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PRESS RELEASE

Republic of Indonesia Successfully Issues JPY 104.8 billion 4-tranche Samurai Bond and Inaugural Blue Bonds Through Public Samurai Bond Shelf Program

Jakarta/Tokyo Friday - On May 19, 2023, the Republic of Indonesia (the "Republic") successfully tapped the Samurai Bond market with a deal totalling JPY104.8 billion consisting of 3-year, 5-year, 7-year and 10-year fixed-rate tranches. This is Rol's nine consecutive year accessing the Samurai Bond market, since 2015.

All the Bond terms are;

Series	RIJPY0526B (New Issuance)	RIJPY0528B (New Issuance)	RIJPY0530** (New Issuance)	RIJPY0533** (New Issuance)
Expected Bond rating	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)			
Tenor	3-year	5-year	7-year	10-year
Issue size	JPY46.9 bn	JPY37.2 bn	JPY14.7 bn	JPY6 bn
Coupon	0.74%	0.98%	1.2%	1.43%
Re-offer Spread over TONA Yen Mid Swap (YMS)*	YMS+60bps	YMS+72bps	YMS+80bps	YMS+85bps
Pricing Date	May 19, 2023			
Settlement Date	May 26, 2023			
Maturity Date	May 26, 2026	May 26, 2028	May 24, 2030	May 26, 2033

* TONA Yen Mid Swap (YMS) is a new JPY fixed rate benchmark swap rate based on Tokyo Overnight Average Rate (TONA), used post cessation of JPY LIBOR at the end of 2021.

** Blue Bonds

In this issuance the Republic also, priced debut Blue Bonds in 7-year and 10-year tenors totaling JPY 20.7 billion (the "Bonds") through a Public Samurai Bond Issuance. This issuance displays the Indonesian Government's commitment towards sustainable financing, especially to attain the Sustainable Development Goals (SDGs), and is simultaneously a significant achievement for blue financing. This issuance of Blue Bonds is also in line with the Government's financing strategy to diversify financing instruments as well as to widen the investor basis.



This issuance of Blue Bonds refers to the SDGs Government Securities Framework (SDGs Framework) issued by the Government in 2021, which has obtained Second Party Opinion from CICERO and IISD. Before the issuance, the Republic held a group presentation to introduce SDGs Framework and Blue Financing Policy to the Japanese investors. This Blue Bonds issuance transaction in the Japanese market has received excellent response from the investors.

The proceed from this issuance will be used to finance the budget deficit in 2023 and the Republic intends to invest an amount equal to the net proceeds from the issuance of the Bonds into projects that may qualify as “Eligible Expenditures” under the Republic’s SDGs Framework. The eligible sectors are tracked by Climate Budget Tagging mechanism to tag its Eligible SDGs Expenditures with Blue Focus.

This issuance of Blue Bonds is supported by the Coordinating Ministry for Maritime Affairs and Investment, Ministry of National Development Planning/National Development Planning Agency (Bappenas) Ministries/Agencies that have underlying projects, and the United Nations Development Programme (UNDP).

" The issuance of Blue Bonds will complete the State Budget’s financing portfolio and evidences the Government’s stronger commitment to sustainable financing. Not only that, we also hope that the issuance of Blue Bonds will open other blue financing alternatives for Indonesia," said Suminto, the Director General of Budget Financing and Risk Management, the Ministry of Finance.

“We positively welcome the issuance of the world’s premiere Sovereign Blue Bonds under the International Capital Market Association (ICMA) Principles. This successful issuance is inseparable from the close synergy between the Coordinating Ministry of Maritime and Investment Affairs, National Development Planning/Bappenas, and the related Technical Ministeries in preparing for the issuance of Samurai Blue Bonds. We hope that this issuance of Samurai Blue Bonds will be one of the blue financing best practices shown in Indonesia’s chairmanship in ASEAN and the High Level Meeting of Archipelagic and Island States Forum (AIS Forum) at the end of 2023,” said Jodi Mahardi, Deputy for Maritime Sovereignty and Energy Coordination, the Deputy Minister for Maritime Sovereignty and Energy Coordination.

“Indonesia has again display its commitment towards sustainable financing, especially blue financing, that synergize balance between the economy and the ecology, as well as implements the sustainable use of marine resources while keeping in mind the environmental capacity and the attainment of SDGs. We hope that this issuance of Samurai Blue Bonds will accelerate the development of the maritime and marine sector in a better and more sustainable Blue Economy concept,” said Vivi Yulaswati, Deputy for Maritime Affairs and Natural Resources, Ministry of National Development Planning/Bappenas.

The Republic’s inaugural Blue Bond Offering further highlights its leadership in sustainable finance in the capital markets as the first Sovereign Blue Bond issuance that publicly offered in accordance with ICMA principles.

Daiwa Securities Co. Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd. and SMBC Nikko Securities Inc. were Joint Bookrunners of the Republic's Inaugural Blue Samurai Bond Offering.

*** Republic of Indonesia – SDGs Government Securities Framework & Second Party Opinion:
<https://www.djppr.kemenkeu.go.id/governmentsecuritiesframework> ***

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