Newsletter PEFINDO
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PEFINDO CREDIT RATING AGENCY

World Oil Price Hike and Its Impact To Indonesia

Preliminary

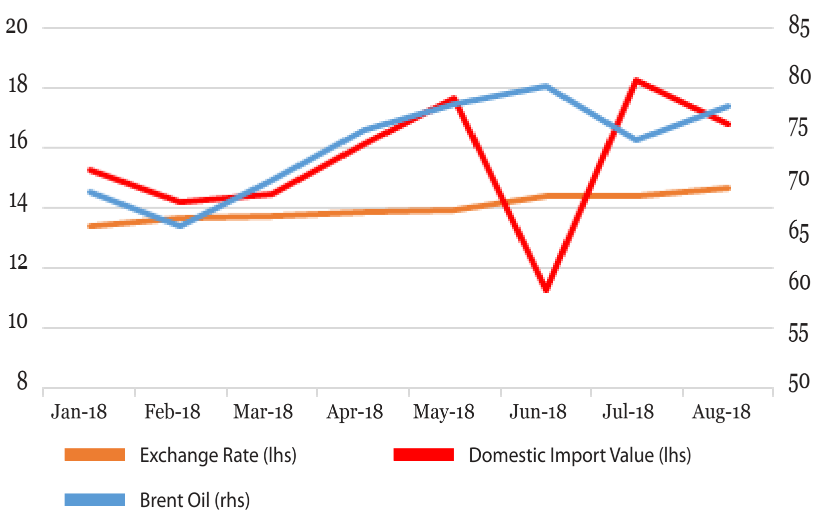
PEFINDO views that world oil price hike has a potential to burden domestic economy going forward. Beside it will drive APBN deficit hike, probably it will also drive import value hike and enhance Current Account Deficit (CDA), which will bring negative impact to exchange rate of rupiah and could probably encourage a moral hazard in domestic economy.

Burden Increase to State Budget (APBN)

On October 3, 2018, World Oil Price (Brent) reached its highest price since 2015, i.e. USD86.74 per barrel. Fear of decreasing world oil supply along with the sanction imposed by USA to Iran triggered price expectation to a higher level. Furthermore, based on British Petroleum 2017 data, it was stated that Iran could produce about 12.63% of OPEC's total production, or about 3 million barrels per day or equal to 3% of global oil consumption.

Although in the fourth week of October 2018, Brent oil price started to stabilize at under USD80 per barrel, Brent oil price has averaged on USD73.22 per barrel since the beginning of the year (January until October 2018). Meanwhile, Indonesian Government, as recorded on APBN 2018, assumed that Brent oil price was only at USD55 per barrel (*Nota Keuangan APBN 2018*). Certainly, it will impact on increasing APBN this year. As we have known, government expenditure plan on APBN 2018 was about IDR2,220 trillion. From that expenditure, there was also a budget for energy subsidy (oil and gas) worth of IDR46.86 trillion.

Chart 1. Brent Oil Price (USD/Barel), Exchange Rate IDR/USD (Thousand Rupiah), and Domestic Import Value (USD Billion)



Source: Investing, BI, and BPS (2018)

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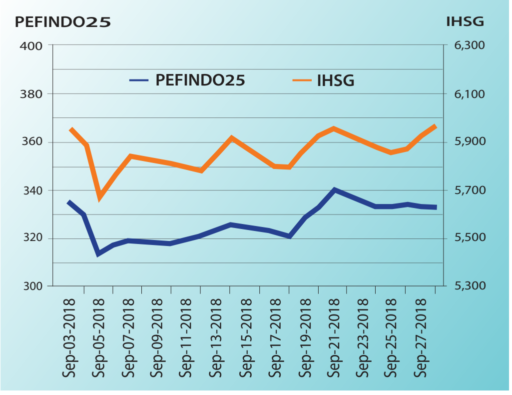


Aulia Ikhsan
ECONOMIC RESEARCH ANALYST

Based on *Peraturan Presiden* No. 191 Year 2014, the government has only subsidized fuel oil for certain types since 2014, which were kerosene and diesel fuel CN 48. During January until August 2018, subsidized fuel oil has been consumed up to 10 million kilo liters with details consumption for diesel fuel CN 48 and kerosene of 9.7 million kilo liters and 346 thousand kilo liters, respectively. Furthermore, premium gasoline, which was not subsidized fuel oil by the government based on that regulation, had been consumed 5.23 million kilo liters since January 1, 2018 up to August 27, 2018.

Driven by global oil price hike and exchange rate, it is not surprising if on October 10, 2018, the government through the Ministry of Energy and Mineral Resources (*Kementerian ESDM*) increased a non-subsidy fuel price. However, among the non-subsidy fuel oil price increased by the government, premium gasoline was the only one that did not experience any price hike. The price of premium gasoline was still in the range of IDR6,400–7,000 per liter. In the same time, Director of ReforMiner Institute, Komaidi Notonegoro (2018), said that fair price of premium gasoline at this moment is around IDR8,500 per liter.

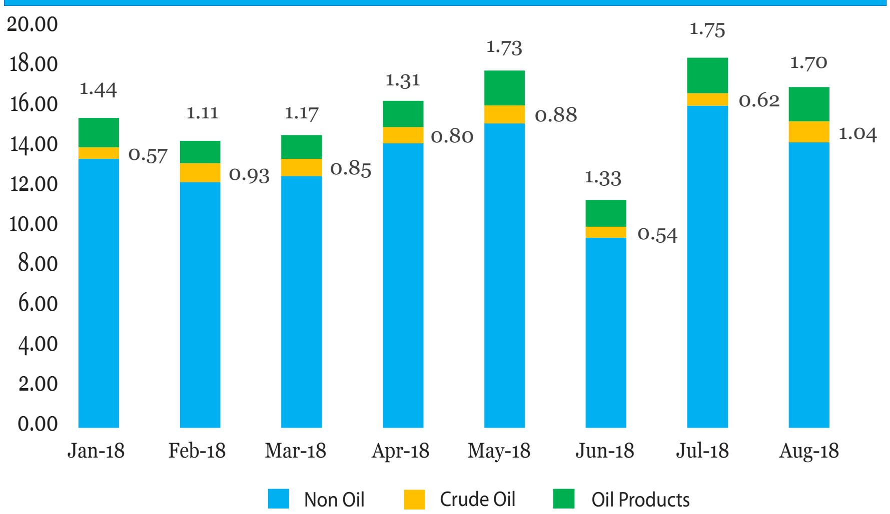
Therefore, assuming a simple calculation of the price difference and total consumption at this moment, it will occur an additional subsidy worth of IDR15.5 trillion for domestic energy sector this year. It will seem to be enough to give a pressure on APBN, mainly when interest rate of government debt securities was also higher than the previous year.

Import Value Hike and Increasing Current Account Deficit

In the same time, Rupiah depreciation and US dollar strengthening against all global currencies certainly will drive domestic oil import hike. Indonesia's import of oil products in the period of January–August 2018 reached about USD11,531 million (*Badan Pusat Statistik*/BPS). It equals to IDR190,269 trillion using a middle rate of USD/IDR every month. It has taken 8.57% portion of government expenditure plan on APBN 2018 or 14.6% of realization of the government expenditure plan up until August 2018.

On other side, if the difference between actual and fair price of premium gasoline worth of IDR15.5 trillion could not be covered by energy subsidy in APBN 2018, it will probably be a burden on current account that will ultimately boost Indonesia current account deficit. It was due to the fact that the government has to increase oil import to meet domestic consumption of premium gasoline. Based on BPS data, during January–August 2018, proportion of Indonesia import of oil and gas was 29.16% of total import (112,603 thousand tons). Meanwhile, Indonesia current account deficit, according to Indonesia Central Bank (BI) data, reached USD13,745 million in the first half of 2018.

Chart 2. Composition of Oil Import to Indonesia Total Import Value (USD Billion)



Source: Monthly Social-Economy Data Report (BPS) (2018)

Conclusion

Therefore, according to us, the problem of world oil price hike will be a dilemma. It is due to the difference between actual and fair price of premium gasoline that has to be covered by subsidy so Indonesia current account deficit in 2018 does not increase. However, relatively large subsidy has a potential to burden APBN. Moreover, the difference between actual and fair price of premium gasoline is also possible to become a moral hazard, i.e. people will change their consumption to premium gasoline because premium gasoline has the cheapest price among other non-subsidy fuel oils. ●

PEFINDO
CREDIT RATING AGENCY

Stable Outlook:
For Pulp and Paper Industry

Emanuel Paco Tan
CORPORATE RATING ANALYST

We view the outlook of Indonesia's pulp and paper industry as stable in the near to medium term. The industry has been growing at a significant rate for the past two years, driven by domestic and international demand for tissue paper and paper-based packaging. Growing demand, combined with tight supply, has seen the pulp price increase significantly since 2016, and we expect it to remain high in the near term. Although the growth of paper for newsprint, printing, and writing, which is one of pulp's main derivatives, has slowed due to digitalization and remained stagnant in the past two years, we are of the view that the pulp and paper industry will keep growing in the near to medium term. Based on United Nations' Food and Agriculture Organization (FAO) data, the 10-year compound annual growth rates (CAGR) for the consumption of newsprint, printing and writing paper, household and sanitary paper, and wrapping, packaging paper and paper board for 2006-2016 were -4.6%, -1.2%, 2.8%, and 2.3%, respectively.

Indonesia is one of the largest producers of hardwood (short-fiber) pulp in the world in terms of capacity, mostly contributed by the Sinarmas Group. In 2017, with the operation of PT Oki Pulp and Paper Mills (OPPM), a Sinarmas Group company with annual pulp production capacity of 2.8 million tons, Indonesia's annual capacity increased to 10.7 million tons. OPPM has the lowest cash cost of hardwood pulp producers in the world due to the use of the latest production technology. We are of the view that the Sinarmas Group will progressively upgrade its companies' production technology to obtain lower cash costs, thus enabling the Group to offer a more competitive price in the export market. Based on FAO data, excluding Indonesia, the world's annual chemical pulp production capacity in 2017 increased by 3.1 million tons, 61.3% from Brazil. Even though the world's pulp production capacity increased in 2017, the pulp price kept growing due to stronger demand for pulp and its derivative products, especially tissue paper and paper-based packaging. According to Chinese Pulp Bleached Hardwood Kraft Pulp Price Index, pulp price has increased around 54.9% to USD753 per ton at the end of 2017 from USD486 per ton in third quarter of 2016.

We are of the view that tissue paper demand will grow steadily in the long term. It is less sensitive to economic cycles because it is not easily replaceable by a substitute product, as it is low priced, easy to use, hygienic, and environmental friendly. Historically, demand has grown steadily, even during economic slowdowns. Going forward, we are of the view that the tissue paper industry will grow around 5% annually, and in the domestic market consumption will keep increasing in the long term. Indonesia's tissue paper consumption is still considerably lower than other ASEAN countries such as Malaysia, China, Hong Kong, and Japan. As Indonesia is an emerging country, demand will keep growing, given the high population with low consumption per capita and improving purchasing power. In the export market, we are of the view that demand in China, which is the world's largest tissue paper producer, will remain strong due to its low consumption of 6 kilograms per capita, compared to the US (22 kilograms per capita), Europe (11 kilograms), and Japan (14 kilograms). As China's economy continues to grow and Chinese consumer behavior is changing, we are of the view that tissue paper consumption there will keep growing in the near to medium term.

We are of the view that paper-based packaging demand will grow significantly in the domestic and international market, especially in China. Although digitalization has slowed the use of newsprint, printing and writing paper, it has created strong demand for paper-based packaging due to the emergence of e-commerce. For the last five years, e-commerce in Indonesia has increased significantly along with e-payment systems and logistics, which support e-commerce sales. Paper-based packaging materials, such as corrugated cardboard boxes, are largely used to pack the products sold by e-commerce companies. We are also of the view that pulp exports to China will grow rapidly due to the shortage of recycled paper and waste paper, as the Chinese government banned waste paper imports in 2017 to improve environmental issues. As waste paper, the raw material for paper-based packaging, is no longer available, the demand for pulp has increased significantly from Chinese paper mills. In 2016, China imported 27 million tons of waste paper, according to the Bureau of International Recycling. Paper-based packaging consumption in China (48 kilograms per capita) is low compared to the US (129 kilograms), Japan (90 kilograms), and Europe (69 kilograms). Paper-based packaging demand growth is also supported by growth in the fast food industry (food grade paper-based packaging) and the manufacturing industry (high quality cardboard boxes).

We have identified several challenges in the pulp and paper industry. All pulp and paper producers will be exposed to the volatility of product prices and raw material costs, which are highly related to global commodity prices. Although most raw material needs can be sourced domestically at low cost, there are risks that the supply may not be sustainable due to factors such as unfavorable weather conditions and environmental issues. Any increase in reliance on costlier external sources for raw material needs may diminish pulp and paper producer cost competitiveness and put pressure on their profit margins, especially when product prices weaken. We also consider the pulp and paper industry capital intensive, given the large capital expenditure needs for machinery and factory equipment, which are majorly financed by debt and, in turn, result in high financial leverage for the majority of Indonesian pulp and paper producers. Thus, producers are challenged to maintain good profitability and cash flow to service debt repayments, especially during unfavorable external factors such as sudden raw material shortages, increases in operating costs, lengthening receivables collection, decreases in pulp price, and others.

Financial Transparency and Accountability of Local and Regional Governments (LRGs):

Better, But Still Needs To Improve

M. Try Satria Pranata
MUNICIPAL ANALYST

On October 2, 2018, the Audit Board of the Republic of Indonesia (Badan Pemeriksa Keuangan RI or BPK RI) published the Summary of Examination Report (Ikhtisar Hasil Pemeriksaan Semester or IHPS) of the first half of 2018. According to the IHPS, BPK RI as the constitutional audit board issued the summary of the audit opinion of all LRG's financial statements (Laporan Keuangan Pemerintah Daerah or LKPD) for the budget year of 2017. In general view, it could be seen as the improvement of the financial transparency and accountability as resulted from the improvement of BPK RI's opinion on LKPDs.

In the budget year of 2017, there were 542 LRGs that were required to submit the LKPD. BPK RI managed to audit all of these LRGs and issued the unqualified opinion to 411 LRGs (76%), the qualified opinion to 113 LRGs (21%), and the disclaimer opinion to 18 LRGs (3%). These opinions showed improving result compared to the previous year. In the budget year of 2016, BPK RI managed to audit 537 out of 542 LRGs and issued the unqualified opinion to 375 LRGs (70%), the qualified opinion to 139 LRGs (26%), and the disclaimer opinion to 23 LRGs (4%).

According to the level of LRGs, there were 33 out of 34 provincial governments (97%) that received the unqualified opinion, with the exception of North Maluku Province (the qualified opinion). As for the regency/city governments, there were 378 out of 508 regencies/cities (74%) that received the unqualified opinion, 112 regencies/cities (22%) with the qualified opinion, and 18 regencies/cities (4%) with the disclaimer opinion.

Supported by regulatory framework

The improvement of BPK RI's opinion on LKPDs of 2017 budget year was supported by a regulatory framework that conducts the climate of financial transparency and accountability of LRGs. It was a mandate from the Article 31 of Act No. 17 Year 2003 concerning the State Finance, in which the Head of LRG is required to publish the accountability report of the local budget (Anggaran Pendapatan dan Belanja Daerah or APBD) administration in the form of LKPD that has been audited by BPK RI, no later than six months after the budget year ends.

The Act 17/2003 also regulates that to prepare a LKPD, LRG should refer to the Government Accounting Standard (Standar Akuntansi Pemerintahan or SAP), prepared by an independent standard committee. The SAP is stipulated in the Government Regulation (GR) No. 24 Year 2005, which was amended by the GR No. 71 Year 2010. The latest GR mandates all level of government entities in Indonesia must apply the accrual-based accounting standard (previously cash-towards-accrual based standard). In addition, there is also the Minister of Home Affairs (MoHA) Regulation No. 64 Year 2013, which provides guidance for LRGs in implementing the accrual-based accounting policies.

The LKPD preparation must also go through the internal control, which is regulated in the GR No. 60 Year 2008 concerning Government Internal Control System (Sistem Pengendalian Intern Pemerintah or SPIP). According to this, every head of LRG is responsible for the effectiveness of the implementation of SPIP, which is supported by the Government Internal Control Officer (Aparat Pengendalian Intern Pemerintah or APIP) as the executing agency of internal controls of LRGs. Every level of the LRGs must have an APIP, called as the Local Inspectorate.

In addition, based on the Act No. 14 Year 2008 concerning Public Information Disclosure, LKPD is categorized as information that must be provided and announced periodically. This provision ensures that the LKPD that has been audited by BPK RI must be accessible to public to reassure the good governance, transparent, and accountable LRG administration.

Inhibited by LRG's management cultures

Although it is supported by adequate regulatory framework, the LRG's management culture also determines the implementation of transparency and accountability at each LRG. Based on IHPS, we noted that there were still many BPK RI's audit findings, related to the weakness of SPIP (6,222 problems; on average of 11 problems for each LRG) and non-compliance with regulations (6,558 problems; on average of 12 problems for each LRG).

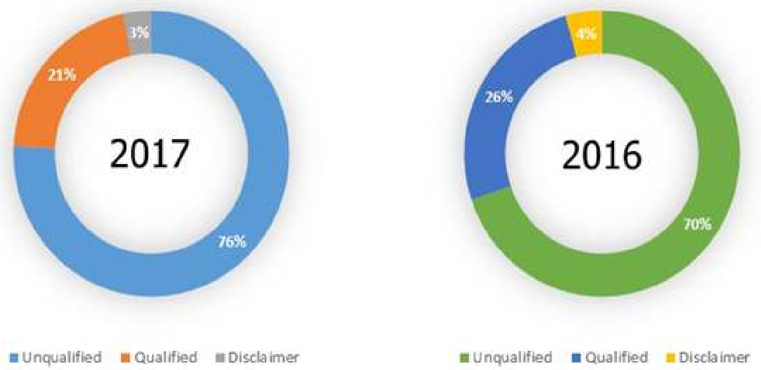
On the other hand, there are other data that could be used as an evaluation of LRG's management culture. One of them was corruption case occured in the LRGs. Based on statistics of corruption cases issued by the Corruption Eradication Commission (Komisi Pemberantasan Korupsi or KPK), there were 358 out of 781 corruption cases occurred at LRGs in 2004-2018, or 45.83% of all corruption cases in all level of government entities. The corruption cases occurred in LRG itself in 2018 were 78 cases, increased from 68 cases in 2017.

Although there are still many things that could illustrate the LRG's management culture, these three factors (the weakness of SPIP, the non-compliance with regulations, and the corruption cases) are major examples of management cultures that inhibit the improvement of financial transparency and accountability of LRGs. It was the homework of the head of LRG and relevant stakeholders to improve the management culture.

Better, but still needs to improve

The improvement of BPK RI's audit opinion, based on adequate regulatory framework, was an indication – though not the only one – for improvement of financial transparency and accountability of LRGs. However, there are still many things that need to be improved, especially related to the management cultures. Therefore, the head of LRG must consistently and sustainably implement the principles of good governance.

Figure 1. BPK RI's Opinion on LKPD of FY 2017 and FY 2016



Source: BPK RI's IHPS I 2018

PEFINDO
CREDIT RATING AGENCY

PEFINDO Update - Multi Finance Industry Development

On October 17, 2018, PEFINDO held an event titled PEFINDO Update - Multi Finance Industry Development.

This event was attended by 9 journalists from 8 medias. The main topic of this event is Development of Multi Finance Industry. Another topic that PEFINDO also covered is the effect of Rupiah weakening and increment of interest rate to the financial sector and to the rating. The speakers at this event were Ms. Vonny Widjaja as Rating Director, Hendro Utomo who was the Head of the Division of Financial Institutions, and Niken Indriarsih of the Corporate Rating Division.

This event was also to convey press release covering 3 entities in the financial sectors.

Address: Panin Tower Senayan City Lt. 17, Jl. Asia Afrika Lot 19, Jakarta 10270, INDONESIA
Phone : (021) 72782380 | Fax : (021) 72782370 | Homepage : www.pefindo.com

Weak Performance

Amid Exchange Rate Pressures

Ahmad Nasrudin
ECONOMIC RESEARCH ANALYST

We view that there is still headwind for emerging market (EM) bonds with the biggest pressure coming from US interest rates hike, strengthening US dollar, and trade war.

Negative external sentiment, the Fed Fund Rate (FFR) hike, and the trade war, exacerbated the debt market in Asia. Singapore, Malaysia, and Thailand reported that the benchmark 10 year yields increased around 25-50 bps so far this year (see table). More severe performances were experienced by a number of countries with high current account deficits, such as the Philippines and Indonesia. In the Philippines, the yield on 10-year government bonds has increased by 154 bps year to date. While in Indonesia, the increase reached 226 bps, citing data from Bloomberg.

The current account deficit exacerbated exchange rate movements. In the first half of 2018, the Philippines' current account deficit reached USD0.8 billion while reached USD13.7 billion in Indonesia, based on data from Bank Indonesia. This condition depressed the exchange rate, in which the Peso depreciated by around 7.88% YTD, slightly more fortunate than the Rupiah (12.11% YTD).

A sharp exchange rate depreciation made a capital gain, when translated into United States (US) dollars, it was no longer attractive. This has caused many foreign investors to exit the government bond market in both countries. In Indonesia, foreign investors booked net sales worth of IDR15.7 trillion during the period ended on October 25, 2018 and made the percentage of ownership slumped from a record of 41.5% as of January 01, 2018 to 37.0% as of October 25, 2018.

We view that there is still headwind for emerging market (EM) bonds with the biggest pressure coming from US interest rates hike, strengthening US dollar, and trade war. Despite opposition from Trump, it seems that the Fed will take a policy stance to raise interest rate by 2-3 times in 2019. For December 2018, the Bloomberg consensus believes 70% that there will be an FFR increase. Most fixed-income analysts do not see the 10-year U.S. Treasury yield rising beyond 3.25 percent, and expect the Fed to slow its rate hikes next year. If recent trends continue, however, the outflow of EM assets and currencies could become a rout and a growing burden for countries that have a high proportion of their external debt denominated in US. dollars.

The escalation and impact of the trade war will be more intense, both the United States and China are most likely to seek alternative markets for their products, putting further pressure on countries with large trade deficits, such as Indonesia. Combined with strengtened US dollar, it will worsen emerging market's currency.

Country	Govt' 10-Year Yield (%)	YTD Change (Bps)
Japan	0.111	7
South Korea	2.276	26
Hong Kong	2.332	66
Singapore	2.512	53
New Zealand	2.548	(16)
Australia	2.611	(1)
Thailand	2.834	53
China	3.530	(33)
Malaysia	4.134	25
India	7.872	56
Philippines	7.950	154
Indonesia	8.517	226
Pakistan	11.901	184

Source: Bloomberg as of October 25, 2018

companies & bonds rated by PEFINDO

PEFINDO
CREDIT RATING AGENCY

September 30, 2018

No	Company	Rating	Outlook
1	**Adhi Karya (Persero) Tbk.**	idA-	Stable
	Shelf Registration Bond Year 2012, 2013, and 2017	idA-	-
2	**Adhi Persada Properti**	idBBB	Negative
	MTN Year 2017	idBBB	-
3	**Adira Dinamika Multi Finance Tbk.**	idAAA	Stable
	Shelf Registration Bond Year 2013, 2014, 2015, 2016, 2017, and 2018	idAAA	-
	Shelf Registration Sukuk Mudharabah Year 2016, 2017, and 2018	idAAA(sy)	-
4	**Adonai Pialang Asuransi**	idBBB	Stable
5	**Agung Podomoro Land Tbk.**	idA-	Stable
	Shelf Registration Bond Year 2014 and 2015	idA-	-
6	**AKR Corporindo Tbk.**	idAA-	Positive
	Bond Year 2012	idAA-	-
	Shelf Registration Bond Year 2017	idAA-	-
7	**Andalan Finance Indonesia**	idA-	Stable
8	**Aneka Tambang Tbk.**	idA-	Stable
	Shelf Registration Bond Year 2011	idA-	-
9	**Angkasa Pura I (Persero)**	idAAA	Stable
	Bond Year 2016	idAAA	-
	Sukuk Ijarah Year 2016	idAAA(sy)	-
10	**Angkasa Pura II (Persero)**	idAAA	Stable
	Bond Year 2016	idAAA	-
11	**Asahimas Flat Glass Tbk.**	idA	Stable
12	**ASDP Indonesia Ferry (Persero)**	idAA	Stable
13	**Astra Sedaya Finance**	idAAA	Stable
14	**Asuransi Bangun Askrida**	idA+	Stable
15	**Asuransi Bhakti Bhayangkara**	idBBB	Stable
16	**Asuransi Binagriya Upakara**	idBBB+	Stable
17	**Asuransi Bringin Sejahtera Artamakmur**	idA	Stable
18	**Asuransi Central Asia**	idA+	Stable
19	**Asuransi Jiwa Inhealth Indonesia**	idAA	Stable
20	**Asuransi Kredit Indonesia (Persero)**	idAA+	Stable
21	**Asuransi Sinar Mas**	idAA+	Stable
22	**Asuransi Tri Pakarta**	idA-	Stable
23	**Asuransi Tugu Kresna Pratama**	idBBB+	Stable
24	**Asuransi Umum BCA**	idAA	Stable
25	**Bali Towerindo Sentra Tbk.**	idBBB+	Stable
	MTN Year 2017	idBBB+	-
26	**Bank BNI Syariah**	idAA+	Stable
27	**Bank BRI Syariah Tbk.**	idAA+	Stable
28	**Bank Bukopin Tbk.**	idA-	Stable
	Shelf Registration Subordinated Bond Year 2012	idBBB+	-
	Shelf Registration Subordinated Bond Year 2015 and 2017	idBBB	-
29	**Bank Capital Indonesia Tbk.**	idBBB+	Stable
	Subordinated Bond Year 2014, 2015, and 2017	idBBB-	-
30	**Bank Central Asia Tbk.**	idAAA	Stable
	Shelf Registration Subordinated Bond Year 2018	idAA	-
31	**Bank CIMB Niaga Tbk.**	idAAA	Stable
	Shelf Registration Bond Year 2013, 2016, 2017, and 2018	idAAA	-
32	**Bank Danamon Indonesia Tbk.**	idAAA	Stable
33	**Bank DKI**	idAA-	Stable
	Shelf Registration Bond Year 2016	idAA-	-
34	**Bank Kesejahteraan Ekonomi**	idBBB+	Negative
	Subordinated Bond Year 2016	idBBB-	-
35	**Bank Mandiri (Persero) Tbk.**	idAAA	Stable
	Shelf Registration Bond Year 2016, 2017, and 2018	idAAA	-
	Subordinated MTN Year 2018	idAA	-
36	**Bank Mayapada Internasional Tbk.**	idA-	Negative
	Subordinated Bond Year 2013	idBBB+	-
	Subordinated Bond Year 2014 and 2018	idBBB	-
	Shelf Registration Subordinated Bond Year 2017	idBBB	-
37	**Bank Maybank Indonesia Tbk.**	idAAA	Stable
	Shelf Registration Bond Year 2017 and 2018	idAAA	-
	Shelf Registration Subordinated Bond Year 2011 and 2012	idAA+	-
	Shelf Registration Subordinated Bond Year 2014 and 2016	idAA	-
	Shelf Registration Sukuk Mudharabah Year 2016 and 2017	idAAA(sy)	-
38	**Bank Mega Tbk.**	idA+	Stable
39	**Bank Muamalat Indonesia Tbk.**	idA	Credit Watch with Negative Implication
	MTN Syariah Year 2017	idA(sy)	-
	Subordinated MTN Syariah Year 2017	idBBB+(sy)	-
40	**Bank Negara Indonesia (Persero) Tbk.**	idAAA	Stable
	Shelf Registration Bond Year 2017	idAAA	-
	Subordinated MTN Year 2018	idAA	-
41	**Bank OCBC NISP Tbk.**	idAAA	Stable
	Shelf Registration Bond Year 2016, 2017, and 2018	idAAA	-
42	**Bank Pan Indonesia Tbk.**	idAA	Stable
	Shelf Registration Bond Year 2016 and 2018	idAA	-
	Shelf Registration Subordinated Bond Year 2012	idAA-	-
	Shelf Registration Subordinated Bond Year 2016, 2017, and 2018	idA+	-
43	**Bank Panin Dubai Syariah Tbk.**	idA+	Stable
44	**Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.**	idAA-	Stable
	Shelf Registration Bond Year 2017 and 2018	idAA-	-
	Shelf Registration Subordinated Bond Year 2017	idA	-
45	**Bank Pembangunan Daerah Jawa Tengah**	idAA-	Stable
	Subordinated Bond Year 2015	idA	-
	MTN Year 2017	idAA-	-
	MTN Syariah Mudharabah Year 2017	idAA-(sy)	-
46	**Bank Pembangunan Daerah Jawa Timur Tbk.**	idA+	Stable
47	**Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara**	idA	Stable
48	**Bank Pembangunan Daerah Nusa Tenggara Timur**	idA	Negative
49	**Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat**	idA+	Stable
	Shelf Registration Bond Year 2016	idA+	-
	Sukuk Mudharabah Year 2016	idA+(sy)	-
50	**Bank Pembangunan Daerah Sumatera Barat (Bank Nagari)**	idA	Stable
	Subordinated Bond Year 2012	idA-	-
	Bond Year 2015	idA	-
	Sukuk Mudharabah Year 2015	idA(sy)	-
51	**Bank Permata Tbk.**	idAAA	Stable
	Shelf Registration Subordinated Bond Year 2013	idAA+	-
	Shelf Registration Subordinated Bond Year 2014	idAA	-
	Subordinated Bond Year 2012	idAA+	-
52	**Bank Rakyat Indonesia (Persero) Tbk.**	idAAA	Stable
	Shelf Registration Bond Year 2015, 2016, 2017, and 2018	idAAA	-
	Subordinated Bond Year 2018	idAA	-
53	**Bank Rakyat Indonesia Agroniaga Tbk.**	idAA	Stable
	Bond Year 2017	idAA	-
54	**Bank Resona Perdania**	idAA-	Stable
	MTN Year 2016	idAA-	-
55	**Bank Sahabat Sampoerna**	idA	Stable
56	**Bank Sumitomo Mitsui Indonesia**	idAAA	Stable
	MTN	idAAA	-
57	**Bank Sumut**	idA	Stable
	Shelf Registration Subordinated Bond Year 2018	idBBB+	-
58	**Bank Syariah Mandiri**	idAA+	Stable
	Sukuk Subordinated Mudharabah Year 2016	idAA-(sy)	-
59	**Bank Tabungan Negara (Persero) Tbk.**	idAA+	Stable
	Bond Year 2010 and 2011	idAA+	-
	Shelf Registration Bond Year 2012, 2013, 2015, 2016, and 2017	idAA+	-
60	**Bank Victoria International Tbk.**	idA-	Stable
	Subordinated Bond Year 2012 and 2013	idBBB+	-
	Shelf Registration Bond Year 2017 and 2018	idA-	-
	Shelf Registration Subordinated Bond Year 2017 and 2018	idBBB	-
61	**Bank Woori Saudara Indonesia 1906 Tbk.**	idAA+	Stable
	Subordinated Bond Year 2012	idAA	-
62	**Barata Indonesia (Persero)**	idBBB	Stable
	MTN Year 2017	idBBB	-
63	**Batavia Prosperindo Finance Tbk.**	idBBB	Stable
	Shelf Registration Bond Year 2017 and 2018	idBBB	-
64	**BCA Finance**	idAAA	Stable
	Shelf Registration Bond Year 2016	idAAA	-
65	**Bio Farma (Persero)**	idAAA	Stable
	MTN Year 2018	idAAA	-
	MTN Syariah Mudharabah Year 2018	idAAA(sy)	-
66	**Brantas Abipraya (Persero)**	idBBB+	Stable
67	**Bukaka Teknik Utama Tbk.**	idBBB+	Stable
68	**Bumi Serpong Damai Tbk.**	idAA-	Stable
	Shelf Registration Bond Year 2012 and 2016	idAA-	-
69	**Bussan Auto Finance**	idAA	Stable
	Bond Year 2017 and 2018	idAA	-
70	**Century Tokyo Leasing Indonesia**	idAA-	Stable
	MTN Year 2016	idAAA(cg)	-
71	**Chandra Asri Petrochemical Tbk.**	idAA-	Stable
	Bond Year 2016	idAA-	-
	Shelf Registration Bond Year 2017 and 2018	idAA-	-
72	**Chandra Sakti Utama Leasing**	idA	Stable
	Bond Year 2017	idA	-
73	**CIMB-Principal Asset Management**	idA-	Stable
74	**Clipan Finance Indonesia Tbk.**	idAA-	Stable
	MTN Year 2018	idAA-	-
75	**CSM Corporatama**	idBBB+	Stable
76	**Danareksa (Persero)**	idA	Stable
	Shelf Registration Bond Year 2014	idA	-
77	**Express Transindo Utama Tbk.**	idSD	-
	Bond Year 2014	idD	-
78	**Fast Food Indonesia Tbk.**	idAA	Stable
	Bond Year 2016	idAA	-
79	**Federal International Finance**	idAAA	Stable
	Shelf Registration Bond Year 2016, 2017, and 2018	idAAA	-
80	**Finansia Multi Finance**	idBBB+	Stable
	MTN Year 2017	idBBB+	-
81	**Garuda Indonesia (Persero) Tbk.**	idBBB+	Stable
82	**Global Mediacom Tbk.**	idA+	Negative
	Shelf Registration Bond Year 2017	idA+	-
	Shelf Registration Sukuk Ijarah Year 2017	idA+(sy)	-
83	**Graha Informatika Nusantara**	idBBB	Stable
	MTN Year 2016	idBBB	-
84	**Hakaaston**	idBBB+	Stable
	MTN Year 2018	idBBB+	-
85	**Hartadinata Abadi Tbk.**	idA-	Stable
86	**Hutama Karya (Persero)**	idA-	Positive
	Bond Year 2013	idA-	-
	Shelf Registration Bond Year 2016 and 2017	idAAA(gg)	-
87	**Impack Pratama Industri Tbk.**	idA-	Negative
	Bond Year 2016	idA-	-
88	**Indofood Sukses Makmur Tbk.**	idAA+	Stable
	Bond Year 2014 and 2017	idAA+	-
89	**Indomobil Finance Indonesia**	idA	Stable
	Shelf Registration Bond Year 2015, 2016, 2017, and 2018	idA	-
90	**Indonesia Infrastructure Finance**	idAAA	Stable
	Bond Year 2016	idAAA	-
91	**Indonesia Power**	idAAA	Stable

No	Company	Rating	Outlook
92	**Indosat Tbk.**	idAAA	Stable
	Bond Year 2012	idAAA	-
	Sukuk Ijarah Year 2012	idAAA(sy)	-
	Shelf Registration Bond Year 2014, 2015, 2016, 2017, and 2018	idAAA	-
	Shelf Registration Sukuk Ijarah Year 2014, 2015, 2016, and 2017	idAAA(sy)	-
93	**Industri Kereta Api (Persero)**	idA-	Negative
	MTN Year 2017	idA-	-
94	**INKA Multi Solusi**	idBBB+	Stable
	MTN Syariah Mudharabah Year 2017	idBBB+(sy)	-
95	**Intiland Development Tbk.**	idBBB+	Stable
	Bond Year 2016	idBBB+	-
96	**J Resources Nusantara**	idA	Stable
	MTN Year 2017 and 2018	idA	-
97	**Jakarta Lingkar Baratsatu**	idA+	Stable
	Bond Year 2018	idA+	-
98	**Jasa Marga (Persero) Tbk.**	idAA	Stable
	Bond Year 2010	idAA	-
	Shelf Registration Bond Year 2014	idAA	-
99	**Jasa Raharja (Persero)**	idAAA	Stable
100	**Kereta Api Indonesia (Persero)**	idAAA	Stable
	Bond Year 2017	idAAA	-
101	**KIK EBA (Asset Backed Securities)**		
	KIK EBA Danareksa BTN - KPR BTN Class A	idAAA	-
	KIK EBA Danareksa Indonesia Power PLN 1-Class A EBA	idAAA(sf)	-
	KIK EBA Mandiri JSMR01 Class A	idAAA(sf)	-
	KIK EBA Mandiri GIAA01 Class A EBA	idAA+(sf)(cg)	-
	EBA-SP SMF-BTN01 Class A	idAAA	-
	EBA-SP SMF-BTN02 Class A	idAAA	-
	EBA-SP SMF-BTN03 Class A	idAAA	-
	EBA-SP SMF-BTN04 Class A	idAAA	-
	EBA-SP SMF-BMRI01 Class A	idAAA	-
102	**Kimia Farma (Persero) Tbk.**	idAA-	Stable
	MTN Year 2017 and 2018	idAA-	-
103	**Lautan Luas Tbk.**	idA-	Stable
	Shelf Registration Bond Year 2017	idA-	-
104	**Lembaga Pembiayaan Ekspor Indonesia**	idAAA	Stable
	Shelf Registration Bond Year 2011, 2014, 2015, 2016, 2017, and 2018	idAAA	-
	MTN Year 2016	idAAA	-
	Shelf Registration Sukuk Mudharabah Year 2018	idAAA(sy)	-
105	**Lembaga Penjamin Simpanan**	idAAA	Stable
106	**Lontar Papyrus Pulp and Paper Industry**	idA+	Stable
	MTN Year 2017	idA+	-
107	**Mandala Multifinance Tbk.**	idA	Stable
	Shelf Registration Bond Year 2018	idA	-
108	**Mandiri Tunas Finance**	idAA+	Stable
	Shelf Registration Bond Year 2015, 2016, and 2017	idAA+	-
109	**Marga Lingkar Jakarta**		
	Bond Year 2017	idAAA(sf)	-
110	**Maskapai Reasuransi Indonesia Tbk.**	idAA-	Stable
111	**Mayora Indah Tbk.**	idAA	Stable
	Bond Year 2012	idAA	-
	Shelf Registration Bond Year 2017 and 2018	idAA	-
112	**Medco Energi Internasional Tbk.**	idA+	Stable
	Shelf Registration Bond Year 2016, 2017, and 2018	idA+	-
	MTN Year 2016	idA+	-
113	**Medco Power Indonesia**	idA	Stable
	Bond Year 2018	idA	-
	Sukuk Wakalah Year 2018	idA(sy)	-
114	**Mitra Adiperkasa Tbk.**	idAA	Stable
	Shelf Registration Bond Year 2014	idAA	-
115	**Mitra Bisnis Keluarga Ventura**	idBBB+	Stable
116	**Mitsubishi UFJ Lease & Finance Finance**		
	MTN Year 2015 and 2016	idAAA(cg)	-
117	**MNC Guna Usaha Indonesia**		
	MTN Year 2017 and 2018	idBBB(cg)	-
118	**MNC Kapital Indonesia Tbk.**	idBBB	Stable
	Shelf Registration Bond Year 2018	idBBB	-
119	**MNC Pictures**	idBBB+	Stable
	MTN Syariah Ijarah Year 2018	idA+(sy)(cg)	-
120	**Modernland Realty Tbk.**	idA-	Stable
	Shelf Registration Bond Year 2015	idA-	-
121	**Mora Telematika Indonesia**	idA	Stable
	Bond Year 2017	idA	-
122	**NH Korindo Sekuritas Indonesia**	idA	Stable
123	**Nindya Karya (Persero)**	idBBB+	Stable
	MTN Year 2017	idBBB+	-
124	**Nippon Indosari Corpindo Tbk.**	idAA-	Stable
	Shelf Registration Bond Year 2015	idAA-	-
125	**Nusa Surya Ciptadana**	idA-	Stable
126	**Oto Multiartha**	idAA+	Stable
	Bond Year 2017 and 2018	idAA+	-
127	**Pabrik Gula Rajawali I**	idA-	Stable
	MTN Year 2018	idA-	-
128	**Panorama Sentrawisata Tbk.**	idA-	Stable
	MTN Year 2018	idA-	-
129	**Pegadaian (Persero)**	idAAA	Stable
	Bond Year 2009	idAAA	-
	Shelf Registration Bond Year 2011, 2012, 2013, 2014, 2015, 2017, and 2018	idAAA	-
	MTN Syariah Mudharabah Year 2018	idAAA(sy)	-
130	**Pelabuhan Indonesia I (Persero)**	idAA	Stable
	Bond Year 2016	idAA	-
131	**Pelabuhan Indonesia IV (Persero)**	idAA	Stable
	Bond Year 2018	idAA	-
132	**Pembangunan Jaya Ancol Tbk.**	idAA-	Negative
	Shelf Registration Bond Year 2016 and 2018	idAA-	-
133	**Pembangunan Perumahan (Persero) Tbk.**	idA+	Stable
	Shelf Registration Bond Year 2015 and 2018	idA+	-
	Perpetual Bond	idA-	-
134	**Penjaminan Infrastruktur Indonesia (Persero)**	idAAA	Stable
135	**Perikanan Nusantara (Persero)**	idBBB-	Stable
	MTN Year 2017	idBBB-	-
136	**Perkebunan Nusantara III (Persero)**	idA	Stable
137	**Perkebunan Nusantara X**	idBBB	Stable
138	**Permodalan Nasional Madani (Persero)**	idA	Stable
	Shelf Registration Bond Year 2014, 2016, 2017, and 2018	idA	-
	Sukuk Mudharabah Year 2017	idA(sy)	-
	MTN Year 2018	idA	-
139	**Perum Jaminan Kredit Indonesia (Jamkrindo)**	idAA+	Stable
140	**Perum Lembaga Penyelenggara Pelayanan Navigasi Penerbangan Indonesia**	idAAA	Stable
141	**Perum Perikanan Indonesia**	idBBB	Stable
	MTN Year 2017	idBBB	-
142	**Perum Perumnas**	idBBB+	Stable
	MTN Year 2015, 2016, and 2017	idBBB+	-
143	**Perusahaan Gas Negara Tbk.**	idAAA	Stable
144	**Perusahaan Listrik Negara (Persero)**	idAAA	Stable
	Bond Year 2006, 2007, and 2010	idAAA	-
	Shelf Registration Bond Year 2013, 2017, and 2018	idAAA	-
	Sukuk Ijarah Year 2010	idAAA(sy)	-
	Shelf Registration Sukuk Ijarah Year 2013, 2017, and 2018	idAAA(sy)	-
145	**Perusahaan Perseroan (Persero) Telekomunikasi Indonesia Tbk.**	idAAA	Stable
	Bond Year 2010	idAAA	-
	Shelf Registration Bond Year 2015	idAAA	-
	MTN Year 2018	idAAA	-
	MTN Syariah Ijarah Year 2018	idAAA(sy)	-
146	**Phapros Tbk.**	idA-	Stable
	MTN Year 2017	idA-	-
147	**Pindad (Persero)**	idA-	Stable
	MTN Year 2017	idA-	-
148	**PP Properti Tbk.**	idBBB	Stable
	MTN Year 2016	idBBB	-
	Bond Year 2016	idBBB	-
149	**Radana Bhaskara Finance Tbk.**	idBBB-	Credit Watch with Negative Implication
	MTN Year 2016, 2017, and 2018	idBBB-	-
	MTN Syariah Mudharabah Year 2017	idBBB-(sy)	-
150	**Rajawali Nusantara Indonesia (Persero)**	idBBB+	Stable
	MTN Year 2017	idBBB+	-
	Sukuk Ijarah Year 2017	idBBB+(sy)	-
151	**Reasuransi Indonesia Utama (Persero)**	idAA	Stable
	Mandatory Convertible Bond I Year 2014	idAA-	-
152	**Reasuransi Syariah Indonesia**	idA+	Stable
153	**Ricobana Abadi**	idBBB-	Stable
	MTN Year 2017	idBBB-	-
154	**Sarana Multi Infrastruktur (Persero)**	idAAA	Stable
	Bond Year 2014	idAAA	-
	Shelf Registration Bond Year 2016 and 2017	idAAA	-
	Shelf Registration Green Bond Year 2018	idAAA	-
	Shelf Registration Sukuk Mudharabah Year 2018	idAAA(sy)	-
155	**Sarana Multigriya Finansial (Persero)**	idAAA	Stable
	Shelf Registration Bond Year 2012, 2013, 2016, 2017, and 2018	idAAA	-
	Sukuk Mudharabah Year 2017	idAAA(sy)	-
156	**Semen Baturaja (Persero) Tbk.**	idA	Stable
	MTN Year 2018	idA	-
157	**Semen Indonesia (Persero) Tbk.**	idAA+	Stable
	Shelf Registration Bond Year 2017	idAA+	-
158	**Siantar Top Tbk.**	idA	Stable
	Shelf Registration Bond Year 2016	idA	-
159	**Siba Surya**	idBBB+	Stable
160	**Sumberdaya Sewatama**	idBB	Stable
	Bond Year 2012	idBB	-
	Sukuk Ijarah Year 2012	idBB(sy)	-
161	**Summarecon Agung Tbk.**	idA	Stable
	Shelf Registration Bond Year 2013, 2014, 2015, and 2017	idA	-
	Shelf Registration Sukuk Ijarah Year 2013 and 2014	idA(sy)	-
162	**Surya Artha Nusantara Finance**	idAA-	Stable
	Shelf Registration Bond Year 2015, 2016, and 2017	idAA-	-
163	**Surya Semesta Internusa Tbk.**	idA-	Negative
	Shelf Registration Bond Year 2016	idA-	-
164	**Suzuki Finance Indonesia**	idA-	Stable
165	**Tiga Pilar Sejahtera Food Tbk.**	idSD	-
	Bond Year 2013	idD	-
	Sukuk Ijarah Year 2013 and 2016	idD(sy)	-
166	**Timah (Persero) Tbk**	idA+	Stable
	Shelf Registration Bond Year 2017	idA+	-
	Shelf Registration Sukuk Ijarah Year 2017	idA+(sy)	-
167	**Tiphone Mobile Indonesia Tbk.**	idBBB+	Stable
	Shelf Registration Bond Year 2016 and 2017	idBBB+	-
168	**Tridomain Performance Materials Tbk.**	idA-	Stable
	MTN Year 2017 and 2018	idA-	-
169	**Trimegah Sekuritas Indonesia Tbk.**	idA	Stable
	MTN Year 2018	idA	-
170	**Verena Multi Finance Tbk.**	idA-	Negative
	MTN Year 2017	idA-	-
171	**Waskita Karya (Persero) Tbk.**	idA-	Positive
	Shelf Registration Bond Year 2015, 2016, and 2017	idA-	-
172	**Wijaya Karya Beton Tbk.**	idA+	Stable
173	**Wika Realty**	idBBB+	Stable
	MTN Year 2016 dan 2017	idBBB+	-