



MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
DIRECTORATE GENERAL OF BUDGET FINANCING AND RISK MANAGEMENT

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PRESS RELEASE

**Sovereign Sharia Securities or Sukuk Negara Auction Plan
On August 1, 2017**

Jakarta, July 25, 2017 - The Government will conduct a Sovereign Sharia Securities (SBSN) or Sukuk Negara Auction on August 1, 2017. The SBSN to be auctioned are SPN-S (Surat Perbendaharaan Negara - Syariah) and PBS (Project Based Sukuk) series to finance 2017 State Budget. Below are terms and conditions of the SBSN:

| Terms & Conditions | Sovereign Sharia Securities Series | | | | |
|--|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | SPN-S 02022018 (new issuance) | PBS013 (reopening) | PBS014 (reopening) | PBS011 (reopening) | PBS012 (reopening) |
| Maturity Date | February 2, 2018 | May 15, 2019 | May 15, 2021 | August 15, 2023 | November 15, 2031 |
| Coupon | At discount | 6.25000% | 6.50000% | 8.75000% | 8.87500% |
| Underlying Asset | Projects in State Budget 2017 and State Owned Assets | | | | |
| Auction Date | August 1, 2017 | | | | |
| Settlement Date | August 3, 2017 | | | | |
| Non-Competitive Allocation | 50% of the awarded | 30% of the awarded | | | |
| Indicative target | IDR6,000,000,000,000.00 | | | | |
| Registered Auction Participants | Bank: (1) PT. Bank Mandiri (Persero), Tbk (2) PT. Bank Rakyat Indonesia (Persero), Tbk (3) PT. Bank Negara Indonesia (Persero), Tbk (4) PT. Bank Permata, Tbk (5) PT. Bank Panin, Tbk (6) PT. Bank HSBC Indonesia (7) PT. Bank OCBC NISP, Tbk (8) Standard Chartered Bank (9) PT. Bank CIMB Niaga, Tbk (10) PT. Bank Maybank Indonesia, Tbk (11) Citibank N.A (12) PT. Bank Negara Indonesia Syariah (13) PT. Bank Central Asia, Tbk (14) Deutsche Bank AG (15) PT. Bank BNP Paribas Indonesia (16) PT. Bank Syariah Mandiri (17) PT. Bank BRISyariah Securities Companies: (1) PT. Danareksa Sekuritas (2) PT. Mandiri Sekuritas (3) PT. Trimegah Sekuritas Indonesia, Tbk (4) PT. Bahana Sekuritas | | | | |

The auction will be held using the auction system organized by the Central Bank of Indonesia (BI) as SBSN Auction Agent. It is an open auction using multiple price method. Basically, all parties, individual or institutional investors, can subscribe their bids. But the bids shall be submitted through Registered Auction Participants authorized by Ministry of Finance.

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The Registered Auction Participants, Bank Indonesia, and Deposit Insurance Corporation can submit their bids with reference to the Minister of Finance Regulation number 05/PMK.08/2012 on the Issuance and the Selling of Sovereign Sharia Securities in the Domestic Primary Market by Auction Method as amended by Minister of Finance Regulation number 20/PMK.08/2017.

The auction winner who's submitting the competitive bids will pay according to the proposed yield. The auction winner who's submitting non competitive bids will pay according to the weighted average yield of the awarded competitive bids. The Government has the right to sell the SBSN series more or less than the indicative amount.



The auction will be opened on Tuesday, August 1, 2017 at 10.00 a.m. and closed at 12.00 a.m. The result will be announced on the same day. Settlement will be held on, August 3, 2017 or 2 working days after the auction date (T+2). The regulation about the auction, including settlement calculation are stated in the Finance Minister Regulation number 05/PMK.08/2012 on the Issuance and the Selling of Sovereign Sharia Securities in the Domestic Primary Market by Auction Method as amended by Minister of Finance Regulation number 20/PMK.08/2017.

SPN-S will be issued using Wakalah structure, based on Fatwa National Sharia Board – Indonesian Council of Ulama (DSN-MUI) number 95/DSN-MUI/VII/2014. PBS series will be issued using Ijarah Asset to be Leased structure, based on Fatwa DSN-MUI number 76/DSN-MUI/VI/2010.

The underlying asset for SPN-S and PBS is in the form of State Owned Assets (BMN) which is approved by the House of Representative and has met the requirements stated in Article 2 section 4 of the Minister of Finance Regulation number 56/PMK.08/2012 on the Management of Sovereign Sharia Securities Originated From The State Owned Assets, and in the form of projects/activities listed in 2017 State Budget which has been approved by the House of Representatives on Law Number 18 Year 2016 about State Budget Fiscal Year 2017 Article 24.

The issuer of SBSN is Perusahaan Penerbit SBSN Indonesia which is a legal entity established based on Law Number 19 year 2008 on Sovereign Sharia Securities and by Government Regulation number 57 year 2008.

Further Information:

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