



djppr

GOVERNMENT SECURITIES MANAGEMENT

Jan 7, 2025





2024 STATE BUDGET REALIZATION

Account (IDR Tn)	2023		2024					
	Audited	Growth (%)	Budget	Outlook (Sem Report)	Preliminary Realization (as of Des 2024)	% to Budget	% to Outlook	Growth (%)
Revenue	2,783.9	5.6	2,802.3	2,802.3	2,842.5	101.4	101.4	2.1
Tax Revenue	2,154.2	5.9	2,309.9	2,218.4	2,232.7	96.7	100.6	3.6
1. Tax	1,867.9	8.8	1,988.9	1,921.9	1,932.4	97.2	100.5	3.5
2. Costume and Excise	286.3	(9.9)	321.0	296.5	300.2	93.5	101.3	4.9
Non Tax Revenue	612.5	2.8	492.0	549.1	579.5	117.8	105.5	(5.4)
Grant	17.2	201.7	0.4	34.9	30.3	7,034.5	86.7	76.3
Expenditure	3,121.2	0.8	3,325.1	3,412.2	3,350.3	100.8	98.2	7.3
Central Government Expenditure	2,239.8	(1.8)	2,467.5	2,558.2	2,486.7	100.8	97.2	11.0
1. Line Ministries Spending	1,152.2	6.2	1,090.8	1,198.8	1,315.0	120.6	109.7	14.1
2. Non-Line Ministries Spending	1,087.6	(9.0)	1,376.7	1,358.4	1,171.7	85.1	86.2	7.7
Transfer to Region	881.4	8.0	857.6	854.0	863.5	100.7	101.1	(2.0)
Primary Balance	102.6	(238.5)	(25.5)	(110.8)	(19.4)	75.9	17.5	(118.9)
Surplus (Deficit)	(337.3)	(26.7)	(522.8)	(609.7)	(507.8)	97.1	83.3	50.6
<i>% to GDP</i>	<i>(1.61)</i>		<i>(2.29)</i>	<i>(2.70)</i>	<i>(2.29)</i>			
Financing	356.7	(39.6)	522.8	609.7	553.2	105.8	90.7	55.1

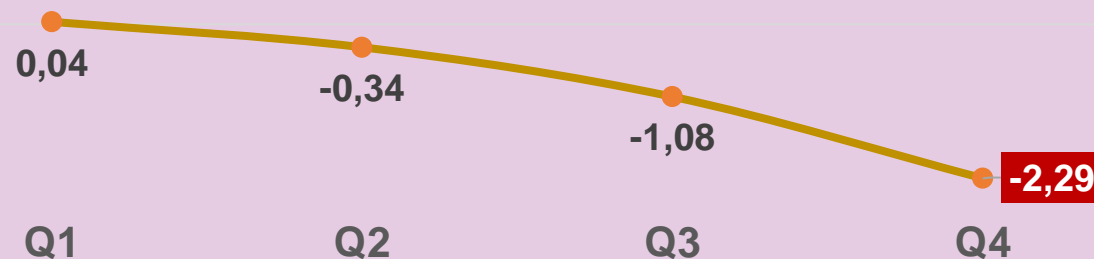


2024 BUDGET FINANCING

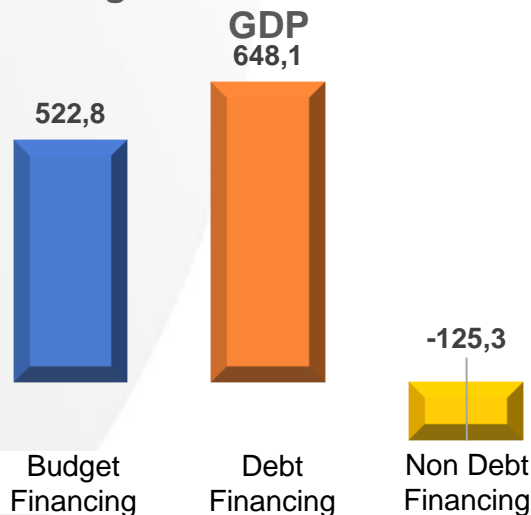
The deficit is well-controlled, with realization lower than the outlook

- The preliminary realization of the 2024 state budget deficit is maintained at 2.29% of GDP, significantly lower than the projected 2.70% of GDP in the Semester II Outlook.
- This achievement is supported by strong state revenue performance as well as efficient and productive spending aimed at supporting development agendas and optimizing the role of the state budget as a shock absorber in maintaining public purchasing power and economic stability.
- Although the realized deficit of 2.29% aligns with the budget target, debt financing could be reduced by IDR 91.5 trillion, supported by a well-managed debt financing mix and effective non-debt financing. Additionally, a budget surplus (SILPA) of IDR 45.4 trillion has been created, providing a buffer for the 2025 state budget.

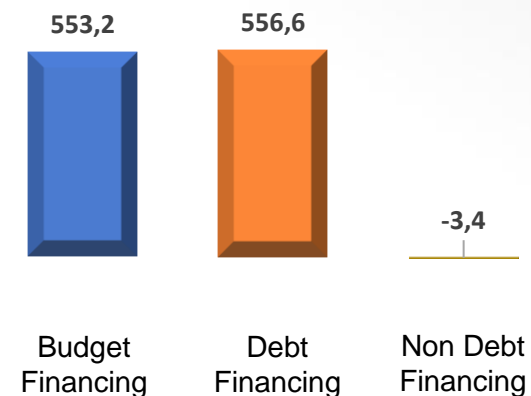
2024 Budget Deficit



Budget Deficit 2024: 2.29%



Budget Deficit Preliminary Realization 2024: 2,29% GDP





2025 FINANCING NEEDS & SOURCES

Financing Needs

2025 State Budget Deficit
(2.53% GDP)

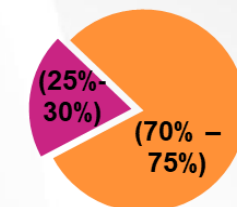


- Investment financing
- On Lending
- Guarantees
- Other financing
- Debt repayment

Financing Sources

Foreign Loan

Foreign
Currency
Bonds



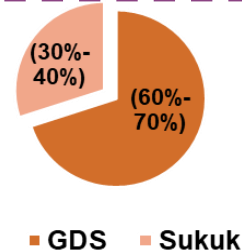
Domestic Loan

Domestic
Bonds



Gross Bonds
Issuance
(Auction & non auction)

2025
Matured
T-Bills
Issuance



2025 GS Issuances

Realization as of Jan 7, 2025 (Trillion IDR)

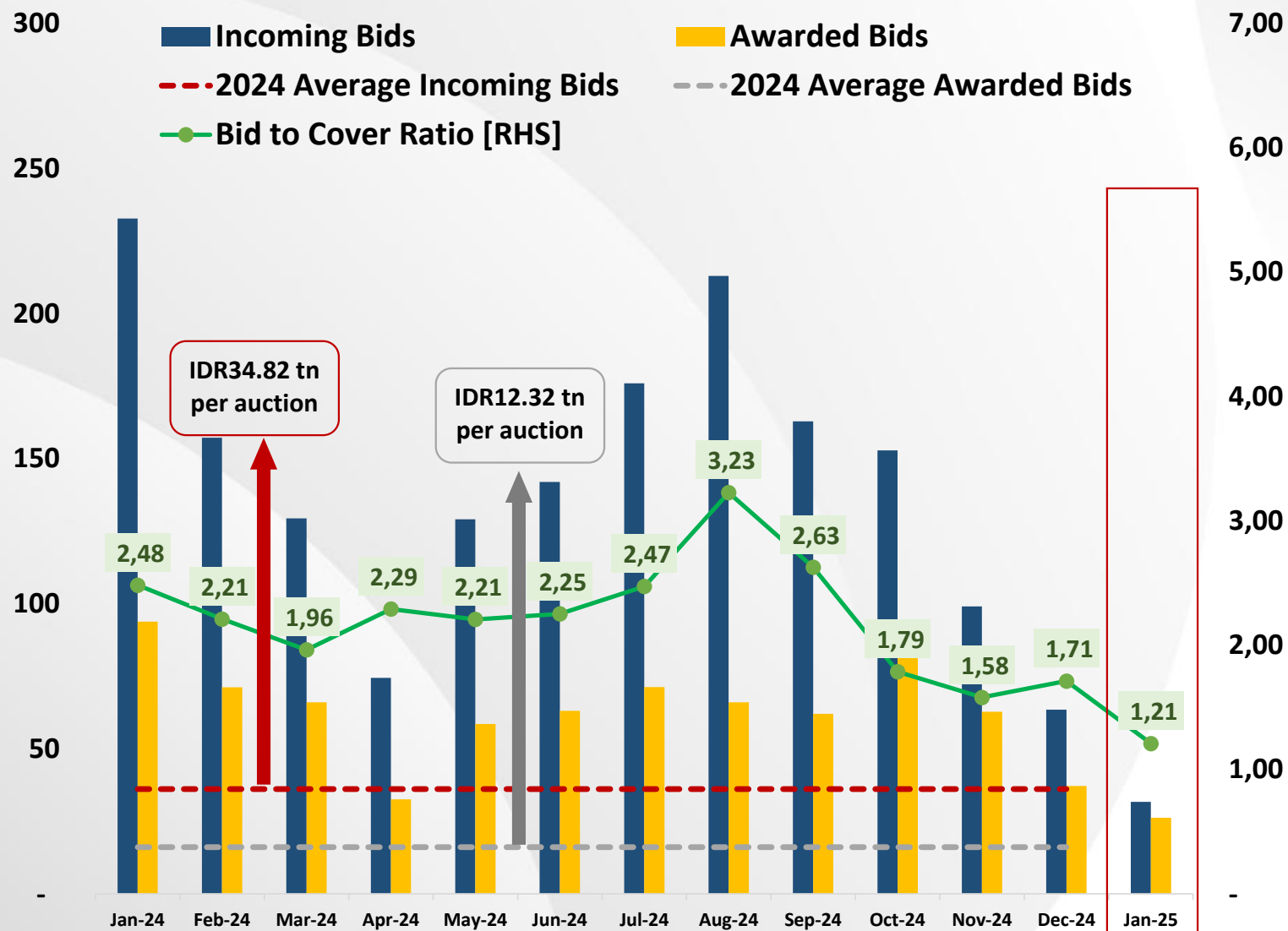
Government Debt Securities (SUN)	53.20
IDR Denominated	53.20
FX Denominated	0
Sovereign Sharia Securities (SBSN)	58.86
IDR Denominated	15.10
FX Denominated	43.76

Note: Realization of issuances including prefunding in 2024



PRIMARY MARKET PERFORMANCE 2024-2025

Government Securities (GS)



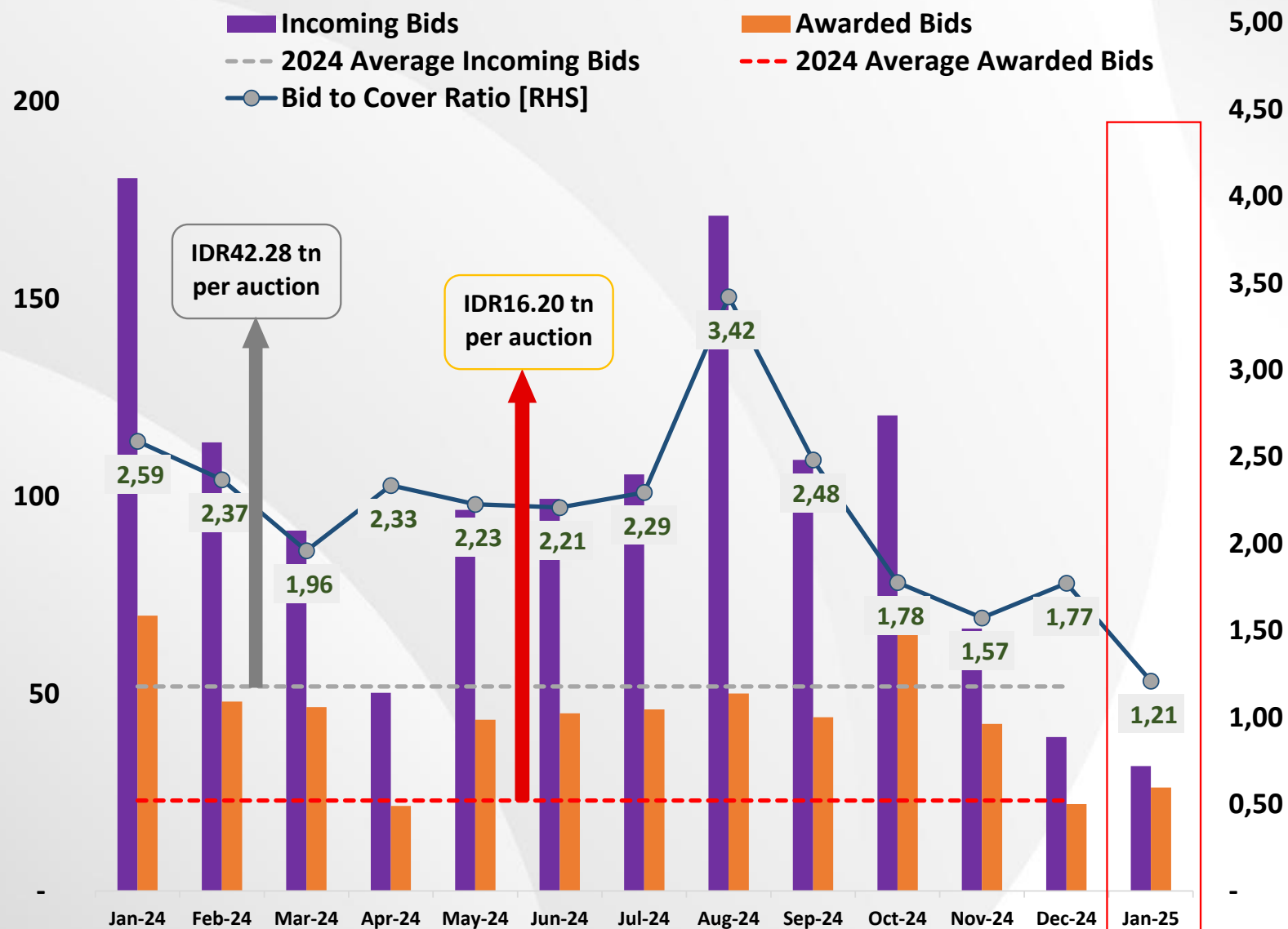
In 2025 :

- Average incoming bid is **IDR31.66tn/auction**
- Average awarded bid is **IDR26.20 tn/auction**



PRIMARY MARKET PERFORMANCE 2024-2025

Government Debt Securities (GDS)

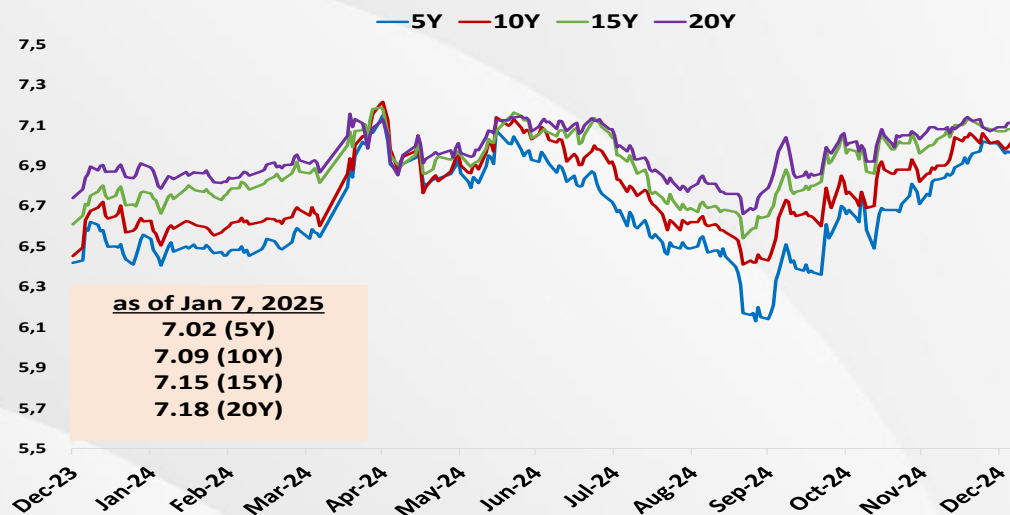


In 2025 :

- Average incoming bid is **IDR31.66tn/auction**
- Average awarded bid is **IDR26.20tn/auction**



Yields of Benchmark Series



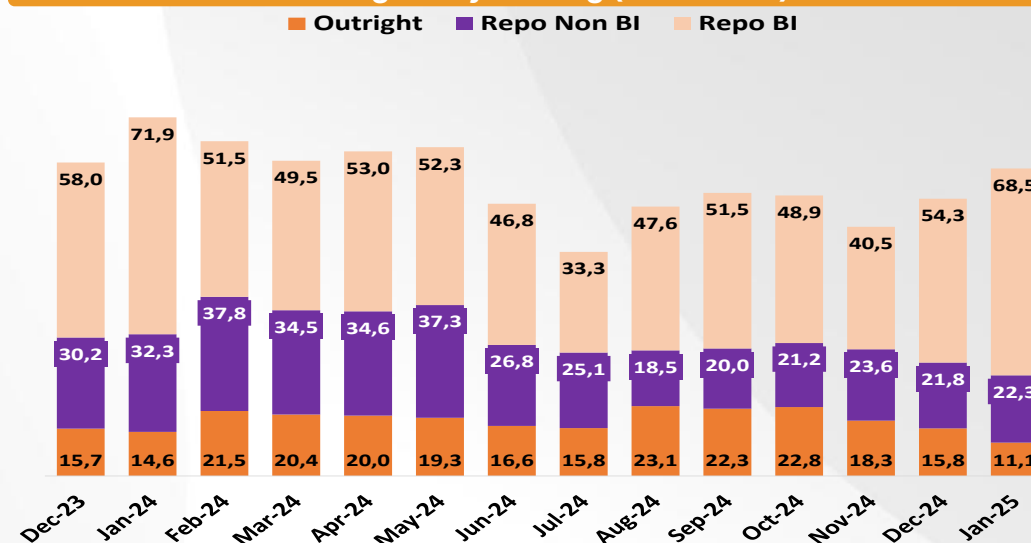
Source : BIPS

Peers 10y Govt Bonds' Yield

LCY 10 Year Government Bonds (a.o Jan 7, 2025)	Latest Yield (%)	Prev Day Change (in bps)	YTD Change (in bps)
CN	1,61	1,40	(6,40)
ID	7,14	7,30	13,80
JP	1,14	(0,10)	3,40
KR	2,79	(2,60)	(7,70)
MY	3,83	0,10	1,50
SG	2,98	(0,60)	12,50
TH	2,33	0,50	7,30
VN	2,98	0,40	1,30

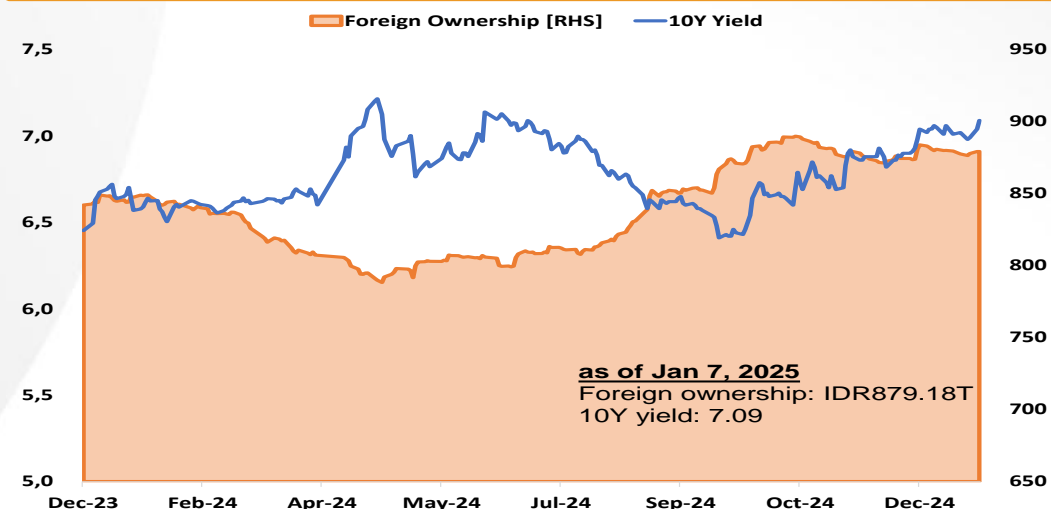
Source : Bloomberg

Average Daily Trading (IDR Trillion)



Source : BI-SSSS

Foreign Ownership V. 10Y Yield Movement



Source : BI-SSSS



OWNERSHIP OF TRADABLE DOMESTIC GS (as of 10 Dec 2024)

Description	Dec-20		Dec-21		Dec-22		Dec-23		Dec-24		Jan-25	
Banks*	1.375,57	35,54%	1.591,12	34,01%	1.697,43	31,97%	1.495,39	26,52%	1.051,40	17,41%	1.139,60	18,87%
Govt Institutions (Bank Indonesia**)	454,36	11,74%	801,46	17,13%	1.020,02	19,21%	1.095,51	19,43%	1.618,01	26,79%	1.525,55	25,26%
Bank Indonesia (gross)	874,88	22,60%	1.220,73	26,09%	1.453,58	27,38%	1.363,90	24,19%	1.486,85	24,62%	1.487,15	24,62%
GS used for Monetary Operation	420,51	10,86%	419,27	8,96%	433,57	8,17%	268,39	4,76%	(131,16)	-2,17%	(38,40)	-0,64%
Non-Banks	2.040,83	52,72%	2.286,40	48,87%	2.591,98	48,82%	3.048,51	54,06%	3.370,11	55,80%	3.374,37	55,87%
Mutual Funds	161,32	4,17%	157,93	3,38%	145,82	2,75%	177,80	3,15%	186,99	3,10%	186,98	3,10%
Insurance Company and Pension Fund	542,82	14,02%	655,24	14,00%	873,03	16,44%	1.041,40	18,47%	1.145,27	18,96%	1.145,73	18,97%
Foreign Holders	973,91	25,16%	891,34	19,05%	762,19	14,36%	842,05	14,93%	876,64	14,52%	879,18	14,56%
Foreign Govt's & Central Banks	178,31	4,61%	233,45	4,99%	203,11	3,83%	229,16	4,06%	257,36	4,26%	257,71	4,27%
Individual	131,21	3,39%	221,41	4,73%	344,30	6,48%	435,28	7,72%	542,50	8,98%	543,64	9,00%
Others	231,57	5,98%	360,47	7,70%	466,65	8,79%	551,98	9,79%	618,71	10,24%	618,84	10,25%
Total	3.870,76	100%	4.678,98	100%	5.309,43	100%	5.639,41	100%	6.039,52	100%	6.039,52	100%

66.03%

Portion of foreign ownership
in the mid & long term sector
(≥ 5 years)

IDR1,092.02

on January 24, 2020,
foreign holders reach a record
high in nominal terms

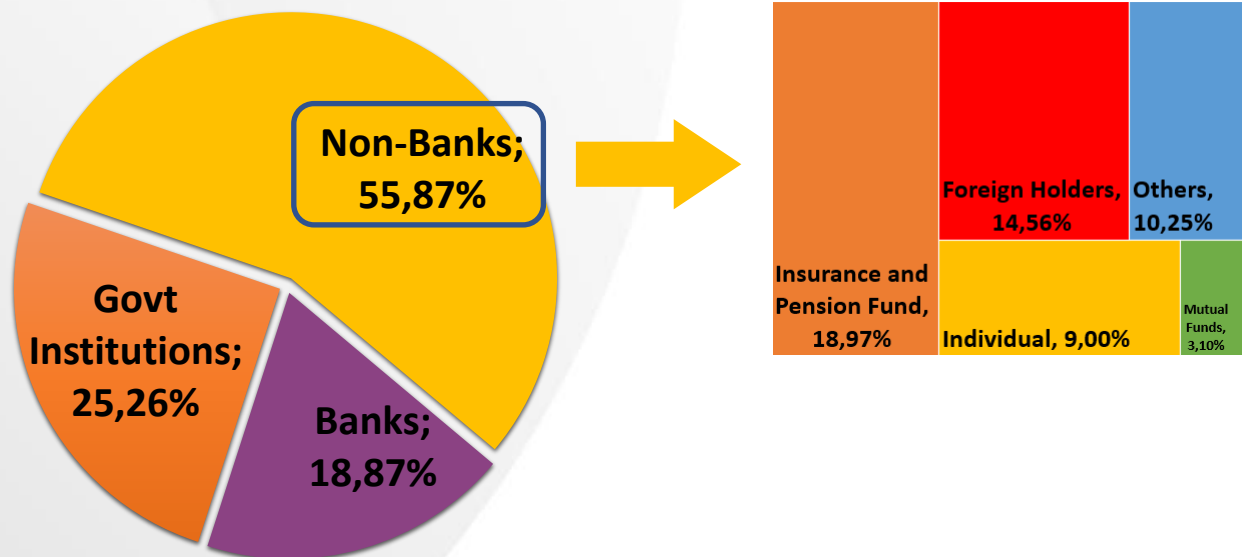
1) Non Resident consists of Private Bank, Fund/Asset Manager, Securities Company, Insurance Company, and Pension Fund.

2) Others such as Securities Company, Corporation, and Foundation.

*) Including the Government Securities used in monetary operation with Bank Indonesia.

**) net, excluding Government Securities used in monetary operation with Banks.

Source : SI-BISSSS

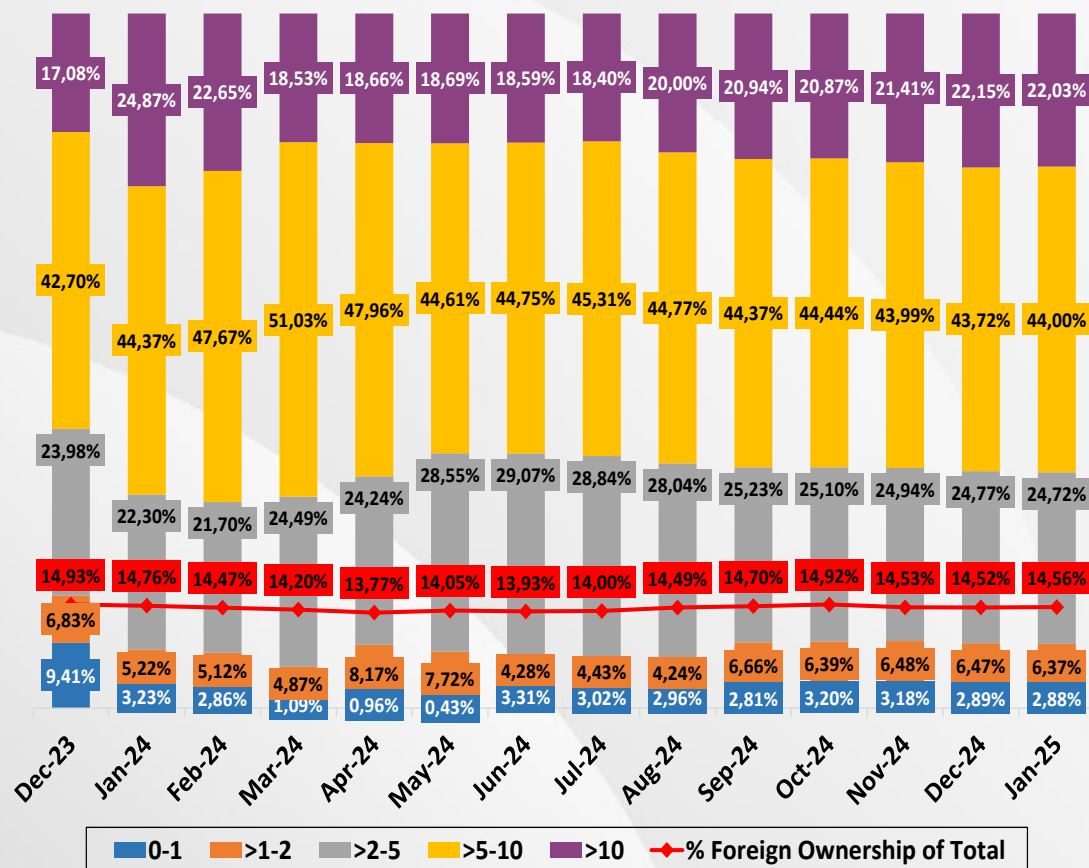




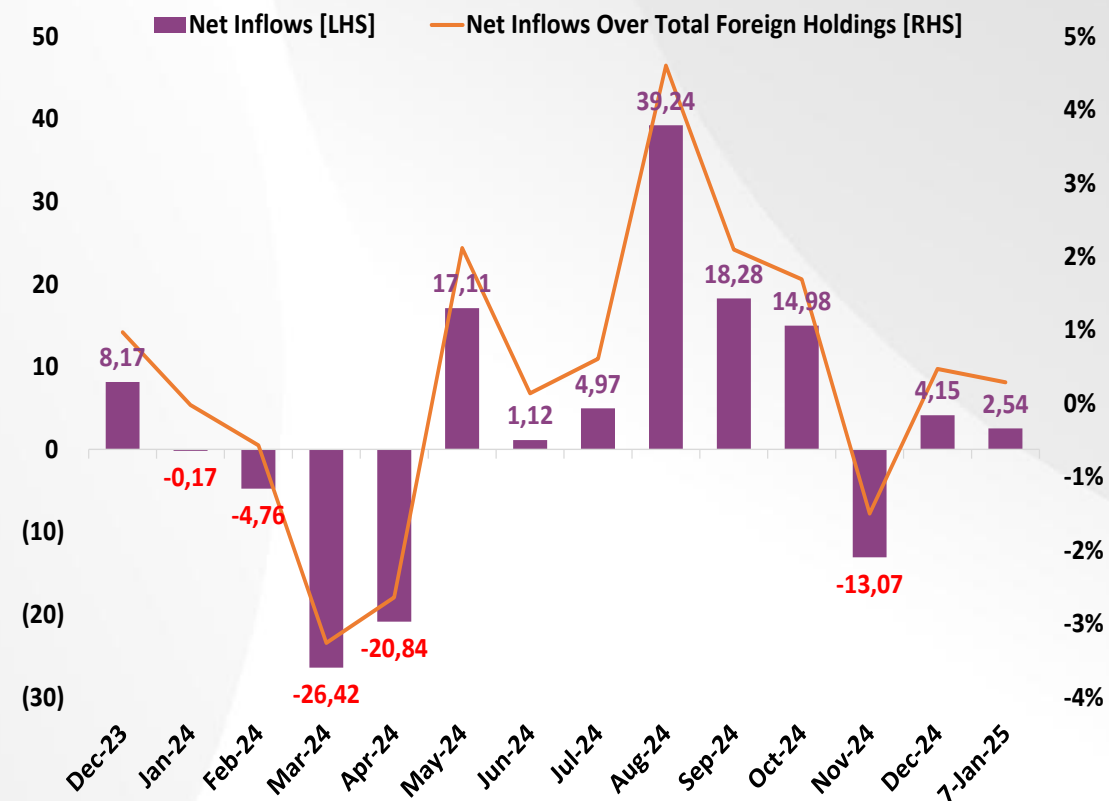
FOREIGN INVESTOR ACTIVITY

Foreign investor mostly dominated by high quality long term investor

Foreign Ownership - Proportion by Tenor



Monthly Net Buyer (Seller) - Non Resident





2025 GLOBAL SUKUK TRANSACTION SUMMARY (prefunding)

- ❖ The Republic of Indonesia (the "Republic") approached the markets for its second Sukuk issuance in 2024 and successfully priced a US\$ 2.75 billion Sukuk offering comprising of US\$ 1,100 million 5.5-year, US\$ 900 million 10-year, and a 30-year US\$ 750 million tranche.
- ❖ The transaction received positive response from investors since the start of bookbuilding, generating a combined final order book exceeding US\$ 5.5 billion reflecting an oversubscription of 2.0x. The transaction is priced at 5.0% for 5.5-year, 5.25% for 10-year, and 5.65% for 30-year tranche.
- ❖ Several notable achievements of this transaction include:
 - This marks the fourth time the Republic has accessed the USD debt capital markets, making it the sole Asian sovereign to successfully access the USD market four times throughout 2024 indicating sustained investor's interest in the Republic's issuance.
 - The final price represents the tightest ever print on a spread basis compared to U.S. Treasuries across the 10-year and 30-year tenors from the Republic for both its Conventional and Sukuk issuances historically.
 - The final order size is the largest USD issuance in ASEAN this year and helped the Republic raise a total of \$5.1 billion USD Sukuk Issuance, this marks the largest amount that the Republic has managed to raise in a single year via Sukus historically.
 - Higher allocation to investors from Middle East, Malaysia, and Brunei on the 5.5-year and 10-year tranche.

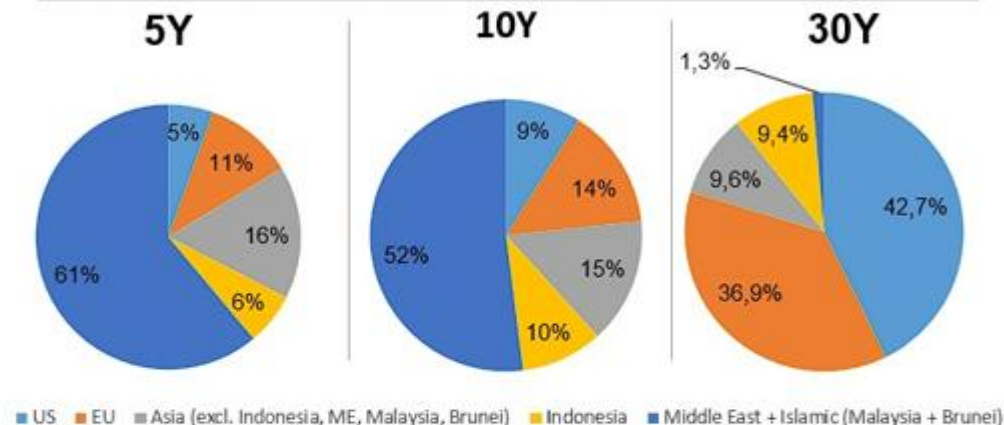
Issuer	Perusahaan Penerbit SBSN Indonesia III		
Issue Format	144A / Reg S / 3 (c) (7), Senior, Unsecured, <u>Wakala</u> US\$ Trust Certificate ("Sukuk") issued under a USD\$45 billion Trust Certificate Issuance Programme		
Issuer Ratings	Baa2 stable (Moody's) / BBB stable (S&P) / BBB stable (Fitch)		
Issue Ratings	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)		
Pricing Date	18 November 2024		
Issue Date	25 November 2024		
Tenor	5.5Y Sukuk	USD 10Y Sukuk	USD 30Y Sukuk
Maturity Date	25 May 2030	25 Nov 2034	25 Nov 2054
Tranche Size	USD 1.1 billion	USD 900 million	USD 750 million
Profit Rate	5.00% Fixed, Semi-annual, 30/360	5.25% Fixed, Semi-annual, 30/360	5.65% Fixed, Semi-annual 30/360
Re-Offer Price	100.00%	100.00%	100.00%
Reoffer Spread	UST + 72 bps	UST + 83.4 bps	UST + 103.8 bps
Reg S ISIN	USY68613AD30	USY68613AE13	USY68613AF87
144A ISIN	US71567TAD46	US71567TAE29	US71567TAF93
Use of Proceeds	The Obligor will use the net proceeds it receives from the issue of Certificates to meet part of its general financing requirements		
Other Details	USD200k/1k denoms., English / Indonesian Law		
Listing	Singapore Exchange Securities Trading Limited and Nasdaq Dubai		
Joint Bookrunners	Deutsche Bank, Dubai Islamic Bank, J.P. Morgan, KFH Capital, Standard Chartered Bank (B&D)		
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk		

Confidential

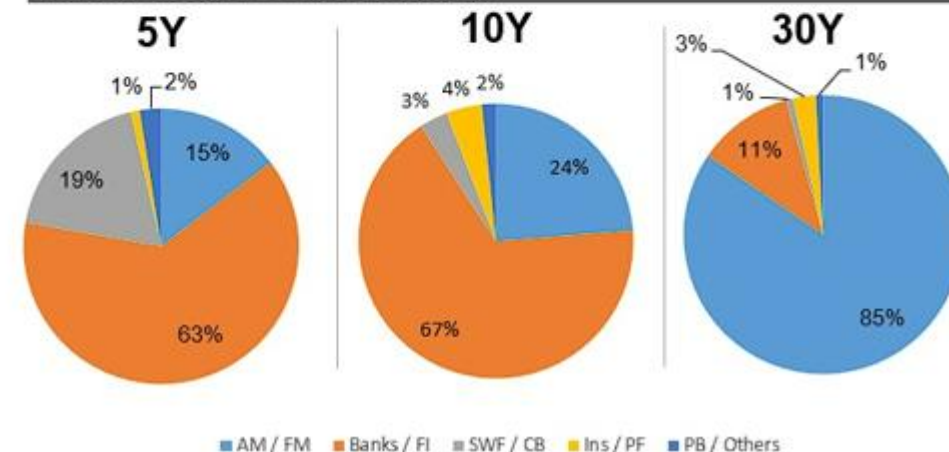
ORDERBOOK DISTRIBUTION

5-Year USD	10-Year USD	30-Year USD
US\$ 2.09bn+ From 108 accounts	US\$ 2.05bn+ From 94 accounts	US\$ 1.41bn+ From 78 accounts

INVESTORS BY GEOGRAPHY (ALLOCATION)



INVESTORS BY TYPE (ALLOCATION)



SOLID POLICY COORDINATION IN MANAGING FINANCIAL MARKETS VOLATILITY



The enactment of Law No. 9/2016 regarding Prevention and Mitigation of Financial System Crises as a legal foundation for the government to serve at the time of financial crisis in the form of Financial System Stability Committee (KSSK)



KSSK members: the Ministry of Finance, Bank Indonesia, the Financial Services Authority, and the Deposit Insurance Corporation



- Most important provisions stipulated in the Law:
- Financial system stability monitoring and maintenance by KSSK members
 - based on crisis management protocol of each member;
 - Prevention of financial system crisis, including the mitigation of
 - systemically important bank's liquidity and solvency problems;
 - Recovery Plan for Systemically Important Banks
 - Bank Restructuring Program

Gov't Securities CMP Level

NORMAL

NORMAL
AWARE

NORMAL
ALERT

SUSPECTED
CRISIS

Gov't Securities Crisis Management Protocol (CMP)

Indicators:

- Yield of benchmark series
- Exchange rate
- Jakarta Composite Index
- Foreign ownership in government securities

Policies to address the crisis at every level :

- Repurchase the government securities at secondary market
- Postpone or stop the issuance

Bond Stabilization Framework

First Line of Defense	
State's Budget	<ul style="list-style-type: none"> • Buyback fund at DG of Budget Financing and Risk Management • Investment fund at Public Service Agency (BLU) (min. level Normal Aware)
State Owned Enterprises (BUMN)'s Budget	Related SOEs (min. level Normal Aware)
State Owned Enterprises (BUMN)'s Budget	Related SOEs (min. level Normal Aware)
First Line of Defense	
State's Budget	<ul style="list-style-type: none"> • State General Treasury Account (Rekening KUN) (min. level Normal Alert) • Accumulated cash surplus (SAL) (min. Level Suspected Crisis)

THANK YOU



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Direktorat Jenderal Pengelolaan Pembiayaan dan Risiko
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