,000	5.10	120,30

\*) quantity won calculated proportionally

SAMPLE EXPANSIONARY FINE TUNE TRANSACTION (FTE) –  
SBI REPO USING FIXED RATE AUCTION METHOD

Transaction Plan

Indicative Target : Rp 7 trillion  
Auction method : Fixed rate at 5.50%  
SBI Sale Price : Weighted average of SBI's discount at issuance  
Repo Time period : 10 days  
Window time : 10.30 WIB-11.00 WIB  
Settlement : Until 13.00 WIB

Table 1 - Illustration of bids for FTE auction

(in billion rupiahs)

Bank	Bid Quantity	Cummulated Bid	Repo rate (%)	SBI Repo Series (Weighted Average of SBI and remaining time period of SBI)
(1)	(2)	(3)	(4)	(5)
Bank A	1,000	1,000	5.50	IDBIXX (WA 7.25; Remaining Time 12 days)
Bank B	500	1,500	5.50	IDBIXX (WA 7.25; Remaining Time 12 days)
Bank C	3,600	5,100	5.50	IDBIZZ (WA 7.34; Remaining Time 79 days)
Bank D	3,250	8,350	5.50	IDBIYY (WA 7.15; Remaining Time 27 days)
Bank E	2,000	10,350	5.50	IDBIZZ (WA 7.34; Remaining Time 79 days)
Bank F	1,000	11,350	5.50	IDBIYY (WA 7.15; Remaining Time 27 days)

Determination of FTE auction winners

Quantity accepted : Rp 7 trillion

Auction winners : All banks- quantity won calculated proportionally

Table 2 – Illustration of FTE quantity calculation and settlement - first leg

(in billion rupiahs)

Bank	Quantity won <sup>1)</sup>	Cummulated	Repo rate (%)	Securities Settlement Calculation			Sale Value of SBI Repo <sup>4)</sup>
				Series	SBI Price (%) <sup>2)</sup>	Nominal SBI repo-ed <sup>3)</sup>	
(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9) = (2) * (7)
Bank A	617	617	5.50	IDBIXX	99.75892	617	615.51
Bank B	308	925	5.50	IDBIXX	99.75892	308	307.26
Bank C	2,220	3,145	5.50	IDBIZZ	98.41481	2,220	2,184.81
Bank D	2,004	5,149	5.50	IDBIYY	99.46661	2,004	1,993.31
Bank E	1,233	6,382	5.50	IDBIZZ	98.41481	1,233	1,213.45
Bank F	617	6,999	5.50	IDBIYY	99.46661	617	613.71

- 1) Calculated proportionally with a smallest rounding unit of Rp1 million. Sample calculation for Bank A:  

$$\frac{\text{Bid quantity from Bank A (1,000)}}{\text{Total amount of bids entered (11,350)}} \times \text{Quantity of transaction accepted (7,000)}$$
- 2) SBI Price is calculated using the following formula :  

$$[ (\text{smallest nominal unit} \times 360) / \{360 + (\text{Weighted average of SBI at issuance} \times \text{remaining time period of SBI})\}] \times 100\%$$
- 3) Nominal SBI is the nominal value of SBI to be debited from the Bank's securities account. Since FTE window time is opened in the morning session, the time limit for the Bank to provide adequate SBI series is until 13.00 WIB.
- 4) Repo SBI Sale Value is the amount to be credited into the Bank's current account.

Table 3 - Illustration of FTE settlement - second leg

(in billion rupiahs)					
Bank	Sale Value of matured first leg SBI Repo	Repo rate (%)	Repo interest rate 1)	Repurchase Value of SBI Repo 2)	Securities Settlement Value 3)
(1)	(2)	(3)	(4)	(5) = (2) + (4)	(6)
Bank A	615.51	5.50	0.94	616.45	617
Bank B	307.26	5.50	0.47	307.73	308
Bank C	2,184.81	5.50	3.34	2,188.15	2,220
Bank D	1,993.31	5.50	3.05	1,996.37	2,004
Bank E	1,213.45	5.50	1.85	1,215.31	1,233
Bank F	613.71	5.50	0.94	614.65	617

- 1) Repo interest rate is calculated using the following formula:  

$$(\text{Sale Value of matured SBI Repo first leg} \times \text{repo rate}) \times (\text{repo time period} / 360)$$
- 2) Repo SBI Buy Back Value is the amount to be debited into the Bank's current account for the purpose of redeeming a matured FTE transaction.
- 3) Securities settlement value is the nominal value of SBI to be recredited into the Bank's securities account.

SAMPLE EXPANSIONARY FINE TUNE TRANSACTION (FTE) – SBI REPO  
USING VARIABLE RATE AUCTION METHOD

Transaction Plan

Indicative target : Rp 7 trillion  
Transaction method : Variable rate  
SBI sale price: Weighted average of SBI's discounts at issuance  
Repo time period : 7 days  
Window time : 15.00 WIB-15.30 WIB  
Settlement : until cut off warning of the BI-SSSS System

Table 1 - Illustration of FTE bids

(in billion rupiahs)

Bank	Bid Quantity	Cumulated Bid	Repo rate(%)	Series of SBI Repo (WA SBI and remaining time period of SBI)
(1)	(2)	(3)	(4)	(5)
Bank A	1,000	1,000	6.75	IDBIXX (WA 7.25; Remaining Time 12 days)
Bank B	500	1,500	6.10	IDBIXX (WA 7.25; Remaining Time 12 days)
Bank C	3,600	5,100	6.15	IDBIZZ (WA 7.34; Remaining Time 79 days)
Bank D	3,250	8,350	7.00	IDBIXX (WA 7.25; Remaining Time 12 days)
Bank E	2,000	10,350	6.50	IDBIZZ (WA 7.34; Remaining Time 79 days)
Bank F	1,000	11,350	6.50	IDBIYY (WA 7.15; Remaining Time 27 days)

Determination of FTE Auction Winners

Quantity taken : Rp 7 trillion  
Lowest repo rate accepted : 6.50%  
Auction winners : Bank bids with repo rates > 6.50% calculated fully  
Bank bids with repo rates = 6.50% calculated proportionally

Table 2 - Illustration of FTE quantity and settlement calculation for auction winners- first leg

(in billion rupiahs)

Bank	Quantity won	Cumulated	Repo rate (%)	Securities Settlement Calculation			Sale Value of SBI Repo 4)
				Series	SBI Price (%) 2)	Nominal Value of SBI repo-ed 3)	
(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9) = (2) x (7)
Bank D	3,250	3,250	7.00	IDBIXX	99.75892	3,250	3,242.17
Bank A	1,000	4,250	6.75	IDBIXX	99.75892	1,000	997.59
Bank E 1)	1,833	6,083	6.50	IDBIZZ	98.41481	1,833	1,803.94
Bank F 1)	917	7,000	6.50	IDBIYY	99.46661	917	912.11

- 1) Calculated proportionally with smallest rounding unit of Rp 1 million. Sample calculation for Bank E :  

$$\frac{\text{Bid quantity from Bank E (2,000)}}{\text{Amount of bids from Bank E and F (3,000)}} \times \text{remaining quantity to be absorbed (7,000-4,250)}$$
- 2) SBI Price is calculated using the following formula :  

$$[ ( \text{Smallest nominal unit} \times 360 ) / \{ 360 + ( \text{Weighted average of SBI at issuance} \times \text{remaining time period of SBI} ) \}] \times 100\%$$
- 3) Nominal SBI repoed is the amount to be debited into the Bank's securities account. Since FTE window time is opened in the afternoon session, the time limit for the Bank to provide adequate series of the SBI is until the cut off warning time of the BI-SSSS.
- 4) Repo SBI Sale Value is the amount to be credited into the Bank's current account.

Table 3 – Illustration of second leg FTE settlement second leg

(in billion rupiahs)

Bank	Sale Value of matured first leg SBI Repo	Repo rate (%)	Repo interest rate 1)	Repurchase Value of SBI Repo 2)	Securities Settlement Value 3)
(1)	(2)	(3)	(4)	(5) = (2) + (4)	(6)
Bank D	3,242.17	7.00	4.41	3,246.58	3,250
Bank A	997.59	6.75	1.31	998.90	1,000
Bank E	1,803.94	6.50	2.28	1,806.22	1,833
Bank F	912.11	6.50	1.15	913.26	917

- 1) Repo interest rate is calculated using the following formula:  

$$(\text{Sale Value of matured SBI Repo at first leg} \times \text{repo rate}) \times (\text{repo time period} / 360)$$
- 2) Repo SBI Buy Back Value is the amount to be debited into the Bank's current account for the purpose of redeeming a matured FTE transaction.
- 3) Securities settlement value is the amount to be recredited into the Bank's SBI trading account.

SAMPLE EXPANSIONARY FINE TUNE TRANSACTION (FTE) – SUN REPO  
USING FIXED RATE AUCTION METHOD

Transaction plan

Indicative target : Rp 6 trillion  
Auction method: Fixed Rate at 6.50%  
Underlying asset: VR 0010 price 96.95 (after hair cut)  
FR 0008 price 105.00 (after hair cut)  
Repo Time period: 5 days  
Window time : 14.00 WIB-14.30 WIB  
Settlement : until the cut off warning of the BI-SSSS system

Table 1 – Illustration of FTE bids entered

(in billion rupiahs)

Bank	Bid Quantity	Cummulated Bid	Repo rate (%)	SUN repo-ed	
				Series	Repo Price
(1)	(2)	(3)	(4)	(5)	(6)
Bank A	1,000	1,000	6.50	VR 0010	96.95
Bank B	2,000	3,000	6.50	VR 0010	96.95
Bank C	1,500	4,500	6.50	VR 0010	96.95
Bank A	2,000	6,500	6.50	FR 0008	105.00
Bank X	1,250	7,750	6.50	FR 0008	105.00
Bank Y	1,000	8,750	6.50	FR 0008	105.00

Determination of FTE Auction Winners

Quantity taken : Rp 6 trillion

Auction winners : All banks, quantity calculated proportionally

Table 2 – Illustration of quantity and settlement calculation for first leg FTE auction winners

(in billion rupiahs)

	Quantity won 1)	Cummulated	Repo rate (%)	Securities settlement calculation			Fund settlement calculation	
				Series	Repo price (%)	Nominal value of SUN repo-ed 2)	Accrued Interest SUN 3)	Sale value of SUN Repo 4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) = {(2) x (6)} + (8)
Bank A	686	686	6.50	VR 0010	96.95	686	0.25	665.33
Bank B	1,371	2,057	6.50	VR 0010	96.95	1,371	0.25	1,329.43



Bank C	1,029	4,457	6.50	VR 0010	96.95	1,029	0.25	997.87
Bank A	1,371	3,428	6.50	FR 0008	105.00	1,371	0.50	1,440.05
Bank X	857	5,314	6.50	FR 0008	105.00	857	0.50	900.35
Bank Y	686	6,000	6.50	FR 0008	105.00	686	0.50	720.80

Remarks :

- 1) Quantity won by each Bank is calculated proportionally with a smallest rounding unit of Rp1 million. Sample calculation for Bank A :

Quantity bid from Bank A (1,000)

----- X Transaction Quantity accepted (6,000)

Amount of Bids entered (8,750)

- 2) Nominal value of SUN repo-ed is the nominal value to be debited from the Bank's securities account. Since the FTE window time is opened at the afternoon session, the time limit for the Bank to provide adequate series of SUN is until the cut off warning of the BI-SSSS.
- 3) Accrued interest is the amount of interest that shall become the share of the Repo SUN selling Bank calculated from the date of the last coupon payment until the date of repo transaction settlement (first leg). Numbers presented is as an illustration.
- 4) Repo SUN Sale Value is the amount to be credited into the Bank's current account.

Table 3 – Illustration of FTE settlement - second leg

(in billion rupiahs)

Bank	Sale value of matured first leg SUN repo	Repo rate (%)	Repo interest 1)	Fund settlement calculation			Securities settlement value 4)
				Sale value + repo interest	Coupon payment 2)	Repo SUN Buy Back Value	
(1)	(2)	(3)	(4)	(5) = (2)+(4)	(6)	(7) = (5) - (6)	(8)
Bank A	665.33	6.50	0.60	665.93	0.50	666.43	686
Bank B	1,329.43	6.50	1.20	1,331.63	0.50	1,331.13	1,371
Bank C	997.87	6.50	0.90	998.77	0.50	999.27	1,029
Bank A	1,440.05	6.50	1.30	1,441.35	0	1,441.35	1,371
Bank X	900.35	6.50	0.81	901.16	0	901.16	857
Bank Y	720.80	6.50	0.65	721.45	0	721.45	686

- 1) Repo interest payable by the Bank is calculated using the following formula :  
 ( Sale value of matured SUN Repo first leg x repo rate) x (repo time period / 360)
- 2) If during repo period there had been coupon payment(s), such coupons become BI's. The coupons received subtracts the SUN buy back value of at the maturity time of the FTE transaction. The above table illustrates the coupon payment for series VR 0010 repoed at Rp 0.50 billion.

- 3) Repo SUN Buy Back Value is the amount to be debited into the Bank's current account for the purpose of redeeming a matured FTE transaction.
- 4) Securities settlement value is the amount to be recredited into the Bank's securities account.

**SAMPLE EXPANSIONARY FINE TUNE TRANSACTION (FTE) – SUN REPO  
USING VARIABLE RATE AUCTION METHOD**

Transaction plan

Indicative target : Rp 6 trillion  
Auction method: Variable rate  
Underlying asset: VR 0010 price 96,95 (after hair cut)  
FR 0008 price 105,00 (after hair cut)  
Repo time period : 1 day  
Window time : 10.00 WIB-11.00 WIB  
Settlement : until 13.00 WIB.

Table 1 - Illustration of bids for FTE auction

(in billion rupiahs)

Bank	By Quantity	Cummulated Bid	Repo rate (%)	SUN repo-ed	
				Series	Repo price (%)
(1)	(2)	(3)	(4)	(5)	(6)
Bank A	1,000	1,000	10.00	VR 0010	96.95
Bank B	2,000	3,000	9.50	VR 0010	96.95
Bank C	1,500	4,500	9.00	VR 0010	96.95
Bank A	2,000	6,500	9.50	FR 0008	105.00
Bank X	1,250	7,750	9.00	FR 0008	105.00
Bank Y	1,000	8,750	8.75	FR 0008	105.00

Determination of FTE Auction Winners

Quantity taken : Rp6 trillion  
Lowest repo rate accepted : 9,00%  
Auction winners : Bank bids with repo rates >9.00%, calculated in full  
Bank bids with repo rates = 9.00% , calculated proportionally

Table 2 - Illustration of FTE quantity and settlement calculation for auction winners – first leg

(in billion rupiahs)

	Quantity won	Cummulated	Repo rate (%)	Securities settlement calculation			Fund settlement calculation	
				Series	Repo price (%)	Nominal value of SUN repo-ed 2)	Accrued Interest SUN 3)	Repo SUN 4) Sale Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) ={2)x(6)}+(8)
Bank A	1,000	1,000	10.0	VR 0010	96.95	1,000	0.25	969.75
Bank A	2,000	3,000	9.5	FR 0008	105.00	2,000	0.50	1,939.50
Bank B	2,000	5,000	9.5	VR 0010	96.95	2,000	0.25	2,100.25
Bank C1)	545	5,545	9.0	VR 0010	96.95	545	0.25	528.63
Bank	455	6,000	9.0	FR 0008	105.00	454	0.50	478.25

X1)								
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- 1) Since the bids from Bank C and Bank X are of the same rates (repo rates 9.00%), the quantities won by Bank C and Bank X are calculated proportionally with the smallest multiplying factor of Rp1 million. Sample calculation for Bank C :

$$\frac{\text{Bid Quantity from Bank C (1,500)}}{\text{Bid Quantity from Bank C and X (2,750)}} \times \text{difference in the transaction quantity accepted (1,000)}$$

- 2) Nominal value of SUN repo-ed is the amount to be debited from the Bank's securities account. Since the FTE window time is opened in the morning session, the time limit for the Bank to provide adequate SUN series is until 13.00 WIB.
- 3) Accrued interest is the amount of interest which shall be the share of the Bank selling the Repo SUN and is calculated from the date of last coupon payment until the date of the repo transaction settlement (first leg). Numbers presented are as an illustration.
- 4) Repo SUN Sale Value is the amount to be credited into the Bank's current account .

Table 3 - Illustration of FTE settlement - second leg

(in billion rupiahs)

Bank	Sale value of matured SUN repo first leg	Repo rate (%)	Repo interest 1)	Fund settlement calculation			Securities Settlement Value 4)
				Cash Value first leg + repo (5)	Coupon payment 2)	Repo SUN buy back value 3)	
(1)	(2)	(3)	(4)	(5)	(7)	(8) = (5) - (7)	(9)
Bank A	969.75	10.0	0.27	970.02	0	970.02	1,000
Bank A	1,939.50	9.5	0.51	1,940.01	0	1,940.01	2,000
Bank B	2,100.25	9.5	0.55	2,100.80	0	2,100.80	2,000
Bank C	528.63	9.0	0.13	528.76	0	528.76	545
Bank X	478.25	9.0	0.12	478.37	0	478.37	454

- 1) Repo interest payable by the Bank is calculated using the following formula :  
(Cash Value of the Sale of matured Repo SUN at first leg x repo rate) x (repo time period / 360)
- 2) If during repo period there had been coupon payment(s), the coupon becomes BI's. The receipt of coupon subtracts the buy back value of SUN at the maturity date of the FTE transaction.
- 3) Repo SUN Buy Back Value is the amount to be debited into the bank's current account for the purpose of redeeming matured FTE transaction.
- 4) Securities settlement value is the amount to be recredited into the Bank's securities account.

SAMPLE CALCULATION OF SBI REDEMPTION BEFORE MATURITY  
(EARLY REDEMPTION)

Series of SBI for early redemption	: IDBIXXX
Nominal	: Rp1,000,000,000,-
Weighted average (WA) of discounts at issuance	: 7.00%
Remaining time period of the SBI at early redemption	: 10 days

Formula for calculating excess prepaid discounts :

Nominal SBI x [ (remaining time period of SBI/360) x weighted average of SBI's discount) ]

Excess prepaid discounts for the SBI series redeemed early with 10 days remaining time period is :  
 $Rp1,000,000,000 \times [(10/360) \times 7\%] = Rp1,944.44.$