

## Low Inflation Rate, Weak Demand, and Low Economic Growth

### Preliminary

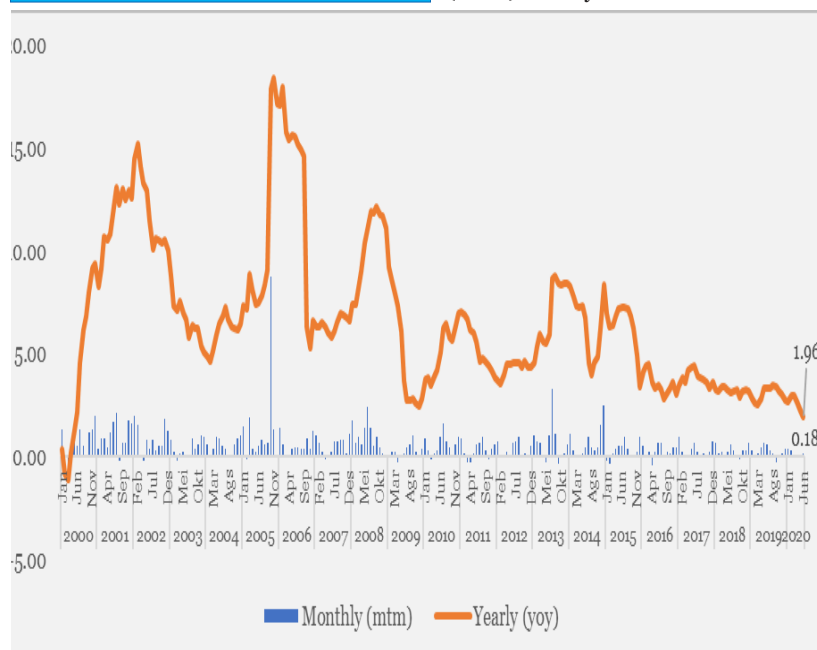
In June 2020, Indonesia's consumer price index (CPI) inflation stood at 0.18% (Month to Month - MtM) or was up 1.96% (Year on Year - YoY), the lowest annual inflation rate since June 2000. At the same time, the annual rate of inflation is slightly below Bank Indonesia's target range in 2020 of 2% to 4% (YoY). The coronavirus (COVID-19) pandemic is the main reason, but the countercyclical policy pursued by the monetary and fiscal authority is expected to be able to keep the inflation rate stable and hold the deeper contraction of economy in 2020.

### Low Inflation Rate

CPI inflation in June 2020 continued to record another milestone as the lowest annual inflation rate since June 2000, and at the same time, the rate is below the Bank Indonesia's (BI) target range of between 2 and 4% (YoY) for the year. This low rate of inflation also happened in May 2020 when Indonesia experienced the lowest headline inflation rate during Idul Fitri season for the last 20 years.

According to Statistics Bureau (BPS) data, inflation in June 2020 stood at 0.18% (MtM) or was up by 1.96% (YoY). Based on the components, the low inflation rate was driven by the core inflation that stood only at 0.02% (MtM) or 2.26% (YoY). Meanwhile, the administered prices saw inflation of 0.22% (MtM), bringing a 0.52% (YoY) inflation rate. Then the volatile food prices saw a 0.77% (MtM) or 2.32% (YoY) inflation – after deflation of 0.50% (MtM) in May 2020.

Figure 1. Indonesia's CPI Inflation



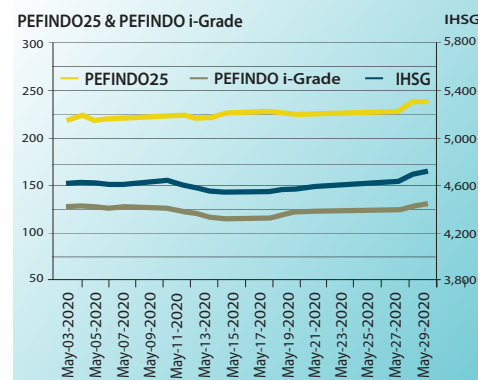
Source: Statistics Bureau – BPS (2020)

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**Fikri C. Permana**  
ECONOMIST

BPS head Suhariyanto said that this year's low inflation was due to weaker purchasing power as the pandemic reined in consumer demand. Although the consumer prices for food, beverages, and tobacco rose the most at 0.47% (MtM), he added that the increased prices were driven by increased prices of purebred chicken and eggs due to low stocks in several regions. Transportation recorded the second largest inflation rate in June with a 0.41% (MtM) inflation due to the rising prices of airline tickets and online motorcycle taxis (ojek online) as a response to the government regulation to limit number of passengers during the COVID-19 pandemic.

**Weaker Demand and Economic Growth**

Referring to the Philips Curve theory that stated inflation and unemployment have a stable and inverse relationship, the low rate of inflation in Indonesia in the first half of 2020 is understandable. According to the Manpower Ministry, there were 3.05 million Indonesians who have either been laid-off or furloughed as of June 2, 2020 with a possibility of 5.23 million added unemployment in the near future due to the pandemic impact. According to the BPS data in February 2020, Indonesia workforce were 137.91 million people, while unemployment rate only stood at 4.9%. However, using the latest data from the Manpower Ministry, the pandemic already increased the gross unemployment rate in early June 2020 to 7.2% and can further increase to 10.9% soon.

Furthermore, the Permanent Income Hypothesis theory states people will spend money at a level consistent with their expected long-term

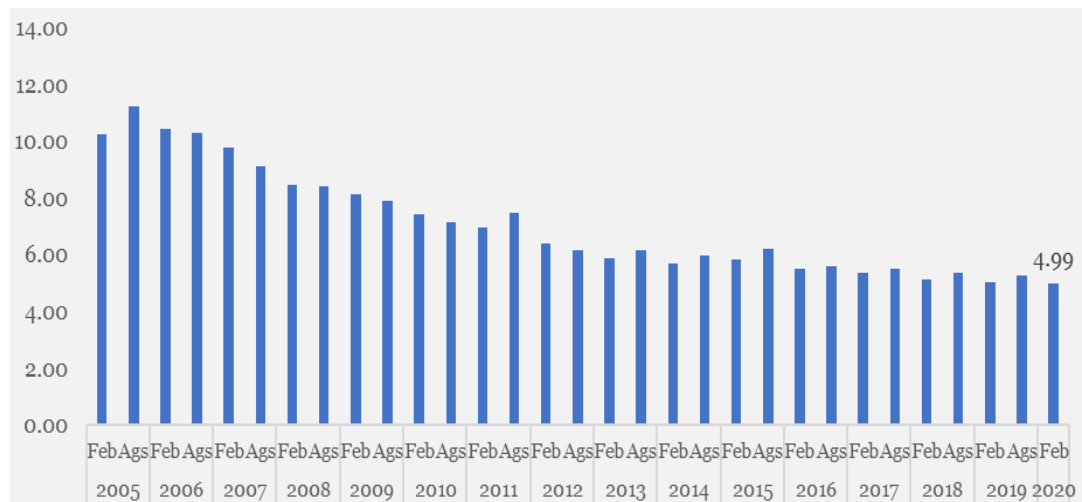
average income. Likewise, the Relative Income Hypothesis theory stated the satisfaction (or utility) an individual derived from a given consumption level depends on its relative magnitude in the society (or relative to the average consumption). Both theories seemingly become the significant theory to explain how the inflation stood at the lower level, the purchasing power is decreasing, and consumption behavior is changing.

Then, the Okuns Law that empirically shows the relationship between unemployment and losses in a country's production shows why Indonesia's economic growth in 2020 will be restrained. In the first quarter of 2020, without any large scale restriction (PSBB), the economic growth only reached 2.98% (YoY), the lowest since 2001.

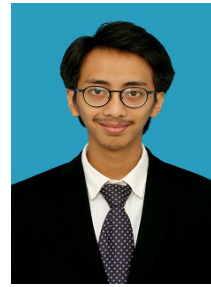
However, the countercyclical policy pursued by the monetary and fiscal authority is expected to be able to hold the deeper contraction in economy. Bank Indonesia already reduced 75 basis points (bps) of its benchmark policy rate (BI7DRRR) in the first half of 2020, with some other loosening monetary policy – such as lower banking reserve requirement, participated in government bond primary market, and stabilized the rupiah exchange rate – are helpful to deliver the monetary signal to support the stability for all economic agents in Indonesia.

At the same time, the expansive fiscal policy undertaken by the government (Ministry of Finance), with an allocation of the state budget to the pandemic is now IDR677.2 trillion (USD48 billion) - higher than IDR641.2 trillion allocation in May 2020 or IDR405.1 trillion initial allocation – is expected to keep the purchasing power for lower income society and help minimizing the economic downturn. ●

**Figure 2. Indonesia's Unemployment Rate**



Source : Statistics Bureau – BPS (2020)



**Umar Hareddy**  
CORPORATE RATING ANALYST

## COVID-19 Effect on The Petrochemical Sector's Outlook

# W

are of the view that the Coronavirus Disease (COVID-19) pandemic has a moderate impact on the petrochemical sector in Indonesia over the near term. We are aware that COVID-19 could weaken economic activity

in Indonesia, as seen from the scenario test results conducted by the Ministry of Finance to the economic growth projection in 2020. One of the results from the scenario was Indonesia could experience a contraction/negative economic growth in 2020. In other words, it will affect the performance of some domestic sectors, one of which is the petrochemical sector. However, we still maintain our stable outlook for the petrochemical sector after considering several factors.

The first factor is the global crude oil price drop. As a derivative product of crude oil, petrochemical market dynamics are affected by global crude oil market conditions in addition to the demand and supply dynamics of the petrochemical products. The recent slump in crude oil price, to some extent, benefits the petrochemical sector as it also leads to a decline in the price of naphtha, the feedstock of olefins products. At the same time, petrochemical product selling prices have also been declining, albeit with a slower pace. It resulted in a wider spread between the selling price of petrochemical products and naphtha price. This can happen because the demand for petrochemical products is still good during this pandemic. They have a wide range of uses in different sectors. In addition, there is rising demand from certain sectors, such as consumers and healthcare, as they can be used in the production of alcohol-based sanitizers and surgical masks.

In addition, the second quarter is a heavy turnaround season in Asia, with those in Japan expected to proceed with maintenance as planned. We are of the view that this will

affect the supply-demand equilibrium and is expected to ease the current oversupply condition in the region. After the turnaround, we also expect petrochemical product manufacturers to adjust their operating rates to anticipate softer demand and maintain prices. They will face difficulties in tapping new markets as off-takers if they maintain normal operating levels, considering the current lockdown situation in most countries. We are of the view that this condition will give an advantage to domestic producers, especially those operating in countries that are still experiencing supply shortages.

These conditions are expected to favor the Indonesian domestic petrochemical sector, as Indonesia still needs to import from Malaysia, Thailand, and Singapore to fulfill domestic petrochemical needs. We are of the view that the lockdown in those countries will also limit the transportation of goods. Furthermore, there are additional freight costs that will be borne by buyers. These factors will escalate the competitive edge of domestic producers, especially those with extensive distribution arms that are able to transport products at lower prices and meet customer expectations. As a result, we are of the view that softer demand will affect imported products more than domestic producers.

Overall, we expect the domestic sector producers to enjoy a wider spread between product prices and naphtha price over the coming quarters in the near term. We expect the demand to still favor the domestic sector producers, with the assumption that low oil price will remain and the exchange rate will be stable.

### Rated Company

Currently, PEFINDO has only rated one company that is engaged in the petrochemical sector, PT Chandra Asri Petrochemical Tbk (TPIA, <sup>id</sup>AA-/Negative). On June 4, 2020, PEFINDO revised the corporate rating outlook to "negative" from "stable" to anticipate prolonged narrowing spread between the feedstock costs and the petrochemical product

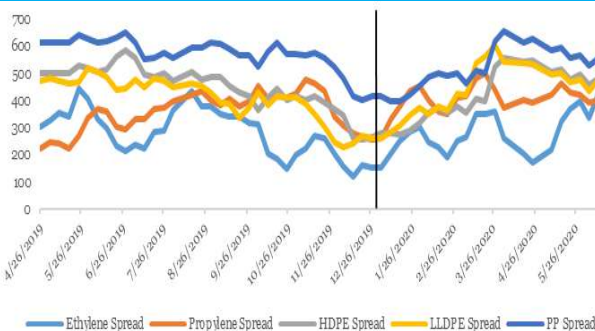
prices as reflected by continuous declining profitability margins, which to some extent will weaken its financial profile. For the past three years, the Company's financial profile has been on pressure as a result of narrowing spread between the feedstock costs and the petrochemical product prices, while at the same time incurring additional debt to finance its expansion but still on a manageable level.

At the same time, PEFINDO has affirmed the Company's rating

at "<sup>id</sup>AA-" as we view that the Company's operations would not be directly affected by the COVID-19. The Company's operations are supported by current supply shortages in Indonesia and also benefit from the proximity of the plant's location to customers. The Company has a pipeline that supports the product distribution process to customers that give some added value as it makes its customers easier to maintain production levels. As a result, it makes the Company to become a preferred supplier. In addition, we are of the view that the Company had a strong liquidity profile. As of the end of 2019, it held USD660 million in cash, with only USD68 million in short-term debt. Its cash – after deducting the short-term debt portion – could also cover its entire capital expenditure plan of around USD135 million for 2020. The Company also still had around USD300 million in unused credit facilities from various banks.

We are aware that the Company's revenue declined in 2019, but it was mainly on account of its turnaround maintenance, which halted the production for almost two months. In the same period, the Company also increased its polyolefin production capacity, which would enable it to generate a wider margin going forward. We also expect its sales volume to remain favorable in 2020 despite the COVID-19 pandemic. As more than half of the country's polyolefin needs are still imported, we are of the view that any softer demand due to slower economic growth will have more significant impact on imported products. Nevertheless, we will continue to monitor the Company's performance in the near future, especially during the COVID-19 pandemic. ●

Figure 1. Spread Between Petrochemical Products and Naphtha Prices (In USD/MT)



Source: Bloomberg, processed by PEFINDO (June 2020)

Figures 2. Financial Highlights of Rated Companies

Financial Highlights	TPIA Dec-2019
Total Adjusted Assets [USD Mn]	3,451.2
Total Adjusted Debt [USD Mn]	787.9
Total Adjusted Equity [USD Mn]	1,761.0
Total Sales [USD Mn]	1,881.0
EBITDA [USD Mn]	174.2
Net Income after MI [USD Mn]	22.9
EBITDA Margin [%]	9.3
Adjusted Debt/EBITDA [X]	4.5
Adjusted Debt/Adjusted Equity [X]	0.4
FFO/Adjusted Debt [%]	13.3
EBITDA/IFCCI [X]	3.1

FFO = EBITDA – IFCCI + Interest Income – Current Tax Expense

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

IFCCI = Gross Interest Expense + Other Financial Charges + Capitalized Interest;

(FX Loss not included)

MI = Minority Interest

Source: the Companies' financial statements, processed by PEFINDO (June 2020)

## Local Government's Liquidity

From Transfer Revenue (3)



**M. Try Satria Pranata**  
MUNICIPAL ANALYST

In the previous two articles, we have identified the disbursement timeline of transfer funds that can affect the local government's cash inflow to fulfil its expenditures. The cash inflow also describes the liquidity of local government, as one of the indicators analysed by PEFINDO in determining the local government's credit rating.

Transfer fund consists of General Allocation Fund (*Dana Alokasi Umum/DAU*), Special Allocation Fund (*Dana Alokasi Khusus/DAK*), Revenue Sharing Fund (*Dana Bagi Hasil/DBH*) of Tax, DBH of Natural Resources (*Sumber Daya Alam/SDA*), Special Autonomy (*Otonomi Khusus/Otsus*) Fund, Specialty Fund, and Local Incentives Fund (*Dana Insentif Daerah/DID*). Each type has its own calculation formula, provision, disbursement, and reporting enacted within specific regulations.

In this article, we will analyse the local government's liquidity derived from transfer revenue, specifically in the provincial government in Indonesia. We will simulate the cash flow based on transfer revenue received by the local governments from the central government as reported in the Budget Realization Report (*Laporan Realisasi Anggaran/LRA*) from the entire 34 provincial governments in the 2018 budget year.

We conduct analysis in general without addressing individual characteristic of specific local government. Some local governments do not provide identical financial statement accounts, thus misinterpretation of the type, time, and amount of transfer fund disbursed is very likely to occur. We apply several assumptions to the simulation, so it will produce the optimum analysis as possible.

In the following analysis, we did not include the Physical DAK because it was disbursed in accordance with the construction progress. For the net cash flow analysis, we use wages expenditure and operating expenditure (including wages, good and service, interest, subsidy, grant, and social security expenditures) with the assumption that the operating expenditures are paid every month at the same amount (prorate).

### Cash Inflow From Transfer Revenue

Based on the LRA of 34 provinces for the 2018 budget year, the cash inflow allocation derived from quarterly transfer revenue on average was 25:30:28:17. Therefore, local government's cash inflows were relatively stable for every quarter, with the highest inflow of 30% in the second quarter and the lowest inflow of 17% in the fourth quarter. It is due to the central government revenue cycle, which is usually very high in March-April due to the deadline of Corporate Income Tax payment.

There is a fundamental difference for some provinces that have specialties. For provinces that received Otsus Fund allocation (Aceh, Papua, and West Papua provinces), the high Otsus Fund disbursement (45%) occurred in the second phase with the earliest payment in June. It had an impact on increasing cash inflows in the second quarter, which resulted in Aceh's quarterly cash inflow allocation at 28:41:26:5, Papua's quarterly cash inflow allocation at 28:39:26:7, and West Papua's quarterly cash inflow allocation at 27:38:26:9. The high cash inflows in the second quarter may potentially disrupt the liquidity in the fourth quarter, if the cash flow is managed poorly.

### Net Cash Flow (Towards Wages Expenditure)

Wages expenditure must be paid every month. It is generally sourced from DAU, which is also disbursed monthly with an equal amount (prorate) and non-physical DAK (teacher allowance funds), in addition to local sourced revenue (*Pendapatan Asli Daerah/PAD*) or other local government's revenues.

Based on the LRA of 34 provinces, the net cash flows from DAU and teacher allowance funds deducted by wages expenditure in every month were positive for 20 provinces and negative for 10 provinces. In 3 provinces (Aceh, West Sumatra, and DI Yogyakarta), its negative net cash flow occurred temporarily especially in the first few months of the year, then positive in the following months until the end of the year. South Sulawesi Province also had a negative net cash flow that occurred every month, except in the months when the teacher allowance funds were disbursed.

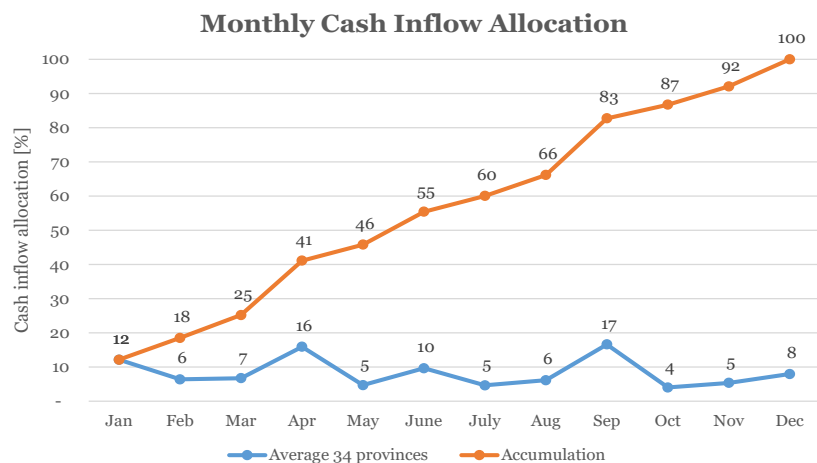
### Net Cash Flow (Towards Operating Expenditure)

We assume that the operating expenditure is paid monthly at the same amount (prorate). In practice, operating expenditure could be paid in accordance with the regulations and could be time adjusted along with the local government's liquidity. Operating expenditure is sourced from transfer revenues (other than physical DAK), PAD, or other revenues.

Based on the LRA of 34 provinces, the net cash flows from transfer funds deducted by operating expenditure in every month were positive for 5 provinces and negative for 2 provinces. In 3 provinces that received Otsus Fund (Aceh, Papua, and West Papua), its negative net cash flow occurred temporarily especially in January, then positive in the following months until the end of the year. Other provinces had diverse monthly net cash flows, between positive and negative depending on the time and amount of transfer fund disbursed. However, in 2 provinces (Central Kalimantan and North Maluku), positive net cash flow occurred from September to the end of the year.

In the local governments that have negative net cash flows, the wages expenditure and operating expenditure still need to be supported by its PAD or other revenues. It may potentially reduce budgetary capacity in financing regional development and providing services to the community. Detailed analysis is required to assess the effect of negative net cash flow on the local government's ability to meet its financial obligations. ●

Table 1. Cash Inflow Allocation From Transfer Revenue



Source: Processed from 34 provinces financial statements of 2018 budget year.

## An Extraordinary General Meeting of Shareholder (EGMS)



An Extraordinary General Meeting of Shareholder (EGMS) of PEFINDO was convened on Wednesday, May 27, 2020 at 10.00 AM through teleconference.

Amongst important resolutions of the Extraordinary GMS are approval on the changes of PEFINDO's Article of Association on Article 3 regarding purposes and objectives of the Company and Articles 12 and 15 regarding Board of Directors and Board of Commissioners. ●

## Newsletter

### Editorial Board

**Severino Budipratama**, *Quality Control*  
 severino.budipratama@pefindo.co.id

**Hendro Utomo**, *Financial Institution Rating Analyst*  
 hendro.utomo@pefindo.co.id

**Niken Indriarsih**, *Corporate Rating Analyst*  
 niken.indriarsih@pefindo.co.id

**Andini Puspita Sari**, *Legal & Compliance*  
 andini.sari@pefindo.co.id

### Person In Charge

Economic Research Division

### Publisher

PT Pemeringkat Efek Indonesia

Advisor  
 Directors

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

## Where The Government Bond Yields

Will Move Forward Amid The Threat of Recession

**Ahmad Nasrudin**

ECONOMIC RESEARCH ANALYST



Indonesia has potentially to face a recession in the next few quarters. The spread of COVID 19 shrinks economic activity. The International Monetary Fund (IMF) predicts that Indonesia's economic growth will be -0.3% in 2020. In the second quarter of 2020, Minister of Finance, Sri Mulyani, predicted that Indonesia's economy would contract 3.1% YoY. Furthermore, in the third and fourth quarters, she predicted that growth would be 1.4% to -1.6%.

So, how will the impact of negative economic growth be on the bond market shortly? In our opinion, as long as there is no outflow of foreign investors, government bond yields will remain relatively stable with an upward trend.

As we have seen, yields started to decline in the past few weeks. As of June 25, 2020, the 10-year government bond yield was 7.193%, down to 7.346% at the end of the previous year.

Yields are relatively insensitive to real GDP growth (see chart 1). When economic growth began to slow down in 2008-2009, bond yields fell in line with monetary policy easing.

In our opinion, the two main variables that determine the direction of yield going forward are interest rates and exchange rates.

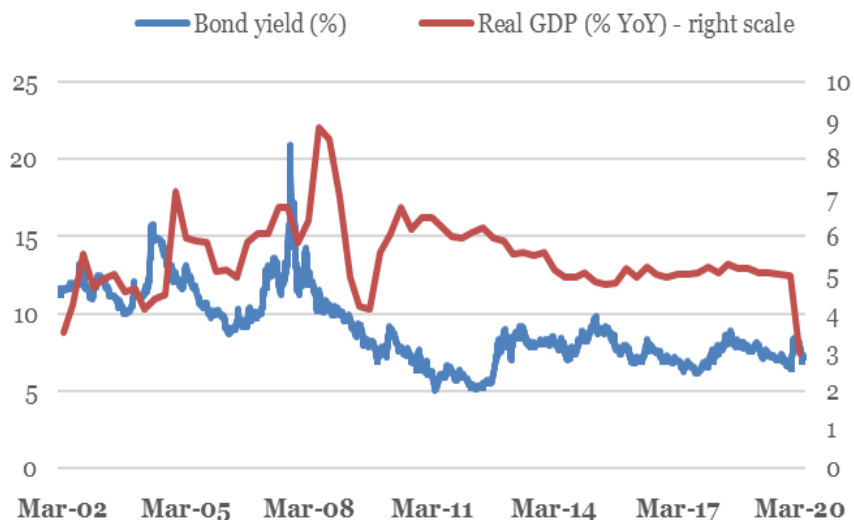
The central bank is likely to keep low interest rates. We think the threat of recession is a major consideration for maintaining easy monetary policy and encouraging economic growth. That way, the climate of low-interest rates supports yields not to rise significantly.

The exchange rate is the next crucial factor. The large portion of foreign ownership in government bonds (30.2% as of June 25, 2020) makes the domestic bond market vulnerable to capital outflows, especially when the exchange rate is still volatile and depreciating. Shrinking economic activity also reduces the need for imports, which, in our opinion, make a lighter current account pressure on the exchange rate.

With low-interest rate and relatively stable exchange rate, we expect yields to move relatively stable over the next month. Instead, worries appear in the corporate debt market.

The threat of recession means shrinking business growth. It means that several companies including debt issuers generate lower profits and cash inflows. This will weaken the borrower's ability to pay and increase the pressure on the risk of default in the next few months. Moreover, some corporate debt securities have a short to medium term maturity. ●

**Chart 1. The Trend of 10-Year Tenor Government Bond Yields and Real GDP Growth**



Source: Bloomberg



## companies & bonds rated by PEFINDO

No	Company	Rating	Outlook
1	<b>Adhi Karya (Persero) Tbk.</b> Shelf Registration Bond Year 2017 and 2019	idA-	Negative
2	<b>Adhi Persada Properti</b> MTN Year 2017	idBBB- idBBB-	Negative
3	<b>Adi Sarana Armada Tbk.</b>	idA-	Stable
4	<b>Adira Dinamika Multi Finance Tbk.</b> Shelf Registration Bond Year 2015, 2016, 2017, 2018, and 2019 Shelf Registration Sukuk Mudharabah Year 2016, 2017, 2018, and 2019	idAAA idAAA idAAA(sy)	Stable
5	<b>AKR Corporindo Tbk.</b> Shelf Registration Bond Year 2017	idAA-	Stable
6	<b>Aneka Tambang Tbk.</b> Shelf Registration Bond Year 2011	idA	Negative
7	<b>Ankasa Pura I (Persero)</b> Bond Year 2016 Sukuk Ijarah Year 2016	idAAA idAAA idAAA(sy)	Negative
8	<b>Ankasa Pura II (Persero)</b> Bond Year 2016 Shelf Registration Bond Year 2018	idAAA idAAA idAAA	Negative
9	<b>ASDP Indonesia Ferry (Persero)</b>	idAA	Stable
10	<b>Astra Sedaya Finance</b> Shelf Registration Bond Year 2018, 2019, and 2020 Shelf Registration Sukuk Mudharabah Year 2018	idAAA idAAA idAAA(sy)	Stable
11	<b>Asuransi Central Asia</b>	idAA	Stable
12	<b>Asuransi Jiwa Inhealth Indonesia</b>	idAA	Stable
13	<b>Asuransi Jiwa Taspen</b>	idAA+	Stable
14	<b>Asuransi Kredit Indonesia (Persero)</b>	idAA+	Stable
15	<b>Asuransi Sinar Mas</b>	idAA+	Stable
16	<b>Asuransi Tugu Kresna Pratama</b>	idBBB+	Stable
17	<b>Asuransi Umum BCA</b>	idAA	Stable
18	<b>Asuransi Umum Videi</b>	idBBB	Stable
19	<b>Bali Towerindo Sentra Tbk.</b> MTN Year 2017	idBBB+ idBBB+	Stable
20	<b>Bank Aceh Syariah</b>	idA	Stable
21	<b>Bank BNP Paribas Indonesia</b>	idAAA	Stable
22	<b>Bank BTPN Tbk.</b> MTN	idAAA idAAA	Stable
23	<b>Bank Bukopin Tbk.</b> Shelf Registration Subordinated Bond Year 2015 and 2017	idA	Stable
24	<b>Bank Capital Indonesia Tbk.</b> Subordinated Bond Year 2014, 2015, and 2017	idBBB idBBB+	Negative
25	<b>Bank Central Asia Tbk.</b> Shelf Registration Subordinated Bond Year 2018	idBBB- idBBB-	Stable
26	<b>Bank CIMB Niaga Tbk.</b> Shelf Registration Bond Year 2016, 2017, 2018, and 2019 Shelf Registration Subordinated Bond Year 2019 Subordinated Bond Year 2018 Shelf Registration Sukuk Mudharabah Year 2018, 2019, and 2020	idAAA idAAA idAAA idAA idAA idAAA(sy)	Stable
27	<b>Bank Danamon Indonesia Tbk.</b>	idAA	Stable
28	<b>Bank DKI</b> Shelf Registration Bond Year 2016	idAA-	Stable
29	<b>Bank Kesejahteraan Ekonomi</b>	idAA-	Stable
30	<b>Bank Lampung</b> Bond IV Year 2017	idBBB idBBB	Stable
31	<b>Bank Mandiri (Persero) Tbk.</b> Shelf Registration Bond Year 2016, 2017, 2018, and 2020 Subordinated MTN Year 2018	idA- idAAA idAA	Stable
32	<b>Bank Mandiri Taspen</b>	idAA	Stable
33	<b>Bank Mayapada Internasional Tbk.</b> Subordinated Bond Year 2013 Subordinated Bond Year 2014 and 2018 Shelf Registration Subordinated Bond Year 2017	idBBB+ idBBB idBBB- idBBB-	Negative
34	<b>Bank Maybank Indonesia Tbk.</b> Shelf Registration Bond Year 2017, 2018, and 2019 Shelf Registration Subordinated Bond Year 2014 and 2016 Shelf Registration Sukuk Mudharabah Year 2017	idBBB- idAAA idAAA idAA idAAA(sy)	Stable
35	<b>Bank Mega Tbk.</b>	idAA	Stable
36	<b>Bank Mestika Dharma Tbk.</b>	idBBB+	Stable
37	<b>Bank Negara Indonesia (Persero) Tbk.</b> Shelf Registration Bond Year 2017, 2018, and 2019 Subordinated MTN Year 2018	idAAA idAAA idAA	Stable
38	<b>Bank OCBC NISP Tbk.</b> Shelf Registration Bond Year 2017 and 2018	idAAA idAAA	Stable
39	<b>Bank Pan Indonesia Tbk.</b> Shelf Registration Bond Year 2016 and 2018 Shelf Registration Subordinated Bond Year 2016, 2017, and 2018	idAA idAA idAA+	Stable
40	<b>Bank Panin Dubai Syariah Tbk.</b>	idA+	Stable
41	<b>Bank Pembangunan Daerah Bengkulu</b>	idBBB+	Stable
42	<b>Bank Pembangunan Daerah Daerah Istimewa Yogyakarta</b>	idA	Stable
43	<b>Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.</b> Shelf Registration Bond Year 2017, 2018, and 2019 Shelf Registration Subordinated Bond Year 2017 and 2020	idAA- idAA- idA	Stable
44	<b>Bank Pembangunan Daerah Jawa Tengah</b> Subordinated Bond Year 2015 MTN Syariah Mudharabah Year 2017	idAA- idA idAA-(sy)	Negative
45	<b>Bank Pembangunan Daerah Kalimantan Selatan</b>	idA-	Stable
46	<b>Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara</b>	idA	Stable
47	<b>Bank Pembangunan Daerah Nusa Tenggara Timur</b> Shelf Registration Bond Year 2018	idA-	Stable
48	<b>Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat</b> Shelf Registration Bond Year 2016 and 2018 Sukuk Mudharabah Year 2016	idA- idA+ idA+(sy)	Stable

No	Company	Rating	Outlook
49	<b>Bank Pembangunan Daerah Sumatera Barat (Bank Nagari)</b> Bond Year 2015 Sukuk Mudharabah Year 2015	idA idA idA(sy)	Stable
50	<b>Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung</b>	idA	Stable
51	<b>Bank Permata Tbk.</b> Shelf Registration Subordinated Bond Year 2013 Shelf Registration Subordinated Bond Year 2014	idAAA idAA+ idAAA	Stable
52	<b>Bank Rakyat Indonesia (Persero) Tbk.</b> Shelf Registration Bond Year 2015, 2016, 2017, 2018, and 2019 Subordinated Bond Year 2018	idAAA idAAA idAAA	Stable
53	<b>Bank Rakyat Indonesia Agroniaga Tbk.</b> Bond Year 2017	idAA	Stable
54	<b>Bank Sumut</b> Shelf Registration Subordinated Bond Year 2018	idAA	Stable
55	<b>Bank Syariah Mandiri</b> Sukuk Mudharabah Subordinated Year 2016	idBBB+ idAA-(sy)	Stable
56	<b>Bank Tabungan Negara (Persero) Tbk.</b> Bond Year 2010 and 2011 Shelf Registration Bond Year 2012, 2013, 2015, 2016, 2017, and 2019	idAA+ idAA+ idAA+	Stable
57	<b>Bank Victoria International Tbk.</b> Subordinated Bond Year 2013 Shelf Registration Bond Year 2017, 2018, and 2019 Shelf Registration Subordinated Bond Year 2017, 2018, 2019, and 2020	idA- idBBB+ idBBB	Negative
58	<b>Barata Indonesia (Persero)</b> MTN Year 2017 and 2019	idBBB idBBB	Negative
59	<b>Barito Pacific Tbk.</b> Shelf Registration Bond Year 2019 and 2020	idA	Stable
60	<b>Batavia Prosperindo Finance Tbk.</b> Shelf Registration Bond Year 2018 and 2020	idBBB idBBB	Stable
61	<b>BCA Finance</b> Shelf Registration Bond Year 2019	idAAA idAAA	Stable
62	<b>Bio Farma (Persero)</b> MTN Year 2018 MTN Syariah Mudharabah Year 2018	idAAA idAAA idAAA(sy)	Stable
63	<b>BRI Multifinance Indonesia</b> MTN Year 2019	idAA-	Stable
64	<b>Bumi Serpong Damai Tbk.</b> Shelf Registration Bond Year 2016	idAA-	Stable
65	<b>Bussan Auto Finance</b> Bond Year 2017, 2018, and 2019	idAA-	Stable
66	<b>Century Tokyo Leasing Indonesia</b>	idAA	Stable
67	<b>Chandra Asri Petrochemical Tbk.</b> Bond Year 2016 Shelf Registration Bond Year 2017, 2018, 2019, and 2020	idAA- idAA- idAA-	Stable
68	<b>Chandra Sakti Utama Leasing</b> Bond Year 2017	idA	Stable
69	<b>Clipan Finance Indonesia Tbk.</b> MTN Year 2018	idAA-	Stable
70	<b>Credit Guarantee and Investment Facility</b>	idAAA	Stable
71	<b>CSM Corporatama</b>	idBBB+	Stable
72	<b>Danareksa (Persero)</b> MTN Year 2019	idA	Stable
73	<b>Elusa Tbk.</b>	idAA-	Stable
74	<b>Fast Food Indonesia Tbk.</b> Bond Year 2016	idAA	Stable
75	<b>Federal International Finance</b> Shelf Registration Bond Year 2017, 2018, and 2019	idAAA	Stable
76	<b>Finansia Multi Finance</b> MTN Year 2017 and 2018	idBBB+ idBBB+	Positive
77	<b>Global Mediacom Tbk.</b> Shelf Registration Bond Year 2017 Shelf Registration Sukuk Ijarah Year 2017	idA+ idA+ idA+(sy)	Negative
78	<b>Hakaaston</b> MTN Year 2018	idBBB+ idBBB+	Negative
79	<b>Hartadinata Abadi Tbk.</b> MTN Syariah Mudharabah Year 2019 Shelf Registration Bond Year 2019	idA- idA-(sy) idA-	Stable
80	<b>Hutama Karya (Persero)</b> Bond Year 2013 Shelf Registration Bond Year 2016 and 2017	idA idA idAAA(gg)	Negative
81	<b>Impact Pratama Industri Tbk.</b> Bond Year 2016	idA- idA-	Stable
82	<b>Indah Kiat Pulp and Paper Tbk.</b>	idA+	Stable
83	<b>Indofood Sukses Makmur Tbk.</b> Bond Year 2017	idAA+ idAA+	Stable
84	<b>Indomobil Finance Indonesia</b> Shelf Registration Bond Year 2017 and 2018	idA	Stable
85	<b>Indonesia Infrastructure Finance</b> Bond Year 2016 Shelf Registration Bond Year 2019	idAAA idAAA idAAA	Stable
86	<b>Indonesia Power</b>	idAAA	Stable
87	<b>Indosat Tbk.</b> Bond Year 2012 Shelf Registration Bond Year 2014, 2015, 2016, 2017, 2018, and 2019 Shelf Registration Sukuk Ijarah Year 2014, 2015, 2016, 2017, and 2019	idAAA idAAA idAAA(sy)	Stable
88	<b>Industri Kereta Api (Persero)</b> Sukuk Mudharabah Year 2020	idA- idA-(sy)	Stable
89	<b>Infrastruktur Bisnis Sejahtera</b>	idBBB+	Stable
90	<b>INKA Multi Solusi</b> MTN Syariah Mudharabah Year 2017	idBBB idBBB(sy)	Stable
91	<b>Intiland Development Tbk.</b> Bond Year 2016	idBBB idBBB	Stable
92	<b>J Resources Asia Pasifik Tbk.</b> Shelf Registration Bond Year 2019 and 2020	idA idA	Stable

No	Company	Rating	Outlook
93	J Resources Nusantara MTN Year 2017 and 2018	idA	Stable
94	Jakarta Lingkar Baratsatu Bond Year 2018	idA+	Stable
95	Jaminan Kredit Indonesia (Jamkrindo)	idAAA+	Stable
96	Jaminan Pembiayaan Askrindo Syariah	idA+	Stable
97	Jamkrida Jakarta	idBBB+	Stable
98	Jasa Marga (Persero) Tbk. Bond Year 2010	idA-	Stable
99	Jasa Raharja	idAAA	Stable
100	Jasamarga Pandoan Tol Sukuk Ijarah Year 2019	idA+	Stable
101	Jaya Bersama Indo Tbk.	idA+	Negative
102	Kapuas Prima Coal Tbk. Bond Year 2018	idBBB	Stable
103	Kereta Api Indonesia (Persero) Bond Year 2017 and 2019	idAAA	Negative
104	KIK DINFRA Toll Road Mandiri-001	idAAA	Stable
105	KIK EBA (Asset Backed Securities) KIK EBA Bahana Bukopin KIK EBA BNI-AM Bank Mandiri 01-Corporate Loan Class A KIK EBA Danareksa BTN-KPR BTN Class A KIK EBA Danareksa Indonesia Power PLN 1-Class A EBA KIK EBA Mandiri GMR01 Class A KIK EBA Mandiri GAA01 Class A EBA EBA-SP SMF-BTN02 Class A EBA-SP SMF-BTN03 Class A EBA-SP SMF-BTN04 Class A EBA-SP SMF-BTN05 Class A EBA-SP SMF-BMRI01 Class A	idAAA(sf) idAAA(sf) idAAA(sf) idAAA(sf) idAAA(sf) idA-(sf)(cg) idAAA(sf) idAAA(sf) idAAA(sf) idAAA(sf) idAAA(sf)	- - - - - - - - - - -
106	Kimia Farma Tbk. MTN Year 2017, 2018, and 2019 MTN Syariah Mudharabah Year 2019	idAA- idAA- idAA-(sy)	Negative - -
107	Komatsu Astra Finance	idAAA+	Stable
108	Lautan Luas Tbk. Shelf Registration Bond Year 2017	idA-	Stable
109	Lembaga Pembiayaan Ekspor Indonesia Shelf Registration Bond Year 2015, 2016, 2017, 2018, and 2019 MTN Year 2016 Shelf Registration Sukuk Mudharabah Year 2018 and 2019	idAAA idAAA idAAA idAAA(sy)	Stable - - -
110	Lembaga Penjamin Simpanan	idAAA	Stable
111	Lontar Papyrus Pulp and Paper Industry MTN Year 2017 Sukuk Mudharabah Year 2018	idA+	Negative
112	Mandala Multifinance Tbk. Shelf Registration Bond Year 2018, 2019, and 2020	idA	Negative
113	Mandiri Iunus Finance Shelf Registration Bond Year 2015, 2016, 2017, and 2019	idAA+ idAA+	Stable -
114	Marga Lingkar Jakarta Bond Year 2017	idAAA(sf)	-
115	Mayora Indah Tbk. Shelf Registration Bond Year 2017 and 2018	idAA	Stable
116	Medco Energi Internasional Tbk. Shelf Registration Bond Year 2016, 2017, 2018, and 2020	idA+	Negative
117	Medco Power Indonesia Bond Year 2018 Sukuk Wakalah Year 2018 and 2019	idA idA idA(sy)	Stable - -
118	Mega Auto Finance	idA-	Stable
119	Mega Central Finance	idA-	Stable
120	Mirae Asset Sekuritas Indonesia	idAA	Stable
121	Mitra Adiperkasa Tbk.	idAA	Stable
122	Mitra Bishis Keluarga Ventura	idBBB	Negative
123	MNC Kapital Indonesia Tbk. Shelf Registration Bond Year 2018	idBBB	Stable
124	Moderland Realty Tbk. Shelf Registration Bond Year 2015	idBBB	CreditWatch with Negative Implication
125	Mora Telematika Indonesia Bond Year 2017 Shelf Registration Sukuk Ijarah Year 2019	idA idA idA(sy)	Stable - -
126	Nindya Karya (Persero) MTN Year 2017	idBBB+	Stable
127	Nippon Indosari Corpindo Tbk.	idAA-	Stable
128	Nusa Surya Ciptadaha	idA-	Stable
129	Oto Multiartha Bond Year 2017, 2018, and 2019	idAA+ idAA+	Stable -
130	Pabrik Gula Rajawali I MTN Year 2018	idA-	Stable
131	Panorama Sentrawisata Tbk. MTN Year 2018	idBBB- idBBB-	Negative -
132	Pegadaian (Persero) Shelf Registration Bond Year 2011, 2013, 2017, 2018, and 2020 MTN Syariah Mudharabah Year 2018 Shelf Registration Sukuk Mudharabah Year 2020	idAAA idAAA idAAA(sy) idAAA(sy)	Stable - - -
133	Pelabuhan Indonesia I (Persero) Bond Year 2016	idAA-	Stable
134	Pelabuhan Indonesia IV (Persero) Bond Year 2018	idAA idAA	Stable -
135	Pelindo Marine Service	idA-	Stable
136	Pembangunan Jaya Ancol Tbk. Shelf Registration Bond Year 2016, 2018, and 2019	idA	Negative
137	Pembangunan Perumahan (Persero) Tbk. Shelf Registration Bond Year 2018 and 2019 Perpetual Bond	idA+ idA+ idA-	Negative - -
138	Perikanan Nusantara (Persero) MTN Year 2017	idBB-	CreditWatch with Negative Implication

No	Company	Rating	Outlook
139	Perkebunan Nusantara III (Persero) MTN Year 2018 and 2019 MTN Syariah Ijarah Year 2018 Sukuk Ijarah Year 2019	idA idA idA(sy) idA(sy)	Negative - - -
140	Perkebunan Nusantara X MTN Year 2018	idBBB+	Stable
141	Permodalan Nasional Madani (Persero) Shelf Registration Bond Year 2016, 2017, 2018, 2019, and 2020 Sukuk Mudharabah Year 2017, 2018, and 2019	idBBB+ idBBB+ idA+ idA+(sy)	Negative - - -
142	Perum Perikanan Indonesia MTN Year 2017	idA+	Stable
143	Perum Perumnas MTN Year 2016, 2017, 2018, and 2019	idBB+ idBB+ idBBB- idBBB-	Stable - Negative -
144	Perusahaan Listrik Negara (Persero) Bond Year 2006, 2007, and 2010 Shelf Registration Bond Year 2013, 2017, 2018, 2019, and 2020 Shelf Registration Sukuk Ijarah Year 2013, 2017, 2018, 2019, and 2020	idAAA idAAA idAAA idAAA(sy)	Stable - - -
145	Perusahaan Pengelola Aset (Persero) MTN Year 2019 Commercial Paper Year 2019	idA idA idA1	Stable - -
146	Perusahaan Perseoran (Persero) Telekomunikasi Indonesia Tbk. Bond Year 2010 Shelf Registration Bond Year 2015 MTN Year 2018 MTN Syariah Ijarah Year 2018	idAAA idAAA idAAA idAAA idAAA(sy)	Stable - - - -
147	Pindad (Persero) MTN Year 2017	idA- idA-	Negative -
148	Pos Indonesia (Persero) MTN Syariah Ijarah Year 2018 MTN Year 2019	idBBB+ idBBB+(sy) idBBB+	Negative - -
149	PP Properti Tbk. Bond Year 2016	idBBB- idBBB-	Negative -
150	Pupuk Indonesia (Persero)	idAAA	Stable
151	Rajawali Nusantara Indonesia (Persero) MTN Year 2017 Sukuk Ijarah Year 2017	idBBB idBBB idBBB(sy)	Stable - -
152	Reasuransi Indonesia Utama (Persero) Mandatory Convertible Bond I Year 2014	idAA idAA-	Stable -
153	Reasuransi Syariah Indonesia	idA+	Stable
154	Ricobana Abadi MTN Year 2017	idBBB- idBBB-	Stable -
155	Sampoerna Agro Tbk. Shelf Registration Bond Year 2020 Shelf Registration Sukuk Ijarah Year 2020	idA- idA- idA-(sy)	Stable - -
156	Sarana Multi Infrastruktur (Persero) Shelf Registration Bond Year 2016, 2017, 2018, and 2019 Shelf Registration Green Bond Year 2018 Shelf Registration Sukuk Mudharabah Year 2018 and 2019	idAAA idAAA idAAA idAAA(sy)	Stable - - -
157	Sarana Multigriya Finansial (Persero) Shelf Registration Bond Year 2016, 2017, 2018, 2019, and 2020 Shelf Registration Sukuk Mudharabah Year 2019 Commercial Paper Year 2019	idAAA idAAA idAAA(sy) idA1+	Stable - - -
158	Semen Baturaja (Persero) Tbk. MTN Year 2018	idA idA	Stable -
159	Semen Indonesia (Persero) Tbk. Shelf Registration Bond Year 2017 and 2019	idAA idAA	Stable -
160	Shinhan Indo Finance	idA-	Stable
161	Siantar Top Tbk. Shelf Registration Bond Year 2016	idA+ idA+	Stable -
162	Sinar Mas Agro Resources and Technology Tbk. Shelf Registration Bond Year 2020	idA+ idA+	Stable -
163	Sumberdaya Sewatama Bond Year 2012 Sukuk Ijarah Year 2012	idCCC idCCC idCCC(sy)	Negative - -
164	Summarecon Agung Tbk. Shelf Registration Bond Year 2015, 2017, 2018, and 2019	idA idA	Stable -
165	Surya Artha Nusantara Finance Shelf Registration Bond Year 2017	idAA- idAA-	Stable -
166	Surya Semesta Internusa Tbk. Shelf Registration Bond Year 2016	idA- idA-	Negative -
167	Suzuki Finance Indonesia	idA-	Stable
168	Timah Tbk. Shelf Registration Bond Year 2017 and 2019 Shelf Registration Sukuk Ijarah Year 2017 and 2019	idA+ idA+ idA+(sy)	Stable - -
169	Tiphone Mobile Indonesia Tbk. Shelf Registration Bond Year 2016, 2017, and 2019	idBBB+ idBBB+ idBBB+	CreditWatch with Negative Implication - -
170	Tridomain Performance Materials Tbk. MTN Year 2017 and 2018 Bond Year 2018 and 2019	idA- idA- idA-	Stable - -
171	Trimegah Sekuritas Indonesia Tbk. MTN Year 2018	idA	Negative
172	Usaha Pembiayaan Reliance Indonesia	idBBB-	Negative
173	Voksel Electric Tbk. Bond Year 2019	idA- idA-	Stable -
174	Waskita Karya (Persero) Tbk. Shelf Registration Bond Year 2015, 2016, and 2017	idA- idA- idA-	Negative - -
175	Waskita Toll Road	idBBB+ idBBB+	Negative -
176	Wijaya Karya Beton Tbk.	idA+	Stable
177	Wilka Realty MTN Year 2017	idBBB- idBBB-	Negative -